

PUBLIC RESPONSIBILITY FOR THE PRIVATE SECTOR
OF TRANSPORT

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ABSTRACT:

A plea is made for better rationalisation of transportation resources. The role of the taxi cab in modern urban society is examined and suggestions made for increased public responsibility in relation to the industry.

PUBLIC RESPONSIBILITY FOR THE PRIVATE SECTOR OF TRANSPORT

INTRODUCTION

A number of recent developments have brought about a growing interest in the role of the taxi-cab in Australian urban transportation. Paramount in these factors are:

- (1) The energy crisis;
- (2) Dramatically escalating costs of conventional systems, which are presenting governments with a serious enigma;
- (3) Shifts in usage patterns brought about by sociological change;
- (4) Environmental issues.

Academics throughout the world are now diverting their attention in the transport field away from conventional transport modes and how to make them economically viable to an often diminishing clientele, towards systems which have hitherto been largely ignored and which fall between conventional transit and the private automobile. Included in such systems are a variety of concepts and modes: car "pooling", jitneys, dial-a-ride and others. But the major system is the proven and established taxi.

The purpose of this paper is to attempt to prove the potential of the taxi to meet requirements for the present and the future. But more, it is to set out the arguments propagated to governments for their recognition of the needs of the industry and, at the hub of these arguments, to advance the proposition that the ultimate responsibility for the development of the taxi industry to meet the present and future needs of the travelling public lies with the whole of the community. I will therefore urge public acceptance of, and sacrifice for, the taxi industry so that the industry may be able to take a more expansive role in servicing the needs of the community, that ways will be proposed to improve conventional taxi vehicles and that reforms will be introduced in the available range of taxi services. This is "public responsibility" which will need to follow government initiative to ensure that programmes become a reality.

PUBLIC RESPONSIBILITY

There are certain philosophical considerations in public responsibility:

1. Protection of the environment and ecology.
2. Conservation of energy.
3. Elimination of the stress of continual peak traffic.
4. The perpetuation of a free-enterprise system. In the centuries since Scottish teacher Adam Smith's treatise, "Wealth of Nations", first described an economy fraught with government regulations, red tape and bureaucracy, which stifled incentive, slowed down economic growth and created inefficiency, little has been done

to allow the transport system to function, to the reward of the travelling public. The average worker citizen, the real beneficiary of a free enterprise transport system, has not been informed that he has the largest stake in the preservation and perpetuation of a transport system which reacts to his immediate needs.

5. Acceptance of new horizons in taxi-cab operations, that the taxi-cab can replace functions historically performed by other categories - for example, the provision of "Medi-Cab" services.
6. Regarding taxi operators with new respect and esteem.

However, there is a more pragmatic consideration: the creation of an unselfishness in the community which will permit changes without the influence on politicians to abort them for the fact that, prima facie, they smack of disadvantage to the private motorist. It is not possible to look at all elements in this consideration, but we can isolate two of the more significant: insurance and fuel. Whilst doing so, we must bear in mind that what is sought to be achieved is a viable and economic system for public consumption, and not to increase the gross product of individual taxi operators, although such an increase will follow.

Insurance

Insurance rates and the whole climate of insurance for private operators in transport is becoming an issue which is escalating to crisis status. Rates are doubling and tripling for no apparent reason. While this trend continues, the standard of service, the quality of vehicles, the inclination to extend unpaid mile travel to pick up more remote hirings, suffers.

At the centre of the problem is the development of an irresponsible attitude in relation to the purchase and ownership of private motor vehicles. Younger people generally have the financial capacity to purchase some sort of vehicle - what is more unfortunate is that indulgent parents often purchase a vehicle for their progeny either as a reward for accomplishment or simply as a "get them out of our hair" attitude, especially for the unemployed. The initial cost for a young person, or a person suffering some financial deprivation, is great enough, but, once purchased, little effort is made to give the attention to the upkeep demanded by prudence, or to cover by insurance as might be a demand of social responsibility. The consequence is a growing number of unroadworthy vehicles which are uninsured, either to cover self-damage or third party property damage. It is not important to ascertain the number of such vehicles but certain conclusions could be drawn from the fact that all vehicle registrations are increasing at the rate of 8.1 per cent as compared to national population rate increase of 1.2 per cent and an estimated rate of "recycling" motor vehicles of less than 0.8 per cent (Department of Transport figures). At the

PUBLIC RESPONSIBILITY FOR THE PRIVATE SECTOR OF TRANSPORT

same time, the recovery rate of damages against uninsured vehicles is presently tragically low, and depleting as the number of vehicles in the category rises.

