

3 March 2009

The Secretary
Senate Standing Committee on Rural & Regional Affairs and Transport
PO Box 6100
Parliament House
Canberra ACT 2600
Email: rrat.sen@aph.gov.au

Dear Ms Radcliffe

RE: PUBLIC PASSENGER TRANSPORT INQUIRY

Please find attached the Australian Taxi Industry Association's (ATIA) submission in relation to the inquiry by, the Senate Standing Committee on Rural and Regional Affairs and Transport (the Senate Committee), into the investment of Commonwealth and State funds in public passenger transport infrastructure and services.

The ATIA would welcome the opportunity to discuss any of the matters raised in its submission with members of the Senate Committee.

The ATIA has no objection to its submission being made publicly available on the Senate Committee's website.

Should you require any further information or clarification in regard to this letter or its attachment please do not hesitate to contact me directly on (07) 3847 3711

Yours sincerely



Blair Davies
Chief Executive Officer

1. Introduction - the Australian Taxi Industry Association

The Australian Taxi Industry Association¹ (ATIA) has as part of its mission the important role of being, “*an effective voice articulating the Australian Taxi Industry's position*” particularly on matters of national consequence. Further, its mission statement recognises the ATIA must work “*with the Federal Government and its agencies to find workable solutions to legislative regulatory and policy matters.*”

The ATIA's membership includes the following peak State / Territory taxi industry representative bodies –

- NSW Taxi Association;
- Victorian Taxi Association;
- Taxi Council of Queensland;
- Taxi Council of Western Australia;
- Taxi Council of South Australia;
- Taxi Council of the Northern Territory; and
- Canberra Taxi Industry Association.

The ATIA has a significant history of being pro-active in many areas of public policy debate relevant to its membership, as its website indicates¹. The purpose of this submission is to articulate the taxi industry's considerable contribution to, and interests in, the delivery of public transport services within Australia.

The Australian taxi industry plays a unique and pivotal role in the overall public transport system. Taxis operate on-demand, 24 hours a day, 365 days a year, offering a door-to-door service. Each year, approximately 18,000 taxis move more than 375 million passengers and provide gainful work and business opportunities for more than 60,000 people directly within the industry. Taxis play a major role in servicing the needs of the community in general and key sections of the community in particular. These include

- the elderly;
- people with disabilities;
- the young or vulnerable;
- disadvantaged socio economic groups: and
- business travellers.

In rural Australia, taxis are often the only form of public passenger transport available. This is also effectively true for many fringe suburbs and the conurbations surrounding major cities where low density development

¹ See www.atia.com.au

contributes to chronic under-servicing by mass transit (bus and rail) public transport options.

Taxis are quite literally for many Australians, at some time or other, an essential service that must remain both available and affordable. The characteristics of Australia's urban form(s) and the aging of the population will likely see this reliance on taxis increase in the future.

The ATIA has always been forward looking in its outlook on issues of public policy affecting its constituents, and will continue to be so. Consequently it sees itself as being well able to make the following contribution to the Senate Standing Committee's inquiry into investment of Commonwealth and State funds in Public Passenger Transport infrastructure and services. For the Committee's convenience, and consistent with the inquiry terms of reference, we have structured our comments under the following section headings –

- (a) an audit of the state of public passenger transport in Australia;
- (b) current and historical levels of public investment in private vehicle and public passenger transport services and infrastructure;
- (c) an assessment of the benefits of public passenger transport, including integration with bicycle and pedestrian initiatives;
- (d) measure by which the Commonwealth Government could facilitate improvement in public passenger transport services and infrastructure;
- (e) options for Commonwealth funding for public passenger transport services and infrastructure;
- (f) the role of Commonwealth legislation, taxation, subsidies, policies and other mechanisms that either discourage or encourage public passenger transport; and
- (g) best practice international examples of public passenger transport services and infrastructure.

