

**INQUIRY INTO IMPACT OF TECHNOLOGICAL AND  
OTHER CHANGE ON THE FUTURE OF WORK AND  
WORKERS IN NEW SOUTH WALES**

**Organisation:** Ola Australia Pty Ltd

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New South Wales Parliament - Legislative Council  
Select Committee:

Inquiry into the impact of technological and other change on  
the future of work and workers in New South Wales

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## Introduction

Ola was founded in India in 2011 and is one of the world's largest and fastest growing rideshare companies, operating in Australia, New Zealand, the United Kingdom and India. One of the keys to our successful growth and global expansion has been our focus on drivers. We give drivers the opportunity to increase their earnings by taking lower commission rates, which allows drivers to make more per ride. We also offer more consumer choice, including on prices and vehicle types, to help passengers conveniently and safely get from A to B. In Australia and New Zealand, we have over 1.5 million registered users and as of July 2020, over 75,000 drivers have served well over 200 million kilometres across 36 locations.

Ola harnesses technology to connect people. Our operating model is based on the concept of matching consumers who need transport options with drivers who can use an asset they already own - the family car - to generate extra income. Ola takes lower commissions from our drivers meaning they get to take home more from their rides. We offer highly competitive pricing to increase consumer choice, while maximising returns for drivers. Alongside our core rideshare platform, Ola is a key global innovator in the mobility space, investing significantly in emerging transport technologies such as electric vehicles.

Ola takes seriously its responsibilities to the communities in which it operates, including tax obligations, regulatory compliance and our responsibilities to the users of the platform, both drivers and riders. We approach public policy with two major focuses: our drivers and our riders. We understand many drivers and consumers would be very sensitive to increased costs which must be accounted for with any regulatory change. A large number of our drivers are people looking to make some supplementary income to support their families in the face of the rising cost of living. The varying types of drivers, their need and desire for flexibility and their cost pressures should also be considered in public policy discussions.

We acknowledge the global COVID-19 pandemic and the impact it has had on the gig economy, and wider New South Wales and Australian economies. We would also like to note our sympathies for those who have suffered during this crisis, including those who have tragically lost loved ones. Working with the various governments across Australia, Ola sent out messages to our millions of drivers and riders to provide updates on COVID-19 and encourage people to download the COVIDSafe app to do our bit in helping stop the spread of this virus. We would ask the Committee to consider COVID-19 and its impact on the industry in its deliberations.

Ola seeks to engage constructively with the New South Wales Government and with the Parliament, and the broader transport sector in developing more efficient and sustainable solutions to connect people with various transport needs.

We thank the Committee for the opportunity to participate in the Inquiry and look forward to working with the Members and the wider Parliament to shape this important industry in New South Wales.



## The Inquiry

Ola is a technology company. We connect people.

Globally, Ola helps move over 200 million users via its network of over 2.5 million drivers hosted across 250+ cities. On an aggregate basis, Ola serves as many as a billion rides annually through its technology platform, available through the Ola rider and driver apps.

Ola has been recognised for its collaboration with governments and communities across India to solve local transport issues in innovative and meaningful ways - and we are making purposeful strides to engage with policy makers and thought-leaders here in New South Wales and Australia.

The Select Committee was established on 24 March 2020 to inquire into and report on the impact of technological and other change on the future of work and workers in New South Wales. When considering the scope of the Inquiry, we acknowledge the Chair and Shadow Minister for the Gig Economy, the Hon. Daniel Mookhey MLC, who said this will be “the most expansive inquiry undertaken into the future of work done to date in the country”.<sup>1</sup>

Indeed the terms of reference are comprehensive and in keeping with our commitment to engage with parliaments and governments, we provide the following submission which details our positions on relevant and related matters, and provides the Committee with data and research which we would ask members to consider during their deliberations.

We also note the terms of reference<sup>2</sup> covers issues which may be outside the jurisdiction of the New South Wales Parliament and Government. We have provided information on these issues for the Committee’s awareness and seek to address them where appropriate to assist the Committee.

Again, we thank the Committee for the opportunity to contribute and look forward to working with all Members in continuing to evolve the gig economy in New South Wales.

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<sup>1</sup> Mookhey, D. (2020), Media Release: Inquiry into the impact of technological and other change on the future of work and workers in New South Wales

<https://www.parliament.nsw.gov.au/lcdocs/other/13364/Media%20release%20-%20Establishment%20of%20inquiry%20-%20%2030%20April%202020.pdf>

<sup>2</sup> Legislative Council (2020), Terms of Reference, Inquiry into the impact of technological and other change on the future of work and workers in New South Wales

<https://www.parliament.nsw.gov.au/lcdocs/inquiries/2591/TOR%20-%20Future%20of%20work.pdf>

## What is the future of work?

The future of work is an international field of study focused on how work, employment relationships and the workplace will change into the future. Its evolving debate and discussion predominantly explores the use of technology.<sup>3 4</sup>

The emergence of COVID-19 across the global community has both accelerated and highlighted the rise of technology with millions of people working from home - forgoing the need to go to the office - using remote logins, personal computers and mobile phones to carry out their duties.<sup>5</sup> What is even more interesting is that employers are now looking to pivot to this model for extended periods and potentially even on a permanent basis to lower their costs by not having an actual workplace, thus saving rent and other costs.<sup>6 7</sup> Twitter, Facebook and Google recently announced plans for their workforces to stay working from home, globally, until at least mid-2021.<sup>8</sup>

Technology is a key enabler and will continue to be a driving force. According to a paper by PricewaterhouseCoopers (2018)<sup>9</sup>, “technological breakthroughs” and “rapid advances in technological innovation” shows:

*Automation, robotics and AI are advancing quickly, dramatically changing the nature and number of jobs available. Technology has the power to improve our lives, raising productivity, living standards and average life span, and free people to focus on personal fulfilment.*

The OECD published a paper on the future of work which says:

*The world of work is changing. Technological progress, globalisation and ageing populations are re-shaping the labour market.*

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<sup>3</sup> Arntz, M., Gregory, T., and Zierahn, U., (2019), Digitization and the Future of Work: Macroeconomic Consequences, Handbook of Labor, Human Resources and Population Economics pp 1-29, [https://link.springer.com/referenceworkentry/10.1007%2F978-3-319-57365-6\\_11-1](https://link.springer.com/referenceworkentry/10.1007%2F978-3-319-57365-6_11-1)

<sup>4</sup> Santana, M., and Cobob, M.J., (2020), What is the future of work? A science mapping analysis, European Management Journal, <https://www.sciencedirect.com/science/article/abs/pii/S0263237320300621>

<sup>5</sup> Baldwin, R. E., (2020), Covid, hysteresis, and the future of work, In: Global Challenges - Graduate Institute of International and Development Studies, Special Issue 1, Article 15, <https://repository.graduateinstitute.ch/record/298417>

<sup>6</sup> Blit, J., (2020), Automation and Reallocation: Will COVID-19 Usher in the Future of Work?, Canadian Public Policy, <https://www.utpjournals.press/doi/pdf/10.3138/cpp.2020-065>

<sup>7</sup> Lord, P., (2020), COVID-19 and the Future of Work, Journal of Psycho-Economics (Forthcoming) (symposium paper), <http://dx.doi.org/10.2139/ssrn.3666588>

<sup>8</sup> Forbes (2020), Facebook tells employees to work from home until Summer 2021, <https://www.forbes.com/sites/jackkelly/2020/08/07/facebook-tells-employees-to-work-from-home-up-until-summer-2021/#6d7836696d8d>

<sup>9</sup> PricewaterhouseCoopers (2018), Workforce of the Future, <https://www.pwc.com/gx/en/services/people-organisation/workforce-of-the-future/workforce-of-the-future-the-competing-forces-shaping-2030-pwc.pdf>

*At the same time, new organisational business models and evolving worker preferences are contributing to the emergence of new forms of work.<sup>10</sup>*

The Australian Government's Job Search webpage notes:

*Offices are becoming a thing of the past. Work is morphing from a place into an activity, so much so that it can be done without even going into the office. With globalisation and ever-improving technology, the workplace is becoming increasingly virtual and connected. With more work being outsourced or mechanised, the 9-5 workforce is disappearing.<sup>11</sup>*

COVID-19 has seen large shifts in people moving to unemployment and under-employment, and sadly some people dropping out of the employment market altogether. This job insecurity has also meant people have needed to change jobs to seek better conditions or to look for security to meet their needs. The next few months and potentially years will have flow on effects to peoples' job prospects and career progression thanks to this virus, but again, this may in fact be an acceleration of what was already happening - however it is due to need, rather than want in some cases.

