

Ridesharing improves the of connectivity of cities

UBER submission to the Standing Committee on Infrastructure, Transport and Cities

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Introduction

Ridesharing is a safe, reliable and affordable transport model. Over 1.5 million active riders use the uberX ridesharing platform in Australia, supported by some 20,000 drivers who partner with Uber to provide rides through the Uber app. The ACT Government and NSW Government regulated ridesharing in 2015, recognising that it is a safe, reliable and affordable transport alternative, and a valuable source of income for the unemployed or underemployed.

The emergence of ridesharing demonstrates that transport models driven by smart technology can help to make cities safe, vibrant and better connected.

What is ridesharing?

Ridesharing is the deployment of underutilised personal vehicles to provide rides. Uber is a technology company that facilitates ridesharing, connecting registered riders to registered driver-partners in over 400 cities worldwide. The rider makes a pickup request that is transmitted via the Uber app to the nearest driver-partner. When a partner accepts the request, the app tracks the subsequent trip, and facilitates an automatic and cashless transaction at the conclusion of the ride.

Driver-partners undergo a criminal background check via the Australian Federal Police CrimTrac system and a driving history check. In Queensland, Western Australia and New South Wales, driver-partners receive a driver accreditation directly from the regulator.

Smart supply

Ridesharing depends on private drivers providing rides around their existing commitments. Approximately half of Uber partners drive for less than ten hours per week. They have absolute discretion over when and where they work and together, they form the backbone of a highly responsive supply model.

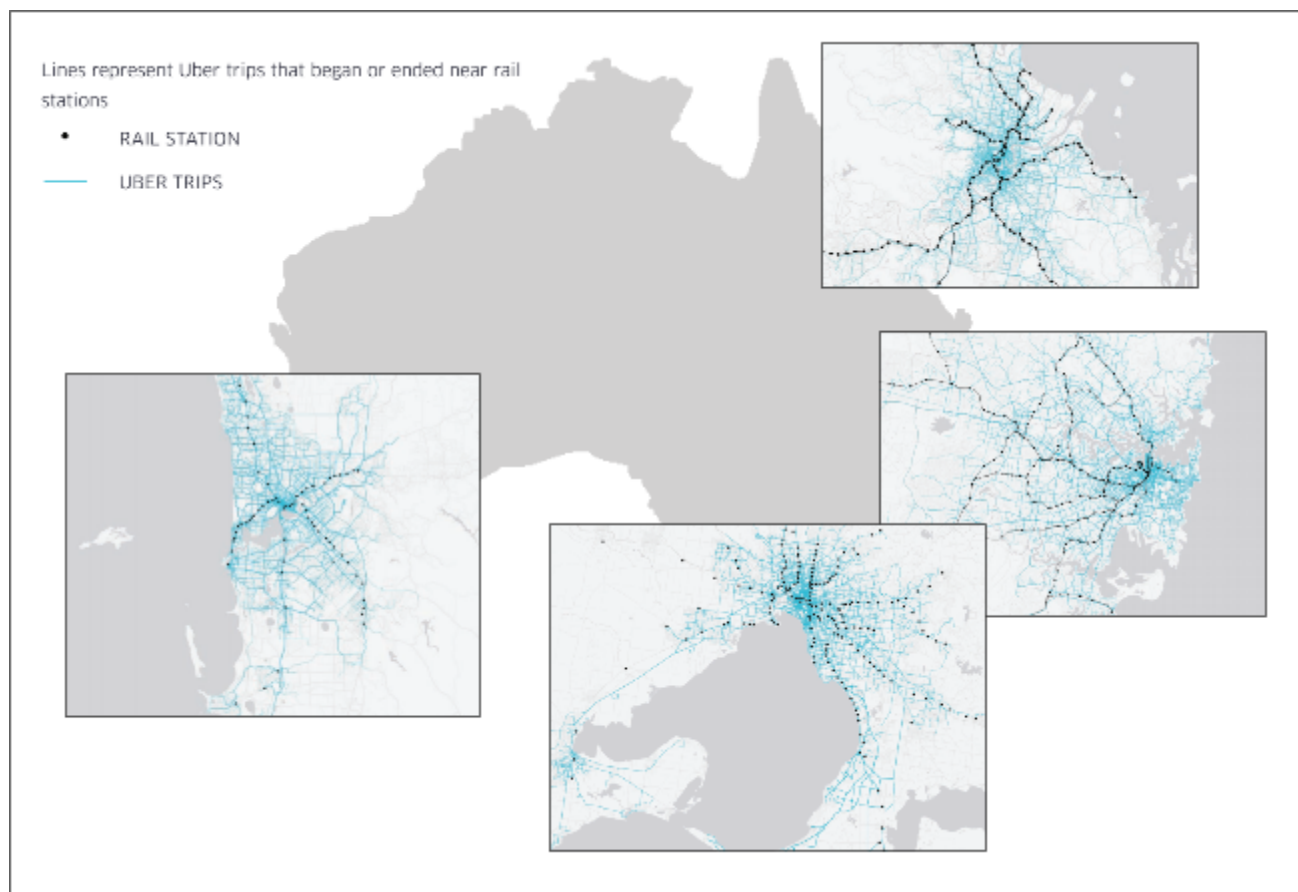
With real time demand tracking, partners can log-on in response to high demand and log-off in response to low demand to pursue other activities. In this way, the ridesharing model accommodates highly seasonal demand across the day, across the week, and across the year. Driver-partners are more productive with

