

TRANSCRIPT

LEGISLATIVE COUNCIL ECONOMY AND INFRASTRUCTURE COMMITTEE

Inquiry into the Commercial Passenger Vehicle Industry Act 2017 reforms

Melbourne—Wednesday, 31 July 2019

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WITNESSES

Ms Kate Stannett, Head of Cities, Australia and New Zealand, and

Mr Richard Willder, Public Policy and Government Affairs, Australia and New Zealand, Uber.

The CHAIR: Good morning, all, and sorry, my apologies for the delay. I would like to welcome you all in the gallery. The committee is hearing evidence today in relation to the inquiry into the Commercial Passenger Vehicle Industry Act 2017 reforms. All evidence taken at this hearing is recorded by Hansard and is protected by parliamentary privilege. Today's hearings are also being broadcast live on the Parliament's website. Therefore you are protected against any action for what you say here today, but if you go outside the room and repeat the same things, those comments may not be protected by this privilege. Before you begin your statement please say your full name for the Hansard record. I invite you to start. Welcome.

Ms STANNETT: Thank you, Chair, and thank you, committee, for having us here today. I am Kate Stannett, head of cities for Uber here in Australia and New Zealand. This is my colleague Richard Willder from our public policy and government affairs team.

We are very pleased to have the opportunity to speak with you here today about the positive impact that Victoria's commercial passenger vehicle reforms have had on transport here in Victoria. Our submission outlines how Victoria's reforms to the commercial passenger vehicle industry are helping millions of Victorians move better and how technology has the opportunity to continue to provide benefits to our cities and transit networks. It also touches on our vision for the future of transportation and how we can work together to leverage technology and to help shape mobility in Victoria, including through innovations that are actually already flourishing here in Victoria, all fuelled by Uber's ridesharing network, whether that be UberPool or Uber Air.

Uber started as a very simple idea: use a smartphone app so that you can push a button and get a ride that comes to you, that basic premise being that the Uber app matches riders who are looking for a ride with a driver who is looking to provide one. This idea struck our two co-founders overseas back in 2008, and we believe it has had a significant positive impact on the point-to-point transport landscape. And if we look back and try and remember what the industry was like in 2008, we have seen change.

For those of you who may be less familiar, let me explain the concept a little more. So Uber operates as a mobile phone application that dynamically connects a rider looking to get from A to B with a driver-partner who is willing to take them there. The platform is a live example of a well-functioning and efficient digital marketplace, with flexible supply that is able to meet demand due to things like dynamic pricing that makes the job from a rider more attractive for a driver-partner. All driver-partners undergo background checks and are fully accredited with the Victorian regulator, and Uber is accredited as a booking service provider here in Victoria.

Now we see almost 4 million Australians who regularly use Uber's app to get a ride from A to B or dinner delivered to their home, and they are supported by over 80 000 Australians who are accessing flexible earnings opportunities. From Cairns to Perth you can now use your phone to request a safe, affordable and reliable ride in 37 cities across Australia.

First and foremost I want to touch on the commercial passenger vehicle reforms themselves and how the travelling public have benefited from reform to the point-to-point transport landscape. Here in Victoria Uber strongly supported the Parliament and government's proposal to review and redesign the state's legislative and regulatory framework for point-to-point transport. We worked closely with the government on all sides of politics to encourage and support modern regulations that were fit for purpose and better suited the needs of Victorian consumers.

It is important to note that Victoria's response to reform for the commercial passenger vehicle industry was not unique; in fact it was consistent with a global movement to refresh and renew point-to-point transport services for the benefit of the travelling public, from Sydney to Brussels, Hobart to Los Angeles. The Victorian reforms

have struck the right balance between the need for strong safety processes, protections for both consumers and industry participants and the flexibility to deliver innovation for customers.

Whilst we note that the obligations for booking service providers such as Uber in Victoria exceed requirements in other comparable jurisdictions such as New South Wales, we also acknowledge that the system is operating effectively and it has provided a good balance for Victorians who now rely on the industry.

As a customer-focused organisation we continue to strive to do more for our customers, including both driver-partners and riders. There are always opportunities to do more to improve the regulatory environment, and we will continue to work with the Department of Transport to ensure that industry has the flexibility to deliver better offerings for those consumers.

To date the state's reforms to the commercial passenger industry have provided Victorians with a renaissance in point-to-point transport, both growing the overall size of the market, including taxis, and providing new offerings, paving the way for innovations in the future of transport. I wanted to give you a couple of examples of the way that those innovations manifest locally today. The first is if you look across Australia, 60 per cent of Uber trips start or end in a public transport desert. By providing a new form of transport in these underserved areas commuters are able to use ridesharing to solve that first-last mile issue, connecting the end of a trip.

Another great example is UberPool, a product that matches riders who might be heading in the same direction in the same car and offers a reduced rate as they are able to share the cost. By getting more people into a single car UberPool is saving millions of kilometres of car journeys, this technology making carpooling at scale a reality for the first time. Only seven months after our initial launch, if Uber riders had driven alone instead of sharing their rides using UberPool we estimate that 1.735 million more kilometres would have been travelled. We also estimate that they would consume more than 173 000 litres of petrol and emit more than 400 tonnes of carbon dioxide.

