

[REDACTED]

The Secretary
Legislative Council, Economy and Infrastructure Committee
Parliament House, Spring Street
EAST MELBOURNE VIC 3002

Inquiry into the Commercial Passenger Vehicle Industry Act 2017 Reforms

Confidential- Please make my story public without my name

My name is [REDACTED] and I am the owner and driver of a hire car [REDACTED]. (Please cover identifying details). Prior to the reforms I had 2 licenses, a full VHB license and a RHV license. Currently I only operate one car, the VHA car.

I have been involved in several Inquires in the taxi and hire cars industry. From the days of Premier Kenneth (which was probably the last time anyone actually made a meaningful changes that also took the industry participants into consideration until recent ones .

Relying on past experience, my confidence and trust levels of these inquiries is very low. You have the opportunity to make a difference to thousands of lives. Somehow it always ends up with "taxi drivers and hire cars operators lives don't count". After the last state election I saw Ms Fiona Patten standing on the steps of parliament in tears when she thought she was about to lose her seat. She was telling the media that she might have to face financial devastation if she loses her job. This is from the person who instigated and pushed the hardest for the introduction of ride share.

At the time she refused to meet with any stakes holders in the industry and never gave a second thought to the effect it will have on thousands lives.

As I mentioned above, we live with the feeling that our lives do no matter to people who run this state!

I would like to inform you the affect the reforms had on the industry and on me personally...

The Industry

I can write a lot on the period of 2014-2017 while ride share was illegal in this state and operated by Uber BV who has a well oiled Marketing department, lots of funding for lobbyist and cash to buy market share while destroying the competition. Not only the state Gov stood there and ignored the issue for majority of the time, they have increased compliance on the people who operated legally. Charging them exuberant amounts to operate, leaving them unable to compete.

Public events (GP, food festivals) that our taxes pay for it, were giving Uber exclusive rights to operate while Hire cars that carry some of the more important guests were pushed outside the area .my taxes paying so Uber can destroy my business.

There are many other issues around sporting and other events. Some events in the Rod Laver, MCG and so have no dedicated area for pickups for hire cars anymore; it's only available to a particular ride share company.

Melbourne Airport- on one hand says that Melbourne Airport can't deal with the increased demand and on the other hand they gave a separate area a whole Lane! Of public rd to Uber. Not a ride share area but exclusive Uber area outside the terminal... As a result the traffic jams at the airport have increased dramatically. It could take most days up to 20 mn to drive the last few hundred meters to the terminal stuck behind Uber cars that are waiting to get to their area. As a result hundreds of people who have no interest in Uber services are stuck waiting in line for a long time and it leads to a loss of business.

The problems with creating a non regulated transport industry are many.

The increase of cars to over 60000 is unsustainable. So as a result of that no one can make a sustainable income but the main player (Ride Share Company with billions) who eventually will get their wish and control a very large share of the market and will increase prices as they wish. In fact they already do. On busy times they put a surcharge as high as they wish but at the same time in a deregulated market, Taxis are stuck with fares that are being decided by the government. Is it a regulated market? Or deregulated? How is that a level playing field? You are helping an offshore company to gain market share and destroying Australian income. Why???

As most drivers in this current industry barely make an income the contribution towards taxes will decrease dramatically. Some participants will pay very low taxes or no tax at all. Changing an industry of 2000 businesses to a 60000 participants, majority part timers under the tax threshold means that the gov will lose millions in taxes.

Let's not forget that all ride share companies are just subsidiaries of overseas companies. In recent media report it was announced that one Ride share company in Australia have grossed around \$780 million and paid \$8 million in tax. That money comes from a lot of small business that use to pay tax. 27.5% of this amount is shifted overseas! And will never benefit any Australian citizen.

Creating an industry of very low income means that you will attract a lot of desperate participants.

Allowing one large company taking control of the market and destroying many small business means this industry is unsustainable. And while income gets lower and lower for every participant in this

industry but one multinational means people will become desperate and will ignore rules to be able to provide their families.

This has created the problem of Touting in Melbourne airport. People are desperate and will tout to earn money.

Melbourne Airport has announced that due to recent regulation changes (2017 reforms) they are unable to prosecute offenders.

Melbourne airport arrival terminal looks worse than most third world Counties I have been to. There are hundreds of people approaching customers, touching them, harassing, fighting with them and other drivers. Every person who has been in my car has commented negatively about it. This is first interaction for tourist with Australia and that leaves a very bad taste. There is a very large post on Trip advisor about it and it doesn't do any good to our city or state. Not to mention the risk involved with getting in the car with a complete stranger without license and insurance.

