

**Submission to the Queensland Parliament Public Works and Utilities Committee**

RE: The Personalised Transport Reform Amendment Bill 2017

By Dr. Cameron Richards

On behalf of the **QUEENSLAND TAXI OWNERS AND DRIVERS WELFARE ASSOCIATION**

Contact: Ph. [REDACTED] and Email: [REDACTED]

**Framing any and all proposed Personalised Transport Reform amendments with a more integrated foundation to ensure a sustainable future Qld industry**

**Introduction:** We wish to provide some general feedback on the Personalised Transport Reform Amendment Bill 2017 and also some of the proposed amendments as part of the related Stage 2 Queensland taxi-cum personalised transport industry reforms. Before focusing on some particular elements, items and/or issues related to the proposed amendments, we need to provide some overall feedback and analysis of the framework being adopted. Therefore our submission will proceed in relation to (a) general feedback about the overall framework and key listed Stage 2 assumptions, (b) particular suggestions in relation to both key proposals and related industry issues, and (c) an example of the kind of overall framework needed to provide a sustainable foundation for the positive and at least well-meaning elements of the Bill.

To be clear, we do so below in the constructive terms of accepting in principle a primary assumption of the Bill that the added dimension of the so-called ‘ridesharing’ option can (but only if framed more appropriately) support a more effective and resilient overall taxi-cum-personalised transport industry in Queensland. For instance, as part of our analysis we are aware of successful models of this overseas (e.g. the GRAB model in South-East Asia) the Qld government might learn from which have generally integrated ridesharing to complement the existing taxi industry (as part of a tiered model of options). This is very different to how Australian states have tended to frame this in practice before policy (including a non-sustainable ‘silos’ view of some of the key related issues and challenges) as an unequal and inevitably disastrous battle between the existing taxi industry and the Uber corporation model. Elsewhere (Richards, 2016\*) we have also discussed why better recognition is also needed of how Australia is one of the few countries in the world that have wholly, uncritically and counter-productively adopted an Uber engineered model of a ridesharing opposition (not complement) to existing taxi industries.

**1. General feedback about the overall framework and key listed Stage 2 assumptions**

A basic two-tiered model of some kind (see section 3 below) is the foundational requirement for any kind functional version of what many refer to as a ‘level playing field’ between taxi and ridesharing drivers/cars in particular, and more generally the relation between an existing taxi industry and the proposed framework for a new ridesharing taxi/personalised transport option. No such tiered model has so far been considered within current proposals which (a) renders many or most if not all the particular amendments as merely ‘add-ons’ or ‘diversions’ which do not really address central concerns, but (b) will be needed to be better addressed and framed before the ‘personalised transport’ vision of the Bill can begin to be sustainably and effectively realised. This is so in terms of all the stakeholders but especially the general public which in Queensland could end up with a disastrous as well as non-sustainable (i.e. more expensive, less reliable, and ‘cherry-picking’) ‘Wild West’ model only of future personalised transport provision.

So, to begin with, the first and dominant impression made by the four key reforms/Stage 2 ‘assumptions’ is that from a policy perspective none of the most important lessons from how key industry legislation over the last forty years (i.e. what many call the *over-regulation* of a non-competitive, inflexible, and investment rather than service focused industry – such that fares become very expensive but drivers earned so very little on average) seemed to have been learnt. The Qld taxi industry has nonetheless been in recent decades regarded by many as ‘world class’ in terms of key indicators of accountability, safety and related micro level ‘policy and procedures’. Yet the current proposed Reforms would again just mimic the earlier bureaucratic emphasis (effectively covering up a range of other issues) on an elaborate range of rules, regulations and standards. In other words, much of the criticism at the existing taxi industry aimed at justifying Reform (i.e. how the taxi industry became expensive and inflexible) would seem to be repeated in the current Bill as *substitute* for addressing the real issues and central concerns of drivers, the taxi-taking public, and the taxi industry more widely (as was arguably the case in the 1990s, etc.).

Many of the amendments thus relate to new or modified rules, procedures and standards of the associated *accountability* and *safety reforms/assumptions* which contradict in practice as well as policy (much more so than most realise) the other two key Reform emphases on an ‘*innovative reduction of red tape*’ and the *provision of improved customer service, choice and flexibility*. In other words, as both policy and practice the current Framework involves a fundamental contradiction which will increasingly come to a head in a destructive way with adverse consequences for all the stakeholders (including many of the predictions about this in practice being currently provided by experienced operators who really understand the personalised transport industry from a service and/or business perspective). This is especially being reflected by how the Bill (and those politicians and public servants who have contributed to discussions as well as policy formulation about this) seems to: (a) assume that the public service contract of the taxi industry will somehow remain voluntarily intact (with current operators still bound by this or prepared to honour requirements not to refuse any fare, to service all communities, and to pick up the sick and disabled as well the elderly and school children, etc.) whilst (b) the industry is reframed as personalised transport to include other operators of an alternative ridesharing model who are not bound by this as at all. This hidden central omission of the Bill will severely compound the very unfair ‘competitive advantage’ of operators like Uber which is barely ameliorated in practice by those amendments promoting as somehow ensuring there will be somehow a ‘fairer playing field’ in Queensland in future for all those operating in the reformed personalised transport industry.

