

**TAXI INDUSTRY BOARD**  
**Annual Report**

Final: September 2011

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Since being appointed in 2009, the Taxi Industry Board (TIB) has been vested with providing the Minister for Transport with strategic advice to improve metropolitan taxi services, taking into account the views of all stakeholders within the industry and consumers of taxi services.

The TIB was appointed as a non-representative Board with the representative aspect being fulfilled by the appointment (by the Minister for Transport) of the TIB Reference Group (TIBRG), comprising representatives from the taxi industry and consumers. The role of the TIBRG is to provide industry and consumer feedback to the TIB.

The TIB's achievements since appointment are provided in the following pages with a summary of those achievements listed below. These are:

1. Standby MPT Vehicle
2. Night Time Lifting Fee
3. TUSS Cap Increase
4. Rejected Move to Yellow Taxis
5. Optional Extension of Peak Period Operating Hours
6. Advocated Implementation and subsidy for Taxi Security Camera upgrade
7. Advocated Appointment of Additional Compliance Officers
8. Fare Model Adjustment Review
9. Plate Releases
  - Future releases based on statistical analysis (performance data)
  - Plate releases staged
  - Future Plate releases – lease plates only in the short to medium term
  - Increase in the relevant percentage of lease plates from 35% to 45%.
  - 56 Unallocated plates – recommendation to release.

There are a number of ongoing matters being considered by the TIB. These are being progressed through subcommittees dealing with:

10. Regulatory Review
11. MPT Service and Viability Review
12. Driver Competency Review

Standing and emerging issues not covered in the above priorities are:

- Issues referred by the Minister
- Quarterly performance reports
- Confirmed booking services
- Review of industry cost structures
- Driver returns
- Policy Response – Carbon Reduction

## BACKGROUND

The Taxi Industry Board (TIB) is a statutory body defined under section 8 of the *Taxi Act 1994 (Act)*, and its functions are defined under section 14 of the Act.

The TIB's objective is to provide a considered and singular view for consideration by the Minister for Transport to improve metropolitan taxi services, taking into account the views of all stakeholders within the industry and consumers of taxi services.

In May 2009, the then Minister for Transport, Hon Simon O'Brien MLC, appointed the existing members of the Taxi Industry Board. These members are:

Mr Barry MacKinnon	Chairman
Prof. Greg Martin	Deputy Chairman
Mr Tony Carter	Member
Ms Debbie Karasinski	Member
Mr Bruce Morgan	Member
Mr Stephen Scott	Member
Dr Martin West	Member

The Minister appointed these members with the intention of creating an advisory Board that was non representative with no conflict of interest with the taxi industry.

The TIB Reference Group (TIBRG) was appointed by the Minister in August 2009 to provide industry and consumer feedback on matters being considered by the TIB. The TIBRG's membership consists of equal representation from these two aspects.

The Terms of Reference of the TIB and the TIBRG can be found at Appendices 1 and 2 respectively. Both the TIB and the TIBRG were appointed for a term of 2 years and the TIB's tenure has been extended till the end of 2011 pending formal consideration of new appointments by Government.

Recommendations have been made to the Minister for Transport on the TIBRG's tenure, terms of reference, composition and remuneration.

## **TIB RESOLUTION**

At the performance and achievement review meeting held on 1 August 2011, the TIB resolved that in the interests of accountability and transparency that this report should be produced annually. This report contains an overview of initiatives, achievements and any changes to its Strategic Plan (SP).

This inaugural report, it will covers initiatives and achievements of the previous two years. The August 2011 SP is attached at Appendix 3.

## **TIB ACHIEVEMENTS**

### **(A) Implemented Recommendations**

#### **1. Standby Multi-Purpose Taxi Vehicle**

Wheelchair customers using Multi-Purpose Taxis (MPTs) have in the past experienced extended waiting periods or endured the experience of a taxi not arriving at all. MPT users were particularly vulnerable as generally they do not have access to alternative transport.

A joint initiative undertaken in 2008 between the Department for Planning and Infrastructure (DPI) and Black & White Taxis involved the trial of an MPT 'stand-by vehicle' to specifically pick up jobs likely to become 'jobs not covered' (JNC) during the peak MPT hours of 8.00am to 5.00pm Monday to Friday. The trial was highly successful in that the stand-by MPT arrived on every occasion.

Since then, the Minister has approved the TIB recommendations to extend the trial of this initiative to both MPT coordinators (Black & White Taxis and Swan Taxis) on an ongoing basis. The implementation of a third standby vehicle was approved by the Minister this year after performance reports reflected poor JNC figures.