The third example I wanted to share is that we have also seen research that shows how ridesharing may have had a positive impact to reduce drink-driving rates, a topic that we know is important to Parliament and to our community. A study from Empirica Research found that three-quarters of Australian riders believe Uber helps reduce drink-driving in their community, and for those who drive, an extraordinary 78 per cent said that Uber had personally helped them avoid drink-driving.

But for Uber ridesharing is really just the beginning. We now have the opportunity to leverage technology to deliver more innovative and efficient solutions to the Victorian community. At Uber we are now in a position to leverage our strong ridesharing network in Australia to deliver more exciting innovations for the travelling public, from pooling technology like UberPool, which I just mentioned, to Uber Eats, to self-driving technology, to Uber Air.

In Australia we are increasingly focused on developing what we call Uber as a Platform, and that is our plan for an integrated future of transport where someone can push a button in the Uber app and get from A to B through multiple different modes. For example, a customer journey in the Uber app could include a shared e-bike to the train station, a train into their destination and then a Pool scheduled for the pick-up at the other end, all booked through the Uber app. We believe that the integration of these public, active and shared modes of transport can offer a better journey than simply choosing to drive yourself. We are focused on asking ourselves some of the bigger picture questions about the future of transport in Australia. For example, what happens if we apply innovative technology to existing transport networks? How can we extend the reach of fixed public transportation, complementing rather than cannibalising public transport? Can tech like ours help solve that first-last mile problem by taking people to and from other transportation modes? And the short answer is that we see ourselves as part of the solution in each of these challenges.

I wanted to touch on some of Uber's exciting work in emerging technologies, namely Uber Air. Many of you will have seen our exciting announcement—in partnership with the Victorian government and supported by the federal government and our world-leading federal aviation regulators—that Melbourne has been selected as the first international trial city for Uber Air. Uber Air is Uber's initiative to create a network of all-electric, on-demand vertical take-off and landing aircraft that will integrate into the Uber platform. Just as riders can now push a button and get a ride through the Uber app, we envisage that they will be able to push a button and get a

flight by Uber Air. We are currently working closely with all levels of the Australian government and our partners to make this vision a reality, with ambitions to launch commercial operations in 2023. We believe on-demand aviation has the potential to completely change the way that we think about urban transport and radically improve urban mobility, and we would be happy to take questions on that exciting new space.

Initiatives like this are important because unlike most, who are thinking about the future of transport across a 30-year horizon, we see technology as being able to bring benefits for cities today. Uber is a real-life example of how technology is changing the way people move around our cities, not for the future but now. A perfect example is this first-last mile problem and how we can help complement public transport and drive increased patronage, making it easier for people to get to and from public transport hubs. In the ACT, for example, we have collaborated with Transport Canberra to provide late-night rapid bus passengers with a \$10 discount if they use Uber to travel to and from bus stops, effectively extending the reach of the bus network. In New South Wales Uber was recently selected as a successful incubatee as part of the Transport for New South Wales Mobility as a Service innovation challenge, and as part of this initiative Uber, in conjunction with Transport for New South Wales, is piloting a program where riders who take an UberPool trip to and from Manly ferry wharf within a defined geo-fence receive a flat \$3.50 fare in addition to a 20 per cent discount on connected Captain Cook ferry trips. This means riders can leave their cars at home and save time trying to find a parking spot, helping to reduce emissions and congestion.

We believe on-demand services can also help governments provide better access to transport in a cost-effective way. We have also just this week announced the integration of New South Wales public transport data in the Uber app in Sydney, helping to empower people to make the right transport choices for the right trip length and need and in turn reducing congestion on our roads. It is important to note that there is one thing that all of these innovations have in common, and that is that they rely on Uber's ridesharing network as the backbone of their operation, from Uber Eats to Uber for Business to Uber Air. Ridesharing—and a progressive regulatory environment for the commercial passenger vehicle industry—is critical to our current and future success to deliver more exciting innovations for Victorians. We are pleased that over 1 million Victorians regularly rely on our services. With this Parliament's support we look forward to continuing to help our constituents get from A to B. We are excited to share our submission and vision with you in more detail today, and we are very pleased to be here and to take any questions that you have.

The CHAIR: Thank you very much. Richard, would you like to add anything or are you happy for us to—

Mr WILLDER: No, I have nothing to add. That is fantastic. Thank you.

Mr DAVIS: There is a levy that is imposed as part of the changes, which is imposed on taxis and on Uber and other ridesharing groups. Do you know the fate of that levy? What is collected from Uber—you might be able to tell us the amount—and do we know where it is being spent?

Mr WILLDER: Yes, thanks for the question. Certainly Uber drivers collect a levy on every trip that takes place on the Uber app, and it is remitted to the State Revenue Office. We do not have any additional details on exactly where it is being spent. That would be a question—

Mr DAVIS: So what sort of number is being paid through to the system? That would be helpful for us to know.

Mr WILLDER: No. I understand. I do not have an exact number.

