Ridesharing encourages safer choices

Submission to the Liquor Law Review

Introduction

However the Government regulates the service of alcohol, transport is an important part of the answer to managing and supporting the night time economy. Uber can make a positive contribution to the Liquor Law Review by highlighting emerging transport trends in Sydney, and the importance of transport in future harm minimisation strategies.

> *In considering the imposition of mandatory and universally- or widely-applied lockouts, it is important that decision makers explore the provision of other supporting mechanisms. An effective supply of late-night transport to serve the peaks of demand that are likely at both the beginning and end of the lock out periods is particularly important.*
>
> - Night Time Economy, Review for the City of Sydney[1]

Effective transport systems make cities safer, more liveable and more vibrant. Reliable transport options:

● Nourish the late night economy by supporting local business activity;

● Enhance the amenity of public spaces by providing a thoroughfare into, out of, and between precincts;[2] and

● Improve safety by removing idle visitors at the end of a night out.[3]

Ridesharing is a safe, reliable and affordable transport alternative. Around 500,000 riders use the uberX ridesharing platform in Sydney supported by 5,500 partner drivers. And 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 may not have visited otherwise.[4]

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[1] Hadfield, *Night Time Economy Management, Review for the City of Sydney*, 2011, 23.
[2] City of Sydney, *Late Night Management Areas Research: Phase 4 Report,* 2015, 50-53.
[3] National Drug Law Enforcement Research Fund, *Dealing with Alcohol-Related Harm and the Night Time Economy*, 2012.
[4] Deloitte, *Economic Effects of Ridesharing in Australia*, 2016, 3.

> **What is ridesharing?**
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> Ridesharing is the use of 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 nearby driver-partners. 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 driver history check from Roads and Maritime Services (RMS) before receiving a Driver Authority from Roads and Maritime Services. Ridesharing vehicles must be 10 years old or newer and undergo an annual vehicle inspection.
>
> The NSW Government regulated ridesharing in December 2015, recognising that it is a safe, reliable and affordable transport alternative, and a valuable source of income for the unemployed or underemployed.

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 are often underemployed parents, caregivers, students, veterans and retirees locked out of traditional "9 to 5" economies by force of circumstance.

Driver-partners have absolute discretion over when and where they work. 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.

Safe cities

Public transport systems designed for the daytime economy struggle to accommodate the needs of late night revellers. Only 47 per cent of patrons in Sydney's entertainment precincts take a bus or train inbound; only 38 per cent take a bus or train home; and only 29 per cent take a bus or train between precincts (for instance, after the 1.30am lockout takes effect).[5]

Likewise, up to a quarter of revellers in Surry Hills, Glebe, the CBD, Pyrmont and Newtown identify better transport as a factor likely to improve the night time economy.[6] In Newcastle - a regional CBD with longstanding lockout laws - only 12.8 per cent of people believe there is adequate public transport at lockout.[7]

> *At closing time, public transport is still not able to cope, and people need to get home.*
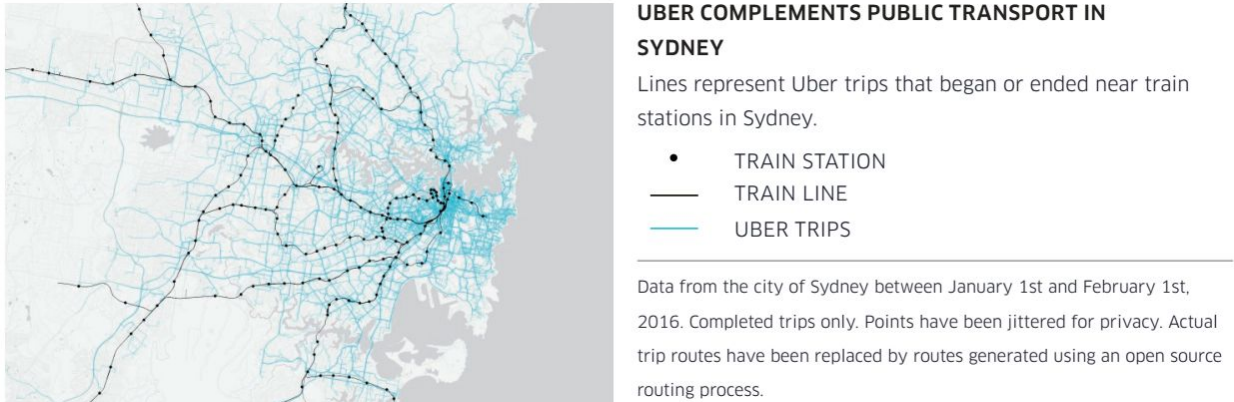> -   Lord Mayor Clover Moore[8]


