

**Submission  
No 78**

**ACCESS TO TRANSPORT FOR SENIORS AND  
DISADVANTAGED PEOPLE IN RURAL AND  
REGIONAL NSW**

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**Date Received:** 29 July 2016



This Submission is provided by the NSW  
Taxi Council and NSW Country Taxi  
Operators Association in response to the  
NSW Parliament's Legislative Assembly's  
Committee on Community Services  
inquiry into transport services for seniors  
and the transport disadvantaged into  
rural and regional NSW

# NSW Taxi Council and NSW Country Taxi Operators Association Submission

Transport to seniors and the transport  
disadvantaged in rural and regional  
NSW

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## EXECUTIVE SUMMARY

The NSW Taxi Council and Country Taxi Operators Association (CTOA) welcome the opportunity to provide a submission to the NSW Parliament's Legislative Assembly Committee on Community Services (**the Committee**) Inquiry into access to transport for seniors and disadvantaged people in rural and regional NSW (**the Inquiry**).

Country taxis play a vital role in providing public transport services to people who live in rural and regional NSW, particularly for seniors and the transport disadvantaged. Taxi services in these areas are often the only form of public transport available to the community and are therefore integral to the economic and social fabric of these towns.

Country taxis provide essential transport services to the aged and frail, as well as to people with disabilities. The NSW Taxi Industry also provides services to members of the veterans' community through contracts with the Department of Veteran Affairs as well as for school children with special needs through contracts with the Department of Education and Communities.

NSW taxi businesses have wheelchair accessible taxis (WAT) in their fleets. The purposely designed vehicles are an important part of the universal service offering provided by the taxi industry and they represent a vital transport link for people with disabilities.

A country town's taxi service is analogous to the 'canary in a coalmine'; i.e it is often an indicator of the community's economic and social wellbeing. Privately funded, country taxis work hard to provide a universal service to all members of the community, and a strong and growing taxi business is usually reflective of a rural and regional town that is also experiencing growth and prosperity. In rural and regional towns that are experiencing social and economic decline, taxi services tend to struggle and like other privately funded businesses in these areas, can eventually become unviable.

Such circumstances lead to market failure and the NSW Government invariably has to subsidise transport services (among other sectors) if these essential services are to continue to be provided.

Both the NSW Taxi Council and the NSW CTOA are acutely aware of the need to strike the correct balance between price competitiveness and the viability of the industry. It is vital for rural and regional communities that there is a strong and viable taxi industry so that it can provide transport services for all members of the community.

As the Committee would be aware, the NSW Taxi Industry is undergoing a significant change process as a consequence of the NSW Government's point to point transport reforms (**the reforms**). These reforms (which includes transitional assistance to taxi industry members), if properly implemented, will play an important role in building on the services currently provided by country taxis to their local communities.

The reforms have the potential to reduce the cost burden on taxi businesses. Critical to achieving this outcome is ensuring that there is competitive neutrality between point to point

transport providers. The NSW Taxi Council has long argued that there has been an ongoing erosion of competitive neutrality in the point to point transport due to successive government policies, including regulation and funding programs, that have had, at times, the unintended consequence of supporting other point to point transport providers at the expense of the NSW Taxi Industry.

It is therefore hoped that the NSW Government's point to point reforms and other related initiatives (such as Compulsory Third Party Insurance Reform and changes to Community Transport funding) will help address these important issues so that the NSW Taxi Industry can build a strong future and continue to provide affordable, safe and reliable taxi services to rural and regional communities including to the aged and transport disadvantaged.

The NSW Taxi Council and CTOA also recognises that the NSW Taxi Industry must continue to build on its service offerings to the public. To this end, the taxi industry is undertaking a range of initiatives to improve taxi services, including for rural and regional operators. A number of these initiatives are specifically targeted at seniors and the transport disadvantaged. These are both locally based as well as industry wide and are being implemented on an ongoing basis in collaboration with key stakeholders.

## INTRODUCTION

The NSW taxi industry is a major contributor to the State's public transport system. It provides approximately 170 million passenger journeys each year and it meets customer travel needs right across NSW. It functions as a door to door transport service that operates 24 hours a day 7 days a week. The NSW taxi industry also provides services at times when other forms of public transport either significantly reduce service levels or cease operations altogether. Taxis are often the only form of public transport for some members of the community, and they provide essential transport services to some of the most disadvantaged people in the State.

The NSW taxi industry is also a significant contributor to the State's economy, providing employment opportunities for tens of thousands of drivers, operators, and network management staff as well as for other industries which rely on economic activity that the NSW taxi industry generates. The taxi industry contributes to the economic generation of the State by connecting people efficiently and effectively for business, education, tourism and essential lifestyle activities. The highly respected international accounting firm Deloitte Access Economics has undertaken an independent assessment of the economic contribution of the NSW Taxi Industry and has estimated the annual contribution of the industry to the NSW economy to be in the order of \$1.15 billion per annum.

The NSW Taxi Industry is made up of a complex array of providers, ranging from the licence owners (the licence being the principal legal instrument to provide a taxi service), through to operators and drivers. A licence owner may own, operate and drive a taxi, where as some elect only to own and be the operator of the vehicle. Some licence owners have chosen to invest in a licence and then subsequently lease the licence to an operator. Authorised taxi networks are the principal means through which taxi services are coordinated. They provide direct booking services to the public and a range of safety and other services to operators and drivers.

The NSW Government does not, unlike other forms of public transport, procure taxi services from the NSW Taxi Industry. Whilst some financial support is provided to assist disadvantaged members of the community to access taxi services, on the whole the taxi transport system has been created and continues to operate as a consequence of the many people and organisations that have committed private capital to invest in the industry.

The NSW Taxi Industry also generates revenue for the NSW Government through the sale of licences and stamp duty on third party licence sales. It also generates other revenue through authorisation fees and indirect taxes.

Taxi services in areas outside of Sydney are being provided to a high standard, as is evidenced by the negligible level of complaints received through the Government's independent customer feedback management system (CFMS).

In many instances, towns in rural and regional areas are 'over-cabbed' and as a consequence, there are currently nearly 50 licences, or approximately 5% of the NSW Country taxi fleet currently on hold.

There are also other key externalities that are affecting rural and regional NSW that have flow-on impacts to country taxis. Rural and regional NSW generally suffers from lower economic growth than major urban centres, higher unemployment<sup>1</sup> and also have a faster ageing population. In some instances, rural and regional towns suffer population decline, particularly where a major industry that is critical to a rural centre closes.

The situation facing rural and regional centres generally, including those in NSW, has been well summarised by Mr Paul Collits, an Adjunct Senior Lecturer at the University of NSW and a manager of policy in the former NSW Department of State and Regional Development. Mr Collits states:

*A number of regional problems have surfaced over recent decades that have demanded the attention of policy makers and generated calls by regional interests for ameliorative action by governments. These problems include the sudden economic shocks caused by downturns in "one industry towns" as a result of economic restructuring; the continued emptying of the inland; the ongoing (and increasing) domination of State economies by their capital cities as a result of the processes of globalisation; increasing disparities within and between regions across a wide range of social and economic indicators; and environmental pressures and high unemployment in rapidly growing coastal regions<sup>2</sup>*

It should be noted that there is no statutory limit on the number of taxis in rural and regional NSW, and an application for a WAT licence in areas outside of Sydney can be made at any time. The price for unrestricted taxi licences is determined by the market based on the value set by transactions of taxi licences in the relevant region or through an open tender process. In addition, there are significant subsidies for WAT's in country areas, which are available at no cost to the applicant, and financial support by way of interest free loans are available to applicants for assistance with the costs associated with purchasing and fitting out a WAT.

The NSW Government's recent point to point transport reforms have substantially increased these subsidies for WAT services which will have positive flow-on effects for the disability community, including the aged and frail, in rural and regional NSW.

The Taxi Transport Subsidy Scheme (TTSS) is an important NSW Government program that assists people with disabilities to access taxi transport. This scheme has also been increased as a consequence of the NSW Government's point to point transport reforms which will greatly assist people with disabilities accessing affordable transport.

The TTSS has not had an increase since its inception in the late 90's and therefore the overall purchasing power of the recipient had declined in real terms over this period. The doubling of the subsidy as part of the NSW Government's point to point transport reforms is

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<sup>1</sup> For example, Wollongong's unemployment rate is generally 1.5% higher than the national average – Source: Wollongong City Council, *Economic Profile*, [www.economicprofile.com.au/Wollongong](http://www.economicprofile.com.au/Wollongong), 6 February 2014.

<sup>2</sup> P.Collits, *Small Town Decline and Survival, Success Factors and Policy Issues*, The Regional Institute Ltd, [www.regional.org.au](http://www.regional.org.au), downloaded on 6 February 2012

therefore welcome as this will greatly assist eligible members of the transport disadvantaged community, including in rural and regional areas of NSW.

It is important for the industry that the TTSS remains an integral part of the taxi service offering for rural and regional communities.



## **KEY ISSUES FOR CONSIDERATION**

The NSW Taxi Council and CTOA would like to highlight the following key issues for consideration by the Committee as part of its inquiry into access to transport for seniors and disadvantaged people in rural and regional NSW.

### **NSW Government Point to Point Transport Reforms**

It is considered that the NSW Government's recent point to point transport reforms will go some way to assist seniors and the transport disadvantaged in rural and regional NSW.

Whilst the NSW Taxi Industry is still in negotiations with the NSW Government on key aspects of these reforms, there are a number of measures that will assist the industry in providing affordable, safe and reliable transport services in rural and regional NSW.

The specific initiatives that will have a positive impact on seniors and transport disadvantaged members of the community include (but are not limited to):

- Doubling of the subsidy under the TTSS scheme
- Increasing the WAT interest free loan to \$100,000
- Increasing the amount of the WAT driver incentive scheme payments

Critical to ensuring that the point to point transport reforms enhance taxi industry viability and service delivery is the establishment of a level playing field within the point to point transport sector, particularly with hire cars and Community Transport. There remains structural inequities within regulatory framework for the point to point transport which disadvantages the taxi industry and this impacts upon its ability to provide affordable and efficient taxi services to the public.