less downtime and greater trips per hour. Cities benefit with better transport service that scales in response to fluctuating demand.

In this way, ridesharing benefits both major cities as well as regional centres with dispersed populations or underdeveloped transport infrastructure. Ridesharing can accommodate variations in transport demand associated with tourist seasons, midweek inactivity, Parliamentary sitting weeks in Canberra,¹ and sporting events such as the Commonwealth Games on the Gold Coast. Ridesharing improves transport connectivity in these centres without additional infrastructure by better utilising the excess capacity of existing vehicles.

Connected cities

Ridesharing complements public transport where reliable service is unavailable. Ridesharing is not a substitute for public transport. It is a supplement that provides a flexible and scalable solution to the 'last mile' problem, connecting riders from their door to a transport hub. Across the week, for instance, some 58-65 per cent of trips nationally start or end in a public transport desert.² And almost half of all trips are one-way, implying that for some suburbs, for at least part of the day, public transport is unavailable to cover either the outbound or return leg.



By improving connectivity across the city, ridesharing supports local economic activity. Over 60 per cent of Sydney ridesharing trips are new to the point-to-point market, suggesting that many of those riders may be travelling to destinations that they would not have visited otherwise.³

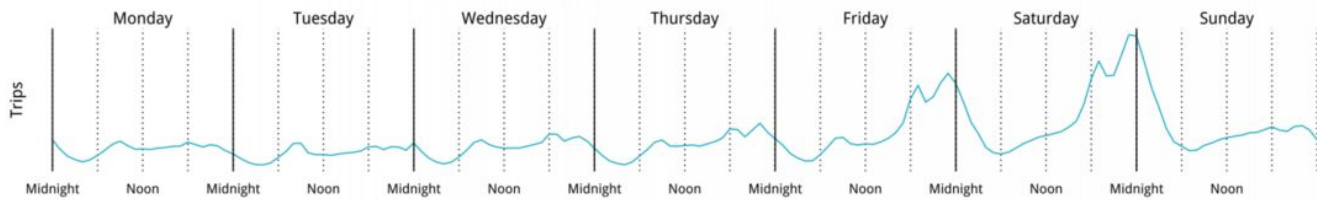
¹ Australia Institute, *The role of ridesharing in addressing Canberra's transport challenges*, 2015.

² Greater than 800m from the nearest medium frequency transport node.

³ Deloitte, *Economic Effects of Ridesharing in Australia*, 2016, 3.