2. An audit of the state of public passenger transport in Australia

The ATIA would welcome a comprehensive national audit of public passenger transport (PPT).

The ATIA would expect that any such audit would confirm that –

- Australians are far too reliant on private motor vehicles (PMVs) for passenger transportation; and
- this over reliance on, and preference for, PMVs is unsustainable when full and proper account is taken of PMVs' respectively greater inefficiency in respect of –
 - i. carbon and other pollution;
 - ii. traffic congestion and lost time;
 - iii. on street and off street parking;

iv. death and injury from motor vehicle crashes.

It would also be the ATIA's view that an audit would conclude that the Commonwealth government, historically, has been overly preoccupied with freight transport – virtually ignoring (land) passenger transport. Accordingly, PPT planning has developed differentially in each of the States and Territories, albeit with some common focus on mass transit services targeting –

- peak hour transits along radial corridors surrounding central and satellite commercial nodes (e.g. CBDs);
- student travel; and
- travel by passengers without private transport options (e.g. unlicensed persons, people with disability, the socially disadvantaged etc).

The ATIA would expect an audit to confirm that, as a consequence, the development and market penetration of PPT has been constrained by an underinvestment in necessary infrastructure by respective State / Territory governments. Regrettably, in the absence of Commonwealth guidance and funding, many State / Territory governments –

- adopted silo strategies when planning for PPT modes;
- viewed PPT services as commercially unviable and a cost to the public purse that must be constrained and minimised; and
- allowed unrestrained urban development, inconsistent with the efficient provision of PPT services.

It would be the ATIA's view that constraints on the supply of PPT services have seriously impeded their ability to compete with PMVs. Addressing these supply constraints would be expected to greatly increase the respective market share of PPT services vis-à-vis PMVs. Any Commonwealth intervention in the provision of PPT infrastructure and services should be directed to repositioning PPT in the Australian market place as an integrated, whole of journey service offering that competes broadly with, and substitutes for, PMVs.

The ATIA holds the view that multi-modal PPT services can be efficiently presented as –

- timely (operate when the travel is required);
- affordable (competitively priced);
- convenient (facilitate end-to-end journeys);
- accessible (usable by users in the broad);
- clean (offer acceptable personal space within the public space); and
- efficient (economic in time and monetary terms).

The terms of reference of a national audit of PPT infrastructure and services should include identification of the respective strengths and weaknesses of the major components of PPT –

- trains;
- trams;
- buses;
- ferries; and
- taxis.

Such a national audit would then provide the platform for the required paradigm shift in thinking for government passenger transport planners. It would challenge the prevailing fragmented, single mode planning which pretends demand only needs to be satisfied between train stations or bus / tram stops. Potentially, it would facilitate planning that develops integrated, whole of journey (door-to-door) solutions – e.g. a shared service taxi to a train station, followed by a rail journey, and then a short comfortable walk to the destination.

3. Current and historical levels of public investment

The Australian taxi industry delivers services on a user pays basis with funding for vehicles, equipment, dispatching facilities and associated infrastructure almost exclusively being funded from private sector investment sources. Interestingly, without subsidies or other assistance from public monies, the Australian taxi industry has been able to attain a position whereby it is widely acknowledged as a leading innovator and adopter of best practices in regard to –

- computer dispatch technology;
- credit & debit card transaction facilities;
- taximeter technology;
- taxi security camera systems; and
- wheelchair accessible taxi (WAT) services and vehicle conversions.

Government subsidies and support for PPT have historically been funnelled into mass transit services. Curiously, State / Territory regulators established a demarcation between scheduled mass transit services and on-demand taxi services which -

- promotes the eligibility of train, tram, bus and ferry service providers for government subsidies; but
- excludes taxi service providers from government subsidies.

