

**Submission
No 92**

COMMUTER CAR PARKING IN NEW SOUTH WALES

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NSW TAXI COUNCIL

The New South Wales Taxi Council is the peak body representing the taxi industry in New South Wales. The organisation represents owners and operators of taxi licences and taxi networks State-wide.

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Submission to the New South
Wales Parliament's Committee
on Transport and
Infrastructure

New South Wales Taxi Council Limited
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Introduction

The New South Wales Taxi Council is the peak body representing the taxi industry in New South Wales. It represents owners and operators of taxi licences and taxi networks State-wide.

The NSW Taxi Council welcomes the opportunity to provide this submission to the Parliamentary Inquiry into Commuter Parking in New South Wales.

The taxi industry in NSW is currently in a state of flux in terms of regulation. A number of Acts of Parliament relating to regulation of the taxi industry have been assented to, but remain only partially commenced. *The Passenger Transport Act 1990* will be repealed by the *Passenger Transport Act 2014*, which is to be subsequently amended by the *Point to Point (Taxis and Hire Vehicles) Act 2016*.

For the purposes of this submission, given the timing of this inquiry and any future response from the NSW Government, it is assumed that the various repeals and amendments have taken effect and the ***Point to Point (Taxis and Hire Vehicles) Act 2016*** will be in force.

Commuter Parking Policies and Programs

The Inquiry terms of reference include:

- a) *The effectiveness of current state government policies and programs covering commuter car parking;*
- b) *Processes for selecting the location of commuter car parks*

The NSW Taxi Council has been unable to find any published information regarding the NSW Government's policy or programs relating to commuter parking, (apart from 'Terms and Conditions of Parking' and a statement that the *Transport Administration (General) Regulation 2013* applies). It is not clear what current arrangements are in place for selecting and providing commuter carparks.

It is possible that provision for commuter parking at train stations and ferry wharves has generally been driven by the availability of suitable opportunities to supply parking rather than more detailed analysis of the costs and benefits. It may be safe to assume that latent demand for subsidised (so called 'free') parking means commuters will utilise whatever commuter parking can be supplied in most locations.

Cost of Commuter Parking

Public transport in NSW is heavily subsidised and fare revenues recover a relatively small proportion of operating costs. Governments make clear policy decisions to subsidise passengers who use public transport.

People who utilise “free” commuter parking receive an additional subsidy compared to their counterparts as they are not required to pay for costs associated with the provision, maintenance, or opportunity costs of commuter car parks.

Currently it appears that subsidies provided to commuter parking users are hidden, and quite possibly not given due consideration in terms of policy and programs.

Whilst a case can be made for subsidised public transport, it is not apparent why people who use commuter car parks should be more heavily subsidised than people who walk, cycle or use other modes of travel to/from stations and wharves.

Recommendation 1

Because effective policies should include proper assessment of the costs of programs, Transport for New South Wales should analyse the costs and benefits of commuter parking on a case-by-case basis so comparisons of cost-effectiveness can be made against alternative programs.

Supply and Demand for Commuter Parking

The characteristics and range of alternative means for people to travel to/from stations and wharves will have an impact on the demand for commuter parking in each instance. The nature of catchment areas surrounding different stations and wharves can vary considerably in terms of density, public transport services, amenity for walking or cycling, levels of car ownership and other relevant factors that might be expected to affect demand for commuter parking.

The need for public transport passengers to do other things on their way to and from the station or wharf will also affect their choice of mode.

Increasing supply of commuter parking is one way of trying to match demand, however the extent to which parking supply can be increased will often be limited by physical site constraints, capacity of local road networks, and costs.

Whenever something is provided at no cost to the user, then demand is likely to exceed supply in many situations. For this reason, it might be expected that many submissions to the Inquiry will call for increased supply of commuter parking.

Given supply constraints, consideration should be given to strategies for managing demand for commuter parking.

Demand Management

Terms of reference:

- c) *The potential for restricted access or user pays commuter car parks*

Pricing is a method of rationing usage to those who are most willing and able to pay and so can be used as a means of matching demand to supply. However, given the public policy objective of encouraging use of public transport, simply increasing the cost of using public transport for users of commuter car parks is likely to achieve little, in terms of public policy objectives, other than reduce congestion in commuter car-parks.

Terms of reference:

- d) *Consideration of alternative modes of first mile/last mile travel, including point to point transport, active transport and on demand buses*

Consideration should therefore be given to analysing the costs and benefits of providing other low-cost convenient methods for people to travel to/from home/work and their preferred station or wharf. A more sophisticated approach to the problem may yield a more cost-effective solution to managing demand for commuter parking whilst maintaining or increasing patronage on public transport.

As mentioned above, each location needs to be considered on a case-by-case basis taking local factors into account.