It is also important to note that there remains key regulatory arrangements that are yet to be finalised as part of these reforms and that there is an opportunity for these regulations to recognise the key differences between major urban areas and rural and regional NSW. The NSW Government has acknowledged this through the implementation of regulations that have helped level the playing field, eg establishing definitive pre-booking times for hire cars, and the NSW Taxi Council and CTOA strongly support the continuation of this requirement into the future.

Areas such as CTP and industrial relations reforms are also critical to the future viability of the taxi industry and the current reform processes that are underway by the NSW Government in these areas are vital to addressing these issues.

If these key areas are addressed then taxis will be able to fairly compete with other point to point transport providers and be able to deliver more affordable transport solutions for seniors and the transport disadvantaged in rural and regional NSW.

## Community and Courtesy Transport

Community Transport in NSW is provided by the not-for-profit sector for a specific purpose under set funding agreements. They provide transport for the frail aged and transport disadvantaged where there is no viable alternate public transport. Community Transport is funded by the Commonwealth and NSW Governments and there are competitive neutrality issues where Community Transport competes with the private sector, specifically taxis.

Furthermore, Community Transport is charged to the Government on a per passenger basis as opposed to a per kilometre basis. This means that Community Transport services may not as efficient or as productive as taxis and therefore can represent less value for money to the State and Commonwealth Governments.

The NSW Taxi Council and CTOA commissioned an independent report (**Attachment A**) that demonstrated that there are significant savings that can be achieved by using taxis to provide funded transport support to the community, including the frail and aged and the transport disadvantaged.

Although a number of rural and regional taxi operators provide transport services to Community Transport organisations under a sub-contract arrangement, these services can nonetheless have a significant impact on the ongoing viability of a taxi business. The ongoing reforms to the Community Transport sector by TfNSW including greater contestability for funding and centralised eligibility assessment processes are welcome and it is hoped that these reforms will go some way in addressing the above competitive neutrality issues.

Courtesy transport also has a significant impact on local taxis in rural and regional NSW as these types of services can directly undermine the viability of a local taxi service. Courtesy transport services are normally provided by pubs and clubs for their patrons and thereby directly compete for market share with taxis.

As a consequence of increasing competition from these two types of point to point transport services, some rural and regional towns are now without taxis as it is no longer viable to operate a service.

This is a growing problem in NSW and has direct consequences for the ability of privately funded transport being able to meet the needs of seniors and the transport disadvantaged in rural and regional NSW.

## Costs of providing taxi services in rural and regional NSW

As outlined earlier in this submission, the NSW Taxi Industry is privately funded. Unlike other forms of public transport, as well as community transport, taxis do not receive direct subsidies from Government for the provision of transport services. The NSW Taxi Industry must meet its costs through the fare box.

By contrast, NSW rail services and NSW bus services receive significant subsidies exceeding \$2 billion per annum. Community transport services receive over \$72 million per annum to provide services to their clients<sup>3</sup>.

Fares for taxi cabs are designed to cover taxi operator's costs and allow industry participants to make a reasonable return. The NSW Taxi Council and NSW Country Taxi Operators Association (CTOA) recognise that a balance must be struck between ensuring that country taxis remain competitive whilst ensuring that drivers, operators and owners can make a reasonable return and thus remain viable.

Fares for taxis are set by the NSW Government based on recommendations from the Independent Pricing and Regulatory Tribunal (IPART). IPART has traditionally used a cost index model to determine what level fares should be set at and this has been divided into urban and country fare schedules.

In recent times, IPART has based its fare setting policy on a model linked to licence supply and their associated costs<sup>4</sup>. As a consequence, fares in rural and regional NSW have been 'frozen' for the past three (3) financial years. Given increases in operating and living costs over the corresponding period, this freezing of fares has resulted in a real reduction in taxi affordability over this time. It has also impacted upon taxi operator viability which has threatened service continuity in recent times.

Furthermore there are significant costs associated with purchasing and operating a WAT. This was highlighted in the Transport for NSW (then Ministry of Transport) review of WAT services. The economic analysis of the review, undertaken by Professor Ross Fitzgerald clearly highlighted the financial impediments in operating a WAT.<sup>5</sup>

The Fitzgerald Report concluded that:

1. *WATs' essential role is as a service for people in wheelchairs.*
2. *It is clear that WATs are commercially viable. Government subsidies and access to non M50 work are critical to this viability.*
3. *WATs perform a key role in transport provision to people with disabilities. However, in order to optimise the effectiveness of WATs in this role, it is critical to acknowledge the complementary role of standard taxis.*
4. *Capital and opportunity costs for WATs are the central disincentives to commercial viability (loading time and remuneration for extra effort).*
5. *If WATs were restricted to M50 (wheelchair) work only, they would not be viable.*<sup>6</sup>

It is therefore hoped that cost reductions arising from the NSW Government's point to point transport reforms and the proposed changes to CTP insurance will result in greater viability for country taxis as this will in turn ensure business continuity and may lead to further fare reductions for passengers.

This would clearly benefit transport services for seniors and transport disadvantaged members of the community.

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<sup>3</sup> In its 2014/215 Annual Report, Community Transport Provider Carewest received over \$25 million in direct Government subsidies to fund its operations.

<sup>4</sup> A process not supported by the NSW Taxi Industry

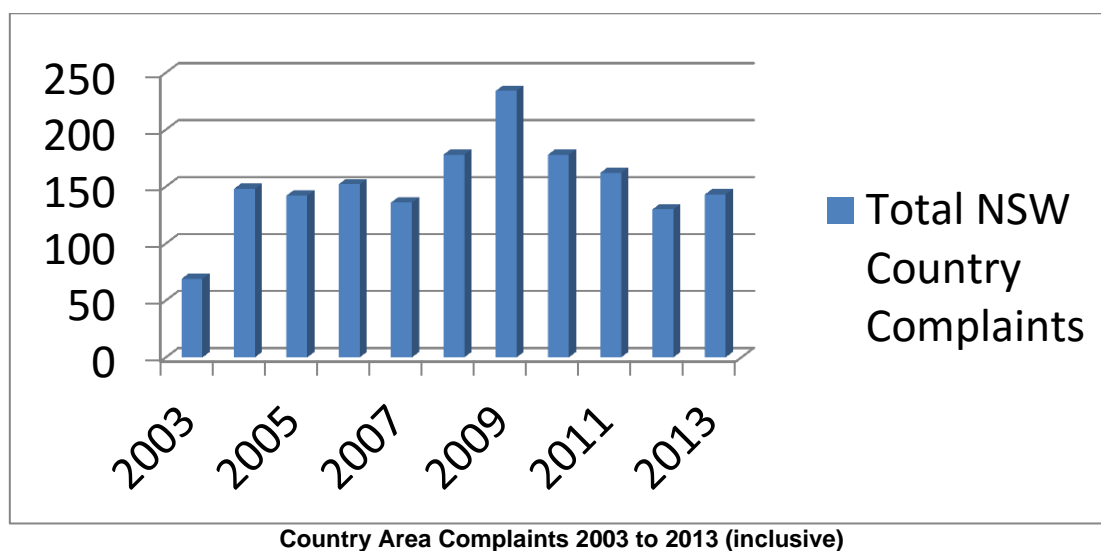
<sup>5</sup> Wheelchair Accessible Taxforce Report, NSW Ministry of Transport, 2005

<sup>6</sup> *Ibid*

## Performance of Country Taxi Services

Despite the aforementioned challenges, taxi services in rural and regional NSW are provided to a high standard.

Waiting times across country NSW are very short. Furthermore, complaints regarding taxis services in country areas are very low. In the period 2003 to 2013, complaints in country areas averaged approximately 150 per year<sup>7</sup>. When compared to total passenger journeys which exceed 10 million per annum, this is a high level of performance.



In two recent independent customer surveys carried out by Transport for NSW, the performance of taxis, including WAT taxis, rated highly<sup>8</sup>. This indicates that the performance of the taxi industry is well above the required standard in these areas.

In the context that taxi services are funded directly by the private sector and the industry does not receive any subsidies from the State, this performance is all the more significant.

## NSW Taxi Industry Service Initiatives for seniors and transport disadvantaged

The NSW Taxi Industry has been implementing a range of customer service related initiatives to help improve its services for seniors and transport disadvantaged members of the community. Examples of this include:

### Dementia Awareness Training

Apart from undertaking state wide WAT training for taxi drivers and operators, the NSW Taxi Industry has worked with Alzheimer's Australia to develop a Dementia Awareness

<sup>7</sup> NSW RMS Complaints Management Feedback System which was introduced in 2003

<sup>8</sup> NSW Transport Customer Satisfaction Index 2013 and 2014, and the Transport for NSW WAT Services Survey of 1,100 Taxi Transport Subsidy Scheme users carried out in 2013.

campaign for taxi drivers and operators. This campaign involves raising awareness amongst taxi drivers using open learning techniques of helping people living with dementia.

A copy of this campaign is attached to this submission and can be found at [www.isitdementia.com.au](http://www.isitdementia.com.au)

### **Gold Level Training**

The NSW Taxi Council, in consultation with the Department of Veteran's Affairs (DVA), Department of Education and Communities (DEC) Assisted Schools Travel Program and South West Community Transport, has developed a highly specialised training program for taxi drivers undertaking services for higher and special needs customers, including war veterans and the entitled members of their families through the DVA, children travelling to and from school in the Assisted Schools Travel Program and Community Transport clients who travel in taxis.

The clear aim of this training is to provide the highest level of taxi services to those who require an increased level of care and assistance from the taxi driver; more than the standard door-to-door, this training have the driver provide door-through-door service.

Veterans and War Widows are mostly aged and frail and therefore require a higher level of care and attention when being transport to and from medical treatment. They may also be suffering from dementia and therefore the work that the NSW Taxi Industry has done with Alzheimer's Australia (<http://isitdementia.com.au/transport.html#4>) will be an important part of this training.

This can also apply to younger veterans who may be suffering from other illnesses including PTSD and therefore the training includes awareness of mental health issues

The training package will also provide information to taxi drivers on service support to other key client groups such as children with special needs and the transport disadvantaged, however the common theme will be providing service to clients with special needs and our veterans are a very important part of this group.