The taxi industry considers this matter to be one of the major problems currently facing commercial transport operators. However, I was concerned to find that I could not find any official body who could assist me with these statistics. I am now taking steps to compile more reliable information, but the following give a fairly accurate summation of the recovery situation:

1. N.S.W. Government Insurance Office (G.I.O.) statistics show total premiums for third party property damage for taxi-cabs in the Sydney, Newcastle and Wollongong transport districts for the year 1976/77 at \$1.004 million.
2. At the same time the industry pays \$1.14 million for "Self-Insurance" and an estimated \$351,000 for conventional "comprehensive" insurance (approximately 10% of taxi-cabs are not covered for own-damage insurance, third party insurances being compulsory).
3. The total insurance damages payment is \$2.495 million discounting the estimated number of vehicles which do not carry own-damage insurance, an average of \$1,301.00 per taxi-cab.
4. The number of separate accidents involving taxi-cabs in Sydney, Newcastle and Wollongong is about 4,200 per year, 2,400 involving a claim on the G.I.O.. These range from the relatively minor (i.e. less than the base premium - \$350.00 in 1976/77) to the relatively major (i.e. in excess of \$1,000.00). The respective categories represented 18% and 11%. Over 70% of claims therefore fall in the "average" or, more properly, "not serious" category. In relation to most accidents, therefore, repairs can be carried out with comparative speed so that "damage" from time off the road is kept to a minimum. On the face of it, apparently high premiums at least result in security. However, it is estimated that in 10% of the total accidents referred to, being a proportion of those where a claim could be made against another party, no recovery was made because the other party was either not traceable or not insured and improvident to the point where it would have been simply "sending good money after bad" to pursue the claim. (In one instance brought to my attention a taxi operator, fully insured himself, was involved in two accidents in one week where he was in the right - he initially paid repair bills of \$1,450.00 and \$1,260.00 to get his vehicle back in operation but, in both instances, the other party was uninsured and was in receipt of a Social Security payment, with no property such as might be sequestrated and therefore no prospects existed for recovery of any judgment awarded.)

My observation is that the average "claim" in such situations is \$800-\$900, leaving an accumulating annual deficit for the industry of at least \$336,000.

The industry cannot remain viable if its members are to be compulsorily required to insure against damage to community property, out of prudence to insure against their own potential damage, and at the same time need to abide such a situation as that described above, brought about by complete lack of community responsibility and government indifference. The operating costs of an individual proprietor could well increase by as much as ten per cent each year (in the situation referred to above the increased costs to the operator have been as much as 25%) unless significant changes to the present system are introduced, and this is in the interests neither of the operator nor of the travelling public.

The answer lies in collective responsibility for all third party insurance. The public have to accept the principle of compulsory third party property insurance for all drivers of motor vehicles, so that governments do not baulk at such legislation on the grounds that it is politically damaging.

Further, the public have to be called upon to accept the concept of a "pool" for all vehicles for third party personal injury insurance, so that the taxi industry does not find itself in the invidious position of a few thousand operators servicing the whole community but paying extraordinarily high premiums in relation to community standards.

It is calculated that the private motorist pays 11% of his estimated weekly cost of owning and operating his motor vehicle (N.R.M.A. figures set this at \$68.00 per week for a Holden Belmont Sedan) on insurance, including third party property, if held. The comparative figure for a taxi operator is 15.5% of operating costs. What is sought to be achieved is an equation of these figures, whereby operating costs for the taxi proprietor could be rationalised to the extent of approximately 4.5%.

Fuel

It is not generally appreciated that taxi industry operators pay up to 16% of their gross income on the purchase of fuel. The taxi industry is currently looking to alternative fuel usage, to systems which permit vehicles to operate up to 40-65% more economically than they would on petroleum, and using dual-systems with petroleum merely the standby. Such fuels are largely lighter than air, and are non-toxic and non-reactive when expelled into the atmosphere. Further they are shown to significantly cut fuel costs for virtually any fleet operation of eight or more vehicles that consume 1,500 gallons or more of petroleum per month. Such a changeover would be largely uneconomic for the individual user, but the individual user could still accept government initiatives

which, first of all, provide financial inducement for the transition to take place, and, in the second place, do not seek to "hike" prices on the alternative fuels to a parity with conventional fuels simply because it wishes to finance consolidated revenue. This has been the case in Argentina where the Government has come under pressure to increase excise on diesel (price: 17.8 ¢ per gallon) to 80% of regular fuel (price \$1.14 per gallon). A basic price for alternative fuel should be established even if it means increasing the excise on petroleum - robbing Peter to pay Paul.

