

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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WITNESS

Mr Max B, Head, Ride Share Drivers United.

The CHAIR: 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 hearing is 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 thing, those comments may not be protected by this privilege. Before we start, please state your name for the Hansard record and allow us some time to ask questions.

Mr MAX B: Everybody knows me by the name of Max. I left my real name at the front office. I do not want to become a celebrity. The front office know my real name, so do I need to actually say it?

The CHAIR: For the Hansard record—

Mr MAX B: Part of the problem is that we are working for companies that can fire us at the tap of a button, so whatever I say can—

The CHAIR: All right, we will call you Max. Please, Max.

Mr MAX B: We made a submission. I am the head of Ride Share Drivers United. We put together this group mid-2016 for lack of representation. We felt that drivers needed some representation. Anyway, we made a submission. We think the main problem is those companies are coming here and reducing the prices to levels unseen, and that is the problem. They have an oversupply of drivers and they just can recruit as much as they want. Many people do it part-time. They have other jobs; they have other businesses. It is good for them to make a bit of spare money on the side. So they just go into their car and drive. I think that is the source of the problem. I think number one we need to limit the number of drivers somehow—put a cap on the number of drivers—and then put a limit on the cost per kilometre. They also keep cutting the price per kilometre at will. I mean, they can do it. Why not? Who is stopping them? Once there is a minimum price per kilometre and a cap on the number of drivers, I think it will fix the industry for everyone, not just rideshare—also for the taxi industry, because it will be easier for taxidriviers also to do ridesharing because the price is not bad. When there is a limit on the price and it cannot go below that limit, there is like an even playing field. I do not see any other way. There is the possibility of increasing the licensing fees, but what the operators are going to do is just roll it into drivers. Drivers will have to pay for it, and because they have to pay for it now they will have to work longer hours. That is unsafe. I mean, we already have drivers who drive 14 hours and 16 hours a day, which is very unsafe. I mean, you should not go over 12. Increasing costs for drivers will just make them drive more. It is going to make the whole industry unsustainable—that is all it is going to do.

There was another point I wanted to make. There should be a central database. All operators should log the number of driving hours for every driver. What happens is they drive for 12 hours with DiDi and then they jump to Uber and do another 10 hours, and so forth. There should be like a central database. It is very easy to put together. IT-wise it is very easy. I have got an IT background—it is very easy to put together. All operators must report the number of hours each driver was driving every day, or as they finish a shift they must log into the system and report how many hours they did. That should be central for all rideshare operators and taxi operators—all driving operators, all the CPV industry. That is another point.

Again, rideshare drivers have to operate like taxidriviers. Often the pick-up is in the city in places where you cannot stop, so you will have many drivers breaking the law stopping at no stopping signs or in clearways. I think all CPV vehicles should be allowed to stop exactly where taxis are allowed to stop, like in bus lanes, just for a pick-up and drop-off, not just to park. It is going to make it safer for everyone. Right now many drivers are breaking the law because they have no other option. I mean the customer requested a ride and he is standing in a clearway—there is no other way to pick him up. It is a main road—there is really no other way to pick him up. It is only fair that everybody has the same rights when it comes to pick-up and drop-off. It is safer.

And GST liabilities—drivers have to pay GST when it is the operators who collect the funds. They set the price. They collect the fares. They do everything. It is only fair that GST should be collected by the operators,

not the drivers. It is not the drivers' job. The operator should build it into the price of the fare and pass it to the ATO directly.

That is it basically. I think those four simple points will fix it for everyone.

Mr DAVIS: How do you collect the GST with a cash—

Mr MAX B: There is no cash in rideshare.

Mr DAVIS: Okay.

Mr MAX B: It is all credit cards. It is all imported—it is all credit cards.

Mr DAVIS: In rideshare, okay. No, I understand.

Mr BARTON: Can I just jump in there. I think, Max, what you are trying to say about the tax is that if you earn \$100 driving for Uber you only earn actually 75 per cent of that and the other 25 percent—or 27 per cent—is actually earned by Uber itself. But what is happening in the way you are charged is that you end up paying Uber's component of the GST. Is that what you are trying to say?

Mr MAX B: Yes, correct.

Mr BARTON: Yes. That is outrageous.

Mr MAX B: Yes, I know. They should be made to pay the GST.

Mr BARTON: They should pay their own GST.

Mr MAX B: Yes, exactly.

Mr BARTON: In fact they are not taking 27 per cent, it is actually more than that. It is probably closer to up to whatever the numbers work out at when you divide that job onto the GST. So, yes, I agree. That is not right.

Mr DAVIS: Just understanding that, what you are saying is that the organisation should thereby pay all the GST and then whatever the arrangement is back the other way for the driver from the operator.

Mr MAX B: Yes.

Mr DAVIS: Okay.

Mr MAX B: It should be the operator's responsibility, not the driver's.

Mr DAVIS: Yes. I understand.

Mr BARTON: So what you describe, Max, to us is the taxi service—fully regulated, price-set, regulations, and that will come with cameras. Is that what you are asking?

Mr MAX B: That is not what I am saying. You see, rideshare has been operating for six years—we must look at that—without cameras, without all the other things taxis must have, and people are very happy, so we have to look at that too. We have—it is a fact—six years of operation without all those things, and everything works.

Mr BARTON: But there have been issues. We have had a sexual assault only a few days ago.

Mr MAX B: Any industry will have issues.

Mr BARTON: Of course, but we have got to ask ourselves: what is the safest way for everybody? If you say that you are not going to have cameras but you want taxis to have cameras, is that fair?

Mr MAX B: It is not fair. It should be an even playing field, and I think taxis should have the exact same rules as everyone else. The whole CPV industry should have the exact same rules.