This Gold Level - Special Needs training program has been underpinned by extensive consultation with relevant stakeholders including the DVA, Ex-Service Organisations, the DEC, Community Transport Organisations and taxi networks.

The success of the training will be measured in improved service delivery outcomes. Central to this is creating an important value proposition in the minds of taxi drivers. Accordingly the training will take the beyond the commercial imperative to instil a service ethic and cultural understanding, particularly of the sacrifice and value we place in our veteran community and the care and empathy required for those members of our society that require this level of service. Put simply, the training will ensure the taxi driver goes the extra mile.

The Gold Level - Special Needs training has been implemented in Wagga (approximately 90 drivers) and Dubbo (approximately 50 drivers) and is being made available to taxi networks throughout NSW.

A report on the outcomes of the training in Wagga is attached.

### **Seniors Card**

The NSW Taxi Industry is currently in discussion with the NSW Government regarding the Seniors Card and the possible provision of these services around NSW.

These discussions are ongoing.

### **NDIS**

The NSW Taxi Industry is actively preparing for the provision of transport services in support of the NDIS.

The industry was involved in the pilot site in the Newcastle/Hunter Region and is currently working with relevant stakeholders to help the industry support the roll-out of this important scheme.

There have been partnerships developed with disability service providers in rural and regional locations which combine the benefits of the NSW Taxi Industry's WAT fleet with those organisations that are focussed on the delivery of support services to people with disabilities.

### **Local Initiatives**

In addition to the above matters rural and regional taxi networks regularly put in place local initiatives to support senior and transport disadvantaged. This includes (but is not limited to):

- Discount transport services for seniors (Wagga and Tamworth – see examples attached)
- Services to club members for discount travel (Griffith)
- Service to Aboriginal Communities (Casino – See picture below).



The local initiatives assist senior and the transport disadvantaged in accessing affordable taxi services and are important in meeting the industry's universal service obligations.

## CONCLUSION

As outlined in this submission, the NSW Taxi Industry provides important services to seniors and members of the community who are transport disadvantaged in the rural and regional NSW. The NSW Taxi Industry is often the only public transport provider in a country town and therefore it is critical to rural and regional communities that the industry remains viable both now and into the future.

It is clear that taxi businesses are being challenged in rural and regional NSW. The advent of competition from subsidised transport, courtesy transport and private vehicles, combined with inconsistent economic performance, is contributing to viability challenges for the industry. This in turn is having impacts on reliable service delivery and business continuity.

It is therefore considered that the NSW Government's point to point reforms, if properly implemented, and other related reforms (including changes to the NSW CTP insurance scheme) are important to ensuring ongoing growth and business confidence for taxi industry.

This will allow the industry to grow and continue to innovate to provide higher levels of service to customers including seniors and the transport disadvantaged.

It is also considered critical that reforms to the procurement of Community Transport services in NSW are actively pursued. Contestable funding and incentives for greater involvement by the private sector should be encouraged to achieve greater efficiencies and program sustainability. Centralised eligibility assessment is also important to ensure that these services are provided to the most needy in the community.

Point to point transport services to senior and transport disadvantaged would also benefit from greater coordination between transport modes and to this end the recommendations arising from the review of the role of the Transport for NSW Regional Transport Coordinators should be finalised as soon as is practicable.

Coordinated procurement of Government point to point transport services would also potentially yield better outcomes and therefore higher levels of cooperation between those government departments that purchase these services is recommended.

The NSW Taxi Industry is also aware of its responsibility to innovate and build on its service levels. The industry led initiatives outlined in this submission have direct benefits for seniors and transport disadvantaged and the NSW Taxi Council in collaboration with the CTOA is actively pursuing these with its members and are promoting a culture of service innovation and development.

If the above matters can be successfully addressed then the NSW Taxi Industry can continue to make a positive contribution to transport for seniors and transport disadvantaged members of rural and regional communities and grow these services into the future.



# Providing Transport for the Community

## NSW Taxi Industry

Discussion paper commissioned by the NSW Taxi Council on behalf of the NSW Taxi Industry

June 2015

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# Executive Summary

## **Introduction**

The NSW Taxi Industry is seeking to present an evidence based value proposition to demonstrate how they can effectively and efficiently deliver community transport services. The NSW Taxi Industry is eager to work more closely with Government to explore all opportunities for the NSW Taxi Industry to expand their services and support the growing demands of the community transport sector.

The NSW Taxi Industry is uniquely placed to provide efficient, reliable and high quality transport for high needs groups, including those being supported by Community Transport. The NSW Taxi Industry is privately funded and has rigorous governance in place, offering a viable and cost effective solution for Government when procuring community transport services.

This paper aims to provide Government with sufficient information about the NSW Taxi Industry's capability in the community transport sector and their capacity to scale up individual services in response to market demands. This paper outlines where the NSW Taxi Industry currently provides community transport services and highlights the efficient, transparent and cost effective nature of their service offering in comparison to a sample of community transport organisations.

## **Background**

Reliance on community transport as an alternative transport option is becoming even more critical as the population ages and an increasing proportion of the population find it difficult to access conventional public transport systems.

The NSW Taxi Industry recognises that they need to expand their service offering in order to remain sustainable in regional areas. Building partnerships with community groups and all levels of government is critical for the NSW Taxi Industry to ensure the transport cluster can service growing community needs.

In regional and remote areas some taxi groups are in decline. These taxi groups experience high demand at weekends and night time but are facing increased competition from hire cars, courtesy transport, as well as community transport organisations for critical weekday work. The sustainability of the NSW Taxi Industry in these regional communities will rely heavily on their ability to deliver community transport services going forward.

There have been recent policy changes focusing on individualised service provision for the disabled and elderly. These changes have increased the flexibility for individuals to use more funds to access community transport services.

Coinciding with these recent policy changes, there has been a number of reviews into the appropriate level of funding required to deliver community transport services. The quality of community transport services and the value for money currently being delivered has also been under review. The findings from these reviews identified the following initiatives as necessary to ensure the community transport sector remains efficient and cost effective into the future:

- More robust and transparent funding structures which minimise cross subsidisation
- Transparent and consistent reporting requirements
- Flexible, consumer directed service provision
- A focus on efficiency and cost saving
- Improved quality and safety.

## Key Considerations

### Servicing the growing demand

Section 1 ‘A Changing Environment’ discusses the market forces impacting the demand for community transport services.

This section looks at the growth in the population over 65, one of the key drivers for increased demand of community transport services. By 2026, the population over 65 will rise by 59%, from 1 million to 1.7 million<sup>1</sup>.

Key factors within this population group that impact the growth in transport demand include:

- Increasing support requirements related to the activities of daily living
- A higher level of individualised service and care
- Changes in the level and type of transport services required
- High demand for health services
- Reduced access to family carers
- Prevalence and impact of dementia

Section 1 also provides an overview of the policy changes aimed at improving the quality and availability of community transport services to priority population groups.

### The NSW Taxi Industry’s capability

Section 2 ‘Transport for the Community’ demonstrates the NSW Taxi Industry’s ability to deliver community transport services.

This section highlights the features of the NSW Taxi Industry that make it well positioned to meet the growing demands of the community. The NSW Taxi

Industry has made significant improvements in areas such as training and quality of service in order to meet the high standards required by the sector.

The NSW Taxi Industry’s capability to provide care-focused transport services to the transport disadvantaged, is evident through its current partnerships with:

- Department of Veterans Affairs
- NSW Government’s Assisted School Travel Program
- Community transport groups, such as Bathurst Community Transport Group
- Other locally based community partnerships, such as Windara and On Focus

### Efficiency and cost effectiveness

Section 3 ‘Value for Money’ provides an overview of the detailed analysis undertaken to quantify the cost and efficiency of delivering community transport services via taxis, compared to other community transport organisations.

This revealed that on average the NSW Taxi Industry is more efficient, with more of the dollar going directly into service provision. The comparison showed that using taxi services could have the potential to deliver extensive cost savings to Government. The cost per km analysis also revealed that the NSW Taxi Industry offers a more consistent and transparent cost structure than the current community transport models.

<sup>1</sup> NSW Department of Planning and Environment, 2014, ‘New South Wales State and Local Government Area Population Projections: 2014 Final’

**NSW Taxi Industry Value Proposition**

The NSW Taxi Industry is eager to work with Government to deliver a high quality, customer focused, value for money community transport service. To facilitate this, the NSW Taxi Industry would like to work with Government to overcome some of the challenges facing the community transport sector and ensure it can meet the growing demand for services.

The NSW Taxi Industry offers Government an excellent choice for the provision of community transport services, with features including:

- A highly regulated industry ensuring a safe, reliable and high quality service
- A large geographic footprint, providing flexibility through existing infrastructure
- A 24 / 7, door-to-door, individualised and flexible service for customers
- A state-wide, service driven training framework
- Sophisticated and proven dispatch, monitoring and tracking systems
- Experience providing travel for those with special transport needs
- An integrated delivery model with centralised support and regulation functions
- A single point of contact for contracting and managing service delivery.

# Section 1

## A Changing Environment



### **Market Analysis**

The primary aim of this paper is to provide Government with an evidence based value proposition to show how the NSW Taxi Industry could effectively and efficiently deliver community transport services. In order to demonstrate this, extensive research was conducted into the community transport sector and the core drivers of demand.

Research included a review of:

- Government policy and reform initiatives
- Academic literature and national and international community transport services
- Sources of community transport funding in NSW
- Community transport organisations in NSW
- The NSW Taxi Industry operating model
- Individual taxi networks

### **Environmental factors**

To identify the opportunities and quantify the benefits of using taxis to deliver community transport services, this section looks at the following environmental factors:

- Australia's ageing population
- Implications of current health trends (e.g. rising levels of dementia)
- Recent legislation and policy changes
- Current community transport services provided in NSW
- Community transport funding in NSW

## Australia's ageing population is changing the way Government must deliver transport services

### Growing demand

The number of Australians over 65 will almost double over the next 40 years according to the Australian Governments Intergenerational Report (2010). This population spike will have significant consequences on the demand for transport services and in turn, the way that these services are delivered.