It would be the ATIA's view that as a result of this modal myopia, PPT funding has been directed sub-optimally. In ignoring the inherent flexibility and

demonstrated viability of taxi services, State / Territory Governments have wrongly assumed that -

- PPT cannot be profitable (or viable without subsidy);
- low density services on mass transit routes must be subsidised (i.e. rather than transferred to other more efficient modes); and
- public funding of PPT services and infrastructure is a cost to be minimised rather than an investment to be optimised.

As a case in point, it would be the ATIA's contention that many of the low density services operating off peak, or in fringe suburban areas, where patronage is limited and irregular could be provided by local taxis far more efficiently than using near empty buses and trains running on infrequent schedules. The "Council Cab" service operating in Brisbane is a mature example of PPT modal flexibility (substituting taxis for buses) that produces significant cost savings while at the same time delivering improved services.

4. Integration with bicycles and pedestrian initiatives

It would be the ATIA's view that the national interest is best served by less passenger trips, in both absolute and proportionate terms, utilising PMVs. Accordingly, bicycle and pedestrian initiatives that facilitate the replacement of PMV trips are welcomed. Where successful, they would certainly be expected to make a contribution to lessening pollution and reducing traffic congestion. They would also be expected to produce real and tangible health and wellbeing benefits to the individuals who substitute walking and cycling for PMV trips.

However, it is of some considerable concern to the ATIA that bicycle and pedestrian initiatives are often directed towards the young, the fit, and the able, without broader application and appeal for the general community. It is a fact that the Australian population is aging, some 20% of the population has one or more disabilities which (adversely) impact their mobility, and that the elderly have a greater propensity to have or acquire disabilities than people in younger age cohorts. Bicycle and pedestrian planning needs to broaden its focus and in particular, pedestrian strategies need to better address issues such as –

- street furniture and water fountain location to facilitate convenient rest intervals; and
- footpath repair and maintenance to minimise injury.

The consequences of poorly targeted pedestrian (and cycling) strategies have very serious implications for planning decisions for bus and rail services. PPT planners need to take better account of the differing capacity of people to walk distances to bus stops and train stations, including –

- the frail, the elderly and people with disability generally;

- the general population when weather conditions are too hot, too cold, too windy, too humid; and
- after dark (or at otherwise lonely times) when certain sections in the population may feel unduly vulnerable (i.e. the elderly, females, and the young).

Importantly, in integrating walking and cycling into PPT journey options, planners need to cater for those excluded all of the time, some of the time on a regular basis, and periodically on an ad hoc basis. In the ATIA's view, PPT planners should be considering reticulation strategies for feeder PPT vehicles, such as taxis, providing key linkages between points of origin / destination and mass transit nodes (especially train and bus stations).

5. Measures for improved public passenger transport

The ATIA recommends the implementation of the following initiatives within the taxi industry. Their broad scale implementation would produce significant and meaningful improvements for the supply of PPT services.

Unlike cities such as Paris (France), most Australian cities and towns provide minimal infrastructure for passengers waiting at a rank for a taxi. The Paris taxi shelters are similar to the facilities provided by many Local Governments for bus passengers.

Appropriately designed and sited (Paris type) taxi shelters typically provide taxi passengers with –

- protection from rain, sun, cold and wind;
- an opportunity to read displayed information about taxi services, their prices, the rights of passengers and taxi drivers;
- a comfortable and safe place to sit and wait for a taxi; and
- an easily identifiable and highly visible rank location.

In addition to shelters, busy taxi ranks operate more safely and efficiently when they are / have –

- sited so the head of the rank faces the direction of the main approach of passengers;
- easy access (ingress and egress) for taxis;
- served by adequate feeder ranks with “line of sight” to the end taxi on the rank;
- queuing barriers that safely impede and prevent queue jumping;
- clearly and distinctly signed (such as with illuminated totems);
- protected by CCTV coverage;
- well lit at night; and

- supervised during peak times by –
 - rank marshals who assist passengers into taxis, organise share riding, and provide general information about fares etc; and
 - police or security officers who maintain crowd control for the precinct.

