

TRANSCRIPT

LEGISLATIVE COUNCIL ECONOMY AND INFRASTRUCTURE COMMITTEE

Inquiry into the Commercial Passenger Vehicle Industry Act 2017 reforms

Melbourne—Wednesday, 31 July 2019

MEMBERS

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Mr David Limbrick

Mr Andy Meddick

Mr Craig Ondarchie

Mr Gordon Rich-Phillips

Ms Mary Wooldridge

Dr Catherine Cumming

WITNESSES

Ms Lorie Argus, Chief of Parking and Ground Access, and

Ms Kathryn Hodges, Head of Government and Stakeholder Engagement, Melbourne Airport.

The CHAIR: Good morning and welcome. 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, please state your name for Hansard and allow us time to ask you questions.

Ms ARGUS: I am Lorie Argus. I am the chief of parking and ground access for Melbourne Airport, and thank you for your time today in allowing Melbourne Airport the opportunity to be heard on this matter. I thought I would start by providing the committee members an overview of Melbourne Airport, although I am sure you are familiar from a traveller perspective.

We are Victoria's premier passenger and freight gateway. In 2018 we had 37.3 million passengers travelling through the airport, which was a record for our airport. We are forecasting by 2038 that we will be servicing 68 million passengers at Melbourne Airport, and we are a major economic hub for the city, for the state, generating \$17.6 billion for the Victorian economy, employing over 20 000 people and supporting local communities through our community and social responsibility program.

From a ground transport perspective, Melbourne Airport generates a significant amount of ground transport movements for passengers, employees, freight and other commercial vehicles. On a typical day in 2016, there were approximately 127 000 vehicle trips to and from the airport. That is broken down into 13 per cent from commercial vehicles, 60 per cent from passenger vehicles and 27 per cent from employee vehicles.

Over the last 12 months we have seen an average of 4640 taxis enter the airport every day to service our customers. There are a number of ways in which people can access hire cars and taxis—firstly and predominantly, through our taxi ranks in the T1, T3 and T4 terminals and transport hubs. This operates using a traditional rank mode and is managed by Melbourne Airport staff to ensure consistent and fair queuing. Secondly, we have a prebooked hire car area—two areas in fact—where there are parking bays on level 1 of our T123 car park and level 2 of our T4 car park, as well as another area where you can meet in the arrivals section of the car park to facilitate for drivers. Thirdly, we also operate a number of rideshare services from Melbourne Airport including Uber, Ola, DiDi, GoCatch and Shebah. We have a dedicated lane in the forecourt where passengers can meet those drivers, and they are booked through various apps on mobile phones.

The rideshare services were introduced to Melbourne Airport in late 2017, and we have expanded that area now as it hosts multiple rideshare operators. Our focus in these arrangements is on ensuring the safe and effective facilitation to and from the airport, as well as minimising congestion in our forecourt and efficiently using our road network for the airport.

Touting has been occurring at Melbourne Airport for some time, and to us, our definition of touting is when a commercial driver stands within the terminal or on the footpaths of our terminals immediately in front and they do not have a prebooked customer and they directly approach customers offering transport services. Previously in the legislation and the powers for touting it was an offence under section 158A of the Transport (Compliance and Miscellaneous) Act 1983 (Victoria), version 207, and attracted a penalty of up to 50 penalty units. In practice section 158A provided Victorian police as well as the Taxi Services Commission officers with the power to issue infringements for individuals that engaged in touting and served as a significant deterrent. Touting previously was managed through the airport by a joint approach for the Melbourne Airport staff as well as the Victorian police, the AFP and the Taxi Services Commission, known now as Commercial Passenger Vehicles Victoria. Victoria Police and the Taxi Services Commission were able to issue infringements under section 158A, and operations were often supported by Melbourne Airport staff and AFP officers. Anti-touting operations were run regularly, every few months, and often involved plain-clothes Victoria Police officers or

Taxi Services Commission officers. On-the-spot infringements were then issued to drivers who had touted for services.

