

TRANSCRIPT

STANDING COMMITTEE ON THE ECONOMY AND INFRASTRUCTURE

Subcommittee

Inquiry into ride sourcing services

Melbourne — 7 September 2016

Members

Mr Joshua Morris — Chair

Mr Khalil Eideh — Deputy Chair

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Mr David Debinder Singh, Victorian Taxi & Hire Car Families.

The CHAIR — I reopen the Standing Committee on Economy and Infrastructure public hearing, and I welcome all of those who are present here this morning. I will begin by explaining that today we are hearing evidence in relation to the inquiry into ride sourcing and that today's evidence 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. At this point I will welcome you, Mr Singh, and thank you for coming along.

Mr SINGH — Thank you very much.

The CHAIR — Absolute pleasure. I might hand over to your good self. State your name and the organisation you are attached to, then move into any introductory comments that you might like to make, and then we will move to some questions from the committee at the conclusion of your comments.

Mr SINGH — My name is David Debinder Singh, and I am representing the Victorian Taxi & Hire Car Families. My background in the industry is: I started in 1986, and I have worked virtually in every department, except any government department. So just to let you know, in 1986 I started off as one of the youngest drivers at 20 years old and on a P-plate, and that was interesting. I worked for about 20 years, owned a car, and I ended up selling a car. My father owned a fleet of cars; he ended up selling. In the 1990s Professor Fels made certain, he said, if he ever got into power he would deregulate the industry. You would probably remember that, as in ACCC. My father had a heart attack two weeks after that, because he owned 18 cars and he thought it was worth nothing, as the drivers and operators are going through today.

I do not own a car. I am a hire car driver at the moment, so I understand the pain and suffering from everyone concerned. I have worked at 13CABS from 2005 to 2011. I worked in compliance, I worked in training, I worked in driver safety, I managed the call centre, handled the emergency situations when drivers were in trouble and trained the staff on how to handle emergency situations. I then was taken up by somebody else to run a fleet of 50 taxis, called SE Taxis down in south Oakleigh. The Fels inquiry put an end to that. When it made it 55/45, it was a non-viable business to operate; therefore I lost my job and I became a hire car driver. So now I have been fighting the cause for two years.

I drove Uber for one year. I drove uberBLACK, not uberX. As a VHA driver you are accredited, and you can do that. I left uberBLACK on the basis that I saw their training, and I saw them committing fraud — that is my opinion — advising drivers to not inform the insurance companies that they were driving for Uber at that particular stage. I do not know now, but for that first year that I was there it was clearly noted. There is a YouTube video of me being assaulted by a trainer in May of last year at Airport West when I went to the induction training and I put my hand up and I said, 'Why don't you explain in legal terms an agreement about the insurance?'. He got upset. He is now, I believe, the manager of Western Australia Uber, and I was assaulted and threatened. And that is on YouTube if you want to see that. So I have been through it all.

I have a real passion. I do not have anything to gain by this. In actual fact it would be in my best interest if I was not here because I could get a cheap car in 18 months time. But I understand the pain and suffering of everyone, and I want a genuine level playing field, so I would like to help out if I can.

The CHAIR — Certainly. Thank you for that. So at this point in time you or members of your family do not have a financial interest in taxis in terms of owning licences or the like?

Mr SINGH — No. My father sold in 2006 and 2008. I sold back, I think, about 1998 when things got a bit tough. I am a VHA driver of the last three and a half years.

The CHAIR — So in terms of the history of the Victorian Taxi & Hire Car Families, how is it that the organisation came about, who does it represent and what does it do?

Mr SINGH — It was basically two or three housewives who had their husbands working out there; they saw what was happening and they decided to form a committee. It is a volunteer-based committee. We have gained a lot of members. We basically represent owners, and we represent drivers and also the hire car — the hire car is with us. Yesterday David Samuel of the VTA did ask whether we could actually work closer together, because we have a few differences. I said, 'I'm happy to work with you'. But we are going to try to work together because we think it is better and easier for you to sort of work out if we are all coming from the one direction.

There may be a slight difference here or there, but I think we can work together to come out with a fine conclusion for everybody.