The ATIA would encourage the Commonwealth Government to provide assistance –

- with development of national design standards for taxi shelters;
- to State / Territory and Local Governments in funding for taxi rank -
 - shelters;
 - queuing barriers;
 - additional lighting,
 - CCTV coverage; and
 - marshals and security guards.

The current silo (mass transit exclusive) approach to PPT planning (noted previously) tends to produce transport interchanges (bus, tram and train stations) that do not provide adequate accommodation for taxi access (ingress and egress) and ranking. After construction of these facilities is completed, it often proves prohibitively costly (or too embarrassing) to rectify such deficiencies.

The ATIA would welcome the Commonwealth Government –

- developing national design standards for transport interchanges / hubs with specific provision(s) for taxi access (ingress and egress) and ranking; and
- making its capital contributions towards such facilities contingent on their adequate provision for taxi service interface and integration (i.e. compliant with the aforementioned proposed design standards).

The Commonwealth Government is responsible for the Disability Discrimination Act 1992 (DDA) and the Disability Standards for Accessible Public Transport 2002 (DSAPT). Unfortunately, the taxi industry experiences a number of practical difficulties associated with compliance with the wheelchair accessibility requirements of the DDA and DSAPT.

The Australian Standards relevant to the provision of wheelchair accessible taxi (WAT) services are –

- AS 3696 re design and construction of wheelchairs;
- AS 2942 re restraint assemblies for wheelchairs in motor vehicles; and
- AS 3856 1&2 re vehicle mounted hoists and ramps.

The adequacy of these Australian Standards was reviewed in 2006/07 by a special sub-committee of the Accessible Public Transport National Advisory Committee (APTNAC) considering the more specific task of developing a national policy for mobility scooters in taxis. Importantly, this National Scooter Policy Working Group's (NSPWG) research concluded that the existing Australian Standards were deficient in not specifying "strength requirements for wheelchair structures or for vehicle structures used to anchor the wheelchair occupant restraint assemblies" or in having specific applicability to mobility scooters.

The ATIA supports the NSPWG's subsequent call for development of an Australian equivalent to the international standards, ISO 10542 and ISO 7176. Specifically, the ATIA recommends a comprehensive Australian Standard be developed for:

- restraint of both wheelchairs and mobility scooters in accessible PPT vehicles; and
- suitability of mobility aids for vehicular travel (including what types are suitable to allow the occupant to remain seated in the device whilst in transit).

Importantly, the NSPWG also found that most mobility aids (wheelchairs and scooters) are imported products and there is no certification system in place that establishes whether a particular mobility aid has been designed for:

- safe transportation in a WAT (i.e. inside the passenger compartment of an accessible vehicle);
- users to remain safely seated in the device during transit.

The ATIA is very concerned that safety must be a first order priority. However, in the absence of an appropriate certification system, there is currently no way to determine yet alone manage the risk to taxi passengers and drivers associated with the current practices used in the transportation of the diversity of mobility aids currently in use in Australia. This situation is completely unsatisfactory. The ATIA is strongly of the view that it is neither the role nor the responsibility of taxi drivers at the coalface of service delivery to determine whether a particular mobility device has been designed for safe transportation in a WAT.

Accordingly the ATIA recommends that –

- the Commonwealth Government develop and implement a national certification system for the labelling / tagging of mobility aids according to their suitability for transportation which includes standard marking / identification of mobility aids' (engineered) safe anchorage points; and
- the DSAPT should be amended to only allow complaints of discriminatory action / inaction in circumstances involving mobility aids, where the mobility aid carries the appropriate certification.

The promulgation of “no stopping” zones in the CBDs of many cities, and overzealous enforcement of those zones by Local Government or police officers, can make it very difficult for taxi drivers to lend reasonable assistance and service when picking-up or setting-down passengers. This is especially a problem when the passenger has a disability.