We understand Australians want to work, including at a time of crisis. They do not want to be on welfare. They want to be able to make ends meet, provide for their families and pursue their dreams - and they are happy to work for it. But, what governments at all levels need to do is help people adjust to and prepare for the future of work. Making it easier for people to seamlessly move between jobs and tasks, increasing their workplace flexibility, while boosting their work-life balance and ability to earn a decent living.

According to Marr (2019), one of the five ways he predicts jobs will change in the fourth industrial revolution is the rise in fluid gigs. He says:

*Within an organization, positions will be more fluid, and a strict organizational chart will likely be tossed in favor of more project-based teams. This is especially appealing to Generation Z employees since 75% of Generation Z employees would be interested in having multiple roles in one place of employment. The "gig" economy will continue to expand where professionals sign on as contractors or freelancers and then move on to the next gig.<sup>12</sup>*

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<sup>10</sup> OECD (2019), The future of work: What do we know?, <https://www.oecd-ilibrary.org/sites/ef00d169-en/index.html?itemId=/content/component/ef00d169-en>

<sup>11</sup> JobSearch (2020), 5 things you need to know about the future of work and how it will affect your business, <https://jobsearch.gov.au/selfstart/the-new-world-of-business/5-things-you-need-to-know-about-the-future-of-work-and-how-it-will-affect-your-business>

<sup>12</sup> Marr (2019), The future of work: 5 important ways jobs will change in the 4th industrial revolution, <https://www.forbes.com/sites/bernardmarr/2019/07/15/the-future-of-work-5-important-ways-jobs-will-change-in-the-4th-industrial-revolution/#1659d37654c7>

## What is the gig or on-demand economy?

Contrary to popular belief, the gig economy is not a new phenomenon. For decades, people have completed one-off tasks of various sizes for different people to earn an income. Tradespeople in particular - plumbers, electricians, builders - move from gig to gig and operate using various business models. Entertainers - singers, bands, comedians - all work gig to gig, as do freelance journalists, writers and directors.<sup>13</sup>

The reason for the latest focus on the gig economy is the size and scale of the change, and the increase in the ease of accessing gig work - thanks to the rise of technology.<sup>14</sup>

Put simply, the gig economy is a system where people complete temporary tasks or gigs which are paid separately by the end user, rather than by an employer, with parties often connected by use of technology. A broader reading of the modern gig economy would be that it is a digital marketplace for connecting people who have needs or tasks with peers who have the skills, experience, time and resources to complete those tasks. It is based on short-term task related contracts or freelance work as opposed to a 9 to 5, full or part time, permanent traditional job.<sup>15</sup>

Investopedia says:

*The gig economy can benefit workers, businesses, and consumers by making work more adaptable to the needs of the moment and demand for flexible lifestyles. On the side of the employee, people often find they need to move around or take multiple positions to afford the lifestyle they want. People also tend to change careers many times throughout their lives, so the gig economy can be viewed as a reflection of this occurring on a large scale.<sup>16</sup>*

The Australian Industry Group in its *Emergence of the Gig Economy Report* notes:

*The gig economy refers to the growing number of workers abandoning traditional 9 to 5 employment in favour of working independently on a task-by-task basis for various employers. Workers (particularly millennials) are expressing an increasing demand for flexible and autonomous work, prompting many to engage in freelancing. The emergence of digital talent platforms linking workers and employers is the driving force behind the increasing prominence of the gig economy.<sup>17</sup>*

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<sup>13</sup> James, N., (2020), Report of the Inquiry into the Victorian On-Demand Workforce, [https://s3-ap-southeast-2.amazonaws.com/hdp.au.prod.app.vic-engage.files/4915/9469/1146/Report\\_of\\_the\\_inquiry\\_into\\_the\\_Victorian\\_On-Demand\\_Workforce-reduced\\_size.pdf](https://s3-ap-southeast-2.amazonaws.com/hdp.au.prod.app.vic-engage.files/4915/9469/1146/Report_of_the_inquiry_into_the_Victorian_On-Demand_Workforce-reduced_size.pdf)

<sup>14</sup> ibid (2020)

<sup>15</sup> Cambridge (2020), Gig Economy, <https://dictionary.cambridge.org/dictionary/english/gig-economy>

<sup>16</sup> Investopedia (2020), Gig Economy, <https://www.investopedia.com/terms/g/gig-economy.asp>

<sup>17</sup> AIG (2016), The emergence of the gig economy, [https://cdn.aigroup.com.au/Reports/2016/Gig\\_Economy\\_August\\_2016.pdf](https://cdn.aigroup.com.au/Reports/2016/Gig_Economy_August_2016.pdf)



Over the past few years there has been an explosion of gig economy platforms, including Ola. These platforms are designed to connect people with matching needs. For example, a person whose car would normally be sitting in the garage depreciating, under-utilised, can now use that vehicle to make some extra money from an asset they already own by providing personalised point to point transport to someone who needs or wants the convenience of a lift from A to B or door-to-door.

But the growing gig economy is bigger than rideshare and food delivery. It also includes renting out your house or car for people to borrow; finding a local handyman to come and fix a leaking sink or paint a wall; or getting someone to take your new puppy for a walk and check in on them while you're at work.

These are just some examples of course, but the possibilities are very exciting for the future, in particular, for people who are seeking flexibility and choice. How many times do you hear people lamenting the thought of heading into work on Monday for the 9 to 5 slog? The gig economy lets people choose when, where and how they work. It is on their schedule and gives them the flexibility they want to manage their work and life commitments.



## What is rideshare?

Rideshare is a type of industry which commonly operates in the gig economy. It focuses on the transport of people from one point to another by connecting people who need transport with people who have vehicles, time, licences/accreditations and ability to transport them safely to their destination.

Ridesharing is "an arrangement in which a passenger travels in a private vehicle driven by its owner, for free or for a fee, especially as arranged by means of a website or app".<sup>18</sup>

At a very basic level, the rideshare industry offers on-demand transportation services to people by connecting drivers with passengers through online digital platforms. This matching concept is not new. The facilitation of online exchanges between multiple groups who do not necessarily know each other, including between end users and producers, has been around since the advent of the internet after it gradually became part of ordinary lives of people in the 1990s.<sup>19</sup>

Often drivers are independent contractors who have their own businesses and connect to their customers via a mobile application. The rideshare brand and owner of the app is a technology company, and charges the drivers a commission on each trip for access to the technology platform. The drivers provide their own vehicles and are responsible for meeting the costs of operating those vehicles<sup>20</sup> and their business's operating costs.

It should also be noted that drivers often use more than one of the available platforms, in fact, a large number use two or three apps to find transport gigs. Some may also provide services on other gig or on-demand apps.<sup>21</sup> Their independence allows them to: move seamlessly between apps to find customers; sign in and take trips when they wish; and choose not to accept work which is offered.

The gig economy and rideshare will continue to grow in the years to come, but not only will it help deliver flexibility to workers and choice for consumers, it will also help address traffic and congestion issues in our cities.

