

Regulatory Impact Statement: Third Party Facilitated Carpooling

Agency Disclosure Statement

1. The Ministry of Transport has prepared this Regulatory Impact Statement. It provides an analysis of options to improve consumer benefits, and provide consistent levels of driver and passenger safety in third party facilitated carpooling.
2. The analysis responds to an emerging situation where technology has the potential to establish third party facilitated carpooling (carpooling drivers can only be recompensed on a cost recovery basis) as a component of the small passenger services (SPS) landscape. The degree of the technological impact on third party facilitated carpooling, and how fast, will be dependent on significant attitude change from both drivers and passengers.
3. The Government took decisions in April 2016 on a new regulatory framework for small passenger services, including third party facilitated carpooling. While significant consultation was undertaken to inform the Government's April 2016 decisions, the specific preferred option in this Statement was not part of that consultation and has not been part of any subsequent consultation. The reconsideration of the third party facilitated carpooling arose following further representations from a third party facilitator. This Statement assesses a new option for the regulation of third party facilitated carpooling against the status quo, established by the April decisions, and the Government's objectives for the small passenger services system.
4. The preferred option will incentivise the establishment of third party facilitated carpooling as part of the range of small passenger services that are available to consumers by implementing a level of regulation that reflects the nature of carpooling services. The original formulation did not appropriately balance the regulatory requirements with the limited level of compensation available to carpooling drivers of carpooling services.
5. There are likely to be market impacts on small passenger service providers (taxi, private hire and shuttle) from increased competition for some passengers from third party facilitated carpooling. That impact, however, is likely to occur over the medium to long term.
6. The Ministry does not possess extensive data on the size of the population who currently use carpooling or projected future growth in this sector. It is also unclear to what extent carpooling will compliment or compete with other transport modes. However, we consider that this service has a potential to benefit the transport sector provided the incentives are right for drivers and passengers. Overall, under the preferred option, third party facilitators of carpooling will be part of the single class of approved transport operators. The preferred option will also provide a consistent approach for non-commercial drivers (be they carpooling, or carpooling facilitated by a third party or by a local council). The preferred option will maintain regulatory requirements for third party facilitators but remove them for drivers. The maximum cost recovery rate that a carpooling driver may receive will be set by the Minister of Transport and notified in the Gazette.

7. While it is expected the preferred option will support the establishment of third party facilitated carpooling over the medium to long term, it will not significantly change the benefits and costs as identified for the wider regulatory reforms the Government took decisions on in April. For those reforms we attempted to identify the qualitative costs and benefits of the preferred option. Based on the indicative cost-benefit analysis and the competition analysis, it appears the wider welfare benefits, particularly to consumers and other operators, are likely to significantly outweigh any costs.
8. While significant consultation was undertaken to inform the Government's April 2016 decisions, the specific preferred option in this Statement has not been consulted on.

Ministry of Transport – 15 August 2016

Introduction

1. In April 2016, the Government took decisions on a future framework for small passenger services and is giving effect to those decisions through the Land Transport Amendment Bill 2016 and amendments to a number of land transport rules.
2. This Statement assesses one proposed change to the April 2016 decisions. That change relates to how third party facilitated carpooling services should be regulated under the new regulatory regime.
3. When the Minister proposed the new regulatory regime to Cabinet in April, he was given a joint power to make further decisions consistent with the overall policy decisions on any issues that arose during the drafting process.

Carpooling

4. A key feature of carpooling is that it is based on a driver who is already making a trip connecting with another person wanting to travel to a similar destination. Carpooling is distinguished from other transport modes by the mutual benefit received by the driver and passenger in travelling to the end location. The driver in other commercial transport modes is providing a service for the passenger by transporting them to a certain location. This is different to carpooling, where, regardless of whether the passenger had wanted to travel to a similar location, the trip would have occurred.
5. In reflecting this mutual benefit, the driver is recompensed on a cost recovery basis only, i.e. the reasonable running costs from using their vehicle, wear and tear on the vehicle and the cost of fuel used and not the drivers time..,
6. Carpooling has traditionally been confined to people with a pre-existing relationship, as people who had a desire to carpool, but no existing relationship, were unable to connect with each other. The connectivity barrier is now able to be overcome with the introduction of new technology and the move to the shared economy.
7. Carpooling that is facilitated by a third party is only in its infancy in New Zealand and is a very small component of the transport choices that are available for the movement of people.
8. However, a major change in attitudes on the part of both drivers and passengers is required before carpooling can have a significant impact on the transport sector. The Government wants to provide the right environment to allow this to happen and does not want regulation preventing changes to the way individuals want to travel.

