

Meeting the needs of people with disabilities in a competitive environment

ABSTRACT

Meeting social justice needs and introducing efficiencies through competition present interesting challenges. Transport policy makers in South Australia are facing the twin tasks of transforming public transport from public monopoly provision to competitively tendered contracts and at the same time meeting new obligations under the Australian Disabilities Discrimination Act to ensure that people with transport-related disabilities have the same access to services as the rest of the community.

Contracting of public transport requires the creation of a policy and funding body without operating responsibilities. It is hypothesised that this will enable a better understanding of the role of public transport and a more sympathetic environment for services for the people with disabilities than under regimes in which policy and operations are combined. The act of contracting also encourages the creation and monitoring of standards to improve the quality of service.

The experience of transit operations in North America and Europe supports this hypothesis, though not entirely. While it can be said that contracting provides the environment in which services for people with disabilities are better served, it is vital that the contracting agency has a clear sense of purpose which informs and guides all decisions made.

INTRODUCTION

1. Public transport provision throughout the western world is being subject to two quite distinct forces. The first is the need to economise, often pursued through the introduction of competition. The second is to meet the legal obligations to be non-discriminatory in terms of the access provided for all citizens. Both of these have dramatically come into play in South Australia. This paper is concerned with the introduction of competition through the competitive tendering of contracts to provide services, while at the same time meeting legal obligations to provide accessibility for those with disabilities.
2. The introduction of competition through contracting has generally been justified on financial grounds. (e.g. Cox & Love, 1992; KPMG Peat Marwick, 1991) While we can assume all cities should want their public transport to be provided as economically as possible, other objectives will also be important, and they will vary according to circumstances. There may well be environmental factors which encourage different priorities, regardless of the form of ownership and control. The reason for government subsidies will vary from city to city. A large city with severe congestion problems will look to public transport first and foremost as means of dealing with those problems. Therefore numbers carried during congested periods will be an important, valid measure of success. But this is less the case in Adelaide, which is well

endowed with roads and without severe congestion problems. With growth in traffic equalling entire public transport use every three years or so, the real justification for public transport subsidies is to provide accessibility to services for those without a car. Government involvement in public transport is first and foremost a social service. Environmental objectives need demand-side approaches, not supply-side.

3. So what does contracting mean for the social service objectives of public transport service delivery? What effect will it have on people who *need* publicly provided services because of a mobility disability, as opposed to those who have a choice? Will these people be ignored in the pursuit of financial and broader patronage objectives?
4. This paper will discuss those factors influencing the degree of concern for those with disabilities. But before doing so, I will outline recent events which make the South Australian case apposite.

PASSENGER TRANSPORT REFORM IN SOUTH AUSTRALIA AND THE DISABILITIES DISCRIMINATION ACT

5. The Liberal Government which was elected to govern South Australia in December 1993 had a clear policy to change radically the way public transport was provided. In the early 1970s the private bus companies providing one third of Adelaide's public transport had been bought out and their services incorporated into a single multi-modal network operated by the newly-created State Transport Authority.
6. Just twenty years later the Liberal Party proposed to reintroduce the private sector in the Adelaide metropolitan area. It would
 - Create a Passenger Transport Board which would be responsible for funding but not operating passenger transport in South Australia. It would fund public transport in Adelaide by means of competitively tendered contracts. The PTB would also have to maintain the integrated nature of the public transport network, maintaining responsibility for information provision, the common ticketing system and linkages between the various services. The PTB would also have policy and administrative responsibility for concessions and transport subsidies.
 - Transfer the policy functions of the State Transport Authority to the Passenger Transport Board and restructuring the STA as TransAdelaide, with a clear commercial charter to compete for contracts with private companies,
 - Transfer to the PTB the regulatory functions from the Metropolitan Taxicab Board and the Office of Transport Policy and Planning, which were to be abolished.
7. The Passenger Transport Bill enabling all of this was one of the first pieces of legislation introduced into the new parliament after the election — only two months after the government was elected. The minister was obviously in a hurry, but was thwarted by an upper house which the government did not

