

# TRANSCRIPT

## STANDING COMMITTEE ON THE ECONOMY AND INFRASTRUCTURE

### Inquiry into the Commercial Passenger Vehicle Industry Bill 2017

Melbourne — 24 May 2017

#### Members

Mr Bernie Finn — Chair

Mr Khalil Eideh — Deputy Chair

Mr Jeff Bourman

Mr Nazih Elasmr

Ms Colleen Hartland

Mr Shaun Leane

Mr Craig Ondarchie

Mr Luke O'Sullivan

#### Participating members

Mr Greg Barber

Ms Samantha Dunn

Mr Cesar Melhem

Mr Gordon Rich-Phillips

#### Witnesses

Mr Lucas Groeneveld , State Manager, Victoria and Tasmania, Uber.

**The CHAIR** — All right we'll open this public hearing of the Economy and Infrastructure Committee. And I welcome to the hearing Mr Lucas Groeneveld from Uber and introduce the members of the Committee who are here tonight, Mr Nazir Elasmir, Mr Jeff Bourman, Mr Luke O'Sullivan, myself Bernie Finn and Sam Dunn and Sean Leane who is also here. All evidence at this hearing is protected by parliamentary privilege, therefore you are protected against action for what you may here tonight but if you go outside and repeat the same things, those comments may not be protected by this privilege and nastiness may follow.

So I would ask you to perhaps start, or give us an opening statement of about five to ten minutes and then we'll open up to questions, but can I also ask at the beginning if you could give your name, your company, position and your suburb for the record.

**Mr GROENEVELD** — So thank you for inviting me to present to the committee this evening. I appreciate the opportunity to address you. My name is Lucas Groeneveld and I'm the state manager for Uber here in Victoria. In my opening statement I'll speak about the role of ridesharing and why it's good for Victoria, the feedback we've heard from more than 80,000 of our riders, and the potential impact of the levy on competition and innovation in the industry. Now apologies Mr Finn, in terms of the suburb, would you like me to say that now?

**The CHAIR** — Yes that would be good, yes.

**Mr GROENEVELD** — Apologies, so Lucas Groeneveld from Southbank, Victoria.

**The CHAIR** — Thank you.

**Mr GROENEVELD** — So as state manager for Victoria I have the good fortune of leading a local team of almost 100. All of us are passionate about getting people from A to B in a safe, reliable and affordable way, and providing every day Victorians with the opportunity to earn extra money using their own car. It's why we've been encouraged by the efforts of the Victorian Parliament to modernise the regulatory framework of the commercial passenger vehicles. Smartphone technology has changed the way people move around their cities.

Ridesharing has benefited hundreds of thousands of Victorians. For riders it means safe, reliable and affordable ride from A to B is available at the push of a button. It means great customer service, friendly drivers, clean cars and even most of the time, water and mints. And it means more services for those who rely on affordable point to point transport, to get home safely or as an everyday necessity. For drivers it means flexible income at the push of a button. Drivers have full control over when and for how long they drive. They are able to log in and out of the app whenever they choose and there is no minimum time a driver needs to be on the platform. This flexibility ensures ridesharing drivers can be driving around their personal commitments.

Mums drive for a couple of hours in between school drop-offs. Many teachers drive in the school holidays and some try to save for a holiday or a wedding and others use it as a way to help them out of unemployment or under-employment. All together there are some 18,000 Victorian who use the Uber app to earn money. And they play an important role in helping more than 850,000 riders get around Victoria. Since these reforms were first announced, we've heard from almost 100,000 of our Victorian riders.

Riders who struggle to understand why they're being asked to pay a levy that is double that of any other State or Territory in the country. Riders who are concerned about the impact this levy will have on already stretched travel budgets. Riders who depend on reliable and affordable short trips. These are shift workers in the hospitality industry who just want to get a safe ride home instead of walking in the dark. Victorians with accessibility needs, who use uberASSIST to get to or from medical appointments and younger people from suburban areas of Melbourne who catch our trains and then safely connect the last mile home with an Uber.

