

TRANSCRIPT

STANDING COMMITTEE ON THE ECONOMY AND INFRASTRUCTURE

Subcommittee

Inquiry into ride sourcing services

Melbourne — 8 September 2016

Members

Mr Joshua Morris — Chair

Mr Khalil Eideh — Deputy Chair

Mr Jeff Bourman

Mr Nazih Elasmr

Mr Bernie Finn

Ms Colleen Hartland

Mr Shaun Leane

Mr Craig Ondarchie

Participating member

Ms Samantha Dunn

Staff

Secretary: Ms Lilian Topic

Witnesses

Dr Chris Lowe, executive director, and

Mr Parry Serafim, industry development and planning manager, Bus Association Victoria Incorporated.

The CHAIR — I reopen the Standing Committee on the Economy and Infrastructure public hearing. The committee is hearing evidence today in relation to the inquiry into ride sourcing. The evidence today is being recorded. All evidence taken today is protected by parliamentary privilege; therefore you are protected for what you say in here today, but if you go outside and repeat those same things those comments may not be protected by this same privilege. Thank you, gentlemen, for your attendance today. I will get you to state your names and your roles at your organisation and then move into any introductory comments. We will have some questions from the committee to follow.

Dr LOWE — Thank you, Chair. My name is Chris Lowe and I am the executive director of the Bus Association Victoria. I am accompanied by my associate Parry Serafim, who is our manager of industry development, planning and policy. We are grateful to the committee for inviting us to present to you today.

As a very brief introductory statement from us, we are not just delighted to be able to present to you today but to state a case for the requirement for the ride-sourcing, or ridesharing, sector in Victoria to have a degree of regulation but not to by any means install a whole new massive burden on the state. We believe it is imperative that, whatever we regulate this sector for, we bring about a level playing field. That is very important to us as transport operators and my members as transport operators. We believe that would be in the best interests for passengers, the state and just the general public.

Most importantly, however we regulate this, we must ensure the higher standards of public safety. We are of the view that the ride-sourcing sector could take a leaf out of the bus industry's book when it comes to regulation insofar as having systems in place that give the state, the passenger and the public a sense of confidence that the higher standards of public safety are being adhered to. In bus, that concerns three tenets — that is, there is a rigorous regime in place to ensure the higher standard of safety pursuant to the bus, to the driver and to the owner-operator. Those three tenets are regulated by the state by various agencies, and if we can bring that about and not give any concessions to other transport providers, such as ride sourcing, then I think we will be achieving our objective of ensuring the highest levels of public safety.

The CHAIR — Fabulous. Any other comments you might like to make? No? I am interested to ask, then, about those regulation provisions that surround bus drivers. What is it that that looks like? Obviously they have their licensing to be able to drive the vehicle that they drive, but outside of that, what other provisions are there to ensure that a driver is a person of good character, shall we say?

Dr LOWE — Sure, and it is an important question, because we would like to see this follow through to the ride-sourcing sector as well. What we do not want to have is a situation where anybody can be driving an Uber or a Lyft — or any other ride-sourcing company. There needs to be something in place that gives the government a sense of confidence that this person is not an axe murderer.

In the bus industry, first of all the driver needs to go and get themselves a heavy-vehicles licence in the first instance. They will not be employed until they have that. After that, if they apply for employment with the bus operator, they need to become accredited, and to do that you need to go off and get your working with children check and police check and satisfy other internal corporate requirements of the potential employer. That person, once they are trained, which is quite a significant investment for a bus driver, cannot get behind the wheel until all of those checks have come back. In some cases that is turned around quickly in terms of the working with children and police checks, and sometimes we have very good anecdotal evidence of two to three weeks. More often than not, however, it is double that for reasons I am not entirely sure of, and it is something that we talk to various red-tape commissioners about on a constant basis.

Once you are behind the wheel and you driving, you have to have medical checks as well. You have to have these updated regularly. You cannot let them expire, and there are systems in place where the state advises the employee and the employer that the expiry is coming up and they need to be renewed. So there are more medical checks and other checks required in order for that person's employment to be sustained. So it is quite rigorous.

The CHAIR — Yes, it certainly sounds that way.

Dr LOWE — That is for the driver. There are a whole two separate regimes for the operator and for the vehicle itself.

The CHAIR — Did you want to further elaborate what they look like?

Mr BOURMAN — Yes, thank you, because they were going to be some of my questions.

Dr LOWE — Yes. The operator is probably the most important. Before someone can be a bus operator, certainly in Victoria and to varying extents in other jurisdictions, the operator has to prove their competency and their capability to the state, and in Victoria that is Transport Safety Victoria. What that looks like in Victoria is that that person has to undertake a course at Monash University, which is a diploma level course, and they have to pass two or four units of this course depending on their background. If you were previously accredited under the under the previous accreditation regime, you only need to do two units, but if you were not and you are a new entrant, so to speak, you have to complete four units of this Monash University course. So you have to get through that first, and that takes 6 to 12 months. That demonstrates your competency.

Then you need to demonstrate your capability, and these two words ‘competency’ are ‘capability’ are straight out of the legislation. To demonstrate your capability you need to have a TSV auditor come into your workplace and audit your entire operation, and that whole audit centres on the auditor looking for evidence that the operator has all these manual systems in place to prove a chain of responsibility and that they basically document everything and, if there is an incident, that it can be traced back to the root cause, even down to the smallest things, such as replacing a light globe on the vehicle. It all has to be recorded.

Sitting within the demonstration of capability is a requirement for the operator to maintain what is called a management information system and a maintenance management system. If the operator successfully demonstrate their ability to do that and they have got all the paperwork necessary that the state mandates operators maintain, once they present all of that paperwork to Transport Safety Victoria and Transport Safety Victoria considers all of that — and they want to see the evidence that you have passed the Monash course and they review all the evidence in your application — they will then grant you the status of either accredited or registered operator in Victoria.