- control. The bill was not passed for three months, and then only with the stipulation that the PTB could not call for tenders for the first contracts until March, 1995.
8. The Disabilities Discrimination Act (DDA) was enacted in 1992. The DDA is similar to anti-discrimination legislation passed by a number of national parliaments throughout the world, the most well-known of these being the Americans with Disabilities Act, passed by the United States Congress in 1990. Most of these stem from obligations imposed by a variety of international treaties. Under Australia's constitution, such federal legislation is binding on state government instrumentalities.
 9. During the passage of the legislation no speaker referred to the cost which would be imposed on service providers. The Deputy Prime Minister gave the impression that such costs were not an issue, that the legislation was little different from that already applying enacted by several state parliaments (including South Australia's) and that federal legislation was mainly necessary because state legislation had doubtful legality over federal instrumentalities. (*Australian Parliamentary Debates*, House of Representatives, 26 May 1992, p. 2755) His Parliamentary Secretary claimed the costs would be "insignificant". (*Australian Parliamentary Debates*, House of Representatives, 19 August 1992, p. 223) Parliamentarians were similarly complacent, relying on the 'unjustifiable hardship' clause of the bill to prevent conditions that were unfairly onerous.
 10. An interesting feature of the DDA is that it is concerned with removing discrimination suffered by those with disabilities, not enhancing access. Unlike the Americans with Disabilities Act, which requires a complementary paratransit service as well as wheelchair accessible conventional services, the DDA itself says nothing about how to meet the access requirements of those with disabilities, though it does give the Federal minister powers to specify standards — power which so far has not been used. Theoretically the objectives of the DDA would be satisfied if specialised services for those with disabilities were removed, along with a pruning of conventional services, if the money saved were put into equipping mainstream services to be accessible to those with disabilities.
 11. The interpretation of the DDA is the province of the federal Human Rights and Equal Opportunities Commission (HREOC) and the federal courts. The legislation applies to both private companies and state instrumentalities. Section 24(2) does allow service providers to be exempted from provisions on grounds of 'unjustifiable hardship', but only after HREOC has considered a number of factors: the nature of benefit or detriment for disabled, the effect of the disability on the person concerned, the financial circumstances of the transport provider, the cost of expenditure, and the existence and quality of an action plan. In any event, as a public authority the Passenger Transport Board would find it very difficult to establish financial hardship, particularly given the Board's own legislation imposes on it an obligation to ensure service to those with disabilities (see below). Any action plans which are produced to accommodate the requirements regarding anti-discrimination must be received

- by HREOC, developed in consultation with the complainant parties and may be subject to parameters set by the federal minister. (See Part 3 of DDA.)
12. Here were clearly two forces moving in different directions, with a likelihood of collision.
 13. The South Australian Transport Minister frequently referred to the need to get people back onto to public transport and that competition would be a create a more customer focused system. There is little doubt an equally important motive behind the new arrangements for the government as a whole was saving money. The Minister also promised that contracting would enable operating costs to be cut by 25%. In a State which had just seen its public sector debt blow out from 17% to 25% of the gross state product due to losses by the government-owned bank, this was clearly welcome news to the Treasury Department. As soon as the government was elected Treasury drew up a timetable for extracting the 25%.
 14. In any case getting numbers back on buses meant directing resources to those activities that would produce the biggest increase in patronage — not to costly schemes that might produce little in the way of passenger numbers.
 15. But more than this, competitive tendering has clearly been identified as the right wing (in Australia, pejoratively known as the 'economic rationalist') solution to problems in the provision of government services, especially lack of responsiveness and inefficiency. It is opposed by the left and in particular by public sector unions who argue that the mania for cutting costs will undermine the quality of service and ignore the needs of the disadvantaged.
 16. The DDA, on the other hand, came from a human rights perspective in which economics has had no part to play. Once a right has been established, economic efficiency considerations are irrelevant. Furthermore, the provision of possibly more economical and effective special services was not an alternative. To quote from the Taskforce on Accessible Transport, established by the various Australian ministers for transport:
'There is no point in pursuing the introduction of alternative or parallel transit systems specially tailored for people with disabilities as a means of avoiding the conversion of existing services; there is no doubt that such systems will be found to be discriminatory in terms of the DDA.'
(Taskforce on Accessible Transport, 1995, para. 7.1.9)
 17. The fledgling Passenger Transport Board became the first government instrumentality in Australia to be hit with a case under the DDA. It had this distinction because of a contract to buy 307 new buses entered into by the former State Transport Authority in 1991. A group calling itself Disability Action used the opportunity to seek an injunction preventing the delivery of any more vehicles under the contract unless they provide access to those in wheelchairs. (Strictly speaking, the DDA applies only to operators. As the PTB is not itself an operator, it does not need to have an action plan. However the PTB has taken responsibility in this regard, specifying as it does the conditions of operation for contracted services.)