This approach, which had been adopted for many years, served as a significant deterrent for touting. While there were some instances where touting still occurred, the levels were relatively low and Melbourne Airport did not record a significant number of complaints about this behaviour. Melbourne Airport supplemented the anti-touting operations by also prohibiting touting in our processes through our commercial vehicle licence regime—namely, our Landside Driver Authority as well as our Landside Vehicle Authority.

On 2 July 2018 section 158A was repealed from the Transport (Compliance and Miscellaneous) Act 1983 (Victoria). Neither this section nor any other section was replaced in the new Commercial Passenger Vehicle Industry Act 2017 (Victoria). Without the relevant authorities having the ability to issue infringement notices and conduct regular kerbside operations, we have seen a significant spike in touting at Melbourne Airport and throughout our terminals. Our operations team conducted a survey in the week of 18 March 2019 where there were 50 touting incidents across a 30-minute period of people approaching customers without a booking.

Complaints from passengers are increasing, as they feel harassed, uncomfortable and unsafe, and as members may have seen, this is also a hot topic on social media. From the airport's perspective touting has a negative impact on the passenger experience at the airport. It is often the first impression that people have of Victoria and visiting Melbourne, and we take our role in providing a positive and safe experience very seriously. Anecdotally we have also been made aware that many women who are travelling on their own or with children that are confronted by touters find the behaviour particularly intimidating. I can appreciate how they feel, as if you walk through some of our terminals today exiting, you will encounter a wall of men in suits approaching you, unsolicited and offering you rides. Touting is something that we do not want to occur at the airport, and we ask for the committee to recommend the powers to stop this behaviour, both at the airport and at other venues, be reinstated.

Lastly, I would like to clarify why this is something that Melbourne Airport alone cannot address unilaterally and why it cannot be done under the commonwealth legislation. Melbourne Airport can suspend a driver's landside driver's access authority. However, in practice we have found that this does little to stop the drivers from still entering the car park and paying their own driver car parking rates to come in and out, to conduct business in the terminals, without any of the required permits. We have found that exercising the suspension rights without the support of the penalty infringements has done little to deter touting.

Regarding commonwealth legislation, the Airports Act and the Airport Regulations, which have been established for an airport operator company do not include any provision that enables us to curtail touting. Any legislation change at a federal level would impact the airport operator companies across all states and territories, which could present unforeseen challenges, given the differences in commercial legislation across the states and territories. Additionally, if the Airports Act and the Airport Regulations were to be amended to allow airport operator companies to combat touting, this would not address touting at other locations in Victoria, which we now also understand is becoming a major issue.

In conclusion, ultimately ground access operations are critical for the airport, not only from a passenger experience perspective but from a safety, security and efficiency perspective. Touting is an issue which we believe strongly has a negative impact on what we are trying to achieve for the airport as a gateway to Victoria for many visitors. We want to work with the government and other agencies to ensure that we can end this behaviour at the airport. Again we thank you for your time today. We appreciate that the inquiry covers many topics and a broad range of issues, and we appreciate you considering this issue for us and the impact of touting as part of this process. Thank you.

The CHAIR: Thanks for that. Would you like to add anything, or are you happy for us to go to questions?

Ms HODGES: I am happy to go to questions.

The CHAIR: I was talking to Rod about the touting issue. Can you explain to me more? Who are they? Are they taxidrivers, Uber drivers, normal drivers—who are they?

Mr BARTON: Yes, Lorie, who are they?

Ms ARGUS: I think Rod would know better than I who they are. One of the biggest challenges for us quite genuinely is we do not know who they are. So I think when we go through our processes we make assurances in our landside operator's certificates that: you are a commercial driver, you have insurance, you have all the requirements to meet the requirements from a safety perspective. I think the answer is: it could be anybody. It is likely we do see hire car drivers and hire car licence plates, but it could be anybody behind the wheel of that car.

The CHAIR: Thank you for that. Questions.

