The future of transportation lies in personalized services working seamlessly with mass transit planned and built with the new travel options already in mind, according to Barbara Wise, the point-to-point transport commissioner for New South Wales, Australia’s most populous state.

“There’s a real shift toward personalizing services for people, whether that’s mass transit and making booking and payment easier, or making services more on-demand, whether that’s on a bus or anything like that,” Wise said in an interview with Bloomberg NEF.

Wise has thought a lot about what transportation will look like in the years ahead. Appointed as the inaugural point-to-point transport commissioner for the New South Wales in 2016, Wise has focused on overseeing how a host of new transport reforms are put into action.

The New South Wales Point to Point Transport Commission is an industry regulator for taxis, hire vehicles and ride-share services that began operating in November 2017. The commission was created after a task force -- formed after the transport market was disrupted following the introduction of ride-sharing to Sydney in 2014 -- recommended a new way of regulating transport in smaller vehicles.

Since the reforms came in, the number of drivers providing services has about tripled while the government has pledged not to increase the size of the taxi fleet for four years. The vision for the next 40 years of transport in New South Wales is included in Future Transport 2056, a strategy that points out how mobility has already been shaken up by technology, data sharing and apps enabling flexible ways of matching customers with services.

“We’ll be seeing more fleet operators and it will be transport as a service,” Wise said. “There will be a decline in car and vehicle ownership over time.”

The following interview has been edited for length.

Q: What is point-to-point transport?

A: It’s any kind of transport in a smaller vehicle. For the purposes of our law, it’s 12 seats or less that takes someone from A to B at a time of their choosing in the way that they want for a fare. That can include what people may commonly know as a taxi, a ride-share service, an airport shuttle, and other things like community transport.

We don’t define those categories anymore and that was deliberate. We didn’t want to set up a new category, for example for ride-share, for the next time someone comes along and disrupts us again and they wouldn’t fit.

Q: What were you trying to achieve with the change in the rules for point-to-point transport that came into effect on Nov. 1, 2017?
A: It was brought about by the disruption -- both technologically and the disruption to the business model -- when ride-sharing entered the Sydney market in April 2014. The government asked an independent task force to look at the issue and over the second half of 2015 they did that and made significant recommendations to completely redefine the regulatory framework behind point-to-point transport.

The main planks to that were around increasing competition, increasing innovation and making the companies accountable for safety.

Q: What was the licensing situation for ride-sharing like at the time these reforms were considered?

A: The regulator at the time was of the view that ride-share drivers should have a hire car license. It was the case that drivers didn’t have the appropriate license or accreditation or anything like that.

Q: Who benefits most from the rule changes and what were some of the challenges you had to overcome?

A: The beneficiaries of the reforms were really the community of users -- they have had significant benefits from the outcome of these reforms, they’re using point-to-point transport more, and they’re much, much happier with the service they’re getting. In terms of businesses, there has been a significant decrease in regulatory costs associated with running their business. A whole bunch of really prescriptive rules have been gotten rid of so that they could better make decisions about what type of technology they could use, for example, and there’s also been a reduction in insurance premiums, so really all kinds of benefits.

In terms of challenges, opening it up to competition meant introducing competition that the taxi industry was not used to. The government felt a need to deal with that and acknowledge that the change would have an impact on that industry and they put in place an industry adjustment package that’s being rolled out now. It costs A$250 million ($180 million). They’re in the process of handing out hardship payments to taxi license owners. More than A$100 million has been given out and they’re looking at a second round now. There’s also been a package of business advice. Small business advisers have been deployed to help businesses adapt to the changes and help refine their business model in light of the changes.

Q: How has the taxi industry changed or what changes do you expect?

A: The taxi industry hasn’t really seen a significant dip into their market share. I mentioned that more people are using point-to-point transport. Surveys indicate that people are still catching taxis and they’re still catching them as frequently as they were before. Really, the market has grown overall.

Q: What has happened to the composition of the transport fleet since the reforms?

A: Under the legislation, the government still sets the number of taxis through the taxi-licensing system. As part of its response to the report and part of the industry adjustment package, the government committed not to increase the fleet size in Sydney for four years. The fourth year is next year so after that they’ll take another look at it.

In terms of the numbers of drivers that are out there providing services, we’ve seen the number of drivers pretty much triple over the last three years so we know there are more and more drivers coming through. Uber and others put out figures in terms of how many drivers they have, but it’s tens of thousands and that’s a significant increase from what we’ve seen before.

That’s not to say that they are all out there driving all the time. As part of the gig economy, you see drivers doing it casually, during the university holidays, all kinds of things. There aren’t 50,000 drivers out there on the road every day.

Q: Has congestion been an even greater problem than before?

A: The ride-share operators, and Uber in particular, work with our transport coordination office, especially on things like big events -- say a big event at the stadiums or at Homebush Bay at the Olympic Park. They will work very closely to make sure traffic management is done well. They work with the authorities to make sure they are making it as safe and convenient as possible for everybody.

Q: What does the future of urban transportation look like for a city like Sydney?

A: The New South Wales government has in the last 12 months put out a document called Future Transport 2056, which is its vision for the future of transport in New South Wales, not just in Sydney. What it comes down to is recognizing that people are demanding a personalized service. So there’s a real shift toward personalizing services for people, whether that’s mass transit and making booking and payment easier, or
making services more on-demand, whether that's on a bus or anything like that. Even regarding ferries, we've had announcements about trialing on-demand ferry services in Sydney.

Personalization is a key to what's coming in the future in New South Wales, but putting it simply, mass transit is still the best way of getting a lot of people around, so there are significant infrastructure programs, particularly in Sydney, around improving metro services, train services, buying more trains. It really is a focus on big mass-transit projects plus the personalized service and recognizing that things like automated vehicles are coming and so forth.

I think we'll be seeing more fleet operators and it will be transport as a service. There will be a decline in car and vehicle ownership over time.

Q: Does the talk of personalized services take some of the pressure off municipalities and state governments to invest in infrastructure?

A: In Future Transport 2056, they really talk about planning for place. That means you need to look at not just running a train line through an area, but also looking at what you need at that train station and the precinct around it to enable the more personalized vehicles to access that space. It will change the way design works in local areas rather than take any pressure off.

Q: How will the companies be sharing pricing data? Will there be a centralized platform/app that consumers can use and, if so, will it be government or privately operated?

A: One of the things that Transport for New South Wales has done a lot of work on is open data. As part of Future Transport 2056, there's something called the Future Technology Roadmap and there's a lot of work underway now. They've got something called the digital accelerator and that's working on a challenge with startups and the commercial sector partnering to figure out how you get a mobility-as-a-service type product up and going in Sydney. They've shortlisted six participants and they're working through the details. There are quite a few complexities to work through, but data exchange is part of the picture and part of sharing with Transport for New South Wales to make it work.

As part of transport's congestion management program, they already use really significant third-party sources of data as well. I know there are some app developers out there who would like to get price comparison going, but that so far hasn't been a focus of Transport New South Wales. We've been more focused on how you get people moving better.

Q: As the policies develop, do you see New South Wales following other jurisdictions in requiring that ride-hailing fleets go zero-emission?

A: There isn't anything as specific as that at the moment. Transport for New South Wales is working on an electric and hybrid plan. I expect that to cover a whole range of things including the government fleet and how you deal with charging infrastructure. Realistically, Australia is a pretty small market and it's isolated from the rest of the world so I believe we're going to be a couple of years behind most people. But the plan that is being worked on now will seek to address all of that.
Car Ownership to Decline, Fleet Operators to Multiply:
Q&A

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