### The rate of growth

- In 2011, the NSW population over 65 was 1 million. By 2026, this figure is projected to rise by 59% to 1.7 million and to over 2.2 million by 2041 (Figure 2).<sup>2</sup>
- In 2011, the NSW population over 85 was 140,000. By 2026, this is projected to grow by 60% to over 200,000 and to over 400,000 by 2041 (Figure 3).<sup>3</sup>

### High levels of dependency

There is increasing support requirements related to the activities of daily living as people age. In the 2011 census, 23% of people at age 70 reported that they needed assistance with one or more of the core everyday activities of self-care, mobility and communication<sup>4</sup>. For the 85 years and older population this rose to 47.7%<sup>5</sup>.

Government services, particularly health, aged care and transport services, will come under increased strain with the ageing population. The type and level of services required change as people live longer and want to maintain their independence. A higher level of individualised service will be critical to ensure that the older population remain engaged in the community.

<sup>2</sup> NSW Department of Planning and Environment, 2014, 'New South Wales State and Local Government Area Population Projections: 2014 Final'

<sup>3</sup> Ibid

<sup>4</sup> ABS, 2011, Australian Demographic Statistics, Mar 2012

<sup>5</sup> Ibid

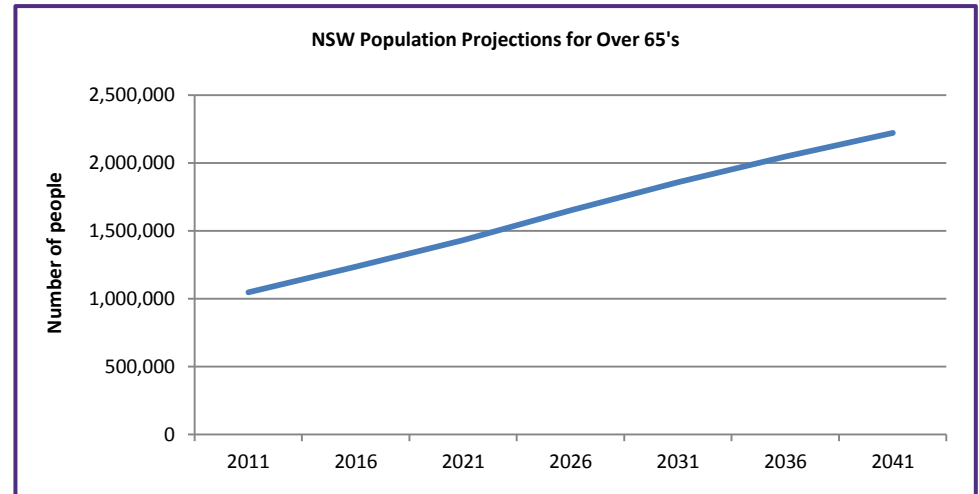


Figure 1: NSW population projections 65 years and over

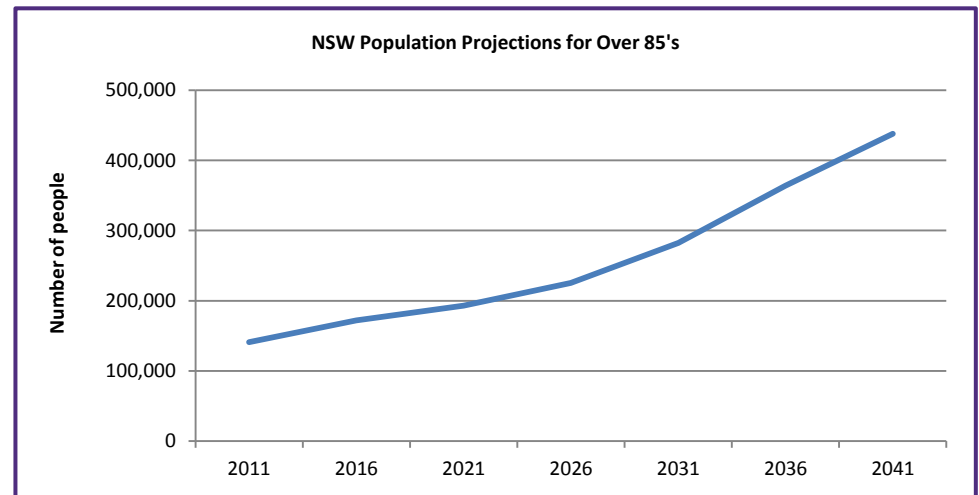


Figure 2: NSW population projections 85 years and over

## The community transport environment is experiencing significant change

### ***The implications for community transport***

The Government recognises the importance of ensuring transport services are accessible, affordable and appropriate for maintaining a person's independence and ability to engage fully in the community as they get older.

A number of recent legislation and policy changes reflect the commitment to improving the quality of the services delivered. More robust and transparent funding structures which minimise the risk of cross subsidisation, improved quality and transparency, and consumer choice are identified as critical for the long term sustainability of the community transport sector.

There is a clear need for community transport services to be more efficient, with the ultimate aim to provide more services to more of the community for the same cost.

### **NSW Long Term Transport Master Plan 2012**

The Plan outlines strategies to create a more accessible transport system. This includes making significant changes in community transport to increase the quality and number of people who benefit from the service. Changes include:

- Improving coordination of community transport providers
- Strengthening the safety framework by accrediting community transport providers and improving driver standards
- Adopting a renewed approach to resourcing the community transport sector to ensure it can meet increasing demand for service
- A focus on transparency and driving the dollar further
- Rationalisation of back office functions

### **Passenger Transport Act 2014**

The *Passenger Transport Act, 2014* reflects the renewed focus of Government to approach transport in an integrated way. It represents a key milestone for community transport, recognising it for the first time within the Passenger Transport Act. The Act introduces and makes changes to service procurement to facilitate better overall service outcomes for customers rather than concentrating on mode-specific regulation for transport.

The *Passenger Transport Act, 2014* also provides Government with greater flexibility when purchasing transport solutions for the community. It allows services to be more outcomes focused, rather than mode and therefore places a greater emphasis on quality cost efficient services.

### **Utilisation of Spare Capacity Policy**

This policy, a product of a joint agreement between the Department of Families and Communities and Transport for NSW, outlines a consistent approach to managing spare capacity for community transport services. The key objective is minimising duplication of resources and obtaining the best value for money from existing services.

### ***Changes in the aged care and disability sector***

The Australian Government has also introduced a number of reforms that change the way ageing and disability services are provided. For instance, funding has shifted from providers via direct block funding, to customers via mechanisms such as Consumer Directed Care (CDC) and activity based funding. These changes and policies have significant consequences for the community transport sector.

### **'Living Longer, Living Better', Department of Health (2012)**

This publication outlines how the Government plans to build systems and services that cater for the changing needs of the older population. The goal is to

assist citizens to stay independent and in their homes for longer. For the transport sector, this means ensuring it is appropriately equipped to provide people with continued access to the services they need.

**NSW Ageing Strategy (2012)**

The NSW Ageing Strategy outlines plans to make it easier for seniors to live full and active lives. Community transport type services will play an important role in this by facilitating access to social activities, information services, physical activity and creative opportunities and employment.

**National Disability Insurance Scheme (NDIS)**

The NDIS announced a new way of providing individualised support for people with permanent and significant disability, their families and carers. The Scheme will require the transport sector to work innovatively and collaboratively to cater to people's diverse and specific needs.

## The NSW Government recognises the value of community transport and is investing to provide more services to those in need

### ***A crucial link***

Community transport provides an alternative transport option when conventional public transport systems are not viable or appropriate. This becomes even more critical as the population ages and an increasing proportion of the population find it difficult to access conventional public transport systems.

It is estimated that each year, 2 million community transport trips are provided to help older people access recreation, shopping, medical care, social services and social activities<sup>6</sup>. These trips deliver an important service for the community.

### **Engagement in the community**

Community transport plays an important role in keeping older people engaged and connected with the community. According to the NSW Ageing Strategy, “thirty-one per cent of people aged 65 and over are volunteers”<sup>7</sup>. Seniors offer knowledge and experience, and can create new solutions to current skill shortages.

### **Access to services while maintaining independence**

Research has shown that older Australians want to remain in their own homes for as long as possible. As the population ages, the demand on in-home care services as well as access to critical medical services is increasing. The total number of Commonwealth Home Care Packages is expected to double from approximately 67,000 packages currently to a forecasted 140,000 packages by 2021-22<sup>8</sup>. Community transport services ensure that people can access critical services once their ability to use conventional forms of transport wanes.

<sup>6</sup> NSW Ageing Strategy 2012

<sup>7</sup> NSW Ageing Strategy 2012

<sup>8</sup> National Review of Community Transport under the Commonwealth HACC Program, 2014

### **A social service**

Without access to community activities and social interaction, there is a risk of people becoming lonely, socially isolated and disengaged from the community. This has significant implications for a person’s health and wellbeing with research showing that individuals who lack social connections or report frequent feelings of loneliness tend to suffer higher rates of morbidity and mortality, as well as infection and cognitive decline<sup>9</sup>.

The Government recognises that these risk factors have significant implications for the wider health and aged care sectors and understands that community transport plays a key role in mitigating these risks. Community transport provides people with access to community activities and in some cases incorporates social activities within their scope of service.

### ***Community Transport Funding in NSW***

In response to the increasing demand and recent policy changes, the Federal and NSW Government have committed to increasing the funding provision for community transport services.

In NSW, community transport providers are able to apply for funding through a number of different funding streams. The two main sources of funding for Community Transport services are:

- Federal Home and Community Care (HACC) program
- NSW State-funded Community Transport Program (CTP).

<sup>9</sup> Social Disconnectedness, Perceived Isolation, and Health among Older Adults 2009

### HACC funding

The national Home and Community Care (HACC) program provides care services to older people who are frail, younger people with disabilities and their carers. The program assists clients to stay living independently in their home and community, avoiding inappropriate or early admission to residential care.

On 1 July 2012, HACC funding and administration changed. The Australian Government assumed full funding and operational responsibility for HACC services for people over 65, with States and Territories responsible for HACC services for people under 65. This means that the Australian Government will now be disbursing HACC funding directly to Transport for NSW for Community Transport services.

### Community Transport Program (CTP)

The CTP aims to assist transport disadvantaged people across NSW by coordinating more efficient use of transport resources. The main objective of CTP funding is to provide transport disadvantage customers with a greater number of flexible options to enable greater participation in life.