***Snapshot 1: Related contradictions of the current framework and further proposed reforms***

*As indicated above, the Qld government has advertised its proposed Personalised Transport Reform Bill around four ‘key reforms’ otherwise promoted as ‘Framework aims’ – with two of these (more accountability and greater safety) fundamentally at odds with and contradicted by tother two (disruptive innovation and ‘less red tape’). Whilst on the face of it this might sound impressive, on closer inspection the contradictions of this Bill run more deeply and fundamentally – and a better appreciation of this can or should lead to further understanding of just how self-defeating and non-sustainable the overall plan is in its present form (needing to be much better framed).*

*At its heart the current bill epitomizes not just ad hoc and ill-informed policy but a careless oscillation between stances of extreme over-regulation and selective de-regulation in ways which are simply not sustainable, are self-evident to industry insiders with a balanced perspective, and appear to be simply blind to massively negative ‘unintended consequences’ for the public and govt coffers as well as all involved taxi owners and personalised transport drivers.*

*This is further epitomized by how the Bill impacts on three key items (the policy reinforcement vs. practical negation of the existing taxi industry’s public service contract, the uncritical removal of bailment arrangements vs. blind assumption that operator accountability can remained basically unchanged, and an Uber-influenced and corporate-monopoly based notion of an anti-taxi framework of personalised transport). On the ‘practical’ side of the reforms it looks the govt will extend ongoing requirements for taxi drivers to ridesharing drivers (e.g. fees for personalised*

*transport driver registration, and insurance options/requirements) yet on further inspection a fundamental lack of substance and consistency is suggested by unfairly differentiated taxi vs. ridesharing costs and standards of vehicle quality, security cameras, and tamper-proof GPS tracing, etc. And just as Uber currently refuses to allow its 'driver-employees' any due process and natural justice as well as work-based protection in any issue or dispute, so too the Govt's proposal to remove driver bailment requirements also promises to be in fundamental conflict with reforms to operator accreditation and the industry's public service contract. For instance, in contrast to the Uber lack of accountability the Bill still requires taxi operators to 'police' everyday compliance and critical incidents on its behalf (saving great costs) forgetting that it is also promoting a new situation of multiple affiliations (e.g. where an operator-affiliated B&W driver might also get a job with the GoCatch app booking service).*

As many from the field are already warning (but are being ignored by planners who do not or will not understand), the net effect of such policy contradictions and omissions will in practice actually mean there will be increasingly less accountability and safety in the future personalised transport industry, just as customer service practices (as well as requirements) will increasingly be devastated as it is also further realised that the central emphasis on technological 'innovation' (as suggested by Uber enthusiasts) will not really translate into the real innovation needed in reconciling the public service and private/business enterprise aspects of such an important industry. That central omission of not understanding how and why the current *public service contract* is being undermined and already starting to disappear especially relates to issues of accountability, safety, and professional standards since it pivotally includes the procedures, options and requirements to properly investigate any incident in relation to any booking as well within any personalised transport car be this an existing taxi or new ridesharing alternative (e.g. its no use regulating different kinds of security camera or GPS facility in taxis vs. rideshare cars if no-one can or will investigate any incidents recorded).

This is why in Section 3 we outline the kind of integrated and yet also complementary/'tiered' model which is not only needed to create the kind of personalised Transport vision being advertised – and how this will also avoid a range of central issues which are also omitted or at least fundamentally ignored/underestimated (e.g. the tax avoidance implications and imperatives of uncritically selective deregulation, how a sustainable model of personalised transport should be a service industry focus for equitable local jobs available to the 'average Australian', and how this can inform a transition from a scarcity to ubiquity model which amongst a range of positives will get people using more public transport ).