Status Quo – current situation

The new 2016 framework for small passenger services

9. In 2015, the Associate Minister of Transport asked the Ministry of Transport to undertake a wide ranging review of the small passenger services regulatory system. The need for the review was in response to the growth of technology within the sector

and sought to determine how New Zealand's regulatory environment for the sector can continue to be fit for purpose and flexible enough to accommodate new technologies.

10. Cabinet's April 2016 decisions on the future regulatory regime for small passenger services recognised these changes and provide the new status quo.

Single class for 'commercial' small passenger services

11. The above single class requirements apply to 'commercial' small passenger services (previously taxi, private hire and shuttle services). Cabinet's key decisions included:
 - a. A single class of Approved Transport Operator (ATO).
 - b. Any person or company that operates a small passenger service will have to be approved by the NZTA as an 'approved transport operator.'
 - c. An ATO is required to:
 - i. ensure drivers hold a current P endorsement
 - ii. ensure drivers comply with work time limits (via logbooks or e-logbooks)
 - iii. ensure all vehicles have a current certificate of fitness.
 - d. Small passenger service drivers are required to:
 - i. ensure they hold a current P endorsement
 - ii. ensure they drive within work time limits
 - iii. ensure their vehicle have a valid certificate of fitness.

Regulation exemptions for services operating on a cost-sharing basis

12. Cabinet also considered the type of regulatory regime that should apply to other small passenger services that are provided on a cost recovery basis.
13. The regulatory regime would not apply in the following 'carpooling' categories:
 - a. where two or more people, who have a pre-existing knowledge of each other, (for example, they may be colleagues or neighbours) and may share the operating costs of the trip such as petrol and depreciation, but not the driver's time.
 - b. where two or more people (who may not know each other) are connected through a council led scheme.
14. Under the Land Transport Rule - Operator Licensing 2007, there are a number of other exempt services, among others, they include:
 - a. A passenger service operated by a district health board, local authority or charitable organisation.

- b. A passenger service involving the transporting of school pupils in certain circumstances.
- c. A passenger service that is carried on exclusively for the purpose of providing relief or assistance during a state of emergency.
- d. A passenger service that is carried on by any part or member of the Armed Forces on active service.

Third party facilitated carpooling¹

- 15. Cabinet agreed third party facilitated carpooling should be regulated. Third party facilitated carpooling is:
 - a. where a driver and passenger (who may not know each other) are travelling to similar destinations at similar times and use a third party to connect them, and the third party receives revenue or a commission for facilitating that trip.
- 16. In this context the third party will be required to be an ATO and the driver will be considered a small passenger service driver. The third party facilitator and the driver will need to satisfy all the requirements detailed above, including the requirement for the driver to hold a P endorsement, comply with work time limits and hold a certificate of fitness.

Table 1 on page 11 provides a summary of this regulatory system.

¹ A third party facilitated service is where prospective carpool passengers and drivers are connected by an external party. the most common means is via a website or smart phone app.

Problem definition

17. The proposed SPS regulatory reform sought to ensure that New Zealand's regulatory environment for SPS is fit for purpose, and flexible enough to accommodate new technologies and changing circumstances.
18. The Government has a clear focus on the removal of regulations that impose unnecessary costs on business or individuals and it looks to its departments to implement this approach when developing new regulations.
19. A key challenge for SPS is the information asymmetry issue between drivers and passengers. These arise in relation to the knowledge available to the passenger about the cost of the trip, and personal safety issues (from the passenger and driver's lack of knowledge about each other). These issues arise for all small passenger service (traditional taxi and private hire services, and carpooling services). However, the Government also wants to balance these concerns with the desire to promote open and competitive markets.
20. The ability to move large numbers of individuals around urban centres is a major challenge for the transport sector. A contributing factor (and obvious opportunity) to these pressures is the number of sole occupant vehicles present on the road at any one time. With continued population growth and urbanisation, the problem will continue to magnify as will the challenge of reducing vehicle emissions.
21. Carpooling that is facilitated by a third party is only in its infancy in New Zealand and is a very small component of the transport choices that are available for the movement of people. However, over the medium to long term, the opportunity for increased carpooling in New Zealand could provide benefits, such as reduced congestion, increased transport choices, and reduced emissions.
22. A traditional barrier to carpooling has been the ability to easily connect willing drivers to passengers. However, third parties who can facilitate matching drivers to passengers through modern technology can potentially play a significant part in overcoming this barrier.
23. For carpooling to maximise its potential contribution, the regulatory system needs to be carefully calibrated and recognise that the recompense available for drivers is limited to cost recovery only (no payment can be made for a driver's time). This reflects that the service provides a mutual benefit to both passenger and driver, who would be travelling to the same location regardless of the passenger. However, under the proposed system, the third party would be required to become an approved transport operator (the operator has to be a fit and proper person and they have to maintain records of all revenue received from passengers and all payments made to drivers) and their drivers would need to hold a P endorsement, be subject to work time requirements and their vehicles would require a certificate of fitness. These requirements are disproportionate to the compensation available to carpooling drivers.
24. The new status quo means existing third party facilitated carpool operators, such as Chariot, which under current law operate under exempt status, will have a significantly