### Increase in Funding

In 2013, the Government committed to increasing CTP funding by \$12 million over 4 years. The budget estimate for 2014/15 for the HACC Community Transport sub program and the NSW CTP is \$59 million, an increase from \$56 million in 2012/13.

### Additional sources of funding

There are various other funding sources available, these include:

- Ageing, Disability and Home Care (ADHC) - NSW Community Care Supports Program
- Department of Health – NGO contracts for non-emergency health transport
- Local Councils – Direct or in-kind support to community transport organisations to deliver transport services to disadvantaged people within council areas
- Local community service clubs and local businesses - Partnerships to provide community transport services to assist their particular purpose.

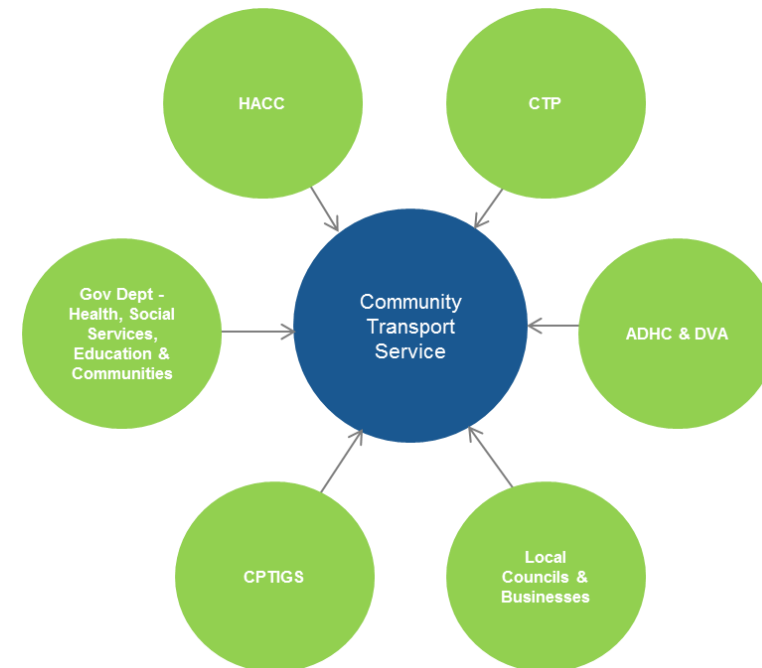


Figure 3: Some of the many sources of community transport funding

## Section 2

# Transport for the Community

## The NSW Taxi Industry plays an important role in the NSW Transport Cluster

### The role of the NSW Taxi Industry

The NSW Taxi Industry is an integral part of the NSW public transport system, providing an efficient and valuable service that complements other forms of public transport throughout the state. It plays an important role for those with special transport needs by connecting people, promoting social inclusion and supporting economic activity. Taxis are particularly valuable for less mobile groups in the community, such as elderly and people with a disability.

Taxis provide a round-the-clock door to door service, used by all members of the community including some of the most disadvantaged people in NSW. The flexible, individualised service gives the customer choice and independence.

### Social Contribution of the NSW Taxi Industry

There are around 480,000 passengers that ride in a taxi in NSW every day. Figure 5 shows the broad range of users that benefit from taxi services.

Without taxis available to assist these users, there would be a significant gap in the NSW transport system. Taxi’s service a wide range of special transport needs that are not always met by mass transit options, including:

- People with restricted mobility or wheelchair accessible requirements
- Hospital patient transfers
- School children with disabilities
- Those with vision impairment, including those travelling with guide dogs
- Veterans and family members
- The aged and frail
- Businesses who commute around towns and cities
- Hospitals to deliver blood and other specimens
- Providing services out of normal working hours, such as supporting the late night economy

- Providing a backup for unexpected conditions, such as car breakdowns or disruptions in public transport services



Figure 4: Users of taxi services

### Economic Contribution of the NSW Taxi Industry

Furthermore, the industry makes an important economic contribution to the NSW economy:

- Estimated contributions of over \$935 million in direct value to the NSW economy and \$1.15 billion in total value add to the NSW economy.<sup>10</sup>
- Directly employs almost 17,500 people, and supports a further 1,060 FTE in other parts of the economy.<sup>11</sup>
- Provides up to \$20 million per annum in revenue to the NSW Government through taxes, authorisation and other regulatory fees.<sup>12</sup>
- Collects approximately \$130 million in gross GST per annum.<sup>13</sup>

<sup>10</sup> Deloitte Access Economics 2012

<sup>11</sup> Ibid

<sup>12</sup> Ibid

<sup>13</sup> Ibid



## The NSW Taxi Industry is proactively working to ensure the sustainability of the industry

The NSW Taxi Industry recognises that broadening the service offering and building partnerships with community groups and all levels of government is critical to the sustainability of the industry.

The NSW Taxi Industry is perfectly placed to support the increasing demand for community transport by delivering a quality, flexible and care focused service. The NSW Taxi Industry's provision of services for the Department of Veteran Affairs (DVA) under the Repatriation Transport Scheme, is just one example of where this high quality service is already evident.

### Decline in regional areas

Some regional and community taxi groups have been struggling to remain financially viable and have been in decline over the last few years.

Of the 14 shifts per week, the typical taxi needs to be on the road for at least 12 of those to break even<sup>14</sup>. A large number of taxis are required to service spikes in demand such as on Friday and Saturday nights, however during the day a typical trip involves transporting the elderly or less mobile around town.

In many cases, these weekday trips are now being delivered by community transport providers. These weekday trips are critical for the financial viability of the industry and for ensuring that there are enough vehicles available to service the peak in demand.

### Recent progress and improvement

To help capture more of the community transport market, the NSW Taxi Industry has been proactively working to identify and address some of the issues that have historically limited the industry expand its service offering.

### Developing care-focused training programs

Training programs focused on care have been introduced to build driver skills and ensure a quality, care-focused service is delivered. For example, the NSW Taxi Council has partnered with DVA to develop specific training for drivers to ensure they are equipped to best meet the needs of the DVA clients.

### Responding to changing demands

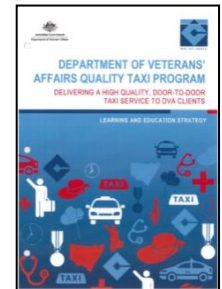
The NSW Taxi Industry has become more responsive to community demands, focusing more on the needs of the customer. For example, Newcastle Taxis have identified a need for additional wheelchair accessible taxis (WATS) and have increased the number of WATs from two to eight, to accommodate this demand.

### Partnering with local organisations

Individual Taxi Networks have been proactive in identifying and building partnerships with local organisations to deliver a broader service offering. For example, Griffith taxis provide a club to home service for customers at pubs and clubs in regional areas, equivalent of the "Courtesy Bus".

### Regulating via networks

Taxi Networks play an increasingly important role in the NSW Taxi Industry. For DVA and ASTP work, networks regulate which drivers are allocated jobs based on training qualifications. This gives Government and community partners' quality assurance of the service provided.



<sup>14</sup> NSW Taxi Council

## The NSW Taxi Industry is perfectly positioned to provide high quality, flexible “Transport for the Community”

### *The NSW Taxi Industry providing community transport services*

The NSW Taxi Industry sees an opportunity to provide a more efficient, cost effective community transport service. The NSW Taxi industry is well positioned to service the growing demand for community transport, with its current delivery model designed for individualised, flexible service delivery.

The industry understands the importance of partnering with other community service providers, such as the health and aged care sector to better serve the needs of the community. Working alongside existing community transport providers is also recognised as important to ensure that the sector can provide the full suite of service offerings.

The NSW Taxi Industry offers a number of positive features that position it perfectly to provide community transport services:

- A large, flexible network that can provide a 24/7 service to the transport disadvantaged
- Established, effective dispatch and tracking systems
- Highly regulated pricing to ensure fares are set at appropriate and affordable rates
- Drivers, operators and networks authorised and regulated by Government
- Compulsory training by registered training providers ensuring high standards
- English language and geographical knowledge tests
- Vehicle and driver presentation requirements
- Maximum age limits for vehicles, creating ever regenerating fleets
- In-cab security cameras and a duress alarms in all taxis
- Responsive to changing demands, through leveraging economies of scale

- Complaints management system
- Electronic payment system
- A single point of contact for contracting and managing service delivery.

### *The NSW Taxi Industry is already delivering high quality, care-focused services*

The NSW Taxi Industry currently provides care-focused transport services to the transport disadvantaged through partnerships with:

- Taxi Transport Subsidy Scheme
- NSW Government’s Assisted School Travel Program
- Community transport groups such as Bathurst Community Transport Group
- Other locally based community partnerships, such as Windara and On Focus
- Department of Veterans Affairs

### **Taxi Transport Subsidy Scheme**

Funding is provided through the Taxi Transport Subsidy Scheme (TTSS) to some taxi passengers who cannot access other forms of public transport. The scheme, which began in 1981, allows approved participants to travel by taxi at half fare up to a maximum subsidy of \$30 per trip.

### **Assisted School Travel Program**

The NSW Government also uses taxis to transport children with disabilities to schools, through the Assisted School Travel Program. This service, worth around \$70 million in 2010, provides children with disabilities with a safe, familiar and regular routine throughout the school week. The program provides around 2,300 individual transport services daily through contracted service providers, free of charge to over 10,500 students across NSW.

### Case Study 1: Bathurst Taxis and Bathurst Community Transport Group

Working co-operatively with Bathurst Community Transport Group (BCTG), Bathurst Taxis provided over 5,000 trips for community transport clients last year.

BCTG were intending to purchase additional vehicles to cope with a growing customer base. Utilising Bathurst Taxis to service the additional trips presented as a more cost effective option based on:

- Ready availability of Bathurst Taxis
- Positive reputation of Bathurst Taxis in the community
- 24/7 coverage
- Long experience servicing the target market of frail, aged and disabled or disadvantaged people and their carers.

Bathurst Taxis satisfied the community transport requirements of passenger safety and comfort, driver training and conduct, and overall customer service.

#### Outcomes

- Clients have increased flexibility with access to a 24/7 service
- Bathurst Taxis have remained financially viable and maintained their full fleet of vehicles and drivers.