PWC (2018) talks about "rapid urbanisation" and "significant increase in the world's population moving to live in cities":

*By 2030, the UN projects that 4.9 billion people will be urban dwellers and, by 2050, the world's urban population will have increased by some 72%. Already,*

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<sup>18</sup> Ridesharing Definition, <https://www.dictionary.com/browse/ridesharing>

<sup>19</sup> Ross, N., (2012), Advent of the Internet, Australian Broadcasting Corporation, <http://www.abc.net.au/archives/80days/stories/2012/01/19/3411679.htm>

<sup>20</sup> Choice (2020), A guide to rideshare and taxis apps, <https://www.choice.com.au/transport/cars/general/buying-guides/rideshare-services>

<sup>21</sup> James, N., (2020), Report of the Inquiry into the Victorian On-Demand Workforce, [https://s3-ap-southeast-2.amazonaws.com/hdp.au.prod.app.vic-engage.files/4915/9469/1146/Report\\_of\\_the\\_Inquiry\\_into\\_the\\_Victorian\\_On-Demand\\_Workforce-reduced\\_size.pdf](https://s3-ap-southeast-2.amazonaws.com/hdp.au.prod.app.vic-engage.files/4915/9469/1146/Report_of_the_Inquiry_into_the_Victorian_On-Demand_Workforce-reduced_size.pdf)

*many of the largest cities have GDPs larger than mid-size countries. In this new world, cities will become important agents for job creation.<sup>22</sup>*

Mobility solutions, like rideshare, and advances in technology, could actually reduce the traffic as more on-demand services replace the need for people to own their own vehicles. Integrated transport solutions and mobility-as-a-service will greatly improve transportation experiences as our cities grow.<sup>23 24</sup>

Governments are looking to invest in high speed and fast rail. NSW is already increasing light rail and some governments are considering investment in trackless trams. When coupled with the rise and continued growth of companies like Ola in ridesharing, and private sector investment in transport and infrastructure, people will have less need for their own private vehicles to get from A to B - even over longer distances.

Cities and enterprises are also incorporating green policies into their development approval and investment processes which limit car spaces in order to discourage vehicle ownership and driving to work. In Newcastle, the University's new building on Hunter Street has no parking allocations to encourage students, support staff and teaching staff alike to use alternative arrangements, including the new light rail system.<sup>25</sup> These sorts of policy changes will see people limiting their use of private vehicles and in a lot of cases will likely see people only using their cars for longer trips after hours or on the weekends, instead of for their commute. So while the number of taxis and rideshare vehicles may increase, the use of private vehicles may decrease in the longer term.

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<sup>22</sup> PricewaterhouseCoopers (2018), Workforce of the Future, <https://www.pwc.com/gx/en/services/people-organisation/workforce-of-the-future/workforce-of-the-future-the-competing-forces-shaping-2030-pwc.pdf>

<sup>23</sup> Mulley, C., et al., (2020), Mobility as a service in community transport in Australia: Can it provide a sustainable future?, Transportation Research Part A: Policy and Practice, Vol. 131, pp.107-122, <https://doi.org/10.1016/j.tra.2019.04.001>

<sup>24</sup> Ho, C.H., Mulley, C., and Hensher, D.A., (2020), Public preferences for mobility as a service: Insights from stated preference surveys, Transportation Research Part A: Policy and Practice, Vol. 131, pp. 70-90, <https://doi.org/10.1016/j.tra.2019.09.031>

<sup>25</sup> Newcastle Herald (2014), Uni defends city campus car parking plan, <https://www.newcastleherald.com.au/story/2569467/uni-defends-city-campus-car-parking-plan/>

## Flexibility, Choice and Control

At Ola, our drivers are engaged as independent contractors which gives them the freedom to work when they want and importantly to switch between platforms to take on work. They may drive for us and one of our competitors in the afternoon, alternating trips, and deliver food in the evenings early in the week, while later in the week they may offer their services as a business consultant and freelance writer via different gig economy platforms.

Our platform is giving people in a variety of circumstances an option for generating income. They may be a part time office worker looking for more income; a university student needing some cash while studying; or a retiree looking for something to do with their spare time. The point is, the gig economy is not a one size fits all model.

There are various platforms, with numerous lines of work, available to a wide spectrum of people with different backgrounds and skills. The gig economy is not limited to one form of work. Tasks being offered in traditionally white collar professions, for example, bookkeepers, legal advisers, writers, public relations and marketing are part of the gig economy and have been for decades. It also includes handyman services, couriers, IT and telecommunications, journalism and a swag of entertainment related tasks.<sup>26</sup>

Recently, the ability to share cars, rent out rooms/homes and short-term lease other items have also been added to the growing list of services available on-demand. Often these involve a person with an asset which would otherwise be idle, using it or sharing it, to earn some extra income.<sup>27</sup>

The Victorian Government commissioned a recent study of the gig economy. It found:

*The types of work that current platform workers are doing include transport and food delivery (18.6% of platform workers), professional services work (16.9%), odd jobs or maintenance work (11.5%), and writing or translation work (9.0%). About 7% of current platform workers perform services in each of the areas of clerical and data entry (7.8%), creative and multimedia work (7.7%), software development and technology (7.2%), and care services (7.0%).<sup>28</sup>*

That study found almost 60 percent of respondents were paid by task, rather than by the hour. Almost 81 percent said their work on digital platforms made up less than half of their annual income, while fifty-two percent of people classified their gig or digital platform work as 'nice to have but can live without it'.

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<sup>26</sup> James, N., (2020), Report of the Inquiry into the Victorian On-Demand Workforce, [https://s3.ap-southeast-2.amazonaws.com/hdp.au.prod.app.vic-engage.files/4915/9469/1146/Report\\_of\\_the\\_Inquiry\\_into\\_the\\_Victorian\\_On-Demand\\_Workforce-reduced\\_size.pdf](https://s3.ap-southeast-2.amazonaws.com/hdp.au.prod.app.vic-engage.files/4915/9469/1146/Report_of_the_Inquiry_into_the_Victorian_On-Demand_Workforce-reduced_size.pdf)

<sup>27</sup> ibid (2020)

<sup>28</sup> MacDonald, P., et al. (2019), Digital Platform Work in Australia Preliminary findings from a national survey, <https://apo.org.au/sites/default/files/resource-files/2019-06/apo-nid242706.pdf>

Only 2.7 percent of respondents said they get 100 percent of their income from gig economy work.<sup>29</sup> In other words, the gig economy is often used by people to supplement their income, rather than being the sole source of their income. This supports the idea that people choosing this type of work are doing so for the flexibility and choice it provides.

The same report found:

*The strongest motivations for undertaking platform work are 'earning extra money'; 'working the hours I choose'; 'doing work that I enjoy', 'choosing my own tasks or projects', 'working in a place that I choose' and 'working for myself and being my own boss'.<sup>30</sup>*

Is the gig economy perfect for everyone? No. But is it the ideal form of work for some? Yes. It makes sense for people who need or want this flexibility and choice. It also has lower barriers to entry helping people from all backgrounds find work opportunities, which is especially important at times and in areas of high unemployment.

According to research<sup>31</sup> we have conducted:

- Over 75 percent of our drivers surveyed choose to drive rideshare part-time.
- Most have a primary day job and drive for rideshare companies on the side to make more money to care for their family and pay bills. Rideshare services allow them to work extra, flexible hours outside their main profession.
- Only one-quarter of those surveyed were driving full time. These drivers are often well educated and/or trained in a specialised skill, but either struggle to find work in their area of expertise or they are still finishing up their studies.
- No one surveyed believed they will still be driving for rideshare services in 5-10 years time. It's not their chosen career – rather it's a way to make extra money in the short to medium term.
- Drivers preferred to drive during peak hours to pick up several rides and make good money with minimal down time, especially if driving in areas with many businesses and offices.
- Working at night or in the evenings was especially preferred by part time workers who can't drive during the day. Less traffic means it's easier to get around. Many big events and social occasions take place at night. Day time is good for those driving full time, student drivers or drivers with flexible work hours (in primary job).

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<sup>29</sup> ibid (2019)

<sup>30</sup> ibid (2019)

<sup>31</sup> Information is derived from Ola's internal data and surveys of drivers

Focus group research conducted for Ola suggests that the main reason that drivers drove with rideshare companies was for the flexibility it provides them with most fitting it around another job. They also told our researchers that flexibility around family was also important.

All drivers in the groups were driving with three companies, including Ola. Most said they keep all apps open and take the next ride that comes in, regardless of the platform. They found it hard to estimate the split between the companies they drove with as it varied day-to-day. They need the flexibility of independent contracting to be able to control their movements between platforms to take the next available trip, grow their businesses and generate returns.