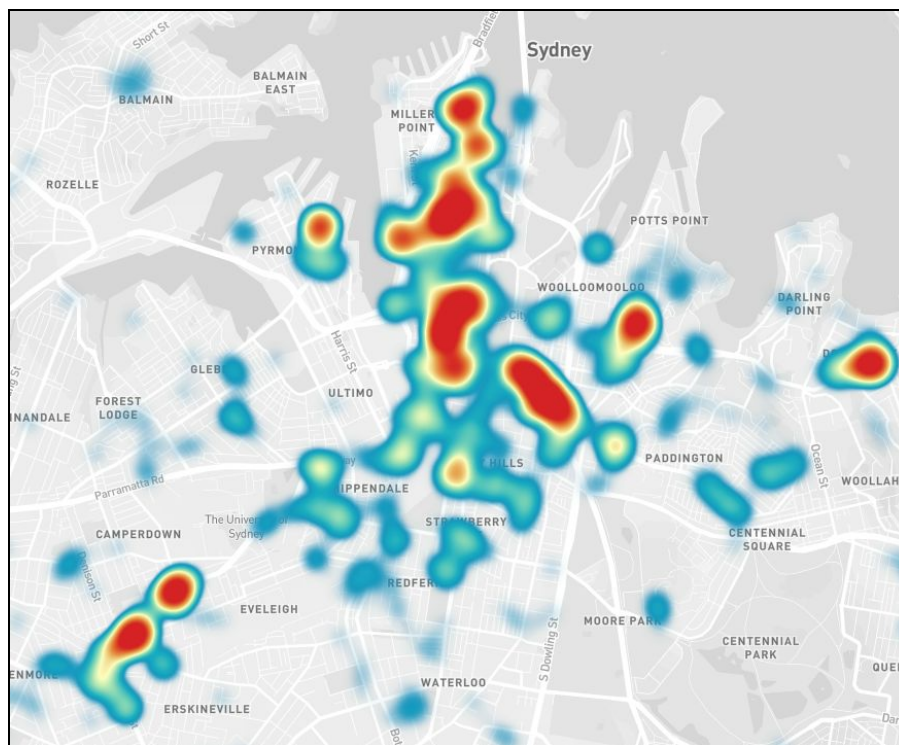
Consistent with these findings, demand for ridesharing peaks late at night on Fridays and Saturdays when public transport is unavailable into and out of local entertainment precincts.

Pickups in Melbourne



For example, since launching, uberX has facilitated some 450,000 journeys out of the Sydney lockout zone in the very early morning, reducing the potential for idle violence and disorder. The average response time in Sydney is less than four minutes, mitigating the disruption that often accompanies congested transport nodes - namely, taxi ranks and bus stops - that funnel intoxicated patrons into concentrated areas.