[5] City of Sydney, 50-53.
[6] City of Sydney, 57.
[7] National Drug Law Enforcement Research Fund, 90.
[8] City of Sydney, 'King's Cross cab rank upgrade for a safer night out', 2013.

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 scaleable solution to the 'last mile' problem, connecting riders from their door to a transport hub. Across the week, for instance, some 65 per cent of Sydney trips start or end in a public transport desert.[9] Around 50 per cent of 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.

UBER COMPLEMENTS PUBLIC TRANSPORT IN SYDNEY

Lines represent Uber trips that began or ended near train stations in Sydney.

- •   TRAIN STATION
- ——   TRAIN LINE
- ——   UBER TRIPS

Data from the city of Sydney between January 1st and February 1st, 2016. Completed trips only. Points have been jittered for privacy. Actual trip routes have been replaced by routes generated using an open source routing process.

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 Sydney
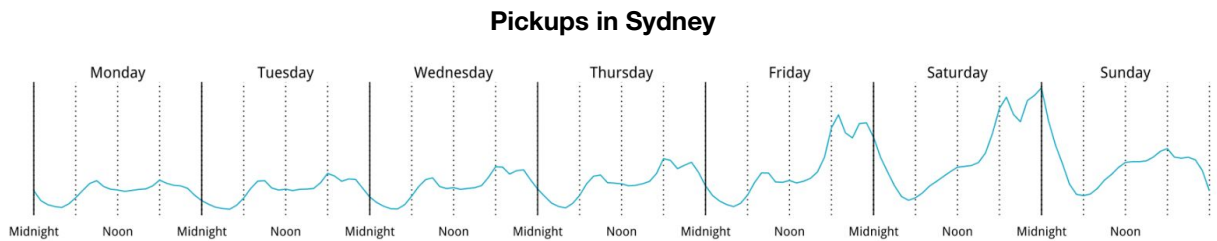
Demand also peaks shortly before alcohol-related violence is most likely to occur. In this way, ridesharing helps to transport visitors home at times of high-risk behaviour.

Alcohol-related violence in Sydney[10]
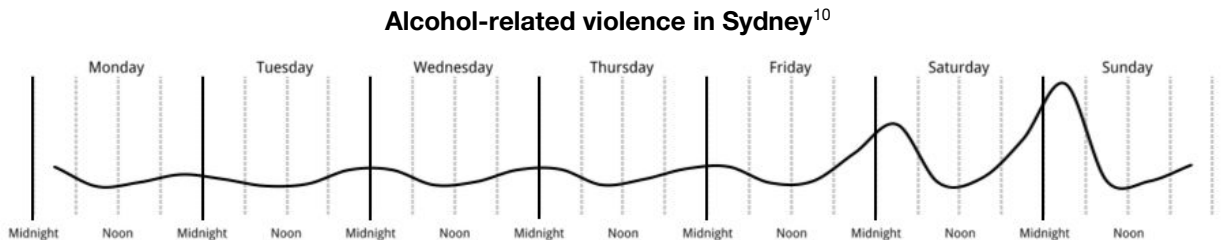
Geographically, late night demand peaks around prominent entertainment precincts including Double Bay, Pyrmont, Newtown and Oxford Street in addition to the CBD and King's Cross.