Many of these trips come in under \$10. A \$2 tax represents a significant increase and will have a real impact on the way Victorians use our services and use point to point transport. Frontier Economics has estimated that a \$2 levy would result in an economic deadweight loss of around 20c in the dollar caused by higher prices and increased weight time due to lower reliability. Of course this hit to the hip pocket comes in addition to the significant administrative costs that collecting a levy will incur. Cost that will see a significant portion collected, go to waste.

These reforms are intended to set up Victoria's point to point transport system for the long term. It's about realising the benefits of competition and new technology, deliver better services, new earning opportunities and more affordable and reliable transport for Victoria.

And while I understand that there are many Victorians eagerly awaiting these reforms, it is important that we get them right. The intent of this levy has long been debated and ultimately the issue of industry compensation is one for the government and indeed this parliament to determine. However we know this challenge is not unique to Victoria. We have seen the rest of the country implement reform without imposing such a significant cost on the travelling public. This levy in its current form will undermine the benefits of reform increasing fares and creating barriers to entry for new players. It will also delay further service improvements and innovation. We know Victoria is keen to embrace the Smart Cities agenda and we want to support that.

The future of ridesharing is about using technology to get more people into fewer cars for the benefit of riders, drivers and of course, cities. Private vehicles sit, on average, on the side of the road, around 95 per cent of the time and in the short time that they are actually being used, they carry on average just one passenger being the driver themselves. By embracing the technology in our pockets and making a better use of the cars and roads we already have we can change that. Already we see thousands of people using Uber across Victoria to connect to and from public transport and drivers picking up people on their commute to work. Across Melbourne nearly two thirds of all Uber trips today start and end in areas with limited or no public transport access.

In the near future ridesharing technology will bring sophisticated car-pooling networks here to Melbourne. Matching multiple riders in the same vehicle along the same route. Today Uber offers car-pooling options through a product called uberPOOL which we operate in 30 cities around the world. In mature markets such as San Francisco it makes up 40 per cent of all of the trips that we make. This technology and tighter integration with public transport has the potential to change the face of our cities. It will help reduce congestion on our roads, pollution in our air and importantly our reliance on private cars. This is a future we want to help create in Victoria and we're optimistic we can get there with the right policy settings.

It's why we recruited a talented local operations team and very recently invested millions of dollars in our brand new partner support centre here in Port Melbourne. To sum up, we welcome the spirit of this bill and it's intention to open up competition and a lot greater choice for consumers. But the levy in its current form will undermine the benefits of this reform. We urge the parliament to carefully consider alternative models and in doing so look to those already adopted in other States. On that note I will conclude and I'm more than happy to take any questions you may have.

**The CHAIR** — Thank you very much indeed and I might kick off those questions by asking you to expand a little bit on,

I think you referred to it as uberASSIST because there has been some considerable concern expressed by a number of witnesses to this enquiry about what will happen to people with disabilities if the number of disability accessible cabs goes off the roads?

**Mr GROENEVELD** — Yes, certainly. So Uber is committed to providing safe, reliable and affordable transportation to all Victorians including those with, obviously, accessibility needs. We have run a service here in Victoria called uberASSIST for the last couple of years now. This is a service where our top rated driver partners are given additional training in information on how to serve those members of the community with accessibility needs. We also make sure that these operators, or these driver partners rather, have vehicles that are adequate to provide services to those people with mobility needs up to and including multiple wheelchairs. We have heard a lot of great feedback from both riders and drivers alike about the use of the service and how it's empowered many people to get out and take trips that they may otherwise not have felt comfortable in doing so.

But also by example, I was in Greenlight, sorry the partner support centre in Port Melbourne a few weeks talking to one of the drivers who provides these services, and they were reflecting on I guess just how much you know they drive both the standard UberX product as well as the uberASSIST product but when they take these uberASSIST trips, it makes them feel good about what they're doing. They're taking, whether it be an elderly person who may not, who's just learnt how to use the app from their grandchild, through to someone who is potentially mobility impaired, it's a really nice experience that our drivers enjoy delivering.