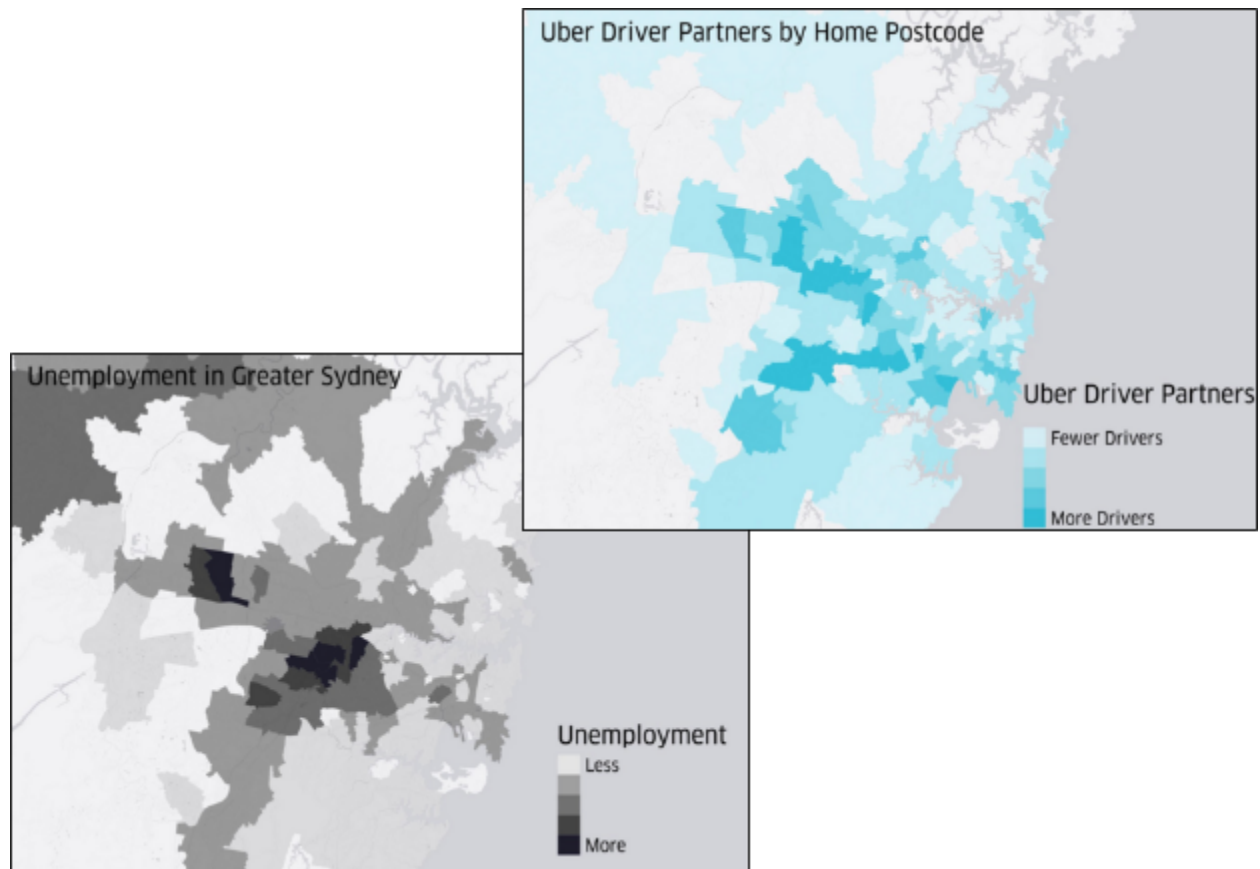
Pickups in Sydney on a typical Saturday night



Economic opportunity

Ridesharing is a valuable economic opportunity for our most underemployed and unemployed communities. Uber driver-partners are parents, caregivers, students, veterans and retirees often locked out of traditional “9 to 5” economies by force of circumstance. Ridesharing offers them a chance to use their existing assets and existing skills to earn a flexible income around their existing commitments.

Across Australia, ridersharing generates millions of dollars in revenue for suburbs with high unemployment rates.



Safe rides

Ridesharing mitigates many of the safety risks associated with point-to-point transport - for both riders and driver-partners. Ridesharing trips are:

- **De-anonymised.** Riders know the identity of the driver-partners and driver-partners know the identity of the rider. Uber can investigate reported incidents swiftly.
- **GPS-tracked.** Riders can share their ETA and route in real time with friends or family. Uber can adjust the fare in the event of a dispute over the route.
- **Cashless.** Riders cannot request a ride until they pre-load payment details into the Uber app. The app facilitates an automatic transaction at the conclusion of the trip.
- **Supported.** Riders can register feedback through the app. Uber's 24/7 support team acts on feedback quickly - often within minutes. Further, riders and partners must mutually rate one another at the conclusion of each trip. The star rating system is an effective behavioural incentive that delivers excellent satisfaction.

These systems can mitigate the most serious and most common risks in the incumbent industry, such as rider violence, poor driver behaviour, fare evasion, fare gouging, and mishandled complaints.

First, they deter unethical or illegal behaviour by removing the anonymity of both riders and partner drivers.

Second, they mitigate the threat of cash robbery, fare evasion or credit card fraud since the calculation and payment of fees is beyond the control of either party.