## **2. Particular suggestions in relation to both key amendment proposals and related industry issues**

As suggested above, a more viable and integrated framework is needed to make more meaningful and effective any of the distinct amendment proposals and issues. A distinction should at least be made between policy additions or amendments which can practically contribute to a better overall solution and those that are just bureaucratic and/or public relations window-dressing. For example, a large section of the proposed amendments which suggest a new commitment to accountability and safety are really just amendments to include ridesharing cars and drives within existing standards and requirements for taxi drivers. An example of this is the amendment proposal to extend a zero alcohol requirement for taxi drivers to include Uber drivers. This also includes a related emphasis on 'new penalties for non-compliance' (i.e. suspensions as well as fines) for new as well as existing items.

Much emphasis has been made on how in the new Bill ridesharing licences cars can only provide pre-booked services, and how it is 'illegal' to either tout for services and especially 'rank and hail' work which has been designated to remain the exclusive preserve of the existing taxi industry. There are several key misconceptions here by those who planned such amendments. For a start with the growing ubiquity of smart phone use by the public and related app-based booking (i.e. 'e-hail') programs, except

for exceptional contexts such as airports (which in any case are still hard to prove are being circumvented, and inadequately policed), the traditional distinction between *bookings vs. rank and hail work* has largely been obliterated in practice. This, together with how many special (e.g. sports such as particular horse racing meetings) events as well as some airports are still allowing alternative pick-up/drop-off ‘zones’ to undermine conventional taxi rank locations and functions, emphasizes how the proposals to stop or at least fundamentally discourage ‘touting’ by rideshare cars/drivers (e.g. to increase fines for touting from \$243 to \$487) is often meaningless gesture – which in any case is not being regularly backed up in practice by any substantial new commitments to better police and enforce this. Also, the framework for implementation of the Bill assumes the existing continuity of established taxi booking-cum-management companies will self-monitor security, driver fatigue, bookings and related issues for the government. There are growing suggestions within the taxi industry that the many company operators will either refuse outright to do so, or only nominally do so – which is really the opposite of the Bill’s claim that the ‘new chain of responsibility’ will ‘ensure improved accountability’ (i.e. it seems to be presently guaranteed to do the opposite).

The focus on equity within a reformed personalised transport industry really needs to be focused on typical driver incomes across both taxi and rideshare options – as well as some fairer overall framework for daily operations. However, instead the Bill proclaims that just as rideshare cars will be required to have new annual licenses after 2018 any new taxi service licenses will be annual licenses at a corresponding yearly cost of \$237. On one hand despite a related ruling that will be no new perpetual taxi service licenses, without any additional framework of sufficient taxi industry support and protection this means that the collapses values for taxi licences in (from well over \$500,000 to well under \$200,000 in both Brisbane and the Gold Coast) will just continue to further deteriorate. In other words as also exemplified by the maximum \$20,000 per license compensation plan for the great collapse over the last eighteen months or so), the Bill simply offers cosmetic relief to an industry whose central problem of non-competitive over-regulations (especially in relation to bailment, license issuing and taxi operator policies) were largely contributed to by earlier policy omissions over the last 30-40 years (e.g. see our further discussion about this in Richards, 2016).

Some of the particular policy reform proposals which on the face of it seem sensible or self-evident (like the zero alcohol requirement also for rideshare drivers) may be problematic in practice because of the larger framework omissions which might be better addressed or even corrected. The requirement that rideshare vehicles should also be required to undertake annual inspections (as well as existing taxis) appears sensible. But this may be undermined in practice by related proposals to relax or vary standards of safety, quality and vehicle age. Likewise, the proposal that all new personalised transport vehicles should have mandatory security cameras (and related GPS functions) has similarly been left open to likely practical inconsistencies such as taxis being required to retain the expensive quality option but ridesharing cars perhaps not being so required. Also, similarly, the proposal to create a new class of CTP insurance for different categories of personalised transport (especially an alternative rideshare as well as limousine option) sounds appropriate but has not yet been effectively refined in practice.

At the heart of this is another more central dilemma: should the typically rideshare be seen as a part-time or weekend use of an otherwise personal car or should rideshare cars also be fully framed in a separate full-time category where they might also need to be recognised as such with designated numberplates, etc.? For a ridesharing alternative to be even begin to be effective as a possibly complement and not just non-sustainable alternative to regular taxis, such a distinction between part-time and full-time ridesharing cars and drivers needs to be effectively recognising and framed – and clearly is not at present. Just as Uber started as a ‘taxi company’ (and despite its later denials about this based on confusions about such terms as ‘ridesharing’) courts as well as governments around the world are increasingly recognising in practice that it really is a taxi company pretending to be otherwise with residual responsibilities that it needs to acknowledge (but is generally refusing to do so). And Uber’s track record of near non-existent ‘training’ for its drivers surely requires Queensland policy-makers to tighten up this particular requirement vis-à-vis regular taxi driver accreditation (i.e. some uniform notion of Driver Authorisation).