Beyond that, and particularly around concerns of a fixed or larger wheelchair or mobility device, we recently ran a pilot in Newcastle in New South Wales for a service called uberWAV. So this uberWAV is a wheel chair assisted vehicle, and these are vehicles that can obviously operate similar to — —

*Bells ringing.*

**The CHAIR** — We might just pause there for a moment, it seems the people in the other house are having a small melt down or something but we'll get back to you in a moment? No problem. Talk amongst yourself for a minute and then we'll be off.

**Hearing interrupted.**

Order! Order! We'll return to the public hearing now that the crowd have got their act together. Mr Groeneveld, thank you.

**Mr GROENEVELD** — Thank you I'll continue on, maybe take a step back as well.

**The CHAIR** — Could I also just as an adjunct or an add on to that question, could I ask you about the number of vehicles that you have which can carry people with disabilities, particularly in wheelchairs and how many people that you would have driving uberASSIST at any given time?

**Mr GROENEVELD** — I'll complete my answer and talk about the WAV trial and then I'll move back to your other question. So in Newcastle we did trial the, or continue to trial a wheel-chair assisted vehicle program, and that was very well received by industry groups up there as well as the riders. One thing of course that we did hear from these riders was that, they wanted more choice around subsidies so as it stands, other services such as Uber that are providing accessibility services aren't able to receive government subsidies that are targeted at helping people with needs move around Victoria.

So I guess on that point we'd obviously encourage the government to open up funding and subsidies to other providers. What we do know is that when you open up the market to more competition it will generally deliver a customer service to those people in need and as a product of that as well, it has the potential to reduce proper costs across the industry. With respect to your other question, at today we don't but the uberWAV trial is something we were working through in Newcastle, it's not a service that we currently offer in Victoria, partly owing to the commercial viability of running a service such as that without access to the subsidies. The uberASSIST product itself, I don't actually have those numbers on hand, however it's of interest I can take them.

**The CHAIR** — Would very, very much appreciate that. Just one other question, there has been I understand some concern expressed by Uber drivers of recent times about payments or how much they're actually getting out of their work. What is the latest from your perspective on that?

**Mr GROENEVELD** — Sure, so what we hear from drivers is the number 1 reason they choose to partner with Uber is for the flexibility. So the way it works is the drivers, once they work through on-boarding process, they're able to use our services whenever and however they want, so whether that be just driving a couple of hours a week on a Friday night or equally in addition to working with other services. Drivers do have choice around having our app open as well as Shebah and GoCatch and any other providers whether it be point to point transport, or food delivery, or anything else that they want to do. And so with respect to that, it's difficult to provide an exact number of or around earnings because every single person's circumstances are different.

**The CHAIR** — All right. Mr Elasmar do you have any questions?

**Mr ELASMAR** — Yes thank you, Chair. And thank you for your time and your effort. In the beginning of your statement you talk about how important it is for the driver from point A to point B for safety of their passengers and I believe that's the case for all decent drivers, but my question is, the government has set a budget for taxi drivers, compensate them and in your submission you did not support that. Now my understanding is there's a lot of people under hard financial ship, mortgages and things like that. Are you still in the same and why you're not supporting them?

**Mr GROENEVELD** — Look, I think ultimately it's up to the government to determine an appropriate compensation package. Our concerns are really today focused around the levy and the fact that a \$2 levy represents one that is that double that of anyone else in the country and one that will substantially impact the everyday rider here in Victoria and the future innovation, the point to point transport space here in Victoria.

**The CHAIR** — Mr Bourman.

**Mr BOURMAN** — Thank you Chair, thank you for your presentation Lucas. The collection of levy as you were mentioning, it's come up time and time and again, are you, you being Uber, I'm trying to think how to put this, if you don't like the serve the levy as it is, what's your actual suggestion, what do you think that is a good outcome for everyone?

**Mr GROENEVELD** — Yep, look certainly so I mean I guess we don't, on face value we don't support a levy in that we know it will impact the way that Victorians do move around the state, and we have obviously seen other jurisdictions achieve the same reform outcomes with either no levy or a \$1 levy that does have a sunset clause. What I guess, what I will add to that though is my understanding is that the government's predictions or modelling that they've used to arrive at the levy that is being proposed today is based on taxi data that dates some years back. And doesn't necessarily consider the explosive growth in the point to point transport market that we've seen since Uber's arrival. What we know from operating here in Victoria, as well as in the hundreds of other cities we operate in around the world, is that when you provide the public with access to safe, reliable and affordable transportation options their behaviours do change and people, they either don't buy a car, or don't buy a second car or don't use their car and they switch that over knowing that they can get a ride home whenever they need one.

