



Council of Social Service of New South Wales

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Independent Pricing and Regulatory Tribunal
Annual taxi licence release for Sydney 2013/14
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 Annual taxi licence release for Sydney 2013/14.

As the peak body for the community services sector in NSW, NCOSS represents the needs of people affected by poverty, disadvantage and inequality.

As an integral part of the public transport system, taxis can be particularly important for people experiencing disadvantage. This includes people who cannot afford to own a car, and who therefore rely on taxis to supplement public transport services; people who are not able to drive due to disability or limited mobility; and people who are too unwell to drive.

Although taxis provide a critical service, the cost of this service is often prohibitive, particularly for people on low incomes. As such we are supportive of changes to the taxi licencing system that will put downward pressure on fares, while ensuring that taxi drivers are not unfairly disadvantaged.

This submission outlines three significant issues relating to the performance of taxi services before providing direct responses to questions raised in the *Annual taxi licence review for Sydney Issues Paper*.

Issues

NCOSS members have expressed concern over a number of issues affecting people experiencing disadvantage who rely on taxi services. These include short-fare trip refusals, and the availability of taxis in certain areas and at certain times of day.

Short Fare Trip Refusals: Although taxi drivers are prohibited from refusing a fare on the grounds of profitability, many taxis either refuse short trips altogether, or express frustration at passengers who request short trips. Yet for people with limited mobility and those who are unwell, short trips by taxi can be necessary, particularly in order to attend medical appointments, and to access shops and other local services.

Change-over times: During taxi change-over times it can be very difficult to find a taxi service. This is particularly problematic during the 3PM changeover at/or nearby venues such as schools and hospitals where there may be an increased demand for taxi services during this period.

Black spots: People living in certain areas of Sydney report that it can be difficult to access taxi services. This includes areas where drivers may be concerned about high crime rates, such as Redfern, and areas where demand is low, such as the Northern Beaches.

We ask that IPART considers these issues in determining the number and type of taxi licences to be released.

IPART should consider issues including short-fare trip refusals and the availability of taxis in certain areas and at certain times of day when determining the number and type of taxi licences to be released.

Questions raised in the Issues Paper

Measuring latent demand for taxis in Sydney

Evidence from the community sector suggests that there is significant demand for local and accessible transport services. It is likely that some of this growth in demand could reasonably be met by taxis, although cost is often a prohibitive factor.

In recent years there has been significant growth in requests for assistance with transport from community transport providers. For example, a 2007 report commissioned by NCOSS, the Community Transport Organisation and the NSW Cancer Council found that community transport providers refuse an estimated 90,000 trips to transport each year because they did not have the resources to meet demand.¹

Although there has been no systematic coordinated collection of data on levels of unmet need for community transport services since the 2007 report, some community transport regions have begun keeping records of situations in which they are forced to refuse services – either due to a lack of resources or because clients do not meet limited eligibility criteria. Last financial year five Community Transport services in Northern Sydney estimated that at least 6,000 trips could not be met.

While community transport provides a door-to-door service (as opposed to the kerb-to-kerb service provided by taxis), taxi services may provide a suitable solution for some of these requests.

Demand for transport services (some of which may transfer into demand for taxi services if these were more affordable) is also evident in take-up of schemes that effectively subsidise taxi services. These include:

- Shared taxi services provided by Local Councils that enable residents to travel within the local area. An example of this is the Willoughby Council Cab which provides transport within the Willoughby area at a cost of \$5 per trip.
- Taxi voucher schemes established by community organisations in order to address unmet transport needs for particular groups (e.g. young people). An example of this is Peppercorn Transport's Hawkesbury Youth Transport Options.

In surveying Sydney residents to obtain data about latent demand for taxis, we recommend IPART consider demand for taxi services by people experiencing disadvantage. The survey should cover:

- Barriers to increased use of taxi services including cost, reliability, accessibility and the variability of services.
- Specific travel needs and how barriers to increased use of taxi services relate to these needs (e.g. Transport to health appointments).

¹ NSW Cancer Council, Community Transport Organisation and NCOSS (2007) *No Transport, No Treatment: Community transport to health services in NSW*.

- Specific customer segments (including low-income people, people with disability and limited mobility, and older people who are unable to drive), and how barriers to increased use of taxi services relate to these customer segments.

In surveying Sydney residents to obtain data about latent demand for taxis, we recommend IPART consider demand for taxi services by people experiencing disadvantage.

Reasonable impacts on existing licence holders

Taxis provide a public service. This service should not be compromised in order to preserve historic investment returns at unreasonably high rates.


Given that taxi licences are a low-risk investment, the rate of return should, at a maximum, be similar to other low-risk investments. Yet annual returns on investment in taxi licences have historically been in excess of much higher risk investments. This means that individuals and companies who have had the resources to invest in taxi licences have benefited at the expense of taxi users and taxi drivers, for whom costs have been artificially high.

We therefore submit that if the release of growth licences were to reduce annual returns on taxi licence investments to a level comparable with other low-risk investments, this should not be considered unreasonable.

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If you have any questions about this submission please do not hesitate to contact Rhiannon Cook, Senior Policy Officer, on (02) 9211 2599 ext 128 or email rhiannon@ncoss.org.au

Yours sincerely



Alison Peters
Director