The CHAIR — Do you have any idea how many taxi licences might be represented by members of your organisation?

Mr SINGH — We had 2400 attend Bulleen two weeks ago, and they were mainly owner-operators who own one. There were some that own two, a few that own three or four and then just one that owns 11. One of our members on our board owns 11. He is now 84 years of age. He was worth \$5.5 million three and a half years ago. He is now worth \$150 000 outstanding, and as you can understand he is not well.

The CHAIR — Absolutely. Obviously the government have announced what they plan to do with regard to buying back licences, deregulation of the industry and the like. What consultation occurred with your organisation from the government?

Mr SINGH — Okay. The VTA and the Victorian Taxi & Hire Car Families were part of the subcommittee, with Uber I believe and others. It went for about 12 months. Based on what was said and heard in the subcommittee, 95 per cent of it was disregarded, only 5 per cent was listened to and it seemed to be from the non-favourable end to the taxi and hire car industry. So that is the report that we got back, that they were happy and everyone seemed to agree with how things should flow, but it just seemed the tables were turned afterwards. I do not know what happened. I do not believe Jacinta or Daniel Andrews had anything to do with that. I believe it was people behind them, the advisers, that sort of put one and one together and came out with four.

The CHAIR — So the subcommittee was sort of formed and placed in the corner over here to talk amongst themselves?

Mr SINGH — No, no, the subcommittee was created to work with the government.

The CHAIR — Yes, it was apparently organised to work with the government, but really what happened was they were put over here and basically ignored and the government did what they wanted to do anyway.

Mr LEANE — Do you want to answer the question for him?

The CHAIR — No, that is fine. I am just putting something — —

Mr SINGH — He actually answered it beautifully. Thank you very much.

The CHAIR — So that is what happened?

Mr SINGH — That is how it appeared, yes.

The CHAIR — Yes, okay. So lack of consultation and something like the \$2 tax that has been mooted by the government to be imposed on every taxi, hire car, Uber trip, that was not something that came out of that subcommittee?

Mr SINGH — No, no \$2 tax was spoken about. That surprised everybody.

The CHAIR — What sort of an impact would that \$2 tax on every trip have on the taxi industry?

Mr SINGH — It depends on how it is done, but I can see it creating confrontation and conflict between driver and passenger, as it already does coming from the airport when the driver says, 'Oh, my parking fee is \$2.88', which is not on the meter; it is not built in there. So this will create conflict, I believe, between driver and passenger. I do not think it is a safe workplace in that sort of environment. Financially it would add an extra cost, obviously, but I do not think they need to go down that step. I think there are other options which they have not really looked at.

The CHAIR — And the \$100 000 for the first taxi licence, \$50 000 for a subsequent licence and then nothing for third and ongoing licences, what sort of an impact is that going to have on people who own taxi licences?

Mr SINGH — People have already committed suicide. We have already had two; two attempted — one on the day of the strike we had down here. I can see dozens and dozens of drivers who have worked in the industry for 40 years. Back in 1986 Tom Roper, who was then in charge of transport, said when they handed out \$50 000 licences to 300 of the best drivers in Melbourne, when the licences were \$75 000, ‘This is your superannuation’ — it is recorded — ‘This is your business’, and so everyone believed.

Now, whenever you purchased a licence it was like when you purchase a block of land, there is a section 32 and everything is explained to you. Nothing was explained when purchasing a licence about the fact that the government can take this from you for nothing or next to nothing. I believe the government is at fault for not advising people, because they got a transfer fee; every time there was a transaction done, they got a transfer fee. Now, it was their duty to explain to the buyer, ‘Are you aware that the licence can be made to be of no value at any time by the government?’. Never was that mentioned. It is not even documented in there. It may be in section 32 of the legislation or whatever, but as in when you were buying and selling, it was never mentioned at all. You can have a look at their documents of transfer, and you can see it is not in there.

The CHAIR — The government have announced what they want to do with the buybacks and the \$100 000, \$50 000, then nothing for subsequent licences.

Mr SINGH — Yes.

The CHAIR — What is the view of the VTA in terms of — —

Mr SINGH — The VTA, I cannot answer for.