What we also know is that Deloitte did a study sometime back and found that two thirds of all the trips on the Uber platform are actually new trips to the industry. So this isn't about a pie that's getting – it's this big and getting cut up in different ways and some goes to taxi and some goes to ridesharing, it's about the whole pie growing. And this has also been supported by the IPART Tribunal in New South Wales and even the Australian Taxi Industry Association, who both found that since Uber's arrival, taxi trips have actually grown as well. So we're confident that with the growth that we're seeing in the point to point transport industry here in Victoria and more broadly of course in Australia, that if the government were to potentially re-engage with some lead industry stakeholders they could look to deliver these reforms and this compensation without such an impost on the Victorian public.

**Mr BOURMAN** — Okay. One of my own personal concerns has been that Uber I think is an American company, first of all is that correct?

**Mr GROENEVELD** — We are an international company operating in 500 cities around the world, we are principally headquartered in San Francisco, but as an example, we have over a hundred staff here in Melbourne, and we've just spent millions of dollars opening this new support centre in Port Melbourne so in every city that we're operating in, we're very invested in that.

**Mr BOURMAN** — Yes. As an entity in Victoria you registered ABNs, ACNs and all of that sort of stuff?

**Mr GROENEVELD** — Ah, so to be honest I would need to come back to you on the exact company structure. That's something that I'm not a hundred per cent familiar with.

**Mr BOURMAN** — To get to the point, one of my concerns is and I'd have no idea of your company structure but if Uber decides to not pay the \$2 levy and I'm just making an example here, and the Victorian government, whoever oversees it decides they want to initiate legal action for whatever reason, is there going to be someone in this country that we can do it for or are we stuck trying to do it over international trade agreements or that sort of thing?

**Mr GROENEVELD** — So let me start by saying that as you may be aware in South Australia we are a registered booking service and they do have a \$1 levy in South Australia which we do pay. In New South Wales, they're set to introduce a \$1 with a sunset clause, but equally we will pay. We're obviously not supportive of a levy, but if something is enacted in legislation we are here for the long haul and it would be detrimental to our business to think that we could get away with or try to not pay that.

**Mr BOURMAN** — I guess also, and this again is nothing about your company as such but there's going to be - unlike taxis where they've had a lot of time, they've regulated quite heavily, there's going to be a fair amount of trust in Uber or in any other company about what they tell us is true. And therein there's been some stories, anecdotes I've heard where in other countries they're not necessarily a hundred per cent convinced that what Uber is saying is the whole picture. What comfort can we get as people that are enacting this legislation and what comfort can we get that the levy will be paid for an international company? I'm not sure if I'm getting it across right but — —

**Mr GROENEVELD** — I understand the basis of the question. I think the reality is that we work with transport agencies across the world including here in Australia. If a levy was put in place and you wanted to obtain comfort around the payment of that, or the basis for the payment of that, I'm confident that we could come up with an arrangement either it would be an independent audit process or something to that extent that would provide you with assurance over what is happening.

**Mr BOURMAN** — Okay, thank you. One last one if I may Chair?

**The CHAIR** — Yes, be quick.

**Mr BOURMAN** — You said two thirds of the trips are new in general, how long is that sustainable for because obviously in other countries that Uber's been around for a while, I tried Uber in Nevada a couple of years ago and I had no problems with the service per se but obviously it can't go on forever, have you seen an increase and then a contraction in the market in those places where it's been for a while and what sort of size would that have been if you have?

**Mr GROENEVELD** — Yes, so to my knowledge we haven't seen a contraction in any established market. A lot of what we talk about, for example when I was mentioning the affordability of the levy and the impact that will have on today's affordability as a concern. An equal concern is around the future of transportation in Victoria and it comes back to when we - when the public know that they have access to safe, reliable and affordable rides they do change their travel patterns. And what we'll see is with the example of uberPOOL where you start moving many people with one car instead of three cars, is that people's adoption, their increased adoption of these services continues to grow over time.