One driver said he enjoys the flexibility and is particularly drawn to the social aspect of the job and talking/meeting people: *"I like the freedom of hours"..."I enjoy chatting to people and learning something new, particularly from the older passengers"*.

Another said he most values the flexibility in the job and setting his own hours. He also enjoys meeting new people, hearing different things and seeing new suburbs: *"I can work when I want and take days off when I want"*. Yet another driver added: *"I don't have to report to anyone, I can work when I like"*.

Our research found, the top four reasons for driving rideshare were:

1. "I get to meet people"
2. "I have flexibility to work my own hours. I decide the hours I work to suit my needs."
3. "I work for myself. The more I put in, the more I get out of it!"
4. "I see so many places that I have never seen or never knew existed!"

One participant noted why he liked driving for Ola: *"There is high flexibility for the drivers along with the pay rates that are very much better than other rideshare companies in Sydney"*. One of his peers added: *"Having the flexibility to work. I work in a factory as well and then between shifts I drive Ola. It helps me make extra cash when I need to"*.

This research emphasizes the argument that the majority of people do rideshare as a way of gaining extra income and that they like and want the flexibility it provides.

Ola's driver community is made up of a diverse range of individuals<sup>32</sup>:

- industrious entrepreneurs;
- full or part-time employees looking for additional and flexible ways to earn income;
- part-timers 'driving for fun';
- students;
- temporary work visa holders and immigrants;

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<sup>32</sup> Information is derived from Ola's internal data and surveys on drivers.

- individuals driving as an opportunity to earn income while seeking employment; and
- seniors and retirees.

The nature of the rideshare industry is such that anyone with a car can become a driver provided that appropriate documentation has been supplied by the individual and the individual meets mandatory eligibility requirements.<sup>33</sup> The principle of inclusion means that those with a desire to earn an income may do so outside of a traditional job hunting environment, which often involves a strenuous selection process.

In various surveys conducted by Ola and others, key reasons for wanting to be rideshare drivers include the following<sup>34</sup>:

- financial freedom;
- flexibility and control; and
- easy opportunity to make money due to a low barrier of entry.

More importantly, those with an urgent financial need may start receiving cash almost immediately without having to resort to undesirable means to accumulate the same such as through payday loans or participation in the black economy. Many of these people are the long-term unemployed<sup>35</sup> and are people who are often ashamed, broken and in some cases, suicidal.<sup>36</sup> They are the vulnerable workers whom the Government is seeking to protect.

The economic cost of long-term unemployment is well-known. According to the Fairfax Lateral Economics Wellbeing Index, it amounted to \$13.6 billion<sup>37</sup> and the number of long-term unemployed is growing - a 125 percent rise in the past decade since 2008.<sup>38</sup>

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<sup>33</sup> Age limits apply in a number of jurisdictions - see further the section on 'Regulatory landscape' in this paper.

<sup>34</sup> Information is derived from Ola's internal data and surveys of drivers

<sup>35</sup> The Australian Bureau of Statistics defines long-term unemployed as people who are classified as unemployed and who have not worked for 52 weeks or longer (Australian Bureau of Statistics, 2018, 6102.0.55.001 - *Labour Statistics: Concepts, Sources and Methods, Feb 2018*, ABS, <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/6102.0.55.001~Feb%202018~Main%20Features~Unemployment~6>

<sup>36</sup> Frost, J., (2018), Customers of payday lenders are ashamed, broken and suicidal, Senate inquiry told, Australian Financial Review, <https://www.afr.com/business/banking-and-finance/customers-of-payday-lenders-are-ashamed-broken-and-suicidal-senate-inquiry-told-20181212-h190j8>

<sup>37</sup> Phelan, L., (2018), 'People don't see us': Why Isabella feels like an invisible woman, Sydney Morning Herald, <https://www.smh.com.au/business/the-economy/people-don-t-see-us-why-isabella-feels-like-an-invisible-woman-20180828-p500bm.html>

<sup>38</sup> Ibid.

Participation in the on-demand sector has been acknowledged to be a key enabler for those seeking to enter the workforce or resume working, thereby providing a practical solution to one of the major impediments of growth in a country - long-term unemployment.<sup>39</sup> Among the most vulnerable to long-term unemployment are people with low skills or qualifications who fall into inactivity as a result of unsuccessful job-search efforts.<sup>40</sup> Choosing to drive in the rideshare industry is thus ideal for such individuals.

In fact, evidence shows that local unemployment in the traditional offline labour market leads to a significant increase in activity in the online labour market but ultimately, these workers return to traditional employment on attaining suitable employment.<sup>41</sup>

Independent contracting has always been a legitimate form of service delivery.<sup>42</sup> Contractors enjoy a variety and diversity of work, flexibility of working hours and are not required to do unpaid overtime work. This flexibility is clearly reflected in the nature of the service delivery model of Ola's drivers and in the rideshare industry in general:

- Drivers maximise profits through diversification by utilising all available ridesharing apps including apps of direct competitors<sup>43</sup>;
- Drivers do not have shifts, are not required to have a set hours of work and there is no obligation to perform a service;
- Drivers may cancel trips or log out at anytime without any financial cost or sanction against them imposed by Ola;
- Trips are short, on average 20-30 minutes<sup>44</sup>, and a driver's obligation, as an independent contractor, to provide rideshare service starts on pick up of a rider and ends with drop off.

For industrious entrepreneurs, part-timers and those looking to earn income on the side, the lure of financial profitability is clear.

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<sup>39</sup> Social Venture Australia, (2016), Employment Perspective, <https://www.socialventures.com.au/assets/employment-perspective-web.pdf>

<sup>40</sup> European Union Council, (2016), Council Recommendations of 15 February 2016 on the integration of long term unemployed into the labour market, Official Journal of the European Union, [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016H0220\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016H0220(01)&from=EN)

<sup>41</sup> Huang, N., Burtch, G., Hong, Y. and Pavlou, P.A., (2017), Unemployment and Worker Participation in the Gig Economy: Evidence from An Online Labor Market, <http://dx.doi.org/10.2139/ssrn.3105090>

<sup>42</sup> Ibid.

<sup>43</sup> Urbi, J., (2018), The business of being a ride-hailing driver, CNBC, <https://www.cnbc.com/2018/07/03/rideshare-driver-business-uber-lyft-taxi-cab-curb.html>

<sup>44</sup> As analysed from Ola's internal data on trips.



## What is the economic contribution of the gig economy in Australia and NSW?

There is limited research into the exact contribution of the gig economy in Australia and New South Wales. What we can say for certain is that COVID-19 has had a massive impact on the gig economy.

In rideshare terms, Ola took a 70-75 percent reduction in trips during the peak periods of lockdown in Australia. We understand that other players in the rideshare industry experienced similar reductions during this period.

We are happy to report that business is returning, but would note the recovery while in line with restrictions being eased, it is not rising at the same rate as it fell. In other words, business dropped sharply as each restriction was brought in, but is slowly climbing as they are eased. We believe some of this is contributable to people continuing to work for home and limitations still being in place for some social activities, including live music, sporting events, theatre, as well as the vastly restricted number of people travelling to and from the airport.

Generally speaking, digital platforms have become a driving economic force across virtually all industries. Accenture estimates that the top 15 public platform companies alone already represent \$2.6 trillion in market capitalisation and network markets underpinned by digital platforms are changing the way we live, work and play.<sup>45</sup>

The transportation sector is at the forefront of this change - from connected mobility-as-a-service solutions to autonomous vehicles, it is a sector that is experiencing the most profound transformation since the industrial revolution.<sup>46</sup> Rideshare has been a significant contributor to this transformation and a major disruptor to the traditional taxi market, with more than 54 percent of taxi consumers now using rideshare services in Australia and more than 28 percent of Australians who previously used taxis are using rideshare exclusively.<sup>47</sup> The industry is expected to grow to a 14.4 percent total user penetration by 2023.<sup>48</sup> Consumer demand for rideshare is thus clear.

