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Promoting social inclusion in a deregulated environment: extending accessibility using collective taxi-based services

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Social Inclusion and Accessibility

- Social inclusion a multi-faceted concept
- Accessibility (World Bank)
'...important., not only for its role in facilitating regular and stable income-earning employment but also for its role as part of the social capital that maintains the social relations forming the safety net of poor people in many societies'



Accessibility and Transport Disadvantage

- Transport disadvantage = lack of accessibility to key services through absence of transport provision
- Falling share of public transport, increasing role of private car in meeting accessibility needs
- Challenge exacerbated in rural areas and other areas of low demand



Impact on services

- Lower patronage leads to higher unit costs
 - Vicious circle of increasing fares
- And/or
 - Cut back in services or increasing subsidy
- Associated demand side issues in affordability



Context of study by CfIT

- Origin of study - LEK (2002) observation that subsidy to rural services was not value-for-money, and that taxis may prove a more cost-effective approach.
- 2007 - Towards a Sustainable Transport System (TaSTS) – TaSTS sets goals for equality of opportunity, and notes the specific transport issues for rural areas in general and for isolated communities in particular.



The deregulated market for public transport services

- 'Commercial' service registration by operators with 'gap filling' by local authority using competitively tendered subsidised services
- Quality maintained by operator and vehicle licensing

Allows for a continuum of vehicle sizes and different operations



UK Institutional framework

The institutional framework is complex with different legislation for

- Local services
- Community Transport with volunteer drivers
- Community Transport with paid drivers
- Restricted bus licence (small operator)
- Taxi bus licence
- Shared taxi from the same starting point
- Sharing taxis for pre-booked passengers



Institutional framework (cont)

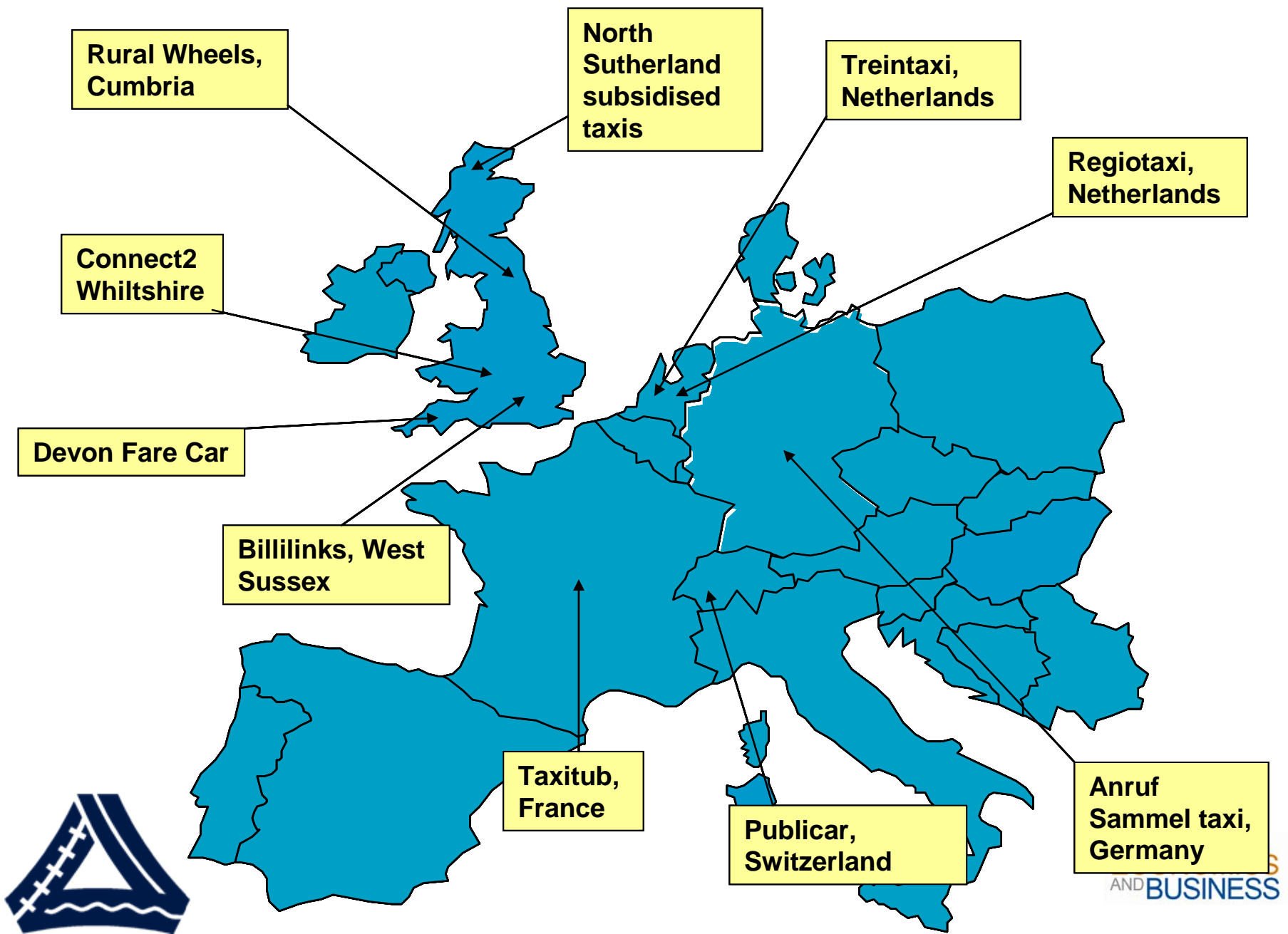
- Confers different costs on operators
 - The requirement to hold an operators licence
 - The benefits of BSOG
 - The requirement to give concessionary fares to passengers
- Does not explain why taxi-based schemes appear successful in mainland Europe



