
Arndrea Mackie
Ministry of Transport
Wellington



15 June 2015

Dear Arndrea

RE- SPSV review meeting and proposed ideas

I very much appreciated being given the opportunity to attend the meeting on 4 June. I congratulate the Minister on initiating this broad review and I agree that it is needed for the industry to improve.

My experience of nearly six years in the SPSV industry is the background for my input below. My transport service crosses over into a "care" service, so my view will focus mainly on addressing the needs of the more vulnerable/needy customer.

A few observations:

- There are many types of customer in any given physical location in NZ.
- Customers require services in various forms.
- The aim will be to provide transport services to meet the varying needs of the varying customers.
- There are many different standards of both transport operator (TO) and driver, which the customer will want to be able to differentiate between depending on their level of need.

If I run through my initial thoughts per each of the six options:

Option 1

I don't believe this option works well for both the customer and the transport operator.

Option 2

As above, for example I believe it is better for all TO's to state the basis for their fare, on the same basis as each other (eg per minute, km OR by the hour - but the same terms used for all types of TO). This gives customers a way of comparing costs.

Requirement to pre-book 60 minutes before, will not work for us. Many customers who give us a lot of business sometimes have an urgent (unavoidable) need for transport and we fit them in when we can. If we were unable to respond within 60 minutes they would be disinclined to continue using us. We live in a fast-paced instant-response world.

Option 3

As above, I believe we must have disclosure of fares to the customer before the commencement of the journey (be it via phone call, website etc.).



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Option 4

As above, disclosed fare basis is important.

Option 5

Of the options this is the best, but disclosed fare basis is not a feature; perhaps agreed fare basis before trip gets close and may be workable (this point further detailed below).

Complaints register is important. I also believe that cruise for hire and street hail are important services that a sector of the market require. Pre-booking is not required under this option but we would still choose to use it as that is the service our customers need. I will discuss further some alternative ideas below.

Option 6

It is important to have a Transport Network Operator (TNO) responsible for compliance and to ensure the safety of customers and drivers.

I don't see a good fit with current and future needs in any of the six options discussed but they have served very well to clarify my thinking. Hence I have put some effort into a new option, detailed below.

Proposed new model

My ideas are in their infancy and formed with the intention of providing as generic a framework as possible for all TNOs to be able to fit in, and offer their own unique collection of services, targeting their particular customer groups.

In the discussion below I use the term taxi to represent the current form of taxi service. I use the term "TO" to mean the possible new future overarching term of a **transport operator**.

The services that TOs currently offer fit into a picture below that differentiates based on how the service is "ordered" and the type of customer. At the current point in time the example companies occupy a spot on the grid according to their predominant type of service. They could span a greater area of the picture depending on the types of services they want to offer and as long as they obey the rules for those types of services.