18. The South Australian Passenger Transport Act does impose on the PTB an obligation to look to the needs of those with disabilities. Section 3 of the Act specifically enjoins the Passenger Transport Board to create a system which "provides accessibility to needed services, especially for the transport disadvantaged". Also s. 20(1)(i) imposes as a function of the Board "the facilitation of the use of passenger transport services by people with disabilities". Nevertheless the PTB was caught unprepared by the action and contested the case. The initial fear was that — as had apparently happened in the United States — the PTB would be forced to ensure all buses were equipped with wheelchair lifts. The PTB proposed to argue that this approach was far too expensive and inefficient as a means of providing accessibility and would result in a cost burden which would lower the level of service to everybody. The PTB was strongly supported in this belief by an alarmed Australian private bus industry, which allocated \$100,000 to a campaign to make the legislators aware of the possible impact of the legislation on the bus and coach industry. (Australasian Bus and Coach, 1994)
19. The action taken by Disability Action was suspended following a conciliated agreement between the parties that the PTB should be given twelve months to develop the action plan. Any buses ordered in that time would be wheelchair accessible. Fifty have been ordered, and the first of these are being trialed for their suitability in meeting the needs of people with disabilities. This twelve month period will come to an end in October.

EFFECT OF COMPETITIVE REGIME

20. What will the effect of the new competitive regime on accessibility for those with disabilities? Would it have been any different if the State Transport Authority was still determining policy and operating the services? To some extent the questions are hypothetical and the answers speculative. I will deal with these before turning to the evidence.
21. The arguments for contracting rely in principal-agent theory, whereby the contractor has an overriding financial incentive to behave in a way desired by the organisation issuing the contracts.¹ The contractor's motivation is assumed to be self-interest. It is up to those issuing contracts to determine what ends are being sought and how incentives will be used to meet these ends. There will be one party determining what is required and another providing this.
22. A separation of policy making and operational functions should facilitate clearly focused goals. Policy units can be clear-sighted in determining what are the appropriate ends and what are the best means to achieve these. (Osborne & Gaebler, 1992, pp. 34-37) A separate body specialising in policy advice should be in a better position to focus on the essential purposes of the activity. It should be able to see the wood from the trees. Hence it has a better outcomes focus. It is difficult for a large, monopoly service provider, headed

¹ For an overview of the literature, see (Moe, 1984)

by those with skill as operations managers, to accept the need for such a change, let alone identify the specific new measures needed. Drucker has noted government is much better at making decisions, at 'governing', than at doing,
"...any attempt to combine governing with 'doing' on a large scale paralyse the decision-making capacity." (Drucker, 1969, pp. 217-8)

23. As has been noted above, the real justification for the government subsidisation of public transport in a city such as Adelaide is to provide accessibility for those who would otherwise not have it, as opposed to providing a more environmentally sustainable alternative to the car. This strategic circumstance is more likely to be identified and accepted by a policy body than by a direct public transport provider because of organisational culture. Those running large fleets of buses are overwhelmingly males, more at home with engineers than social workers. The social welfare role is hard to accept.
24. Finally, without a vested interest of its own, the contracting body can more easily specify standards to be met when negotiating over the terms of the contract. The very act of establishing the terms of the contract provides a discipline to see that performance standards are determined and monitored. For example, the Office of the Rail Regulator in the United Kingdom has established national regulations for the provision of services to those with disabilities, including a code of practice. This is to be met by the twenty or so contractors for rail services. (Oxley, 1995)²
25. It is important that there is now a separate government agency which has a specific interest in both seeing that such matters are attended to, and in uncovering inadequate performance. Under direct government provision, the government itself has a direct vested interest in avoiding the costs involved. It polices itself.
26. On the other hand we can also speculate about possible disadvantages posed by a contracting regime to those with disabilities.
27. The organisational culture of the commercial operators is no more likely to be sympathetic to welfare functions than that of the monopoly government operator. Therefore the contract's incentives and safeguards will be very important.
28. The very emphasis on performance measures may militate against services for the disabled. There is a danger here that we will adopt a particular strategic approach because it meets clearly measured objectives, rather than those objectives which form the whole reason for government involvement. Simple quantitatively based measures such as overall patronage will not account for social justice factors. They will not discriminate between choice passengers and passengers in need. Of course this can be overcome with the addition of