As indicated above, there remains a basic contradictory notion that the taxi company operator model will remain the same in terms of current responsibilities and requirements, whereas rideshare (especially Uber) cars, drivers and operators (although nominally reined in a little bit to give the superficial impression of a 'level playing field') will be still allowed to get away with much cheaper and still unfair requirements. This is only partly an issue of comparative operating costs. Much more important is how this undermines the claim for improved accountability and safety on one hand, and further contradicts related claims of innovation and flexible. Whilst taxis currently have an expensive and quality standard of security cameras and tamperproof GPS functions, the Bill's vague framework of variability suggests that rideshares car may be allowed cheaper, and perhaps generally unpoliced (or only nominally/superficially policed). There also does not appear to be a sufficiently clear outline of (personalised transport) Driver Authority for new ridesharing drivers – not only in relation to the cars they will drive, but also the process by which they might be required to register for GST payments and/or as a registered 'business'.

The fact is that the Bill does not appear to provide any particular recognition of either revised or somehow uniformly consistent and fair policing and enforcement of new rules and requirements in the future. This especially relates to the inconsistency between how taxi drivers may still be required to take any booking (whereas rideshare drivers are effectively not required to do so). Moreover the framing of related relaxations of the public service contract are being proposed with apparent disregard for issues of disability and other discrimination (e.g. no concessions being acknowledged let alone made in relation to other relevant government Acts) as well as government taxi subsidy work and as a public service with community commitment. Again, the lack of any substantial new commitment to police or enforce this means that in practice this policy gesture is largely just that.

Snapshot 3 outlines a list of some key items at particular level which the Bill amendments might be refined to better support in practice. This includes a better facility (which we think requires a dedicated and independent Taxi commission) to oversee (a) recognition for various purposes (including driver fatigue) that many drivers are increasingly operating on multiple platforms and/or services which the Bill continues to basically ignore; including (b) the related need for an independent register of drivers which track (but also give proper due process and natural justice considerations – presently ignored by Uber and other booking apps for both taxis and ridesharing) the hours of driving (i.e. addressing the key issue of driver fatigue) but also related issues including investigations and even driver de-affiliations. In short, the Bill's promise of framing an effective 'new chain of responsibility' remains woefully inadequate in its present form in relation to the fundamental contradictions of the overall framework presented.

***Snapshot 2. Some of the most important specific amendments needed (in addition to a more sustainable framework)***

- *Any full-time ridesharing cars and their drivers should be recognised by number plates identifying it*
- *Projections about variability between taxis vs. full-time (vs. part-time) rideshare cars and drivers needs to be made more meaningful and consistent in an overall framework before further stipulations about CTP insurance, vehicle age, driver authorisation requirements, the requirements for security cameras and tamper-proof GPS, etc.*
- *Although better compensation needs to be provided to perpetual taxi-license owners who have lost the value of their investment (with the government's historical complicity in this) (a) this is very important as a transitional arrangement to a possibly sustainable future model and framework, and (b) in any case, what disgruntled taxi owners and drivers really need is more viable framework for industry viability than is currently the case (otherwise the low morale in the industry will continue to worsen in an accelerated fashion).*
- *The proposed Bill (and the policy-making behind this) needs to stop the tactic of saying that regular taxis will be given the generous concession of all 'rank and hail' work for an 'open slather' model of personalised transport bookings and fare-pricing for this (i.e. there needs to recognition of how and why this is generally and increasingly meaningless distinction and certainly no basis for ensuring a sustainable regular taxi model).*

- *A new truly independent commission is a central missing link in proposed Bill framework - which becomes a must to (a) oversee the loss of accountability (and safety as well as booking service) which will increasingly follow from the removal of bailment agreements and the larger public service contract, and (b) provide the basis for relevant reformed or revised requirements of driver training and authorisation as well as the monitoring and policing of drivers (in a way which ensures genuine due process currently being ignored by operators such as Uber).*
- *(In relation to a more suitable framework) there will need to be a more consistent and we think complementary focus on future fare-pricing and any revised alternatives to the traditional taxi public service contrast – so to better ensure not only ‘equity’ but a reasonable income basis for the proposed new ‘personalised transport’ driver profession. [This might be linked to our related proposals below for a two-tier model which ensures this in a sustainable way, as well as a ubiquity model which encourages a genuine new personalised transport model in which drivers (but also owners) can make more money whilst prices actually come down for both taxis and a ridesharing lower-tier alternative.] At present the only focus on this (proposals to increase fares for taxi operators) has been counter-productive and is non-sustainable.*

