Skills for the future

Community Transport as public passenger transport operators

Presented by

Professor Corinne Mulley

University of Sydney Business School

THE UNIVERSITY OF
SYDNEY

Overview

- Community Transport definitions
- Point to point implications
- Understanding the nature of CT in relation to opportunities
- Skills for the future to anticipate opportunities
- Skills acquisition
- Opportunities
- overnance

Community Transport Operators

- Community Transport Services (CT) is not a regulated service type within the *PTA 1990.*

- Under the PTA 2014, CT operators will be recognised as a public passenger service when the Act commences

- But not there yet, although can become accredited under existing legislation…..

Picture source: http://clovermoore.com.au

Some important definitions for Community Transport in the 2014 Act

- *In definitions: "**bus service** means a public passenger service provided by a bus (other than a bus while being used to provide a taxi service or a hire car service), and includes a community transport service that provides transport by bus"*

- *Section 5(2):* "A community transport service is also a public passenger service for the purposes of this Act. "

- *Section 6 :* " In this Act, ***community transport service*** means the transport, by a vehicle, of specified individuals or specified classes of individuals under a community transport agreement entered into by the operator of the service with TfNSW. "

- *Section 31(4):* " An operator must, if directed to do so by RMS, vary a safety management system. **Note.** A community transport service that uses buses is also a bus service. "

- Section 39 (2) d : Community Transport is exempted from the requirement to hold a contract for public passenger services operating on regular routes and timetables or according to regular routes and at regular intervals

What is the relevance of Point to Point?

Source: www.2ue.com.au

- Distinguishes between booked services and taxi services hailed or hired from a rank
  - Only taxis will have the right to use bus lanes and other 'reserved' taxi spots
- Point to point services will have lower regulations than buses and will be allowed to compete in each others spaces
  - Fares for booked services will be unregulated (and the hire care classification will disappear)
- Community Transport services are outside the Point to Point regulations WHEN THEY ARE OPERATING AS COMMUNITY TRANSPORT SERVICES AS PART OF THEIR CONTRACT WITH TfNSW
- Community transport falls under TfNSW's new definition of a point to point service WHEN THEY ARE DOING BOOKED SERVICES WHICH ARE NOT PART OF THEIR CONTRACT WITH TfNSW.

Point to Point regulations came into force 1 November 2017

– Three classes of services

   1) Taxis

   2) Booked services. All point to point services provided in vehicles with 12 or less seats (including driver) except 'stand or ply for trade' taxi services

   3) Bus services. These are subject to BOAS but now only for vehicles for more than 12 seats (including the driver)

   BUT

   BOAS is still the same as before ie governed by 2009 Act

   CT operators do not need to do BOAS YET if they are only doing services under contract to TfNSW

   When the Regulations for the 2014 Act are in force, CT operators using vehicles with 12 or more seats (including the driver) will need to do BOAS

Maitland Community Care Services

# Community Transport greatest asset – its grass roots origins

– Grass roots origins means

- Community Transport groups understand and relate to community needs

- A large number of groups relative to number of conventional bus operators

- Groups vary in size, operation (including scheduling), throughput/scale, expertise