The CHAIR — Sorry, yes, your organisation.

Mr SINGH — But for the Victorian Taxi & Hire Car Families and drivers out there who own, it is just a disaster. I had a gentleman call me on behalf of his friend this morning 20 minutes before I came in. He has got three kids. He lives in Mill Park. He has three licences. He leases five licences. He has got a letter from the bank — I asked him to supply that to me because I do not want to say something that is not true, so I said, ‘Supply it to me, and I will bring it forward’ — that they are going to take his house, because they now know that the value of the licence is nothing.

So there are going to be hundreds if not close to 1000 families now getting letters that ‘Your licence is worth nothing. Either pay up or we’re going to sell the house from under you’. So that is the current situation right now. That it has happened to one family is bad enough; to happen to maybe, I would say, 1000 families, it is disastrous. You can just imagine coming to Christmas it is a disaster. It is very painful. It is painful for me here.

The CHAIR — So right now and here, in Melbourne and across Victoria, we have people who own taxi licences whose homes are at imminent risk.

Mr SINGH — Yes, absolutely. The government has put out that you can only apply for the special fund if you bought the licence after 2011. Now, I can tell you in 2010 and late 2009 licences were over \$500 000. It seems very convenient that they did it in 2011, when the Fels inquiry was starting and as licences started to drop, if you know what I am saying. If you got financial hardship — if you bought in 2008, it should be 2008. There should be no cut-off line, if you understand what I am saying. I do have a cousin who has a licence worth 540. He owes over \$300 000, and he is in that situation too. So it is happening, and it is very, very scary.

Mr LEANE — Thanks, David, and I 100 per cent accept your submission around the concerns around the level of compensation that you have prescribed. I think to balance that — and I do not agree with it — on talkback radio people are ringing in saying, ‘Taxidivers should not be compensated anything because that was their business risk they took’, and then you have economists helping different inquiries, putting out graphs saying that this is how much money taxidivers made over the year and they should not be compensated. What would you say to that?

Mr SINGH — Yes, very easy. The one that Uber is going to present you tomorrow from the Grattan Institute; they paid Grattan Institute to come out with a report, hypothetically. So the fact of the matter is the Essential Services Commission never factored in the price of the licence to what the fare should be. That was never factored in. That is the first and foremost thing everyone must understand. Secondly, we have different stakeholders. If I owned a licence, it is the government that sets the level of drivers that we have. It is not the

taxi industry; it is the government. They have set the bar down to here; they have set the bar down to the floor. They have deliberately set it down to the floor.

It would make sense that if you had a driver that was a permanent resident that lived here for five years — we are talking hypothetically — rather than jumping off a ship or a plane, six months later what do you think the quality is going to be? The quality is totally different. The minimum level was set by the government; it was not set by the taxi industry. It was not set by the taxi owner. The taxi owner has got a licence; he can only put someone in that car who is accredited. The government accredits the driver. They have set the standard down to where the shark droppings go to, and that is why we have got what we got. Then when people complain on 3AW, they think the driver is the owner. Yes, some of them are, but the driver is a representation of what the government has accredited.

I was a trainer for five years at 13CABS, and we had to deliver the training that the government set. One of the standards was you had to have 5.5 as a minimum IELTS level into university. That was pretty low; it should be 6, because if someone says to me a suburb, I have got to be able to understand. Now the government says you do not need to be able to speak English. There is no English requirement now. How is that going to improve service? I thought in the final draft report it says, 'Better service'. How is it a better service if I can drive a HQ Holden? That is what it is. How is that better?

Then they got a report from Monash University that it makes no difference how old your car is. I used to work in the insurance department with the company in terms of taxis. The average commercial vehicle, whether it is a taxi or a rideshare, has about two accidents per year. Every time you have an accident it weakens the capsule of the vehicle. After five years if that car is involved in a semi accident, that could explode. So you tell me how a car could be safe if it is 10 years old? It is not just based on wear and tear; it is also based on accidents.

