

# RMS Takes UberX to Court: But Who Wins?

Uber has been controversial ever since its launch in Australia: with many passengers loving the service and its overall cheaper fares, but taxi drivers resenting a source of competition that is not subject to the same rules and regulations as them.

The NSW government and RMS have consistently said that the ride-sharing service is against the law – and vigilante Russell Howarth famously took it upon himself to conduct citizen's arrests of UberX drivers.

Howarth regularly took Uber drivers to bewildered police and demanded that they issue infringement notices, but police refused.

To the relief of both Uber drivers and police, [Uber won an injunction](#) to stop Howarth from taking the law into his own hands.

But that was not the end of the fight for Uber. The controversy over the company's legality came before [Downing Centre Local Court](#), where many hoped that the issue would be put to rest once and for all.

The RMS prosecuted Uber under the Passenger Transport Act, but the Magistrate found that the [RMS did not have the authority to prosecute under that Act](#), forcing the RMS to withdraw the 24 charges laid against UberX drivers.

But that may not be the end of the matter, with Transport for NSW announcing that “random roadside tests” will be conducted to crack down on UberX drivers.

**What does the Passenger Transport Act say?**

[Section 3 of the Passenger Transport Act](#) defines a “public passenger service” to include the “carriage of passengers for a fare or other consideration” either by a motor vehicle or vessel.

[Section 7 of the Act](#) makes it an offence for a person to carry a public passenger service without being accredited. The maximum penalty is a fine of \$110,000.

The RMS has previously warned Uber drivers that they could face prosecution for operating a public passenger service without accreditation; with an RMS spokesperson saying that [although Uber may not be breaking the law](#), the individual drivers are committing an offence because they do not have the required accreditation.

Uber's position is that the company has acted within the law at all times; and the current state of the law appears to support that view.

### **Is it time to legislate for UberX?**

There are over 4000 Uber drivers in Sydney alone, with an ever-growing passenger base.

As the company doesn't look like it's going away anytime soon, the best option might be to legislate to clarify the situation for everyone.

In June, NSW Opposition Leader Luke Foley announced that he would introduce a private member's bill into parliament to regulate Uber and rectify the uncertainty. As of yet, no such Bill has been introduced to Parliament.

### **[Opposition Transport Spokesman Ryan Park has said that:](#)**

“The Baird government's policy on ride-sharing is a shambles: its current case against Uber drivers has fallen apart, and yet it's still left the door open to prosecution... The government needs to regulate the industry to make it safe and

fair, or risk staying stuck in the slow lane and getting left behind by the hundreds of thousands of Sydneysiders already using the service.”

NSW Transport Minister Andrew Constance recently announced a review of taxis and ride-sharing services, but made it clear that he [does not endorse the UberX ride-sharing model.](#)

It remains to be seen whether laws will be passed to clarify the situation, and how those laws will affect the public’s access to transportation.