Submission No 67

COMMUTER CAR PARKING IN NEW SOUTH WALES

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UBER

INQUIRY INTO COMMUTER CAR PARKING IN NSW

Submission to the NSW Parliamentary Committee on Transport and Infrastructure

August 2017

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Introduction

Uber welcomes the opportunity to provide a submission to the *Inquiry into Commuter Car Parking in NSW*. We welcome the inquiry into this important issue, noting that technology and new modes of transport should be considered when thinking of future opportunities in this area.

Uber recognises the importance of commuter car parking infrastructure and the purpose commuter car parks have served for many people in NSW. Historically, commuter car parks have been part of an effective solution to the 'first/last mile' problem - the problem that most public transport hubs only get commuters within a mile of their home. Car parks at train stations and other hubs have enabled commuters to commute via multi-modal transport: driving their car a short distance before catching a train, bus or ferry.

However in recent years, the growing demand of commuters in Sydney has meant that this solution to the first/last mile problem is often inadequate or prohibitively expensive. It should be noted that community carparks will continue to have a place in the transport mix. However, by relying only on investment in fixed infrastructure such as car parks, governments could end up unable to adapt quickly to changes in commuter attitudes, behaviour and geographic demand.

As an alternative to these traditional remedies to the first/last mile problem, some governments around the world have started turning to on-demand transport solutions that can flexibly adapt to commuter behaviour and provide a service that is tailored to individuals. Further, alternative solutions such as ridesharing services and mass-scale carpooling are often more cost effective and more efficient than investments in fixed infrastructure projects.

We recommend that the NSW Parliamentary Committee on Transport and Infrastructure consider alternative solutions to the first/last mile problem, and compare these options to traditional approaches such as building additional commuter car parks at high capital cost and limited longevity.

We look forward to working with the Parliamentary Committee on this important inquiry.

The role of commuter car parks

Commuter car parks are an essential transport component in many people's commute. Data from the ABS Census revealed that[1]:

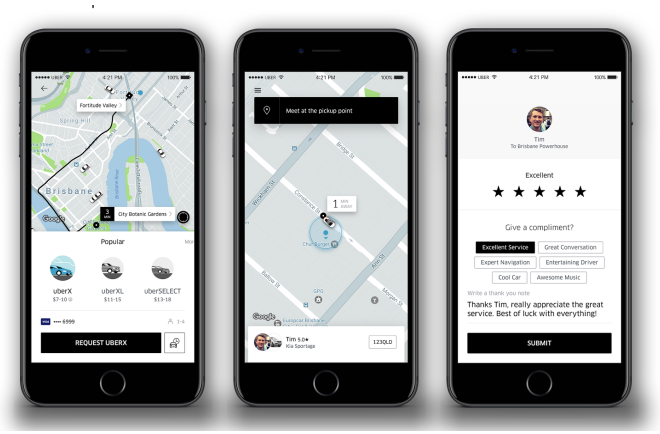
- Almost 66% of Australians commute to work by car
- This includes ***1.2 million Sydneysiders*** who commute to work by car
- 10% of Australians commute to work by public transport
- This includes over ***410,000 Sydneysiders*** who commute to work by public transport
- Of these, about 20% require a car or alternative mode of transport to get to a public transport hub

In particular, commuter car parks have served a role in enabling access to public transport infrastructure. These car parks have been effective solution to the 'first/last mile' problem - the problem that most public transport hubs only get commuters within a mile of their home. Car parks at train stations and other hubs have enabled commuters to commute via multi-modal transport: driving their car a short distance before catching a train, bus or ferry.

For the ***80,000+ Sydneysiders*** who require two or more forms of transport when commuting,[2] having easy access to car parks at important train stations, bus stops or ferry terminals has been essential for their daily commute.

The rise of technology-enabled transport

Over the last five years, technology has rapidly changed the urban mobility space. New forms of point-to-point transport, such as ridesharing, have been enabled by smartphone apps which allow riders to connect with drivers through the app by simply pushing a button. Passengers no longer need to call and book, or stand on a street corner, or queue in a taxi stand hoping a taxi will come along. Within minutes, at the push of a button, passengers can get a safe, reliable and affordable ride from A to B.



This rise in technology-enabled transport is a product of cities around the world experiencing a rapid period of growth and change. Not only are cities themselves evolving, but the people who inhabit them are changing too - the way we

[1] Australian Bureau of Statistics, '2011 Census QuickStats: Greater Sydney', March 2013.
[2] Australian Bureau of Statistics, '2011 Census QuickStats: Greater Sydney', March 2013.

communicate, work and move around our cities would be unrecognisable to the planners and architects who mapped out our cities years ago.