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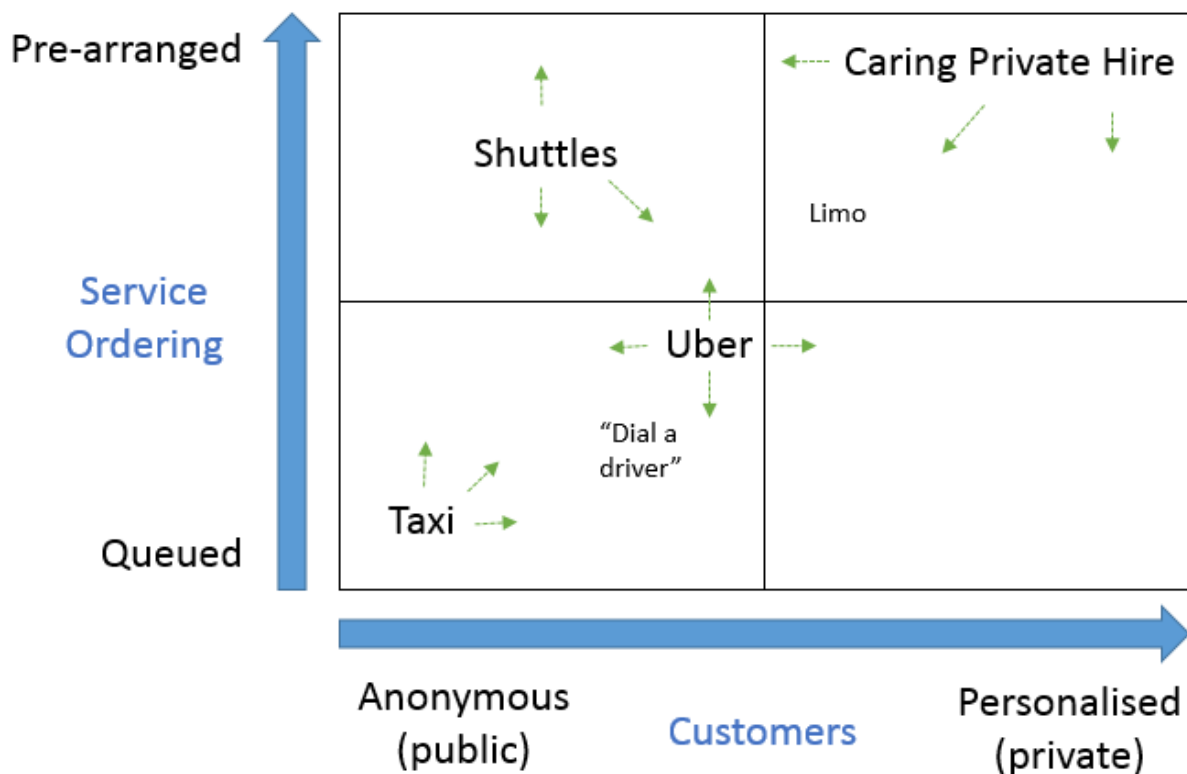
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The type of service on the y axis shows whether a customer has entered some type of queue for their ride, e.g. phoning a call centre to ask for the “next available car”, using an app, standing at a Taxi stand. It also includes “hail” and cruise for hire. The other end of that axis is the prearranged trip, which is the “we the TO, pre-arrange the schedule for each driver based on the work which has been pre-arranged, and therefore (99%) guarantee you get to your appointment on time” transport. Please note that by “Service Ordering” I am not referring to the physical method by which the vehicle is ordered, more to the type of service the customer requires.

The x axis shows an anonymous type of customer versus the customer who has a very strong relationship with the TO/driver, and their specific needs are well-known to the TO and catered for without needing to be explained each time. This provides for a mutual trust relationship.

The arrows in the diagram show that TOs are not restricted to their “spot”. For example, taxis also perform some private, pre-arranged work, such as taking school children for the Ministry of Education.

I propose:

- One overall class of TNO (Transport Network Operator)- businesses who should be responsible for compliance of drivers and the operations of the transport service. This includes technology companies matching customers to drivers. All of the TNOs would be part of the higher level class named “Taxi”.
- A particular TNO would potentially register the types of services they wish to provide (e.g. pre-arranged, hail, taxi stand, shuttle, dial a driver, limo etc.). The rules to be complied with for any particular type of service would be those based around safety (COF, “P”, cameras, panic alarm, disclosure of fare basis, correct fare calculation,



signage etc.). This gives a TNO freedom to modify or enhance their service levels based on needs of their customers; or stop a particular type of service if too many operators offer it etc. That is, a normal competitive industry.

For example, if a particular TNO wishes to undertake “queued & anonymous” services (e.g. hail, cruise, taxi stand work) then cameras and alarm buttons (or something that has the same effect) need to be mandated or strongly advised (a good TNO will want something in place to protect their drivers and a good business will want to show customers that they will be personally safe and not at liberty to assault the driver). Key here is that a particular driver does not have the opportunity to vet a customer before they get in the vehicle.

Signage will also be necessary for hail, taxis stand etc. work. And for us, we won't undertake “hail” or “cruise” work as that's not how our customers reach us. However if the stand is called a “Taxi Stand” then non-signed vehicles might be permitted to pick up/drop off their pre-arranged customers as the location of the stand is handy to where they need to be (as an aside, we are currently not permitted to have Disability parking permits in our vehicles, unless they belong to our customer - unworkable in practice - CCS is reassessing this). I can see this might cause some issues though...

- In terms of safety for the driver, the TNO takes as much responsibility as they wish/are able to, for vetting the customer before they get to the driver (via the app, checking the customers rating, via a call centre asking pertinent questions or looking up their name on the database; for us, knowing the customer as we already have a relationship with them or asking further questions such as who told you about us etc.).
- In terms of safety for the customer, they can use the app for vetting the driver; they can be assured by the TNO firm that there are cameras; in our case they have a relationship with us and our reputation is for secure, safe drivers and a high degree of control over driver behaviour.
- Ride-sharing needs to be enforced so that customers are charged in a fair manner and are asked for permission to share the vehicle (this could be an implied or expressly granted permission e.g. if you use a particular TO you have already agreed to ride-share). This could be another registered “service” under the TNO.

