

Submission No. 480

11.1.10

22 October 2015

**From:** [shane.smith](#)  
**To:** [Infrastructure, Planning and Natural Resources Committee](#)  
**Subject:** Submission Part 1 First Class Taxis Transport Legislation (Taxi Services) Amendment Bill 2015.  
**Date:** Thursday, 22 October 2015 3:47:30 PM  
**Attachments:** [Private members bill introduction .pdf](#)  
[ATT00001.txt](#)

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Submission for Transport Legislation (Taxi Services) Amendment Bill 2015.



## **Transport Legislation (Taxi Services) Amendment Bill 2015.**

- 1) UBER company history and outline
- 2) QLD Passenger Transport Legislation
- 3) UBER's illegal operation in Australia and overseas
- 4) UBER business model
- 5) UBER driver recruitment
- 6) UBER driver payments
- 7) Promotional offers, FREE rides, discounted fares, university ride
- 8) UBER driver & rider unique promotional codes
- 9) UBER app promotional codes
- 10) UBER app Operation
- 11) Current Public Passenger Transport Legislation
- 12) DTMR Compliance and Enforcement
- 13) Ghost cars
- 14) UBER submissions to government agencies
- 15) Criminal code
- 16) Telecommunications code
- 17) Conclusion.

## **Introduction.**

I thank the members of the Infrastructure, Planning and Natural Resources Committee for allowing me to submit in favour of the proposed Transport Legislation (Taxi Services) Amendment Bill 2015.

I operate a fleet of 75 taxis on the Gold Coast. Our company has been heavily involved in the Gold Coast taxi industry for over 20 years. This submission whilst from myself also represents the views of taxi licence owners we manage and lease on behalf of as well as our drivers. We are a local company that supports our local suppliers and community. We have trained our employees and apprentices, skilled them with the knowledge they need to function in a specialist workplace.

Our dedicated taxi drivers number over 400. They work 24/7 every day of the year safely and efficiently transporting members of the public to their destination. We are immensely proud of our drivers and the role they play in Queensland society. They take the elderly to the shops, children to school, veterans to appointments and revellers to their home after a night out. They do this day in and day out in all weather conditions ensuring the communities transport needs are fulfilled.

The integrity of this industry is under immense threat by a foreign company that has displayed a continual blatant disregard for legislation, compliance and business ethics. UBER's illegal taxi service threatens the legitimacy of public passenger transport in Queensland.

Loyal taxi licence owners have invested in successive state governments under the best public/private partnership arrangement. These owners have invested money, maintained the required vehicle and licensing standards thus ensuring their contract with the Queensland Government is honoured. This partnership has resulted in the worlds best taxi service regime. Successive governments have legislated technological advancements all

aimed at improving the customer experience, licence owners have embraced these changes.

This submission provides detailed facts that clearly indicates that UBER is not interested in complying with the legislation. They have deliberately avoided all compliance they feel is not warranted. UBERs huge financial backing means the payment of fines is part of their strategy to wear the government and industry down. UBER is trying to make this into a social media popularity contest like they have successfully done overseas.

Queensland is not alone in its battle with UBER, many regulated first world countries have also banned UBER from operating. They like us have a compliance and enforcement issue. Targeting UBER financially based on the current fine amounts will not act as an impediment to their growth or deterrent. This proposed legislative change will provide DTMR and the Police with an effective compliance tool. By targeting the source of the delivery (the driver) and not the faceless facilitator (UBER) I firmly believe this policy will ensure prompt and efficient delivery of enforcement.

I am available to clarify or discuss any issues contained within my submission or to present to the committee at your convenience.

Thank you

Shane Smith

First Class Taxis Pty Ltd

Lot 20 Pacific Highway Burleigh Heads

Queensland 4220

**From:** [shane.smith](#)  
**To:** [Infrastructure, Planning and Natural Resources Committee](#)  
**Subject:** Part 2 First Class Taxis Pty Ltd Transport Legislation (Taxi Services) Amendment Bill 2015.  
**Date:** Thursday, 22 October 2015 3:59:15 PM  
**Attachments:** [Private Members Bill Submisison.pdf](#)  
[ATT00001.txt](#)

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Part 2 submission First Class Taxis Transport Legislation (Taxi Services) Amendment Bill 2015.

# UBER X the illegal Taxi Service

## 1) UBER COMPANY HISTORY AND OUTLINE

UBER was founded in 2009 and licensed as "UberCab". The Application (App) was released the following June. In 2011 the company changed its name from UberCab to UBER. In 2012 it expanded internationally and in 2014 it moved into car pooling.

The service was launched in Sydney in November 2012. Brisbane in April 2014 and the Gold Coast in August 2014.

UBER's pricing is similar to metered taxis with all payments handled through UBER's servers. The price is calculated if the car is travelling greater than 18km/hr by distance otherwise the price is calculated on a time basis.

## 2) QUEENSLAND PASSENGER TRANSPORT LEGISLATION

The issue is whether UBER is operating an illegal taxi service under the current Queensland Legislation. Refer to the Transport Operations (Passenger Transport) Act 1994 Schedule 3 Dictionary (Current as at 29th September 2014):

***A Taxi Service means a public passenger service, other than an excluded public passenger service, provided by a motor vehicle under which the vehicle—***

- (a) is able, when not hired, to be hailed for hire by members of the public; or***
- (b) provides a demand responsive service under which members of the public are able to hire the vehicle through electronic communication; or***
- (c) plies or stands for hire on a road.***

## 3) UBER'S ILLEGAL OPERATION IN AUSTRALIA AND OVERSEAS

UBER is clearly offer an illegal taxi service in Queensland. UBER is providing a "***demand responsive service under which members of the public are able to hire the vehicle through electronic communication***".

DTMR representatives indicated Queensland operates under the most effective taxi licence regime.

The current legislative regime mandates minimum standards for Driver Accreditation (DA), Operator Accreditation (OA) and Taxi Booking Companies (TBC). The TBC have service contracts with the Queensland Government that mandate minimum service levels (MSL). These MSL include customer pick up times for both conventional and wheelchair accessible taxis (WAT) bookings.

Current legislation specifies maximum fare rates, meter calibration, industry security levies, taxi security camera specifications (TSCS) including audio recording, Compulsory Third Party (CTP) classifications, fatigue management and appropriate non compliance penalties.

In Europe the UBER X service is named UBER POP. UBER X (UBER POP) has been banned in;

Australia, Netherlands, Belgium, Germany, Spain, Portugal, France, Italy, Sweden, Norway, Denmark, Switzerland, Croatia, Poland, Romania, India, Thailand, Malaysia, Taiwan, South Korea, Hong Kong, China, Japan, Canada, Brazil, South Africa.

UBER offices have been raided by government authorities in Sydney, Brussels, Amsterdam, Paris, Hong Kong, China (Guangzhou and Chengdu), Canada (Montreal) and India.

Of particular note UBER is based in the Netherlands under the legal entity UBER B.V. yet UBER POP is banned in the Netherlands and UBER have had their offices raided twice by Dutch authorities.

#### 4) UBER BUSINESS MODEL

The UBER business model operates under a very defined structure.

UBER will test a new city or town by offering promotions or FREE rides. This way UBER are not breaking any legislation since they are not charging for the service. They offer promotions like UBERKittens, UBER Ice Cream and UBER Rides (using sports cars). UBER's aim is to generate excitement and "word of mouth" exposure. It is accompanied by mass social media sharing and cross promotion. UBER recruit drivers by offering guaranteed minimum hourly rates, the offer free rides or fare discounts to entice new riders onto the App.

#### 5) UBER DRIVER RECRUITMENT

UBER will recruit drivers on mass by offering;

**"guaranteed minimum hourly rates"**,  
**"guaranteed minimum weekly rates"**,  
**"guaranteed monthly minimum rates"**, and  
**"Driver sign on bonuses"**.