In the meantime, the taxi industry should be regulated to receive an excise rebate on a per mile travelled basis:

A taxi-cab travels an average 70,000 miles annually, on an average 25,000 hirings conveying an average 49,500 passengers each annually. It is relevant to note that "domestic premises" (which includes travel from home/place of business) accounts for 29.1%, whilst "transport" (that is, to and from airport, railway stations and bus interchanges) accounts for 33.81% and "recreation" (hotels, clubs, places of amusement) accounts for 9%. The average family sedan travels only 8,000 miles annually. Apart from "recreation", when an expanded family shares the per-mile-travelled consideration, travel in the "private" vehicle is usually single, even narcissistic. What is hoped to be achieved is a transition of the single-usage factor to wider and more rational taxi-cab usage.

A rebate of 1¢ per mile travelled (to follow the system in use in New Zealand) would result in cost savings of approximately 5.8% on overall operating costs of a taxi-cab and ease pressure on increasing costs such as those which led to a fare increase in New South Wales in December, 1977 (running expenses had increased 2.5% in the previous year, the largest single area of cost increase). A rebate of 2¢ per mile travelled would have resulted in cost savings which would have completely negated the need for the variation. The cost to the Federal Government would have been approximately \$6 million in New South Wales, a mere trifle when the end advantage is looked at. Taxis would have become an approximately 14% better economic travel alternative relative to the private motor vehicle - the fare increase would not have eventuated so that the return to the operator would only have increased in relation to the increased patronage, and this increased patronage would only have been reflected in the absorption of more unpaid miles travelled, or perhaps an extension of the number of shifts available to drivers. The 14% better relativity would have been achieved by a 1% only modal change by private motorists.

For this concept to eventuate, the public has to accept the likelihood of overall increases in excise, and not balk at the idea of a lesser excise or rebate on fuel for transport operators. What is being sought is an acceptance by the public of cost in a different form, by not using the product which attracts the costs, that is, their private cars, in favour of patronising, to a far greater extent, the product which minimises the costs, that is, public transport. The cost payment is merely relocated, but in a diminished proportion.

The public also has to accept the fact that the present rate of energy demand cannot continue if we are going to have adequate fuel reserves for essential purposes for the foreseeable future. In the latest report of the National Energy Advisory Committee, it was estimated that by 1985 between 60 and 75 per cent of oil requirements will have to be imported. The cost of this would be \$2,000 million a year at current prices. This conjures up mind-boggling estimations of what fuel is likely to cost. Certainly the cost is likely to be so excessive as to present a forbidding picture of the likely cost of taxi-cab travel, unless there can be a structure of fuel costs advantaging public transport operators compared to the private motorist. To illustrate the point, demand for petroleum in the U.S.A. in 1976 was up 8.1% on 1975 level, 13.1% up on the 1974 level and up 5.4% on the 1973 level. To dampen this demand a price increase of 4 cents per gallon was introduced, in an artificial increase rather than one representing increasing product cost. This amounted to an unnecessary cost burden on the transport industry, whose demand remains relatively static, and created a double imposition for the consumer. The United States Department of Transportation was, at last report, considering a request from the United States taxi industry for relief from the additional charges.

THE TAXI INDUSTRY VERSUS OTHER MODES

The development of the taxi sector is the logical alternative for our community. Having made such a statement, it is necessary to rule out the other possibilities, and the private vehicle can be examined first. In essence the private motor vehicle simply caters to arrogant aspirations of every individual to save his earnings and convert the same into a car of his choice to be used for family and occupational purposes with the overall general convenience a car offers.

The crux of taxi-cab operations is to contain costs. I say that, in order to achieve this end, the public has to accept a certain responsibility in much the same way as it accepts responsibility, direct and indirect, for the conventional public services. In an article in "Taxi-cab Management" (December, 1977) analysing the reasons for a high incidence of taxi-cab failures in California during 1972-1976, the author states -

"The ever-changing times have placed many taxi-cab operators in a survival crisis. The economic pressures and operational barriers could be significantly reduced through co-operative working relationships with administrative agencies, publicly owned and supported transit authorities, and the decisions makers who all impact the Taxi-Cab industry. Every effort should be made by regulatory and planning agencies, transit authorities, and the Taxi-Cab industry to remove institutional barriers and bring about meaningful, responsible and relevant changes."

I have added to the list of what has to be done the need to get public acquiescence, if you like. This can be achieved in a couple of ways. One way which seems to be gaining popularity throughout the world is to increase petroleum prices to a point where the average person just cannot afford to purchase petrol for anything but essential purposes - witness the just-announced doubling of petroleum prices in U.S.S.R. and the current level of world prices. Another way is to limit available parking to critical minimums, as has been implemented in Hamburg, for example, where city car parking is very restricted, and for the 200,000 employees in the city area, there are only 30,000 parking spaces, 15,000 of which are off street, and very expensive. It is suggested that the end can be attained in another way - by having the public accept a certain liability for the private sector operators.

I would now like to turn to an examination of the manner in which the taxi industry operations relate to private motor-car usage and conventional government transport modes. At the same time, areas where Governments need to come up with initiatives and private motorists' attitudes have to change (as much to give reality to the initiatives referred to as anything else) will be discussed.