Taxi Cabs Bathurst Co-op Society Ltd.



### Case Study 2: Casino Cabs partnering to support disability service

An excellent example of where the NSW Taxi Industry is broadening out from their traditional service delivery to proactively identify and build partnerships with local organisations, is the partnership between Casino Cabs and the disability-community service organisations Windara and On Focus.

On Focus provide support services for people with a disability: intellectual, physical and acquired brain injury. They run day programs to assist people with a disability who require an alternative to paid employment or further education. Windara is an Australian Disability Enterprise which provides quality, supported employment and training for people with a disability.

The partnership project “Getting on with the Job” involves Casino Cabs providing transport for disabled people to attend the programs run by On Focus and Windara.

The NSW Government supports this partnership, generously providing \$30,000 for the program. On Focus administers the funding and Casino Cabs is provided payment based on the metered or agreed rate.

#### Outcomes

- Clients have access to a flexible, personalised and reliable service which enables them to access support services and employment.
- Casino Cabs maintain their fleet of vehicles by providing work for drivers during weekday off-peak times.



## The NSW Taxi Industry works closely with the Department of Veterans Affairs to deliver a care-focused service

### *Department of Veterans Affairs, Repatriation Transport Scheme*

The Commonwealth Government provides transport services as part of the Repatriation Transport Scheme, for war veterans, widows and eligible family members through the Department of Veterans Affairs. The scheme is worth around \$151 million per year and enables war veterans and widows to travel free of charge to attend a health provider for approved medical treatment.

The NSW Taxi Industry has built a long standing relationship with DVA over the past four years by providing transport services for eligible DVA clients through this scheme.

Only appropriately licensed and accredited taxi and hire car companies are eligible to deliver the service based on the strict requirements set out by the DVA. The scheme delivers 5,000 trips per day nationally, through 350 contracted providers.

### **Booked Car with Driver process**

DVA relies on the existing taxi and hire car networks that operate independently around the country for its Booked Car with driver service. DVA dispatches the bookings to a contracted transport provider operating in a particular geographic area. Only approved, trained drivers attached to a network are allocated bookings.

### **Responding to requirements**

The Booked Car with Driver service has high standards that must be met by both operators and drivers if they wish to deliver the service. In the case of the NSW Taxi Industry, the NSW Taxi Council has worked closely with DVA to develop specific training for drivers to ensure they are equipped and meet the needs of DVA clients.

In response to DVA's growing demands, the NSW Taxi Industry has increased the number of appropriately licensed and accredited taxi drivers available in cities and larger regional areas to deliver DVA services. This in turn has meant there are an increased number of WATs available to provide other services in the community.

The NSW Taxi Industry is a key transport provider to DVA due to the additional value-add services provided, including:

- A flexible, individualised service
- Established dispatch and tracking systems
- Ability to monitor time, cost and efficiency of service
- Well-presented and respectful drivers who are trained in specific DVA requirements
- Regularly inspection of vehicles under a Government authorised scheme
- Transparent rates
- An electronic payments system which makes it easy for DVA to monitor and track service delivery
- Comprehensive insurance and liability cover
- A highly regulated industry

The high standards of care and compassion delivered by the NSW Taxi Industry for DVA, illustrates the capability of the Industry to deliver services that adequately meet the high level of service requirements in the community transport sector.

# Section 3

## Value for Money

## The NSW Taxi Industry can offer an efficient, transparent and cost effective option for providing community transport services

The NSW Taxi Industry's service offering provides Government with a sustainable alternative to deliver on a range of community transport service provisions. The findings detailed in this section demonstrate the NSW Taxi Industry's ability to deliver community transport services in a cost effective and efficient way.

### NSW Taxi Industry regulation and transparency

The NSW Taxi Industry is one of the most highly regulated industries in Australia, with the number of taxis, fares and quality of service all subject to regulation by Transport for NSW.

The Independent Pricing and Regulatory Tribunal (IPART) reviews and recommends on maximum fares for taxis, to the NSW Government. This ensures that fares are transparent, affordable and provides a level of predictability in respect of the cost of fares across the state.

The NSW Taxi Industry operates under a co-regulatory model, whereby the NSW Government sets the number of accredited drivers, operators and networks, while authorised taxi networks take on a significant share of the cost of regulation by assisting the Government in ensuring that standards are monitored and enforced. The NSW Government also monitors compliance through regular audits and receive monthly reports from authorised taxi networks on key performance indicators including bookings, pickups and waiting times.

These systems ensure that taxi services supplied to the public are consistently safe, reliable and affordable.

### Analysis

Analysis has been performed to quantify the cost and efficiency of delivering community transport via taxis and other community transport organisations.

While Community Transport Organisations (CTOs) are not required to report on or publish consistent information, two indicators were selected that could be mapped back to annual reports and financial statements for relevant CTOs. This ensures a like for like comparison on a value for money basis.

#### 1) Cost per kilometre rate

Determining an average cost per kilometre rate from available CTO information and comparing against the NSW Taxi Industry's standard rates.

#### 2) Percentage of direct operating costs

Determining the proportion of operating costs spent directly on delivering services and the indirect costs based on available CTO information and comparing this against the NSW Taxi Industry's standard rates.

### Cost per kilometre analysis

Costs per km rates calculated for the NSW Taxi Industry were based on 2014 maximum fares set by the Passenger Transport Act (Table 1).

Table 1. NSW Taxi Industry 2014 maximum fares

Taxi	Hiring Charge	Distance Rate	Booking Fee	Waiting Time
Urban Taxi	\$3.60	\$2.19 per km	\$2.50	94.4 cents / minute
Country Taxi	\$4.10	\$2.26 first 12km \$3.13 thereafter	\$1.20	96 cents / minute

For illustrative purposes, the cost per kilometre rate for the NSW Taxi Industry was calculated for a booked, 7km trip on a weekday. In an urban taxi this trip would cost \$21.43, equating to an average cost per km of \$3.06.

In order to determine a cost per kilometre rate for CTOs, the total kilometres and total expenditure over a given year was required. Only four CTOs published this information publically and could be used in the analysis.

### Findings

There is a high variability in expenditure across CTOs, with the cost per kilometre ranging from \$2.82 to \$6.81 (Figure 5).

In contrast, the NSW Taxi Industry is standardised, with rates set and reviewed each year by the Independent Pricing and Regulatory Tribunal. This offers the Government consistency to monitor and control expenditure and accurately budget for future provisions.

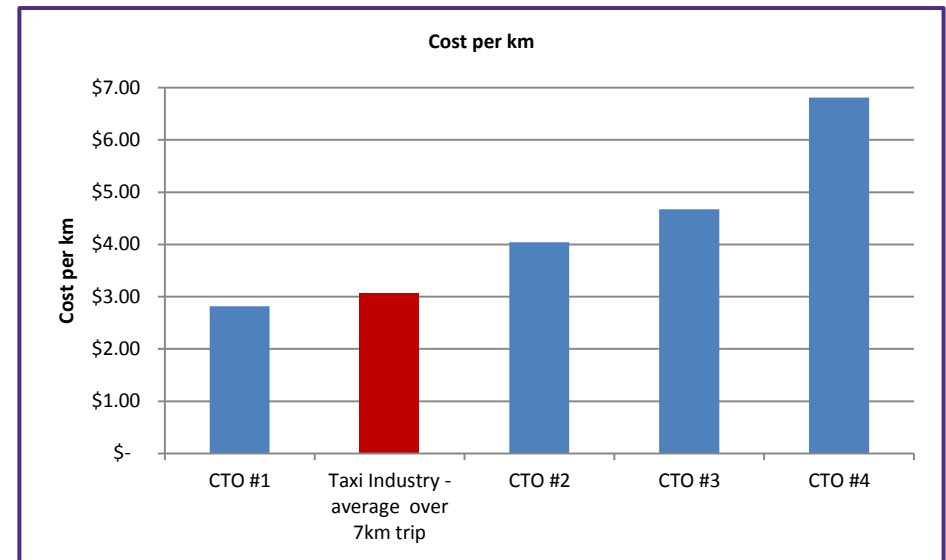


Figure 5: Cost per km comparison

Note: The Taxi rates shown represent the maximum a taxi can charge for a trip, reduced rates are negotiated for specific contract work.

### Cost per kilometre comparison

#### a) CTO average

The average kilometres travelled in the 2012-13 financial year by the four CTOs was 494,489km, with the average cost per kilometre rate for the four CTOs of \$4.95/km.

Table 2 illustrates the potential savings based on the average cost per kilometre for CTOs, versus the NSW Taxi Industry of \$3.06/km. This represents a potential saving of up to one third, or the provision of a further 247,244km of services for the same cost (based on the NSW Taxi Industry rate).

Table 2: Cost per km comparison and potential savings over an average yearly distance

Distance (km)	CTO	NSW Taxi Industry	Potential Saving
494,489	\$2,269,705	\$1,513,136	<b>\$756,568</b>

#### b) HACC funded community transport

In 2014/15, HACC funding is set to deliver \$69.4 million worth of trips via the community transport sector.

The total HACC funding provided to a CTO for a year, is allocated based on the number of trips a CTO has provided in the previous year, multiplied by a rate of \$30.65 per trip.

Assuming an average 7km trip, a HACC trip would equate to \$4.39 per km. When compared with the NSW Taxi Industry rate of \$3.06, this represents a significant potential cost saving.



### Indirect and direct operating costs

To quantify the proportion of operating costs spent directly delivering community transport services, analysis was conducted on six CTOs and compared with a sample of NSW taxi networks financial information.

Direct costs included:

- Driver labour costs
- Vehicle running costs

Indirect costs for the NSW Taxi Industry included:

- Operator administration
- Plate lease costs
- Network fees

Indirect costs for CTOs included:

- Administration, including support staff and coordinators
- Depot, premises and facilities
- Systems and applications

### Findings

A high degree of variability exists across the percentage of operating costs spent directly providing community transport services by CTO's.

Adding to some of the CTO's higher per km operating costs is the underutilisation of assets including fleet and infrastructure, some of which are Government funded.