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<sup>45</sup> Elliot, J., Nguyen, C. and Tanguturi, P., (2018), Digital Platforms will define the winners and losers in the new economy, Accenture, [https://www.accenture.com/t20180904T084531Z\\_w\\_us-en\\_acnmedia/PDF-85/Accenture-Digital-Platforms-Pov.pdf](https://www.accenture.com/t20180904T084531Z_w_us-en_acnmedia/PDF-85/Accenture-Digital-Platforms-Pov.pdf)

<sup>46</sup> Mims, C., (2018), Inside the New Industrial Revolution, Wall Street Journal, <https://www.wsj.com/articles/inside-the-new-industrial-revolution-1542040187>

<sup>47</sup> Perry, M., (2016), Ridesharing services used by 54% of taxi market in Australia, The Nielsen Company (US) LLC, <https://www.nielsen.com/au/en/insights/news/2016/sharing-economy-alive-and-well.html>

<sup>48</sup> Statista (2019), Ride hailing Australia, <https://www.statista.com/outlook/368/107/ride-hailing/australia>





Two key reasons exist for such high demand - price and convenience. On average, a trip using rideshare is around 40 percent cheaper than an equivalent taxi fare<sup>49</sup> while wait time is approximately 4 minutes for rideshare<sup>50</sup> compared to 10-20 minutes when booking a taxi service.<sup>51</sup> For Ola, we offer not just favourable pricing and convenience where taxis are concerned, but even lower fares in comparison to other players in the market.<sup>52</sup> In addition, we take pride in giving a better commission rate to our drivers.

Ola is committed to a long term presence in Australia. This is evident from the millions already invested by Ola in New South Wales and other States in the form of direct investment and employment. As a rideshare service provider, Ola's contribution to the Australian economy extends well beyond its services. Expansion of more efficient transport solutions has considerable flow-on economic effects on productivity due to the ability of consumers to get to places quickly and the availability of services catering to transportation deserts. Apart from the obvious beneficial impact on parking and the environment through the use of rideshare instead of driving own cars, a Deloitte report in 2016 estimated that at least 800,000 hours were saved by consumers using rideshare instead of taxis.<sup>53</sup> A number of studies have also attributed rideshare to a reduction in the incidence of drink driving<sup>54</sup> and an increase in patronage of restaurants, festivals and the arts.<sup>55</sup>

The Reserve Bank of Australia recently predicted the official unemployment rate would exceed 10 percent.<sup>56</sup> The effective rate is likely to be much higher, as noted by the Prime Minister.<sup>57</sup> One of the many benefits of the gig economy is access.

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<sup>49</sup> Kollmorgen, A., (2017), UberX vs Taxi - which one is best?, Choice,

<https://www.choice.com.au/transport/cars/general/articles/uberx-vs-taxi-which-one-is-best>

<sup>50</sup> Statista (2019), Ride hailing Australia, <https://www.statista.com/outlook/368/107/ride-hailing/australia>

<sup>51</sup> Jaffe, E., (2014), People in a hurry choose Uber over traditional cabs, CityLab,

<https://www.citylab.com/life/2014/08/uber-has-an-enormous-wait-time-advantage-over-regular-taxis/379358/>

<sup>52</sup> For example, for a trip starting from Melbourne CBD to the airport, Ola's fare is more than 30% less expensive than our direct competitors, as evidenced in a popular rideshare price comparison website, RideGuru, accessed 20 February 2019,

[https://ride.guru/estimate/Bourke%20Street%20Mall,%20Bourke%20St.,%20Melbourne,%20Victoria,%20Australia.%203000/Melbourne%20Airport%20\(MEL\),%20Airport%20Dr,%20Tullamarine,%20Victoria,%20Australia.%203045](https://ride.guru/estimate/Bourke%20Street%20Mall,%20Bourke%20St.,%20Melbourne,%20Victoria,%20Australia.%203000/Melbourne%20Airport%20(MEL),%20Airport%20Dr,%20Tullamarine,%20Victoria,%20Australia.%203045)

<sup>53</sup> Deloitte, Economic effects of ridesharing in Australia,

<https://www2.deloitte.com/content/dam/Deloitte/au/Documents/Economics/deloitte-au-economics-economic-effects-of-ridesharing-australia-150216.pdf>

<sup>54</sup> Forin, J., (2017), Does Uber Really Prevent Drunken Driving? It Depends on the Study, New York Times, <https://www.nytimes.com/2017/04/07/business/uber-drunk-driving-prevention.html>

<sup>55</sup> Anderson, S., (2018), Restaurants Find Value Connecting Mobile Payments, Loyalty, And Ridesharing, Payment Week,

<https://paymentweek.com/2018-12-21-restaurants-find-value-connecting-mobile-payments-loyalty-ridesharing/>

<sup>56</sup> Lowe, P., (2020), Statement by Philip Lowe, Governor: Monetary Policy Decision,

<https://www.rba.gov.au/media-releases/2020/mr-20-18.html>

<sup>57</sup> SMH (2020), Victorian COVID restrictions will push unemployment to 10 percent PM warns,

<https://www.smh.com.au/politics/federal/victorian-covid-restrictions-will-push-unemployment-to-10-per-cent-pm-warns-20200806-p55j5a.html>

While some industries, including rideshare, have strict regulations to ensure passenger, driver and community safety, there are still relatively low barriers to entry. In other industries, it is as easy as signing up to an app and bidding for work.

The Victorian On-Demand study found:

*7.1% of survey respondents are currently working (or offering to work) through a digital platform or have done so within the last 12 months. 13.1% of survey respondents have, at some time, undertaken digital platform work. This rate of participation is similar to recent survey findings in Europe, and higher than some previous estimates for Australia.*

*Of the 13.1% (1827 survey respondents) that have undertaken digital platform work, 38.7% have only done work in-person at a specified location. In contrast 28.2% have done computer or internet-based work only, while almost exactly one-third have undertaken both types of work at some time.<sup>58</sup>*

Given the impact of COVID-19 on employment, it is likely that these numbers will increase as people look for work to make ends meet and, given the low barriers to entry, the gig economy is a quick and easy way to start generating an income. While it may be helping fill this short-term need, we would also argue that COVID-19 has for a lot of people simply accelerated their shift to gig work. People working from home for the first time have experienced the freedom, flexibility and choice associated with not being in the office - and they enjoy it. Flexible working arrangements will become standard features of employment relationships for a large proportion of the population, while others will completely move to gig based work.

But it is not only workers who will benefit from this increased flexibility. Businesses will also be able to bring in talent for specific tasks and surge for projects. Some argue that this ability could help in particular with crisis situations and could add economic recovery. KPMG notes:

*The gig economy will help re-shape the economy  
Various gig arrangements have existed across industries and professions for a long time. But with less permanent positions available due to automation, this will grow. Supply will come from organisations needing to add new skillsets and capacity while retaining flexibility to combat volatile conditions. Demand will come from individuals who increasingly need new sources of income.  
This matching of supply and demand via gig arrangements will help the economy recover faster than expected.<sup>59</sup>*

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<sup>58</sup> MacDonald, P., et al. (2019), Digital Platform Work in Australia Preliminary findings from a national survey, <https://apo.org.au/sites/default/files/resource-files/2019-06/apo-nid242706.pdf>

<sup>59</sup> KPMG (2020), Australia's Workforce: Rise of the gig worker in robot century, <https://home.kpmg/au/en/home/insights/2020/05/predictions-after-covid-19/rise-of-gig-worker-in-robot-century.html>



With all of this in mind, we argue that the gig economy will play a vital role in helping people achieve the flexibility and choice, and thus satisfaction, in their work, while giving businesses the ability to surge and access new skills - all while helping to arrest the unemployment crisis and economic recovery following COVID-19.

## Regulatory Environment

The rideshare industry in New South Wales is well regulated by the Point to Point Transport Commission. Point to Point has provided open and honest consultation in the years we have been working with the Commission - and we thank it for that support. We also acknowledge the role it has played in collecting and disseminating information during the COVID-19 crisis. In particular, we strongly support the regular roundtables held with industry to share information and provide updates, and its website is a valuable resource for the industry too.