#### **2. Night Time Lifting Fee**

The MPT standby vehicles hours of operation are 8.00am to 5.00pm Monday to Friday. In view of this, the Minister approved a TIB recommendation to pay MPT operators a night time lifting fee of \$20 for coverage of dispatched wheelchair jobs that occur during week day evenings.

#### **3. TUSS Cap Increase**

The Taxi User Subsidy Scheme (TUSS) provides taxi travel at a reduced rate for people who have a severe disability which will always prevent them using a conventional public transport bus service.

The TUSS has 17,500 active members who are entitled to a subsidy of either 50 per cent for general members, or 75 per cent for wheelchair members, up to a maximum of \$25 for each single trip. The TUSS 'cap' of \$25 per trip had not been increased since the scheme's inception in November 1988. In early 2009, an increasing number of trips were identified exceeding the \$25 cap. The level of the cap was the greatest source of frustration for TUSS users.

In view of this the Minister approved a TIB recommendation to increase the TUSS Cap from \$25 to \$35 for members traveling in an MPT with or in their wheelchair.

#### 4. Rejected Move to Yellow Taxis

In 2009, the Right Honourable the Lord Mayor Lisa Scaffidi requested that the colour of all metropolitan taxis to be changed to a uniform colour.

Victoria is currently the only jurisdiction in Australia to implement a non-factory standard colour for taxis, i.e. Victorian Taxi Yellow (VTY). Every replacement vehicle licensed in Victoria after August 1994 had to be painted VTY. All vehicles for use as taxis in Victoria are now re-sprayed at the owner's expense.

Most standard taxis are Ford Falcon sedans/station wagons and the majority of the MPTs are Toyota Hiace Commuter Buses. None of these are factory-supplied in yellow and the only factory colour common to all of these vehicles is white. Where a uniform colour has been mandated for taxi fleets in other States and Territories, such as South Australia and the Northern Territory, it has been factory white.

To implement a uniform non-factory standard colour for the metropolitan taxi fleet, all vehicles would necessarily have to be re-sprayed, at an approximate cost of \$4,500 per standard taxi vehicle and around \$6,000 per van-type taxi vehicle. This is the average cost for re-spraying all the panels plus the door trims, the engine bay and the boot.

In view of this cost, the Minister agreed with the TIB's recommendation to not impose a uniform taxi colour on the industry. This recommendation also encouraged the industry to implement this initiative of its own volition and cost should it wish to do so.

#### 5. Optional Extension of Peak Period Operating Hours

On 31 March 2009, the Minister approved the Optional Extension of Peak Period Hours (OEPPH) trial to continue on a rostered basis for 12 months from 14 April 2009. This was to address the burgeoning demand for services to and from the airport in the weekday mornings. Demand and service levels were monitored constantly to ensure that the OEPPH does not negatively impact the viability of other (non-peak period) taxi operators.

The Optional Extension of Peak Period Hours (OEPPH) trial allows peak period taxis to operate, as an option, on weekday mornings between 5am and 9am, in an effort to improve service levels during these hours. The trial was first implemented in January 2008 for a 12-month period, which was later extended until March 2009. This was later modified to an odds and evens arrangement where only odd numbered taxi plates can operate on calendar days with an odd number, with a similar arrangement operating for even numbered plates.

Taxi industry performance data continues to indicate that the (OEPPH) trial continues to have a marked positive effect on service levels, without heavily impacting on the viability of conventional operators.

In view of this, the Minister has accepted the TIB's endorsement of a continuation of the OEPPH.

## 6. Taxi Security Camera Unit (TCSU) Upgrade

Current Taxi Security Camera Units (TCSUs) are failing to provide the necessary evidence in the event of a criminal incident in a taxi. Between 1 January and 27 October 2010, Western Australia Police requested 191 camera downloads, of which only 49 per cent were successful. In consultation with manufacturers, other state regulators and the taxi industry, the Department of Transport has finalised a new TCSU Standard. The new standard has been reviewed by an independent security expert.

Government has approved the implementation of the Metropolitan Taxi Camera Surveillance Unit Replacement project, utilising funds held in the Taxi Industry Development Account (TIDA). The implementation will be a phased approach over 30 months that commenced in July 2011.

The TIB supported this initiative.

## 7. Appointment of Additional Compliance Officers

The Minister for Transport recently announced his Taxi Action Plan (Plan) which includes a suite of measures to improve safety, reliability and availability of taxi services in the metropolitan area.