It is accepted that the taxi-cab serves best the needs of a city's middle class and suburban dweller. Without the constraints of fixed times and routing, the taxi-cab provides a full coverage to both central city and diffuse suburban settlements in an easy effective door-to-door manner, available to all persons on a when-needed basis. It is vital to consider at the same time the distinct advantage in having this service virtually immediately available in times of medical, commercial or social urgency by means of a telephone call. In the provision of those services, the taxi-cab has already proven its worth. However, the industry recognises what every taxi-rider knows, that there is room for improvement, and this is the aspiration of the industry.

In the preparation of this paper, I have deliberately avoided putting forward a proposition that taxi-cabs should replace one specific service or another. A considerable

amount has been written already on the proposition that taxis should replace bus operators in certain situations, usually off-peak. As long ago as 31st October, 1976, an article in the Sydney Sunday Mirror, "Taxis should take over fare-loss routes", pushed just this concept. The thrust of this paper is to indicate why the public should accept the proposition that taxis are the viable transport alternative in any situation, that the industry has problems and crises to face which will be overcome with community sympathy and consideration.

The Attitude of the Private Motorist

The taxi industry does not see itself having its greatest growth potential in the making of inroads into the public transport (bus) market (although there is some scope here, as will be later referred to), but in winning over a significant sector of the private car market. This is so because the taxi can offer almost all of the features of the private car - collection at home, deposit at any destination, service available with little delay, at all times and under all weather conditions, privacy and the comfort of the modern automobile. (It would appear that where delays do arise in carrying out hiring, because of peak demand, multiple hiring offers advantages, because peak demand is associated more with a desire for rapid movement than for privacy. The taxi industry in some countries has developed in this sense by using two-way radio and centralised booking systems.)

The private motorist is basically unaware of the real costs, monetary and non-monetary, of using the family car. It has been previously stated that the N.R.M.A. estimates the cost of owning and operating an average family car to be \$68.00 per week. Whilst bills for fuel, registration and insurances, damages and repairs, and parking are generally paid by the wage-earner of the family as they occur, the wife of the family (and the children) tend to regard the car as virtually free transport for shopping or entertainment trips. This leaves aside vital questions of general wear and tear, the fact of greater exposure to accident situations, the fact that what might well start to be a family asset having about 25% of the family worth, unlike a home, is depreciating to obscurity, with ever-increasing speed under modern conditions. It also leaves aside the question of stress and strain in driving and parking. The social consequences of this ignorance is difficult to calculate but the public must be convinced to accept its significance.

The tremendous growth in urban areas, and resultant degree of traffic, is continuing at an accelerating rate until the car becomes a dominant characteristic of our cities. The real danger is that cities will become inhabited by cars and not people. In Sydney, in excess of 6 million trips are made in the metropolitan area each working day, which figure does not include approximately 1 million trips made by commercial

vehicles. Slightly in excess of three-quarters of these trips are made on roads, as opposed to rail and ferry trips (Sydney Area Transportation Study). The real problem does not lie with the trips made to and from the Central Business District (C.B.D.), about 10% of the daily trips. Figures disclose that only about 12% of the trips to the C.B.D. are made by private motor vehicles, and of this figure, 83% of these drivers have strong reasons for driving their motor vehicles to work. The problem lies with the inter-suburban trips and the local trips, in attracting the 25% of commuters to their place of work, in particular, and the 10% or so who use the vehicle for shopping. Cabs are the best substitute for private cars, and have the advantage of being less demanding of land especially for parking and for wear and tear on roadways. For example, during one day one taxi-cab may transport the occupants of 100 private cars, picking them up at points of origin and depositing them at destinations too inaccessible or restricted for conventional public transport. Department of Labour and Industry statistics reveal that 34% of the workforce now work non-standard (i.e. other than 9 to 5) hours, which are becoming even more flexible, and conventional transport operations could not be economically geared to this changing industrial situation.

Why Not the Government Transport Alternative?

A Transport Regulation Board report (1976) to the Victorian Minister of Transport on the concept of taxis replacing buses of certain routes at periods of low demand, states "... it was late at night and at the extreme outer terminus of the route ... the whole operation appears to be an exercise in public relations, rather than the economics of operating a bus network."

In the context of this paper this statement should not be looked at as an aside, because it is extremely pertinent. Late at night, and in the remote stretches of the city, particularly one undergoing outer-suburban development, it is likely that passengers are under some stress, possibly from exertions of working late hours, or from social excesses, and travel in the comparative comfort and privacy of a cab is sure to be less demanding both on passenger and driver. This is not to say that the economic factor is not the most important, and the Berlin exercise does show what remarkable savings for the Treasury can be made. From this point of view, however, it is more significant that the appropriate alternative to the private car in those high-night hours is the taxi-cab; it is the same type of good but inexpensive service in contrast to a poor but cheap one.