There are thousands of cars on the rd without commercial licence insurance or permits working as a CPV.

The creation of the gig economy "work force" there are many foreigners with temporary working Visas and international students have taken business from full time Australian small business. Some of these people are boasting that they don't pay any tax or GST (which is why they prepared to work for such a low income) because after a year two or 3years they leave the country without a cents paid in tax.

Creating this Gig economy has created a lower class of working people. They called "partners" have no rights at all, looked at by the ride share company as contractor , although they have no say at all in the agreement, have to accept the terms that the ride share company can change the rules when they feel like it. Is that even legal?

Another serious issue to arise from the reforms is that a lot of companies won't deal with you as the industry is a mess for all the reasons I mentioned above. Look at Insurance. My Insurance is due at the end of June and I was informed by my Broker that Zurich, Vero QBE and other companies will not offer from July 1st Chauffeur insurance. This was a product designed at VHA cars (hire cars) which was industry specific and also had an attachment of 10 million public liability. Since Victoria is the only State that have been deregulated and all cars now considered CPV, Which includes ride share drivers, and the number of claims have increased dramatically(was always going to happen with thousands of part timers and unexperienced overseas drivers) these companies will not offer the product anymore. One company offered me to pay \$6000 to insure a car that was insured before ride share for \$1600 a year.

Since the reforms Most CPV cars in Victoria do not!!! Have the correct insurance and hardly any will have Public liability. Most have insured with RACV oddly named product called "occasional Hire".

These products also don't have public liability attached to them to cover passengers, only covering the car and third party property. We will just wait for the first fatality and see what a time bomb the government have created.

To sum it up in regards to the affect of the reforms on the industry is that once a participant was left untouched while ignoring the previous legislation a lot of participants in the industry will take the liberty to bend or completely ignore all rules. This is exactly where the industry is now. We just work trying to scrape enough income to put food on the table. Most participants are not complied in many areas of the industry. Desperate people will do desperate things.

Personal affect on me

Financial- Prior to the ride share introduction in Victoria I had two cars. A full VHA hire car and a restricted hire car plate.

When I changed from the Taxis to the hire car industry after many years of long hours 7 days a week in the cab collecting clients The regulation forced me to buy a \$40000 plate, a luxury that was on the list of approved cars which the cheapest was \$68600!.

I borrowed over \$100000 to start the business and was secured against my apartment. I had 5 years to pay back the loan. A year after I started, a ride share company started operating in Melbourne illegally. Running 7 yo basic cars doing the same work I paid the government to get the right to operate.

From that point the income started to reduced. While Uber operated writing their own rules I was harassed to comply with regulation, pay all fees and service my loan. While i was paying GST to the gov every 3 month for a period of 4 years Uber didn't pay a cent in GST. With millions spent on marketing, entertainment of radio announcers, heavily subsidised fares at almost 40% of average market rates I had no hope to compete on playing level ground. Not only I was unable to compete with an illegal company while the regulator which got \$40k to protect a regulated market was sitting on his hands doing the same thing they do now- Nothing.

By the stage the reforms were implemented in 2017 my income was reduced by 40%. I had to pay 100K plus interest to the bank and still had two years to go on my loan. My asset(on Fed government financial documents plates are written as assets) was confiscated from me, While I'm still paying for it and it was reduced to \$0.

The state government that priced the plate and sold it to me for \$40k only 3 years earlier "compensated" me 25K. One hell of a deflation. Then I had to beg and be humiliated by the process of the fairness fund. Fairness fund, ironic talking about fairness after 3 years of in action.

As quickly as the gov thought of the deregulation process they also thought of the fairness fund.

I received 50K which half gone to the ATO, fairness no?

Victoria was the only state in the world to deregulate and cancel plates to accommodate Uber.

Any other state a new level of transport was created and plates held some value and regulation was amended to allow everyone to compete. Not in Victoria.

I didn't only lose the value of my plate. I'll lost the business.

The business was given as a gift to a multinational at no cost. The compensation was like a band aid treatment for cancer.

Beside the asset that I lost and got compensated for part of it, no one can compensate me for the loss of any future earnings, value of what VHA stood for (the reforms killed the brand not only the assets!

Since that day my business was reduced to around 40% of what it was in 2014. A further 20% was lost after the reform. Not only I have to compete with a multi billon company, the market now is way too overcrowded, unsustainable, with thousands of unregistered uninsured operators who run a private car touting in Mel Airport with no ABN, commercial license or any regulations. Flying under the

radar without any documentation and tax commitments will be the only way to survive in this business. Currently at June 2019 my turnover is around 30% of what it was for almost 20 years.