I have put a submission in. I have spoken to someone in reference to that. I do not know whether they are going to take that on board, but I am very passionate. I know that is a fact. It may have come down to 1.9, but it is roughly two accidents a year. It does not matter — I am not making any bias towards rideshares or taxis, but if you are a commercial vehicle operating 24/7 doing 150 000 kilometres a year, you are going to have a couple of accidents. Whether you were right or wrong, it does not matter. You are going to get hit from the side, the back or the front. You can get your own report and find out, but every time you are involved in an accident it weakens the structure of the vehicle.

Now they are saying I can get a roadworthy for the car and drive it as an Uber or a taxi. How do they know if the vehicle is cut and shut — it means, in other words, that the car was not put together in two pieces? How do they know how many accidents that vehicle has been in? These are the measures that should be in place. I probably covered three or four areas — sorry about that — because I am passionate about all areas.

Mr LEANE — No, I understand that.

Mr SINGH — But in terms of the quality of the driver, we must understand in 2013, when they implemented that Fels report, in 2014–15 complaints dropped by 40 per cent across the board. It is there in the 2014 stats with the Taxi Services Commission. You can have a look at it. It dropped. So why are we doing what we are doing?

Mr LEANE — Thanks for that extra information too. Can I get back to the arguments around — there are people arguing for zero compensation, which is not the government's position, as we know, and I respect that — —

Mr SINGH — Yes, okay. So we get back to that. So — —

Mr LEANE — I want to bring you to that the Liberal opposition transport spokesperson, David Hodgett, was quoted in *Neos Kosmos*, the Greek paper, on Saturday, 27 August — so only a couple of Saturdays ago — arguing that there should be no compensation, to the point that he says the government's compensation package is 'a slush fund to buy the votes of the companies that hold these taxi plates'. So not only is the Liberal position no compensation — —

Mr FINN — That is not the Liberal position.

Mr LEANE — I am reading from a paper that he is quoted in.

Mr FINN — Well, if it is in the paper, it must be true!

Mr LEANE — I am only reading from the paper.

Mr SINGH — I understand what you are saying.

Mr LEANE — Yes. So what would you say? I do respect your position about disappointment towards the level of compensation, but what would you say to people who say there should be no compensation?

Mr SINGH — Okay. Firstly, we have never had the opportunity — today is the first opportunity — to explain to the public how it works. It was a regulated market. The government controlled the market. If I wanted a licence, if I wanted to drive a taxi and own it, I had to buy it at market price. They set up the BSX — Bendigo Stock Exchange — in 2006. I was trained up in 2005 in reference to that. They set that to make it a transparent transaction, if you know what I am saying. Now the government is collecting a \$23 000 a year, or near enough, lease from drivers. You have to put \$600 000 in the bank to get \$23 000, maybe \$700 000. That is the way the value of licences works. If interest rates were 10 per cent, the value of a licence today would be \$200 000. That is investment.

The government in the Kennett era — Tom Roper — allowed investors to come in. Prior to investors coming in, it was just the mum and dad drivers. It would have been a reasonable price. The government has collected \$30 million a year from the taxi industry in fees, because they were running 1500 cars — 600 green tops, 600 maxi taxis and several hundred other cars — on which they have been collecting \$30 million a year. They have been engaged in this business, so we have got to take it separate from it being a video store. This was a regulated business. We do not have to deregulate the business. Why do we? Why don't we keep the status quo?

Mr LEANE — So would that be your argument?

Mr SINGH — My argument is nobody pay anything; keep the status quo.

Mr LEANE — Would that be your preference?

Mr SINGH — I would say keep the status quo. If rideshare want to be in it, the only thing I say with rideshare is it must comply with what we comply with exactly. They are saying they do not want a camera, and we have a camera. If you ever get a chance, please go to whosdrivingyou.org — it is in the US — and there are thousands of assaults and rapes on passengers and drivers. A camera helps to minimise the risk of an assault. I have gone off the road there, but in other words — —

Mr LEANE — You believe that because it is regulated you should be compensated.

Mr SINGH — You either pay us out fully, whatever it may be, or, two, leave the status quo and let us compete on the same field in terms of the compliance cost and the regulatory cost. I know that governments want to get out of this and probably want to get rid of the Taxi Services Commission, but the public deserves safe travelling and needs to be protected. We are not just looking after Mr and Mrs Smith; you have got people in wheelchairs. If the taxi industry is not viable and they are not making money, the disabled will be let down. It is simple. You need a turnover of X amount, as you are well aware, to make it fly.