**Mr BOURMAN** — Okay, thank you. In the interest of time I'll let that go, thank you.

**The CHAIR** — Thank you very much indeed. Ms Dunn.

**Ms DUNN** — Thank you Chair and thank you for presentation this evening. Firstly I'm just trying to get an idea of how many trips per annum Uber are delivering in Victoria?

**Mr GROENEVELD** — So as I'm sure you can appreciate, they're commercially sensitive figures but I'm not able to share in an open forum.

**Ms DUNN** — Well the taxi industry have shared their figures, so I do not accept your point they are commercial.

**Mr GROENEVELD** — Well I understand but we are a commercial enterprise, it is I guess within our discretion, and there are sensitivities around those figures. If they're of interest in terms of determining levy modelling or similar purposes then again I'm sure you know; we'd be happy to have a dialogue with Treasury to provide a level of comfort to them around what those future growth projections might look like.

**Ms DUNN** — And it is exactly why I asked the question because it's in the interests of understanding how much I guess, revenue is to be made if levy's applied to trips across the full range of passenger services so in terms of - you talked about trips being under \$10, what proportion of trips are under \$10 for your riders?

**Mr GROENEVELD** — I don't have the exact number on hand, what I do know is that they do make-up a significant proportion of our trips because of Uber's, I guess the flexibility and ease of use of Uber, many people are taking these short trips whether it be to or from train stations, tram stops, bus stops, moving between modes of transport or just to get home, it might be raining and they want to get home quickly at the end of the night. We have seen significant adoption of our services for short trips.

**Ms DUNN** — In terms of I guess regulation of commercial passenger vehicles, there are issues around safety and security standards and them being met particularly with restructures we're look at, of course part of keeping passengers safe is compliance by providers and part of that I guess is enforcing compliance around that. Now I'm aware of an incident that was reported in the New York Times in March this year, that Uber used a Greyball tool in the United States jurisdictions to identify enforcement officials and block their ability to use the Uber app. I'm just wondering whether that is something Uber will be abstaining from doing in Victoria?

**Mr GROENEVELD** — Sure, did you want me to touch on safety first or specifically that?

**Ms DUNN** — It's really specifically around using Greyball to I guess block out enforcement officers?

**Mr GROENEVELD** — Yep, certainly. So the Greyballing was a technology initially developed for a variety of reasons including engineering testing, marketing and activations and in many jurisdictions driver safety where they were concerns. There is, as may have been mentioned in the New York Times article, a global review underway to understand exactly how this technology has been used in the cities that it operates in and that's a review that's ongoing.

**Ms DUNN** — So will you be using that sort of technology in Victoria or you don't know?

**Mr GROENEVELD** — No, it's part of that review. There is no further use of Greyball until these concerns have been reviewed.

**Ms DUNN** — Thank you. I'm just also interested in terms of an expanding transport market in relation to regional areas in Victoria, I'm just wondering what determines a market size in terms of Uber moving into that particular area in the sense of regional centres was, what's the number where it would be contemplated?

**Mr GROENEVELD** — Yeah, sure. I mean perhaps for the benefit of the rest of the committee as well, so Uber operates currently outside of metropolitan Melbourne so the last couple of years we've operated in Geelong and down the Mornington Peninsula. In both of these regions, the service has been very well received by riders and drives alike. The Mornington Peninsula is a particularly interesting one because obviously a lot of Victorians call Mornington Peninsula home but many, many more Victorians call it sort of summer home and it is a town or a region that swells very quickly in summer and the benefits of Uber there have really been amplified as, you know, locals have been able to get in the car and earn flexible income when this tourist season does hit. Equally, from a rider side, suddenly people have access to reliable and portable transportation when they're down on the coast and previously this is something that wasn't as achievable without the likes of ride sharing. With respect to other expansion across Victoria we continue to have great interest from other regions including Ballarat and Bendigo and other towns, or cities I should say. This is something we continue to look at.