- Great diversity

- Provision of transport is associated with social care, not simply transport

Community Transport typically a bottom–up organisation

- Bottom up organisation does not lend itself to efficient organisation
    - Community Transport needs to work harder to be efficient
    - Different socio-economic catchments means different client mix so sharing of best practice more difficult
- Significant evidence of unmet demand
    - Difficulties of prioritisation
    - Situation likely to worsen with ageing population and potential changes in funding
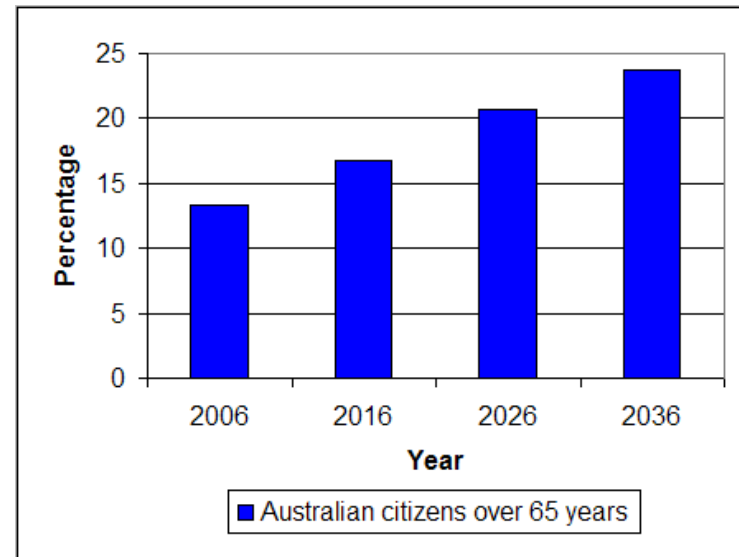
Source: www.w3.org/WAI/WAI-AGE/Drafts/slides/AU-pop.png

Skills for the future to anticipate new opportunities – (1)

- Accreditation
- This will be a requirement for all bus services – these will be services – including CT services under contract to TfNSW – where the vehicle can carry 12 or more adults (ie including the driver)
- On one level accreditation is an administrative 'hurdle', yet accreditation contains many good practices that lead to more efficient outcomes
- The 'knowledge' comes from the ITLS course – next week is a classroom based version but normally self-paced, on-line

Skills for the future to anticipate new opportunities – (2)

- Brutal and quantitative assessment of the business
- The vehicle mix has evolved over time and in response to needs
  - Vehicle size/fleet mix may not be best matched to demand
  - Groups vary in how they operate – taxis, shuttles, dedicated services
- Understanding of costs
  - True costs of volunteer versus paid drivers
  - Identification of cost variation – by time, by vehicle, by distance
  - Use of technology to foster efficiency eg CTABS and vehicle locationing
- 'Spare' capacity at certain times of day
  - Difficulties of vehicle sharing and brokerage

Maitland Community Care Services

Skills for the future to anticipate new opportunities – (3)

The proposal for PCF will give more of a national system

– From a client point of view:

  – More uniform community transport across Australia and

    • All people eligible for a service have the same access throughout Australia

    • This is equity – no "postcode lottery"

– From a funder point of view:

  – a more uniform community transport across Australia with

  – All CT organisations having the same (unit) cost

  – This is fine for accountants but the nature of trips (and therefore costs) are driven by

    – by the nature of the operating territory and

    – the composition of the community

To talk of a 'POSTCODE LOTTERY' is ABSURD... It's FAR more COMPLICATED than THAT!

...and then we have to make up a DIFFERENT rule!

Sometimes we can't FIND the POSTCODE!

Source: welovelocalgovernment.wordpress.com
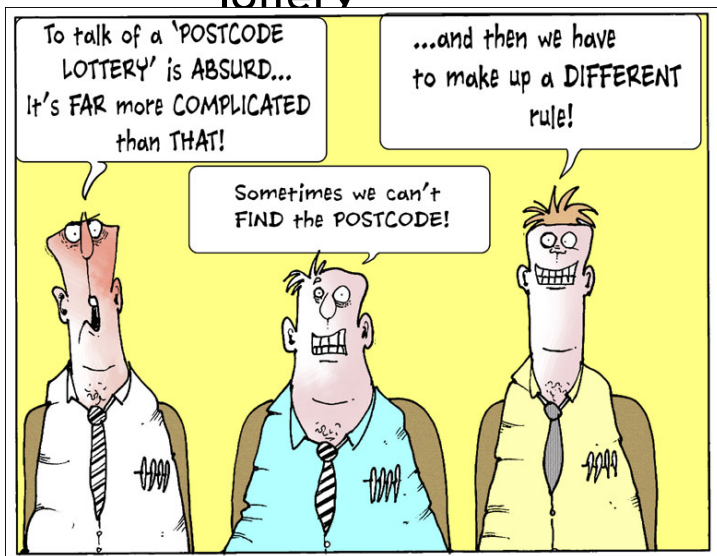
Source: thebarriehometeam.com

Skills for the future to anticipate new opportunities – (4)

– Preparation for potential changes in the funding model

– From the client perspective, CT trips are expensive if at full cost

– Transfer of subsidy to client in person centred model is unlikely to be fully funded

– How can CT operators protect themselves against only doing the most expensive trips?