This Plan included the appointment of three new “on road” compliance officers and two patrol vehicles to enable rostering for a permanent “on road” compliance presence on weekend nights of Friday and Saturday, the peak time of taxi demand.

Feedback from the recent Taxi Driver Forum on 8 February 2011 showed clear support from “good” drivers for a larger “on road” compliance presence.

The TIB has expressed its support for this initiative to the Minister.

## 8. Fare Model Adjustment Review

The Metropolitan Taxi Fare Model (MTFM) was originally completed in December 2008. The Taxi Industry Board (TIB) subcommittee subsequently undertook a review of the MTFM. The review included a comprehensive analysis of the suitability of:

- Each cost item, including each item's base value and relevant weighting, and
- The inflator attached to each cost item.

Based on its analysis of the above the TIB made a number of recommendations to the Minister:

- a) Refocus the MTFM – The MTFM was originally based on a ‘median (conventional) taxi’ whereby the model considered the costs incurred by the taxi. This was changed to a ‘representative taxi business’ whereby the model would consider the costs incurred by the operator of the business.
- b) Recalculate LPG fuel cost, as a cost item – Refocusing the model to a representative taxi business required a change in the way LPG fuel cost is calculated. The original LPG fuel cost represented the cost incurred by the taxi based on eight shifts per week. According to the Metropolitan Taxi Driver Income Study completed in April 2009, the operator (that is, of a representative taxi business) drives only five out of the total eight shifts per week, thereby incurring 62.5% of the vehicle's total fuel cost.
- c) To maintain the original cost items - After much consideration, the TIB decided that the existing cost items are reflective of the cost components of operating a representative taxi business.

- d) Change the inflator attached to vehicle financing – The inflator changed from the RBA Interbank Cash Rate to the RBA Small Business Loan Rate.
- e) Maintain all other original cost inflators (aside from vehicle financing).
- f) Recalculate the weightings of the cost items – The MTFM had to reflect that it was now based on a representative taxi business. As the weighting of the LPG fuel cost item changed, this necessarily required a recalculation of the weighting of the remaining cost items.

The Minister approved these changes with a note querying the base level of the fares (see Ongoing Items).

## 9. Plate Releases

The TIB has recommended that plate releases be based on:

- Government owned lease plates in the short to medium term (pending the outcomes of the TIB's regulatory review);
- Performance data;
- A staged approach to avoid flooding the market and allow industry fitters to keep pace with additional vehicle equipment requirements;
- An increase in the relevant percentage of lease plates (restricts the number of conventional taxi lease plates that may be issued as a portion of the conventional taxi fleet) from 35% to 45%.

The TIB also recommended that 56 previously unallocated government owned lease plates be released.

All of the above recommendations have been approved by the Minister for Transport.

## 10. Taxi Action Plan

The TIB notes and endorses the Ministers Taxi Action Plan. In particular the TIB supports the three strategic focuses of the Minister. Those being:

1. Availability
2. Safety and security
3. Industry standards

## **TIB Planned Activities (Ongoing)**

The TIB has reviewed its Strategic Plan (SP). The SP was first drafted in October 2009 to assist the TIB to establish its initial direction and focus for a period of 5 years.

At the performance and achievement review meeting held on 1 August 2011, the TIB resolved to retain the original Purpose and Vision of the SP and amended the Principles to the following:

1. A viable taxi industry that meets the needs of the consumer (flexible and adaptable to changing market conditions)
2. A taxi service that is provided by a competent driver in a safe (fit for purpose) vehicle
3. An industry that is a component part of the public transport system
4. An industry that takes responsibility for the performance of its members
5. An industry that is safe and secure for drivers and passengers

In actioning the above principles, the TIB formed a number of subcommittees with membership comprising select TIB members and external persons as required.

Subcommittees with ongoing work are:

- Regulatory Review
- Multi-Purpose Taxi (MPT) Review
- Driver Competency Review

The Terms of Reference for these subcommittees can be found at Appendix 4.

### **Regulatory Review**

The aim of the Regulatory Review is to facilitate development of a competitive, sustainable taxi industry that meets the customers' needs with the minimum of government regulation. To achieve this aim the subcommittee will:

- Develop the preferred regulatory structure; and
- Advise on the mechanism for implementation.

The TIB considers that the industry should be engaged and involved to a greater extent in service and performance improvement.

