



GoCatch

Submission to the Point to Point Commission in
response to the Point to Point Transport (Taxis and Hire
Vehicles) Regulation 2017

Via email
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GoCatch - Overview

GoCatch appreciates this opportunity to submit feedback on the proposed Point to Point Transport (Taxis and Hire Vehicles) Regulation 2017. We welcome the Point to Point Commission's continued dedication to improving the delivery of safe transportation services while removing unnecessary regulatory red tape.

GoCatch, founded in Sydney in 2011, is the original Australian rideshare and taxi booking app. We originally provided taxi bookings and introduced a ridesharing service in early 2016 following the legalisation of the service in New South Wales in December 2015.

Passengers with GoCatch open their app and are able to request a taxi or a rideshare driver simply by pressing the request button. GoCatch ensures all drivers meet industry standards prior to being able to receive requests from passengers.

GoCatch continues to work with the Government and within the existing legislative framework to provide an improved service level to passengers and income to drivers. With over 350,000 passengers and 35,000 drivers across Australia, GoCatch represents the best interests of Australian driver and passengers.

GoCatch believes there is an appropriate approach to regulation and this includes

- Removing burdensome red tape and fees
- Supporting the use of safe and innovative transportation options
- Supporting Australian operators, both small and large to ensure a viable industry

We strongly urge the Point to Point Commission to limit the introduction of red tape and bureaucracy on the innovation that has been introduced to this long standing industry. We address our concerns with the proposed regulation below.

Restricting New Entrants and Small Operators

Smaller organisations and new startups face an uphill battle against the massive industry incumbents and tax avoiding multi-national organisations. This regulatory framework favours these existing players with large budgets, established systems and networks to bear the burden of these regulations.

These regulations further create regulatory barriers to entry to new entrants, smaller players, and niche operators. These barriers substantially lessen competition and the benefit of choice and market pricing to passengers.

Smaller organisations and new startups face an uphill battle against the massive industry incumbents and tax avoiding multi-national organisations. Small business is the backbone

of Australia and small operators have been a cornerstone of the point to point industry since inception.

We strongly advocate for the inclusion of a small business exemption for industry players with turnover of less than \$2 million per year. We would see this exemption applying to the mandatory fees under Clause 45. A parallel can be drawn with the RBA's review of card payment regulations and the exemption provided there.¹

This provides the regulatory 'relaxation' that Uber enjoyed in its initial phases and will continue to encourage new entrants to market to provide better services for riders and drivers.

It is GoCatch's submission that an exemption to Clause 45 should exist for organisations with turnover under \$2 million AUD to encourage new market entrants and competition.

Fees - Clause 45

The government's previous approach to regulation created an inflexible environment. This has resulted in substantial financial damage to owners of taxi and hire car licences and compensation by the Government for their loss. GoCatch supports the compensation of these owners by the government.

GoCatch does not support the introduction of the mandatory \$1 levy on every trip a passenger takes. This levy hurts drivers and passengers.

Increasing the price of an existing good with no added benefit to passengers will deter passengers from using the service as frequently as they otherwise might. This has a direct negative impact on drivers as there will then be fewer jobs. The earnings of drivers will not improve as a result of introducing this levy.

We further submit our dissatisfaction with the introduction of the \$0.03 per transaction fee. This is a fee that will simply be passed onto customers by all participants in the industry and will introduce an additional level of operational burden in the form of collection and remittance to the government.

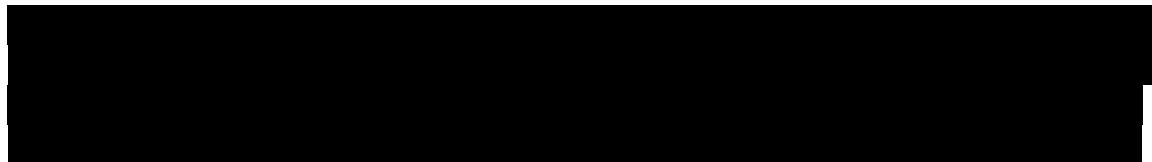
GoCatch has further concerns that a major industry player, with an extensive history of non-compliance, will not comply with this requirement resulting in industry wide non-compliance.

¹ Reserve Bank of Australia Retrieved from
<http://www.rba.gov.au/payments-and-infrastructure/review-of-card-payments-regulation/q-and-a/card-payments-regulation-qa-conclusions-paper.html>

GoCatch questions how the government can rely on such organisations to be open and compliant when they have shown a direct disregard for regulators and their enforcement actions, especially here in NSW.² ³

These fees are burdens on compliant organisations while letting non-compliant industry participants continue to operate freely.

It is GoCatch's submission that these fees should be withdrawn from the regulations.



Signage - Clause 22

The introduction of a signage requirement removes safety features inherent in the existing environment. Introduction of these signs will increase public visibility of every vehicle which may or may not be providing services at that time.

This signage will now make it possible for passengers to flag down or intercept a vehicle or at least create the perception that passengers are getting a ride in this way.

The visibility of this signage may encourage attempts to intercept vehicles by hailing. This increases our safety concerns of patrons venturing into traffic to approach a vehicle. If it looks like a taxi or otherwise available for hail vehicle people are going to try to hail them.