  – Mobility as a service bundles is one option but existing clients are not enthusiastic – prefer to have status quo

  – Low willingness to pay – lower than unit costs.

Skills acquisition

Bottom up organisation means

– Specialised skills need to be bought in or acquired

– Understanding that professional development is critically important

– Networking with other organisations, within and outside the CT sector is important

– The Certificate of Transport Management has been designed for providing the overview necessary (not a substitute for specialised training)

CERTIFICATE OF TRANSPORT MANAGEMENT

4 days: Tuesday 17 July to Friday 20 July 2018

The Certificate of Transport Management (CTM) is a professional development course for staff in the bus and coach industry and the community transport sector. The course is designed to provide knowledge and skills in management, planning and policy areas that are central to the success of this industry - including operators, suppliers and consultants. The course broadens understanding of the industry and management considerations in running an efficient, safe and successful transport service.

View the 2018 program

The CTM is recognised as an important industry qualification for middle and senior management and is an excellent opportunity for career development. The CTM is supported by Transport for NSW, BusNSW and private operators.

The four day program includes presentations by industry representatives, specialist consultants and academic experts, designed to develop practical skills for the industry, as well as interactive exercises. The networking benefits are an important aspect of the CTM. The course content is reinforced by four assignments completed after the course.

In 2018, the CTM will take place from Tuesday 17 July to Friday 20 July.

Opportunities for Community Transport

- Wheelchair accessible market for pre-booked services
  - Not yet clear whether these services would benefit from the extra subsidy if not a 'ply for hire' taxi
- Competitive services complementary to existing activities which build up revenues to cross subsidise core business
  - Not restricted to existing spatial area
    - Contract work using vehicles outside the core business hours
    - Point to point work eg minicab business-type work
    - Contract work using specially purchased vehicles
    - Route services/flexible transport services if released by TfNSW for tender
    - Educational services now done under tender
  - Training activities – driver training, care based training
  - Charter services – holiday provision as tours
  - Regular long distance services
- Competitive services simply to build revenues for cross subsidy but more tricky as require new levels of competence
  - Café (as ComLink in Queensland)
  - Delivery services

Embedding opportunities for the future

- Community Transport operators need to take charge of their own destiny
- A clear objective is necessary – a job for the management committee
    - Focussing on a majority client group makes viability sensitive to changes in demand (although there is great variability)
    - Becoming more business focussed… diversifying income implies diversifying customer base
    - May need to have more specialised functions within the business
- More entrepreneurial means
    - Being proactive rather than reactive
    - Understanding costs
    - Understanding the market
- Community Transport operators may need to become bigger spatially
    - To exploit economies of scale
   - To achieve improvements in unit costs

Source of image: http://blogs.psychcentral.com

Source: tutor2u.net

Governance structure an important decision

- Agency approach – requires successful technology and partnership
  - The growing awareness of 'mobility as a service'
  - Important to recognise
    - the need for partners who have different skills
    - The role of technology as an enabler
    - The way in which apps are driving the customer requirement and the impact of the ever growing connectivity of people
- Social Enterprise - the use of 'enterprise' to provide for community need – requires strong governance