Mr DAVIS: You may be able to take it on notice.

Mr WILLDER: Yes, I am very happy to take it on notice. Of course some of that information, because it is a \$1 levy, might be commercially sensitive, so I just want to be careful with what kind of information we provide, but I am very happy to take it on notice.

Mr DAVIS: Yes. The second point is: do you support that levy being used to fund the bureaucracy?

Ms STANNETT: The introduction of levies is something that we have seen across Australia, and while Uber does not support anything that adds cost to the travelling public, that is a decision that governments have made, and so it is not really a matter for us to make judgement on.

Mr WILLDER: At this point in time we are just in the business of doing as directed, making sure the levy is being remitted to the State Revenue Office.

Mr DAVIS: And that is occurring, obviously. Yes.

Mr WILLDER: Absolutely.

Mr DAVIS: But you support or you do not support the use of the levy to fund the transport bureaucracy?

Ms STANNETT: The introduction of levies that add cost to the travelling public is not something that we support. However, it is a matter that governments have introduced, and what they use it for is a matter for them.

Mr WILLDER: We are really not familiar with what exactly the government is doing with the revenue collected for the purpose of the levy, but we are simply in the business of collecting it.

Mr DAVIS: Well, I will enlighten you. The bill that went through had amendments made to it which enable not only the levy to be collected but the funding to be directed to support the bureaucracy, not just simply used for a defined period to compensate people who had lost very significantly financially.

Mr WILLDER: Yes. You mentioned that it is only for a defined period, and we would love to see—

Mr DAVIS: It is not for a defined period; that is the point.

Mr WILLDER: It is not for a defined period. No. Understood entirely.

Mr BARTON: There is no sunset.

Mr WILLDER: And that is something it would be terrific to see codified at some point in time in legislation—a sunset clause of some sort.

Mr DAVIS: Yes. That might occur more quickly if it was not diverted to fund the bureaucracy.

Mr BARTON: Richard, you just said the drivers are collecting the \$1 levy. As a booking service provider you are actually required to collect the levy. Is that just a slip of the tongue there that you just did?

Mr WILLDER: No, we collect the levy on behalf of driver-partners.

Mr BARTON: All right. Can you tell me how many trips you did in the 18–19 year period?

Mr WILLDER: I do not have that information on me.

Mr BARTON: You do not know how many trips you have done?

Mr WILLDER: I do not have that information on me.

Ms STANNETT: It is also commercially sensitive information.

Mr BARTON: You can supply it to the committee at a later stage if you would like.

Mr WILLDER: I am happy to take it on notice, but again, it is commercially sensitive information and we just want to be careful as to what we provide.

Mr BARTON: Right. I will just go back to your statement there. It has been a very global presentation on your submission, and some of our committee members may not be aware of the rideshare industry around the world. So just a little question from me: are you here representing Uber Australia or Uber Inc. today?

Ms STANNETT: So, my role is head of cities for Uber across Australia and New Zealand, and so those are the markets that I am familiar with. Similarly, Richard is part of our public policy and government affairs team here in Australia and New Zealand, and so that is where we can really speak—the markets we can speak to.

Mr BARTON: Are you here representing the parent company or the operations for Australia?

Mr WILLDER: We are really here just representing our current roles.

Mr BARTON: Current roles. Okay; thank you. If I can just draw your attention to the last line of page 5 on your submission there, which states:

We worked closely with the Government—and all sides of politics—to encourage and support modern regulations that were fit for purpose, and better suited the needs of Victorian consumers.

Can you please explain: what did you actually do to work closely with the government?

Mr WILLDER: I think the purpose of that statement was to indicate that we were supportive of the broader reform initiative. As I am sure you can appreciate, I have been at the company for over two years but a lot of this happened before my time. So I am not sure exactly how I can help with more information there.

Mr BARTON: Did the previous person in your role have regular meetings with the regulator and the minister?

Mr WILLDER: We had regular meetings with all sides of government and all people involved in the regulatory decision-making process at that point in time.

Mr BARTON: And this was prior to the legislation where Uber became legal in August 2017?

Ms STANNETT: We have engaged with all sides of politics, as Richard was saying, since we began operations here in Australia. I just note that we do not agree with the assertions in that statement.

Mr BARTON: No worries. I just go back to ridesharing globally. We have got new players coming into Victoria now. We have got DiDi here and Ola here and all that sort of stuff. My fellow committee members may or may not be aware of this, but DiDi—correct me if I am wrong—is actually twice the size of Uber in terms of trips per day globally. I believe that is a fact. Uber has now pulled out of Russia, China and most of South-East Asia. In Singapore I believe they are also illegal. UberPOP, the equivalent of our UberX, is not operating in Greece, Italy, Spain or France. They may have gone back into some of those markets; is that correct?

Mr WILLDER: I just want to make sure we do not veer too far outside the terms of reference, because we are here today to talk about our vision for—

Mr BARTON: Sorry, Richard, you spoke about this in your submission, about your global operations, so we just want to know exactly where the overall picture is—where in your global operations and what you can bring to Australia.

