

# MPT Industry Issues

## Qualitative Research with Drivers and Owner-Drivers

August 2005

a report for



Department for Planning and Infrastructure  
Government of Western Australia



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## Executive Summary

This research highlights a variety of issues currently facing multi-purpose taxi (MPT) drivers in Western Australia. The research confirms that MPT operators are struggling and in need of support in order to combat various impacts on the viability of their incomes, and to ultimately survive in the industry.

Through a qualitative research process the issues were explored and potential solutions discussed and ranked in order of preference by drivers.

During the process several current 'Hot Issues' were raised by MPT drivers:

- Running costs have 'blown out' - with rising diesel costs having the biggest influence.
- Dispatch work levels have gone down.
- There is excessive dead running time between jobs.
- MPTs are less financially attractive than conventional taxis.
- The TUSS maximum subsidy is too low.
- The relevant taxi dispatch service (TDS) is inefficient when managing jobs and promoting the MPT service

When discussing solutions to these problems with drivers there was strong advocacy for the Victorian model of a 'lifting fee' as the key solution to most of these issues. However, drivers/owner-drivers (referred to collectively as 'drivers' below) were unclear as to why this fee was appropriate for the WA MPT industry.

In contrast there was only moderate support for a fuel subsidy, despite drivers recognising that dramatic increases in the cost of diesel are heavily impacting on the viability of their incomes and businesses.

Drivers were clear that improvements to day-to-day viability will have the greatest positive impact on them. They are looking for assistance that they can feel immediately 'in their pocket' on a day by day basis. Subsequently there was less support for one-off assistance measures, such as capital subsidies for vehicle and equipment.

Drivers provided several other ideas for how the government might assist them. These included:

- Low interest loans to assist with the purchase of a vehicle and/or equipment.
- Removing stamp duty from vehicle purchase.
- Removing GST from vehicle and equipment purchase.
- Rewards linked to dispatch work performance - similar to a loyalty program.
- Increasing the maximum subsidy on TUSS vouchers.

### Preferred Solutions

While considering which options would most help them, drivers were asked to rank the various solutions discussed in order of preference. The top ranked solutions across all participants were:

1. A flat rate lifting fee.
2. Low interest loans to assist with the purchase of a vehicle and/or equipment.
3. Increasing the maximum subsidy on TUSS vouchers.
4. A fuel subsidy.

In addition to the key issue of viability, drivers also raised several other related issues that are affecting their time in the MPT industry. They believe:

- MPT drivers should be treated differently to conventional drivers as they are skilled helpers providing a social service.
- The current fleet is not being used efficiently and would work harder if paid properly.
- Drivers feel restricted by the existing MPT coordinator, and want freedom of choice as to where to get their work from.
- There are too many government lease plates in the market.

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## Background

### The Industry

There are 87 multi-purpose taxis in Perth (known as the MPT fleet). Of these 56 are transferable MPT licences, 25 are non-transferable licences and a further 6 licences are leased by the government (for a period of 10 years). The government is also running a program of issuing up to 12 new MPT leases per annum from 2005 to 2008 inclusive.

MPTs are wheelchair accessible taxis that are required to give priority to wheelchair hirings, although they can do other work in between. MPTs are currently required to affiliate with a single taxi dispatch service (Black & White Taxis) whereas other taxis have the freedom to affiliate with any registered taxi dispatch service. Of the 87 MPTs, approximately 20-30 do mainly private bookings of wheelchair work with little dispatch work, wheelchair or other jobs. The remaining taxis do a mixture of private bookings and dispatch work and may derive income from both wheelchair and non-wheelchair hirings.

In keeping with all taxis, MPTs are operated as small businesses, with the owner-driver and driver focused on maximising their net income while providing a service to people with a disability. MPT drivers are able to charge the 'detention rate' during pick up and set down to assist them with servicing special need customers who often take longer to get in and out of a taxi. Each MPT vehicle is required to complete a quota of 60 wheelchair jobs per month.