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[9] Greater than 800m from the nearest medium frequency transport node.
[10] BOCSAR, *NSW Recorded Crime Statistics 2014*, Sydney LGA.

Pickups in Sydney on a typical Saturday night
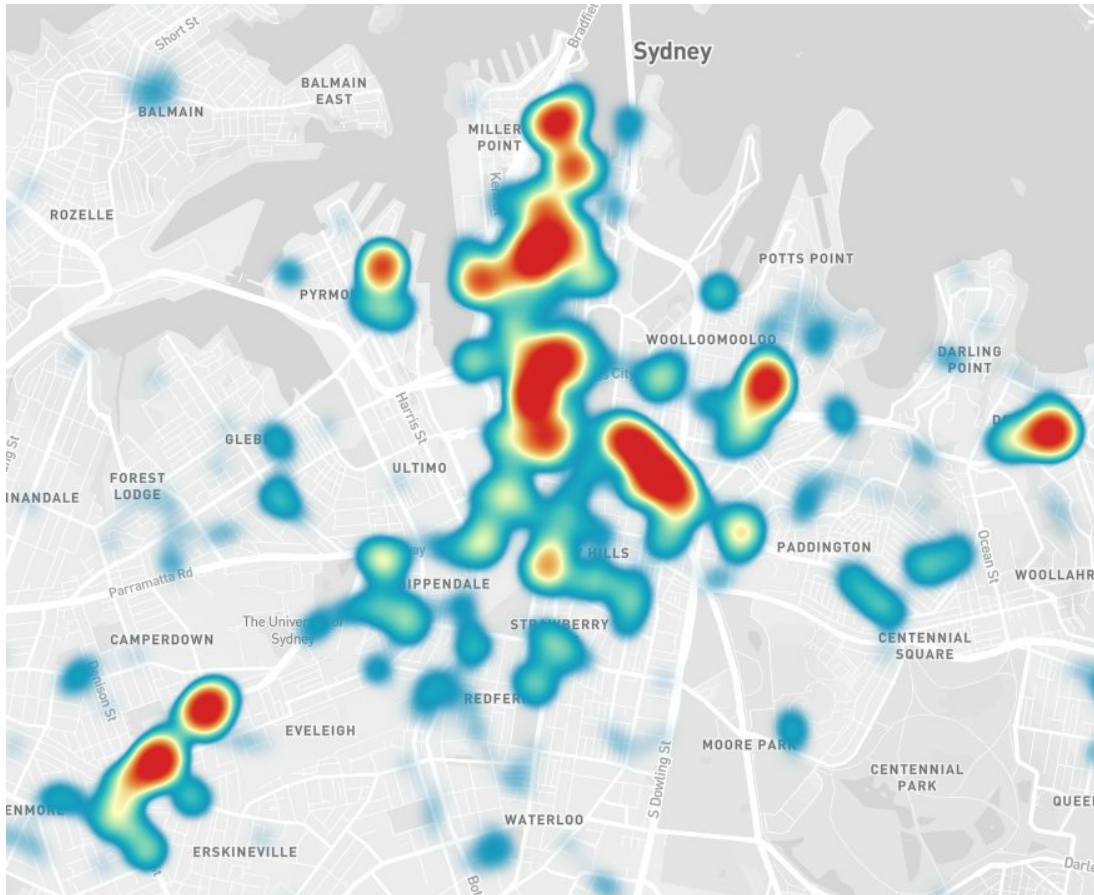
Since launching, uberX has facilitated some 450,000 journeys out of the lockout zone in the very early morning, reducing the potential for idle violence and disorder. The average response time in Sydney is less than four minutes, mitigating the disruption that often accompanies congested transport nodes - taxi ranks, "super" ranks and bus stops - that funnel intoxicated patrons into concentrated areas. For instance, taxi ranks in King's Cross have routinely generated queues more than 50m long.[11] In addition, ridesharing vehicles arrive at the requester's GPS location, eliminating the hazards associated with street hails at night in traffic.