What is Uber

Uber is a technology company that provides a smartphone app which connects driver partners with people who need safe, reliable and affordable rides.

Uber launched the ridesharing service uberX in NSW in 2014, and since then we have provided millions of Sydneysiders with on-demand transport at the push of a button. Now, more than 1 million riders choose to get around NSW using the Uber app, and over 20,000 people in NSW partner to drive with Uber for a flexible source of income. On average, the wait time for an Uber ride in Sydney is under 5 minutes.

WHAT DOES IT TAKE TO BECOME A RIDESHARING DRIVER?*

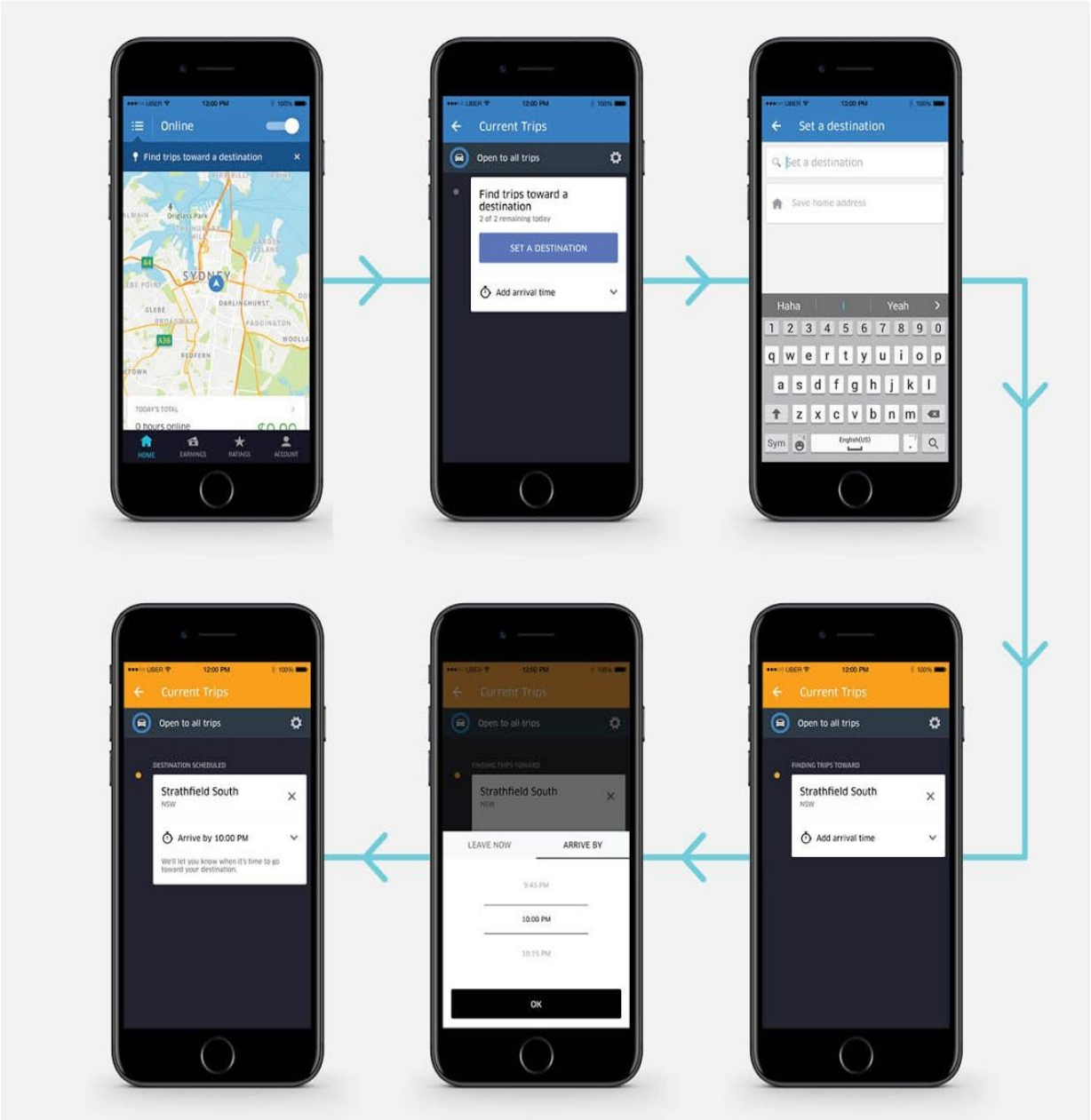
Driver accreditation. Prospective ridesharing drivers must receive a Private Hire Vehicle (PHV) Driver Authorisation from the Roads and Maritime Services (RMS) before they can access the Uber Partner app. This includes a stringent criminal background check and driving history check.