Booking Service Providers (the platforms) and drivers have obligations under the *Point to Point Transport (Taxis and Hire Vehicles) Act 2016* and the *Point to Point Transport (Taxis and Hire Vehicles) Regulation 2017*. Booking Service Providers and drivers also have the usual obligations for businesses in New South Wales, including reporting to Australian Securities and Investments Commission and Australian Taxation Office. For example, authorised Booking Service Providers must:

- *comply with safety standards*
- *keep records of all passenger service transaction for at least 2 years*
- *keep other required records*
- *comply with the requirements of the Passenger Service Levy, and*
- *provide written notice to the Commission within 7 days of changes to the business address, and within 21 days of any changes to a nominated director or manager.*<sup>60</sup>

## Safety management

The Point to Point system regulates safety in the industry. Under the Point to Point system, Booking Service Providers (BSPs) have a duty to ensure the safety of drivers, passengers and others connected to the service. BSPs must:

- *eliminate risks to safety so far as is reasonably practicable*
- *if it is not reasonably practicable to eliminate risks to safety then you must minimise those risks so far as is reasonably practicable*
- *Reasonably practicable means doing what is reasonably able to be done to ensure the health and safety of drivers and others. Authorised Booking Service Providers should take into account:*
  - *the likelihood of the hazard or risk occurring*
  - *the degree of harm from the hazard or risk*
  - *what you know or ought reasonably should know about ways of eliminating or minimising the hazard or risk*
  - *the availability and suitability of ways to eliminate or minimise the risk*
  - *the cost.*<sup>61</sup>

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<sup>60</sup> Point to Point (2020), Booking Service Providers, <https://www.pointtopoint.nsw.gov.au/booking-service-providers>

<sup>61</sup> Point to Point (2020), Booking Service Providers, <https://www.pointtopoint.nsw.gov.au/booking-service-providers>

BSPs are required to have safety management systems in place to manage and eliminate risks, which “should be tailored to your own business and should outline the steps taken to identify and manage safety risks for drivers and passengers”. The safety management system must identify risks, assess risks and control risks.<sup>62</sup> Breaches or incidents must be reported to Point to Point as ‘Notifiable Occurrences’.<sup>63</sup>

Ola is also proud to have a number of safety features to help ensure the safety of drivers and riders, including Guardian, Emergency and Start Code. Guardian uses machine learning to detect any irregular vehicle activity such as long stops and unplanned deviations from a route. These irregularities are flagged in real time with our safety response team who contact both driver and rider to confirm they are both safe. The Emergency button in the app triggers an automatic message with ride details to our safety response team. In a matter of seconds, the team tries to get in touch with rider and driver via phone calls. It can also send the ride details to emergency contacts. Information such as driver’s contact details, vehicle number and a link to live track the ride is provided via SMS. Start Code is a unique number assigned to the rider. The driver must enter the code to receive the destination and details of the ride. The feature helps ensure people are getting into the right car and picking up the right passenger.

### *Competition*

The terms of reference for this Inquiry refer to regulation which promotes competition. Rideshare competes with the taxi industry in providing point to point transport. Ola entered the market in New South Wales when it was legal to do so and helped generate competition in the point to point industry which for years was dominated by taxis. The emergence of other players in the rideshare market would suggest the regulatory environment promotes competition within the space, however more could be done to level the playing field between rideshare and taxis, and to improve the industry.

As noted in our recent submission to the *Inquiry into the operation of the Point to Point Transport (Taxis and Hire Vehicles) Act 2016*<sup>64</sup>, Ola would suggest changes to unbooked services-rank and hail, bus lanes, fatigue management and cross-border issues.

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<sup>62</sup> ibid (2020)

<sup>63</sup> Point to Point (2020), Notifiable Occurrences,

[https://www.pointtopoint.nsw.gov.au/sites/default/files/Fact\\_Sheet\\_A4\\_Notifiable%20Occurrences\\_PRINT\\_270218\\_V3%28without%20crop%29.pdf](https://www.pointtopoint.nsw.gov.au/sites/default/files/Fact_Sheet_A4_Notifiable%20Occurrences_PRINT_270218_V3%28without%20crop%29.pdf)

<sup>64</sup> Legislative Council (2020), *Inquiry into the operation of the Point to Point Transport (Taxis and Hire Vehicles) Act 2016*

<https://www.parliament.nsw.gov.au/committees/inquiries/Pages/inquiry-details.aspx?pk=2594>

### *Unbooked Services - Rank and Hail*

Taxis have exclusive access to a large part of the transport market in our communities through rank and hail work. The nature of this market is changing as people choose to use booked services, as opposed to walking to a rank or waiting for a cab in the street. Booked services provide people certainty when it comes to vehicles, drivers, routes and prices. They also provide safety features, such as the Ola Emergency button, Guardian, Start Code and features which allow you to share your ride details with loved ones.

COVID-19 has also exposed some weaknesses in the unbooked model, including contact tracing, which is not available in some unbooked services. Rideshare on the other hand saves the details of each trip, including passenger and driver information, as well as the start, finish and route taken.

With more and more people using booked services, thought should be given to the continued shape of rank and hail work in the State. Ranks are illegal zones to pick up and drop off for any vehicle, except for taxis. In our larger cities, such as Sydney, the lack of available spaces for booked service pick ups and drop offs is a safety risk.

The Committee should consider options either working with councils to make more space available for booked services to perform pick ups and drop offs and/or for converting existing ranks from "Taxi Ranks" to "Point to Point Ranks" for use by both unbooked and booked services. Branded taxis would still have access and they would continue to provide hailing services.

To compensate for this change, unbooked fares should be deregulated allowing those service providers to set their own fares to cover their costs. This means those providers can charge their fees with a government endorsement, which in turn allows them to shift the onus of explaining charges to government - instead of having to defend those costs to consumers. Deregulation would allow the providers to charge a price more inline with their actual costs and allow the market to determine whether they are comfortable in paying that fare.

### *Special Event Pick Up Areas*

In addition to the above rank and hail issues, Ola believes consideration should be given to special events pick up and drop off zones. While COVID-19 has seen the cancelation of large public events, including concerts and sporting competitions, eventually these events will return in some form. Traffic around these events can be problematic, including arranging pick ups. Taxis and buses have the ability to move into ranks and holding areas following the events to try to streamline crowd control and their access to transport.

Unfortunately, rideshare is unable to access these holding points and ranks. This means that people looking to book an affordable transport alternative to taxis or

public transport, in rideshare, have to walk long distances often through heavy traffic, while their drivers fight to get through the traffic to a pick up location. When coupled with illegal ride touting at these events, rideshare drivers and customers are significantly disadvantaged. There are also significant safety concerns for people who may get in the wrong vehicles or just get picked up by an impersonator. Road safety and pedestrian safety is also a major concern.

Ola would ask the Committee and Government to consider lifting these rank restrictions for large public events, including regular and one off sporting events, concerts, theatre, festivals and community events. This change would mean rideshare operators can provide a vital service in helping people return to their homes safely after events, while not burdening the public transport system and remaining an affordable alternative for customers. It would also help ease traffic and pedestrian issues after these events, and would help to stamp out illegal ride-touting because there would be pick-up zones for people. Coupled with systems, like Ola's Start Code, which matches drivers, vehicles and passengers, it can only lead to safer and more efficient services, lowering the burden on the police and other service providers at these events.

### *Ride-Touting*

In addition to illegal ride-touting at events by unauthorised citizens, there have been incidences of other point to point operators offering these services at events and at certain peak times, such as lockout and closing times on Friday and Saturday nights. Drivers ask for large, unmetered fares, paid in cash. There have also been incidences of people on social media offering services without authorisations.

Point to Point has been able to monitor some of these illegal practices, however Ola would like to see more done to stamp it out. As noted above, having dedicated pick up areas available for events and potentially the use of "Point to Point Ranks" would help monitor the system and eliminate illegal activity. The Commission could also increase their online surveillance, especially around major events.