² Though Oxley notes "it is not yet possible to say how effective the code will be".

more complexity to the performance measurement, but even then non-quantifiable aspects will be hard to control.³

29. Contractors will have a strong need to minimise costs and one way to do this is to cut running times. This saves on labour and saves on buses. Any slackness in the timetable will be minimised. Those with physical disabilities need more time to get on and off a bus and so patience will be tested. (However in mitigation, Cox and Roth note smaller operators in the US have been able to identify regular users and add time to accommodate these (Cox, 1994, p. 10).) There is also some evidence from the London Low Floor Bus Project that designing buses with low floors and easy access will speed boarding times overall. (Oxley, 1995)
30. Finally, although there is no necessary causal link, in practice contracting goes hand in hand with a tightening of resources. It is rare for governments to overcome the political opposition to contracting without some sort of financial prod. Obviously savings of the claimed 25% or so of operating costs will be attractive to governments. Such benefits are also the most easily measured of evaluation factors. It is not surprising then, that the success stories of contracting have been measured in terms of how much money is saved and, to a lesser extent, patronage that has at least held steady, if not improved. Providing services for the disabled is initially at least more expensive than not providing them. Though it may be more cost-effective in the long run and even lower the costs per passenger (by encouraging people with shopping and young children as new customers), new vehicles will have to be bought that will be more expensive because of their accessibility features.
31. Before turning to what experience we have as evidence, it should be noted that a number of the advantages claimed for contracting are in fact a product of separating the policy and operations functions, not contracting itself. However for the separation of policy and operations to be both real and effective the policy body has to be able to exert control over the operator. This is very unlikely to happen if there is a single operator with a monopoly of information over actually service delivery, or if the policy body has no way of ensuring its policies are implemented. For a separation of policy and operations to work, there need to be multiple operators and some sort of defined relationship including control mechanisms in existence.
32. Empirical evidence on the question is limited, mainly because contracting of public transport itself is relatively new. But we do have some clues from the response of different government operators in various parts of the world. Providing accessibility to public transport for those with physical disabilities has been an important issue in the United States for at least two decades and culminated in the passage of the Americans with Disabilities Act in 1990. (Rosenbloom, 1992)

³ Interestingly, the specialised paratransit services required under the Americans with Disabilities Act are typically contracted to specialised human service agencies, hopefully injecting the human touch. (Rosenbloom, 1992, pp. 606-7)

33. For most of the period since it has been an issue, the solution in the United States has been a technical one: kneeling buses were introduced two decades ago as a means of overcoming the inability of physically-impaired people to take the large step needed to climb into a bus. But these were before their time and were plagued with operational problems. The next solution was also technical; wheelchair lifts.
34. It was not until 1976 that the US government required 'special efforts' for the elderly and disabled as a condition of federal funding. Most special effort consisted of hiving off 5% of the federal grant to a paratransit service. An alternative means of meeting the requirement was to equip half the fleet with wheelchair lifts. The late seventies and eighties were also characterised by political and legal battles between the metropolitan operators on the one hand and the federal Department of Transport and advocacy groups on the other. (Rosenbloom, 1992, Rosenbloom, 1995, pp. 1-2)
35. In a sense, all three reactions can be seen as trying to make the 'problem' go away. Paratransit hives off the problem to someone else to handle — typically to a contracted community group. The technical solution — kneeling buses and lifts — has appeal in that it requires little if any change to existing methods of operation. Those who had lifts imposed upon them and who saw it as distracting them from their 'real' task of shifting lots of able-bodied adults were unlikely to be enthusiastic in their use of this expensive device because the time taken loading and unloading wheelchair passengers would disrupt timetables and possibly alienate able-bodied passengers. If an operator's overriding objective was to carry as many people as possible, there would be a vested interest in carrying as few wheelchair passengers as possible.
36. Rosenbloom notes the lack of success of the minimalist approach: "It is striking that systems making a sincere effort to provide accessible services with well trained drivers and proper maintenance programs delivered better services. Not surprisingly they had much higher ridership rates than those systems trying to prove that accessible services didn't work so they could stop providing it." (Rosenbloom, 1995, p. 4)
37. This largely explains the huge differences in cost per boarding, with Seattle, Denver and Los Angeles having costs under \$15 a boarding, and Philadelphia and St Louis reporting costs above \$700. (Rosenbloom, 1992, p. 601) The cost of the equipment does not vary much — it is the use to which it is put. Seattle, noted for its consultative style of route planning and genuine belief that provision of accessible mainstream services was cheaper than paratransit, recorded an average cost of \$6.72 and falling in 1993. (Rosenbloom, 1995, p. 12)
38. Ironically paratransit has also suffered, in that because the cost is strongly correlated to how much it is used, there is a strong incentive to minimise use. This can be done through a variety of means, such as when determining the priority for services, allowing delays etc., causing users to give up in frustration. Rosenbloom argues:

"There is little doubt that most systems, while being forced by lack of resources to impose restrictions, clearly knew that they were limiting ridership by lowering the quality of the service." (Rosenbloom, 1995, p. 14)

39. The experience with contracted services has been too short to enable any firm conclusions to be made. Among the more successful cities identified by Rosenbloom (1992) Phoenix contracts its services, Sacramento, Denver and to a lesser extent Los Angeles have a mix, with some services contracted.
40. However Seattle another successful provider of services for those with disabilities, is a monopoly government provider, which shows that organisational factors themselves can never completely determine performance.
41. Those with the poorest record in terms of numbers of disabled carried on the public service are government monopolies: Philadelphia (where it was found 30% of the lifts were not working at any one time) and St Louis, (which bolted its lifts into place so they could not be used). (Rosenbloom, 1995, p. 4)
42. Given the earlier arguments, perhaps a key factor is not whether the service is contracted, but whether there is a separation of the policy and operational functions. But simply dividing a monopoly service in two will probably not provide a stable equal relationship. A monopoly service provider will always dominate a policy body unless the latter has particular political legitimacy of its own. This is apparent in Switzerland, where those provincial/state transport agencies (verkehrsverbund) that oversee multiple municipal operating bodies are much more likely to exert an influential role than in those cantons dominated by a single municipality.
43. Vancouver is an interesting case. Recognised for its advanced role in both the provision of specialised and generic services for people with disabilities (Vintilla, 1994), the state policy body, BC Transit, also operates Vancouver transit services. However in case of BC Transit the policy arm still has a distinct and overarching presence because of both a history of past separation and because, as a provincial and not city body, BC Transit also has service agreements other municipal and private transit providers.
44. Sweden, which is recognised as furthest advanced in the integrated provision of services for the disabled, particularly with the servis bus concept, (McLary, 1993) generally has contracted services, or at least has divided policy and operations in a way to allow contracting. (Jansson and Wallin, 1991)
45. It is notable also that the best known experiment with integrated bus for the frail and those with slight disabilities, the London Low Floor Bus experiment, is run by an London Transport, now mainly a contracting body.
46. Germany, home of low floor technology generally has public transport directly operated by public authorities, though often with policy subject to a separate regional body. But in any case the German lead in this area is probably more due to the highly advance bus manufacturing industry than to any institutional arrangements for the planning and provision of public transport.

THE SOUTH AUSTRALIAN EXPERIENCE

47. As we have noted above, South Australia was not seriously faced with the issue of accessibility for those with physical disabilities until after the new contracting regime was legislated. The state had its own anti-discrimination legislation but previous court decisions upholding economic hardship as grounds for exemption possibly shielded transport providers from its effects. This shield was lowered by a High Court decision concerning ticketing in Victoria which overturned previous decisions accepting the legitimacy of financial arguments for exemption from equal opportunities legislation. (*Waters and Ors v Public Transport Corporation*, December 1991. More important was the passage of the Commonwealth legislation a year later. It was perceived that the use of Commonwealth legislation and the Commonwealth HREOC would be more effective in dealing with State instrumentalities than would the use of State legislation and State enforcement bodies.
48. Meanwhile the major political pressure on the State Transport Authority was the need to reverse the patronage decline. This issue was explicitly addressed in a series of corporate plans produced in the early 1990s which concluded that the authority needed to chase the customers who had choice, rather than those who were already captive to the system because of a transport disadvantage. It would try to increase patronage by getting commuters out of their cars rather than providing more mobility for the transport dependent.
49. Using the concept of "core business", the STA determined that it was in the business of transporting large numbers of people over long distances. It established a series of "Transit Link" services designed specifically to attract the longer distance commuter, with long routes, few stops, and high frequencies. These operate almost entirely in the peak commuting periods and are radial, conveying commuters in to and out of the central business district.
50. The mass transit services were to be complemented by local and feeder services:
"Complementary service providers are being encouraged to enter the market to provide feeder and low density services so that the Authority can concentrate on providing fast, frequent express services including Transit Link bus and train services, which match our customers needs." (*State Transport Authority (1993) Annual Report*, p. 7)
51. Up to 20% of the Authority's services were to be converted to such complementary services ('Private transport to get a slice of STA work' *Advertiser*, 16 December 1992, p. 1).
52. In the event the complementary services program was never seriously undertaken before the authority was replaced, despite the introduction of Transit Link. With little if any extra funding for these services, the resources for them were partly made available by the reduction of night time services, that is, resources were taken from services for those who need public transport in order to attract those with a choice.