### **3. An example of the kind of an overall two-tiered framework needed to provide a sustainable foundation and ‘reform solution’ for a personalized transport industry in Queensland\***

*\*an outline of the model presented in Richards, C. (2016). Re-calibrating a sustainable future Queensland taxi industry: An inquiry into the strategic requirements of an optimal ‘win-win’ solution to the continuing crisis, Industry Discussion Paper submitted to the OPT Review.*

This section will develop the outlines of an optimal resolution to the Qld taxi-cum-personalised transport industry crisis – a model constructed in terms of a series of steps which involve relevant sustainable methods of ‘complex problem-solving’ (see the full paper). This will be framed further in relation to a balanced and convergent appraisal of what we call the ‘macro stakeholders’ (the interdependent interests of *government, business, the community/public*, and wider ‘*industry*’). On this basis also, we will then put forward a specific solution formula and related requirements which could be enacted by the Qld government to hopefully ensure the fairest as well as effective outcome for the local industry. This will be in the context of a key related proposal for the government to legislate a new independent body (a proposed Taxi Commission) able to continually monitor and further guide the Qld taxi industry in the future on a more flexible needs basis.

First, a macro stakeholder perspective is really needed to be able to be able to effectively understand and address a range of related questions and issues ranging from why ‘save’ the taxi industry and/or how to integrate a sustainable model of ridesharing so that this complements not conflicts with the public service and related functions of a healthy and optimal taxi industry. This involves a range of related tensions or conflicts which likewise require such a related ‘balanced perspective’. The central tension lies in the *public service vs. commercial* roles of the taxi-cum-personalised transport industry generally and operators more specifically. The public service does not just lie in being required to service the kinds of jobs that those only interested in profits are not interested in. Such jobs include those with disabilities (e.g. with wheelchairs and seeing-eye dogs), regular ‘small jobs’ (especially involved school children, pensioners, local shopping centres, and government-sponsored accounts), and other vehicular options (such as maxi-cabs, wheelchair enabled taxis, and limousines or executive taxis). As indicated, it also includes a wider function of both directly and also indirectly (e.g. fares to local train stations or bus stops) supporting public transport options.

The related tension of ‘*taxi-rank and taxi-hail*’ work vs. *taxi/ridesharing bookings* is another in which taxis and ridesharing a general delineation which makes sense (again with the right overall balance). What this suggests is a general ‘two-tiers’ model which might operate in a re-calibrated taxi industry. But this can only work on the basis of a related framework for how both driver and operator regular

income needs to be based on an effective 'level playing field'. In other words, a re-calibrated industry should still involve the foundational role of a formal or recognised taxi service by customised cars which are registered for that purpose and distinguished as a formal taxi service. This might be both complemented and supported by ride-sharing options involving personal cars which would need to meet certain safety standards and be registered - but not necessarily the same requirements as proper taxis. One such option is to limit or at least delineate part-time ridesharing (e.g. two fares a day in peak hour traffic both ways) from the main proposal to regulate full-time ridesharing as a second complementary and supportive tier to conventional taxis available to all registered professional 'personalised transport' drivers registered with the Queensland Department of Transport.

The public-private as well as taxi and ridesharing balancing act we are concerned with here has two critical dimensions which will need to be further outlined. One is the general mechanism of balancing regulation and market forces. Our proposal for minimal but sufficient regulation will therefore should be adequately be supported in practice by the linked functions of transparency, technology and free market principles based on a couple of related keys to a basic 'level playing field' to be discussed further. The *transparency* will be facilitated by general awareness of simple principles of operation and sharing of information. The *technology* (also ensuring transparency) will not just involve smart phone applications but also related database, GPS and communication as well as security functions to help ensure government, business/industry and community stakeholders are all on the same page. The *free market* aspect to support this will lie in (a) an open field of smartphone apps and related company support (which rules out the Uber model automatically) for complementary taxi and ridesharing books along the lines of how GoCatch is starting to replicate the GrabTaxis model, and (b) in relation to the formula proposed below for balancing existing taxi number and ridesharing registration applications in terms of location-based supply and demand.

The agency of a proposed Taxi Commission to represent the convergence of macro stakeholder interests will be needed to help ensure that the right regulatory (e.g. public vs. private) balance is achieved – and not be subverted either by inflexible bureaucracy or vested commercial interests. It will therefore need to itself involve two tiers. The operational tier will need to involve ongoing and regular monitoring of, and also adjustment to, changing needs for both taxis and ridesharing in tandem. To ensure this remains independent and does not suffer from the kind of 'disconnects' which afflicted the taxi industry in the past, this will also need to involve some kind of professional board with the clear-cut authorisation and transparent agenda to balance the interests of government (especially the Department of Transport), the owner-driver interests of an extended taxi industry (including ridesharing options), related businesses which indirectly or directly support the industry (regulatory inspectors, auto mechanics, and specialised technicians) and also the public support for public as well as personal transport policies and practices.