State budgets operate under the principle of re-distributing expenditure from the better-off to the worse-off. The (N.S.W.) State Public Transport Commission is experiencing annual growth in losses of about \$64,000. The "Nation Review" Newspaper (volume 7 no. 52, 13-19 October, 1977) states that by 1978-79 the total losses of the Public Transport Commission are likely to exceed \$500 million and with that sum 40,000 jobs could be created." The current

losses of the Public Transport Commission are \$398 million and there is a capital works allocation of a further \$190 million. On this basis, every man, woman and child in New South Wales is paying \$120.00 annually for the provision of transportation systems. This is money which could be better allocated to other areas of expenditure: schools, hospitals and so on, and of course, the creation of jobs.

It is appreciated that the bulk of the deficit stems from the railways, and the government pays out over 80 cents on the rail service for every dollar that the customers are putting up. The Commission is facing urgent capital expenditure needs, much of which is said to represent maintenance and upkeep costs which have been largely neglected in previous years.

Allowing for this, however, one can only wonder why the Government persists in looking for intra-city transport alternatives at the expense of ignoring the need for giving initiative to the existing optional system. The incumbent Government in N.S.W. cut passenger fares by 20 per cent - the increase in patronage was only marginal (except in rural areas). The fact remains that there are clearly distinguished lines of preference for transport users. In a householder survey conducted in Sydney in 1965, by the University of New South Wales, approximately 43% of the persons questioned were habitual taxi users, while the same percentage (43%) consciously avoided taxis in favour of conventional public transport. There was a group of only 14% who were flexible, but "cost" was not one of the reasons why they made one decision or another - the largest single factor was the convenience of the time; for example, at a late night hour they would seek out a taxi in preference to a bus.

Governments find it difficult to accept that taxi-cabs are in every sense public transit vehicles, representing a distinct and important segment of the transit industry. In the United States of America, for example, fleet taxi-cabs now handle 40 per cent more passengers than do all U.S. rapid transit systems combined and they carry about 60 per cent as many passengers as all bus transit systems (Wohl, 1976). This percentage will continue to grow on current trends because of a variety of factors:

1. Despite increasing incomes from households, the number of houses without automobiles available is increasing.
2. The available choices for transportation is declining as domiciles become more spread, in the areas neglected by rail and other conventional systems. This applies particularly to the poor, the handicapped and the elderly, an odd fact but true.
3. The taxi-cab industry is the only public transportation service that can continue to pay its own way (including both capital and operating costs) even under rigid, and usually deleterious (to the operator and the public alike) controls.

GOVERNMENT PLANNING

Government planning must involve desirable combinations of rail, conventional bus, taxi-cab and private cars, and any other means of transport to achieve greater rationalisation and greater disincentive for what might be a traditional mode for one purpose and which should change in the interests of greater efficiency or economy.

As a component in the overall urban transport network, the taxi industry's own viability has to be considered in the context of an efficient system and pleasing urban environment, looked at in terms of urban economics and the survival of urban society. At the outset the public will have to accept certain government decisions made with the future in mind, and probably concerning restrictions of the use of private cars in certain areas, despite their apparent lack of political expediency. The public must make the government aware of this their attitude so that government will take the tremulous steps of making decisions and not procrastinate along the lines "yes ... but it is impossible because such and such industry will want it too". I have a file of such quotes from such government Ministers: "... must be considered in conjunction with requests for concessions by other industries and people in other walks of life ..."; "... relative merits of various requests can be weighed ..." and so on. The decisions which have to be made simply require a fresh attitude, a fresh philosophy and the breaking of new ground.

Part of the problem is, of course, the inadequacy of the information available to Ministers from their advisers, which would be helpful in overcoming a variety of misconceptions. Previous urban study groups have simply not accounted for the taxi industry, although, in all fairness, I see this pattern changing more recently. Overseas governments have already taken the type of measures that I am suggesting.

United States

In 1974 the United States Department of Transportation Urban Mass Transit Administration made a grant to the industry to undertake two tasks:

1. Develop a uniform system for reporting taxi-cab company statistics.
2. Perform a survey to collect and analyse taxi-cab operator statistics for the purpose of :-
 - (a) providing preliminary data needed for the implementation of the uniform reporting system;
 - (b) providing preliminary general information of the characteristics of taxi-cab operations.

As much as anything else the survey indicated that taxi-cab operators are in a position to provide almost any type of passenger and goods movement on a demand as well as

a contact basis. Moreover, these services are complementary to, rather than competitive with, mass transit, but provided on a demand-responsive basis.