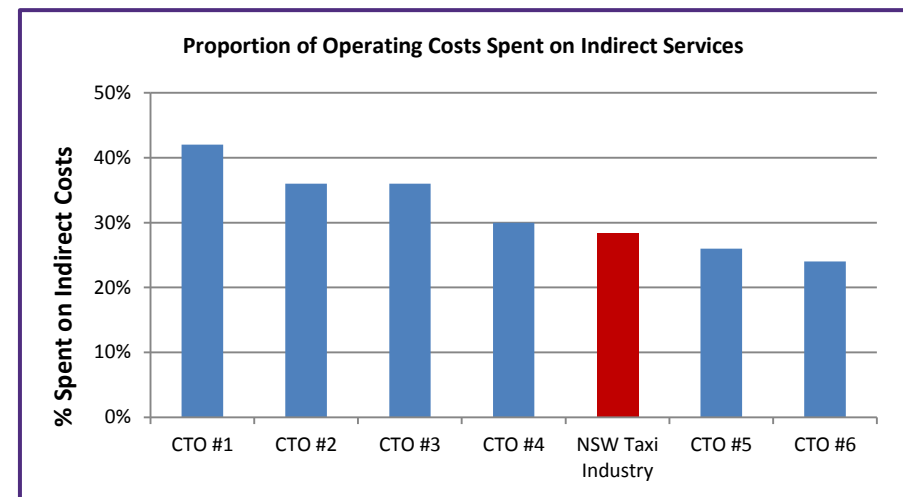


Figure 6: Proportion of operating costs spent on indirect services

While the proportion of indirect costs of CTOs ranged from 42% to 24%, indirect costs for the NSW Taxi Industry remained consistent at 28% (Figure 6).

**This illustrates that, on average, the NSW Taxi Industry spends a greater proportion of funding directly providing transport services.**

This is as a result of three key factors:

- Established systems and applications that ensure the efficient operation of the entire fleet. Costs are not diverted to develop or implement systems, as may be the case with CTOs.
- Vehicle maintenance, storage and purchase costs are aggregated across all the NSW Taxi Industry service offerings
- The NSW Taxi Industry operates a 24/7 transport service with a shared services arrangement for many of the back office administration functions.

# Next Steps

### **Summary**

This paper has demonstrated the capability and willingness of the NSW Taxi Industry to deliver cost effective and efficient community transport services. The industry has made significant improvements over recent years in the provision of higher care services and is now in a strong position to deliver the high quality, personalised service that the community requires.

The NSW Taxi Industry is an important link in the transport sector and is essential for delivering an integrated transport system. By supporting the NSW Taxi Industry to deliver more community transport services, the Government will be making considerable savings by driving costs down, and in turn enabling the delivery of more efficient quality services to the community. It will also assist in ensuring the long term sustainability of the NSW Taxi Industry and retaining its important social and economic contributions.

### **Moving forward**

The NSW Taxi Industry is eager to work with Government to deliver high quality, customer focused, value for money “Transport for the Community”. The NSW Taxi Industry can leverage off its vast experience delivering a state wide transport service and help drive more value for the dollar in the community transport sector. To facilitate this, the NSW Taxi Industry would like the opportunity to work with Government to:

- Explore service delivery opportunities, through engaging in a competitive tender process
- Piloting a transport for community program with flexible transport options

- Improve standards across the sector, through the development of specific training material and quality service commitments
- Fully understand the challenges facing the community transport sector, through market testing and engaging with local communities and organisations
- Support the facilitation of change, through involvement in industry working groups
- Effectively monitor and evaluate community transport services, through the development of a consistent data collection and reporting approach
- Enable service providers to work together, through developing coordination functions and partnerships with other CTO's
- Establish a fee for service procurement model.

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## GOLD LEVEL SPECIAL NEEDS TRAINING PROGRAM

Dates: 22 & 23 June 2015

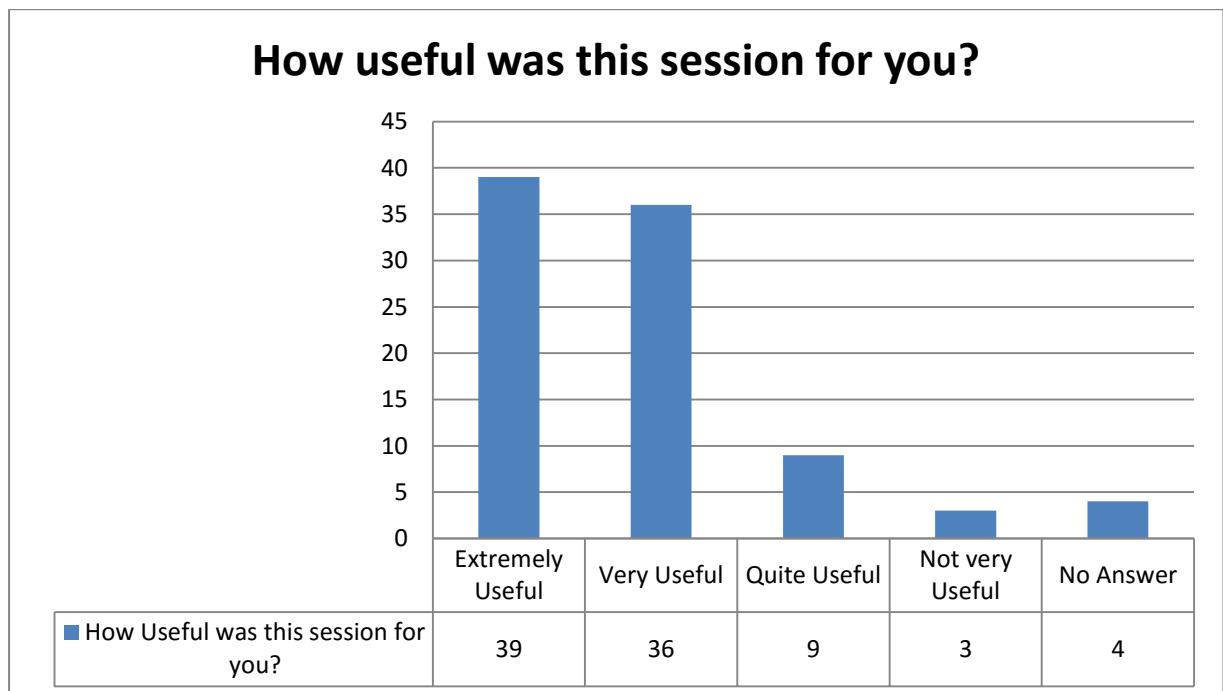
Location: Wagga RSL, Wagga Wagga

Facilitated by: Christina Klaasse & Jill Lewis, NSW Taxi Council

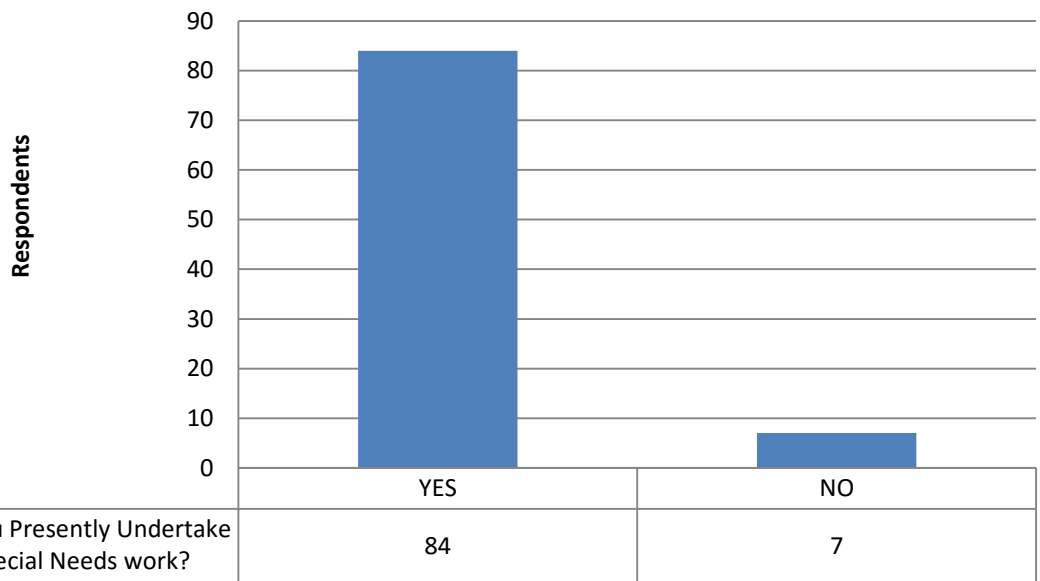
### Summary

The NSW Taxi Council in conjunction with Wagga Radio Cabs conducted pilot training classes of the Gold Level Special needs training program. Four (4) sessions were held over the 2 day period with a total of 92 participants. Mr Greg Crotty from the Department of Veterans' Affairs attended on the second day to speak to participants and provide feedback on the program.

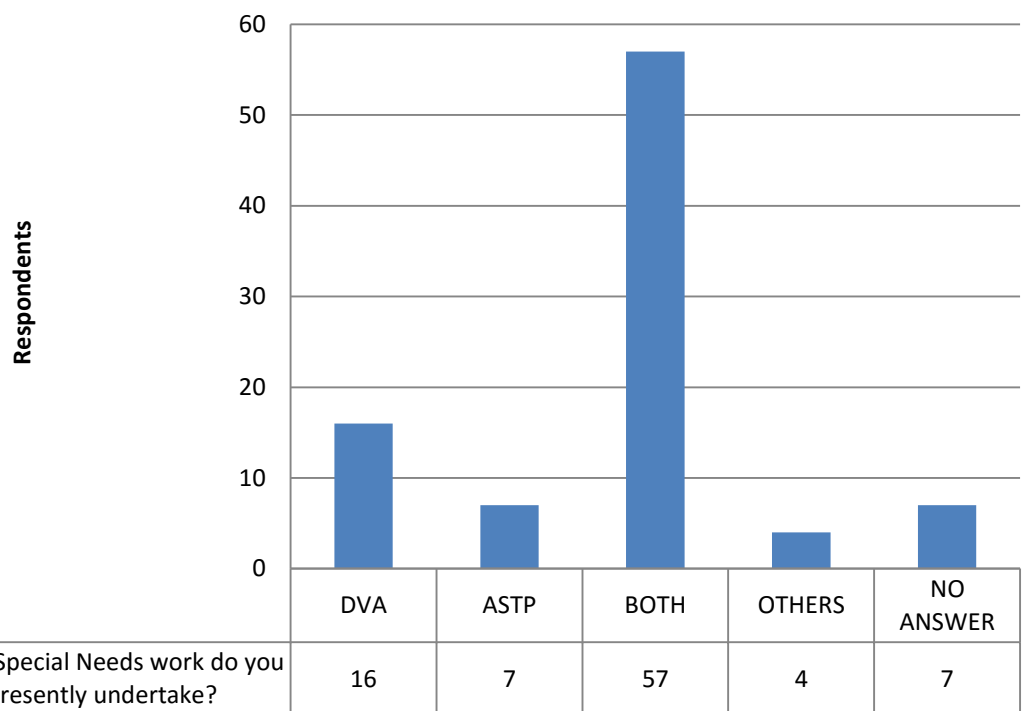
Participants were asked to complete feedback forms at the end of each session. A summary of the feedback is included below. 91 of the 92 participants completed the feedback.