Mobility as a Service enables new market approach

My mobility operator
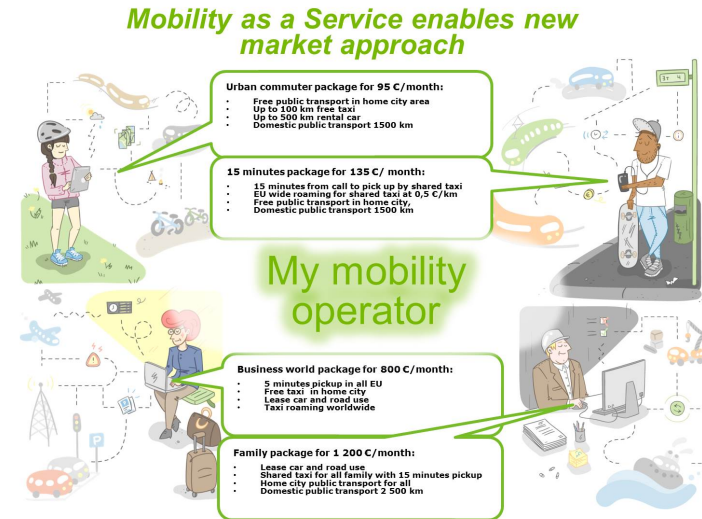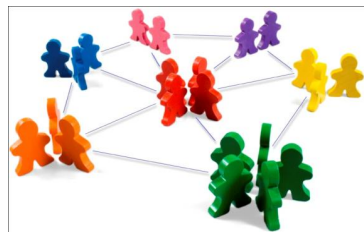
Source: sampohietanen.wordpress.com

SOCIAL ENTERPRISE
in Australia

An Introductory Handbook

Source: Social Enterprise in Australia:
http://www.ucwesleyadelaide.org.au/publications/resources/Social_Enterpse_Part1_2.pdf

Thank you for listening
Any Questions?

Contact details: Professor Corinne Mulley

corinne.mulley@sydney.edu.au

Operational Models

Forming alliances

Agency model

Social enterprise

Operational Models – Forming alliances

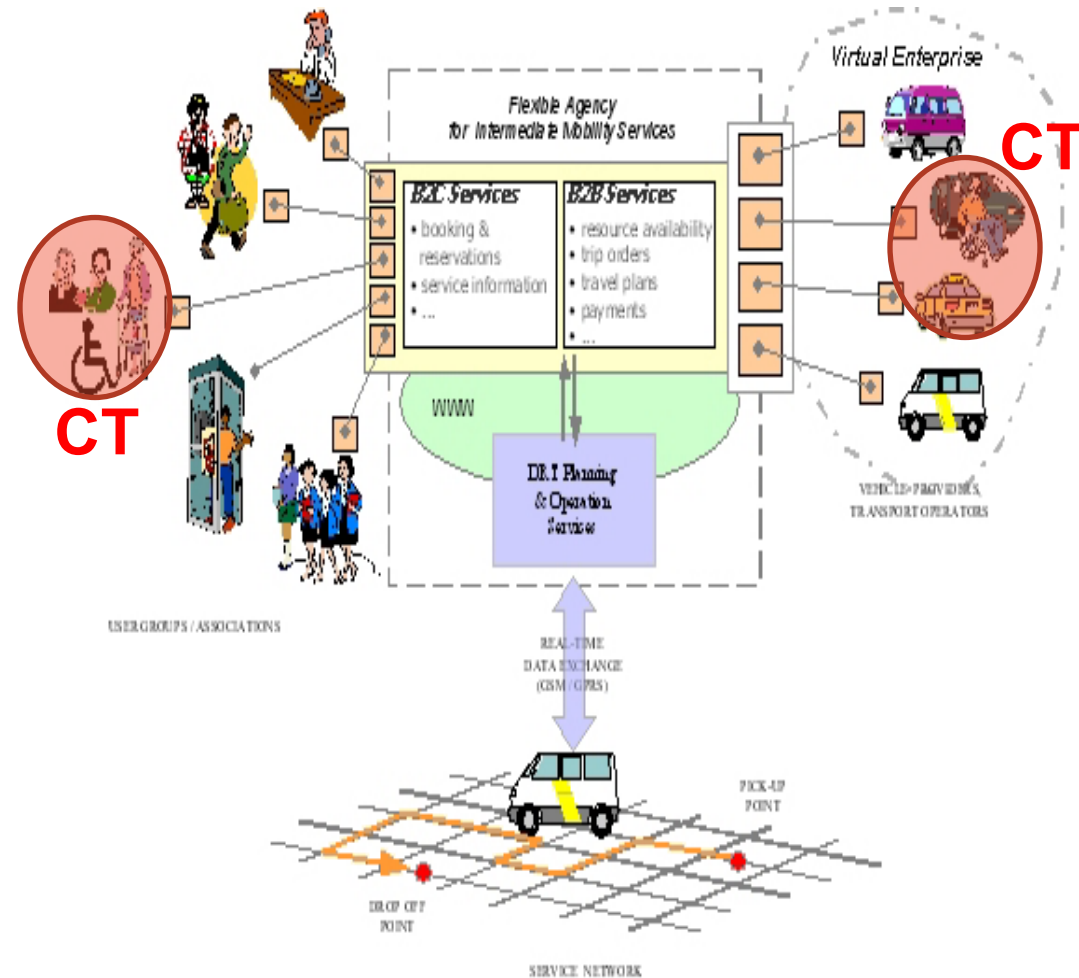**Joining groups with adjacent geographical boundaries**