### *Airports*

Finally on the topic of pick up points, we would ask the Committee to consider the arrangements for access at airports. Again, there is a growing proportion of travellers choosing to use rideshare. While Sydney Airport has been accommodating in setting up a pick up point, it can be difficult to access at peak times given the volume of traffic movement and the inability for rideshare to "rank". A small change to the system could allow the airport pick up point to be a designated holding area to allow rideshare vehicles to be in position and waiting to speed up the process for moving weary travellers out of the area. It would also lessen some of the traffic issues. Other cities, such as Melbourne and Brisbane, have successfully created pick up areas for rideshare which help keep the traffic moving.

The Committee could also consider the rising costs of access to airports and the impact of those fees on consumers and operators. There is a captive audience at

airports, while the public transport system is not capable of dealing with the influxes, which allows for price gouging.

People need to be able to get out of the area quickly not only for safety, but for convenience and for the experience. The last thing anyone wants for the experience of flying into our biggest city is being confused or stuck for long periods. We should all be working together to make it a safe, easy, affordable and smooth experience.

### *Bus Lanes*

In NSW, taxis and hire cars have access to bus lanes, while rideshare vehicles are treated the same as private passenger vehicles. This exclusive access provides that part of the sector with a real advantage, especially in peak hours, helping to move customers from A to B quickly. This access unfairly disadvantages rideshare passengers. Regardless of which point to point service people choose to use, there should be a level playing field which does not advantage or disadvantage one part of the sector. This access does both - it gives taxis an advantage, while disadvantaging rideshares.

As the State begins to prepare for a return to work and with the State Government acknowledging public transport capacity issues for a socially distant commute, there is a strong likelihood that congestion will rise as people choose to drive to work.<sup>65</sup> Coupled with parking companies lowering their normally exorbitant prices to encourage people to drive and park congestion will rise and affect all parts of the city. Access to bus lanes for all point to point transport providers would not only balance the field between rideshare and taxis, but it may also encourage people to leave their cars at home and use point to point or public transport to meet their needs. This could be trialed until the end of the year to help move people while the pandemic continues.

Rideshare and taxis should only use the lanes when “on-trip” to ease the burden on these lanes. If the trial goes well and the system works, it should be maintained after the trial, but if there are any issues they can be worked through with the industry on review.

### *Fatigue Management*

At Ola, we have a comprehensive fatigue management policy as part of our safety management system.<sup>66</sup> As noted, safety is our top priority. While we have an internal policy and built-in mechanisms to allow for breaks on the driver app, unfortunately we cannot track drivers’ login times on other platforms. This means a driver could drive a taxi during the day, then switch to a rideshare app using their own personal vehicle during the evenings or drivers driving for one rideshare for several hours, then swapping apps and driving for another later in the day.

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<sup>65</sup> The Australian (2020), Coronavirus Australia: Fears mount public transport could become petri dishes, <https://www.theaustralian.com.au/nation/coronavirus-australia-fears-mount-public-transport-could-become-petri-dishes/news-story/2ce9e045959a2cdd583f70a31c18eb11>

<sup>66</sup>Ola (2020), Managing Fatigue, <https://ola.com.au/driver/drivers-guidelines/driver-fatigue-management-policy/>



Ola would support an electronic logbook type system being rolled out in New South Wales and Australia to monitor drivers across apps. We are seriously committed to safety and quality, and we want to make sure our driver partners, our passengers and all road users and pedestrians are kept safe.

We would ask the Committee to consider this approach to fatigue management. We would however note that if the Government was to choose to go down this path that they seek to minimise costs to the industry. Perhaps a Government designed and owned app would be a better outcome. Point to Point could consider working with the other States to develop the app for consistency across the country and/or use it as a saleable asset.

### *Cross-Border*

Ola acknowledges the role of the States in our Federation and respects their rights to make and enforce laws in their jurisdictions. However there are some areas which would benefit from more collaboration and engagement with the other States and Territories. Ultimately, Ola would welcome a nationally consistent point to point system across all jurisdictions to lower the administrative burden and increase efficiencies. It would also help people move within the system, for example, a driver moving from Melbourne to Sydney would have authorisation and knowledge of the system. In lieu of such a system though, we would ask the Committee to consider cross border issues in the point to point system.

There are still some unresolved issues with border crossings between NSW and Queensland, the Australian Capital Territory and Victoria. Namely, Tweed Heads and Coolangatta, Queanbeyen and Canberra, Albury and Wodonga. Authorised drivers from NSW can drop off passengers in those States, for example, picking up a Tweed Heads resident to take them to the Coolangatta airport. However, that same driver cannot pick up a passenger in Coolangatta and drop them in Tweed Heads. It is the same for the other two areas noted above. It is a problem being more pronounced as road infrastructure investment increases and more areas have access to services. For example, Byron Bay visitors flying into Coolangatta Airport which is now only 45 minutes drive away.

Ola would like to see these restrictions eased by governments with these cross-border communities. Point to Point could reach out and work with Department of Transport and Main Roads, Access Canberra and Commercial Passenger Vehicles Victoria to work on harmonisation of laws, where possible, or to explore options for relaxing of these regulations to allow both pick-ups and drop-offs on both sides of the borders, so drivers do not have to have empty runs. These three city groupings are so closely intertwined these days, we would argue it makes sense to treat them as one city rather than separate cities.

## *Taxation and Levies*

In the rideshare industry there is a State levy which the Committee could review - the Passenger Service Levy.

In February 2018, the New South Wales Government introduced a Passenger Service Levy on the point to point industry. The \$1 levy is placed on every taxi and booked service fare in the vast majority of the State. Payment of the levy is a condition of authorisation to operate the service in NSW. The intent of the levy was to assist the taxi and hire car industry following deregulation of the industry and changes to the system.<sup>67 68</sup>

Ola understands the Industry Adjustment Assistance Package has been performing well and has received a significant portion of the amount set. While we know the Passenger Service Levy has a built in expiry date of no-longer than five years after introduction (2018), we would ask the Parliament to consider if the fund has reached or will soon reach the \$250 million threshold and to provide industry with an update on the estimated duration of the scheme.

We would also ask the Parliament to consider abolishing the levy in light of the impact of COVID-19. The abolition of this levy would decrease costs for operators and consumers in these difficult times, and may contribute to the increased use of point to point transport as people return to work following the crisis, which can only serve to help our oversubscribed public transport network.

Abolition of the Passenger Service Levy would help provide more choice to consumers. One dollar a trip might not seem a lot of money for some, but for others every dollar counts.

If people have limited access to public transport or do not have private transport options, point to point may be their only means of transportation. Over the course of a week, month and year this seemingly small levy will add up for people - a point only emphasised for the more vulnerable members of our community, such as pensioners who may no longer drive and rely on point to point vehicles to go to appointments and run errands. We would ask the Committee to consider removing this levy to help all consumers meet their transport needs.

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<sup>67</sup> NSW Revenue (2020), Passenger Service Levy, <https://www.revenue.nsw.gov.au/taxes-duties-levies-royalties/passenger-service-levy>

<sup>68</sup> Point to Point (2020), Passenger Service Levy, <https://www.pointtopoint.nsw.gov.au/passenger-service-levy>

## Regulation in other Jurisdictions

The other States and Territories have very similar laws governing the point to point transport and rideshare industry.<sup>69 70 71 72 73 74 75</sup> Ola would be very supportive of efforts to harmonise these regulations across the country to ease the administrative burden on service providers. This would particularly help with cross-border issues as noted above.

While each State still maintains some responsibilities for industrial relations, the Commonwealth has responsibility for the bulk of the legislation and regulations. There are some jurisdictions, including NSW, with specific industrial relations laws and awards for the taxi industry.<sup>76</sup>

The terms of reference for the Inquiry refer to whether workplace laws are fit for the 21st Century - we believe they are. The Commonwealth Fair Work and independent contracting systems, and NSW industrial relations system are serving the community well.

As a rideshare service provider, Ola's business model is to connect drivers with passengers through Ola's online digital matching platform. In this regard, drivers that register with Ola agree to provide services as independent contractors. It is important to note that we take lower commissions from drivers to ensure they can meet their labour related expenses.

The Fair Work Commission provides advice and resources on independent contracting<sup>77</sup> and has heard a number of cases testing these matters.