## Do you presently undertake Special Needs work?

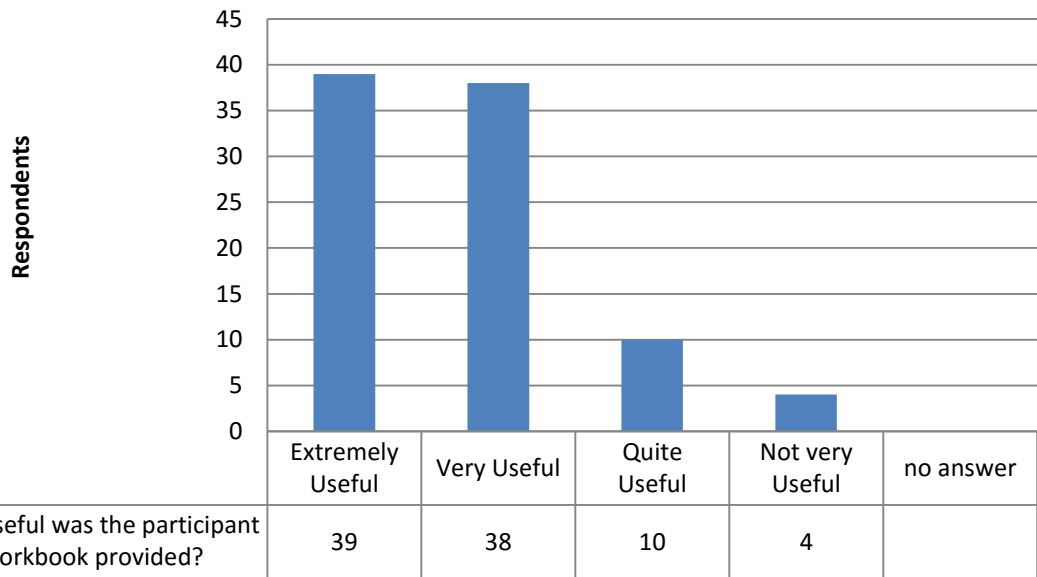


## Which Special Needs work do you presently undertake?

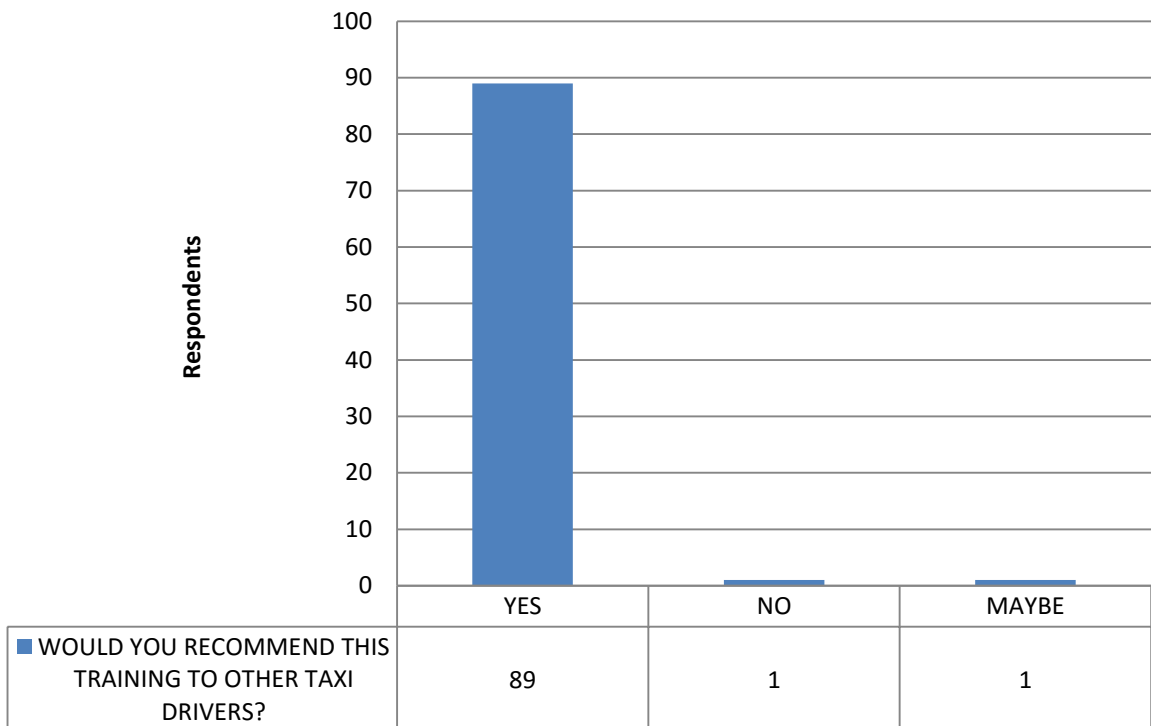




## How useful was the participant workbook provided?



## Would you recommend this training to other taxi drivers?



## **What else could we include in the program or participant workbook?**

### **Key comments:**

- More case situations
- Any subject relevant to achieve unbeatable customer service within our taxi network
- School work - ASTP
- Outline and definition of duty of care. What to do/who to contact in the event of an emergency
- More movies
- More interactive demo roles with the drivers to ensure they understand what has been covered.
- Brilliant to see the Taxi Council starting to standardise.
  - self care after physical/sexual assault on taxi drivers
  - how to assist physical, indecent and sexual assault victims including domestic violence
  - relationships with indigenous Australians & other communities

## **What other training sessions would you like to attend in the future?**

### **Key comments:**

- I'm prepared to attend any training sessions regarding the taxi industry.
- Dealing with people affected by drugs or alcohol.
- Regular / Annual updates
- Anything that will help me pass the best information on to my drivers.
- A low level medical training course (to be able to attend to people who suffer injuries or sickness whilst in your cab).

## **General Comments on the session**

### **Key comments:**

- Very informative, Teachers relaxed style made it easy to listen and learn.
- Good training all levels.
- I enjoyed it immensely, very helpful and useful and informative.
- Presenters were very interesting and informative.
- A good in depth course.
- A good upgrade of our daily work.
- Excellent training program. Both Jill and Christina are excellent presenters.
- Well Done! Very important and interesting.
- Beneficial/ useful. A good opportunity to bring our drivers up to date with.
- A must for every driver.
- Case study provided some very useful discussions within the group.
- Great info. Great, easy to listen to presentation. Good Work!



## RADIO CABS (WAGGA) CO-OPERATIVE SOCIETY LIMITED

### SENIOR TAXI CLUB - CONDITIONS OF MEMBERSHIP

1. Each member is to produce their Senior Taxi Club Card BEFORE the journey.
2. The fare will be:-
  - a) flag fall
  - b) 33 $\frac{1}{3}$ % off the regular kilometre (km) rate up to 7kms.
  - c) Journeys beyond the 7km range will revert back to the full rate for that part of the journey beyond the 7kms only.
  - d) Telephone booking fee. If the cab is taken from a rank no booking fee will apply.
3. Operating times - The service will only be available Monday to Saturday from 7:30am to 6:30pm only. This service DOES NOT apply after these hours or on Sundays or any gazetted Public Holiday.
4. Utilisation of the Senior Taxi Club is not available in conjunction with any other discount offer from Radio Cabs (Wagga) Co-Operative Society Limited, including Taxi Travel vouchers, etc.
5. All Senior Taxi Club members must abide by the rules of the NSW Taxi Industry as defined by the NSW Roads and Maritime.
6. Radio Cabs (Wagga) Co-Operative Society Limited reserves the right to amend the conditions of the Senior Taxi Club should circumstances warrant a change in the interests of Radio Cabs (Wagga) Co-Operative Society Limited or members.
7. The common date for all membership renewals will be the 1st July of each year.
8. A charge of \$5.00 will apply for replacement cards (when lost).

TARIFF 5  
WAGGA TAXIS  
SENIORS TAXI CLUB

**131 008**  
**6921 4242**

Member

Valid to 30.06.2016



ABN 42 466 358 685  
**112**

SEE OVER FOR  
REVERSE OF CARD

Voucher No. 08301.  
Radio Cabs (Wagga) Co-operative Society Limited

# TAXI TRAVEL VOUCHER

## VALUE \$5.00

*NOT REDEEMABLE FOR CASH*  
Radio Cabs accepts no responsibility for lost vouchers.

DATE  CAR No.

2

### TAMWORTH RADIO CABS - SENIORS CLUB

Members Name: [REDACTED] S/Club No: 923  
Driver's Name: [REDACTED] Date: [REDACTED] ①  
Trip From: FITZROY PARK To: LONGYARD HOTEL Car No: 7604

## DISCOUNT 15% VOUCHER

**WARNING:**  
FRAUDULENT USE OF DISCOUNT VOUCHERS  
OR OBTAINING BENEFIT BY DECEPTION IS  
A CRIMINAL OFFENCE AND MAY RESULT IN  
POLICE PROSECUTION

091603

METERED FARE	\$ 16:10.
MEMBERS DISCOUNT	\$ 2:40.

13-70