- Advantage
    - Fewer groups in gives the larger group a 'market' advantage in provision
- Disadvantages
    - Difficulty of multi-management committees with potentially different objectives
    - A cohesive 'front' would be required to be convincing to the Commonwealth
    - How much bigger does bigger need to be?
- Practical aspects
    - How would scheduling and allocation of passengers be carried out? Would technology help?
    - Effective sharing of vehicles may be needed
    - How would the revenue be allocated to the groups?

Forming alliances

Operational Models – Agency approach
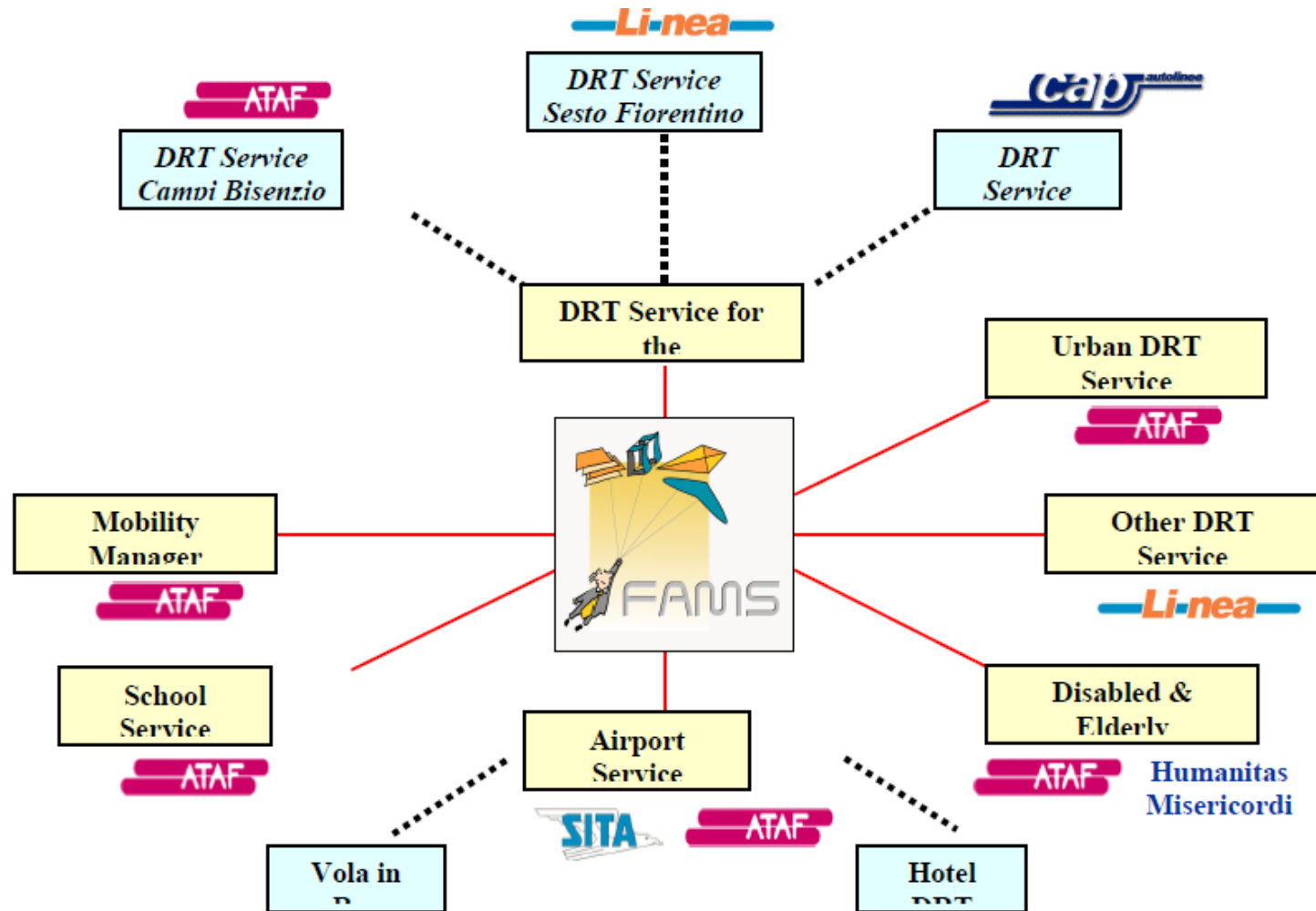
Area based agency approach