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<sup>69</sup> TMR (2020), QLD Department of Transport and Main Roads, Personalised Transport Industry, <https://www.tmr.qld.gov.au/business-industry/Taxi-and-limousine.aspx>

<sup>70</sup> Access Canberra (2020), ACT Access Canberra, Rideshare Accreditation and Licensing, [https://www.accesscanberra.act.gov.au/app/answers/detail/a\\_id/3283/~/rideshare-accreditation-and-licensing-in-the-act](https://www.accesscanberra.act.gov.au/app/answers/detail/a_id/3283/~/rideshare-accreditation-and-licensing-in-the-act)

<sup>71</sup> CPVV (2020), VIC Commercial Passenger Vehicles Victoria, <https://cpv.vic.gov.au/>

<sup>72</sup> Tasmania (2020), TAS Department of State Growth, Ride sourcing operators, [https://www.transport.tas.gov.au/public\\_transport/industry\\_and\\_operator\\_information/taxi\\_hire\\_vehicles\\_and\\_ride\\_sourcing/ride\\_sourcing\\_operators](https://www.transport.tas.gov.au/public_transport/industry_and_operator_information/taxi_hire_vehicles_and_ride_sourcing/ride_sourcing_operators)

<sup>73</sup> SA (2020), SA Government, Drivers and Operators, <https://www.sa.gov.au/topics/driving-and-transport/industry-services/taxi-and-passenger-transport/driver-and-operator-accreditation>

<sup>74</sup> NT (2020), NT Government, Ridesharing, <https://nt.gov.au/driving/industry/ridesharing>

<sup>75</sup> WA (2020), WA Department of Transport, On-Demand Transport, <https://www.transport.wa.gov.au/On-demandTransport/on-demand-transport.asp>

<sup>76</sup> NSW (2020), Industrial Relations, Taxi, <https://www.industrialrelations.nsw.gov.au/industries/key-industries-in-nsw/taxi/>

<sup>77</sup> FWC (2020), Unfair Dismissals Benchbook, Independent Contractors, <https://www.fwc.gov.au/unfair-dismissals-benchbook/coverage/people-excluded/independent-contractors>

These cases have questioned the contractor status of rideshare drivers, finding it was the correct classification.<sup>78 79 80</sup>

There are a number of organisations which seek to assist independent contractors and principal contractors in managing these relationships, including the Australian Small Business and Family Enterprise Ombudsman which has put together comprehensive guides on managing disputes and contracts.<sup>81</sup> The Australian Competition and Consumer Commission is also responsible for administering protections for small businesses, including from unfair contract terms.<sup>82</sup>

### *International Labour Laws*

The International Labour Organisation has published a number of papers relevant to the discussion on the future of work.<sup>83</sup> The ILO maintains watch on all countries' labour practices, including Australia.<sup>84</sup> The Australian Government actively participates in and engages with the ILO which is detailed on the Attorney-General's website<sup>85</sup> and the Department of Employment's website.<sup>86</sup>

The Department of Foreign Affairs and Trade has published an assessment of the ILO and Australia's engagement with the organisation.<sup>87</sup> It should be noted that all Commonwealth legislation and disallowable instruments must be accompanied by a Statement of Compatibility with international treaties Australia is a party to including ILO obligations.<sup>88</sup>

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<sup>78</sup> Kaseris v Rasier Pacific V.O.F. [2017] FWC 6610,  
<https://www.fwc.gov.au/documents/decisionssigned/html/2017fwc6610.htm>

<sup>79</sup> Pallage v Rasier Pacific Pty Ltd [2018] FWC 2579,  
<https://www.fwc.gov.au/documents/decisionssigned/html/2018fwc2579.htm>

<sup>80</sup> Suliman v Rasier Pacific Pty Ltd [2019] FWC 4807,  
<https://www.fwc.gov.au/documents/decisionssigned/html/2019fwc4807.htm>

<sup>81</sup> ASBFEO (2016), Independent Contractors Preventing and Managing Disputes,  
<https://www.asbfeo.gov.au/sites/default/files/Independent%20contractors%20preventing%20and%20managing%20disputes.pdf>

<sup>82</sup> ACCC (2020), Unfair Contract Terms,  
<https://www.accc.gov.au/business/business-rights-protections/unfair-contract-terms>

<sup>83</sup> ILO (2020), Working time and the future of work,  
[https://www.ilo.org/wcmsp5/groups/public/---dgreports/---cabinet/documents/publication/wcms\\_649907.pdf](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---cabinet/documents/publication/wcms_649907.pdf)

<sup>84</sup> ILO (2020), Australia, [https://www.ilo.org/labadmin/info/WCMS\\_156044/lang--en/index.htm](https://www.ilo.org/labadmin/info/WCMS_156044/lang--en/index.htm)

<sup>85</sup> AG (2020), Australia's engagement with the International Labour Organization,  
<https://www.ag.gov.au/industrial-relations/international-engagement-labour-issues/australias-engagement-international-labour-organization>

<sup>86</sup> DEmp (2020), International Labour Organisation,  
<https://www.employment.gov.au/annual-report-2014-15/international-labour-organization>.

<sup>87</sup> DFAT (2012), International Labour Organisation Assessment,  
<https://www.dfat.gov.au/sites/default/files/ilo-assessment.pdf>

<sup>88</sup> AG (2020), Statement of Compatibility,  
<https://www.ag.gov.au/rights-and-protections/human-rights-and-anti-discrimination/human-rights-scrutiny/statements-compatibility-templates>

With this in mind, we consider the current system as compliant with ILO obligations. We do note that the New South Wales Parliament has considered its processes in assessing and reviewing legislation during the *Inquiry into the operation of the Legislation Review Act 1987*.<sup>89</sup> Among topics discussed in submissions to the Inquiry was whether NSW should have Statements of Compatibility, similar to the Commonwealth, accompanying Bills before the Parliament. We are very much supportive of this proposal to ensure that not only is future NSW legislation compliant with Australia's international obligations, but that it also provides wider scrutiny on human rights impacts of legislation, including commitments to the ILO.

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<sup>89</sup> NSW Parliament (2018), Legislative Review Committee, *Inquiry into the operation of the Legislation Review Act 1987*, <https://www.parliament.nsw.gov.au/ladocs/inquiries/2456/Final%20report%20-%20operation%20of%20the%20Legislation%20Review%20Act%201987.pdf>

## Conclusion

The future of work is a fascinating field of study with real world outcomes which will affect the way millions work around the world. People's desire for flexibility and choice, and arrangements which allow them to balance their work and life commitments will drive this change.

The gig economy and wider technology integration into our lives presents an exciting and fascinating present and future, including for the transport sector. At Ola, we are encouraging the continual take up and acceptance of this way of work and service delivery, given the benefits to all users of the system - including flexibility, choice, competition and cost.

There really are endless possibilities if we are willing to look for them and at Ola we certainly are looking for opportunities to provide the best experience we can to our users, and to continue to grow and provide what the market demands.

Australia is generally an early adopter when it comes to technology and it is often a testing ground for tech companies. Consumers are keen to incorporate tech into their lives. From WiFi connected fridges to wearable fitness trackers, consumers have a high demand for technology solutions. Mobility-as-a-service and fully integrated transport options and systems are also a high priority for us, and many consumers are calling for this change.

While we have noted a number of changes which could be made to assist the growth of rideshare in New South Wales, ultimately we believe the regulatory environment is fit for purpose in the 21st Century. It is vital for governments to remember that the gig economy is broader than just rideshare and food delivery. Laws and regulations need to be applicable across all these industries and types of work.

The vast majority of the industrial relations system is a Federal responsibility. We believe the combination of programs, organisations and government institutions in the system are well-suited to helping small businesses navigate contracting and employment relations issues. Drivers' and other gig economy workers' independence allows them to effortlessly move between platforms to find gigs when they are available, and we believe this is a great model for providing flexibility and choice.

The gig economy provides income for many people, including those with lower skills who are often overlooked. With low barriers to entry and relatively easy access, the gig economy will continue to play a vital role in the NSW and Australian economies, including helping to address unemployment and underemployment resulting from COVID-19.

We again thank the Committee for the opportunity to participate in the Inquiry and look forward to the report and the Government's response.