increased regulatory burden - both as an ATO itself, but more so for its drivers. This is inconsistent with the some of the review's aims that were to promote competition, to have a lower regulatory burden, to be flexible enough to accommodate new technologies, and the general exempt status of carpooling services.

25. The original proposal created an inconsistency in the way third party facilitated carpooling services were treated alongside other carpooling arrangements.
26. Cabinet's overall policy was for a single class for operators of 'commercial' driver services, with drivers having to meet specific requirements, while other specific 'carpooling' services being exempt from the small passenger services regime.
27. Third party facilitated carpooling sits in between both ends of the spectrum of small passenger service operators, due to it being a carpooling service, but also because it contains a commercial operator element that justifies a proportionate level of regulation.

Objectives: A set of future state objectives for the small passenger services sector

28. The government's future state objectives for the small passenger services system contains the following elements.

An efficient system

29. The system is **responsive to supply and demand** – passenger service providers operate in a competitive market(s) that is responsive to both supply and demand signals (meeting customer needs).
30. The system imposes the **lowest level of compliance burden to achieve the regulatory objective** – the compliance burden on operators should be as low as possible, while ensuring there are appropriate requirements in place to meet any specified objectives.
31. There is **transparency over fees and charges** – passengers should have access to meaningful information about what the costs of the services are, enabling them to make informed choices.

An effective system

32. The system provides **effective choice for people to move where they need to go in a timely manner** – the system should provide passengers with a range of service offerings (quality and price) to meet their expectations.

A resilient system

33. The system incentivises the provision of improved customer service – the regulatory framework should act to incentivise innovation and improve customer service over time.

A safe and responsible system

34. The system ***manages the safety risk for passengers, for drivers, and from vehicles*** – reducing passenger, driver and vehicle safety risks is of fundamental concern to the SPS sector. Drivers and passengers need to have confidence they can safely participate in the small passenger system.

Options and impact analysis

35. In April 2016, the government agreed to a future framework that would provide for 'Reduced regulatory burden with single class of approved transport operator'. Two options can be considered for third party facilitated carpooling:
- a. Option 1: New status quo - third party facilitators of carpooling services and drivers to meet standard requirements for 'commercial' small passenger service providers.
 - b. Option 2: Partial exemption for third party facilitated carpooling services.
36. Table 1 below provides a summary of the regulatory system, including option 1 and 2.

Table 1: Summary of the regulatory system and proposed options

	Single class commercial services				Carpooling/Exempt Passenger Services				
	Taxi	Private hire	Shuttle	Dial-a-driver	Carpooling	Local authority services	Other exempt services	Third Party Facilitated carpooling under Option 1:	Third Party Facilitated carpooling under Option 2:
Passenger Service Operator									
• Must be approved transport operator	✓	✓	✓	✓	x	x	x	✓	✓
• Operator must be a fit and proper person	✓	✓	✓	✓	x	x	x	✓	✓
• must ensure driver has P endorsement	✓	✓	✓	✓	x	x	x	✓	✓
• must ensure driver complies with worktime limits	✓	✓	✓	✓	x	x	x	✓	✓
• must ensure driver's vehicle has Certificate of Fitness	✓	✓	✓	x	x	x	x	✓	✓
Driver									
• Must have a P endorsement	✓	✓	✓	✓	x	x	x	✓	x
• must comply with worktime limits	✓	✓	✓	✓	x	x	x	✓	x
• vehicle must have a Certificate of Fitness	✓	✓	✓	✓	x	x	x	✓	x
• Compensation for driver time	✓	✓	✓	✓	x	x	x	x	x