In addition to the conventional service, a large percentage (over 91%) provided package delivery services and 25% provided special services for the handicapped on demand; emergency services were provided by nearly 50% of the operators. In addition to demand services, certain other services were found to be provided, the most frequently mentioned being:

| <u>Service</u> | <u>Percent providing service</u> |
|-----------------------------|----------------------------------|
| School children | 44 |
| Company employees | 43 |
| Hospital patients | 31 |
| Government employees | 11 |
| Senior citizens/public aid | 10 |
| Blood and hospital supplies | 15 |

It is clear from this information that taxi-cab operators provide, and are capable of providing, a wide spectrum of services, most of which are not normally provided by mass transit. It should be noted that these are usually door-to-door services so that they are available to all persons on a when-needed basis, as distinct from the conventional systems in which the user must meet the convenience of the operator by virtue of his timetable or route restrictions (Department of Transportation, 1975).

Despite this situation, and despite the fact that in the United States the taxi earns more revenue than all other forms of public transport put together, carrying more passengers than rail transit and half as many as bus transit, and in (as estimated) 3,400 communities, where no alternative exists, the taxi is the public transport. In Manhattan, for example, where pollution and congestion are major problems, cabs spend 42% of their time cruising empty, and carry only 1.3 passengers per trip, factors which keep fares artificially high. The Department of Transport does, however, recognise the inherent problems and is therefore promoting experimentation in such concepts as car-pooling (it is pertinent to note the "failure" of this concept in Sydney), subscription services (in Houston, Texas, taxis pick up regular patrons from a number of out of town shopping centres and drop them at any one of three points in the city, and Hintington, Long Island, commuters use shared taxis as a feeder to the rail system), dial-a-ride and the "self-taxi".

Although these systems are stifled for lack of incentive for their use, the strongest case in the United States is to allow taxi companies to expand their existing services, and to experiment with subsidising taxi companies for this purpose. Already taxi operators are being allowed to purchase

PUBLIC RESPONSIBILITY FOR THE PRIVATE SECTOR OF TRANSPORT

larger vehicles. Reducing the tax on fuel (transit companies pay no fuel tax) and subsidising rides would not only encourage travellers to leave their cars at home, would not only reduce traffic congestion and pollution, save fuel and reduce the demand for parking, but it would also offer a low price service to those who could otherwise not afford it.

The overall philosophy in the United States is that Technical Studies grants are made to metropolitan planning organisations, not only to perform transportation planning studies (80% of cost) but also what is called "Section 5 of the Mass Transportation Assistance Act, 1974 subsidy" which can be used for up to 50% of operating expenses. In the United States the decision has been made, the Acts have been promulgated, the incentives introduced, despite what must have been the same lack of political expediency in the initial stages, as seems to be hampering governments in Australia. The statement is then to the public, to have them accept that the need exists, thereby to remove the doubts in the minds of the politicians.

New Zealand

In New Zealand, members of the licensed road transport industry qualify for refunds of motor spirits duty - this applies now to vehicles used exclusively under a goods service licence, based on distance run. Whilst taxi-cabs are specifically excluded at this stage to qualify for the refund, there is sufficient authority from New Zealand (Mr. C.E. Latter and Mr. N. Kirk, Members of the New Zealand Parliament, in recent addresses to the taxi industry in New Zealand have recently said as much) for the industry to consider the issue will soon be rectified. What is preventing quicker action is the old shibboleth that some other body may seek similar benefits, a result of a lack of public acceptance of the real role the taxi industry has to take in the private and commercial life of the whole population.

Europe

In Europe, Government initiatives have been of a far more pragmatic nature. References have been made above in relation to Rome and Berlin, Munich and Hamburg and will not be elucidated here.

WHERE DO WE GO FROM HERE?

Most recent incentives introduced by the Government seem to have pandered to a public whim and to the social adherence of individual members of the population to the motor vehicle. These incentives include (but are not limited to) experimentation with car pooling and use of transit lanes and tidal flows. Only in respect of clearways, and certain "bus only" facilities, does the taxi industry enjoy any privileged position as compared with the private motor vehicle. It is

true that these innovations have resulted in a marginal improvement in traffic flow, and the taxi industry has benefited from improved operational manoeuvrability. The ultimate beneficiary of these incentives is the travelling public, in the form of reduced travel times and lower fares.

The United States of America experience (and I believe the position is not different in Australia) is that 72 per cent of cab-riders are persons without automobiles, or who do not have full-time use of an automobile. On this basis, it is almost irrefutable that the taxi-cab is the only acceptable alternative for transportation to, first of all, a growing group of people who do not own automobiles and, secondly, a group who may become disadvantaged in the use of their vehicles in the future, a point which shall be propositioned shortly. It is my view that government incentives should be looking towards changes in taxi regulations, pricing and operation, and towards simultaneously disinclining people in their use of private motor vehicles, for example, by restricting parking in certain vital areas, or by limiting access to thoroughfares in favour of public transport vehicles.