Mr LEANE — To be able to subsidise.

Mr SINGH — But we need the chance. When everyone thinks, 'The taxidriver shouldn't be compensated', do you know what they are thinking about? They are thinking about that driver that knocked them back. You see, most of the people that are retired rely on that as their pension.

Mr LEANE — I think that has answered my question. Thank you.

Mr BOURMAN — Do you see, if ridesharing does become legal, it will have a greater or lesser effect on regular taxis or hire cars, given they operate in a different manner, as you would well know?

Mr SINGH — No, because they affect both, because they have UberBLACK, which is VHA — which is the hire car — and they have UberX, which is similar to or below taxis. When you say ride sourcing, we are all ride sourcing. Taxis have been ride sourcing — —

Mr BOURMAN — Ridesharing, or however you want to call it.

Mr SINGH — Okay. In all honesty, we are all ridesharing. The hire car is the genuine ride, but technically speaking the correct ridesharing, because why? Because the customer and the driver know where they are going to, and the fare is agreed upon before we go. Uber, the fare is not agreed upon before we go. Technically speaking, UberBLACK was illegal, and the government did not understand that. The conditions of a VHA hire car are that, before you jump in, you and I must agree to a fare, you and I know where the destination ends and I know what your name is. When Uber dispatches a booking, it has your name, but the driver never gets a destination and there is no predetermined fare, so it is a taxi. The genuine ridesharing is actually the legitimate hire car, because I know where you are going to, whereas the Uber driver does not know where he is going to until the passenger jumps in the car, and then he has to then swipe. He cannot swipe the app until a customer is in. Once the customer is in the car, then he will see the destination, and only if the customer has put in the destination.

Mr BOURMAN — Regarding the \$2 tax they are looking at putting on both Uber and the taxi industry, what impost are you predicting on the taxi industry to actually collect and give that to the government?

Mr SINGH — The way that I understand the system working now, there are modems now in every taxi that have been put in through Cabcharge. On the app they are able to identify every time you put the meter on whether it is a radio booking or a hail, so the system is already in place for that to happen. The only one that would not be would be a hire car, because he would have a prearranged fare, and the government would not know what is happening with that.

Mr BOURMAN — So will he just have to add \$2 to that, to a prearranged fare?

Mr SINGH — Legitimately putting him in that position, he may not even disclose it because he does not even have a meter.

Mr BOURMAN — Yes, but whether he discloses it or not, it is hard — —

Mr SINGH — But in terms of taxis, most of it will be disclosed, because now the Cabcharge EFTPOS and the modem — they are virtually now in every taxi — knows every radio booking and also knows all the ride and the hailing, if you know, at the taxi rank where it is not a radio booking. It collects all that data, and 13CABS and Silver Top have that data.

Mr BOURMAN — So then will 13CABS and Silver Top have the job of getting that money to the government?

Mr SINGH — They will know what it is. In my opinion, the NSP should be paying it and the customer should not be paying it. The NSP, as in 13CABS, collect close to \$8000 a year already from the operator. They can cover that, and I believe Uber — if they are crying about it, their drivers do not have to — can pay for it. They do not pay any business tax in a real sense. It is not a level playing field if I, the driver, am paying tax, and their driver may be paying tax. Cabcharge is paying tax, 13CABS is paying tax and Silver Top is paying tax according to our law — yes, 30 per cent business tax. What is Uber doing? How is it a level playing field until Uber itself or any overseas company pays the same tax as Australian businesses? In my opinion, they pay the \$2. In my opinion the taxi industry should not, because the company is already paying business tax. Correct?

Mr BOURMAN — Yes.

Mr SINGH — But if you want to collect it, go for the NSPs, go for the big players; do not worry about the drivers. It does not have to be passed on to the customers. The big players already make enough money. Uber is struggling at \$80 billion, and Cabcharge is making plenty, so I cannot see why the NSPs cannot pay for that and the customers not pay for it. As a driver they collect about \$770 a month, roughly that.