Vehicle checks. Uber arranges a commercial vehicle inspection with an accredited third-party automobile inspector, through which the driver-partner can receive a Vehicle Inspection Report. Vehicles must be a four-door model and newer than ten years old. All ridesharing partners must also have their own third party property damage or comprehensive car insurance. In addition, trips are covered by an $20 million contingent liability insurance policy from CGU Insurance. The contingent liability policy covers every Australian uberX trip.

Additionally, the introduction of features such as ‘Driver Destinations’ have encouraged many drivers to rideshare on their daily commute to and from work. This feature allows drivers to turn on the app and select an end destination and only receive trips heading in that direction.

To illustrate, if someone lives in Baulkham Hill and commutes into the CBD everyday, that person could become accredited to be an ridesharing driver and simply use the ‘Driver Destination’ feature to pick someone else up on his/her daily commute to and from the city and help offset travel costs.

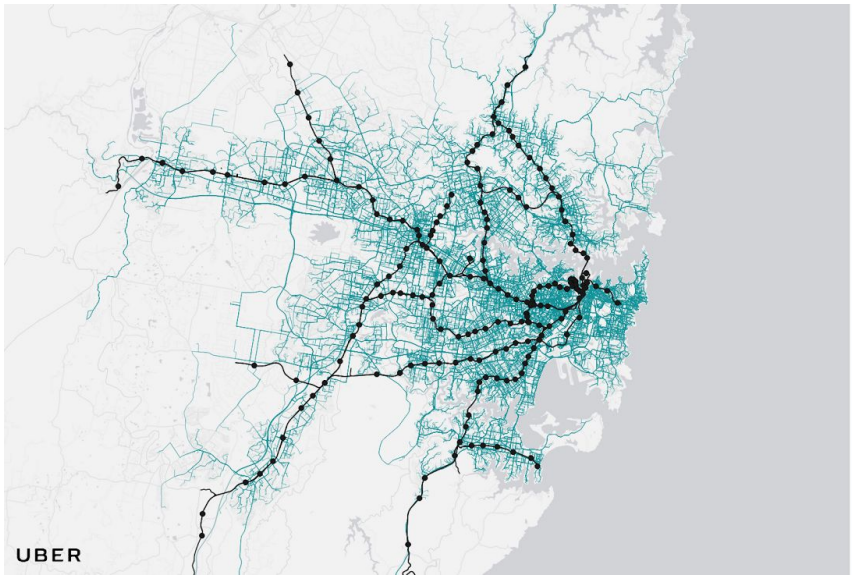
HOW ‘DRIVER DESTINATIONS’ WORKS



Complementing public transport

Importantly, ridesharing services such as Uber are being increasingly used in cities to complement existing public transport infrastructure. Ridesharing services complement public transit options by extending the reach of existing transit systems. By making it easier and faster to get around cities without the need to drive, Uber complements public transport in helping to reduce people's dependence on individual cars and extending the reach of existing systems without requiring large-scale infrastructure investment in new rail-lines or bus routes.

In Sydney, approximately 10% of all trips start or end within 200 metres of a public transport station.



UBER EXTENDS EXISTING PUBLIC TRANSPORTATION IN SYDNEY

SYDNEY, NEW SOUTH WALES

Lines represent Uber trips that began or ended near rail stations.

- RAIL STATION
- UBER TRIPS

Data from the city of Sydney between August 1st and August 7th, 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. Stations © OpenStreetMap contributors. For more https://www.openstreetmap.org/copyright

This means that 1 in 10 Uber trips are organically being used as a 'first/last mile' solution for public transport commuters.

For others, Uber is being used to fill in the gaps of existing public transport. In Australia, 60% of trips start or end in a public transport desert.[3] 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. In this way, ridesharing complements public transport where reliable service is unavailable. Ridesharing provides a flexible and scalable solution to the 'first/last mile' problem, connecting riders from their door to a transport hub.

[3] Deloitte Access Economics, *Economic effects of ridesharing in Australia*, July 2016.