Option 1: Status quo – require third party facilitated carpooling services to be subject to the standard small passenger services requirements

37. A third party facilitated carpooling service, that receives a commission or other revenue for its service, would be a passenger service. As a consequence:
 - a. the third party would be required to become an approved transport operator
 - b. drivers would require a P endorsement, be subject to work time requirements, and their vehicles would require a certificate of fitness.

Implications from option 1

38. Existing third party facilitated carpool operators currently operating under exempt status will have a significantly increased regulatory burden. The increased burden applies to the operator themselves, but more so for their drivers. Chariot is a carpool operator that submitted on this issue during public consultation and advised this approach would negatively affect its business model.
39. Carpooling that is not organised by a third party, receiving revenue or commission, continues to be exempt from these requirements under the current proposal. This includes carpooling between work colleagues, neighbours, carpooling schemes promoted by regional councils or other exemption services.

Option 2: Partial exemption for third party facilitated carpooling services.

40. Option 2 would reduce the regulatory burden for third party facilitated carpooling, particularly for drivers. To better incentivise carpooling, a partial exemption from the regulatory regime is provided, therefore:
 - a. the third party facilitator would be required to become an approved transport operator, and would have responsibility for its drivers to comply with carpooling exemption conditions
 - b. drivers would be exempted from the need for P endorsements, compliance with work time requirements, or to have certificates of fitness for their vehicles

Implications from Option 2

41. Consistent with the single class approach to operators with commercial drivers, third party facilitators would need to become an ATO and be subject to the regulatory requirements. Consistent with the general approach to drivers under cost-sharing arrangements, third party facilitated carpooling drivers would be exempt from the requirements around P endorsements, work time limits and a certificate of fitness. This means that they are not subject to a fit and proper person test (consistent with the approach taken to all other carpooling drivers).
42. This option recognises a trade off between the cost of carpooling services and the level of regulation of those services (to promote driver and passenger safety). Most carpooling trips are expected to be short commuter type trips. As the driver was going to make the trip anyway, the removal of regulation governing worktime limits, for example, is unlikely to have any significant impact on safety. Individual third party

facilitators will be able to implement their own safety initiatives. Third party facilitated carpooling trips will also be pre-booked (a record of the driver and passenger will be created for each trip) and this will help to mitigate the safety issue. To ensure that the basis of the service is truly cost-sharing, drivers can only be recompensed on a cost-recovery basis, with a maximum recovery level set by Gazette notice (having regards to IRD's mileage rate). This, along with requirements for a facilitator to keep records of all revenue received from passengers and all payments made to drivers will enable the NZ Transport Agency (the Transport Agency) to determine if facilitators are operating within the boundaries of carpooling. It is not intended that facilitators move from providing full SPS to facilitating carpooling solely to circumvent regulatory requirements. The limits on a driver's cost recovery compensation, and the Transport Agency's powers to suspend licenses where the regulation requirements are not being met, will work against this.

43. Commercial small passenger services face similar risks to carpooling services, however, they do not reduce congestion or vehicle emissions. Some commercial services also operate late at night, when safety risks can be heightened. Commercial small passenger services are able to set their own fares and have a greater capacity to meet the regulated requirements for consumer protection and safety.

Analysis of the options against the future state objectives

44. In table 1, each of the two options have been considered in terms of the future state objective and the likely competition impact on the market. In considering the benefit of each option, we have used the current situation and regulatory requirements as a benchmark, i.e. we ask whether the new current state or the proposed change for third party facilitated carpooling will provide more or less of the future state objective that we want, and whether the policy change would contribute to a competitive market and to deliver maximum benefits to consumers, while managing the risks efficiently.