Current Brisbane Incentives | Uber Blog

	MON	TUE	WED	THU	FRI	SAT	SUN
4am	\$30	\$30	\$30	\$30	\$30		
	\$30	\$30	\$30	\$30	\$30		
6am	\$30	\$30	\$30	\$30	\$30		
	\$30	\$30	\$30	\$30	\$30		
8am	\$30	\$30	\$30	\$30	\$30		
10am							
12pm						\$40	
						\$40	\$30
2pm						\$40	\$30
							\$30
4pm							\$30
					\$30		\$30
6pm					\$30	\$30	\$30
					\$30	\$30	\$30
8pm					\$30	\$30	\$30
					\$30	\$30	\$30
10pm				\$30	\$30	\$50	\$30
				\$30	\$30	\$50	\$30
12am				\$30	\$30	\$50	\$30
				\$30	\$30	\$40	
2am					\$30	\$40	
					\$30	\$40	
4am					\$30	\$30	
					\$30	\$30	

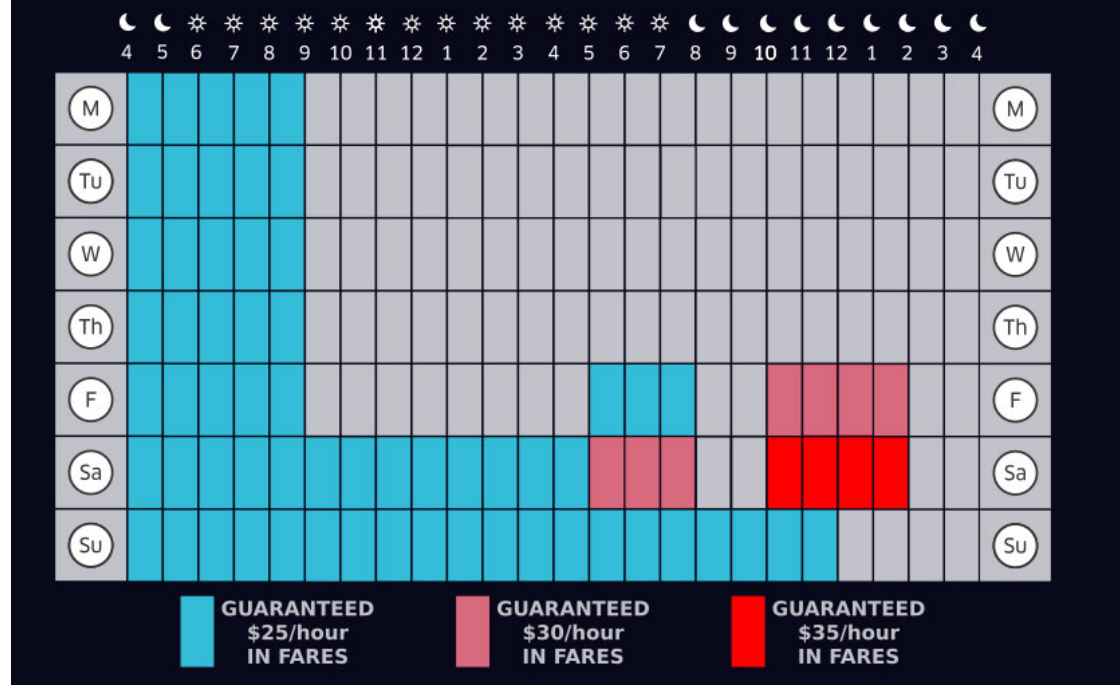
# GUARANTEED HOURS



## WEEKEND GUARANTEES,

Take advantage of \$25 and \$30 guarantees during peak hours over the weekend!  
We'll prove to you that \$1,000+ over the weekend is not unrealistic!

# GUARANTEED HOURS



## 72 GUARANTEED HOURS OF FARES DURING YOUR FIRST MONTH!

We are so confident that you will earn big driving with Uber that we will guarantee minimum fares for 72 hours across the week while you learn the ropes and trial what hours work best for you.



## DRIVER RECRUITMENT INCENTIVES

### INVITE A FRIEND - MAKE \$400!

We are putting some serious money on the table in the ramp up to what will be a super busy Summer!

Tell friends to sign up to drive using your referral code

After they do 20 trips, you will get \$400

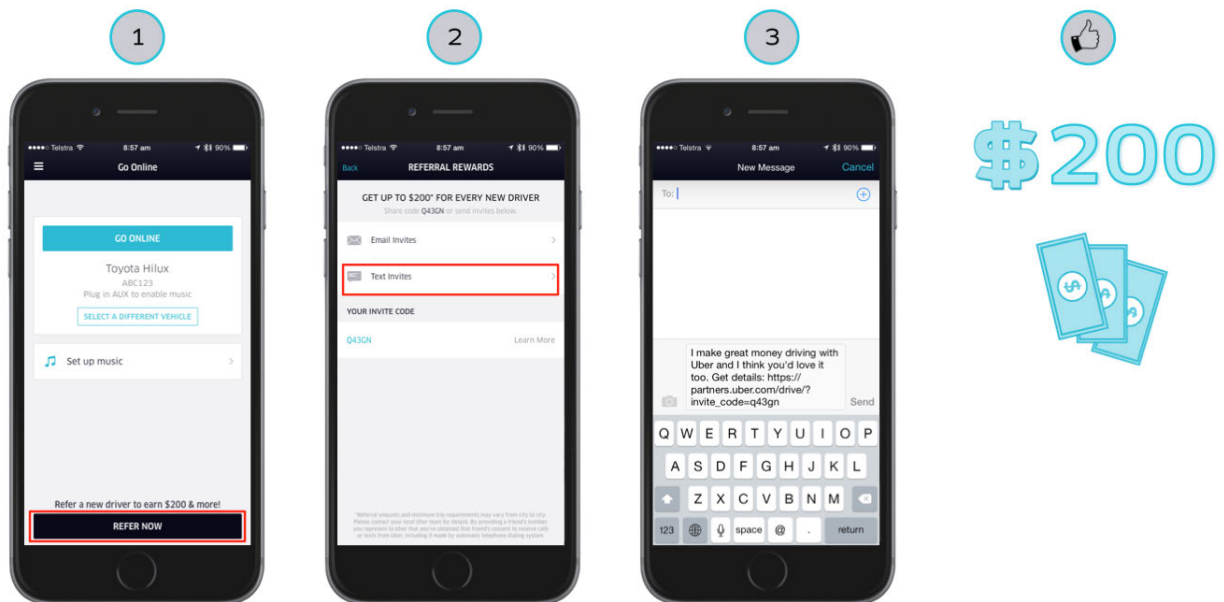
Don't stop now! Collect as many \$400 referral incentives as you can – this offer ends 11th October 2015!

You MUST refer via the partner app

You must be an activated partner for the referral reward to be redeemed

These referral rewards are for a limited time only. Referral must be referred and complete 20 trips before 11 October 2015

You must be a Brisbane Partner and be signing up in Brisbane

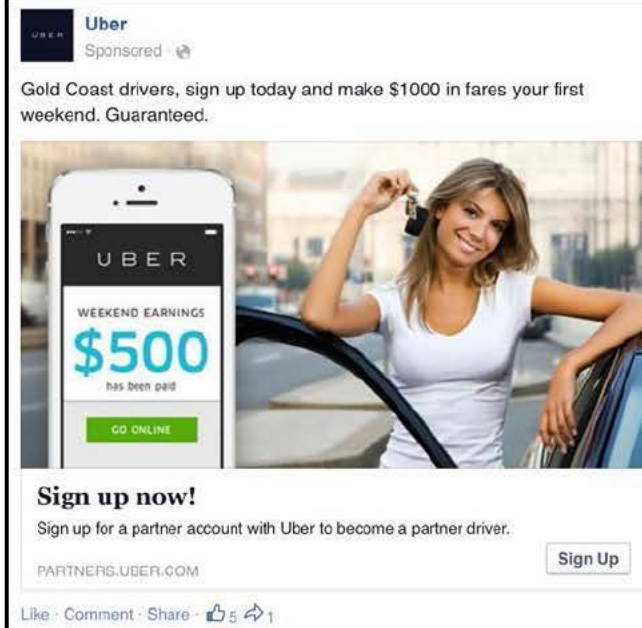


These guaranteed minimum hourly rates ensure the drivers are on the road even if there is no demand for the UBER X service. UBER will recruit drivers from a cheap rented office or mobile recruitment stand. UBER have used major shopping centres (Toombul & Morningside), community halls and bowls clubs.