Scope for Innovative Alternative Transport Solutions

The NSW Government policies relating to contestability of services are entirely consistent with a process to find alternative transport solutions to address issues relating to commuter parking.

Furthermore, it has signalled a clear intention to allow innovative use of Point to Point Transport Providers through an upcoming amendment to the *Passenger Transport Act 2014* No 46 to be enacted by Schedule 5 of the *Point to Point (Taxis and Hire Vehicles) Act 2016* No 34. An extract is reproduced below:

Schedule 5 Amendment of Passenger Transport Act 2014 No 46

[10] Section 36A

Insert after section 36:

36A Contracts for passenger services under Point to Point Transport (Taxis and Hire Vehicles) Act 2016

(1) TfNSW may enter into a passenger service contract on behalf of the State for the provision of a service with the provider of a passenger service within the meaning of the Point to Point Transport (Taxis and Hire Vehicles) Act 2016.

It appears this amendment is being made with the intention of allowing Transport for NSW to enter into contracts with providers of taxi services (for example) for the provision of passenger services.

Recommendation 2

Transport for New South Wales should undertake cost-benefit analysis of facilitating the provision of alternative modes of transport for first/last mile travel in consultation with the NSW Taxi Industry and other transport providers.

Examples of Innovative Transport Solutions Using Taxis

In the past, regulations that applied to taxi hirings and fares in New South Wales made matters complicated when it came to contracting taxi services.

Nevertheless, the industry has worked in conjunction with other parties to provide services such as shared and booked services where passengers could pre-book taxis and share their ride with other passengers who also made pre-bookings for trips within certain areas, whilst being charged a low fixed price. Some examples of these services are outlined below.

Willoughby Council Cab Service

Willoughby City Council established a Council Cab service that operated within their local government area for many years. A taxi or maxi-cab was hired by Willoughby Council to provide travel for residents anywhere to anywhere within the LGA. The Council issued vouchers that could then be redeemed for travel provided by the service. Passengers booked the day before their travel and the taxi network combined journeys to put together shared runs so the driver could make a number of pick-ups and drop-offs for people travelling in the same direction.

Willoughby City Council ceased the Council Cab service in December 2015 when it was advised by RMS that the service was not compliant with the regulations in force at that time. It is a source of some frustration that a service legal under the Passenger Transport Act 1990 was subsequently deemed illegal and shut down, whilst other high-profile illegal ride-sharing services were reportedly thriving apparently unmolested.

In the past taxis have also provided shared ride services to and from railway stations in parts of South Western Sydney working in conjunction with NSW Government transport authorities. Clearly, where there is a single nominated destination or starting point such as a train station the logistics involved in making shared arrangements becomes simpler.

Campbelltown Taxi Bus Service

The NSW Government facilitated a contractual arrangement between a local Campbelltown Bus Operator and Premier Cabs (formerly Cumberland Cabs), in the implementation of a shared taxi service known as “Campbelltown Taxi Bus Service”. The Taxi Service involved a Taxi shuttle service transporting patrons from Campbelltown Station to Ambarvale station every half hour, and vice versa. Each passenger was only charged the bus fare rate, and the process required for a passenger to provide the bus ticket to the Taxi Operator in order for the journey to take place. The NSW Government provided a subsidy to the Taxi Network in order for this service to be provided and to be sustainable. The service was provided during off peak periods, such as Sundays, and public holidays, where the cost to operate a bus was too excessive and unprofitable, hence it was deemed that a subsidised Taxi service would be more sustainable and efficient for the Government, while maintaining a service to the public.

Batemans Bay Summer Taxi Service

Transport for NSW worked with Batemans Bay Taxis on implementing a Taxi Shuttle service from Batemans Bay to Narooma. The purpose of this initiative was to provide a night time service to assist patrons to get home from late night venues such as Hotels, Pubs, and Restaurants. There was ongoing concern with late night safety and security at key locations on the South Coast. The Taxi Operation occurred mainly during peak nights, including weekends, and public holidays. The cost of transportation was subsidised by Transport for NSW.

Recommendation 3

Transport for New South Wales ensure assess regulations to ensure they do not unnecessarily prohibit the utilisation of taxis in providing innovative services such as shared first mile to last-mile journeys for commuters.

There are many examples of taxis providing on-demand shared-ride services for organisers of major events in New South Wales, including World Youth Day, Anzac Day, Rotary Global Conference and major sporting and community events.

Brisbane City Council has operated Council Cabs for many years providing travel for eligible passengers. The Council Cab operates weekly in most Brisbane suburbs. In some areas, services are offered twice a week. The service picks passengers up from their home and takes them to their local shopping centre. Each one-way trip costs between \$1 and \$3. This fare is paid to the driver when passengers board.