Table 2: Analysis options

Outcomes	Option 1: Status quo – require third party facilitated carpooling services to be subject to the standard small passenger services requirements	Option 2: Partial exemption for third party facilitated carpooling services.
An efficient system		
-responsive to supply & demand	(-) The higher entry costs imposed by increased regulatory compliance for drivers reduces the ability of the market to respond to supply and demand.	(+) the lower entry costs resulting from requiring a reduced regulatory compliance for drivers will incentivise the market to respond to supply and demand.
-lowest level of compliance burden	(-) The level of compliance burden is higher in contrast to the other categories of carpooling.	(+) The level of compliance burden is targeted at operators and is lower for drivers.
-transparency over fees & charges	(=) The introduction of a maximum rate, audited by NZTA, will provide transparency as the nature of the payments between driver and passenger.	(=) The introduction of a maximum rate, audited by NZTA, will provide transparency as to the nature of the payments between driver and passenger.
An effective System		
-effective choice to move in a timely manner	(-) A regulatory framework that has higher barriers is less likely to result in services that are tailored to customer needs and demands, and will impact on the viability of certain business models.	(+) This option will provide a greater opportunity for third party facilitated carpooling to become established as a travel choice.
A resilient system		
-regulatory framework acts to incentivise innovation & improved customer service	(-) This option will impose a higher compliance cost on operators and will result in less competition and less innovation.	(+) This option will impose a lower compliance cost on operators, encouraging competition and innovation.
A safe & responsive system		
-mitigates the safety risk for passengers, drivers & from vehicles	(+) Safety risk will be mitigated to a greater degree due to drivers being subject to a fit and proper test. Noting that the pre-booked nature of the relationship does mitigate this risk to a degree.	(-) Safety risk will be mitigated to a lesser degree due to drivers not being subject to a fit and proper test. Noting that the pre-booked nature of the relationship does mitigate this risk to a degree.

Preferred option for regulatory reform

45. Overall, we consider Option 2 to provide the benefits most closely aligned with the future state objective, promoting competition to the market and maximising the benefits to the consumers. The proposed future regulatory framework is then based around a reduced level of regulatory burden overall, with a single class of approved transport operator.
46. Option 2 reduces the compliance cost disincentive faced by carpooling drivers under the current proposal, whilst retaining an appropriate level of regulatory oversight at the third party facilitator operator level.

Market impacts

47. Due to the limited amount of third party facilitated carpooling currently in NZ and the attitude shifts required for it to grow significantly, the expected market impacts are likely to be seen in the medium to long term, rather than the short term. Experience with public transport indicates that achieving modal shift occurs over the medium to long term.
48. The following section outlines the impact on different players in the market arising from our preferred option; the options are the same in all other respects.

Small passenger services with 'commercial' drivers

49. Small passenger services (old categories of taxi, private hire and shuttle services) will face increased competition for some passengers, if third party facilitated carpooling establishes itself as a part of the market. This will occur over the medium to long term. Carpooling trips are different to taxi trips in that the driver would make the trip regardless of whether there was a passenger. An increase in the use of third party facilitated carpooling has the potential to deliver reductions in congestion and vehicle emissions, as well as providing greater modal choice for passengers. However, these benefits will only be achieved if the incentives for carpooling are right. For that reason, it is considered appropriate to apply a lower level of regulation to carpooling than other small passenger services.

Third party facilitated carpooling

50. All third party facilitators of carpooling (other than exempt services) will be regulated, which is not the case at present. Compared to the current situation, there will be higher compliance costs for operators. However, drivers will no longer need a P endorsement, have to comply with work time limits, or drive a vehicle that has a certificate of fitness. Overall, this should contribute to lower fares for passengers and more choice in the medium to long term.
51. Whether third party facilitated carpooling will develop any real market share in New Zealand will depend on the relative cost difference between all types of operators. Some passengers may be happy to use this type of service regardless of whether the risk appears to be different from other services. On the other hand, some passengers may be cautious about this emerging service, and may not be satisfied by the way it

connects with customers. They will continue to use other services, even if they are more expensive.

52. We expect that there will be more third party facilitated carpooling in the future, as emerging technologies develop and become more pervasive and accepted by society. Our preferred option provides lower costs and thereby allows players to enter the market easier. However, international experience shows us that in the short to medium term, only a small number of players can be sustained.

Traditional carpooling

53. Traditional carpooling (where people know each other) continues to be exempt from regulation but we expect the impact of the preferred option to be minor, if any, for traditional carpooling.