Mr DAVIS: Can I thank you, Lorie, for your submission and just indicate for the record that the opposition very strongly agrees with you. We actually warned about this before the legislation came forward and were quite explicit that this would occur. The government did not listen to that at the time. Notwithstanding all that, we are in a position now where there does need to be a patch put in here to actually fix this problem and some new legislation which gives a head of power. What would you see, if I can ask you, is best practice around the larger airports? Is there a model piece of legislation that you would point to in one of the other jurisdictions that you would see could be enacted here, or would you see that the best way forward is to re-enact largely what was there before?

Ms ARGUS: It is difficult for me to comment on other states or other airports, but what we did find—if it can be considered to be re-enacted—is that that was a very strong deterrent. And we really did not have significant issues at the airport prior to the change, so we would be requesting that it be reinstated and pick that up as we used to operate with the parties involved and the approach that we used to take.

Mr DAVIS: I certainly will be suggesting to the inquiry that we actually look at that reintroduction, but if there is anything in other jurisdictions we should be aware of, we would welcome that. I think the truth of the matter is it is a free-for-all. It is a shambles now, and it has to be dealt with quickly.

Ms ARGUS: Thank you. And we can take that on notice to look at if there are other airports where we can make any recommendations.

The CHAIR: That would be appreciated. Thank you.

Mr BARTON: It is no secret what I think about touting. I think it is dangerous. I have been sent a photo in the last couple of weeks of people who have had their licence removed—from the industry—out at the airport touting in a private vehicle. There has been a history of this. People are getting into the car of this person that the regulator has determined is not a fit and proper person. So I think it is an extremely dangerous thing. (A) it is a bad look. But I just have to say too, it is not just at the airport now—it is a huge problem at the airport; I am not taking that away—but at all our major events, the MCG, Flemington, the grand prix, this ugly side of the industry is out there, and it is like we are a Third World country. People are—

Mr DAVIS: Tuktuks.

Mr BARTON: Yes, and it is a really bad look. Certainly my view is that the government needs to reintroduce the previous regulations immediately—because it is regulation, it is not legislation. The minister can reintroduce the previous regulations now, and I think the inquiry then should have a think about them. Do we need to toughen them up? That would be my recommendation to the committee. We should be doing it immediately—reintroducing what was there. And then while the committee is running we will look at what else we need to do if that is not going to solve it.

It has created this issue, this ridesharing thing, that anybody can just jump in a car now and do it. I was in Bendigo only Monday week ago talking to the Bendigo police about cash for rides. We have had sexual assaults up there, we have had physical assaults. We have got this thing going on that is now out of control. The regulator has to accept the responsibility, and we need to get this back in. That is my view and my advice to the committee. That is what I will be wanting to do.

Ms TERPSTRA: Thanks for your submission and for coming along to give evidence today. We heard you earlier talk about touting and some of the discussion around the look that has and how passengers have commented on how they feel about that, but have there been any positive impacts on passenger experiences or

customer experiences since the changes? Is there anything positive that you have noticed in terms of feedback as well?

Ms HODGES: Do you mean outside of touting?

Ms TERPSTRA: Yes.

Ms ARGUS: For us, we look to offer choice. So I think what we can say is we have more choice at the airport now than we did ever before. That is a personal choice that each traveller chooses, whether they are in a hire car or a taxi or a rideshare. We have got multiple rideshare companies now, so I would say choice has certainly improved for the consumer. But equally, as I touched on in our address, those are still all done through the appropriate channels and the appropriate drivers' authorities. So, yes, we certainly have more choice for the consumer.

Ms TERPSTRA: And do you have any information on the amount of time passengers are waiting to either get a taxi or access rideshare? Has that improved, for example?

Ms ARGUS: Actually I would say that the wait for rideshare has slightly increased because it is getting to be a busy area. We do measure and manage it, but it is difficult to comment generically because at peak times you will obviously wait longer for a taxi than you do during non-peak times. But we find that the wait times are fairly stable with the amount of infrastructure that we have and the access to the airport. We are working on our road developments, which have been announced in our master plan for the next coming years. What we do caution in that is that we need to develop and expand the road network to ensure that we are accommodating commercial vehicles moving forward, because those numbers continue to increase.