Initially UBER will offer drivers huge sign on bonuses \$250 - \$500. This is paid after they have completed a certain number of trips on the platform. To ensure they continue to grow their driver base UBER offers current drivers additional sign up bonuses if they are able to recruit new drivers onto the platform, again these are in the range of \$250 - \$500 per recruitment.

In one recent promotion the driver who recruited the most new drivers into UBER in the month received an additional \$2500.

 **UBER: YOU NEED TO FINISH SIGNING UP!** We won't be at Ashmore today but we will be at **SOUTHPORT -16 Bailey Crescent** Monday, Wednesday, and **Thursday from 3-6pm** and **Saturday from 10am-2pm**. Work when you want and make great money just driving. We aim to have you in and out in 15 minutes. Click here for details on all of our **NEW HOURS** [t.uber.com/gcinfo](http://t.uber.com/gcinfo). Reply stop to opt out





**Uber**  
Sponsored

Gold Coast drivers, sign up today and make \$1000 in fares your first weekend. Guaranteed.

**WEEKEND EARNINGS**  
**\$500**  
has been paid  
[GO ONLINE](#)

**Sign up now!**  
Sign up for a partner account with Uber to become a partner driver.

[PARTNERS.UBER.COM](http://PARTNERS.UBER.COM) [Sign Up](#)

Like · Comment · Share ·  5  1

UBER actively promote their recruiting process via email and text message. They will have you "in and out in 15 minutes". UBER's recruitment process can be completed in under 15 minutes and this is a feature they are eager to mass promote.

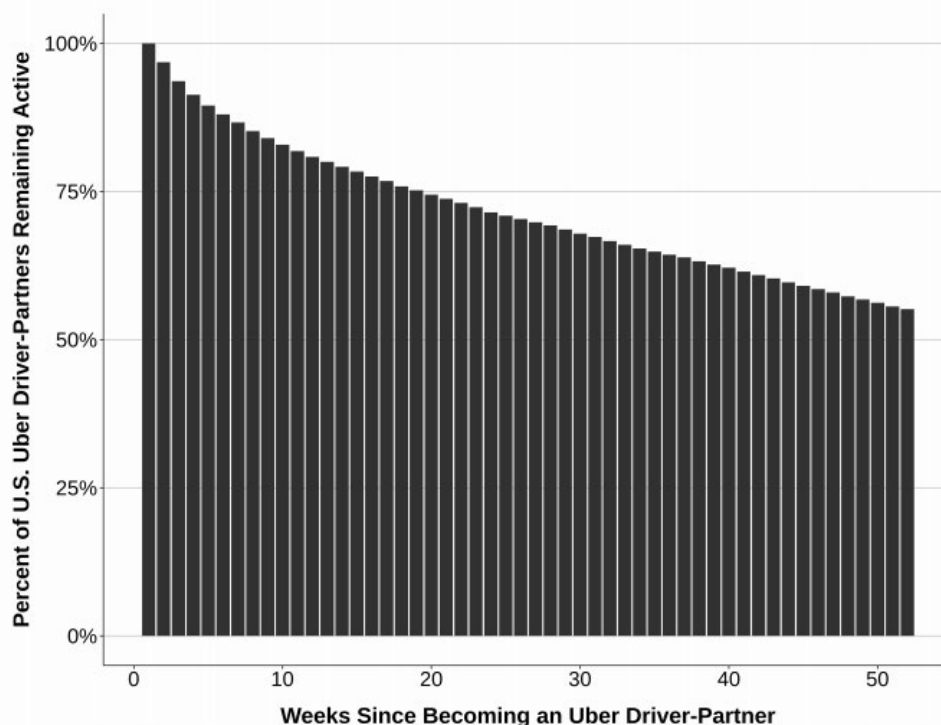
UBER also uses social media to promote the UBER driver. They put a face to the service and try to produce an emotional attachment to the drivers profile. Typically UBER use a single mother struggling to pay the bills, a university student laboured under high university fees or a pensioner struggling to get by on the government pension.

This guaranteed sign on bonus, guaranteed minimum hourly fares, minimum sign on process (15 minutes) and flexible hours ensures the take up for UBER X has numbered over 1000 drivers on the Gold Coast and over 3000 drivers in Brisbane.

The Gold Coast has 357 full time taxi licences. The effect of having over 1000 additional UBER X drivers on the road every weekend, long weekend and during major events has ensured a dramatic decrease in taxi driver income, taxi operator income and overall taxi usage. The simple fact is that there are now an additional 1000 UBER X drivers actively driving in the major night club precincts, restaurant areas and at major events means that there are major issues with public parking spaces resulting in congestion and limited access for the public who book and use taxis. These illegal taxi services actively park on taxi ranks, bus ranks and in no stopping zones posing a significant safety hazard.

The offer of FREE rides or heavily discounted promotional fares has resulted in regular taxi user numbers being down. It is extremely difficult to compete against a competitor that has no overheads, no tax liabilities, no commercial insurance policies or no class 3 CTP.

**Figure 6: Continuation Rate for U.S. Drivers Over the Course of a Year**



Note: Figure based on U.S. UberBLACK and uberX driver-partners who made their first trip between January and June of 2013 and had subsequently made at least four trips (11,267 individuals). A driver is classified as becoming inactive at the start of any period in which he or she does not record a trip for six or more months.

Evidence from the USA indicates UBER has a huge driver churn over rate. Just over 50% last a year. When you consider this churn over rate you must consider the USA has relevant state minimum wage amounts considerably below the Australian Minimum Award Wage. USA drivers have no 401K (superannuation) plan and limited medical coverage.

Drivers on the UBER X platform have no limitation to the hours they work. There is no fatigue management plan. UBER have indicated the majority of their drivers drive as a second job or to supplement income from another job. This poses huge risks to the travelling public especially when you consider the driver who has been awake all day at a primary job then drives in the peak hours of 6pm till 3am on busy nights.

## **6) DRIVER PAYMENTS**

UBER does all fare calculations, electronic banking transactions for the fare, receipt processing and driver invoicing. The rider receives an electronic receipt with a breakdown of the fare via email. The driver receives an electronic receipt for their portion of the fare (80%) which is settled once per week directly into their nominated bank account from UBER B.V which is UBER's Netherlands entity. All transactions are handled via overseas entities and all payments processed via UBER's Netherlands entity UBER B.V.

The fact UBER guarantee minimum hourly fare rates indicates that UBER have employer responsibilities. When a contractor is guaranteed a minimum rate then they become an employee. This means Workcover Premiums, payroll taxes, Superannuation Guarantees. The Queensland Government is losing millions of dollars in revenue by allowing UBER to classify its drivers as contractors when really at times they are employees.

## 7) PROMOTIONAL OFFERS, FREE RIDES, DISCOUNTED FARES, UNIVERSITY RIDE

UBER use targeted promotional offers, free rides, discounted fares to recruit new riders onto the App. They target universities via student guilds, orientation days and social events. UBER actively recruits university students to act as UBER ambassadors, their main function is to spread the word about UBER and recruit new riders.

**Melbas On The Park**  
January 9 at 4:20pm · Edited ·

Bring the magic back to Melbas...

The fabulous event Magic millions is happening at the Gold Coast Turf Club on Saturday 10th and guess what, afterwards the party is back at Melbas. We have partnered with Uber to get you a super cheap trip... maybe even FREE? All you have to do is Download the Uber app (uber.com/app) and enter the promo code **MAGICMELBAS** and new users will get up to \$40 of your first ride!

Skip the hot and smelly bus ride and travel in style in an air-conditioned car, get to Melbas with Uber!