Ms STANNETT: Sure. In terms of the comment you made around DiDi and the number of trips they do, that is not information that I know. I have seen similar reports in the media, but it is certainly not something that I can comment on as fact. Uber operates in over 700 cities across the globe now. We do more than 15 million trips per day, and so we do have an extensive network. We do not operate everywhere, but we certainly do operate in a number of cities, including 37 here in Australia.

Ms TERPSTRA: As I understand it Uber expanded its operations into some regional centres in Victoria earlier—places like Horsham, Shepparton and the Surf Coast. So I am just wondering if you could expand on what is happening in regard to that—your plans for expansion into regional Victoria, how they are going and what is sort of happening in that space.

Ms STANNETT: We are always looking for places where there is demand for ridesharing services where we can bring alternative options for people to help them move around our cities. That is why we launched in

some new cities in regional Victoria. What we tend to see with our regional markets is that the busy periods tend to be a lot more focused around the weekends, and particularly in tourist towns you get a lot of demand during peak tourist periods. So the market does look a little bit different to what it does in capital cities, but we certainly have received a lot of positive feedback from both riders and driver-partners about the benefits that having new transport options brings to them. In particular an option is that you can stay in the comfort of your own home and request a car and you do not need to leave your home until it arrives. You know, those kind of conveniences are really appreciated in regional areas.

Ms TERPSTRA: You were mentioning just before about supply and demand scenarios. Has supply met demand in those regional areas? How is that going?

Ms STANNETT: I think in a lot of regional areas we would like to get more supply on the road, but I think one of the benefits of the way that Uber operates is that we do not put any parameters around that and we allow the market dynamic to balance itself. What we see globally is that that tends to work very well.

Mrs McARTHUR: I have a couple of questions. You mentioned that you are here to serve an under-served desert. Would you consider the CBD of Melbourne an under-served desert?

Ms STANNETT: We are here to serve all of the people within the markets that we operate in. That figure is one that—the research showed that 60 per cent of Uber trips start in what is defined as a transport desert. I can get back to you on exactly how they define that, but it is normally a factor of distance to the closest regular service public transport stop, whether that is a bus stop or a train station. It has been really interesting for us to see how ridesharing has provided a new option for people who otherwise had very few alternatives other than using their private car. The other thing that that research showed that sort of goes to this is that a lot of those trips are one way. So often people can get one direction with public transport because they are travelling—if you think of a commuter going into the CBD, the services run very regularly, and so people will use it to get in, but if you stay back and work late one night when, say, those peak services have come off, then people will often use Uber to get home, or they will use Uber to get that last mile to connect in with the regular service. In terms of the CBD, I mean, we certainly would not call that an under-served hub transport desert, no.

Mrs McARTHUR: I am also interested in Uber Eats. Can you tell me how much a supplier has to pay Uber for the service of providing Uber Eats?

Ms STANNETT: You mean a restaurant?

Mrs McARTHUR: A restaurant.

Ms STANNETT: I work on the rides side of the business, so I cannot speak with any authority on our Eats side and how that works. Of course Uber Eats would not be a platform if we did not have restaurants that were willing to be on it, so we work closely with our restaurant partners to make sure that we are delivering value for them. I appreciate there is media about how that sort of plays out, but it certainly is a big focus of ours. We understand that restaurants are one of our customers and therefore we need to make sure that we have a product that they want to use and that is valuable for them to use.

Mrs McARTHUR: Would it be in the vicinity of 35 per cent?

Ms STANNETT: I could not tell you.

Mrs McARTHUR: Richard, do you have a—

Mr WILLDER: I think you are referring to reports that the service fee on each order is 35 per cent, and that is accurate and that is publicly reported. Again, I do not want to veer too far outside the terms of reference. We are here to talk about the commercial passenger vehicle industry, but as Kate said, this is just another industry that benefits from a really strong ridesharing network, as do all our innovations. The backbone of these innovations is the ability to match demand and supply and move people around cities dynamically and effectively.

Mrs McARTHUR: Just finally, would you be agreeable to having uniform safety requirements for all passenger vehicles?

Mr WILLDER: I do not understand what you mean by uniform. Would you mind elaborating?

Mrs McARTHUR: Well, if all the transport networks who were providing services in the form of transport by way of taxis or ridesharing or whatever had to meet uniform safety requirements, would Uber support uniform safety requirements so that everybody is on the same platform?

Mr WILLDER: I see what you mean. In response to that we would say that there are very different market offerings at any different point in time. As I am sure you guys are aware, previously when you had a hire car industry and a taxi industry before the advent of ridesharing, there were very different requirements on each industry participant that reflected the different risks that were associated with each of those types of services. Ridesharing is fully booked, GPS tracked, with a whole host of other benefits that are, one, consistent with the previous industry and, two, entirely new, and as a result the regulations that exist at the moment have struck a really good balance between the risks that exist in the market and safety benefits to consumers. The fundamental point is there is a difference between anonymised rank-and-hail work on the street and booked work, where there is a known passenger, and we think the system in place at the moment is working very well.

The CHAIR: But the question was: do you support uniform safety? Do you support it or not?

Mr WILLDER: We support the current state of the regulations.