By these means the availability, usage, and financial viability of cabs would be greatly improved, factors which would probably lead, more than any other transit improvement, to lure commuters out of cars and into increased total public transport patronage.

There are three major reasons for these conclusions:

1. The taxi can offer the quality of door-to-door service which is competitive with, if not better than, the private automobile, because the passenger rides himself at once of both the burden of driving and the nuisance of hunting for a parking space.
2. The larger urban travel market, that which is diffused throughout the urban region rather than focused on the down-town and other core areas, is better served by a mobile, adaptable, accessible and smaller-capacity taxi service than it is by bus or rail transit facilities, or by some newly-devised system. There seems little point in seeking to establish, from scratch as it were, some new conception in transportation - the existing taxi-cab industry has sophisticated transport management experience in radio despatching, it has already an extensive area knowledge and built-up operating familiarity, and a work-force conditioned to functioning on an incentive-reward basis. These are factors which contribute to the applicability, adequacy and adaptability of the industry, which cannot be matched, backed by considerable capital investment.

3. The taxi-cab has real advantages over other modes as a transportation service for the poor, handicapped, and elderly. The poor live predominantly in areas just outside the cores of central cities, the areas increasingly neglected by rail and other transit systems now being built, extended or proposed; the cab suits the needs of the handicapped and elderly, who require door-to-door service and should not endure strap-hanging and panic stops.

The group which has to be also reached is the "indiscriminate" car user, who drives his car with utter selfishness, contributing to all the problems we have referred to: energy, the environment, interminable traffic congestion, pollution.

The burden of having the community accept initiatives for taxi industry development will lie heaviest on this group. It is they who will have to undergo a dramatic attitudinal metamorphosis. Rather in the same way as they may leave their medical problems to doctors, their legal problems to lawyers and their fiscal problems to accountants, they will be called upon to leave their transportation problems, to the transit experts. If this is achieved, what will result is a more rational usage, not only of taxi-cabs but of all public transport services, including buses, trains and ferries, with the private car slotted more into a "domestic" function. Of course, absolute fulfillment of such a situation is quite idealistic, but this is the policy line public transportation initiatives, now and for the future, should be taking. If it is necessary, "unpopular" decisions leading to discriminations which benefit public transport over the private vehicle have to be made - discriminations which will give transport access to road and kerbside space which is denied to private vehicles; discriminations which will reduce for public transport the cost of capital equipment, of maintenance on the equipment, of energy to run the equipment and of fees and insurances necessary for licensing and protection, relative to private vehicles. Whilst it could be readily argued that such decisions would only be made by a brave government, nevertheless, such argument is only sustained because an irresponsible attitude by the public makes it so, an attitude which has little forethought for the future predicament faced by the whole community. The counter-argument, therefore, is for public responsibility based on general appreciation of a hermit-like, travel-less prognostication for subsequent generations which will be the consequence of adherence to current attitudes.

Every year the community receives a transportation rebuff of some sort. Of concern to all Australians is the enormity of transportation losses; alternatives to date are generally not working and the problem exacerbates. Despite N.S.W. Government incentives in public transport, that deficit spirals. The Government cannot afford too many grandiose innovations. If this argument needs substantiation, the failure, to date, of the San Francisco Bay Area Rapid Transport System, despite the early expectation that it would certainly coax people out of their

cars and on to public transport, revealed one thing to the American Government: that a single system, no matter how sophisticated, is not the answer. Our metropolitan areas, with their varied forms, densities and travel patterns, require a family of public transportation services to serve different market needs; operating efficiency and effectiveness are exhibited and a range of service options is provided which respond to varying consumer demands and match different needs and budgets.

This can be done only by co-ordinating the services of the private sector with conventional transit - an effective metropolitan transport system should take the form of a co-operative partnership of the private sector and conventional modes. In lower and medium density areas where the automobile has provided the only means of access to regular transit services, the taxi-cab can be fostered to provide a flexible collection and distribution service to the fixed-route conventional system - in this way, not only will the taxi-cab business prosper by greater usage, but the patronage of the conventional system will also increase and the reach of public transportation into low density residential areas will extend. In outlying areas, the taxi-cab can increase the efficiency and productivity of line haul transit by replacing some of the loss-productive fixed route services.

The time for scepticism that this "transportation partnership" can materialise, has passed. The public is too conditioned to seeing public transport programmes based entirely on public-operated, fixed-route mass transportation, and they will find it difficult to accept new philosophies. Urban area programmes must be encouraged to consider integration of taxi-cab operations as an effective and economical way of providing needed public transportation services, exclusively in certain situations but integrated with conventional services in the majority of situations, especially as regards "feeder services" on a formal basis. This integration will be accomplished only following scrutiny and evaluation of all local processes, now and traditionally used, the development of overall transportation plans and programmes, and by encouraging the participation of the private operator representatives in local transportation planning and programming processes. This goes beyond merely commenting on services being proposed, but includes the opportunity, indeed the prerogative, to review on-going planning activities from the aspect of recommending the inclusion of taxi-cab services in any transportation improvement or extension programme.