### **Multi-Purpose Taxi Service and Viability (MPT) Review**

The aim of the MPT Review is to achieve an appropriate standard of MPT services that are accessible, timely and affordable for the consumer; and cost effective for the driver. To achieve this aim the subcommittee will:

- Develop options for the structure of this service; and
- Provide advice on the preferred option.

### **Driver Competency Review**

The aim of the Driver Competency Review is to recruit and induct taxi drivers who satisfy the needs of taxi service consumers. To achieve this aim subcommittee will:

- Identify required competencies for the driver;
- Identify additional requirements to deliver on the TIB industry principles; and
- Identify systems for maintaining and developing driver standards

**(C) Items to be Addressed**

Standing and emerging issues not covered in the above priorities are:

- Issues referred by the Minister
- Quarterly performance reports
- Confirmed booking services
- Review of industry cost structures
- Driver returns
- Policy Response – Carbon Reduction

The TIB will progress ongoing and yet to be addressed items after assessing resourcing requirements and reviewing the role of the TIBRG.

## **Taxi Industry Board's 'Terms of Reference'**

The Taxi Industry Board (TIB) is a statutory body defined under section 8 of the *Taxi Act 1994*, and its functions are defined under section 14 of the Act.

TIB's objective is to provide a considered and singular view for consideration by the Minister for Transport, taking into account the views of all stakeholders within the industry and consumers of taxi services.

With respect to the statutory functions, TIB's terms of reference are:

- a. As requested by the Minister for Transport to advise at a strategic level on:
  - policies and plans for improving the taxi industry; and
  - proposals for grants from monies of the Taxi Industry Development Account.
- b. To work together with people and groups who represent the taxi industry and its customers, to achieve whole of Government outcomes to benefit the community of Perth.
- c. To bring to the Minister's attention, issues that are gaining saliency, and warrant action, with consumers of taxi services and also with the taxi industry.
- d. To work together with the TIB Reference Group to achieve whole of Government outcomes to benefit the community of Perth.

### **Method of Operation**

1. The TIB will meet as directed by the Minister for Transport, from time to time, to consider and make recommendations on policies and proposals regarding the taxi industry.
2. The Minister has appointed Barry MacKinnon to be the Chairperson of the TIB.
3. Professor Greg Martin has been appointed Deputy Chairperson.
4. The Deputy Chairperson will perform the role of Chairperson when the Chairperson is unable to do so.
5. The members of TIB will maintain a high level of confidentiality and integrity.
6. TIB must keep minutes of its meetings of a standard approved by the Minister, and provide the Minister with a copy of the minutes of each meeting.
7. TIB may invite other interested individuals or organisations to attend meetings, in an observation capacity or to make submissions.

8. The term of appointment for TIB's members will not exceed two years; however, members will be eligible for reappointment.
  
9. TIB shall establish a reference group to be known as the Taxi Industry Board Reference Group (TIBRG). The TIBRG shall consist of an equal number of taxi industry representatives and consumers.
  
10. The Deputy Chairperson of TIB will be tasked with the role of Chairperson of TIBRG. TIBRG shall meet within a reasonable timeframe of a TIB meeting (ideally two weeks).
  
11. A member of TIB may resign from office by notifying the Minister in writing.

## **Taxi Industry Board Reference Group's 'Terms of Reference'**

The Taxi Industry Board Reference Group (TIBRG) has been established to provide taxi industry and consumer feedback to the Taxi Industry Board (TIB).

The TIBRG's objectives are:

- a. As requested by the TIB, to provide a taxi industry and consumer perspective on proposals for improving the taxi industry.
- b. To work together as a group of taxi industry representatives and consumers of taxi services.
- c. To bring to TIB's attention issues that are gaining saliency, and warrant action, with the taxi industry and consumers of taxi services.

### **Method of Operation**

1. The TIBRG will meet as directed by TIB.
2. Meetings will be convened within three working days of a TIB meeting.
3. The Deputy Chairperson of TIB will be appointed as Chairperson of TIBRG.
4. TIBRG shall appoint one member to be the Deputy Chairperson.
5. In the event that the TIBRG's Chairperson is unavailable, a substitute TIB member will perform the role of Chairperson.
6. The TIBRG will consist of 6 representatives of the taxi industry and 6 members of representatives of consumers of taxi services
7. The TIBRG must keep minutes of its meetings of a standard approved by TIB and provide TIB's Chairperson with a copy of the minutes of each meeting.
8. The term of appointment for TIBRG's members will not exceed two years.
9. A member of the TIBRG may resign from office by notifying TIB's Chairperson in writing

Appendix 3

Insert approved TIB SP here