Ms STANNETT: The other thing I would add around safety is that technology, and namely the introduction of smartphones, has enabled new safety features for transport that simply were not possible before, so GPS tracking, those kinds of things, were just not possible. So the regulation that kind of recognises and keeps step with the safety features that are now available we definitely support.

The CHAIR: We have another member joining us by phone. Tim, have you got a question?

Mr QUILTY: Apart from some already asked, I am asking about safety. Some of the submissions have said that driver safety in Uber cars is at risk because there are no cameras and so on. Can you comment on that?

Ms STANNETT: Yes. So safety is something that our leadership all the way from the top has clearly articulated is a key priority for us, and when we think about safety we are thinking about safety for both riders and drivers. We have a number of different safety mechanisms that we have built into the app to provide all of our customers with a safe way to get from A to B and a safe way to provide services. We think about safety pre-trip, during trip and post-trip, and there are a number of features that we have introduced to enable that. From a driver's perspective we have a safety toolkit that is available to them in their app, which gives them access to a number of different support functions, including an SOS button should they need it that can connect them with law enforcement and connects them with us. Every trip is GPS tracked; we know who is in the car at any point in time. That accountability in itself, it has been really interesting to see how that drives good behaviour. I think the rating system as well, while quite simple—so the idea that after your trip every driver can rate their rider a star rating out of 5 and vice versa—in itself drives a level of accountability and professionalism and appropriate behaviour with people using the app.

The other thing that we have are community guidelines, and the community guidelines set out our expectations for both riders and driver-partners about what their obligations are and what is appropriate conduct using the app. And if those guidelines are breached, then riders or driver-partners can lose access to the app. So that is just a couple of examples. There are a number of others that make our platforms safe for riders and drivers. I think safety never stops and there are always things that we are looking to do to improve and make things more safe, but we are comfortable that we have provided the mechanisms that we need to to meet our regulatory obligations and also just to ensure safety for riders and our driver-partners.

Mr BARTON: I do not doubt for a moment your work towards doing safety, but I do not think it is up to speed to match a taxi. Taxis also have GPS tracking. They also have a camera. And we know that when we put cameras in taxis assaults against the drivers and the passengers dropped enormously. I have not got the actual

numbers here, but we think that is absolutely paramount. Would you be opposed to cameras being fitted into Uber vehicles?

Mr WILLDER: It is really not something we see as necessary in the current environment. We are supportive of the current regulatory framework and we think it is fit for purpose.

Mr BARTON: Cameras also produce evidence. You had a very unfortunate incident only a week or so ago up in Queensland. There have been a number of assaults, I think. So as much as we can put all these things around an app, putting a camera in the car is a great safety tool.

Mr WILLDER: I think it is really important and one of the things that we do very well—and we have a really strong working relationship with police departments in a number of different jurisdictions, including the state of Victoria—is we work really closely with police before, during and after an incident occurs. We work very closely—we have a 24-hour dedicated response team to try to provide support and provide information to police. I think we have received strong support from police and law enforcement agencies in response to our work in that space.

Mr BARTON: You might be talking to different police than I am talking to in that case. One of the problems which has been identified by the RACV is the lack of permanent identification for rideshare vehicles. We know that more than most do not identify themselves as a rideshare vehicle. That evidence is about and we can see that. Do you oppose having permanent identification on the vehicle? Why is that?

Mr WILLDER: This matter was debated, as you are well aware, at length during the initial discussion, and the simple matter at that is that the ridesharing model is different to the taxi model. We have seen from recent research that around 50 per cent of driver-partners drive for under 10 hours a week and as a result permanent signage on a vehicle is not really necessary. I would want to understand a bit more about the research, or the information that you have, because that is certainly not consistent with our understanding of how the industry is operating at the moment. As I go out on the streets, as I regularly do, and I regularly take Ubers, I see a sea of Uber stickers and CPV in-service stickers regularly.

Mr BARTON: Sorry, Richard, are you in Melbourne or are you in Sydney?

Mr WILLDER: Melbourne.

Mr BARTON: Melbourne? Okay.

Ms STANNETT: I am actually based in Western Australia.

Mr BARTON: Oh, a long way from home.

Mr WILLDER: And so, realistically, we see the current model working very effectively and efficiently. It provides a great degree of flexibility plus very clear identification when people are out on the roads. It is working well.

Mr BARTON: It does not work well when an Uber driver who may have been drinking can quickly take down their sticker off the car when they are on their way to a job when they go through a breathalyser.

Mr WILLDER: With respect, that is inconsistent with the regulations. The regulations that currently stand state that it cannot be removed from the window from a seated position.

Mr BARTON: It is happening. Right—that is the real world. Okay. Thank you, Richard. In your written submission you state:

Urban transport has also experienced its own revolution, with ridesharing apps allowing riders to connect with drivers through an app by just pushing a button. Passengers no longer need to call and book, or stand on a street corner or queue in a taxi stand hoping a taxi will come along.

Does Uber see itself as in competition with taxis?

