

Ride Share Drivers' Association of Australia

Submission to the Public Works and Utilities Committee



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Introduction

The Ride Share Drivers' Association of Australia (RSDAA) is an independent peak industry body for the Ride Share Industry in Australia. It represents its members and other supporters that operate independent small business ride share operations and advocates for fair ride sharing legislation.

The RSDAA was formed and incorporated in Queensland in 2016 and provides a voice for ride share business operators. We aim to provide policy makers with a more balanced and reasoned view of operating in the ride sharing industry whilst advocating for better conditions with ride share companies. The RSDAA is not part of any ride share company; quite the contrary. We are fully independent and a non-profit association. Ride share drivers are the coal face of the ride sharing industry. We own the vehicles, maintain their safety, have the knowledge of the towns and cities we operate in and most importantly have direct contact with the community delivering transport services daily. We are best suited to provide policy makers with the information of what customers want, what is fair for drivers and how to best achieve an integrated, safe accessible ride share industry.

Rates of Remuneration

The Ride Share Drivers Association of Australia (RSDAA) recommend that the following be implemented with the introduction of Stage 2 of Implementation of Booked Hire Services into the state of Queensland;

- a. Fair and sustainable rates of remuneration with a “floor level” enshrined into the regulations.
- b. No extra compliance costs without substantial increases in rates as ride share drivers are already burdened with costs that make it almost unviable to make any return on the work done.
- c. Compulsory fitment of cameras to be wiped from the regulations as the expense is above what can be afforded by many drivers.
- d. That CTP insurance increases be kept to an absolute minimum unless again there are substantial increases in rates paid to drivers.

Currently for UberX trips in Queensland the rates paid are as outlined below:

Flag	\$2.00	
Rate per KM	\$1.00	
Rate per minute	\$0.35	
Minimum fare	\$6.00	
Cancellation rate	\$6.00	
For a ride travelling 10 kilometers and taking 15 minutes the fare works out at:		
Km rate 10x \$1.00	\$10.00	
Time rate 15x.35	\$ 5.25	
Flag.	\$ 2.00	
Total	\$17.25	
Less expenses		
Uber Commission 25%	\$ 4.31	
Less GST 10% of total	\$ 1.72	
Vehicle operating cost	\$ 7.39	(as published by RACQ Medium 4 cyl)
Total cost for the job	\$13.42	

This does not include any allowance for km's driven to cover the job in the first place. When a job is allocated it can be anything from a few minutes away to 20+ minutes away and could result in the job being a minimum fare thus the driver is losing money. As an example, if the driver must drive 8 km's to get to the pick - up point as outlined above then there is the added cost of 8 times the operating cost (.739c/km) or another \$5.91. In this scenario, the driver is operating at a loss. \$17.25 (fare)less \$13.42 (costs) less \$5.91(dead Km's to get to job) equals a loss of \$2.08 to the driver. This fact alone contributes to the high turnover of drivers in this industry as this submission is prepared.

For the extra compliance costs suggested by the new legislation the following costs need to be calculated into the operating costs.

Drivers Authority	\$ 140.00 pa
Booked Hire Licence	\$ 237.60
Safety Certificate	\$ 77.00

Fitment of cameras	\$1500.00 guesstimate
Increased CTP (Class26)	\$ 300.00 guesstimate
Increased Registration charge	\$ 50.00 guesstimate

In the first year of operation if a driver is travelling 40,000 km the cost per Km would be an extra .06cents/km adding to further losses to the driver. In subsequent years, the extra cost would be .02cents/km

When the rates were reduced by Uber in February of 2016 “as a trial” to the current rates, fuel was hovering around \$1.00 per litre, currently fuel is around \$1.20 for unleaded fuel. An increase of 20% with no corresponding increase in rates. An increase of 30-35 cents per litre for diesel in the same period.

In the three years that Uber has been operating in Queensland there has been no CPI increases in rates paid to driver, to the contrary numerous rate reductions have been implemented.