**HEADING TO MAGIC MILLIONS? PARTY BACK AT MELBAS**

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Scoopon | \$30 Worth of Uber Rides

**Scoopon**.com.au GOLD-COAST-MC, 4217

MY SCOOPONS | SIGN IN | MY CART

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UP TO \$30 VALUE | UP TO 93% DISCOUNT | UP TO \$28 SAVING | **\$2** | **BUY NOW**

2 DAYS LEFT TO BUY

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**UBER**  
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**\$2 FOR \$30 UBER RIDES**

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We would like to officially invite you and your guest to our VIP reveal of the new Shooters Nightclub.

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**TONIGHT 8 P M**

UBER  
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for up to \$40 UBER credit for your ride to or from the Shooters VIP Reveal.  
Don't Drink & Drive. UBER for free with Shooters Nightclub.

Once it has the driver base UBER officially launches into the town or city. UBER offers massive promotional fares, free rides and free university transfers. These free or heavily discounted rides are promoted via mass on social media eg. Facebook, Twitter, Scoopon, daily deal websites. UBER also partners with legitimate businesses like nightclubs, university guilds, popular restaurants, social and sporting events. These promotional partnerships appear to legitimise their illegal service in the travelling publics eyes.



Uber is offering FREE RIDES to GU students travelling to or from Griffith University during Semester 2 exam block.

#### HOW TO GET YOUR FREE RIDES

Download the Uber app for iPhone, Android or Windows  
 Register and Sign-In  
 Enter the promo code GUGCSEM2  
 Request your Uber, jump in and enjoy some stress-free travel!

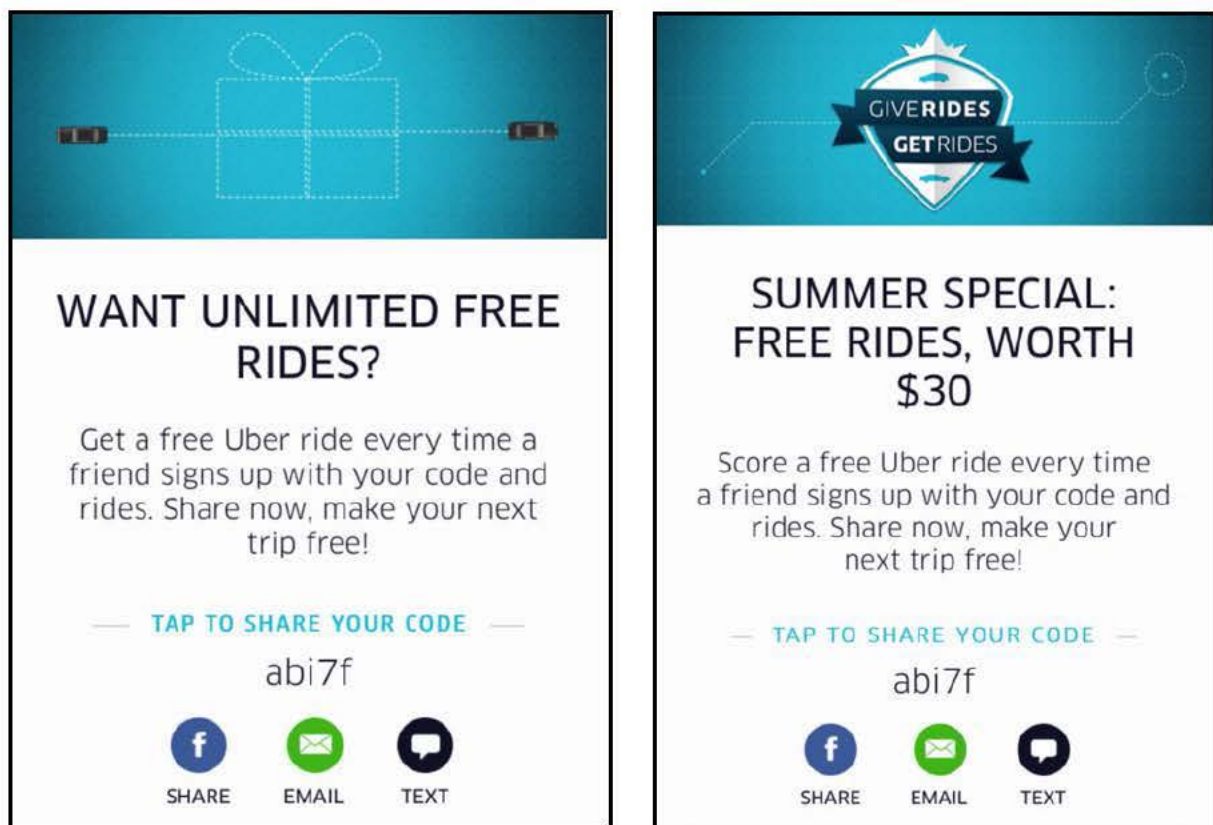
T&C's: Promo code valid to or from Griffith University Gold Coast only.  
 Valid 8th November – 22nd November 2014.  
 One free ride up to \$30 off for new or existing Uber users.

#### 8) UBER DRIVER AND RIDER INDIVIDUAL UNIQUE PROMOTIONAL CODES



The UBER driver and rider are both used as a very effective marketing tool. Each driver and rider when they sign up to the App platform are issue with a promotional code unique to that individual. No one else in the world has that code. This code allows the driver to promote the service and UBER will offer them financial incentives to spread their individual codes. This is usually done via business cards, personal Facebook pages, twitter accounts.

The rider is also financially incentivise to spread their promotional code. For every person who uses their individual code to recruit a new sign up they get a future financial incentive. This pyramid scheme of referrals, recruitment and promotion ensures the driver and rider get a tangible financial outcome for spreading the UBER service and gaining new sign ups to the App.



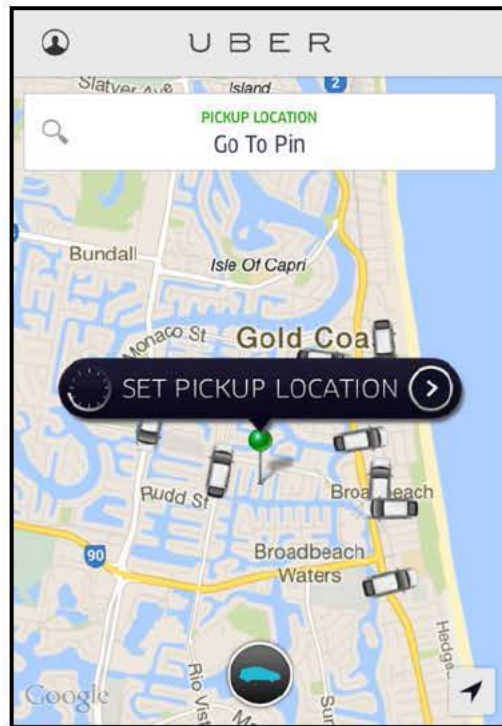
UBER uses social media to push these promotional codes. UBER constantly targets social media via Facebook, Twitter and Emails.

## 9) UBER APP PROMOTIONAL CODES

When the rider launches the UBER App to book a car often a pop up screen will appear. This will indicate a new fare promotion, discount, sign up bonus. It actively encourages the rider to cross promote the service with friends and colleagues via social media or at certain events to gain financial benefits towards future rides.

## 10) UBER APP OPERATION

The UBER App needs to be explained so the committee can have a clear understanding of its functionality. The DTMR representatives provided inaccurate details about the UBER Apps functionality and confirms their "knowledge of the app is very limited". It is of some concerning that DTMR representatives have had limited exposure and understanding of the true illegal nature of the App and the way it operators, functions and dispatches jobs.



The UBER App when opened by the rider co-ordinates their location via the GPS receiver built into the smart phone. The user interface (screen) will show the rider the nearest 8 UBER cars (if there are 8 vacant within a prescribed area). If the rider decides to book an UBER car the job will be dispatched to the nearest vacant UBER car.