Ms STANNETT: At Uber, when we think about competition, our ultimate competition is the private car. Private car ownership rates in Australia, but globally, are incredibly high. Most people rely on their private vehicle for the majority of their transport needs, and what we want to do is provide viable alternatives across a whole range of different modes of transport so that it is as convenient, as affordable, as reliable to use those modes rather than using your own private car. And we have got a long way to go. Ridesharing is still a very, very small fraction of the kilometres that are travelled, but ultimately that is our goal and that is where we see our competition.

Mr WILLDER: I often use the example that our primary competition in this space is someone like my father, who commutes during peak hours in a four-wheel drive to work, leaves his car sitting there all day and then drives home again at the end of the day. That is really where we see our app being able to make a tremendous difference in the way people move around cities.

Mr BARTON: There is a recent report coming out of San Francisco and certainly New York City—because they are your established mature markets—that you are actually stealing people away from the public transport network and it is actually adding to congestion and adding to emissions in major cities. And we can certainly see thousands of vehicles—we can just walk down Collins Street. We can go for a coffee later and we can show you the congestion of people parking illegally trying to find jobs—all those sorts of things. I put it to you that you are not fixing congestion, you are actually making it worse.

Ms STANNETT: Congestion is a very complex problem. There are many factors that influence and drive congestion, and I think reducing congestion and helping our cities move better is one of the things that is a primary part of my role at Uber and is actually a primary part of our global strategy and vision for the future of transport. I mean, there are a couple of things that we are doing to directly address congestion. The product I mentioned in my statement, UberPool, is one of those. UberPool matches riders heading in the same direction in the same vehicle, so you are getting more people into fewer cars and therefore taking cars off our road networks and reducing congestion.

The other newer investment that we have made and we see has a lot of potential in regard to congestion is e-bikes and e-scooters. We have invested in those, and when we launched them in San Francisco one of the really interesting things that we saw was that those scooter trips actually cannibalised our UberX trips, particularly during commute periods. So we lost trips on UberX, and instead people were taking these new shared e-scooters. But that is something that we are not afraid of as a company. Going back to my previous point, if we really want to provide people with viable alternatives that mean that they do not have to own a car ever again in the future then we need to think about ways to help people get from A to B quickly and efficiently, and that is where we are focused.

I did see some research—and if you want the exact numbers I can certainly get them for you—that looked at the number of Victorians, young Victorians, getting their licence, and that number is actually decreasing. I cannot prove the cause and effect there necessarily, but I think it is an interesting trend that young people are now thinking, ‘Do I actually need to get a licence? Do I actually need to get a car?’. And I think if less people own cars we will have less congestion on our roads.

Mr WILLDER: I might just add one other thing. Kate also mentioned previously our partnership with the City of Sydney and the New South Wales transit network, and that is a really interesting example of how we can use our technology to help move more people to major trunk networks and get more people on public transit, and that is something we are globally committed to.

And just one last thing: we really see the future of transport as shared, electric and automated, and that is something we have outlined in our submission. And one of the other things we mentioned in the submission is an International Transport Forum report—the ITF is an arm of the OECD—which mentioned that, in alignment with our vision for a future of transport that is shared, automated and electric, if that was the case, it has a major impact on congestion, and essentially congestion melts away as the efficiency of the network gets into a slightly better place. So there is a whole lot of research on all sides of this equation, and as Kate said, congestion is a very complex issue and there are multiple factors that need to be taken into account.

Mr BARTON: A couple of questions. If UberPool is the answer, what percentage are UberPool trips here in Australia of the total rideshare business?

Ms STANNETT: UberPool is a fairly new product here in Australia. It only launched in Sydney and Melbourne last year. So that product is certainly still growing and maturing, and therefore it is a relatively small part of the overall pie but one that we expect to grow. If we were to look at some of our more mature markets where we have had UberPool live for longer, such as San Francisco, then—I can get the exact figure—it is a lot closer to 50 per cent.

Mr BARTON: Fifty per cent of all rides in San Francisco would be an UberPool?

Ms STANNETT: We can get you the exact number.

Mr BARTON: It is pretty staggering.

Ms STANNETT: But it is a sizeable amount. We have done traffic modelling to look at the impact that that has, if all of those people were to be in individual cars, on traffic and congestion, and it is positive. I do not think it is the only answer. UberPool in and of itself is not going to solve all of our congestion problems, and that is why I think it is a multimodal approach that we need. Not everyone wants to share their ride. Not everyone wants to share their ride all the time because they need to get somewhere in a hurry. So what we need is a range of different options and to give people the information that they need at the time that they need it so that they are empowered to make good decisions. One of the reasons that we launched the integrated public transport in New South Wales earlier this week, on Monday, is that the reality is that for some trips public transport is the best option—it is the quickest and it is the cheapest—but when we are in a hurry people do not always take the time to compare all of the options. So by providing them with a seamless experience in the app that gives them the information to compare options, we think people will make better choices.

Mr BARTON: Do you think there is any relationship between the fall of taxi licence values and UberX entering the Victorian market?