Some of the main sticking points which will need to be overcome are *internal* to the existing taxi industry reform efforts. Others are more *externally* related to an associated challenge of integrating ridesharing options under the aegis of a re-calibrated taxi industry in Queensland. Snapshot #3 below outlines some of the key points. This is organised in several related ways to provide an example of an exemplary 'complex problem-solving framework'. In short, any overall solution would also need to sufficiently or adequately address all of these issues as well the central dilemmas of sustainability. The vertical organisation of the snapshot also is conceived to cover both past and future emphases that a re-calibrated taxi industry might further to address. The *past* also involves key internal challenges or dilemmas facing industry stakeholders (operators, drivers and taxi-booking companies), whilst the *future* focuses on how associated technological and organisational challenges will need to be also sufficiently or adequately resolved.

Perhaps the most difficult issue (and certainly the most emotional for many involved in the state taxi industry) is how the Uber challenge has already caused the values of taxi plate licenses to generally

collapse. Our re-calibrated model will at least stabilize the numbers of existing licenses whilst offering real hope for the future of the industry in terms of a viable solution to the current challenge and crisis (an increasingly rare commodity with good reason in current framework). However, there is no getting away from how, whatever happens, there will almost certainly not be any going back to the heights of the previous values – which in any case were never sustainable. These values might be also re-calibrated in relation to the optimal values, refined costs and competitive principles needed for a sustainable future industry – to allow taxis to have an effective ‘level playing field’ with the ridesharing cars which currently (and illegally) pay little if any of the same required costs.

### Snapshot #3

MAIN STICKING POINTS/ISSUES	AND KEY RELATED PROBLEMS
<i>Past</i>	<i>Internal</i>
Recent collapse of taxi plate licenses and current wholesale industry uncertainty	To fairly compensate or not the existing taxi owner-drivers (key issue of wider dilemma re: ‘saving’ the industry)?
The link between the overall industry and taxi booking companies in terms of government-sanctioned industry ‘self-regulation’ past practices.	Ongoing role of taxi booking companies (B&W Cabs, etc.) ? Especially in the context that the past role has largely been superseded already?
Existing negative image of taxi drivers and industry	How to change a negative image/loop into a positive one and also drag drivers (and industry) into new <i>service</i> as well as <i>sharing</i> economies?
<i>Future</i>	<i>External</i>
The link between non-Uber emerging smartphone app booking companies and a future taxi industry ‘balancing act’ between <i>public-private</i> aspects of transparency and free market forces.	How to ensure all taxi drivers and ridesharing owner-drivers not only make a reasonable income but reasonably equivalent or equitable?
The oscillation from over-regulated past taxi industries to counter-productive ‘de-regulation’ ignores the need for ongoing monitoring and at least basic regulatory structure and processes.	How to balance promise of free market principles with at least some minimal, emergent and dynamic ‘regulation’ of the re-calibrated industry?
People tend to confuse Uber with not only a ridesharing model but also a ‘sharing economy’ opportunity (when Uber is anything but these things in reality or practice as reasonably understood).	How to understand and/or support how a <i>non-scarcity model of lower fares + plus more cars</i> can lead to more income for drivers and more work for all in the future industry (+ other benefits beyond)?

In relation to our detailed proposal here for re-calibrating the Qld taxi-cum-personalised transport industry we might refer to the required ‘middle way’ as a *just in time regulatory solution and framework* – adapting the use of the use of the ‘just-in-time’ concept in production and also in education to refer to a optimizing strategy to reduce costs and enhance competitiveness whilst maintaining quality in terms of leaner and transparent outcomes-based processes (e.g. Voss & Clutterbuck, 1989). In contrast to the ‘ad hoc’ nature of the Uber model (and Uber-influenced de-regulation regimes), a sustainable just-in-time regulatory framework (and implementation) for a ‘re-calibrated’ Qld taxi-cum-personalised transport industry (such as the following) is needed:



**Snapshot #4 - In a nutshell: Key aspects of our 're-calibrated' model**

**1. Overview points (macro level)**

- *Current taxi plate numbers and values to be generally maintained and stabilized as much as reasonably possible through an orderly transition period – along with sustainable projections of future industry (and income) growth.*
- *Will include a sustainable (i.e. non-Uber) model of ridesharing under the aegis of a re-calibrated taxi industry (i.e. the two tiers of normal taxis plus a slightly cheaper ridesharing alternative).*
- *Also the sustainable basis of a related projected transition from a scarcity to ubiquity model of the taxi industry with all fares projected to become significantly cheaper proportional to drivers being able to conversely increase present incomes – the key also to taxis really helping to resolve 'first and last mile' public transport challenges and reducing 'private car use' and related transport pressures.*
- *Initial ridesharing options should at least include part-time or irregular options (e.g. 2 trips per day in peak hour traffic) and be gradually extended with trialing also as a full-time option to meet projected growing needs and additional passenger markets.*
- *All (taxi + ridesharing) drivers to require industry accreditation overseen as per existing arrangements with the Qld. Department of Transport*
- *All (taxi + ridesharing) cars required to meet basic plus additional-where-appropriate safety standards, undergo regular inspections and appropriate CTP insurance requirements (irregular/casual ridesharing cars will have reduced costs)*
- *The image/brand of taxis (and especially taxi drivers) to be also re-calibrated as part of a new digital-age 'service economy' (not just a supplementary sharing economy) model – reinforced by a related new regulatory framework and related 'cottage industry model' focused on owner operators and drivers, and small 'co-ops' not large-scale management, leasing and investment schemes (and related past 'disconnects').*
- *The Qld government not only has a responsibility to (a) make a sustainable rather than hasty decision in the public interest about the 'right direction' for the future taxi industry as a public-private partnership, but also (b) (because of its direct role in past industry 'disconnects') to provide reasonable compensation for some taxi operators.*
- *The (macro) sustainability of the future industry to be linked to (a) related (micro) mechanisms of ensuring a functional industry 'level playing field' and (b) a 'hand on the wheel' (macro-micro) monitoring and intervention only when necessary by a genuinely independent Taxi Commission (see below).*

**2. Proposed basic formula of a related two-tier taxi industry fare system (micro level)**

- *A re-calibrated taxi industry can only sustainably accommodate an additional and complementary 'ridesharing tier' if a critical ratio of typical fares (possibly around 14:10 - to be trialed and refined in the transition period) is established and maintained.*
- *Ultimately this should reflect a market research 'critical ratio' by which existing taxi customers would be maintained whilst a new and additional market is created by the addition of a slightly cheaper ridesharing alternative.*
- *This would also be the key to a related requirement to ensure that all accredited (i.e. taxi+ridesharing) 'personalized transport' drivers are basically able to make at least roughly equivalent incomes.*
- *It would further provide the reference point for helping to establish an effective 'level playing field' for taxi operators and ridesharing owner-drivers – the market force 'critical ratio' also between the effective running costs of existing taxis (ultimately including taxi plate values) and proposed new ridesharing options.*
- *This critical ratio can also (a) inform the 'scale' of related projections of taxi fare adjustment (i.e. become more affordable) as well as (b) a related critical threshold of several related public-private mechanisms of related 'just-in-time' regulation*
- *For instance, this ratio will inform how (a) existing taxis will retain and be compensated for key public service (i.e. universal service obligations – especially to existing subsidy schemes, disability customers, marginal areas, etc) which 'ridesharers' may not want or be able to take up (e.g. wheelchair modified taxis) and (b) how taxi plate registration can remain*

*ongoing (e.g. to ensure that there will be ongoing commitment to any and all passengers) whilst the ridesharing alternative might just involve annual registration and related fees.*

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3. **Implementation requirements (Macro-micro linkages)**

- *All taxi and ridesharing operators and drivers to be independently 'affiliated' with (i.e. registered with and regulated by) with an independent Taxi Commission [i.e. why Uber is unlikely to meet the basic requirements of a re-calibrated taxi industry model]*
- *Taxi booking and dispatch to be an effective free market of smartphone apps and/or direct service by operators directly regulated by the independent Taxi Commission supporting the complementary taxi + ridesharing options. As well as Go-Catch-type service companies and also existing taxi-booking companies, Uber can only be included if it dramatically changes its existing 'app' model. Non-Uber apps should be able to charge appropriate booking fees for each 'monitored' job – some of which might help to fund the Taxi Commission (along with a percentage of industry registration fees paid to the government)*
- *Non-sustainable leasing arrangements, 'set and forget' regulatory frameworks, and management company models of the past to be substantially modified or phased out.*
- *The central responsibility of the proposed Taxi Commission will be to monitor and adjust where needed (a) the fare and related costs critical ratio of the proposed two tier scheme; (b) existing numbers of both taxis and also ridesharing car registrations in various areas, and (c) appropriate balancing also of some related aspects of the associated transparency-technology-free market formula*
- *The Taxi Commission should itself involve a two tiered arrangement of (a) a 'hands-on the wheel' overseeing of industry affiliation processes and issues as well as on-going monitoring and adjustment of taxi numbers and fare levels where needed, and (b) an overall 'hand-on the wheel' guidance by a genuinely independent professional board of 'macro stakeholders' from government, business, and the community as well as from the industry [with its terms of reference and responsibilities simplified and sufficiently/reasonably triangulated re: the transparency-technology-market formula.*