For this to succeed there will have to be changing attitudes by Government, especially in three areas:

1. Regulations, often regulations which are restrictive as a result of historical antecedents which no longer have relevance today, have to be re-examined, up-dated and adjusted in the light of today's changing needs so as not to inhibit the full potential of taxi-cab operators.

2. Financial assistance, both direct in the form of taxation concession or direct subsidy for capital equipment improvement, and indirect in the form of financial investigations and surveys, has to be made available. Financial assistance for the training of drivers has also to be made. If the arguments for taxi usage are good, then subsidisation is not unreasonable. The precedent for free or reduced fares for cab trips for the elderly and for school children already exists in many bus systems. Such subsidies would not represent a drastic wrench in public transportation policy. If wider subsidies are considered, there is at least the justification that such subsidies would not be used - as subsidies tend to be - as a lever to encourage people to use services they do not want to use; they would simply encourage a trend.
3. Taxi industry representatives have to be included on statutory bodies, in a full participatory capacity. In other words, the concept of public transport commissions has to be extended to include all "public transport". Co-operative working relationships with administrative agencies and transport authorities, the decision makers who impact the taxi industry, will bring about meaningful, responsible and relevant change and significantly reduce the economic pressures and operational barriers which restrict all operators, public and private.

The most attractive aspect of a plan to give taxi-cabs a larger role in transport is to give urban travellers a wider range of transit choices. Except in a handful of cities, travellers are limited to just two transit options - bus and private automobile. A third choice - taxi-cabs - could be easily added, and the most compelling argument for doing so can be made by standing back from the urban area and asking what new transportation systems will best meet the most serious, expressed transportation needs and the needs of people who most need help.

Today, we are obviously devoting most of our public transportation planning to helping people who least need help. With bus and rail patronage steadily declining, with affluence and the desire for decent service increasing, and with concern for the poor, handicapped and auto-less growing, unleashing the taxi-cab is clearly the next move to improve public transportation in our cities.

Major changes in Government taxi-cab policies would result in increased taxi-cab patronage, leading to a noticeable reduction in the volume of commuter automobiles and a displacement (a vital word when considering my argument for a more rational use of transport modes) of a substantial number of private cars. Hopefully these will represent a significant number of the former drive-alone commuters.

It is easy to anticipate a significant net reduction in congestion, and even pollution, and certainly the diversion from cars to cabs would reduce the amount of central core space that is now used for parking. Just as importantly, there would be a reduction in what is currently approximately 40 per cent of a taxi driver's time spent cruising empty or standing idle, a reduction which would lead to the industry's greater capacity to reduce costs whereby fare increases could be limited and certainly delayed. It would also represent a significant implementation of national energy policies by creating greater energy efficiency.

The quintessence of any initiatives, however, remains the reaction of the community, whether the policy is going to accept proposals out of a purely responsible attitude, responsibility which leads to better circumstances for all. I will not quibble with George Bernard Shaw, who said in "Maxims for Revolutionists", "Responsibility... most men dread it", and I am concerned that the path to public acceptance does indeed terminate a long way hence. No time can be wasted, therefore, in initiating the proposals and the incentives, lest all opportunity be lost. There are matters which can be attended to forthwith. One would be to permit the taxi industry to enjoy the same provisions in relation to sales tax on new vehicles and parts as apply to vehicles and parts used in alternative public transport modes. Under the present arrangements, where sales tax equivalent to that paid for private vehicle purchases is required of operators in this industry, there is no incentive to maintain exceptional standards of vehicle quality, and economic pressures lead to secondhand purchases. It is estimated that no more than 7% of vehicles registered as taxi-cabs are "new" at the outset. This is a corner into which the industry has been pushed by an unrealistic government attitude on the matter. A simple government initiative would increase quality of service and new standards which would mainly benefit the travelling public and create employment opportunities, without significant revenue loss.

Finally, as much as any other initiative, openings could be immediately created for the industry to be formally represented on all statutory bodies regulating transport, especially bodies investigating energy policies and urban transportation, in its fullest sense. Failure to do this immediately may result in decisions, based on academic surmise or bureaucratic whim, being made which are only fractionally workable from a practical industry viewpoint, and therefore could not be implemented without extreme disadvantage to the industry and thus severe recession in utility to the public.

PUBLIC RESPONSIBILITY FOR THE PRIVATE SECTOR OF TRANSPORT

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