The driver of that UBER car will then have 15 seconds to accept or decline the job. If the driver accepts the job, details are dispatched to the drivers phone.

If the driver does not accept the job it is dispatched to the next nearest vacant UBER car, and so on.

Contrary to DTMR representatives understanding of the UBER App, UBER does dispatch the job to the nearest vacant car, the rider does not choose which UBER driver they want.

UBER dispatches the job details to the drivers phone and then dispatches the drivers information to the riders phone.

## **11) CURRENT PUBLIC PASSENGER TRANSPORT LEGISLATION**

The DTMR response was "the current legislation is not a modern day approach to modern day technology". I believe this is inaccurate. The issue is not legislation, the issue is compliance and enforcement.

The current legislation both the *Transport Operations Act 1994* (current 29th September 2014) and the *Transport Operations Regulations 2005* (current as 11th September 2015) have been amended via gazetted changes over the years to provide a very effective public passenger transport regime.

The DTMR representatives clearly demonstrated that Queensland has the "most effective taxi regime". That regime requires Drivers Authorisations (DA), Taxi Operator Accreditation (OA), government contracts with Taxi Booking Companies (TBC) that mandate Minimum Service Levels (MSL). These MSL are monitored and publicly available every 3 months. There is mandated minimum fleet percentages for Wheelchair Accessible Taxis (WAT) with mandated minimum response times.

The DTMR representatives indicated the legislated requirements for Taxi Security Camera System (TSCS), maximum fares structure, industry security levies, licensing levies, taxi meter calibration, fleet wide EFTPOS facilities, real time GPS recording and tracking, dispute resolution processes, driver bailment agreements (ensuring minimum standards) and appropriate levels of Compulsory Third Party (CTP) Insurance.

All of these legislative requirements have been implemented via gazetted changes over the years to ensure the current public passenger transport legislation provides the worlds best taxi service regime. This was again confirmed by the DTMR representatives.

What was not envisaged was a commercial entity that would ignore the legislation and have the financial capability to simply pay the financial penalties. If financial penalties are not acting as the deterrent they are intended for then other legislative changes like this privates members bill amendments need to be used to ensure compliance.

It is concerning when a company factors in to their expenses paying fines rather than compliance. The issue of non compliance and fine payment is evident both in Australia and in overseas jurisdictions.

## **12) DTMR COMPLIANCE AND ENFORCEMENT**

In May 2014 the Department of Transport and Main Roads (DTMR) issued UBER with a "cease and desist order". Compliance commenced when UBER ignored this order and to date according to DTMR 1286 infringements have been issued and paid. Totalling \$1.468 million in fines. 189 are being challenged.

To correct the record UBER are not asking the drivers to pay the fines and then reimbursing them as indicated by DTMR representatives. UBER instead have instructed their drivers to submit the infringement notices with the fines to their offices in Brisbane 7/441 Nudgee Rd, Hendra and now 16 Bailey Crescent Southport so that UBER can pay the fines on their behalf.



The fines are paid by a legal firm thus ensuring UBER are not seen as being involved in any illegal activity. The fines are paid in blocks of \$50000.00 at a time. DTMR are fully aware of this payment structure.

In early January 2015 the ABC 7:30 Report program ran a story on how UBER had commenced blocking DTMR Compliance Officers from carrying out their undercover compliance operations. UBER blocked the DTMR Compliance Officers by blocking phones, SIM cards, credit cards and actively sort out personal details of the individual DTMR Compliance Officers.

The DTMR representatives confirmed covert compliance operations where hampered by UBER actively blocking SIM cards, phone handsets and credit cards.

According to the ABC 7:30 Report

*The fines, however, appear to be having little impact on Uber, as the company has deep pockets and is paying the penalties on behalf of its drivers.*

*Gold Coast driver Debra Walsh said she had been instructed to ignore the ban.*

*"They've told us to keep operating and if we do get fined, they are covering the fines at the moment," she told 7.30.*

In Western Australia Transport Minister Dean Nalder revealed in October 2014 UBER was avoiding prosecution by banning Department of Transport compliance officers from using its service.

*Some operators are actively evasive and may actively block investigators, in particular from accessing applications relating to their booking systems on electronic devices.*

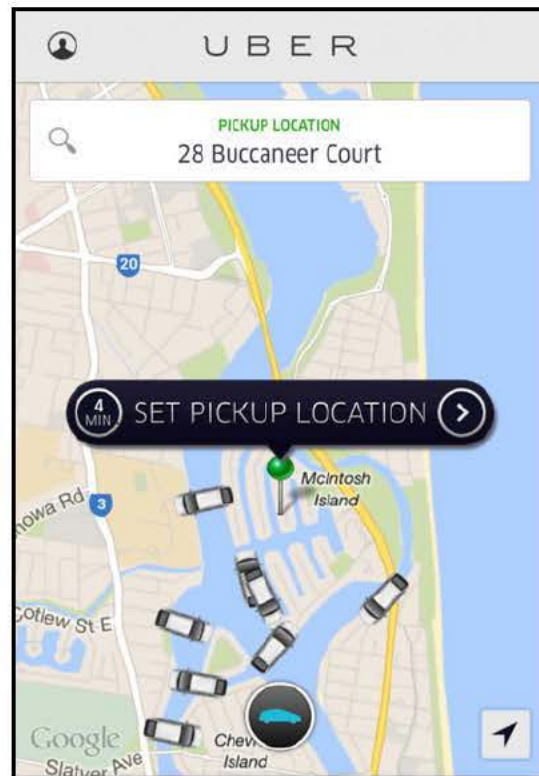
*It is understood Uber has the compliance officers' names and phone numbers and is able to blacklist them from accessing the app.*

Source ABC online news By Jessica Strutt  
Updated 7 Jul 2015, 2:38pm

### 13) "GHOST CARS"

After the January 2015 ABC 7:30 Report program UBER actively changed their App User Interface (screen) to show false "Ghost" cars. These "Ghost" cars only appeared on the UBER App when the rider was in Queensland. In no other state did "Ghost" cars appear.

These "Ghost" cars flooded the Brisbane and Gold Coast areas. It showed fake UBER cars driving around en mass which was a deliberate action to confuse the DTMR Compliance Officers from simply catching UBER drivers by locating them using the UBER App.



These "Ghost" cars created problems for the UBER riders who were now seeing fake UBER cars all over their screen.

As can be seen from the above photo "Ghost" cars appeared everywhere including in the waterways of the Gold Coast. This was a deliberate action by UBER to confuse the DTMR Compliance Officers as to the real location of UBER drivers cars. This was a deliberate action by UBER.

These "Ghost" cars were removed when the Deputy Premier announced in July 2015 on Queensland ABC radio:

*"What is clear is that in other jurisdictions, other jurisdictions have made a place for UBER without diminishing the importance of the taxi industry that is already established."*

This comment was taken by UBER as an indication that the Queensland Government would create legislation for UBER to exist in Queensland. UBER's belief was that their agenda to get the government to create legislation to allow them to operate had been achieved.

Recently UBER changed its sign up requirements only for Queensland customers. They now require photo identification. This ensures personal profiles can be screened, again ensuring DTMR Compliance Officers who's profiles are known from previous blockages are remained locked out of the UBER App.

These deliberate actions demonstrate a company that will actively seek out and block government from conducting lawful compliance actions. As evident from overseas even when UBER is allowed to operate legally within new legislation they will block and refuse to comply with legislated compliance if it does not fit into their business model.