Consideration of alternative modes of first mile/last mile travel

In 2014 more than half (54%) of Australians said that the reason they do not use public transport was that there was no service or none at the right time.[4] Moreover, existing and new public transport solutions may not be sufficient to meet future demands as Sydney grows in geographical size and population.

To keep up with this future demand, the NSW Government and local councils could continue to invest in commuter carparks to resolve the 'first/last mile' solution. However, recent trends have shown that the financial cost and length of completion for these projects can often outweigh the potential benefits. Further, land is limited and infrastructure corridors are often constrained.

Moreover, by the time large transport infrastructure projects are completed, it is often the case that passenger demand will immediately overwhelm the service supply. Train lines such as the North-West Rail Link and commuter carparks such as Emu Plains and Leppington are publicised examples of such trends.[5] [6] [7]

The required financial and time investment in these 'static' projects means that governments cannot respond dynamically to changes in commuter behaviour or geographic demand. It is highly likely that the transport demands of a geographic area may be vastly different between the date of a project announcement, and the date of completion.

In relation to commuter carparks, it is also worth noting that attitudes and behaviours towards car ownership are changing. Given that cars sit idle for 95% of the time, individuals are changing the importance they place on owning a vehicle.[8] For example, in NSW between 2012 and 2016, there has been a 2.12% decline in the number of 17-20 year olds with a driver's licence, and a 3.50% decline in the number of 21-25 year olds with a driver's licence.[9]

This trend is even greater in Victoria, where it was found that people under the age of 25 were 14% less likely to get a driver's licence than their parents (down to 66% from 77%).[10]

Likewise, the American Public Transport Association's report on ridesharing in the US found that once people are introduced to ridesharing, significant lifestyle changes take place - such

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[4] McCrindle Research, *Getting to Work*, February 2014
[5] Daily Telegraph, *Chatswood station to burst at seams when North West Rail Link opens*, May 2015.
[6] Daily Telegraph, *Emu Plains parking pain hurting commuters who have to scramble for early morning spots*, June 2015
[7] Daily Telegraph, *Commuters at Leppington Station face a fight to find parking at the region's newest station*, July 2016
[8] RAC Foundation, *Spaced out: perspectives on parking policy*, July 2012
[9] Car Advice, *NSW: More young people steering away from driver's licence*, July 2017
[10] ABC News, *Young people less interested than their parents in learning to drive*, January 2015

as 30% of users reporting driving a car to work less often.[11] A Reuters/Ipsos opinion poll in the US also revealed that 9% of people who have sold their car in the last year are instead relying on ridesharing services as their primary form of transport.[12] Similar trends are seen in London where research found almost half of Londoners see apps like Uber and DriveNow as a viable alternative to owning a car.[13]

All these trends show that more people, particularly those under the age of 30, are becoming less reliant on owning and driving their own vehicles and instead utilising other means of on-demand transportation.

To address these changing patterns of commuter behaviour, many transport authorities in cities around the world are considering alternative solutions to resolve the first/last mile problem.

For example, in Summit, New Jersey, the city's administration decided against building a new commuter car park in 2016. Instead, they launched a pilot program with Uber to offer subsidised rides to commuters who would have otherwise used the new parking station. This solution meant that instead of spending $10 million on building a new car park, the city government would only have to spend a much smaller amount (approximately $167,000) to provide personalised, on-demand rides to affected commuters for the year.[14] Such a program could be funded for 60 years for the same cost as constructing a new car park.

In Pinellas County, Florida, the Direct Connect Program allows riders to use Uber within a specific geographic area to get to or from a select group of designated bus stops, where they can connect into the regular bus system. Pinellas Suncoast Transit Authority (PSTA) subsidises 50% of this ride. Launched in early 2016, this program has been successful and was expanded to more bus stops in 2017.[15]

Here in Australia, the ACT Government, Transport Canberra and Uber launched the 'Nightrider + Uber' service in December 2016. This provided Canberrans who used the local Night Rider bus service from 11pm through to 2:30am on Friday/Saturday nights throughout December with discounted Uber trips for the last leg of their journey.

[11] American Public Transportation Association, *Shared Mobility and the Transformation of Public Transit*, 2016.
[12] Venture Beat, *Many Uber and Lyft riders are ditching their own cars*, May 2017.
[13] Business Insider, Londoners are turning to apps so they don't have to buy a car, June 2017.
[14] The Verge, *New Jersey town decides to pay Uber instead of building a parking lot*, October 2016.
[15] Uber Newsroom, *Expanding subsidized rides in Pinellas County*, January 2017.