### Issues within the Industry

The Department of Planning and Infrastructure is aware that certain issues within the MPT industry are causing decreasing service levels for people with a disability. Jobs are 'not getting covered' adequately. This is a concern for the government as MPT customers are not receiving an equivalent service to other taxi users.

Issues include:

- Barriers to entry and retention within the MPT industry for owner-drivers
  - ▶ Vehicle (capital) costs are high to put an MPT on the road (\$70-\$80k for a new vehicle and equipment)
  - ▶ MPT owners are finding it hard to locate drivers as few are entering the MPT industry (MPT driving is not attractive to drivers)

- Income levels for drivers have dropped due to increased MPT running costs:
  - ▶ Diesel, and insurance costs have risen recently
  - ▶ Vehicle maintenance costs are reported by drivers to have risen
  
- Getting jobs covered - providing an equivalent service to disability customers
  - ▶ There is poor viability for many individual jobs
    - ➔ Drivers are reluctant to take on small MPT jobs because of higher dead running time and fuel costs

MPT owner-drivers and drivers have raised their concerns about these issues and their effects on industry viability with the Department of Planning and Infrastructure recently. As a response, and in line with ongoing industry development planning, the government is considering new policies to address industry viability and improve customer service (getting more jobs covered).

Current policy initiatives related to the MPT sector include:

- Government buy-back of transferable MPT taxi plates
  - ▶ Part of an effort to restructure the industry
- Coordination of MPT fleet - moving from a monopoly (Black & White Taxis) to a duopoly
  - ▶ Providing MPT operators and customers with choice

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# Objectives and Approach

## Objectives

The primary objective of this project was to understand the opinions and perspectives of MPT drivers in relation to:

- How to improve the viability of running a MPT taxi (to achieve a better outcome for drivers).
- How to achieve an acceptable level of job coverage (to achieve a better outcome for consumers).

The secondary objective was to test various options for addressing industry problems with drivers and owner-drivers, including those solutions raised by drivers and owner-drivers themselves during the research.

The third and final objective was to rank the appeal of the various options discussed in order to arrive at an understanding of which initiatives are most useful to drivers and why.

## Approach

- Two focus group discussions were conducted to understand the opinions and perspectives of MPT owner-drivers and drivers.
- The groups were randomly selected from lists of current MPT owner-drivers and drivers.
- Each group comprised an equal mix of owner-drivers and drivers.
- The following groups were held at Market Equity's offices on 25 July 2005.
- The groups were facilitated by Will Axten, Account Executive.
- A detailed discussion guide was developed in consultation with the Department of Planning and Infrastructure. The guide followed these sections:
  - ▶ Section 1: Introduction and Respondent Warm-up
  - ▶ Section 2: Open discussion - what issues are out there?
  - ▶ Section 3: Viability of driving a MPT - capital investment and profit: issues and solutions
  - ▶ Section 4: Getting jobs covered - improved customer service: issues and solutions
  - ▶ Section 5: Order of importance - ranking the solutions
  - ▶ Section 6: Summary and Close

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# Section 1

## Hot Issues for Drivers and Owner-Drivers

## Extracting the 'Hot Issues'

During the focus groups drivers discussed the issues as they see them. There were clearly several key concerns that all drivers shared. These are listed below:

- Running costs have 'blown out' .
- Dispatch work levels have gone down.
- There is excessive dead running time between jobs.
- MPTs are less financially attractive than conventional taxis.
- The TUSS maximum subsidy is too low.
- The taxi dispatch service (TDS) is inefficient when managing jobs and promoting the MPT service.