*On 15th July 2015 UBER was fined \$7.3M USD*

*Judge Robert M. Mason III has fined the ride-hailing company that sum of money for failing to comply with mandatory reporting requirements of the California Public Utilities Commission. The CPUC asked Uber, Lyft and Sidecar for their ride information in September 2013. The commission wanted data on the number of rides given within each ZIP code, the cost of trips, the cause of accidents when the companies' drivers were involved, the percentage of ride requests fulfilled.*

Source [www.cnet.com/au](http://www.cnet.com/au)

*On January 6th 2015 UBER refuse to hand over agreed data to the New York Taxi and Limousine Commission. UBER committed to sharing its trip data when it came to New York as part of a pilot project, as well as when it opened bases.*

*A judge from the independent OATH Taxi and Limousine Tribunal suspended the bases Weiter, Hinter, Schmecken, Danach and Unter in a hearing Tuesday — finding them guilty of violating the city's rules. Eventually UBER backed down in late January and handed over the required data.*

Source [www.nypost.com](http://www.nypost.com)

#### **14) UBER's SUBMISSIONS TO GOVERNMENT AGENCIES**

Recently UBER submitted letters and documents outlining their view on ridesharing, dispatching, ranking and regional expansion. I have investigated several of these statements and have provided the correct information about these issues.

Mr Jordan Condo Head of Public Policy Asia Pacific UBER submitted a letter to Professor Ian Harper on Monday 17/11/2014.

Mr Brad Kitschke Director Public Policy Oceania UBER submitted a letter to Dr Peter Boxall AO Chairman Independent Pricing and Regulatory Tribunal of New South Wales.

In May 2015 UBER delivered a submission to all members Queensland Parliament, it was titled "**RIDESHARING A 21st Century Transport Solution For Queensland**".

Mr Condo states "*Ridesharing is not a new concept, people have been sharing and pooling rides for decades, with many schemes endorsed by governments around the world*".

Later in the letter Mr Condo then states "*ridesharing should be recognised as a new and unique industry*".

The concept of car pooling has been around for decades and is not new the public has a very clear understating of how and why it operates. UBER now want to commercialise the car pool system under a banner called "ridesharing". UBER are simply changing the name from car pooling to ridesharing. UBER's main aim is to make money from the car pooling concept.

*"Governments in Queensland have previously promoted the idea of sharing rides. The Travel Smart programme actively promoted travel sharing arrangements for workplaces"*.

### *Carpooling*

- *sharing the cost of petrol and parking with friends.*
- *reducing the pollution and congestion in our communities.*
- *reducing our travel time during peak hours.*
- *share costs.*

*UBER's smartphone app simply connects two people. One who has a car and can provide a ride, and one who needs a ride and is willing to pay the other something for it"*.

The concept of car pooling was to share the costs of the journey. UBER have commercialise car pooling into a business where they charge more than the costs of the journey. UBER and the UBER driver by charging above the costs of the car pooling service they are operating an on demand taxi service. They are making a profit from their illegal taxi service. UBER is setting the journey fare price well above the expenses for the journey. UBER dictate the amount the rider "*is willing to pay the other*".

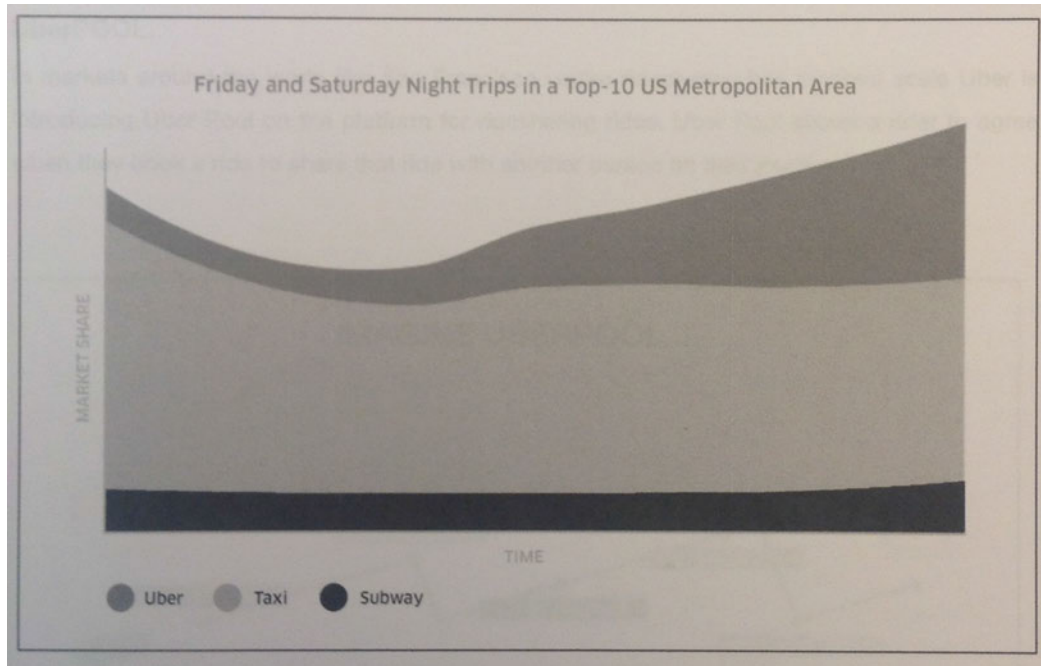
I fully support the concept of car pooling and the sharing of costs for the journey. I am not for profiteering from the car pooling concept which is what UBER and the UBER driver are doing.

Mr Condo states "*While ridesharing competes with the taxi industry, ridesharing is not a taxi service*".

Mr Kitschkle states again "*While ridesharing competes with the taxi industry, ridesharing is not a taxi service*".

The DTMR has declared the UBER X service an illegal taxi service so it is evident that ridesharing by UBER's definition does directly compete with the legal taxi industry.

*"Ridesharing is not a taxi service and in more mature markets, including Queensland, the evidence suggests that while it does compete with other services, it is a complement to both taxis and public transport and is growing the entire market and creating net new jobs"*.



The graph produced by UBER's own research indicates that the taxi market in fact actually shrinks when UBER X enters the marketplace. The resultant amount of market share the taxis have is less.

*"No service facilitated by UBER can accept street hails, our driver-partners do not utilise ranks and requests are not allocated through a taxi dispatch model. As UBER partners do not rank and hail they are not competing with taxis for these services".*

*"Ridesharing trips are not anonymous, cannot be hailed on the street, do not use taxi ranks and do not have taximeters".*

*"The rides provided by UBER driver partners are not a taxi service. Ridesharing does not and is not seeking to utilise rank and hail. This will always be the role of the taxi. This is a distinct difference."*

*"No service facilitated by UBER can accept street hails, our partner drivers do not utilise ranks, requests are not allocated through a taxi dispatch model".*

## **UBER DOES ALLOCATE THROUGH A TAXI DISPATCH MODEL**

From information supplied by UBER to the DTMR and accessed under Right To Information (RTI) it is clearly evident that UBER does dispatch like a taxi dispatch model. The job is sent to the nearest UBER X partner vacant car if the driver accepts it then as evident by the UBER data sheet it is "dispatched".

# How does uberX work?

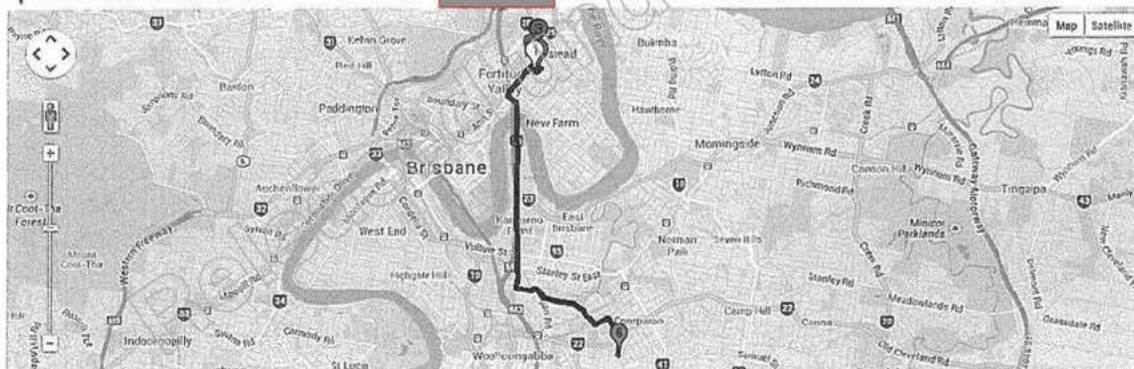


- Registered and verified riders can request a ride through the Uber smartphone app
- Once logged into Uber, riders can request the nearest uberX partner