Background and further notes

- I tried to come up with terms to differentiate between “queued” “taxi” (as taxis are now) and “pre-arranged” “taxi” (as private hire, limo is now). Ride-sharing via use of technology sits half-way between queued and pre-arranged, so that makes it difficult to come up with segregated terminology (perhaps none is needed?).
- I want to point out that the term “pre-book” is unsuitable as it doesn't differentiate the type of service offered between taxi and private hire - a taxi firm can pre-book but that doesn't always mean the vehicle will come at the time you expect; or even if you ask when will the car come, the phone operator may say a car is “on its way”, but in reality it could still be an hour away. The distinction I want to get across is that some customers



want the certainty of knowing that a car will come when they want it to, and some amount of “pre-arranging” must be done to ensure this. Hence the term “pre-arranged”.

- Also, at present, when we say “pre-book”, that could be a taxi (e.g. pre-book to get to the airport on time), or private hire. Private hire is currently not allowed to do “queued” work even if it’s a regular customer of ours. So there exists an unfair situation at present.
- I am not qualified to comment on Shuttles but perhaps they register for the “shuttle” type of service and there may be rules around provision of that service. Similarly for Dial a driver services. I would imagine that safety-type rules would apply based on their customers being anonymous or personalised; i.e. whether or not there is the opportunity to vet the customer before the trip.
- Fare basis disclosure - I don’t believe this needs to be displayed on the outside of all vehicles as currently required for taxis. I think outside of vehicle fare signage will still be needed for “queued” taxis. I think for “pre-arranged” taxis this should/could be displayed somewhere away from the vehicle e.g. website, marketing material, but also inside the vehicle. If the customer’s first contact is by phone then the fare basis should be quoted then; that way there are no surprises. Fare basis details should also be inside the vehicle as the customer may have forgotten the details. This is the fare transparency focus.
- A method of measuring the unit of cost (e.g. minute or km or both) does not need to be a meter as smartphones perform this function accurately.
- Use of tablets in vehicles with drivers tapping on the screen while driving, in order to quickly price an incoming request to be able to get the work is very dangerous. Several customers have commented on this to me.
- I am unable to comment on whether an “ATO” is better than an “TNO” or whether a “PSL” can be replaced by either. As long as there is some licensing requirement at the company level, which makes it responsible for compliance by drivers and vehicles - that separation is crucial for a safe and largely self-regulated industry. That notwithstanding, drivers are also responsible and need to ensure their own compliance (with vehicle COF, own P endorsement and logbook processes). In our case we also mandate driver current first aid training.
- Total Mobility scheme (operated by regional councils) should be open to any TNO - there is currently huge variation between the regions with the types of TO who are eligible to participate in the scheme; and limits on number of signed up TOs per region etc. This gives inequality and does not allow for customer choice of TO (if a customer is eligible for the TM scheme but can’t choose their preferred TO to take them on the subsidised basis then this is unfair).
- Care organisations and retirement living organisations offering pay-to-use transport services in private vehicles without a PSL- needs to be strongly enforced and discouraged. There are situations where caregivers working for care agencies are enforcing a set-amount donation on trips in the caregiver vehicle. I can give an example if you like.



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- Enforcement of rules is not given priority by NZTA as their focus is on big risk transport (e.g. trucking firms). SPSV industry is largely self-regulated. This is not a bad thing and we would hope that the new structure would also work well with largely self-regulation.
 - With all above NTO's being called a "taxi" it will open up advertising by "taxi" firms in that section of the yellow pages as they would not need to be an ATO. It is unlikely that the term "private hire" will ever become as well known to the general public as the term "taxi". Persisting with separation of "private hire" only discriminates against those TO's currently.
 - A comment my local VTNZ manager made recently was that he has seen a number of SPSVs domiciled in Auckland that he did not think should have received a COF. Just a note about consistency of enforcement.

And finally, I know that the above ideas are not yet complete and there will be many things that I have not thought of or allowed for. If you are able to use any of the above to further the review work, then my writing this has been a useful exercise.

Please feel free to ask for further clarification. I would appreciate the content of this letter being confidential to the Ministry of Transport SPSV review team, but if you would like to share it further, please just ask.

Yours sincerely

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