Mr BARTON: That means rideshare will get cameras.

Mr MAX B: That is why we need to limit also the cost per kilometre to make it convenient for everyone to actually take it on board. Once you have a proper minimum fare per kilometre, why wouldn't anyone take it?

Mr BARTON: Max, how long have you been driving rideshare?

Mr MAX B: Almost three years.

Mr BARTON: So with all the extra vehicles going on the road, can you tell us about the drop in income over the last three years?

Mr MAX B: It started really well. I was not in the very early years. I started when it just started to become legal. When it started going through Parliament this is when I started getting interested. Yes, there was a drop of 30 per cent—30 per cent in the cost of fares. They used to offer—I cannot remember the exact figure but percentage-wise it was 30 per cent, two steps of 15—15 and 15. Then they went up again 15. They gave us back about a year ago 15 per cent, after a lot of industrial action.

Mr BARTON: So how do you set the fares? How would you set the fares?

Mr MAX B: You cannot set them. We do not set the fares.

Mr BARTON: No, no, in what you are suggesting.

Mr MAX B: Yes. You see right now the Uber X, the very simple Uber, is \$1.15 per kilometre and 34 cents per minute. That works out to, what—\$1.50 all-up per kilometre, let us say. It takes about a minute to make a kilometre—not in the city, like in normal conditions, about a minute to make a kilometre. So it is about \$1.50. I am saying make it \$1.60 all-up. Let us say this would be the minimum. Nobody should go under that, and that is it.

Mr BARTON: Max, are you full-time or are you part-time?

Mr MAX B: Right now, you can say full-time. I drive 40 hours, but it is not every day, a few hours here. It is 40 hours a week.

Mr QUILTY: I have no issue with your second two recommendations—that rideshare should be able to use taxi zones and bus loading zones and that reporting requirements should go back to the big companies. I think there are big opportunities there where they have all the data coming in. Things could be simplified quite a lot by doing that, but capping the number of drivers, the number of hours, all that is going to do is push up the price for consumers, and it is returning the monopoly rents that we have just got rid of. While that is great for drivers, the consumers are going to suffer, aren't they?

Mr MAX B: I think if anything it would force the operators to look after their drivers better. They will have to offer them better working conditions and keep them on the job. That is what it would actually do. I mean, you can keep on flooding the market with drivers, but it is unsustainable to anyone. Everyone is just in trouble. It is unsustainable. What is the point of this? So it is very cheap for the customer, but you have people—a lot of people—earning at borderline poverty line, and that is not good. Many people are not paying their superannuation because they simply do not make enough money to pay superannuation. We are creating a sub-society, which is not good. It is not good for anyone. So those are things we need to think about.

Mr QUILTY: We heard earlier that part-time drivers like it a lot; they like the flexibility. They make enough money for themselves; it is only the full-time drivers that are struggling. So this would basically be an attack on part-time drivers.

The CHAIR: Before you answer, Tim is another member on the committee joining us by phone.

Mr MAX B: Sorry, I thought it was Uber.

The CHAIR: That is okay. He could not be here.

Mr MAX B: I was not sure who I was talking to.

The CHAIR: Do you want him to repeat the question or are you okay?

Mr MAX B: Yes, please.

The CHAIR: Tim, can you repeat your question, please.

Mr QUILTY: We heard earlier today that the part-time drivers tend to like the flexibility and the money is good enough for them; it is only the full-time drivers who are struggling. So this proposal could basically be an attack on part-time drivers, wouldn't it?

Mr MAX B: Yes, but we should find a point where everybody is more or less happy, part-time drivers and full-time drivers, and by the way those who really move the industry are full-time drivers; it is not the part-timers. Part-timers just jump and drive a couple of hours a week here and there. What really moves the industry? It is the full-time drivers who really move the industry, and there should be some limits. If it is only good for part-time drivers, okay, just put the legislation saying, 'Drivers should not be driving more than an X amount of hours a week'. But they keep on recruiting drivers with false promises and make it sound like it is an excellent full-time driving job, and then they keep fooling people like this. It is our responsibility, I guess, to put a stop to it, not to let it happen like this. It is convenient. It is good for the customers. It is very cheap, but it comes at a cost. It comes at a cost, and it is the drivers.

Mr BARTON: Someone always has to pay.

Mr MAX B: Exactly.

Mr GEPP: Just a couple of quick questions, and thanks for your recommendations and the explanation around those. I was just interested in the organisation though, Max. You started off your submission talking about that it was formed on the basis that the drivers needed some representation. I am just curious as to how many drivers are a part of your organisation?

Mr MAX B: There are 7000 drivers registered with us, 2500 drivers in Victoria. We are very active online. We have been very active in industrial action. Our name is all over the world now. We have inspired a lot of action in the US. If you do a search for 'RideShare Drivers United', it is all over the US now as well.

Mr GEPP: How do you ensure that rideshare drivers are aware of your organisation and how they can join up?

Mr MAX B: We talk between us. We have online forums.

Mr GEPP: So it is word-of-mouth?

Mr MAX B: Yes. We have online forums and also Facebook groups, and we discuss everything there. That is basically what everyone—I think that will fix the entire industry.

Mr GEPP: Do you have much of a relationship with—earlier, a couple of hours ago we had the Transport Workers Union come in—

Mr MAX B: No, no.

Mr GEPP: You do not have any relationship with them?

Mr MAX B: We never had any—they never contacted us.

Mr GEPP: All right. Thank you.

The CHAIR: On behalf of the committee I would like to thank you very much for your time and contribution. You will receive in a few weeks a copy of the transcript for you to proof and correct any typographical errors.

Mr MAX B: Thank you.

Committee adjourned.