## Running Costs Have 'Blown Out'

Drivers were quick to point out that the key impact on their earning ability has been the dramatic rise in running costs over the last twelve months. The key factors are:

- Substantial increase in the cost of diesel - drivers report a 30-40% increase in the pump price. This obviously has created a very noticeable drop in earnings as fuel is the principal running cost for any taxi.
- Rise in insurance costs - recent changes in insurance policy structures has led to increased costs to have both the vehicles and hoist equipment fully covered.
- Maintenance costs have risen - drivers report higher costs at the garage, which they feel they are forced to pay in order to comply with industry safety regulations

*"The cost of fuel has gone through the roof. It's risen by 30 cents a litre in the last 3 months - that's a big problem. You're mainly talking diesel as well. It used to be the cheapest fuel and now it's the most expensive."*

*"There is a big difference between paying 47 cents a litre for gas or \$1.28 for diesel - that's a huge difference and that is where a lot of the struggle is. These vans are heavier and heavier on fuel. Everyone is really suffering from this fuel. It's costing me an extra \$20 every day and a half now in fuel and that's a big expense."*

*"The annual registration is \$1,505 a year - that was my last registration. If you've got a new vehicle just out of the showroom you're paying around \$8,000 a year in insurance for a new vehicle and that gradually declines as the value of the vehicle comes back. I am paying about \$3,500 but that is because my van is only worth \$25,000"*

## Dispatch Work Levels Have Gone Down

Drivers feel that there has been a noticeable decrease in jobs coming through the taxi dispatch service (TDS). There were several reasons offered by drivers to explain the decrease:

- Jobs not going through TDS - Drivers feel that a lot of work is going through 'private bookings', where the customer contacts a MPT driver directly. There is also a perception that the TDS encourages private bookings.
- Government plates - Drivers blame the release of new plates for the drop in work, due to more MPTs being on the road.

*"Also the workload has gone down. A lot of the jobs that were on the radio are just not there anymore."*

- Other service providers - Drivers feel some volunteer organisations are taking work away by offering a free service.
- Lack of advertising of the MPT service by Black & White - drivers feel there is a consumer lack of confidence in the service.

*"The workload has gone down because Black & White do very little, they do no advertising, they do no canvassing at nursing homes, they've got a bad attitude when people ring, they say we can't guarantee you a taxi instead of saying if you're prepared to wait for a taxi - we will get you one but instead they say we can't guarantee you one which obviously puts people off and then Swan get the job."*

*"There is the same amount of work and there is more plates and everybody is fighting over the same thing you know, and at the moment because there is not a lot of money in it, or little money in it, people are being encouraged not to drive their MPTs and so if people aren't driving them, they're not utilising the plates as well as they could do. Like my car is on the road 12 hours maybe instead of 24 because I can't get another driver and then the government goes and puts more plates out."*

## Excessive Dead Running Time Between Jobs

Drivers report having to often travel long distances (eg, 20 km) in order to get MPT work, with little guarantee that further work will be available at the fare's final destination. Due to the 'local' nature of MPT work (drivers report that most MPT work occurs in a small area around the customer's home) the impact of large distances and subsequent dead running time is doubled. This is because drivers have to return from the job to an area more likely to yield further work.

*"[some jobs].you're going to spend a lot of time getting there and a lot of time on the job - there is not much value on the job so you might only make \$10 in the hour. Or if it's an extremely short trip - it might be from John Street in Midland to Swan Districts - which is about 2kms - and all you get is the 2kms."*

*"It's time - time is the main thing. That's the main crux for the driver. The less time it takes you, the more jobs you do in a day."*

## MPTs are Less Financially Attractive Than Conventional Taxis

Drivers report that MPTs are generally understood across the industry to be less financially rewarding. This perception is said to be affecting owner-drivers' ability to attract new drivers to the industry, with conventional taxis providing a better return for drivers.

Drivers offered several reasons why MPTs are less financially attractive:

- Vehicle and equipment costs are higher - This is a barrier for potential owner-drivers.
- TDS is inefficient and provides less work opportunities - Drivers are said to prefer Swan Taxis because they provide more work.
- Customer preferences - Drivers report that many non-disabled customers prefer conventional taxis, which makes it difficult to pick up additional work.
- Running costs are higher per shift.
- Lower frequency of jobs - conventional drivers are more likely to pick up rank and hail work as they travel around the metropolitan area than MPT drivers.

