



**ROD BARTON MP**  
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Parliament of Victoria | Legislative Council



Department of Jobs, Precincts and Regions  
Inquiry into the Victorian on-demand workforce

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My contribution to the inquiry into Victoria's on-demand workforce stems from my background as a hire car driver and commercial passenger vehicle business owner for over 30 years. I am also the past president of the Commercial Passenger Vehicle Association of Australia (CPVAA) serving from 2014 to 2018.

The emergence of the gig workforce in the commercial passenger vehicle (CPV) industry has had a significant impact on a number of areas within the industry but on the community more generally.

Substantive legislation changes were made to accommodate rideshare and the underlying business model and it is these modifications to the law that have had unintended consequences.

The reasoning behind many of the changes was to facilitate entry and promote fluidity and flexibility in the industry for on-demand workers. However, some fundamental principles were not been considered.

### ***Safety***

Previously, all commercial passenger vehicles had age limits and were required to have road worthy inspections annually. This is no longer the case and a clear concern for drivers, passengers and other road users.

CPVs are no longer required to display permanent livery. This once enhanced visibility and safety and reduced the likelihood of people masquerading in the industry for devious purposes. Livery also served to assist law enforcement personnel to ensure compliance with drink driving laws for CPV drivers. All CPV drivers must have a blood alcohol content of zero but this is difficult to enforce when working vehicles are indistinct from private vehicles.

Appropriate commercial vehicle insurance is another area requiring attention. Many vehicles within the commercial passenger industry do not have the necessary levels of insurance and sufficient public liability coverage to adequately protect consumers and the general public. Many domestic insurers specifically exclude claims for incidents taking place while private vehicles are used for commercial gain.

### ***Traffic congestion***

Where once there was a significant financial barrier to enter the industry through the purchase of a costly CPV licence, since the industry was deregulated annual permits now trade for \$53.80.

This has led to an explosion in CPVs on the roads. The number of registered taxis now number 11,807 and the number of hire cars which includes rideshare is at 50,192. This represents an increase of 750% in only 18 months.

The number of service providers has significantly reduced wait times for the travelling public but has contributed heavily to congestion in our cities. This is particularly noticeable in the Melbourne CBD area as every curb side has become a rank while the driver waits for his next fare.

Ultimately, congestion contributes to higher fare costs as travel times increase. This also impacts other road users, both private and commercial. Rising road use inflates the cost of infrastructure and has obvious environmental implications. Congestion is a blight on our most liveable city and on our environment. We should not be encouraging personalised vehicle transport over mass public transport options.

### ***Driver remuneration***

The rapid increase in the number of commercial passenger vehicles, encouraged by the minimal licencing fee and less onerous vehicle regulations, has been irresponsible. Competition for rides is fierce which has led to uncontrolled touting, cash for rides and generally a race to the bottom for those in desperate financial situation.

There are simply too many operators and not enough work to go around. Commercial Passenger Vehicles Victoria reported 92,479 accredited drivers as at 31 January 2019. The size of the passenger market remains relatively unchanged while supply is on the up at 750% currently. Drivers have become the working poor earning less than the minimum wage.

There is a moral and social argument for a better balance between the desires of the consumer, those people who service them and the community at large. The principle of a fair day's work for a fair day's pay underpins our society and the expectations of those in the workforce. All workers are deserving of the minimum wage regardless of their background or the industry in which they are engaged. However, many CPV drivers are earning well below a minimum wage.

The economic viability and sustainability of the commercial passenger industry is inherently linked to driving and vehicle standards and quality of service. The saying goes, "if you pay peanuts, you get monkeys". Unfortunately, the consequences for this ultimately translates in this industry to reduced consumer safety and unsavoury business practices reminiscent of the third world.

I am deeply concerned for the future of the CPV industry in Victoria and the social, economic and environmental repercussions of the on-demand workforce model at play in the industry.

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Taxis, hire car operators and our new CPV licence holders are now in this together and they are all struggling. Since the reforms drivers generally speaking earn below the living wage – as low as \$10 an hour.

They earn no sick pay, no superannuation, they have no holiday pay. In many cases it is uncertain whether they qualify for work cover benefits. There is no award to protect them.

All drivers deserve to work in an industry where they can earn a fair wage with fair benefits for their effort.

And the public deserve a safe and reliable commercial passenger vehicle network.

I would welcome the opportunity to appear before the committee to discuss my submission and my concerns for the CPV industry.

With thanks,

A handwritten signature in black ink, appearing to read 'Rod Barton', with a long horizontal flourish extending to the right.

Rod Barton  
Member for Eastern Metropolitan Melbourne