53. The STA was never subject to an action under South Australia's Equal Opportunity Act. However it did undertake a number of measures to make its services more accessible to the physically disabled. By far the most important were the millions of dollars spent on station refurbishment, which included modifications such as changing platform heights and angles of ramps, to enable wheelchair access to trains. As a result the train network is in physical terms almost entirely accessible to people in wheelchairs, though it should be noted that the network itself is limited and accounts for only 15% of total patronage. Also the concept of providing fast frequent services threatened to close many of the less well-patronised stations and early plans to this effect were formulated before the STA was replaced.
54. Other measures have focused on those whose sight is impaired. A video was produced to train bus and train drivers in dealing with the visually impaired. A system of 'flash cards' was developed to enable the passenger to indicate to the driver which service is wanted. Larger destination signs were introduced and route numbering was placed in more a visible position on the bus. All of these measures were taken in consultation with a panel of people representing those with disabilities.
55. Over 100 kneeling buses were ordered in 1991, four of which were also low floor. However, although it was claimed that the 'low floor' buses were introduced to make them accessible to disabled people (STA, 1991, *Annual Report*, p. 16) none of these were designed with anchorages to enable them to carry a person seated in a wheelchair.⁴ Also the STA did not overcome rostering issues and possible jealousies between depots over the deployment of new buses in order to use the buses on services where they were most needed. It is tempting to conclude that they were bought as much as a demonstration of technical advancement as a means of providing more access for the frail and disabled. In fact some of the kneeling buses have big centre bays for shopping and standees that could easily have taken wheelchair anchorages if that had been a reason for their purchase.
56. It is too early to tell whether the PTB will prove more sympathetic to those with disabilities. However there are several factors which support the hypothesis that the new contracting regime will be kinder for those with disabilities.
57. The Passenger Transport Act requires the creation of a system which, among other things, "provides accessibility to needed services, especially for the transport disadvantaged". (s. 3) As noted earlier, public transport in Adelaide accounts for less than ten percent of trip kilometres and by itself is practically impotent as a means of dealing with traffic that is growing at a rate of three per cent per annum. Therefore the accessibility objective will increasingly be seen as the *raison d'être* for government involvement in public transport, which in turn will require a reorientation of service design.

⁴ In fact only the aisle of these vehicles is low floor. The seats themselves were on a raised platform which made accessibility more difficult for some infirm than on a conventional bus.

58. The Passenger Transport Board is not just responsible for public transport. It also regulates non-subsidised commercial passenger transport such as taxis and is the focus of state government responsibility for community transport services provided by local councils and charities. This broader role could encourage a more flexible approach to dealing with such needs. For example, the Board is examining the possibility of requiring all taxis, or at least a substantial part of every taxi fleet, to be wheelchair accessible. But given that whatever approach is used, it will come from the PTB's budget and so there will not be an incentive to shift the cost to another form of transport unless that form is more cost effective. If, as observers such as Rosenbloom and Vintilla argue, it is cheaper to make mainstream services more accessible, this will be the emphasis of the PTB. (Rosenbloom, 1995; Vintilla, 1994)
59. The Passenger Transport Board is relying on both direct financial incentives and the specification of minimum standards to see that contractors perform in the way desired. Patronage is encouraged through a combination of both net and gross contracts. It is a requirement of the Passenger Transport Act that the integrated ticketing system be maintained and so the Board is retaining control of ticketing and fare revenue. However about half the payments made to contractors will be determined by variations in passenger-kilometres carried. At this stage the Board has not attempted to distinguish between different types of customers. Also the flat fare system retained at the insistence of the government does benefit the longer distance white collar commuter to the central business district at the expense of those using public transport to access local services.
60. However it is anticipated that because services between the morning and afternoon peaks are cheaper to provide than those in the peaks, the incentive system should result in more services during the day, a time which is dominated by the elderly passenger. Services during the peaks and after hours will be more likely to be subject to the minimum standards of frequency and route coverage required by the PTB. These have been initially set as those applying under the previous regime.
61. Little use has been made of the first to contracts to improve services for those with disabilities. The tender documents refer to a government commitment that 'competitive tendering will not result in a decrease in the level of accessibility applying at the time of tendering'. Those tendering must explain how they intend to ensure the driver training initiatives of the STA are maintained, what new initiatives they will offer and also submit 'proposals and intentions with regard to the requirements of the Disability Discrimination Act for maintaining and improving accessibility to Services by passengers with disabilities.'
62. There is also a requirement that any new buses introduced must be accessible and that a minimum number of accessible buses be introduced at a rate of about 6% of the fleet per year. This has been introduced in anticipation of a draft national strategy which is being developed.
63. However no resort has yet been made to options such as using a higher payment per disabled passenger as an incentive. Given that these are the first