*"A conventional taxi has got work at its fingertips all the time. You would only travel 10kms and you would get a job especially with Swans with their GPS system. You move into another area and the first job that becomes available in that area, you get it if you are the number 1 car. So as soon as you drop a passenger and as soon as you turn your meter off, you are more likely to get a job in that area straight away where as we might have to travel back to Shenton Park or to where the wheelchair work is."*

*"We are looking at \$82,000 to replace a vehicle now whereas you can buy a brand new conventional for \$32,000 but we both get the same rate."*

*“Well, they're less attractive to the ordinary taxi work - you can get knock backs - people don't want to get into what they consider a truck... they walk past you in the ranks. It gets worse because people know that they can refuse. They just refuse easily.”*

*“There was a person advertising, he was looking for a Friday/Saturday night or weekend taxi to drive so I rang him up and he said to me that he was very interested that I had [a taxi] for Friday/Saturday/Sunday - and as soon as I told him it was a multi-purpose taxi, he said oh, I will ring you back.”*

## TUSS Maximum Subsidy Is Too Low

Drivers feel that Taxi Users Subsidy Scheme (TUSS) is out of date and affecting the value of their fares. The TUSS provides a maximum \$25 subsidy towards a taxi fare for disabled people, which drivers feel is too low and causing its users to travel smaller distances in order to keep within its limits.

*“They should actually raise that \$25 subsidised limit to \$35 - the reason is because we have had that for years and years, they haven't changed that - they should change that to attract customers to using the service more.”*

*“It hasn't moved in the latest CPI line - everything else is going up but their subsidy stays the same.”*

*“We care about our customers, and they are not being given a fair chance to get out and about.”*

*“There is a \$25 maximum subsidy for each voucher, which is too low and limits the distance that customers want to travel.”*

## TDS is Inefficient

Drivers feel restricted by the existing MPT coordinator (Black & White Taxis), which they see as somewhat inefficient and affecting their ability to find work. Drivers raised the following issues in regard to this:

- Aging computer system - Drivers feel that the computer system is substandard and causing incorrect job details coming through dispatch. Examples provided included:
  - ▶ Jobs where two taxis arrive for the same customer
  - ▶ 'No jobs' - where there is no customer at the pick up point
- Lack of GPS - Most drivers would prefer to be sent jobs that are relevant to their current location, as happens with the Swan TDS.
- Turning away of jobs - Drivers feel that some jobs are being turned away and private bookings encouraged. This is in line with an overall perception that job management could be better, and that Swan Taxis is doing a better job.

- Lack of marketing - Drivers feel that more could be done to raise the profile of the MPT fleet and have pointed out that there is very little advertising for their service at present

*"You get mistakes from dispatch, they put jobs in twice. When the sister rings and the brother rings for his mom - to be picked up from a nursing home - the computer doesn't pick it, but it is possible in computers to actually put a program there - if this happens, make a warning and check the job. Cross-reference."*

*"We go to pick people up when they haven't even been taken there. On Sunday I do a bit of work, you know they go to church and you go to pick the person up from church but they haven't even been taken to church [yet] and I get on the radio and say: if they haven't even been taken to church - how come we are picking them up? Surely when the job comes up, I mean we didn't even take them to church so how can we take them home? They need a better system - they don't remove the returns out of the system."*

## Other Issues

While early discussion focussed around the hot issues mentioned above, there were some other secondary concerns raised by drivers:

- "Everyone hates us" - Drivers feel that they are not treated fairly by various people:
  - ▶ DPI - Believe they adopt a disciplinary approach through job quotas and punishments
  - ▶ Police - "They are always hassling us"
  - ▶ Consumers - "Don't want to ride in our cabs, they prefer cars"
  
- Loading times are greater for MPT work - Drivers indicated that often their customers are not ready to go when they arrive to pick them up (in the case of nursing home patients), or take a long time to load into the vehicle.
  