The accepted figure is that 25% of drivers work more than 40 hours per week, and 50+ per cent work 10 hours or less per week, with the balance of drivers working between 10 and 40 hours. Based on these figures the extra cost burden set out in these regulations would be onerous and would force more than 50% of drivers out of the industry as they would simply be unable to pay these extra costs It must be also kept in mind that these cars used for booked hire work are private family motor cars.

Introduction of a new ‘price floor’ mechanism, per kilometer and per minute to prevent labour exploitation by taxi/transport booking companies. With an open market for point to point booked transport, price floor policies protect those that have the least power - the drivers of taxi and ride share vehicles - ensuring they are not exploited by taxi/transport booking companies for their labour.

A rate of at least \$1.70 per kilometer plus .50 cents per minute with a flag fall of \$3.00 would be the minimum sustainable rate for the ongoing survival of this fledgling industry.

Based on the example outlined earlier in this submission for that same 10 km trip the figures would be

Flag fall	\$ 3.00
Km's 10x \$1.70	\$ 17.00
Time 15x.50	\$ 7.50
Total	\$ 27.50

Less costs to operate	\$ 19.05
Profit on the trip	\$ 8.45

Considering that the time for this example is 15 minutes for the trip plus 12 minutes to get to the job there is at best the capacity to complete two jobs per hour and at the suggested rate outlined above the driver is still only going to earn less than \$17.00 per hour. At these rates a driver who works 40 hours per week will still only net less than \$700 per week. Certainly, not a very sustainable rate of return for the work undertaken. To make ride share fully viable in Queensland rates need to be enshrined into legislation at rates that make the work financially viable for those who are using ride share as a form of employment to provide income for their families.

Ride sharing technology enables multiple riders to relate to a single driver to be driven to the same destination. This technological advance has been marketed as carpooling. Whilst two people are using the one trip, it is not carpooling in the traditional sense; it is multi-vehicle hire as there is an independent driver. Whilst the hype of this kind of service is linked to reduced carbon emissions and getting two people into one car, the claims about environmental sustainability in the long term are dubious and untested. The pricing of these trips is designed to compete directly with public transport.

About CTP insurance premiums the RSDAA strongly recommends that premium rate increases are in line with those in WA and the ACT where the increases are near \$200 to \$300 per annum.

Contracts

The Ride Share Drivers Association of Australia submit:

- that any Booked Hire Entity should have to have Contracts for Drivers based on Queensland Law enforceable in the Queensland Court system.

- That an independent tribunal be set up to oversee complaints against drivers so that there is a “natural” course of justice available to drivers, unlike the system currently in place where a driver can be deactivated on the unfounded allegation of a rider, who is protected by the company hiding behind “privacy concerns”. Based on these unfounded allegations the driver can find himself/herself without access to the “app” with no right of reply.

The RSDAA has serious concerns about the current Uber contract used in Booked Hire as these contracts are “supposedly” based with Jurisdiction in the Netherlands. This appears to be less than factual as recently a case brought before the Employment Tribunals in the UK (*Aslam Farrer & Others v Uber BV, Uber London and Uber Britannia*) found in favour of the claimants that the contracts were unenforceable and in fact the drivers should be considered employees.

Whilst it is not the intention of the RSDAA to see drivers classified as employee drivers it is our intention to endeavor to get contracts that are fair and equitable and based on local law and enforceable in our local Court system.

It also needs to be mentioned that Uber have recently lost a court case in the Federal Court of Australia (*Uber B.V. v Commissioner of Taxation* [2017] FCA 110) where they were trying to avoid paying GST in Australia. As there is currently no GST collected on the fares by Uber this burden has now been placed onto the shoulders of drivers to pay GST on the full amount of the fare from the first dollar earned not the Nett amount after payment of commissions to Uber.