This partnership was the first collaboration between a ridesharing platform and a government in Australia, and offered a novel solution to connect travellers from the public transport network to their doorstep in a safe, reliable and efficient manner.

These type of programs are not only cost-effective in comparison to building fix infrastructure such as commuter parking, they also have the capacity to be expanded over time, accommodating for growth and change in an area. This is in contrast to a commuter carpark, where limited parking space will inevitably fill up, thus requiring further infrastructure to be built.

Additionally, these alternative programs save commuters time by not having to search for parking, and enable parking spaces to be used more efficiently - from road widening to green space.

Advanced carpooling systems and on-demand public transport

Technology-enabled ridesharing has also made carpooling possible at scale for the first time. One of the products that Uber has launched in over 100 cities, uberPOOL, makes it easy for people headed in the same direction at the same time to share the journey, getting more people in fewer cars.

In cities where we have launched the option, 20% of trips on Uber are now uberPOOL, saving millions of miles of car journeys that otherwise would have been taken and reducing overall congestion.

A report conducted by the International Transport Forum (a research arm of the OECD) describes a future in which all trips are completed by a fleet of shared-use vehicles in an uberPOOL-like configuration. The report predicted that such a model would result in congestion disappearing, a 33% reduction in traffic emissions, and that the distance driven by shared cars would be 37% less than today, even during peak hours.[16]

It is likely that the the next generation of public transport will not be anchored in fixed routes and timetables. Instead it will be demand-responsive and dynamic - working around people's travel needs at any time of the day.

Already, the NSW Government has made some steps in this direction by issuing an Expression of Interest process for on-demand transport trials, with the NSW Transport Minister suggesting that "trials could include special bus services on suburban routes that respond to where and when extra buses are needed."[17]

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[16] International Transport Forum, *Urban Mobility System Upgrade: How shared self-driving cars could change city transport*, 2015.
[17] NSW Government, *Industry and tech leaders are encouraged to submit expressions of interest to run an on-demand public transport trial*, November 2016.

At scale, on demand services have the capacity to dramatically increase the efficiency of existing public transport networks, and reduce the need for investment in historical first/last mile solutions such as commuter car parks.

Integration with the Opal Card System

As identified above, Uber rider behaviour patterns have shown that ridesharing is already becoming an organic first/last mile solution for some commuters. This is particularly the case for busier train stations such as Strathfield, Mascot, Bondi Junction, North Sydney, Parramatta and Hurstville. The table below illustrates the most popular suburban train stations based on the number of Uber trips to and from stations.

Most popular train stations by Uber Pickup & Dropoff
Newtown Station
Strathfield Station
Mascot Station
Bondi Junction Station
Parramatta Station
Hurstville Station
Chatswood Station
Eastwood Station
Burwood Station
Blacktown Station

Given that Sydneysiders are already starting to use Uber as part of their multi-modal commute, we believe there is an opportunity for the integration of ridesharing services into the Opal Card payment platform.

Opal Card integration would enable commuters to seamlessly transition between modes of transport on their daily commute (similar to the existing system for buses, trains and ferries). Combining this Opal Card integration with a dedicated commuter carpooling product would then ensure that on-demand, personalised public transport is accessible to all commuters with the push of a button.

Finally, connecting this commuter carpooling product with online Sydney Transport services such as Tripview and 131500 through an API integration would allow commuters to plan their entire journey door-to-door.

These options would improve the commuting efficiency and ease for thousands of Sydneysiders who travel each day by public transport. They may also encourage commuters who drive to consider leaving the car at home, now that they have an alternative that is on-demand and personalised to their location.

A self-driving future

Perhaps most importantly, with the rapid development of self-driving technology, large-scale investment in commuter car parks may be a short-term solution instead of a long-term strategy. As self driving fleet technology is introduced into cities, there is a strong likelihood that more people will opt for self-driving shared ride alternatives than relying on their vehicle. Thus, there is a potential that community car parks could ultimately become redundant soon after they are built.

Uber and other ridesharing platforms have shown that within a couple of years, commuter behaviour and attitudes can change greatly, and that technology can unlock huge efficiency gains for transportation and urban mobility.

As we move further into the digital age, these potential gains will only increase, and will require dynamic and smart investment decisions to ensure optimum solutions to the first/last mile problem. With this review, the NSW Government has the opportunity to be at the forefront of these changes, and set up a transport solution that not only factors in current trends, but also future possibilities.