- Drivers not rewarded for their customer service - Drivers feel that they provide a valuable service and should be compensated for it.
  - ▶ "We are carers and we are not paid for it"
  - ▶ "We have a very high commitment to our customers which ends up costing us money rather than the government"

*"For the dollar you earn you have to spend more time in a multi because a very large percentage of the time that you spend on that job is loading and unloading and because it's at a lower rate as to compared when you're driving, a multi driver earns less."*

*"You might go into a nursing home and they mightn't be ready - they might be on the pan or something like that and you've got to wait 10 minutes after your allocated time - you don't get paid for that unless you go out and turn the meter on."*

*“When you put a passenger in your car, in a conventional cab, you pull up, the person comes out and you put your meter on - you take the person to the destination - meter off and the person pays you and you're off, ready for the next job. How does it go for our job? You go to a nursing home, you arrive there - you knock on the door. You say I am here to pick up Mrs Brown. Oh, Mrs Brown - I will just see where she is. You wait for a while, Mrs Brown is not ready yet. What do we do, do we put the meter on? - no, we can't because Mrs Brown has to pay for the fare and the people at the nursing home have delayed her departure so we can't very well charge Mrs Brown for the mistake that the nursing home makes by not having her ready. So there is time lost. And then we take her to a destination. She might want to go to a place where you might have to open the door, or you might have to do certain things that normally you wouldn't think of doing with people. We nearly have to be a carer - so we are a carer as well as a taxi driver. That is overlooked so often. In other words the commitment of doing the jobs is there on top of the contracts.”*

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A large rectangular graphic with a solid olive-green background. On the right side, the text 'Section 2 Solutions' is written in a white, sans-serif font. Behind the text, there are several overlapping, semi-transparent, light-colored diagonal bars that create a layered effect.

# Section 2 Solutions

## Unprompted Solutions

Prior to any prompted discussion about potential options for the industry, drivers were asked to suggest solutions to the issues that they had raised.

Below are the issues raised up to that point and the solutions suggested by each group:

### Group1

Issue	Solution
Fuel costs increased	Fuel subsidy - limited to MPTs
Dispatch work levels gone down	More marketing, increase confidence in service, decrease number of plates
Inefficient TDS	GPS tracking for all
Release of more plates	Decrease number of plates, incentivise current drivers
Excessive dead running time	Lifting fee paid by the government, GPS, dead running subsidy
'No jobs' (customers call twice, old computer system, poor job management)	Better computer system

### Group2

Issue	Solution
Fuel costs increased	Fuel subsidy, remove GST from fuel
Vehicle costs are high	Remove GST from vehicle, link fares to CPI
Maintenance costs are high	Link fare to CPI
Extra time required with wheelchair customers	Lifting fee paid by government
Consumers miss out in outer areas	Lifting fee paid by government
Excessive dead running time	Additional kilometer fee (turn meter on while traveling)
Predominance of local jobs	Minimum fee or 'gap fee' paid by the government

These solutions and others were discussed further with attention focussed more on the specific issues of capital investment, profit and getting jobs covered within the MPT industry.



## Solutions to Capital Investment Issues

Owner-drivers stated that vehicle and equipment costs are very high in the MPT industry:

- "\$60,000 for new vehicle"
- "\$16,000 for hoist and vehicle fit out"
- "\$6,000 for other equipment required"

They also felt that a second hand vehicle, while being cheaper, was a false economy due to the 'strict' maintenance regulations for MPT vehicles and, therefore, the need to replace the vehicle often.

Despite this situation and the resulting difficulties in setting up within the industry, most felt that this was the wrong area to be focussing attention on. One reason put forward was that the capital outlay can be offset against income through depreciation.

Rather than a one-off initiative aimed at easing the capital outlay, owner-drivers want an adequate day-to-day return for their investment through the work that they do. They believe that individual jobs should be made more profitable through the introduction of a per job subsidy.