UBER

# No anonymity, trips tracked by GPS

Time	State	User	Address	Display Int/ing <input type="checkbox"/>
00:00 - 16 May, 2014 7:12:35p EST	requested	Part Refuse Sch...	15 James Street, Fortitude Valley QLD 4006, Australia	<input type="checkbox"/>
00:00 - 16 May, 2014 7:12:35p EST	dispatched		-27.452644293, 153.039482303	<input type="checkbox"/>
00:07 - 16 May, 2014 7:12:42p EST	accepted		-27.452766405, 153.039606756	<input type="checkbox"/>
00:54 - 16 May, 2014 7:13:29p EST	arrived		-27.454991282, 153.03855108	<input type="checkbox"/>
03:04 - 16 May, 2014 7:15:39p EST	begintrip		22 James Street, Fortitude Valley QLD 4006, Australia	<input type="checkbox"/>
16:23 - 16 May, 2014 7:26:58p EST	completed		Grace Street, Coorparoo QLD 4151, Australia	<input type="checkbox"/>



## UBER DRIVER PARTNERS DO UTILISE RANKS

As evident by UBER documents they do rank at the Brisbane and Gold Coast Airports they call it " First In First Out Queues". This queuing system has the same principles as a rank. First in is first out. If you are within the marked area you are in the queue. Rider requests are directed to the driver waiting longest in the queue, rather than the closest.

### FIRST-IN FIRST-OUT AIRPORT QUEUES



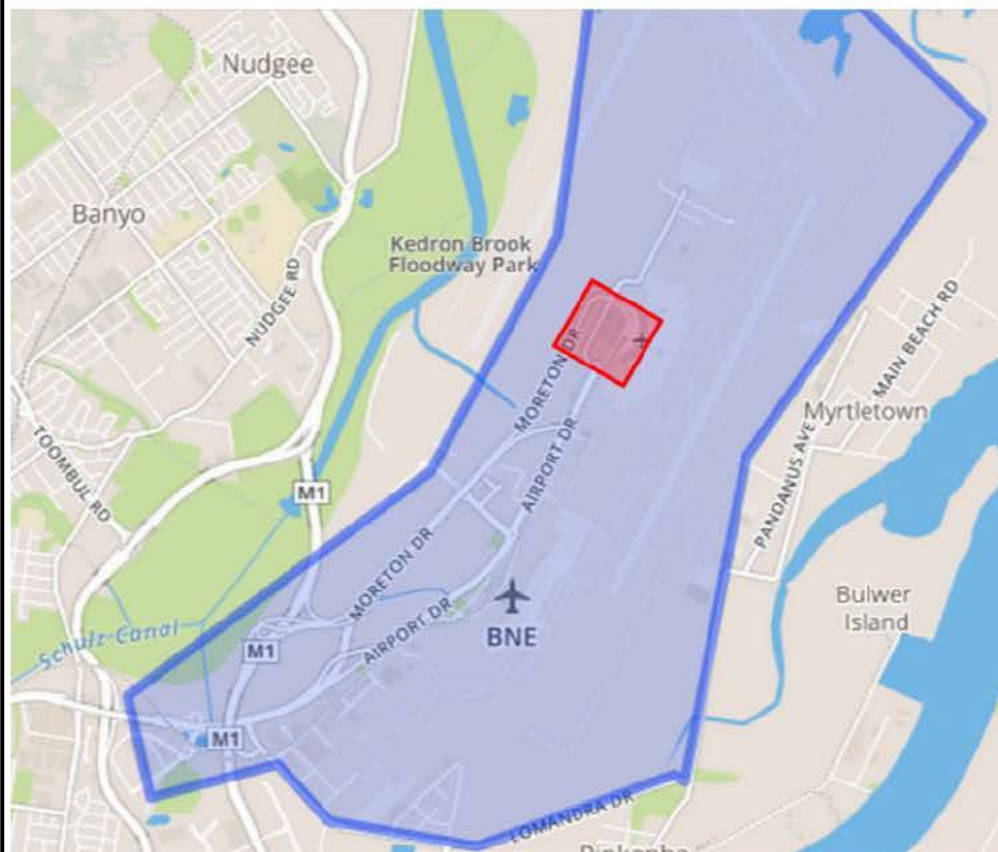
#### The Basics:

Requests at the airport are assigned to partners based on who has been waiting the longest, rather than who is closest

This means that once you enter the airport area and are Online, then you are in the queue

This applies to all riders and partners within the airport area

### BRISBANE AIRPORT WAITING AREA



The Purple area above shows the waiting area for the Brisbane Airport

The **Red Area** is not part of the waiting area. You will not receive a request while in this area

*(This area is similar, but slightly different to the area you will see in the Partner app)*

# GOLD COAST AIRPORT WAITING AREA # 480



The Purple area above shows the waiting area for the Gold Coast Airport  
(This area is similar, but slightly different to the area you will see in the Partner app)

## FREQUENTLY ASKED QUESTIONS

**Q:** Why the change?

**A:** As Uber has grown, there are more and more cars waiting at the airport pickup area. This causes congestion for other vehicles, consumes fuel that you are paying for and can put you in an awkward position with the Airport Security personnel. We can avoid all of this by letting you wait in a comfortable location where you can stretch your legs, get a cup of coffee or something to eat and use the bathroom

**Q:** How do I know if I'm in the Airport queue?

**A:** If you're Online and within the marked area on the maps above, then you are in the queue

**Q:** How do I know how long I will be waiting for a rider request?

**A:** In coming months we hope to have a system to let you know how many cars are in front of you in the queue and an estimated time until you are at the front of the queue. Until then, you can use the Uber rider app to see how many other Uber cars are around the airport area. If you see many cars as you move the pin around the airport area, it may be better to leave the airport and find a busier area of the city

**Q:** Can I lose my place in the queue?

**A:** You will go to the back of the queue if you:

- Leave the Airport waiting area
- Reject a rider request (you won't be affected if the rider cancels)
- End a trip in any way EXCEPT if the rider cancels



UBER has also shown in other areas they will create holding areas and ranks dedicated only for UBER cars. This occurred in Perth at a major sporting event.



The sign reportedly placed outside HBF Stadium on the weekend.

The sign was reportedly placed outside HBF Stadium on the weekend 14-16th August 2015. Uber illegally set up ranks outside HBF Stadium in Mount Claremont.

Uber had set up a massive neon sign saying "Pick Up Uber" on Friday night outside the stadium, which was hosting the Perth Darts Masters.

*"In Queensland, driver partners provide rides in Brisbane and the Gold Coast with plans to expand to other areas".*

## **REGIONAL EXPANSION OF UBER**

One area that is of major concern for the taxi industry is those smaller regional areas and towns where the local taxis service is an integral part of the community providing much needed 24/7 transport. This includes transporting and assisting the elderly, our war veterans, handicapped or disabled community members to appointments or for just general transport needs.

Many regional taxi services rely heavily on the influx of tourists during the holiday season. They also rely heavily on major sporting, social or community events. Most regional taxi companies provide much needed sponsorship for these events as well. They rely on these seasonal peaks and major events to get them through the leaner times. These local taxi companies provide much needed employment for drivers, dispatchers, qualified trade persons and office staff. Taxi operators usually source their mechanical workshop and office supplies from local suppliers. This financial community support is vital for these regional towns.

On the 26th of December 2014 UBER launched a Pop up ridesharing service to cater for the summer peak period on the Victorian Mornington Peninsula. UBER heavily promoted its arrival with FREE rides and heavily discounted fares.

UBER's own promotion boasted that "*The area is serviced by 96 taxis*"

*"UBER's pop up over the summer months added an additional 50 vehicles on the road, providing rides to more than 20,000 people".*

UBER flooded the Mornington Peninsula offering FREE rides up to the value of \$40 from the Portsea Hotel when a new rider downloaded the App. Obviously this had a devastating effect on the income of the local taxi drivers and owners. When the holiday crowds left UBER also simply left and no longer offered their service. The local taxi industry had to resume catering for the 24/7 needs of the community.