Ms STANNETT: We are a consumer-driven company. We are focused on meeting the needs of consumers, and what we saw when we launched back in 2014 is that consumer expectations for on-demand transport were getting higher and higher. We wanted to meet that expectation and that demand, and so we introduced a ridesharing business. I think actually providing a transport option that picks riders up where they are is a new mode of transport, and that is ridesharing, and we were focused on growing that.

Mr BARTON: It is called a taxi service, actually. Just going back to your submission, what has not been mentioned anywhere there—and the committee might be interested—is the impacts on the drivers who work for Uber. We are going to hear some Uber drivers later on today, I believe, make submissions. They were very happy while you were operating illegally between 2013 and 2017 when there was not such an explosion of vehicles on the road and they were able to make a good income. In one of the Transport Workers Union surveys among the Uber drivers, they said around 50 per cent of the drivers are actually full-time, and what they are saying now is that they cannot make—I just have to clarify something for my own head. When a driver comes to you and they have not got a vehicle which is suitable for Uber and you send them off to Splend, has Uber got a financial arrangement? Have you got a commercial arrangement with Splend? Is that a division of Uber, or is that a completely different operation?

Ms STANNETT: So before I answer your question I just want to have on the record that we do not agree with the assertion around legality. Splend is a separate organisation that emerged when it saw an opportunity created by ridesharing to look at leasing vehicles for driver-partners. That is something that is Splend's business.

Mr BARTON: You call them a partner, though?

Mr WILLDER: No, they are part of a broader marketplace that we have in place—that exists to suggest if people want to find a car to provide a service, that they are able to do so.

Ms STANNETT: But it is a relationship between the driver-partner and Splend, and it is completely at their discretion how they want to engage with each other.

Mr BARTON: So what the drivers put to us is that they almost become trapped. They lease these vehicles at \$280 a week, Uber takes 27 per cent of the commission, there are over 50 000 hire cars now in Melbourne and they simply cannot make ends meet. How do you protect them, because you say they are contractors? They get no holiday pay, they get no sick pay and they get no superannuation. Are we taking advantage of these people?

Ms STANNETT: So we obviously talk to driver-partners who drive on the Uber platform extensively, and what they have told us on numerous occasions, including in some research that was conducted recently—more than 90 per cent of them said that flexibility is the number one reason why they drive on the Uber platform. Over 80 per cent said if that flexibility was taken away, they would no longer be able to drive on the platform. So flexibility is the key reason that drivers want to drive with Uber. Having said that, of course earnings are important. They are not doing it for the love of it, and so we understand that we need to make sure we are providing good earning opportunities for drivers to ensure that they want to continue to use our platform.

Similarly to what I said with the restaurants, if there are no driver-partners who want to drive on our platform, we do not have a business. So we are very aware of the need to make sure that we can provide an appealing experience for them, and part of that is earnings, so that is a big focus of ours. We recently commissioned some research, done by AlphaBeta, to look into earnings, as this is a question that comes up a lot. That research found that on average driver-partners make—and I can pull up the exact figures—over \$29 an hour gross and have around \$8 of costs. So we look at earnings, we understand them and we have done research into it, and it is important to us that we deliver value for those driver-partners.

Mr DAVIS: Is that document available?

Mr WILLDER: Yes, it is. Very happy to provide it.

Mr DAVIS: Thank you.

Mr BARTON: That is very different to what the Transport Workers Union have come up with.

Mr WILLDER: That is correct.

Ms STANNETT: Yes.

Mr BARTON: In fact what they are saying is the gross takings are \$16 an hour and less than \$10 an hour income.

Mr WILLDER: We believe those figures to be inaccurate.

Mrs McARTHUR: In an ideal Uber world what would you want government to do to be able to expand your operation?

Mr WILLDER: This is a really good question about the regulatory environment here in Victoria, and we are delighted that the Parliament has delivered such strong and world-leading reforms to the commercial passenger vehicle industry sector here. I suppose in terms of immediate-term asks and what we are thinking about, I would make a couple of points. The first is always opportunities, and this is not really a legislative ask but really working together to deliver greater digitisation to streamline current operations. That is always incredibly valuable to people who are looking to sign up and get online quickly and easily. Secondly is harmonisation. We operate in a number of different markets around the country, as I am sure you can appreciate. If someone wants to move from Sydney to Victoria—as a good Victorian I hope that most Sydneysiders want to move to Victoria—it is something that we want to make as easy as possible for people. So finding ways to harmonise with other jurisdictions to make it easy for people to earn flexibly is something that is quite important to us.

The last point I would make is this broader transport piece that we are thinking about—Uber as a Platform, how we can integrate with government services, how we can work together with public transit—this is something

we are fundamentally interested in. It is first–last mile connectivity, public transit integration, how we can think about the future of micromobility. These are all things that we are really interested in actively working with the government on, and we would welcome any opportunity to work closer with the Parliament and the government to deliver new and innovative and exciting opportunities for the travelling public. Thanks for the question.