Study approach

- 70+ schemes were identified during the literature review
- 10 case study schemes chosen for in-depth analysis
- Selected based on:
 - Scheme 'success'
 - Position in rural 'typology'
 - Nature of service provided
 - Ability to secure information on the service provided





Rural Wheels,
Cumbria

North
Sutherland
subsidised
taxis

Treintaxi,
Netherlands

Regiotaxi,
Netherlands

Connect2
Wiltshire

Devon Fare Car

Billilinks, West
Sussex

Taxitub,
France

Publicar,
Switzerland

Anruf
Sammel taxi,
Germany



'Cultural' differences

- Mainland Europe use of small scale collective transport schemes is more highly developed
- Generally nationally funded and regionally organised and cover a wider spatial area
- Regarded as permanent from the outset with operators having a very different outlook



Impact on service design and service quality

- Mainland Europe – better integrated, operate for longer hours, and can be booked 1 hour in advance.
- UK schemes – tend to be poorly integrated with other transport, operate for limited hours, and must be booked on previous day.

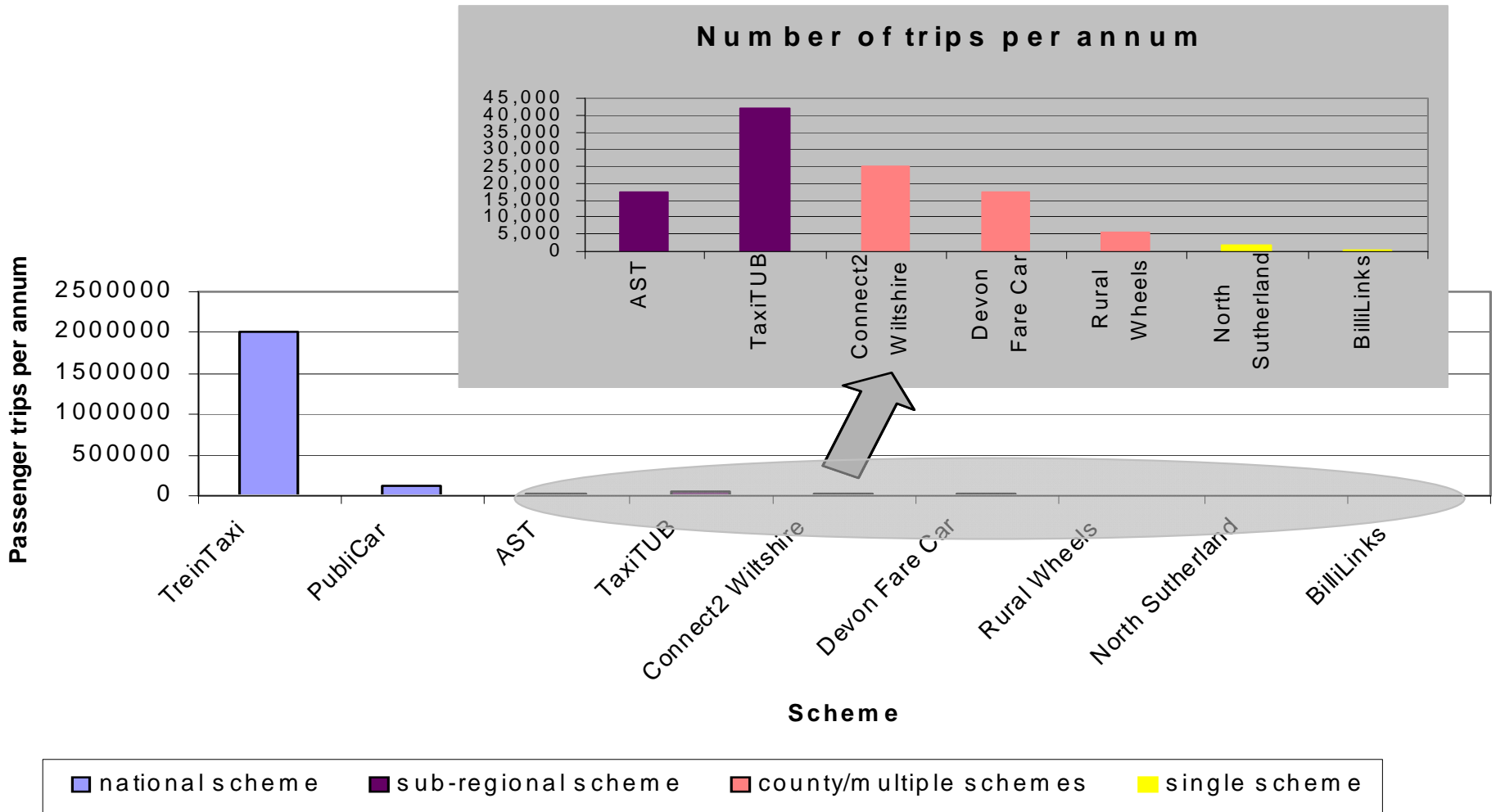


Financial differences

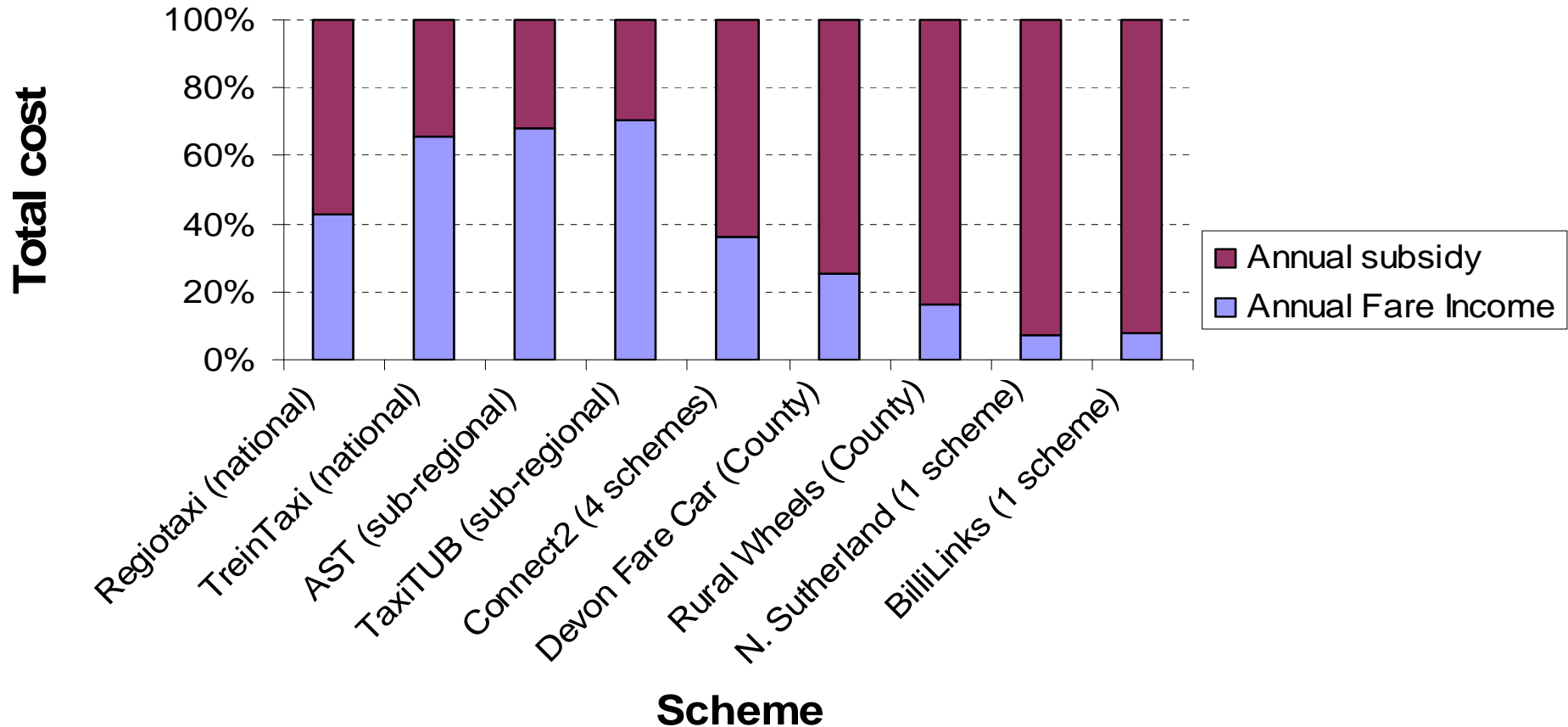
- Financial information varied considerably in its availability and level of 'robustness'
- Unusually, mainland European schemes required LESS subsidy than UK schemes
 - % of Cost to Scheme Manager
 - UK – 65% to 93%
 - Europe – 30% to 60%