> *The combination of alcohol and long waiting times at taxi ranks is a volatile mix, and frustration can easily boil over into fights and other anti-social behaviour.*

> \- Lord Mayor Clover Moore[12]

Safe rides

Ridesharing mitigates many of the safety risks associated with late night and weekend transport - for both riders and partner drivers. Ridesharing trips are:

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[11] City of Sydney, 'King's Cross cab rank upgrade for a safer night out', 2013.
[12] City of Sydney, 'King's Cross cab rank upgrade for a safer night out', 2013.

- **De-anonymised**. Riders know the identity of the driver-partners and partners know the identity of the rider. Uber can investigate reported incidents swiftly.

- **Pre-requested.** Riders do not need to venture into traffic at night to hail a vehicle. All rides must be requested through the app.

- **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. Cashless transactions also prevents fare evasion or robbery.

- **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. They perform three functions.

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

Second, they can *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 can *facilitate the prompt investigation* of incidents by recording the personal details of both parties and by recording the route taken.
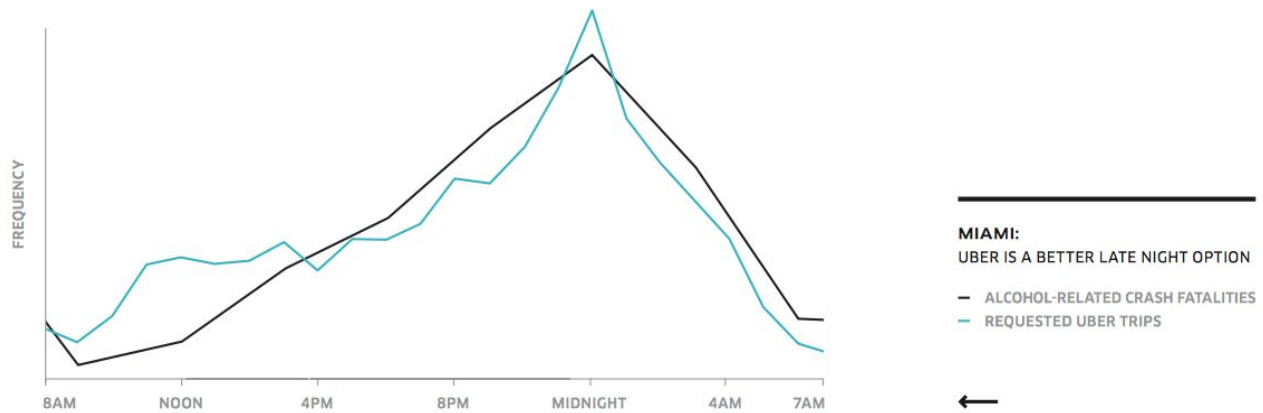
Safe choices

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:[13]

- 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:

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[13] Mothers Against Drink Driving, *Think and Ride,* report with Uber, 2015.

MIAMI:
UBER IS A BETTER LATE NIGHT OPTION
— ALCOHOL-RELATED CRASH FATALITIES
— REQUESTED UBER TRIPS

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".

In view of these outcomes, the Government should consider incorporating ridesharing into its "Plan B" counter-drink driving awareness campaign.

Conclusion

Future policy should acknowledge and account for the role of transport in facilitating a safe city and vibrant entertainment precincts. When people have access to safe, reliable and affordable transport, they make safer choices.

Ridesharing demonstrates that smart technology with a smart supply model can help to improve late night transport. It supplements existing transport systems where they are unavailable. It offers riders a reliable way home and offers partners a safe, flexible source of income. And it gives revellers a truly viable "Plan B" when deciding whether to drive.