The image shows a screenshot of a sponsored advertisement from Uber. At the top left is the Uber logo. To its right, the word "Uber" is written in blue, followed by "Sponsored" and a small globe icon. Below this, the text reads: "Earn up to \$20-30/hour in fares driving in Mornington Peninsula with uberX! Apply now and start making some serious cash!". The central part of the ad features a photograph of a smiling woman with long brown hair, wearing a grey long-sleeved shirt, leaning out of the driver's side window of a white car. Below the photo, the text says "Sign up now!" in bold, followed by "Sign up for a partner account with Uber to become a partner driver..". At the bottom left, the URL "PARTNERS.UBER.COM" is displayed. At the bottom right, there is a rectangular button with the text "Sign Up".

UBER have indicated they have expansion plans into regional areas of Queensland. They can also offer a rapid response time peak seasonal pop up ridesharing services as evident in the Mornington Peninsula exercise. They will specifically target towns with high seasonal tourism volumes, universities, major sporting, cultural or community events.

UBER has publicly announced driver recruitment in Newcastle and Hobart whilst recently offering UBER ICE CREAM promotions in select regional Australian towns.

**Adelaide, Australia**

Serving Gelato Messina \$15 for one 470ml tub

**Ballarat, Australia**

Serving Gelato Messina \$15 for one 470ml tub

**Bendigo, Australia**

Serving Gelato Messina \$15 for one 470ml tub

**Brisbane, Australia**

Serving Gelato Messina \$15 for one 470ml tub

**Bunbury, Australia**

Serving Gelato Messina \$15 for one 470ml tub

**Byron Bay, Australia**

Serving Gelato Messina \$15 for one 470ml tub

**Cairns, Australia**

Serving Gelato Messina \$15 for one 470ml tub

**Canberra, Australia**

Serving Gelato Messina \$15 for one 470ml tub

**Darwin, Australia**

Serving Gelato Messina \$15 for one 470ml tub

**Geelong, Australia**

Serving Gelato Messina \$15 for one 470ml tub

**Gold Coast, Australia**

Serving Gelato Messina \$15 for one 470ml tub

**Hobart, Australia**

Serving Gelato Messina \$15 for one 470ml tub

**Melbourne, Australia**

Serving Gelato Messina \$15 for one 470ml tub

**Parramatta, Australia**

Serving Gelato Messina \$15 for one 470ml tub

**Perth, Australia**

Serving Gelato Messina \$15 for one 470ml tub

**Sydney, Australia**

Serving Gelato Messina \$15 for one 470ml tub

**Townsville, Australia**

Serving Gelato Messina \$15 for one 470ml tub

**Wollongong, Australia**

Serving Gelato Messina \$15 for one 470ml tub

**15) CRIMINAL CODE 1899 (Qld)****10. With respect to the Criminal Code 1899 (Qld) (“the Code”):****Section 7 of the Code states:****Principal Offenders****(1)**

**When an offence is committed, each of the following persons is deemed to have taken part in committing the offence and to be guilty of the offence, and may be charged with actually committing it, that is to say-**

- (a) every person who actually does the act or makes the omission which constitutes the offence;**
- (b) every person who does or omits to do any act for the purpose of enabling or aiding another person to commit the offence;**
- (c) every person who aids another person in committing the offence;**
- (d) any person who counsels or procures any other person to commit the offence.**

As evident in this submission UBER, UBER drivers and UBER Riders are non compliant with the criminal code. Section 7(1) applies to UBER's

- payment of fines of behalf of drivers,
- training and assisting drivers to actively conduct illegal taxi services,
- signing up new drivers for an illegal taxi service,
- actively promoting an illegal taxi service via promotional deals, unique recruitment codes,
- instructing fined drivers by enabling or aiding them to continue an illegal taxi service .

UBER drivers are non compliant with the code;

- they continue to operate an illegal taxi service after being issue with a fine,
- recruiting other Drivers onto an illegal taxi service platform the UBER App,
- recruiting new riders onto an illegal taxi service platform the UBER App.

## **16) TELECOMMUNICATIONS ACT 1997 - SECTION 313**

The Telecommunications Act 1997 - Section 313 gives Commonwealth, State and Territories approval to legally require Telecommunications networks and facilities from being used in, or in relation to, the commission of offences against the laws of the Commonwealth or of the States and Territories. These commission of offences include

- (C) enforcing the criminal law and laws imposing pecuniary penalties;
- (D) protecting the public purse.

UBER X has been imposed with pecuniary penalties and has been affecting the public purse. Future state income from taxi licence sales, stamp duty, licence fees are all being affected by UBER X presence as an illegal taxi service.

### **Obligations of carriers and carriage service providers**

**(1) A carrier or carriage service provider must, in connection with:**

- (a) the operation by the carrier or provider of telecommunications networks or facilities; or**
- (b) the supply by the carrier or provider of carriage services;**

**do the carrier's best or the provider's best to prevent telecommunications networks and facilities from being used in, or in relation to, the commission of offences against the laws of the Commonwealth or of the States and Territories.**

**(2) A carriage service intermediary must do the intermediary's best to prevent telecommunications networks and facilities from being used in, or in relation to, the commission of offences against the laws of the Commonwealth or of the States and Territories.**

**(3) A carrier or carriage service provider must, in connection with:**

- (a) the operation by the carrier or provider of telecommunications networks or facilities; or**
- (b) the supply by the carrier or provider of carriage services;**

**give officers and authorities of the Commonwealth and of the States and Territories such help as is reasonably necessary for the following purposes:**

- (c) enforcing the criminal law and laws imposing pecuniary penalties;**
- (ca) assisting the enforcement of the criminal laws in force in a foreign country;**

**(d) protecting the public revenue;**

**(e) safeguarding national security.**

## **CONCLUSION**

Whilst researching for this submission it has become evident that UBER has a modus operandi whereby it will ignore all legalities and simply pay fines whilst expanding its illegal taxi service. The huge financial backing of UBER (valuation \$50 billion) simply dwarfs not only long term legal taxi licence owners, operators and drivers but also governments.

UBER deliberately manoeuvres itself into the social media forum whereby it puts the long term viability of the legal taxi industry with all its constraints and limitations against a company that has no legalities and legal obligations.

UBER's massive effort to use of social media to create a false image of the Queensland taxi industry is matched only by its massive financial backing that allows it to guarantee drivers minimum hourly rates, offer FREE or heavily subsidised rides to new riders, spend hundreds of thousands on political lobbyists in Queensland whilst also paying over \$1.468 million in fines.

UBER have deliberately blocked Queensland DTMR Compliance Officers from carrying out their duties whilst at the same time publicly stating they want engagement. That engagement again is evident only on the terms and conditions that UBER stipulate to the Queensland Government. They want self regulation, minimum costs, minimum compliance, minimum legal liability and maximum profit.

UBER's deliberate blocking actions and enabling indicate clear offences under the **CRIMINAL CODE 1899 Section 7.**

In the 18 months UBER has operated illegally in Queensland it has openly ignored a government "cease and desist", mass recruited drivers and riders onto its App platform, blocked TMR Compliance Officers and simply paid fines on behalf of UBER drivers. Their business has expanded and it is evident they plan to continually expand into regional areas of Queensland with dire consequences for regional taxi and transport operators.

The current DTMR compliance and enforcement is not altering UBER's actions. I believe the only way currently to force UBER to operate within the legislation is to issue demerit points to the UBER X drivers individually. I welcome and support the Transport Legislation (Taxi Services) Amendment Bill 2015 and thank Mr Rob Katter the Member for Mt Isa for bringing this important issue to the Queensland Governments attention.

This issue challenges politicians to stand up for what is right rather than for what is popular.

Thank you  
Shane Smith  
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Queensland 4220