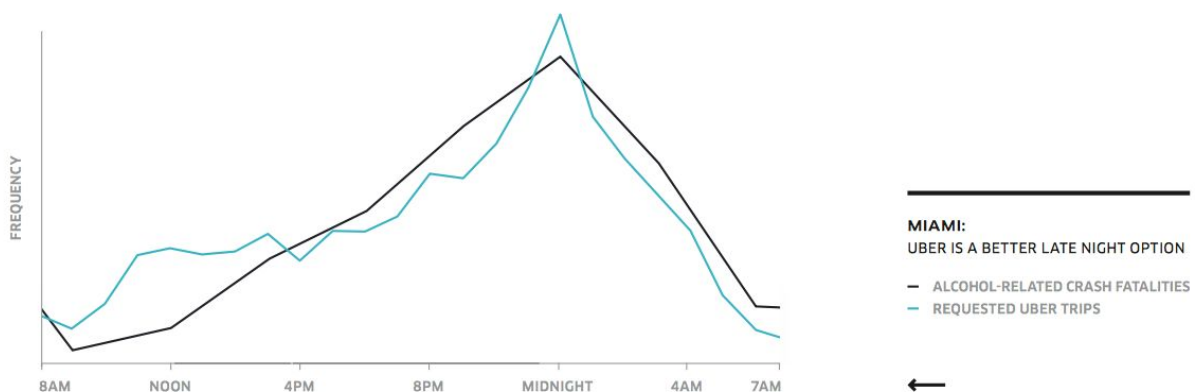
Third, they facilitate the prompt investigation of incidents by recording the personal details of both parties and by recording the route taken.

The document attached provides an overview of the safety processes that Uber has implemented to mitigate these traditional risks.

Safe choices

The emergence of ridesharing has been found to correlate with a statistically significant decrease in drink driving. In the United States, advocacy group Mothers Against Drink Driving found that ridesharing encouraged people to make better transport choices that save lives. For instance:⁴

- The emergence of Uber in Seattle corresponded with a 10 per cent decline in the number of drink driving arrests.
- After the launch of uberX in California, drink driving incidents fell 6.5 per cent per month among drivers under 30.
- Demand for Uber spikes at closing time for bars in Pittsburgh.
- In Chicago, 75 per cent of late-night weekend ride requests come from business premises with liquor licences.
- Uber ridership in Miami peaks at the hours when drink driving crashes are most likely to occur:



When surveyed, 78 per cent of respondents said that friends are less likely to drive home after drinking since ridesharing services began to operate. And 86 per cent of respondents over 21 years old agreed that “Uber has made it easier for me to avoid driving home when I’ve had too much to drink”.

Future mobility

Ridesharing is an essential precondition for the development of sophisticated carpooling systems. In San Francisco and other mature ridesharing markets, for instance, almost half of all Uber trips are taken through the uberPOOL product.

⁴ Mothers Against Drink Driving, *Think and Ride*, report with Uber, 2015.

uberPOOL connects two or more consenting riders who are travelling in a similar direction along a similar route. The Uber app re-routes the driver-partner to collect each rider. At the end of the trip, each rider pays a fraction of the normal fare while the driver-partner collects a multiple of their usual fare.



Likewise, other products such as uberCOMMUTE connect riders with people who drive regularly to work. In these ways, a mature ridesharing market can reduce the number of active cars in a city by some five per cent.⁵ It reduces the environmental footprint and improves congestion using existing infrastructure.

Conclusion

Ridesharing demonstrates that smart technology with a smart supply model can help to improve city transport. It offers cities a no-cost, scalable transport alternative to supplement existing transport systems. It supports local economic activity across the day and across the year. It offers partners a safe, flexible source of income and offers riders a safe, reliable and affordable alternative to car ownership. Policymakers must acknowledge these opportunities and ensure that regulatory settings encourage the development of these systems.

⁵ Copenhagen Economics, *Economic benefits of peer-to-peer transport services*, 2015.