The ATIA recommends that -

- the Australian Road Rules be amended to permit (facilitate); and
- the DSAPT be amended to require;

Local Governments and other road owners to make adequate and flexible provision for taxis to be able to set-down and pick-up passengers, anywhere safe to do so, as close to their destination or origin as physically possible (e.g. anywhere other than within 20 meters of an intersection controlled by traffic lights or 10 meters of any other intersection).

As a final comment, in most Australian jurisdictions taxis can use bus lanes and the various (higher occupancy) transit lanes. However, taxis are typically restricted from using dedicated “bus ways” and bus stops. It is the view of the ATIA, that on many occasions, mass transit as a distinct and discrete segment of public transport receives preferential treatment by State / Territory and Local governments to the detriment and discrimination of public transport passengers whose particular disability prevents their use of such services. In our view there seems to be no justifiable reason for one segment of public transport passengers, simply because they do not have access to an accessible mass transit service, to incur longer travel distances (and therefore higher taxi fares) and less convenient set-down points (and therefore even higher taxi fares) simply because of transport planners ideological preference for mass transit. It is the ATIA's view that taxis should be entitled to use such infrastructure (bus ways and bus stops) at all times when transporting a passenger with disability, or at least as a minimum, taxis should be entitled to use such infrastructure at all times other than during peak periods.

The ATIA recommends that -

- the Australian Road Rules be amended to permit (facilitate); and
- the DSAPT be amended to require;

State / Territory and Local Governments (and other road owners) to allow taxis to use transit lanes, bus lanes, bus ways and bus stops.

6. Options for Commonwealth funding for public passenger transport

The Commonwealth Government provides very significant funding (\$1.06 billion in 2007/08) to State / Territory Governments under the Home And Community Care (HACC) program. This funding is topped up by recipient States / Territories on a 40:60 basis (i.e. States contribute 40% and the Commonwealth contributes 60%). The ATIA understands that approximately 10% of HACC funding is spent on transportation services.

Regrettably for the taxi industry (and some other PPT service providers), in their administration of HACC funds, State / Territory governments have preferred to provide funds to not-for-profit (NFP) organisations for the acquisition of vehicles rather than the purchase of more cost effective transport services from existing PPT providers. These NFPs then use volunteer drivers to offer a restricted range of ad hoc “community transport” services to their communities of interest.

Importantly, these community transport services prove to be a poor substitute for a proper taxi (especially a WAT) service because they use untrained, unprofessional drivers and their hours and range of operations are highly restricted. The core business of HACC recipient organisations is the delivery of care services not fleet or travel management. Consequently, HACC funded community transport vehicles tend to be assets that are chronically underutilised. The administration and overheads associated with managing the delivery of transport services using HACC funded vehicles also tends to be relatively inefficient vis-à-vis PPT service providers that may have access to more advantageous economies of scale. Notwithstanding the use of volunteer drivers, these other inefficiencies typically cause community transport services (delivered by HACC funded vehicles) to be more expensive on a per kilometre basis than the respective local taxi service.

It is the ATIA's view that the administrators of HACC funds would achieve appreciable efficiencies (and potential savings) by requiring HACC recipient organisations to –

- use taxis as the default option for delivery of passenger transport services for their clients; and
- substantiate funding requests for new and replacement vehicles with business cases that use the respective local taxi metered prices as the benchmark.

It is the ATIA's view that in rural Australia, the encroachment of community transport services into the local taxi operator's market is already a cause of serious harm. Importantly, it will simply not be viable for taxi businesses to commercially operate WATs in these areas, without unjustifiable hardship, while State / Territory governments continue to fund the purchase and replacement of (wheelchair accessible) vehicles for community transport providers in their area.

The ATIA therefore recommends –

- the Commonwealth Government play a more active role in the administration of HACC funds to ensure they are distributed for the benefit of the public good and consistently with allocative efficiency principles; and
- State / Territory governments be required to develop a public transport plan for each town in their jurisdiction with less than 5,000 people that

details how provision will be made for persons with disability to access affordable transportation services.