Mr DAVIS: I just have a couple more questions that follow up on my earlier questions about the levy. Thank you for taking that on notice and providing that information. What I do not think the inquiry has, Chair, to date—and I am happy to be corrected on this—is detailed information from government about how much has been collected and where it has been spent. I think we need to pursue that because that is a tax that is put on every Victorian who uses either a rideshare or a taxi, and we need to know how much has been collected and where it is spent. I have conducted a diligent search with the assistance of the staff, and I do not think we have that figure as yet. I believe the SRO are coming to this inquiry, and we will certainly be following them on that point. What I do know is that the figures that have been paid out are \$332 million in transitional assistance and \$56.75 million in the so-called Fairness Fund.

Mr BARTON: The unfairness fund.

Mr DAVIS: The unfairness fund I think is an accurate description of that fund. I make that about \$8189 on average to 693 people, and the transition assistance, a very modest amount given the losses. It is the practice elsewhere in the world where industry changes of this type have happened that there has been proper compensation paid. Now, I have looked around the world—and you may confirm this—and the pattern has been that there has been change, and I understand that there are technology changes and this is driven by apps and commuter desire. But my question to you is: around the world where Uber and other ridesharing groups have come in, it is the fact that there has been compensation for the existing participants in significant measure?

Ms STANNETT: I understand that industry change and structural change can be difficult and that transport has undergone structural change across the globe, as have many other industries and sectors. And what governments choose to do is not really a matter for our concern in relation to that. I mean, our focus—

Mr DAVIS: I am asking you as an observer and a knowledgeable person in the industry, having looked around the world—and you have responsibility in other Australian jurisdictions and in New Zealand and I am sure you are familiar with other cases around the world—and I think the truth is that where these changes have happened there has been compensation, substantial compensation, to the existing market participants, largely taxis but other groups.

Mr WILLDER: I mean, you are exactly right that each market does this differently and looks at this kind of issue differently. As the committee will be well aware, there have been a number of different examples of compensation throughout Australia. I note that at the time, the Victorian government were very comfortable and confident with the amount of compensation relative to other Australian jurisdictions. As the committee might be aware, there are some Australian jurisdictions who have opted for no compensation.

Mr DAVIS: Which jurisdictions?

Mr WILLDER: Hobart—Tasmania, for example. So there are some jurisdictions that have looked at it from that perspective as well. Again, our focus has been solely on the consumer. And the idea, the funding packet, is a really, really complex question. Obviously there are competing priorities in that. As you have said, as part of the compensation package a levy has been imposed on Victorian consumers. Every dollar in increased expenditure is ultimately something, as we all very well know, that the public pay for, and we just want to make sure that the travelling public are able to get around cost effectively. Our focus is on them and making sure that they are able to move around freely and effectively.

Mr BARTON: Can I just jump in for a moment there, David? My understanding is that having a licence revoked here in Victoria, that has not happened in any other state or territory in Australia, and as far as we can ascertain, it has not happened anywhere else on the planet. Are you aware of anywhere else in the world where taxi and hire car licences were actually revoked to accommodate Uber?

Ms STANNETT: I mean, there are I think other places that have taken similar approaches, but to say whether or not it was exactly the same I think is something that we would have to take on—

Mr BARTON: Where they have cancelled taxi licences?

Mr WILLDER: I mean, there are hundreds, thousands, of markets around the world. I am not familiar with the operation of every single one of them.

Mr BARTON: Yes, I mean, I was just asking. You may know off the top of your head.

Mr DAVIS: We are just asking about Australia and New Zealand.

Mr BARTON: Australia and New Zealand.

Ms STANNETT: I mean, in Western Australia they have adopted a similar approach to what the Victorian government did.

Mr BARTON: They are doing a buyback at a far higher price than what they have done in Victoria.

Ms STANNETT: Governments have taken different approaches to this.

Mr DAVIS: You see you could have 10 licences here and you would get paid \$100 000 for the first and \$50 000 for the next three, and then you whistle Dixie after that. This is where the unfairness is: the cancellation of a property right without compensation. To be honest, as I have said to you, Richard, in separate forums, we have got technological change and so forth that is happening. That does not mean that there should not be a fair system to make sure that those who have legitimately been participants in the industry are properly compensated for the revocation of a property right.

Mr WILLDER: Yes. I understand your position, and really our focus just remains on the customer and trying to make sure we are doing everything we can to make sure the Victorian transport market is operating effectively.

Mr DAVIS: My point is: I actually do not think there has been a case in Australasia where there has been a revocation of licences in this way where people have not been compensated for some of those licences.

Mr BARTON: And that is regulatory bias.

Ms TERPSTRA: Just backtracking to when we were talking about arrangements that drivers might have in terms of whether they own a vehicle or lease a vehicle, do you have any information on the numbers of drivers who might be leasing vehicles as opposed to owning their vehicles? Do you have any information on that?

Ms STANNETT: Not at hand, but we can certainly have a look at what we could share with you and take that on notice.

Ms TERPSTRA: Can you take that on notice? Yes, thank you.

The CHAIR: Thank you. If there are no further questions, on behalf of the committee I would like to thank you for your time and contribution. You will receive in a few weeks a copy of the transcript for proofreading and to correct any typographical errors.

Mr WILLDER: Thanks so much for having us.

Ms STANNETT: Yes, thank you for having us.

Witnesses withdrew.