What I will call out is in many of these smaller towns we do see a high concentration again of shorter trips because generally, you know, geographically they're more condensed and whether it be getting home from the restaurant or the pub back to the house at the end of the night or if it's a tourist town, having the flexibility for people who come in to get a ride back from the restaurant and be able to spend an extra couple of hours at night at the pub. These generally are concentrated towards being shorter trips. We are conscious that with the proposed \$2 levy, this would again represent a significant proportion of that trip, significant tax on that trip and so, we would, I guess, like to see that remedied to some extent as it relates to launching into regional towns. But we are very - we are very excited upon, I guess, the closure of this reform or the passing of this reform into launching into other areas in Victoria.

**Ms DUNN** — I might leave it that, Chair.

**The CHAIR** — All right. Mr O'Sullivan.

**Mr O'SULLIVAN** — Thank you, Chair. A couple of my questions have already been referenced already, but I would like to just expand on the question in relation to regional Victoria. I'm a regional Victorian MP. Do you see that the \$2 levy if it is passed in the legislation would be a restriction in terms of your expansion out into your Ballarats, Bendigos, Wangarattas, Echucas, Milduras, those sort of towns?

**Mr GROENEVELD** — Yes, certainly. So I mean, I guess, coming back to my point around the costs for the consumer, we would inevitably see that, rural areas or country areas being, I guess, over taxed relative to the

rest of Victoria just based on the trip composition and so I guess we would encourage the government to look at that when it frames up what the levy needs to look like. I don't think it would necessarily prevent us from moving into these towns but we do know that it would decrease adoption of those services. We know that it would potentially reduce the idea of competition and further investment in these areas as a result and so we really don't think it would be a great outcome for those Victorians living outside of metropolitan Melbourne.

**Mr O'SULLIVAN** — Has your company already made a decision that you would be forced to pass on the cost of a \$2 levy?

**Mr GROENEVELD** — So I think what we've heard across the industry is that this is a significant tax and it's not a tax that network operators will be able to absorb. It's inevitably a cost that will be passed onto the travelling public.

**Mr O'SULLIVAN** — What about the administration of the levy?

**Mr GROENEVELD** — Look, we would see, you know, I think we would happy to, on our end, absorb any costs associated with administration.

**The CHAIR** — Mr Leane.

**Mr LEANE** — Thank you. Do you accept Uber has been operating illegally in this state?

**Mr GROENEVELD** — So the reality is that the transport legislation, both here in Victoria and across Australia, was drafted in a day before we had things like a smart phone, GPS, other technologies that make ride sharing work here today and so we welcome the fact that this reform, the reason we're here today is because the government has recognised the benefit of ride sharing to the communities here in Victoria and we know that there over 18,000 driver partners who use our services, use ride sharing and earn an income and the 850,000 riders who use Uber to get around Victoria and so we welcome the reforms that are coming through today and it provides certainty to the industry.

**Mr LEANE** — And I suppose further to that, you've mention impost into the sector as far as the levy but Uber hasn't been a legitimate part of the sector. Uber hasn't been so I think we have to take that part of your evidence with a grain of salt and I want to further talk about the levy. Yesterday we had a previous premier of this state, a previous Liberal premier of this state, who actually implored this committee of MLC to support the \$2 levy because of what the levy was to deliver. Unfortunately, the current Liberal members are opposed to the levy. They voted against it in the assembly and we believe they'll move an amendment to remove the levy in the legislative council. Have you had discussions with opposition shadow or opposition members of this parliament around amendments to this Bill?

**Mr GROENEVELD** — No, not personally.

**Mr LEANE** — Has anyone at Uber had discussions with opposition shadow spokespersons and opposition members of this parliament about this Bill?

**Mr GROENEVELD** — I'm not aware of conversations. I know that we have dialogue with all members of government and opposition. I'm not sure as to what those — —

**Mr LEANE** — Can you take on notice that if you could investigate if there has been any discussions, in particular, anything in writing, that the opposition has committed to remove this levy if they form government next year they've committed to you, can you take that on notice and get back to this committee?

**Mr GROENEVELD** — I mean I guess it's not within my remit around that but I can take it on notice and feed it back through.