Drivers legal rights are mostly contained in contract law, the *Competition and Consumer Act 2010* and separate discrimination laws. These laws do not provide the same level of protections and fairness that would be expected by the community. Self-employed drivers are not able to enter any form of contract negotiation with ride share facilitators – it is a simple take it or leave it scenario. Costs of regulating licensing and industry should not be a barrier for entering the market where ride share drivers work generally non-full time hours per week.

Signage



The RSDAA has no objection to signage being displayed on to vehicles being used for Booked Hire but would recommend that rather than having a sign 146mm x 146mm for each affiliated entity that a single generic sign be used. With the number of operators already working in booked hire it is feasible that a driver could have upwards of 5 different signs displayed in the front and back windshield which would result in a serious safety risk to say the least.

Above is a generic sign that would cover the whole of the booked hire signage issue with little impact on safety and not giving any advertising benefit to any operator.

Drivers Authority.

The RSDAA also would like to see a cap on the number of Drivers Authorities issued as currently the main ride share operator is signing up upwards of 250 new drivers per week flooding the market and making the whole industry marginally viable at best. This not only affects the Booked hire sector but the Taxi and Limousine sector as well with flow on to all other sectors within the industry.

As stated earlier in this submission more than 50% of drivers work a small number of hours and because of poor returns do not stay driving for any extended period, but they still have a valid DA. We support the concept that if a driver is no longer actively using his/her DA then that DA should be surrendered.

Driver safety, wellbeing and fairness

Accountability for fatigue management sits with all parties in the supply chain for the personalised transport industry and follows the industry's chain of responsibility. Professional driver standards for alcohol use (zero BAC) is required for personalised transport drivers.

Accountability sits with Taxi/Transport booking companies to ensure third party drivers with restricted working rights in Australia remain within their visa rules as specified by Department of Immigration and Border Protection. Records must be kept by companies to ensure that the rules of visas are being met. 'Working time' to be defined as time on a job.

Some ride share companies state that ride sharing trips are not anonymous and this significantly improves safety for rider and driver. This is not correct. The accounts from drivers are verified, but not for the riders. Fraudulent rider accounts are created with stolen credit cards and phones on an increasing basis and the RSDAA has had members that have been assaulted, robbed and forced at knife point to drive people around and the trip was booked with a fraudulent account. The system needs more safeguards for drivers, including rider account verification and a photo if prescriptive in vehicle safety requirements are removed.

Another factor that needs consideration in these new regulations is the fact that there are no requirements for these companies to provide Superannuation, Workers Compensation, Holiday pay or Sick leave as "driver partners" are treated as Independent Contractors therefore the rates paid for each job should be at a level that the "independent contractor" can make these payments ongoing. Failure to do this will cost Government millions of dollars ongoing as there will be vast shortfalls in Superannuation payments.

Safe Pick Up Drop of Areas

Ride share drivers require adequate pick up and drop zones. Local planning and road management schemes need amendment to ensure rider safety is not compromised when boarding or alighting from a vehicle. Recommendations need to consider where and how passengers are getting in and out of vehicles in built up urban areas.

Industry Governance

The need for a reformed government agency to manage the industry is clear. The RSDAA recommends the creation of a new statutory authority with powers and responsibilities like the Taxi Services Commission in Victoria and be adequately resourced to enforce new regulations.

Advisory council to government

Queensland needs a point to point transport advisory council that reports directly to the Minister for Transport to provide a balanced view of the rapidly changing industry. The function of the Advisory Council is to provide independent policy advice and plans for improving the industry. Members of the council should include taxi, hire car and ride share industry representatives, businesses, disability advocates and drivers and customers.

The RSDAA supports an open booked point to point transport market and further point to point reforms. The public wants change, but the public also needs protection where the market fails to uphold the public interest and benefits an integrated and coordinated transport market in Queensland.

This submission has been prepared by:
The Secretary
Ride Share Drivers Association of Australia