Mrs McARTHUR: Thank you very much for coming in here today. Are you familiar with the problem that is occurring with cars being hired to tourists that are arriving at Melbourne Airport and then heading off without really a comprehensive ability to be able to drive on the roads—that they leave Tullamarine airport and then create issues further down the track, especially on the Great Ocean Road?

Ms ARGUS: I cannot comment. I am not aware of any car hire arrangements. At an airport we have set car rental companies and we have set car share companies. Those all again go through the appropriate channels of booking. I could not comment about any other car sharing.

Mrs McARTHUR: Okay. Can you tell us, did the government give you any reason why they repealed section 158A at the time that made it now easier for touting? What was their justification to you?

Ms ARGUS: We are not aware, to be honest, of the reasoning behind the removal. I think in fact it caught the industry a little bit by surprise. I cannot speak for that specific point on touting. There was consultation for the changes, but we did not become aware of that until the changes were made.

Mrs McARTHUR: So they did not alert you in any way that they were going to repeal that, and then you were just left with it?

Ms ARGUS: Not specific to touting, yes.

Mr BARTON: I think the expression 'baby in the bathwater' comes to mind.

The CHAIR: Is Tim there?

Mr QUILTY: Yes. I have a couple of questions. I have got much better audio now, so I can probably hear your response, so that is great. It is unclear to me why exactly Melbourne Airport cannot control this themselves. If it was a private shop or a private premises and someone came in and started doing something you did not want, you would be able to get your own security to move them on. So it is unclear to me exactly why the taxpayers should be picking up the cost of moving on the touts instead of the airport.

Ms ARGUS: Great question. We already incur significant cost attempting to manage this issue, which is an escalating issue. The challenge that we have operationally when we approach these drivers is that we are either met with some pretty poor attitudes around our ability to move people on as well as often we are told that

people have a booking. So it becomes very difficult for staff to, number one, confirm whether or not it is a prebooked driver or a touting scenario. And again, pointing to the operation where these are people coming in and out of the car park just like any other customer, it becomes very challenging without a penalty arrangement to deter the behaviour, because we do have instances where people refuse to leave or they claim they have a booking or they do leave and they will be back 5 minutes later as soon as our operators have left that area. So unless we were putting in 24-hour-a-day significant security, even with that, there is still behaviour where those people will return in some way, shape or form very soon after they have been moved on.

Mr QUILTY: So I agree that touting is annoying, but there are a lot of annoying things that happen at airports. They make you walk a long way, you cannot just get straight to the gates, you have to weave through all the shops and everything is really expensive. Should the government also be regulating to remove those annoyances?

Ms ARGUS: Well, look, I would not say no to removing any annoyances at the airport; we are always looking to improve the traveller experience. But I understand the point around things that can be annoying. I think we reference back to the concern we have for safety and security. I myself flew into terminal 3 with my two young children a couple of weeks ago, and it is very intimidating to be approached by strangers unsolicited for business that you have not asked for. Equally what we are also really worried about is the equity for what that person is paying for that experience, because everything has a reputational component to both the airport and to the city, and we do not know that, number one, it is a safe environment for them and, number two, that they are getting fair value for money from that service.

So I appreciate that there may be many challenging annoyances in airports as a whole, but we certainly feel strongly that you should not be approached for unsolicited business. It is a safety concern, and we are seeing that through the number of complaints we get to the airport directly, with customers asking us to do something about it.

Mr QUILTY: Okay. Now, would it be fair to say that ridesharing is not a touting problem; it is taxis and unlicensed people—private cars. The actual Uber and so on apps are all prebooked and they are not touting?