With two very young kids I am also getting close to a point of desperation. Im out of savings , nothing to redraw out of my super, a debt of around 200k with outstanding bills of 16k. I am working 7 days a week 4 am until late at night just to survive. Every month my income is getting lower and lower.

Today I went to work at 5 am came home in midday with 0 dollars income. I gave up.

I use to pay taxes. This year I will not have to pay a cent in tax. I'll carry over losses and capital losses on top.

I am now the "proud" owner of a low income health care card which cost money to Australia tax payer.

I now receive family tax benefit at almost the highest rate and receive a full rebate of child care.

From a paying tax business I now receive thousands of dollars in benefit. I'm only one out of many who were forced into this position by your deregulation.

I am not sure if I can survive financially until the end of the year but I will get desperate I will have no choice but to join the thousands of others who bend the the rules to survive . Got nothing to lose, when you have nothing left there is nothing you can take from me. I have learned an important lesson from the process of the reforms and the state gov treatment of us. I have lost any trust in the gov to care about us. This is from the party that blames others for taking care of the big end of town.

Ironic

All this financial disaster has led to my current "not so good " emotional and medical state.

Is it allowed already in the republic people of Victoria to talk about the people who lost everything due to the reforms and committed suicide? The large number of bankrupt people? No one was too kin to talk about it.

My health has deteriorated dramatically over the past 4 years and I am now on medication for several conditions as high blood pressure and several others which I prefer not to disclose in case I'll fail the medical test and require to keep working while bending the rules. Worked for Uber , didnt it?

Prior to 2014 I had not one medical issue recorded.

The worse thing is the constant feeling that you are not an important individual, the humiliation we suffered by the government, the mistrust of authorities that will never change and the lack of empathy by the state gov.

Solutions,

In few years when the ride share will run out of desperate people who prepare to work for just over \$10 an hour, with a retention levels of 20% and cars that starting to get older with high maintenance the ride share industry, the taxi industry and parts of the Hire car industry will become unsustainable and the same rule that have been right for many years will apply again

You pay peanuts you get...

And once again we will be at the same state the industry has been for many years.

1. The number of participant has to be capped! Growth to number should be only with growth of population. Only if people can make a living from this industry you will attract good service and drivers.
2. Regulation got to be put back in place. The industry in its current shape is unattainable and attracted many rough operators and thousands who break the rules.
3. Regulation should Create 3 levels of plates again like in all other states where all services are superior.
4. All ride share have to carry permanent identification. Every week I have several people getting into my car asking if I'm their Uber car. There is already have been one case of sexual assault in Eltham when as woman got into stranger car thinking it's her Uber. Most cars at the Uber rank at the airport do not!!! Carry any identification on their car and the regulator never dealt with this issue... All ride share cars should be forced to carry safety camera like in taxis. There have been several incidents of sexual assaults involving ride share drivers. The law says that commercial cars have to have zero alcohol limits while carrying passengers. How do the police know if a car is a ride share or private car? So drivers are having couple of drinks and then get a ride home on Sat night.
All taxis should be carrying M plate and have a choice of only limited colours.
All Hire cars should be with a VH plate. At the moment too many cars with normal number plate operating illegally at the airport.
5. Though new regulation got to be introduced in Melbourne Airport. It can't be only financial penalty. Drivers who have no commercial license , registered business, abn a commercial driving license couldn't been prosecuted even when rules were there as they had no license and the regulator couldn't deal with them properly and they were back at the airport touting an hour after they were kicked out.
6. The preferential treatment of Uber got to stop in any event or place that has state Gov involvement. No event that is a Vic gov event should have the right to block Taxis or Hire cars because of a secret agreement with Uber. Mel Ap. GP, Spring Carnival Comedy festival Food events and so.
7. No overseas Students, temporary working Visa and similars should be able to drive public in any shape or form in Victoria. Last time that Telstra network was down several ride share cars that couldn't use the nav on their app needed help finding their MCG with their interstates customers. A minimum of 3!years with full license in Victoria should be a must. No conversion of overseas or interstate license should give you the right to drive without knowing the rd rules in Vic and knowledge of the city.
8. The Regulator got to be active and be visible in numbers. It is always amaze me that when the Police, Regulator Sheriff Officers, Ato and Immigrations department reps are at Melbourne airport. Somehow most of the Ride share cars and some taxis disappear and the airport is empty.

Failure to the above and you will be taking submission again in 3 years when things get out of hand.

I'm not looking for a charity. I'm capable of working hard and providing to my family. Fix the industry and we will take care of ourselves.