- Requires technology to be successful

- Requires strong governance model between different providers making up the virtual enterprise

- Requires education and culture shift on demand side for passengers to understand

CT

CT

Virtual Enterprise

Flexible Agency for Intermediate Mobility Services

B2C Services
- booking & reservations
- service information
- ...

B2B Services
- resource availability
- trip orders
- travel plans
- payments
- ...

WWW

DRT Planning & Operation Service

USER GROUPS / ASSOCIATIONS

VEHICLE PROVIDERS, TRANSPORT OPERATORS

REAL-TIME DATA EXCHANGE (GSM / GPRS)

PICK-UP POINT

DROP OFF POINT

SERVICE NETWORK

Agency model

Source of image : Ambrosina, G, Di Volo N, Ferilli, G, Finn, B (2004) Mobility services accessibility: Demand responsive transport service towards the flexible mobility agency, Paper presented at TRANSED 2004 Conference, Hamamatsu, Japan, 23- 26 May 2004.

Flexible Transport Agency in Florence

Operational Models – Social Enterprise

Social enterprise is well established in UK and emerging in Australia

– Key message is the use of 'enterprise' to provide for community need

"... Social enterprise is a means by which people come together and use market–based ventures to achieve agreed social ends. It is characterised by creativity, entrepreneurship, and a focus on community rather than individual profit. It is a creative endeavour that results in social, financial, service, educational, employment, or other community benefits."

Source: Social Enterprise in Australia: www.ucwesleyadelaide.org.au/publications/resources/Social_Enterpse_Part1_2.pdf

Source: Social Enterprise in Australia: http://www.ucwesleyadelaide.org.au/publications/resources/Social_Enterpse_Part1_2.pdf

Social enterprise

Source: www.optimice.com.au

Could Community Transport be a Social Enterprise?

- Community Transport is
  - Non-profit making
  - Has a social purpose

- Could be structured to be owned with profits for social purpose
  - A governance feature, but very important

Source: http://www.socialenterpriseworks.org/resources/thinking-of-social-enterprise-2/