Costs and benefits of the preferred option

54. The Ministry of Transport undertook an assessment of the benefits and costs associated with regulatory changes recommended under the wider reform proposals.
55. Additional details of this assessment are set out in Annexe A.
56. The assessment attempted to identify the impacts of regulatory changes on the following parties:
 - a. passengers
 - b. drivers
 - c. operators

Consultation

57. While significant consultation was undertaken to inform the Government's April 2016 decisions, the specific preferred option in this Statement has not been part of any subsequent consultation. The reconsideration of the third party facilitated carpooling arose following further representations from a third party facilitator.

Implementation issues

58. The Land Transport Act 1998 will need to be amended to give effect to the proposed changes in this paper. Cabinet agreed to include a Land Transport Amendment Bill in the 2016 legislative programme with a priority of three. Amendments to a number of transport rules are also being prepared.

Monitoring and evaluation

59. The proposal in this paper will form part of the new regulatory framework for the small passenger services sector. The Ministry of Transport will develop an evaluation framework for the reforms as a whole.

60. Monitoring for reforms as a whole would follow the current practice whereby the NZTA checks that the sector follows the relevant regulatory requirements.
61. The key indicators for the evaluation are likely to be based on the costs and benefits of the preferred regulatory option. They would cover passengers, drivers, operators and the wider economy. The evaluation could be quite challenging, as it would attempt to compare a future state situation with the current situation. The lack of data on the current situation is likely to make quantitative comparisons difficult.
62. Competition assessment criteria are to be developed, including clear screening devices. Experts will be engaged from the implementation stage to carry out or review the competition assessments.

Conclusion and recommendations

63. Option 2 will deliver the outcomes most closely aligned with the future state objective. It will promote competition, align third party facilitated carpooling operators with the single class ATO, and align driver requirements across all cost-sharing small passenger services.

Annex A

Changes due to the introduction of the overall new regulatory system can be expected. The table below was developed for the Regulatory Impact Statement that accompanied the Small Passenger Service - Future regulatory system Cabinet paper presented to Cabinet in April 2016. The table below provides the details of the possible changes in demand. Identifying the possible movement of passengers assists in understanding the change in benefits and costs. The expected change in benefits and costs for new/emerging services remain the same under the preferred option 2.

The passengers considered include existing passengers, mode changers, and induced passengers. The table below indicates increases or decreases in the use of the services for traditional services or new/emerging services under the preferred option.

User Type	Change from / Change to	Commercial small passenger services (Taxis/shuttles/private hire)	New/emerging services (e.g. Ride share/car pooling etc.)
Existing passengers	Taxi/shuttles/private hire (e.g. Wellington Combined, Corporate taxis)	Use may increase/decrease/not change depending on passengers' choice. Examples: <ul style="list-style-type: none"> • safety concerns (given that current safety standards are not compromised) • availability of taxi and shuttle stands e.g. at airports, railway stations etc. • promotional campaigns of drivers/operators 	Use may increase as emerging services: <ul style="list-style-type: none"> • can be cheaper/cost saving • can have less waiting time • become familiar/friendlier through continued use • are more convenient e.g. online payments; GPS tracking
	Emerging services (i.e. Ride share/car pooling/Dial-a-driver)	Use may increase due to (examples): <ul style="list-style-type: none"> • competitive price • safety concerns (given that current safety standards are not compromised) • better service quality 	Use may increase/decrease/not change depending on passengers' choice. Examples: <ul style="list-style-type: none"> • safety improvements • promotional campaigns • technological advancements/innovations
Mode changers	PT users (Train/bus passengers)	Existing PT users may change mode. The reasons for change (examples): <ul style="list-style-type: none"> • competitive/economical price • more convenient than PT <ul style="list-style-type: none"> • saves time • more privacy • door-to-door service <p>However, this is possible if any price reduction (or factors that are considered) are significant enough to encourage mode change.</p>	
	Private car drivers/passengers	Private car drivers/passengers may change mode to avoid (examples): <ul style="list-style-type: none"> • cost of car purchase/maintenance • parking space issues/costs • inconveniences/restrictions of driving (e.g. health reasons, being intoxicated) <p>This is a theoretical possibility, but the actual number of people who change may be very small.</p>	
	Walkers and cyclists	Walkers and cyclists may change mode due to (examples): <ul style="list-style-type: none"> • competitive price • convenience/comfort • quicker/safer service 	
Induced passengers	Previously didn't travel/transport disadvantaged people	Induce travel can occur due to (examples): <ul style="list-style-type: none"> • competitive price • affordability • door-to-door service • more options 	