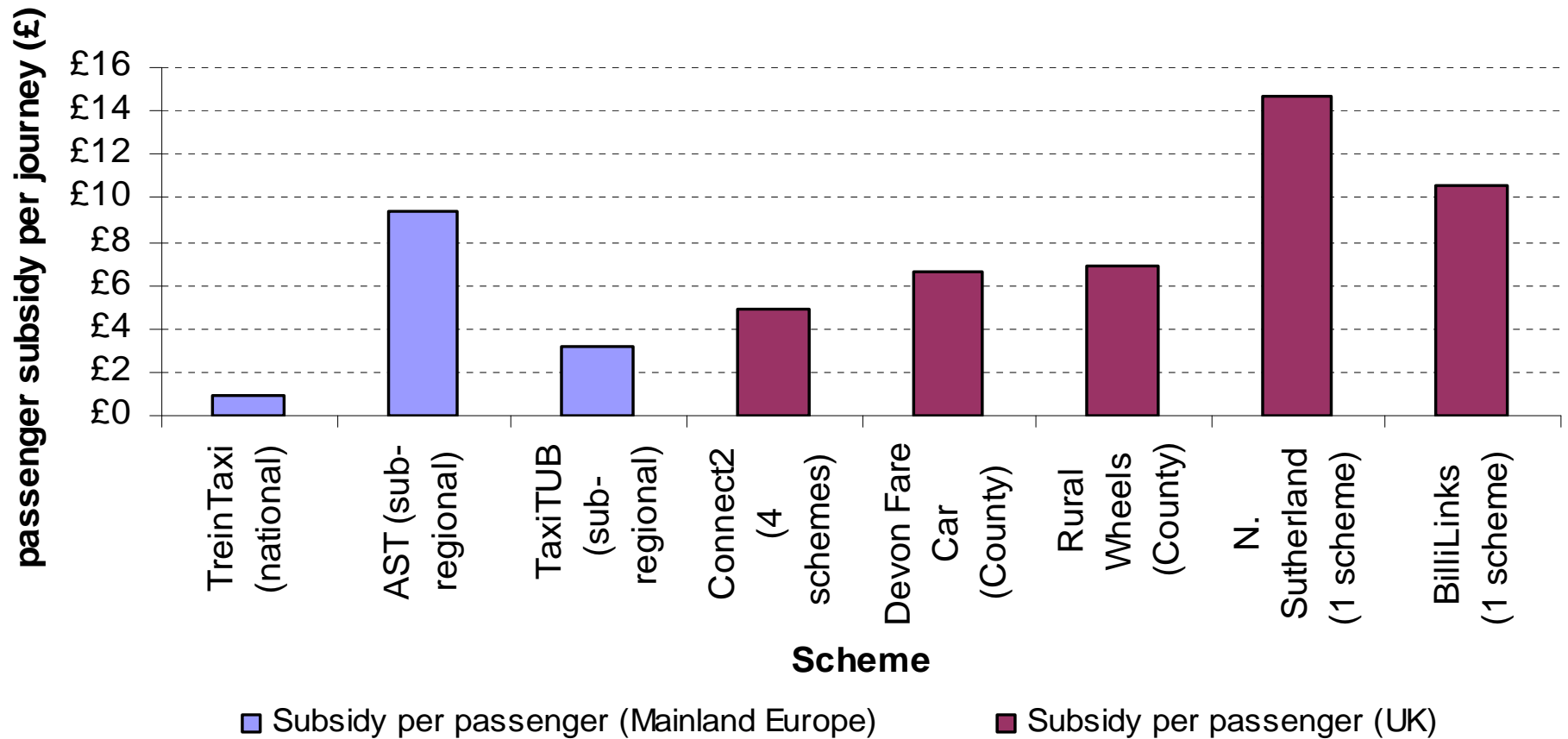
Scale of operation: passenger trips



Economics of large scale schemes generally better



Subsidy per passenger appears lower for larger schemes



Key outcomes of case-study approach

- More extensive spatial coverage and larger schemes
- The exploitation of economies of scale that are possible for larger schemes
- The moderate level of subsidy required



How does this translate to a national scheme?

- Simple method based on:
 - Identification of most 'rural' areas
 - Understanding potential demand in those areas
 - Used 'cost' information from the case study schemes
 - Assumed levels of usage for different community groups
- Costs £25m to provide potential recipients with one trip a week
- £308m based on the replicating a 'low cost', 'best case' scenario and £1.1bn based on a 'high cost' 'worst case' scenario for a national scheme covering over 3 million rural residents



Local authority	Spend on public transport support in rural areas	Spend on education and special needs transport	Rural population	Annual cost per head of rural population	Implied grossed up cost for the England as a whole (excluding education transport)
Buckinghamshire	£1,000,000	£4,000,000	470,000	£10.64	£100,857,889
Midlothian	£257,980	£242,792 (special education needs only)	9,207	£54.40	£517,002,735
Cumbria	£4,292,119	£15,000,000 of which £800,000 is special needs	340,311	£56.69	£531,979,874
Durham	£2,400,000	£2,133,333	100,000	£45.33	£430,911,979
Devon	£5,100,000	£3,630,213	354,723	£24.61	£233,940,873

Other benefits which could be 'added in'

- Wider economic benefits
 - User benefits
 - Non-user benefits
- Environmental benefits
 - Individual private car trips into collective taxi trips
 - Small vehicle trips potentially more environmentally friendly than larger vehicles



Other hurdles to implementation

- Reluctance to take full advantage of opportunities under current legislation
 - Taxi operators who do not see a 'living' from this
 - Taxi licensing hinders the development of large firms / enterprises (e.g. need to be licensed in, and meet the varying requirements, of every district).
- Public subsidy (e.g. BSOG) - distorts economics of certain types of small-scale collective transport
- Concessionary fares eligibility creates problems with passengers



Conclusions

- Large schemes (both in actual and spatial scale) seem necessary to exploit economies of scale. These easier in an institutional framework which plans at least regionally
- Maturity appears to be important to generate patronage
- A national scheme could be provided without significantly adding to subsidy budget



Implications for NSW/Australia

- The use of collective taxi services might be a better way of serving rural areas than conventional bus services – an area that needs investigating in the context of costs/subsidies
- Looking at ways in which economies of scale can be exploited might make it possible to provide a better level of service than the plethora of small schemes in operation now