However, what is crucial is that the industry is pointed in the right direction in terms of some general solution which is able to provide an integrated and sustainable framework for also addressing a range of related issues here. This is in contrast to any ad hoc or piecemeal view of and planning and decision-making about some initial options or list of recommendations.

**Snapshot #5:**

**Non-sustainable industry frameworks and related consequences of policy flip-flopping**

Perhaps the only real or sustainable 'good news' here is that it should not be too long before Australian states that have already hastily jumped to 'legalise Uber' realise their mistake – and likewise their local key 'macro stakeholders' in business, the wider community and different levels of governance. It is never easy to reverse a hasty decision with such wide-ranging implications and impacts – and when governments do they often fall into a *negative loop* of ongoing policy or even just verbal 'flip-flopping' between opposite approaches. This tends to just serve to keep increasing the demoralization of all. We project three possible scenarios that link to the Qld parliamentary decision-making options from here:

1. **The 'logical' (yet dystopian) scenario:** It should be quite obvious to any reasonable person ready to look more closely at the situation, that to basically allow Uber to come and operate as an alternative taxi service of home-operated cars and drivers which generally circumvents the regulations, costs and 'universal service obligations' and costs of standard taxis is (a) unfair, and (b) would logically result in a full and systematic devastation of existing taxi operators, drivers and the industry more widely. Whilst Uber concedes it is really planning for this to happen with driverless cars, its' related aim of 100% domination of the market presently requires drivers to take on the running costs of cars (and related uncertainties as well as additional costs and charges) whilst they pay currently 25% of the gross (not net) take to their off-shore base in Amsterdam. In this way Uber aims to pay little if any tax, and

make its mainly off-shore investors and shareholders very rich. After its initial seduction by some cheaper fares in some areas, the public and also the government will continue to find out that there are many direct and indirect negatives. Few aspects of the local public service component of taxis (ranging from pensioners through to those with disabilities – especially in outer or remote areas) are likely to be effectively taken on by Uber the company. As well as the loss of the taxi industry capacity as also a valuable community asset, the government would miss out on much or even most of direct fees and indirect taxes that go to fund related or other services and infrastructure. After their initial flirtations with the Uber model, drivers are already finding out that this may well result in worse conditions and a ruthless war with other drivers as costs further rise and average regular income further deteriorates for all.

2. ***The flip-flopping or 'lingering death' scenario (the most likely):*** As is already happening in other states, additional concessions, incentives and/or long-term cheap loans will be enacted from time to time to try and alleviate the negative consequences of Uber legalization for taxi operators (although for many this would only be delaying the inevitable or providing false hopes). There is also likely to be some not-so-successful efforts to try and get the Uber model to pay compensatory fees and taxes as it dominates and as taxis further struggle. There is likely to arise an unregulated 'Wild West' situation - especially in terms of the breakdown of current universal service obligations to sick and elderly as well as the financially and geographically 'disadvantaged' customers. This will also mean real potential for dissatisfaction, conflict, and even violence as (a) full-time Uber drivers as well as taxi drivers increasingly struggle to make any kind of reasonable income, and (b) as they compete with the others for fares with probably an increasing desperation which may also make taking any kind of taxi a stressful experience for many customers. All drivers will be less enthusiastic about taking small fares and also those with a community or public service aspect. Meanwhile, the situation will likely be complicated by a similar battle between the smartphone booking apps (and additional manual taxi booking options) of Uber, existing taxi-companies, and other incoming players like GoCatch and Cabcharge who may well be tempted to just ditch their support for taxis (but also the local community and any great interest in supporting government transport policies) and try to emulate or beat Uber at its own game (perhaps also in terms of similar off-share 'tax minimisation' initiatives, etc.).
3. ***The genuine reversal (or lesson learnt) scenario:*** A third (not very likely but always possible) scenario is that the state governments which decided to effectively legalise Uber soon realise that they have to decisively rectify their decision and try to still save their local taxi industry before it is really too late. They would also realise (a) that it will not be possible to return to the pre-1990s model of the taxi industry, but (b) that the kind of complementary ridesharing or 'two-tiered' model (not the Uber model) is really the only sustainable way to go for both all internal and external industry stakeholders.