Mr BOURMAN — The last thing is, in some places in the world ridesharing has been legalised, so obviously that has had an effect on the taxi industry. Have you done any research to find out what that is actually likely to do to the taxi industry from what has happened?

Mr SINGH — Yes. If rideshare is able to operate on a non-level playing field, Uber says that they do not do rank and hail. We all know that if you use the Uber app, the Uber app is the new rank and hail. Seventy-five per

cent of the market is rank and hail. Twenty-five per cent of the market, roughly, is radio bookings. Their app is a rank and hail. If I am in Alma Road, St Kilda, at 11 o'clock in the evening and I am a young woman, why would I go out to Alma Road and wave a taxi when I can sit in my room and just book and wait for him to come and go out? That is the new hail. They are taking the hailing business, and I think you are all very well aware that they are. They claim they are not rank and hail. They are the new electronic rank and hail. The ihail app that 13CABS has or whatever is also electronic rank and hail.

Mr BOURMAN — Do you have any actual figures? With taxis, when I say rides, the number of rides reduced by 30 per cent — —

Mr SINGH — In Manhattan about four years ago they worked out that roughly there were 3.2 million fares dropped in the taxi industry, and Uber gained 3.2 million, so there was correlation. I can provide that later on. I did not know about that question, but I am definitely happy to provide that. Do not get me wrong — Uber is also taking work from trams, trains and buses. I agree with that, but they are taking a lot more from taxis. The issue I have is that it is a false economy that Uber is running. There is a running cost to running a vehicle. The ATO states that running your own car as a business, outside of just as a sales rep, is 75 cents a kilometre. Taxis are about \$1.15 a kilometre and VHA would put rideshare around 90 cents to 95 cents a kilometre, give or take.

If they are only charging \$1 a kilometre and 21 cents a minute, so \$1.21, and they have to pay 20 per cent to Uber, that gets them down to 98 cents. They are not making money. These drivers are subsidised by Uber. It is a false economy. That is what is happening. You can see: 'We will pay you up to \$30 an hour in peak period if you do not make the money. We will pay you'. The drivers see the money coming in. What they do not realise is that three months later the ATO wants their money, their 20 per cent, and then six months down the track they have got the brake pads and the tyres. But they do not see that. Nine months later they are gone overseas — they have gone back home — and not the ATO or anyone has collected any money, because they are only here for a short time.

Mr BOURMAN — Thank you. One last one. Obviously over the years the taxi industry has had issues that prompted the Fels review, regardless of what you think of the outcome, and the cages surrounding the drivers and things like that. Should ridesharing become legal and more widespread, and particularly because it will be less regulated, do you see the same sorts of issues over time happening to ridesharing or ride sourcing, whatever you want to call it — —

Mr SINGH — As assaults and that sort of thing?

Mr BOURMAN — Just those sorts of things.

Mr SINGH — Absolutely. There is clear evidence overseas that it is happening. I can go and get a prepaid Visa card, create a fake email and a fake name. I can do that and have one dollar on the card. My mate rings me up and says, 'Buddy, I've got me and my mates who want to go. We want to go to Dandenong. We don't have any money. Can you organise it for us?'. It happens. I was an Uber driver, so I understand. I would be going thinking I would be picking up the passenger who had booked it, but I would be picking up his mates. He does not know whose other mates they are. What happens if they are influenced by drugs or alcohol or if they get assaulted? It is going to happen. It definitely will happen. Then where is the video evidence? There is no video evidence. Within the terms and conditions of being a registered member, you are not meant to do that, but people do that. So, yes, drivers will get assaulted.

The other thing a lot of Uber drivers do — and it is a clear fact, and if you want me to prove it, I can prove it within two weeks — is accept cash. I can be standing outside the Prince of Wales and throw out \$20, and I can say, 'Can you take me to St Kilda from St Kilda?', and he will say, 'Yes'. So where is that cash economy going? That driver now is not protected because on the booking system it does not have him yet picking up a passenger. So there needs to be compliance that they do obey the rank and hail, because if they do not, it is also the driver's safety and the passenger.

