

Point to Point Transport (Taxis and Hire Vehicles) Regulation 2017

Globally innovation is seen to be catalyst towards an efficient and more sustainable economy. Countries around the world are experiencing the rapid development of technology. However, with any change there are always challenges. Thus, the rate of introducing regulation to create transparent guidelines has become an absolute necessity. However, when government is unable to keep up with innovation, it causes an imbalance in an industry which can impact the growth of the overall economy.

Australia has seen a rapid change in the transport sector with the introduction of innovative means to commute from one point to another. However, many stakeholders have criticized the governments inability to foresee change and adequately facilitate this. By opening a clear means of communication and dialogue, it is seen as the first step towards implementing innovation through regulation. HOP (formerly HOP Technologies) believes that in this rapidly changing ecosystem, the anchor should be core fundamentals not regulation. As a way of example, in 2013, ride-sharing (the use of private cars) was unregulated and considered 'illegal' based on regulations present at the time. This resulted in a vast amount of fines being issued and miscommunication amongst industry stakeholders creating an inertia made up by fear instead of dealing with a new mode of transport. Thus, HOP believes that certain fundamentals must be established which can be broken down to three parts: supply source, demand source, and platform facilitator.

The supply source is seen to be corner-stone in the point to point market. Drivers are made up of professional taxi, hire-car and casual drivers. However, many are switching between taxis and private hire cars. This is normal in any economy and creates choice for drivers based on income and flexibility. The challenge which HOP has raised with multiple industry stakeholders (government) is the harassment towards new market entrants. HOP has gathered around 30 individual cases of drivers threatening HOP drivers with physical violence and also approaching and hindering staff when carrying out marketing promotions. Moving forward, it is recommended that the Point to Point body create a seamless complaint system to suspend drivers involved in such activity. Internationally, new entrants face an array of issues from incumbent players who have held an arguably 'regulated' monopoly. HOP aims to break down these barriers and fast immerse itself as a 'taxi alternative' to create choice for drivers.

Furthermore, the Public Consultation draft has been successful in addressing many areas around the supply side. However, there are some minor recommendations to be made. On page 18 clause 22 (1) it refers to displays. HOP recommends branding on all private hire vehicles being made mandatory. HOP will be rolling out digital branding inside vehicles over the second half of the year. It is important specific guidelines be allocated to size of the logo and positioning to create a uniformed yet customized approach for easier vehicle identification. Security should be made a priority and every recommendation be reviewed to ensure driver and rider safety.

From a demand perspective, customers should be able to request a ride by approaching a stopped private hire vehicle and providing their details. HOP believes that over the next 2-3 years taxis will diminish and be replaced by alternative modes. Therefore, recreating the 'hailing' element to a more secure method is necessary to ensure safety. Also, it is recommended dedicated ride-share only zones be created across Sydney. HOP is fortunate as it use rental cars and already has dedicated parking spots in car-share zones across Sydney. However, it will be greatly beneficial to passengers if these zones are created to assist in an easier commute as drivers often have to wait for bookings and are forced to stop in 'no-parking' zones.

Finally, as stated in the opening, the platform is the fundamental joining structure in the driver and rider relationship. Therefore, HOP is strongly against the suggestion of imposing a \$1 levy as it is simply a means of making consumers pay for the lack of innovation by government. As previous regulations were inadequate in responding to change, the government should directly assist those affected not the end user. HOP will strongly oppose any price increase strategy as it is seen to be placing a cost on innovation. Instead it is recommended larger taxi networks who've benefitted from the rewards of the industry compensate through a special levy. If this levy is imposed, HOP will take the appropriate action with customer satisfaction put first and foremost.

The proposed draft regulation is sound and has incorporated the right core elements, however, certain recommendations should be added to reflect a more coherent and adaptable form of regulation which does not comprise driver benefits, customer choice and economic growth.

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