City of Gold Coast and a number of other Councils in Queensland operate similar services. Whilst these interstate examples focus on disadvantaged groups, they nevertheless demonstrate that contracted, fixed-price, shared-ride, booked services can work effectively.

In New South Wales, it should become possible to enter into these types of arrangements under the new Act. There is scope for offering a cost-effective and practical solution to the last/first mile problem in some locations where local conditions mean that bus services are not feasible or able to cater to local needs.

Recommendation 4

Transport for New South Wales liaise with State and Local Government agencies that have experience in providing shared-ride services using taxis to learn what they can from the experience gained in other jurisdictions.

Expansion of Opal beyond Mass Transport

It is evident that there has been an increased usage of public transport in recent years. This has been partly driven by the ability for commuters to transfer seamlessly from one form of public transport to another. The launch of the Opal card system has provided the capability for this to occur.

Taxis are an "on demand" transport provider. If these trips were constrained to go to or from public transport trunks, they would then be a good form of on demand transport. Allowing Opal payment would enable a frictionless end to end journey.

The opportunity to pick up the first mile/last mile in a taxi could be enhanced if opal could be accepted. This would require an application of a subsidy/rebate if the taxi is used in connection with another form of public transport.

The benefit of this model may reduce the requirement to provide commuter parking.

The NSW Taxi Council has been involved in preliminary discussions with the Opal System Provider – Cubic. We have been working on options for On-Demand models integrating the Opal Card into Taxis.

An example of how this could work is explained below;

- The customer makes a booking to go from home to their local train station. The booking can be made via an app, on the phone, or via the internet.
- Once the Taxi arrives for pick up, the customer will tap their opal card at the beginning and end of the trip, and a charge equivalent to the taxi fare be set up against the opal card. If you then catch the train the opal could apply a rebate to the taxi fare. The rebate would have to be calculated taking into account the savings gained from not providing and maintaining commuter car parking.

Recommendation 5

Transport for New South Wales to work with the NSW Taxi Council to nominate a suitable geographic location in Sydney to conduct a trial of the Opal Card system in taxis. A cost model to be developed to determine fare structure for passengers, and level of subsidy required.

Summary & Recommendations

It appears that policies and the extent of subsidies applying to commuter parking in New South Wales lack transparency.

Recommendation 1

Because effective policies should include proper assessment of the costs of programs, Transport for New South Wales should analyse the costs and benefits of commuter parking on a case-by-case basis.

Commuter parking policies should not be considered in isolation and need to take into account opportunities for promoting alternative modes of transport to and from stations and wharves. Opportunities for managing demand for commuter parking should consider use of innovative transport solutions including shared-ride services using point-to-point transport providers such as taxis.

Recommendation 2

Transport for New South Wales should undertake cost-benefit analysis of facilitating the provision of alternative modes of transport for first/last mile travel in consultation with the NSW Taxi Industry and other transport providers.

Willoughby City Council's Council Cab (shared-ride) scheme providing low-cost transport within the LGA for local residents was shut down during December 2015 based on advice from RMS that it was prohibited by regulation.

Recommendation 3

Transport for New South Wales assess new Point to Point Transport regulations to ensure they do not unnecessarily prohibit the utilisation of taxis in providing innovative services such as cost-effective shared first/last-mile journeys for commuters.

Pre-booked, fixed-price, shared-ride taxi services contracted by government agencies have been provided by taxis in New South Wales and continue to be operated interstate. Experience gained from the provision of these services should be taken in account in evaluating opportunities for commuter services.

Recommendation 4

Transport for New South Wales liaise with State and Local Government agencies that have experience in providing shared-ride services using taxis to learn what they can from the experience gained in other jurisdictions.

Recommendation 5

Transport for New South Wales to work with the NSW Taxi Council to nominate a suitable geographic location in Sydney to conduct a trial of the Opal Card system in taxis. A cost model to be developed to determine fare structure for passengers, and level of subsidy required.

Conclusion

Establishing new types of travel services can be difficult for a range of reasons. Users of commuter parking have invested in their own vehicle and may have established travel habits that can be hard to change. Furthermore, it can take time for people to learn to rely on new services.

Whilst examples exist of successful services being provided by taxis in similar situations, careful assessment of niche opportunities tailored to meet local needs on a case-by-case basis and persistence will be required if new services, such as those described above, are to be established successfully.

Alternative and new solutions should be assessed against current programs where all costs and subsidies are properly taken into account.

It is most important that such opportunities are not unnecessarily prohibited by regulation.

Once again, the NSW Taxi Council appreciates the opportunity to provide a submission on Commuter Parking in New South Wales. We would be more than happy to provide further details on any aspects of this submission if required.