Drivers did, however, state that "any assistance would be a bonus", and put forward some ideas for how assistance might work in the capital investment area. Ideas from drivers for assistance with vehicle and equipment purchase included:

- Interest free loans to purchase a vehicle and/or hoist.
- Removing GST from vehicle purchase and operating costs.
- Waiving stamp duty on vehicle purchase.

*"Well, there are the maintenance costs but the initial outlay is what we were talking about is staggering. It's very high compared to ordinary or conventional cabs - that's the difference - we are up for a lot more and there are more things to go wrong with it because there are more things that go into it. You burn out one of those motors and you're up for \$600 for a starter motor that lifts the lift. It's all gear driven, it's not automatic."*

*"You can save \$20,000 by getting a second hand vehicle but the restriction on it of course is that it has to be replaced every 10 years which means if you buy a second hand vehicle, the chances are its not going to last you very long before you have to go and get another one. You might as well buy a new one."*

*"The government at the moment provides a subsidy through the price of the plates or the leasing of the plates - it makes it cheaper because of the cost of the vehicle so in a way that is provided at the moment but it's a kind of a cross subsidisation because you want to put the onus on the job - it's the job that's costing more to do. It's a more expensive vehicle and you need more time to do it. The subsidy should go on the job."*

*"I am an owner and naturally I would like a subsidy - I've got to replace my vehicle very soon and I would like a subsidy on the vehicle. But if there was more value on each job, it would be easier for me to have all the shifts covered and then I would be earning more money and then I could afford to replace the vehicle. It should go to the driver; he's the one who is doing the work."*

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## Solutions to Decreased Profit Issues

As already stated in this document, drivers reported dramatic decreases in profit over the last twelve months:

- "My income has gone down by 25%".
- "Most drivers are losing 30-40% of their income compared to a short time ago".

Drivers feel that their income has been impacted by:

- Increased diesel costs.
- Increased insurance costs.
- Increased maintenance costs.
- Release of new government plates.
- Dispatch work levels having gone down.
- Excessive dead running time between jobs.
- Inefficient TDS.

Drivers report that the increased cost of running a MPT produces a range of knock-on effects including:

- Difficulty in attracting new drivers.
- A high turnover of drivers - as they often leave or move to conventional taxis.
- Passenger and vehicle safety compromised through drivers having to work longer hours to achieve a decent living.

*"You could probably round it down to \$10 per hour when all set and done - that's about all I was getting and I am doing over 80 wheelchair jobs a week. I was doing over 80 wheelchair jobs a week, the quota is 60 per month and I am struggling to make a profit out of what I am doing. I am doing well, getting a lot of income but it's costing me - the upkeep and running the vehicle."*

*"Well, my two previous taxable incomes have been reduced by \$15,000 in the last two years. Well that's about 25% pretty much."*

*"Our income has gone down by \$100 to \$150 a week in the last twelve months, easy. That's a lot of money."*

## High Popularity of the Lifting Fee Solution

When asked what the solution was to the issue of insufficient income levels for the MPT industry a lifting fee was most often the nominated solution. In fact the introduction of a flat rate lifting fee for all MPT work was clearly top-of-mind for most drivers.

All seemed aware of the lifting fee concept and had some idea that it was already in place in Victoria. However, drivers had no rationale as to how it worked in Victoria or why it was applicable in WA. When the concept was explored further drivers were unable to offer any insight into why WA should adopt a similar approach. There were only general comments that it also should be implemented in WA as Victoria is a "good yard stick to go by".

When asked what a suitable amount should be for the lifting fee several drivers independently suggested that \$10 would be appropriate. Some drivers stated that this was the amount offered in Victoria and so should also work well in WA.

Drivers seemed unaware of any differences in the fee structure between states, or that the detention rate that they currently receive in WA is designed to provide a similar benefit to the lifting fee. When questioned about the detention rate drivers stated that they should receive the lifting fee as well as the detention rate.

