



28 June 2019

Mr Patrick O'Brien

Via email: taxiinquiry@parliament.vic.gov.au

Dear Mr O'Brien

RE: INQUIRY INTO THE COMMERCIAL PASSENGER VEHICLE INDUSTRY ACT 2017 REFORMS

Victorian Trades Hall Council (VTHC) makes this brief submission in support of the submission made by the Transport Workers Union (TWU) to the Inquiry into the *Commercial Passenger Vehicle Industry Act 2017* Reforms ('the inquiry').

VTHC was founded in 1856 and is the peak body for unions in Victoria. VTHC represents over 40 unions and more than 400,000 workers in Victoria. These workers are members of unions that reach into every industry in the state, both in the public and private sectors.

In recent years we have seen the world of work rapidly change and hard-won workers' rights are under attack. Digital 'disruption' has resulted in a new industrial landscape where companies (including multinational corporations) engage workers through online platforms to perform temporary 'gigs' of work on demand. The transport industry has borne the brunt of this disruption. Workers such as rideshare drivers are engaged trip-by-trip, have no minimum guarantee of work or income and are responsible for work-associated costs including car purchase or lease, maintenance and petrol. Ridesharing companies such as Uber have gained a significant share of the Victorian commercial passenger vehicle (CPV) market, and in 2017 the Victorian government introduced reforms via the *Commercial Passenger Vehicle Industry Act 2017* that served to reduce regulation of the industry.

The VTHC welcomes the Victorian Government's attention on the impact of digital disruption on workers through the inquiry into the Victorian On-Demand Workforce that is currently in progress, as well as this inquiry. The VTHC would like to draw attention to two key issues in relation to this inquiry.

1. Regulatory reforms have not yet addressed the substandard pay and conditions for workers in this industry, specifically rideshare drivers. Surveys of rideshare drivers conducted by the TWU and the Rideshare Drivers Co-Operative show average driver earnings of \$16 per hour, well below minimum Award wage rates.¹ These findings are confirmed by VTHC's own surveys of rideshare drivers in 2019. Drivers reported effective hourly pay rates below minimum wage, an absence of sick or annual leave, and risks to their health as a result of the long hours they are required to work to make ends meet. The quotes below are from rideshare drivers who participated in our survey.

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¹ <https://www.twu.com.au/Home/Campaigns/Rideshare-Drivers/Rideshare-Survey-Infographic/>

“What I do is not work, its slavery. From \$82,000 I made last year I only cleared \$32,000 which is less than \$10/hour. No super, no sick leave, holiday or any other benefit.”

“[It] was disheartening to put the effort in only to have Uber take 25% of my earnings, then to pay tax on the entire amount. I ended up working for around \$4ph. [Now] my full time job pays \$43ph.”

“I work 14 hours/day during which I get minimum time to step out of my car. I don’t have time for fitness activity and I am afraid soon or later I will have serious health problems.”

“Regulate it like taxi. Good fixed fares or income guarantees per hr should be made compulsory.”

“There should be a provision for sick or annual leave.”

2. Existing taxi and hire car license holders have reported the existing compensation package (\$100,000 per licence for the first licence, and \$50,000 each per licence for three subsequent licences to a maximum of \$250,000) does not adequately compensate workers who purchased more than 4 licenses or those who bought licenses at historically higher rates than the current compensation figures.

This inquiry presents a timely opportunity for the Victorian government to adjust regulations to ensure a truly level playing field whereby industry operators can fairly compete, where workers in the industry are guaranteed fair and safe working conditions, and where those persons impacted by the introduction of ridesharing and changes to regulations of the CPV industry are appropriately and fairly compensated.

VTHC supports all of the recommendations made by the TWU and in particular would like to draw the inquiries attention to recommendations contained in sections 4.3 *Key Components of a Future Regulatory System* and 4.4 *Models for a Future Regulatory System* in designing a regulatory system for the CPV industry that recognises and values the vital role rideshare and taxi drivers play in delivering CPV services to Victorians.

If you have any questions or would like further information, please do not hesitate to contact Ted Sussex, Lead Politics, Research and Digital Organiser at

██████████.

Sincerely,



████████████████████
Wil Stracke,
Assistant Secretary