



Council of Social Service of New South Wales

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17 April 2009

Independent Pricing and Regulatory Tribunal
2009 Review of Taxi Fares in NSW
ipart@ipart.nsw.gov.au

Dear Sir or Madam

The Council of Social Service of NSW (NCOSS) would like to thank you for the opportunity to comment on the IPART 2009 Review of Taxi Fares in NSW.

NCOSS is an independent non-government organisation (NGO) and is the peak body for the non-government human services sector in NSW. NCOSS works with its members on behalf of disadvantaged people and communities towards achieving social justice in New South Wales. It was established in 1935 and is part of a national network of Councils of Social Service, which operate in each State and Territory and at Commonwealth level.

Introduction

Section 15(1)(k) of the IPART Act 1992 (NSW) provides direction for the regulator to consider the social impacts of fare determinations. It is not clear, however, how the social impact of pricing decisions is taken into account by the regulator, or weighted against the revenue needs of transport operators

The Social Policy Research Centre conducted focus groups to increase the knowledge of the affects of poverty. With regard to transport they reported:

Throughout the focus group discussions, transport was constantly identified as essential in terms of accessing many of the things identified as key elements of a decent standard of living ... Lack of adequate transport was also seen as a constant problem that caused many to miss out on a decent life.

*...participants suggested that the affordability of transport was a significant problem, particularly the costs associated with ... taxi costs ...**

In previous submissions to IPART, NCOSS has expressed concerns that taxi fares had been rising faster than the cost of living over long periods of time (1998 – 2006) which meant that the affordability of taxi use for low income earners had been reducing. It is important that this trend does not return. NCOSS would not support a rise in taxi fares greater than the cost of living indexes. While NCOSS does not oppose modest fare increases to enable the taxi industry to offset rising costs, adequate regulation of fares growth (in line with requirements of the IPART Act 1992 (NSW)) should ensure that cost increases are referenced to affordability concerns.

Social Impact of Taxi Fare Pricing – Who Is Most Affected

People who rely on taxis because they cannot drive or cannot use other forms of public transport because they have limited abilities, and people who cannot afford to own a car will be affected by taxi fare price rises. For people in these circumstances, a fare increase is likely to have a more serious impact because their transport choices are very limited. People with disabilities, Aboriginal people and unemployed people are some of the people who will be most affected,

Another group of people who may be particularly affected by a taxi fare increase are those who use Health Related Transport programs, such as people using dialysis, chemotherapy or oncology radiation treatments. People using these treatments are regular users of taxis and are not able to defer their travel (for obvious health reasons). They often receive their service through a community transport program using a form of taxi vouchers. It is likely that these people, and the funding programs that support them, will be adversely affected by a rise in taxi fares.

Taxi travel for people with disabilities that live in rural or village areas is sometimes the only transport option available. Community transport is not available for those people who access post-school education, training or employment. There is very low availability of accessible bus services in rural towns and regional centres. Rural school services also do not have accessible buses. These factors lead to a dependence on either taxi transport or private vehicle travel, which is not always available.

Specific economic modeling about how a fare rise will affect the availability and usage of taxis for these high-needs groups of people is not available to NCOSS at this time but it seems safe to say that, unless the Government adjusts the subsidy rates to ameliorate the effect of a rise, it will mean a reduction in the number and distance of journey's taken by these and other categories of high-needs people.

Use of Taxis by Community Transport

Over recent years the use of taxis for community transport has increased and it is now common practice for community transport providers to broker journeys to taxis operators. This increases the capacity of community transport by utilizing the taxi fleet and enables out of hours and weekend services to be provided to community transport clients. To provide this service community transport allocate funds from their transport budgets supplied from funding programs such as the Community Transport Program, Home and Community Care and Health Related Transport.

A very positive and effective relationship has been developing between the taxi industry and the community transport sector which, we believe, has contributed to a rise in the quality of service provided by taxis.

The Community Transport Organisation have completed a Taxi Driver Training Video for taxi drivers on the needs of Home And Community Care (HACC) clients and the Taxi Industry are incorporating that into their own Driver Training Module which drivers complete before they will be given access to community transport work. NCOSS supports of this type of work and congratulates these bodies.

Community transport service providers are utilizing taxis to provide service to their low to medium needs clients. This has been a positive development for both community transport providers and the community transport sector. The community transport sector is, however, looking for opportunities to negotiate day time, off-peak off-the-meter rates; trips Monday to Friday between 9am and 3pm. These are the peak periods for community transport and are also identified as the slower periods for the taxi industry. The ability to negotiate rates will make it more affordable for more community transport services to broker trips to the taxi industry and hence benefit the Taxi industry during their slower periods. NCOSS requests that this be taken into consideration and recommended by IPART for further investigation.

Flag Fall v Distance Charges

Low income users will be disproportionately affected by aggressive flag fall pricing. This will adversely impact people who use taxis over short journeys, including people with mobility difficulties who use taxis to access local services. It is therefore important for IPART to ensure that particular service users are not disproportionately affected by changes to flag fall rates.