We have two types of bus operators in Victoria. Registered operators are for people who are largely philanthropic organisations that just happen to have a bus. The bus is not their own game. It is supplementary to their main game, such as retirement villages, nursing homes, churches, football clubs et cetera. Their whole purpose of operating a bus service is not to make money out of the bus; it is to do something else.

Then there are accredited operators, who I represent. In Victoria there are nearly 600 — I beg your pardon, accredited operators are far less than that, but I represent about 410 of about 420 of them in the state — and they all operate for commercial purposes, and most of them have a contract with either the department of education for special school bus services, or PTV for route services, mainstream school bus services, V/Line coach services or airport shuttle contracts. Most of my operators, member firms, now have people employed just to maintain their accreditation and ensure that they are satisfying all of the requirements pursuant to the current legislation and regulation in order to maintain their accreditation to operate.

Then there is the vehicle, which I will not go into. But the key tenet of the regime around maintaining the vehicles is that there are mandated, scheduled, independent safety inspections that have to be undertaken on the vehicle. Today they are called roadworthy certificates, but the operator has to ensure that they have had this annual roadworthy certificate undertaken on an annual basis and that it has been performed by an independent organisation, not by a person who is affiliated or known to or employed by the actual owner of the vehicle; they have got to be completely separate and independent. Then there are also daily checks, monthly checks and quarterly checks, in addition to the annual mandatory independent roadworthy certificate.

Now, I am not suggesting for a moment that that whole scope of vehicle inspection regime follow through to the ride-sourcing sector, but if there is something like it in order to give the state the sense of confidence that the vehicle is not going to go off the road, then we would be well placed.

The CHAIR — Indeed. It sounds very comprehensive.

Mr BOURMAN — I think you said the activities required to safely run a bus service would not go down to a ride-sourcing level. Could you actually see a regime that would be practical for an individual to do to ensure that they are safely able to and do operate a passenger vehicle, even though it is for a short time?

Dr LOWE — Yes. I think that there is a way that you can, as I stated earlier, take a leaf out of the three tenets of the bus requirements, and perhaps borrow some from the existing taxi regime, but modernise it so you are covering off on all those requirements. As I understand it, at present the Uber et al. have corporate requirements that their drivers need to satisfy for their employer, being Uber. They need to show them that the vehicle is roadworthy and they have got a medical, or they have got a working with children check, or whatever. I am not exactly sure what their corporate requirements are, but what I am quite sure of is that there is no transparency around those requirements to the state. The state does not have any legislated way of seeing the competency and the capability of that driver, the owner of the vehicle, or the status of the vehicle itself, and I think that needs to be transparent. The state needs to see that those three tenets are being satisfied. I think you can do that, but just not as expensively, or as rigorously, as what the bus environment is.

I think you can do that relatively affordably as well. There is a way to do it. Before you do it, though, it just needs to be agreed that that is the objective; that is what you are setting out to achieve — to give the public that sense of confidence that those three tenets are covered off — but you need to do it in a cost-effective and, most importantly, a demand-responsive manner. And if you are able to just take the key principles of those three tenets and introduce a cost-effective regime, I think we would all be well placed. So my answer is yes, I think you can do that. It is just new, it has not been done before, but that is not a reason to not do it.

The CHAIR — Great. I was hoping to delve into the multipurpose taxi program as well. Obviously at the moment, by virtue of its name, it is limited to taxis and the use by people who may have mobility impairments in the use of taxis. However, we have heard much discussion around the capacity for that then also to be used with Uber and other ridesharing and ride-sourcing businesses. I am wondering, if the MPTP was to be rolled out to be able to be utilised by the bus industry, what might that look like?

Dr LOWE — I am not sure what it would look like in the bus industry, because I think we have pretty much got it. It depends on what aspect of the MPTP you are talking about. Access is a key requirement for public transport, and so virtually all the state's route bus fleet is DDA compliant. There is a very small number of buses that are not. So in terms of accessibility, we are there. If people with a disability wish to board a bus, it is not an arduous task. In terms of fares, the multipurpose taxi program sees the operator receive a subsidy from the state for each time they do a lift, as I understand it. Well, that would not be necessary in the bus environment, because all the bus operators who are contracted to PTV and the department of education already get a subsidy, irrespective of the nature of your ability or disability. Without giving that significant thought, Chair, I would suggest that the public transport industry is much better placed than the private transport taxi/chauffeur industry.

The critical point that we would like to make about the multipurpose taxi program is that we believe, for equitable reasons, it needs to be expanded through to the ride-sourcing sector. We do not believe that it would be fair to just limit it to the established taxi sector and not oblige new entrant ride-sourcing operators to incentivise and encourage them to pick up people with a disability. They need to be included in that program as well, for equity reasons.

The CHAIR — Indeed, and that is something that we have certainly heard from other witnesses. We heard from representatives from Vision Australia yesterday about the fact that Uber can work exceptionally well for people who are visually impaired, but at the same time there is no capacity there to be able to utilise the multipurpose taxi program subsidy. So it is challenge that needs to be faced, and in view of deregulation of the industry now is certainly the time for that to be tackled by government to get that right response.

Dr LOWE — Yes.

The CHAIR — The government is not in the place to be picking winners at this point with a deregulated industry, so how is that rolled out to ensure equity across all platforms?

Thank you very much, gentlemen, for your attendance here today and for your submission that you made to the committee. You will receive a copy of today's transcript for proofreading, and then it will ultimately make its way onto the committee's website. Once again, thank you for your attendance today.

Dr LOWE — A pleasure. Thanks for asking us.

Witnesses withdrew.