**Mr LEANE** — I want to explore uberASSIST. When you brought up uberASSIST, I looked on my iPad and I've got to tell you, uberASSIST isn't very user friendly because what comes up is articles about other states, nothing in Victoria. So if I'm a wheelchair bound person and I decide I'd like to use uberASSIST, I've got to tell you, your website in Victoria isn't very user friendly at all because nothing comes up to help me. So can you tell me how many wheelchair bound clients have had trips supplied by Uber in the last month?

**Mr GROENEVELD** — I don't have that data on hand. With respect to your feedback on the website, it's duly noted. As it relates to the app itself, the uberASSIST product is clearly there on the product slider. So if you're a rider and you open up the app, you can swipe through and uberASSIST is there, is there as a product option.

**Mr LEANE** — As an option?

**Mr GROENEVELD** — Yeah.

**Mr LEANE** — So can you take on notice how many trips wheelchair bound passengers Uber has facilitated in the last month and maybe if we could know in the last six months as well, that would be helpful in helping us in deliberations around this particular committee and our deliberations. We'd very much appreciate that. I think I'll let other people ask questions and we can come back if you want.

**The CHAIR** — We're actually coming to the end of our time, Mr Leane, if you've got another one it would be good probably about now.

**Mr LEANE** — Does Uber the service, does the service attract GST payments?

**Mr GROENEVELD** — So Uber in Australia pays all of its applicable taxes. As with regards to GST, that's a national issue that we're currently in dialogue with the ATO over.

**Members of the gallery interjecting.**

**The CHAIR** — Order! Order!

**Mr LEANE** — I've got to say the politicians are sitting over this side and you've just given a political answer. So I'll take that probably as a no but I'm happy for you to — —

**Mr GROENEVELD** — No, sorry. It's a no. So the way we're structured is that all of the people who drive on the platform are independent contractors. They think of them as small businesses so they have tax obligations that they fulfil.

**Ms DUNN** — So to clarify, they'd be remitting the GST?

**Mr GROENEVELD** — That's correct.

**The CHAIR** — So Uber as a company has no responsibility for GST?

**Mr GROENEVELD** — So we pay all of our applicable taxes and our driver partners in turn, they pay theirs.

**Members of the gallery interjecting.**

**The CHAIR** — Right. Order! Order! Order! As you say, and as Mr Leane said, Uber has been operating illegally for some years now. How have you managed to get away with that?

**Mr GROENEVELD** — So again I think it comes back to the fact that the current legislation around transport was created the day before the technologies we have today and the adoption we've seen from riders and drivers is because there is a space, there is a gap in the market that has been filled and again the fact that we're here today and the fact that the government has acknowledged the need to put regulation around this industry, to create certainty for the industry and to encourage further competition, innovation and investment, to deliver better customer experiences for all Victorians.

**The CHAIR** — Yes, I appreciate the sales pitch, that's very, very good.

**Members of the gallery interjecting.**

No, Order! Order! What I'm really keen to know, what I'm really keen to know is why Uber has not been prosecuted in the years that you have been operating illegally in Victoria?

**Mr GROENEVELD** — So I have no comment on that just because I'm not in a position to answer the question.

**The CHAIR** — Has Uber had any contact from Victoria Police at all?

**Mr GROENEVELD** — So, we have a good working relationship with law enforcement agencies.

**The CHAIR** — So a company acting illegally has a good working relationship with the police?

**Mr GROENEVELD** — That is correct.

**The CHAIR** — Interesting way of doing business?

**Mr GROENEVELD** — Well, with respect, with respect to, you know, we often have information requests from law enforcement around whether it be a trip or something of that kind and so we work hand in hand with law enforcement, as we work with other government bodies as requested.

**The CHAIR** — Thank you very much. Our time, in fact we've gone over time, so I thank you very much for being with us this evening. Thank you very much for your time. And you will receive a copy of the transcript in a few days for proof reading and if you could just have a bit of a look at that and get back to us, that would be a marvellous thing and we thank you very much for being with this evening.

**Mr GROENEVELD** — Thank you. Thank you for the time.

**Witness withdrew.**