

Tasmanian Taxi Council

12th June 2017

Subject:

Tasmanian Taxi Council response to the Draft Assessment completed by the Economic Regulatory Authority in response to the Pricing Submission of the Motor Accident Insurance Board (MAIB).

Forward:

The Tasmanian Taxi Council thanks the Economic Regulatory Authority for the opportunity to respond to the Draft Assessment Paper produced in consideration of a pricing submission presented by the MAIB.

The particular interest to the Tasmanian Taxi Council is the assessment outcome, supported by the MAIB, to include the Rideshare (taxi) model as a category 1 insured participant. We wish to highlight that many of the comparisons between the Rideshare Model and the Taxi / Hire Car category are misrepresentations of the true position.

Page 2 – Graph

The graph shows the Taxi (rank and hail) as anonymous, untracked and no feed-back. The same is recorded for the Analog Bookings

Taxis are GPS-tracked on all jobs 24/7. This history is retained and archived for retrieval at any time in the future. In addition a Taxis has an operating Tamper Proof Security Camera operating 24/7 even if being used for private transport. Taxi Networks provide a 24/7 telephone contact should any passenger have concerns.

Uber has nothing as accessible as this service.

Rideshare promotes that it is tracked by the phone app when undertaking a booked job. The only 100% assurance available with this system is that the phone is still in the car.

Page 3 – Para 3 (last line)

Quote: “These costs would make Ridesharing unviable in Tasmania.”

We question the assessment having to give consideration to “sponsorship” of any business. No such consideration is given to a new Taxi Operator when commencing his/her new business, or any other commercial transport operator.

A . Time on the Road Page 3 cont:

Quote- “ Rideshare Vehicles are both designed and intended for predominately personal use”.

The Rideshare (taxi) Model doesn’t use any differently designed vehicles than the Taxi Operators, which on many occasions are also used for private transport. Reference to the hours of use is commented on below.

Driver Quality – page 4

2nd Para; “In Tasmania, Uber partners hold an average star rating of 4.88 (as measured over a partner’s previous 500 trips) implying an exceptionally high level of service”

Taxi Networks have the same assessment whilst doing App Bookings and can demonstrate similar levels of customer satisfaction. The assessment is stated as being over 500 trips and time on the road by Uber vehicles mentions that 50% do less than 10 hours per week.

Uber commenced in Hobart on the 1st of December 2016. If compared to an average Taxi completing 15 jobs per a 12 hour shift, or 1.25 jobs per hour. This places the statement – “ half of Uber partners in Australia drive for well less than ten hours per week”. in perspective. Many, Uber say only work 1 or 2 hours per week.

Calculation - 1.25 jobs per hour x 20 hours per week over 21 weeks, the time Uber has been operating in Hobart, would allow the assessment to be done on 525 jobs. The Uber driver would need to work double the time stated in the submission.

Page 4 – Mileage of Taxis nationally may well be 155,300 per year. In Tasmania this would reduce to 100,000 at the max and around the 60,000 for many Operators, particularly single shift (driver) Operators. We just highlight this as it tends to leave the reader with the intended false impression that a Taxi is on the road considerably more time than is fact.

B. Carriage of Passengers

“As personal vehicles, maximum passenger capacity is limited in practice to four: significantly less than the 16 seat commercial buses in CTP class 16, for example.

The statement implies that the Rideshare (taxi) vehicles are the only 4 seater vehicles. The majority of Taxis are 4 seater vehicles also. We only comment to counter the statement of comparing the 16 seater CTP vehicles. No taxis, even the Wheelchairs Vehicle, are 16 seater, the max would be 7, with perhaps 1 or 2 in the whole State being 8 seaters.

C. Driver Quality – Page 4 - 1st para

The Uber comment on the selection of drivers in this section is exactly the same as any Taxi Operator would be compelled to consider.

Insurance costs imposed on Taxi Operators (\$2,500 per car per annum) immediately excludes any driver under 25 years. The 12 months driving experience is a regulatory requirement not an Uber requirement. If this is an Uber requirement then as for a Taxi Operator/Driver it complies with regulations.

Page 4 - Para 3

Quote : “Existing private & commercial classes do not filter drivers in this way”

I cannot see any difference between the two entities. The practice to filter drivers is just a commercial reality.

D. Reduced Moral Hazard. - Page 4

“mindful that high risk driving will impose personal financial costs in the form of higher premiums and/or policy excesses. The overwhelming majority of partners own the vehicle they drive for ridesharing” .

The Rideshare (taxi) Model in stating that there is no personal financial cost to Taxi Drivers is completely wrong.

Taxi Drivers are required to pay the policy excess in the result of any “at fault” accident. With the usual cost imposed on Taxis this excess amounts to between \$900 and \$1200. The Taxi Operator is then penalised by increased Insurances premiums.

With this financial impact Taxi Operators quickly exclude any driver demonstrating any high risk behaviour.

It should be noted that Uber incurs no impact financially or otherwise, should these incidents occur.

E. Vehicle age & Safety

Again this implies to the reader of the Rideshare (Taxi) Model submission that something is better with Rideshare Vehicles. The Rideshare (Taxi) Model states in its criteria that no vehicle is to be older than 10 years.

All Metropolitan Taxis have an age limit of only 8 years. Although generally they would range around 5/6 years old.

Country Taxis have an age limit extended to 10 years, like Uber.

F. Regulatory Classification

The statements made by Uber in support of the assessment of category 1, promoted by MAIB and the Regulator in the Draft Assessment, is again based on the somewhat continually spruiked comments such as:-

Quote – “ The distinction was based on relevant regulatory characteristics including:”

- “ vehicles may only be requested through “ ride-sourcing software (not via other booking channels, and not via street or rank hails):”
- “Prescribed software must generate a digital record of each trip and enable passengers to register driver feedback:” and
- “Partners must notify the Registrar of their intention to operate a specified ridesharing vehicle”.

I cannot see why these points make the Rideshare (Taxi) Model any different to any other Public Transport Vehicle. They will travel the same roads, same risks as other road users, alcohol and drugs, weather and impatient road users. Whether the booking is hailed or picked up from the rank, booked by phone to a call centre, using app software or integrated voice activation as taxi dispatch networks also use, is totally irrelevant as to the vehicles likelihood of having an accident.

Taxi Dispatch Networks have records that prove there is no protection from accidents just because passengers use the app.

Conclusion:

We thank the Economic Regularity Authority for the opportunity to clarify the misconceptions promoted between the Rideshare (Taxi) Model and the Accredited/Regulated Taxi industry.

We fully understand and accept that the interpretation and clarification of the lack of difference in the submissions between Rideshare and the Accredited/ Regulated Taxi Industry may not compete with the generally held and preferred public perception.

The only request we have in the final assessment is that the Rideshare operators are classified as such in an identified category by MAIB.

This will eliminate statistics being lost in the claim assessments of MAIB cover category 1.

Without Rideshare being identified any increase in claims from the Rideshare Model could then impose an increase in premiums on the justifiable Category 1 private use motor vehicle owners.

Tony Dilger.

Secretary of the Tasmanian Taxi Council.

Friday, 8th of June 2017