*"The lifting fee is such a simple solution to all the problems."*

*"They get \$10 in Victoria. So I think \$10 is a reasonable amount."*

*"Well then the jobs won't remain outstanding [if lifting fee introduced], you won't have to force drivers to run the jobs, you won't have to worry about quotas. Because they will have a higher value, you will have multi drivers fighting each other to get the multi jobs. They won't have to worry about trying to concentrate on tariff 3 jobs in the evening and so on to make money because there will be enough money in multi's in wheelchair jobs. It's making it attractive for people to go out and multi drive them as well."*

*"One of the biggest problems is the people in the outer areas are not getting serviced and that's really what this is mainly about. The people in the immediate vicinity of the CBD are reasonably well looked after, reasonably well - but the people in Wanneroo, Armadale, Rockingham, Mundaring, Midland - they always seem to be having people that are waiting 1 or 2 hours and I am assuming that maybe this group of people that are putting the pressure on the Department to do something about it is - so if we have some sort of incentive to go and pick these people up, then there is a good chance there will be more of us going into the outer areas to do it."*

*“The difference is, if you're in a conventional cab - they jump in and you're gone and you're into your \$1.22 a km straight away - you go 60kms per hour so you're getting your \$60 bucks an hour. But if you're wheeling somebody around the corridors and that kind of thing - you're getting \$35 bucks an hour sort of thing. And then most of the time when you're finished the job and you drop off, they want to pay - what happens when I unload a job, I take them off the ramp, they fill out the docket - so that's taking the time, then you wheel the people in. So you've got to have both [detention rate and lifting fee] mate really, that will get people wanting to jump back into MPTs and driving them.”*

## Other Solutions

Interestingly the concept of a fuel subsidy was not strongly backed by drivers. Drivers felt that it was not the best way to go, despite this being a solution that directly addresses the greatest reported impact on their ability to earn a living. The preferred focus was on getting more money to do a job (lifting fee) rather it costing less money to service a job (fuel subsidy).

Drivers also offered the alternative of a minimum fare (\$20-\$25), particularly for low value jobs.

One owner-driver also offered the following idea:

*“At the moment I would like the opportunity to seriously consider buying a second vehicle but I am not allowed to. All these plates that the government are offering at the moment are lease plates, so you can't own them. But one of the conditions of buying them is that you cannot have an interest in another vehicle. Now I would like to have, or seriously consider, getting one but I am not allowed to because I am not allowed to have two taxis. Now I find that policy extremely restrictive and I am inclined to think that there would be a few owners out there that would seriously get one of these lease MPTs if that restriction was maybe expanded to two.”*

## The Issue of Getting Jobs Covered

Drivers are aware that not all jobs are currently being covered within the MPT industry. They indicated an awareness that customers are sometimes waiting a long time for a taxi, or are unable to get a taxi during peak periods. However, they state that it is not their fault.

Drivers have reported that some jobs are simply not viable at present. Such jobs include:

- Those with a lot of dead running time.
- Local jobs, ie, low value jobs.
- Time consuming pick ups - Due to the 'extra service element' that occurs with MPT jobs, where drivers feel obliged to help out or wait until the customer is ready.
- Dead jobs - Often disabled customers call two drivers in the hope of getting picked up sooner. This is not always picked up by the TDS computer system.
- Low volume destinations - Drop-off points often hold no further MPT work opportunities which creates further dead running time in order to get back to where the work is.