Ms ARGUS: It is difficult to answer that. So I go back to the earlier comment I made, which was that we do not know who these drivers are, we just know it is an individual within the airport attempting to do unsolicited work. What I can say is that for Uber itself, it follows the same regime that all of our operators do where they have to sign up to our drivers authority program. We check all their credentials. But as for who the touters are versus who the commercial appropriate operators are, it is difficult to say. So to answer that question: I am sure it could be an Uber driver touting for business just as easily as it could be a taxidriver touting for business.

Mr BARTON: I have a couple of questions, Lorie. I just want to make the point that you would be aware that we have gone from 5600 cabs to nearly 12 000 cabs and we have gone from 2800 hire cars to over 50 000. What do they expect? Of course people are going to tout. They cannot survive. They are under huge financial duress, and they are doing whatever they can do to survive. But I do not support touting at all. It is wrong, it is dangerous and people are getting into cars with drivers who may or may not be an axe murderer. We do not know who they are. If I can just say to Tim: you are absolutely right. It is not just hire car drivers, it is not just taxidrivers, it is not just Uber drivers. They are touting right across the entire CPV industry. That is a comment rather than anything else.

But, Lorie, I just want to ask you about some other things. In your experience do we ever have a situation where there are no cabs in the holding yard? I am setting you up here, Lorie.

Ms ARGUS: Unlikely. In fact I would say we have the opposite issue in some regards where we are requesting that additional taxis do not enter the airport because it is full.

Mr BARTON: Right. There have been complaints made from (a) the industry and, just coincidentally, I was having a Twitter conversation with Sally McManus about why she was standing in a taxi rank at Melbourne Airport—supporting the taxi industry, as she would—and there were no cabs for about 20 minutes. Can we explain why that happens?

Ms ARGUS: It would be difficult to speak to, I guess, an individual experience. The one thing I can say is we have two taxi holding yards, as you know, and we can take about 800 vehicles at a time through that primary yard, so the challenge we have is that if airlines run off schedule or we have a really busy time, there are only so many cars that can flow out before the yard then needs to fill up and come back out. So we do have peak times where the number of cars required exceeds the number of cars staged, and the challenge with that is when you are feeding between multiple yards you also deal with the road network, so if there is significant traffic on the road, then it is more difficult for the commercial vehicles to get through. What I can say is that we have made some pretty significant commitments around infrastructure investment, so we have a taxi management system now. That helps us automate as opposed to letting the head of rank make decisions about when to fill and when not to, and that is done based on the volumes of airlines and peak times. So my ending statement would be: we look at continuously improving the operation, but there will be times when we just cannot get enough cars through to facilitate the operation itself, particularly if the airport is disrupted due to weather or off-schedule flights.

Mr BARTON: Just another matter around safety: one of the concerns within the industry and certainly with customers—and certainly the RACV has raised this—is about Uber vehicles not being identified. How do you identify an Uber vehicle when they drive into the first holding lot?

Ms ARGUS: That is done through Uber's technology, with their geo—

Mr BARTON: Uber's technology? Right. We can trust that.

Ms ARGUS: Uber's technology with their geofencing. What we do have is we have an auditing program, so they self-report both their drivers as well as their geofence information, and then we audit against that to ensure that that matches the numbers going through that holding yard.

Mr BARTON: Certainly my view is that you have got a responsibility as well to make sure those vehicles are actually registered vehicles. Should you be allowing those vehicles into the airport holding area if they are not showing—what is the regulatory requirement—that they are a commercial passenger vehicle?

Ms ARGUS: Yes, I do agree. We do have a responsibility to make sure that we are checking against the registered drivers, because we absolutely do have the expectation that every rideshare driver sign up to our licensed driver authority and our licensed vehicle authority.

Mr BARTON: But I reckon if we went up there today, there would be a lot of drivers going through there with no identification on their vehicles.

Ms ARGUS: Then I imagine we can have a look at that operationally, but I think also tightening up on this legislation, as we have spoken to, will help us manage that.

The CHAIR: If there are no further questions, on behalf of the committee I would like to thank you both for your time and contribution. You will receive in a few weeks time a proof, and it is up to you to correct it if there is any typographical error.

Witnesses withdrew.