The other thing I know is that there are some drivers who have been kicked off Uber, but they are still going around with the Uber app. They look for drunk women and people who are intoxicated. We call them 'UberX XXX', and they are just looking. It is open. We have got to be very, very sure that we have a system in place that protects the customer and the driver.

Mr FINN — David, thank you for your contribution today. You made some, I thought, oblique allegations a little bit earlier about your experience with UberBLACK. Given that you are covered by parliamentary privilege today, would you be kind enough to give us some more details of that?

Mr SINGH — Yes, I was with UberBLACK for a year. It was very good to me. I have no issue with UberBLACK. It was legitimate. It was accredited. Most of the customers were fantastic. I got great ratings. Everything was good. But at the same time, when I would go in, I might have an issue or two, and they were very good helping me out. I saw how they were handling UberX drivers. A lot of these UberX drivers were on 457 visas and other visas. I am not 100 per cent sure whether 457 visa drivers are allowed to drive taxis or hire cars. I do not think they are.

The reality is — and I know this, and I could put my hand on the oath — that they were clearly at that particular point advising drivers. Drivers would be asking them, ‘Do I need my car insured?’, because that was the issue they were worried about too. The trainer would say, ‘Look, if they don’t know that you’re driving UberX’. Because how do they know that you are driving your vehicle for a fare? If I am involved in an accident or if you and I have an accident, I am not going to tell you I am an UberX driver. There is no way of finding out. But if I am a taxi, you can identify that I am a taxi or a hire car. So what would happen if he is involved in an accident — and I am sure they were involved in accidents — is the insurance company would be paying them out. It is your tax dollars at the end of the day; premiums will go up. That is what was happening. I am not saying that is happening now, but I can clearly say in the first year or so that I was there, within their training, yes, that is what they were doing.

Mr FINN — And did you say you were assaulted?

Mr SINGH — Yes.

Mr FINN — While you were there?

Mr SINGH — No, okay. They have an induction day when they try to recruit drivers. I was there on the induction day. It was at the hotel out in Airport West. I entered. I wanted to hear them give their full training and induction to potential people. At that time people were asking, ‘Are we regulated?’ — ‘We’ll be regulated soon’. One of the questions was, ‘Are we protected with our insurance?’. They would say, ‘Yes, you’re protected’. I said, ‘Hang on a second, let’s take it back a step. How are they protected? If they’re driving a vehicle that’s not commercial, okay, and doesn’t have commercial insurance, that’s not protected. Just tell them the truth’. Then I was chested, I was headbutted, I was spat at and I was kicked out of the centre. I can provide that as evidence, too; it is on YouTube. That was by their trainer in induction on how to handle customer service.

Mr FINN — Obviously very effective.

Mr SINGH — I can show that. When it occurred it was actually presented to a lot of people in government, who were shocked.

Mr FINN — That does not sound good at all. I was just wondering: given the added competition that is coming the taxi industry’s way, do you think this will actually make the taxi industry get its act together?

Mr SINGH — Can I take two steps back to go one step forward with this?

Mr FINN — Please do.

Mr SINGH — Okay. You have the network service providers. The network service providers, 13CABS and Silver Top, have two customers: one is a driver, and one is a passenger. They will only employ the staff that they can afford. They know during peak periods they will need a lot of staff to handle calls. They sometimes would not have enough staff. They would then collect the data. You have had the experience, you have held on for 15 minutes for a taxi — that gets down to the staffing level. They knew if they had enough complaints, they could take the matter to the government and say, ‘Look, we just don’t have enough cars’. In actual fact they do, but the issue was that they were slow in responding to calls because they did not have enough staff.

So who benefits out of the complaints? The NSPs. In the last nine years they have introduced 1500 cabs at \$8000 a pop to each of the depots. That is \$12 million; they gain \$6 million each. It has never been in the NSPs’

interests to invest money to provide a better service for the customer, in my opinion. I was there during that time. I had a private conversation with one of the managers there, and I said, 'Why aren't we leading the way?' The answer was, 'We're not going to spend any money unless the opposition spends money'. It has never been the taxidriver's fault. The taxidriver is the one who receives the booking, but if the call centre is not fully occupied, then the customer is not receiving the service and they are going to complain. The people who were not providing the service were 13CABS and Silver Top, and who benefits? 13CABS and Silver Top. The poor old driver is being caught out in all this mess.

