

### Treatment of UBER by regulators

Uber is a platform that connects passengers directly with the drivers of vehicles. Cars are reserved by sending a text message or by using a mobile app—the latter can also be used by customers to track their reserved car's location. Some of the drivers working through Uber are registered professionals, whereas others (on the 'UberX' platform) are not.

The company was launched in 2009 and is based in the United States. It now has offices in 115 cities across 35 countries, with Australian offices in Sydney, Melbourne, Brisbane and Perth. It was valued at \$3.5 billion last year. Worldwide, 20,000 new drivers a month are joining Uber.<sup>33</sup>

This type of 'on-demand ride sharing' was not considered when laws governing the taxi industry were enacted. The regulatory response to Uber has varied between different jurisdictions. Uber has faced accusations in several jurisdictions of illegal taxicab operations.

In NSW, the Transport authority has stated that the UberX service does not comply with the current *NSW Passenger Transport Act 1990*, but no fines have yet been issued to drivers. The NSW Government noted in their submission:

The NSW Government has, however, acknowledged that it needs to consider how it adapts to new opportunities in the market and is considering its position in response to ride-sharing activities to ensure it considers the benefits to consumers and the impact on the industry.

In Victoria, the Victorian Taxi Service Commission has issued fines to some Uber drivers. Around \$60,000 of fines had been issued as of early May, with Uber pledging to pay the fines on behalf of the drivers.<sup>34</sup>

In Canada, officials at the City of Toronto have charged Uber with 25 municipal licencing offences, including operation of an unlicensed taxi brokerage and unlicensed limo service. Some rival mobile apps have obtained licenses.

In the United Kingdom, Transport for London has not stopped the operations of Uber, and London black-cab drivers have disrupted traffic as a protest.

In the United States, Uber competes with rivals such as Lyft and SideCar, which have not yet established a significant presence in Australia. California was the first jurisdiction to recognise and regulate services such as Uber, creating a new category of regulation for 'transportation network companies' (TNCs). The regulation for TNCs covers driver background checks, driver training, drug and alcohol policies, minimum insurance coverage and company licensing.<sup>35</sup>

## Section 22

<sup>33</sup> Australian Financial Review, *Uber competitive*, 11 July 2014, pg40 Boss magazine

<sup>34</sup> Sydney Morning Herald, Uber pledges to pay \$1700 ride-sharing driver fines in Victoria, 23 May 2014

<sup>35</sup> Californian Public Utilities Commission, *Decision adopting rules and regulations to protect public safety while allowing new entrants to the transportation industry*, 19 September 2013