Meanwhile, a disproportionate increase in distance charges will affect people who need longer journeys, such as people in metro-fringe and non-urban areas. Schemes run by community transport such as the youth transport service in the Hawkesbury or the taxi subsidy scheme in the Northern Rivers work with people needing transport for trips longer than 10klms. A large increase in the distance charges will affect these schemes badly.

Using feedback from our contacts in the community sector and in the absence of the complex modeling needed to understand these interactions, it appears that the balance between distance and flag-fall components are currently operating reasonably fairly.

Wheelchair Accessible Taxis (WATs)

As pointed out in the IPART Information Paper, the response times for WATs have improved, strongly between 2006-07 and slightly between 2007-08. The supply and performance of WATs to wheelchair users in NSW, however, is below targets and existing service levels available to other taxi users. NCOSS advocates that the work to improve these discrepancies should be continued.

A system of incentive payments for drivers, \$8.47 per WAT pick-up, was recommended by the Wheelchair Accessible Taxi (WAT) Taskforce and was, we understand, being trialed. At this stage NCOSS has not seen any outcomes from that trial. The trial was to help improve the waiting times and quality of service by making a WAT pick-up more attractive financially. Has this system been effective? NCOSS advocates that IPART suggest a suitable level for this payment to achieve the objectives of the program.

NCOSS advocates that other measures of service levels, as well as response times, should be taken. It would be very helpful to have information about complaints received from WAT users so that issues particular to these customers could be recorded; such as issues related to loading and unloading.

The WAT Taskforce proposed investigating the possibility that the whole taxi fleet be made accessible. This would eliminate the discrepancies in service standards, fares and the cost of taxi plates. NCOSS advocates that IPART recommend this.

The Interaction of Taxi Fares and Other Parts of the Transport System

While NCOSS is aware that Government subsidies are not within the scope of the IPART Review, we want to make IPART aware that a taxi fare rise will affect the funding programs that are designed to support a number of categories of people with high-needs. An increase in taxi fares will obviously affect the distribution of these funds and the amount of transport available to the people using these services.

In instances where people are supported by Government to use taxis, via the taxi subsidy scheme, a fare increase will be distributed between the customer and the Government funding program; the amount depending on the fare and the frequency of use. In instances where people who are supported by Government subsidies via a community transport provider the increase will be distributed between the community transport provider and the customer depending on the fare and frequency of use.

Community Transport providers have expressed concern to NCOSS that an increase in taxi fares may cause an increase in demand for community transport services, particularly for weekend and after-hours services.

Because taxis and the bus network systems are managed and regulated by the Ministry of Transport there is a potential to coordinate the systems to implement Government policy goals. In areas of Sydney where the bus network does not run after-hours or on weekends taxis become the only mode of public transport. This often means low income people are using taxis because of the lack of other mainstream, subsidized by Government, services.

It is interesting to note how taxis are being used in some places in a public transport role as demand responsive, small buses. In some places taxi operators have developed services like this themselves but they are constrained by the structure of the public transport system which doesn't have enough flexibility to encourage demand responsive services. There is scope to develop this work and pricing, particularly for maxi-cabs and multi-fare trips, may be able to make a contribution to this development.

Conclusions and Recommendations

NCOSS believes that the taxi industry provides a valuable contribution to the public transport system, and is an indispensable transport option for low income people

People who will be strongly affected by a fare rise will be:

- people using taxis to access health services to manage serious and chronic illnesses such as renal failure and cancer,
- low income people,
- people with disabilities,
- Aboriginal people,
- outer-metropolitan and rural people who are reliant on taxis to access necessary goods and services because of a lack of transport alternatives.

NCOSS would like greater clarity around how economic considerations and social impact considerations are balanced in an IPART recommendation.

NCOSS would not support an increase above the cost indexes provided in the Information Paper.

NCOSS recommends the balance between flag-fall and distance charges remains the same.

The community transport sector is looking for opportunities to negotiate day time, off-peak, off-the-meter rates; trips Monday to Friday between 9am and 3pm. NCOSS advocates that IPART recommend this be investigated.


There has been an incentive payment scheme trialed to improve the response times and quality of service for WAT customers. NCOSS advocates that IPART make an assessment of the effectiveness of this payment and the level at which it should be set.

The WAT Taskforce recommended that the whole taxi fleet be made accessible and NCOSS supports that recommendation.

NCOSS advocates that IPART recommend some work be undertaken to understand the interaction between changes to taxi fares and the use of other parts of the transport system. There is a need for better data on the characteristics of taxi users in NSW, which is vital in order to adequately assess the social impact of pricing decisions.

If you would like any further information please contact Samantha Edmonds, Deputy Director Policy and Communications on (02) 9211 2599 ext 111 or samantha@ncoss.org.au

Yours sincerely



Alison Peters
Director

*Social Policy Research Centre
Experiencing Poverty: The Voices of Low-Income Australians
Towards New Indicators of Disadvantage Project Stage I: Focus Group Outcomes
Peter Saunders and Kelly Sutherland with Peter Davidson, Anne Hampshire, Susan King and Janet Taylor
March 2006