To go one step forward, now that there is competition — what is competition? Competition is when both people are starting at the same starting line and are going off, but at the moment for the last three years Uber has been starting at the 90-metre line with 10 metres to go, and we have been starting back because our NSPs have failed to implement the new technology, as you were talking about.

Mr FINN — Would it be fair to say that Silver Top and 13CABS have been acting almost like a cartel to the disadvantage of the drivers and the passengers?

Mr SINGH — A very dangerous word, but as close as you can get to saying what you said is my opinion, yes. But please take that as nothing to do with the driver or the vehicle. When we talk about 13CABS it is always about the driver, but when we talk about 13CABS here today it is about the NSP. It is not the drivers but the NSPs.

Mr FINN — I hear what you are saying. In fact the driver has been disadvantaged.

Mr SINGH — For years.

Mr FINN — Possibly more so than the passengers.

Mr SINGH — Absolutely, yes. There have been many cases where the system is so old — you have probably had it, but I do not know if you have — that two taxis will go to your address. You have probably heard of two cars going to the one address. That is because the technology is old. The system tries to give it to the first car, it cannot get to him, it gives it to the second car, he gets there but eventually the first car gets the same booking. Two cars — inefficiency through an old system. Because of the NSPs being lacklustre in investing in the future, it has affected the taxidrivers' income and also the taxi owners' income.

Mr FINN — So do you think some of the big operators in the taxi industry have brought the situation upon themselves where Uber has stepped in and filled a vacuum?

Mr SINGH — Technically speaking they have been illegal all the way. Their technology is great. It should have always been there. I am sure 13CABS and Silver Top could have had that same technology. They failed to invest. Due to their lack of investment the consequence — part of the consequences — to the taxi industry and to the consumer has been a poor service basically because of it being inefficient. So they have contributed, partly contributed, to what has been happening today, in my opinion, towards the driver, who are not being —

Ms DUNN — My apologies if you have already covered this, and my apologies for not being able to get here until now. Mr Singh, the Victorian Taxi Association have put forward a position that talks about one lot of legislation rather than two tranches of legislation and a \$3500 entry fee instead of the \$2 levy on rides. I am just wondering in terms of your organisation whether your views align with that position.

Mr SINGH — I cannot speak on behalf of the VTHF in reference to that. If you are asking for my opinion, that \$3500 to \$5000 would be, I think, adequate. Sorry, what was the other point you were —

Ms DUNN — The VTA have suggested that there should be only one lot of legislation to change how transport operates, instead of two lots of legislation. I am just wondering: do you have any views on that at all?

Mr SINGH — The beneficiary out of all of this will be 13CABS and Silver Top because the more cars there are, the more depot fees, so they benefit from that. I do not know if you know, but the VTA represents the NSPs predominantly. Part of the payments that drivers or the owners of the vehicle make monthly goes to the running of the VTA. The drivers or the owners virtually have no say — most of them have no say — in whether they support the VTA. I would say that 98 per cent of owner-operators do not support the VTA, because the VTA represents 13CABS, Silver Top and Cabcharge.

Should there be one? I think, if there is going to be one, there needs to be a cap. There needs to be sustainability and equity for all. And what that is? At the moment taxi occupancy rate is 25 per cent. That means that 75 per cent of the day they are doing nothing, and that is on 5500 cars. With Uber coming and if they get bigger and bigger, the occupancy rate will become less and less and it will become inequitable to run. So it is a balance of how many cars and whether we do this transition in a slower way so the government can look at it for two or three years. If it was going to be one, maybe 7500 to 8000 cars as one and leave it for two or three years and see how it goes.

The CHAIR — Thank you very much, Mr Singh, for coming along and answering our questions today. We certainly appreciate your time. I remind you that you will receive a copy of today's transcript for proofreading in the coming days and that that transcript will ultimately be made available on the committee's website. Once again, thank you very much for your attendance today.

Mr SINGH — Cheers, thank you very much for your time.

Witness withdrew.