The ATIA would also encourage the Commonwealth government to give consideration to offering PPT, and the taxi industry in particular, meaningful incentives and assistance in relation to –

- the adoption of cleaner, more climate change friendly technology; and
- wheelchair accessible vehicles.

The taxi industry in Australia has already made a major step in 'going green' in that most taxis fleets operate with dedicated liquid petroleum gas (LPG) or dual LPG / petrol fuelled vehicles. In urban cities, more than 90% of the taxi fleet uses LPG. Importantly, the taxi industry's adoption of LPG technology demonstrates the influence and effectiveness of Commonwealth government interventions. The taxi industry responded favourably and strongly to the price advantage afforded to LPG by its excise exemption. This in turn provided the LPG industry with an initial critical mass of demand that it successfully leveraged to attract the necessary investment for the rollout of infrastructure and outlets to support development of other market segments.

The Western Australian and Victorian State governments have recently taken the first steps in promoting the use of hybrid vehicles in their capital city taxi fleets. In regional Australia, where the supply and pricing of LPG is less competitive, there has been a distinct trend to use smaller engine vehicles, and more recently, to trial petrol / electric hybrid vehicles. As a case in point, hybrid vehicles currently comprise approximately 25% of the taxis in regional cities such as Cairns and Townsville.

The ATIA would strongly encourage the Commonwealth government to consider implementing the following measures as part of its overall strategy for addressing the climate change –

- totally (or partially) exempting hybrid (and other fuel efficient) vehicles going into service as taxis from import duty and the GST;
- offering incentives for vehicle manufacturers to expand their product range to include more suitable hybrid (and other fuel efficient) vehicles for use as taxis;
- totally (or partially) exempting in-service hybrid (and other fuel efficient) vehicles from the fuel excise.

In relation to wheelchair accessible vehicles, this submission has already noted Commonwealth involvement by way of the DDA and DSAPT. It is the ATIA's view that the Commonwealth should actively support the objectives of that legislation by introducing measures such as –

- totally (or partially) exempting vehicles being converted for use as WATs from import duty and the GST;
- totally (or partially) exempting in-service WATs from the fuel excise.

As a final comment, the ATIA would recommend that the Commonwealth government review the tax advantages associated with inclusion of private usage of company vehicle in salary packages. The private and public sector should be encouraged to substitute PPT options for PMV arrangements through tax attractive salary packaging of train, tram, bus, ferry and taxi fares.

7. Best practice international examples

As already noted it would be the ATIA's view that the Australian taxi industry is the leader of international best practice with respect to –

- computer dispatch technology ;
- credit & debit card transaction facilities;
- taximeter technology;
- taxi security camera systems; and
- wheelchair accessible taxi vehicle conversions.

In regard to taxi shelters, the ATIA would recommend the Paris (France) facilities as best practice.

In regard to inner city access (ingress and egress) to kerbside pick-up and set-down of passengers, the ATIA would recommend the New York (USA) approach as best practice.

8. Conclusion

The ATIA welcomes the Senate Committee's inquiry into the investment of Commonwealth and State funds in public passenger transport infrastructure and services. In our view, the Commonwealth's historical preoccupation with freight rather than passenger (land) transport has not served the national interest. There is a necessary and positive role for the Commonwealth to play in the promotion and encouragement of PPT services.

Australia's current reliance on PMVs for passenger transportation is economically and environmentally unsustainable. Government intervention is required to help address this problem. However, the interventions need to be multi modal (rather than modally myopic) and need to be directed towards new and innovative –

- whole-of-journey PPT solutions;
- whole-of-community, accessible PPT solutions; and
- climate friendly (fuel efficient) PPT solutions.

The ATIA and the Australian taxi industry stand ready to work collaboratively with the Commonwealth government to develop and implement these solutions.