contracts issued (and so simplicity is particularly valuable), and given the speed with which the process has had to be developed, this is understandable. Such an approach would need to be considered carefully.

64. The discussion so far has focused on the contracting agency, assuming the contractor will simply respond to whatever incentive and/or requirement is in the contract. Of course motivation is rarely as simple as that and in any case there will be complications arising from the strong desire to retain and if possible increase patronage. This may have an adverse impact on access for the disabled if fear of competition by a contractor inhibits the community transport network provided by local government, much of which is already wheelchair accessible. This can help explain the occasional hostility between community transport operators and local bus companies in cities such as Sydney.⁵
65. In the past the attitude of the STA toward community transport services could probably fairly be described as one of benign indifference, as the STA's finances were not affected if community transport took potential passengers from it. This cannot be expected to continue if the bus provider's revenue depends on patronage and the history of other cities where this is the case suggests that a careful *modus vivendi* needs to be established. The PTB has attempted to exempt community transport from the exclusivity provisions of the contracts, motivated by desires to build good relations with local government and to foster community transport as a means of meeting the access needs of the transport disadvantaged. However there is a recognition that the Board will probably be called to mediate in disputes between the contractor and community transport operator and will attempt to see that community transport enhances access to the conventional network, rather than competes with it.

CONCLUSIONS

66. The cautious conclusion of this paper is that contracting should be good for those with physical disabilities.
67. The evidence from the United States and other countries which have experience of contracted services suggests that those with contracting are better at meeting the needs of those disabilities than are monopoly government providers. Perhaps the more important factor is the separation of policy and operations. This can be achieved without contracting (e.g. if a regional authority sets policy and funds municipal transport operators), but contracting cannot occur without a separation of policy and operations. We should also note the exception of Seattle, which indicates that it is possible for a monopoly public provider to also be positive and proactive in its responsibilities to those with disabilities.

⁵ This is despite the fact that in New South Wales community transport operators are confined to transport of defined disadvantaged passengers under the terms of their accreditation.

68. Of course extraneous factors; financial restrictions on the one hand and the application of the Disabilities Discrimination Act on the other, will strongly influence the prospects. Standards under the DDA will have to be met to avoid complaints and prosecutions. But such matters aside, the Passenger Transport Board is in a better position to determine the rationale for government involvement in public transport than its predecessor and its staff will be more comfortable pursuing a social justice strategy than would those who combined both policy and operations under the previous regime.
69. The act of contracting itself impels the creation of standards which can include those for services to people with disabilities. But of course it cannot be assumed that such factors will be included and indeed, in the absence of them and with bland performance measures such as simple patronage, commercial transport operators may be less inclined to provide a service for those with disabilities.
70. Note this argument makes no claims for providing competition through deregulation. A contracted regime is a tightly regulated one. Clearly some intervention in market forces is necessary if the disabled are to be carried for a cost that is comparable to that paid by the able bodied, though perhaps such ends could be achieved in a relatively deregulated environment using such mechanisms as subsidy vouchers or even a simple law requiring vehicles to be accessible.
71. Whatever approach is used, in order for government to intervene effectively to provide accessibility it needs a clear sense of purpose which informs and guides all decisions made it, and the ability to see that these decisions are actually translated into practice, through its funding decisions, performance measures, fares policies and all other impacts it may have. Contracting provides the window of opportunity for this to be done, but whether the window is opened is another matter.

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