This will create a further burden on regulatory enforcement, as a direct result of trying to address it.

Furthermore, this signage enable potential fraudsters or rogue drivers to acquire a sign and present themselves as being associated with a reputable company without being subject to the high standards of the existing booking companies and legislative framework.

Drivers leave platforms and sometimes there are deactivations associated with criminal breaches. There is no incentive for a driver to return these signs.

It is GoCatch's submission that the requirement of signage should be withdrawn from the regulations.

² "How Uber Deceives the Authorities Worldwide", retrieved on 9 May 2017 from https://www.nytimes.com/2017/03/03/technology/uber-greyball-program-evade-authorities.html?_r=0

³ "NSW Government cracks down on illegal ride-sharing; puts Uber on notice", retrieved on 9 May 2017 from <http://www.abc.net.au/news/2015-09-28/uber-drivers-face-suspension/6808582>

Signage Liability - Clause 22(5)

Clause 22 require all drivers to present an affiliation sign and Clause 22(5) places the onus on the associated Booking Service for a non-compliant driver.

Drivers with GoCatch are independent contractors and, as such, GoCatch has extremely limited ability to enforce this and the regulations do not provide for any exception to the rule. Best efforts by a booking service in educating drivers about the requirements and the provision of signage does not in itself mean drivers will be compliant with the signage requirement.

Where GoCatch has taken all necessary steps to provide the required signage it is reliant on the driver to appropriately adorn their vehicle with the signage.

GoCatch has the ability to remove access for non-compliant drivers, however this would occur substantially after the fact of any enforcement activity.

It is a manifestly unfair provision to the detriment of a booking service.

GoCatch requires all drivers to hold an appropriate driver's licence and is part of our rigorous verification process. Drivers are also aware that they must carry their driver licence on their person at all times while driving. If a driver does not carry the appropriate identification the onus can not be on the booking service. A parallel can be drawn to this instance.

It is GoCatch's submission that liability under this clause should not rest with the booking service.

Safety Management System - Clause 7

Safety is first and foremost a priority that can always be improved. However, the introduction of Clause 7(1) and 7(3) create ambiguous obligations on drivers that seem to be a reactive measure with no basis to indicate any efficacy. This is the direct introduction of government red tape where it has not existed before and will be to the detriment of drivers.

These clauses introduces the obligation not dissimilar from professional development points but with not professional structure or actual safety framework.

The introduction of this obligation further disadvantages those who drive on an infrequent basis. If there is a concern regarding drivers operating on the road then this is better administered through an improved driver licensing system than through this regulation.

The introduction of this clause fails in the following ways:

1. No measurable improvement in driver skillsets associated with safety.

2. No actual measurable outcomes in terms of the overall clause.
3. It introduces a red tape bookkeeping exercise which can be used to penalise drivers. Drivers who have not been unsafe in their driving rather it will penalise poor record keeping.
4. There is no indication this provision was introduced as a result of a data driven decision making process from the existing industry. Further, there is no indication that the Commission will take steps to review this provision in the face of supportive or discouraging data.
5. The term regular is not defined, which is especially problematic in relation to the frequency of a driver's activity on the road.

GoCatch supports the use of a sensible safety based approach to the introduction of a regulatory framework. This clause fails at being sensible and at the provision of real safety outcomes for drivers, passenger, and other road users.

It is GoCatch's submission to remove these clauses as there is no demonstrable safety based outcomes which will arise.

On Street Safety

GoCatch believes the Point to Point Commission could have a positive measurable impact on the provision of safe point to point services with improved 'on street' safety measures while reducing the introduction of red tape.

We note there has been no indication of progress made towards the creation of additional safe pickup or drop-off spaces for any booked vehicle, whether taxi or a rideshare.

Drivers struggle to find safe and convenient pickup and drop-off locations for passengers all across Sydney and New South Wales. The current regulatory regime provides abilities to taxi drivers and their customers but is not extended to all passenger services.^{4 5 6 7}

GoCatch believes that rank and hail should be maintained exclusively for the provider of taxi services.

GoCatch further believes that all passenger service providers should be able to stop in a clearway, special purpose lane, and specially marked taxi zones for the safe pickup and drop-off of passengers. A distinction should be made specifically for anonymous rank and hail work as compared to a safe pickup and drop-off zone on public roads for all passenger services.

⁴ Road Rules 2014 (NSW) Reg 182

⁵ Road Rules 2014 (NSW) Reg 176(2),(3)

⁶ Road Rules 2014 (NSW) Reg 158(2)(c)(ii)

⁷ Road Rules 2014 (NSW) Reg 187

Conclusion

The point to point transportation industry has a long history and storied history in New South Wales. It has entered a chapter which requires flexibility and versatility in order to provide safe and reliable transportation. The use of smart technology continues to increase access to transportation options for passengers and the opportunity to earn extra income for drivers.

The introduction of any new regulations requires careful contemplation to avoid over-burdening an industry which is undergoing substantial changes resulting from the introduction of new technology. We encourage the Point to Point Commission to take on board suggestions for improving the proposed regulation. GoCatch looks forward to its continued consultation with the Commission and the Government to improve the outcomes for passengers and drivers.

On behalf of GoCatch

Andrew Campbell - CEO