*"There are people in the wheelchair screaming for service and they don't get it. But they don't realise the reason that these very lovely owners and drivers are not going to do that [take the job] is because they don't get appreciated enough. When I am sitting in the domestic airport and there is a job going to Midland, 10 km's, how much time are you going to spend to go to Midland and then to go back to domestic? It is the time you are losing."*

*"One issue that is very important is that they have to allow us to go to each company we like because some drivers prefer to drive in this company than the other...[we are] limited by having to get drivers who like to drive with Black & White only. You have to have the choice."*

*"I would like the necessity for the obligation to be connected to any one dispatch service to be dropped."*

*"You would make more money out of it [if a lifting fee applied] because there is more value for the job. There is more incentive to go and do the job. You know you are going to go and pick up an extra \$10 that the ordinary driver is not going to get for a starter. Even if you're driving 3kms extra. You do it because you know you're covered."*

*"I will give you an example - I went to go and pick up this customer and she is depressed - she just wanted to talk to me for 20 minutes - she is depressed, she doesn't want to go anywhere - she wanted to listen to the music and talk about how her mum died..... That actually happens to a lot of our patients. So I can't afford to just charge her exactly the same as other customers - who just jump in the cab and I have to do the lifting up - people in a wheelchair are under a lot of pressure and we appreciate that - we have a heart for them - we try to help them but someone has to come here and open their bags a bit more and subsidise this matter because you can't go on and on and on. We have a huge business to run, we have huge costs to cover."*

## Solutions

Again the flat lifting fee is seen as the best way to get more jobs covered. Drivers believe the lifting fee will:

- Alleviate waiting time because drivers will be more motivated to get to a job.
- Create happier customers who will use the dispatch system better.
- Reduce the need for more plates, as drivers will cover the work and reduce the level of complaints.

*"More drivers and cabs won't fix the lack of service, but a lifting fee will."*

Drivers also suggested the following as solutions to get more jobs covered:

- Dispatch jobs should be more subsidised than private jobs.
- A reward system for taking on outstanding jobs.
- A per kilometre subsidy for distance travelled.
- A dead area allowance - an incentive to go to a dead area, or to a job that has been outstanding for a certain time.
- Increasing the maximum TUSS subsidy.

*"You used to have a reward system, where you get rewarded for doing outstanding work and that seems to have collapsed...instead of them offering you a job later on that never comes, perhaps a cash reward."*

□ □ □ □

# Section 3

## Ranked Preferences for Industry Assistance

## Preferences for Drivers

All solutions that had been discussed were listed and ranked in order of importance by drivers. This was done through a process where participants stated whether they were 'in favour', 'neutral' towards, or 'against' each solution.

It should be noted that the groups adopted a different approach to the ranking process, with Group 2 collectively deciding that "nothing should be left out" and "everything should be on the table" for the government to consider. Hence Group 2 was not 'against' any of the solutions.

Below are the rankings for each group.

### Group1

Option	In Favour	Neutral	Against
Lifting fee	7	-	-
Detention rate to remain	7	-	-
Low interest loans	7	-	-
Drivers free to use TDS of choice	5	2	-
Stop releasing plates	5	2	-
GPS for whole of industry	3	1	3
Fuel subsidy	2	5	-
Minimum job value subsidy	2	-	5
Incentive for long traveling time	1	-	6
Hoist Subsidy	-	2	5

## Group2

Option	In Favour	Neutral	Against
Raise maximum subsidy on TUSS vouchers (eg, \$35)	7	-	-
Lifting fee	5	2	-
Fuel subsidy	4	3	-
Waive stamp duty	3	4	-
Minimum job value subsidy	3	4	-
Incentive for long traveling time	2	5	-
Vehicle subsidy	2	5	-
Outer lying area incentive	2	5	-
Low interest loans	1	6	-
No GST of vehicle and equipment	-	7	-
Equipment subsidy	-	7	-

## Top Ranked Options Across Both Groups

Option	In Favour	Neutral	Against
Lifting fee	12	2	-
Low interest loans	8	6	-
Raise maximum subsidy on TUSS vouchers (eg, \$35)	7	-	-
Fuel subsidy	6	8	-

We would like to thank the Department for Planning and Infrastructure for the opportunity of working on this project and very much look forward to the prospect of working together again in the future.



**WILL AXTEN**  
*Account Executive*