Select Committee on Job Security
Department of the Senate
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Re: Review of Uber Eats Submission to Senate Inquiry on Insecure Work

Dear Senators;

Our Centre for Future Work was glad to contribute to your inquiry, in the form of a written submission (transmitted on and then personal testimony from our Economist Dan Nahum (lead author of the submission) and myself at your hearing in Melbourne on 20 April of this year. Among other recommendations, our submission argued that:

> "As the definition of 'employee' is expanded and clarified, employees, regardless of their employment status (but as distinct from genuine contractors with their own businesses), should be given access to annual leave and sick leave as standard entitlements. As part of this, governments must enable platform (or 'gig') workers to access the same rights, entitlements and income and safety protections as permanent, conventionally employed workers – in other words, clarifying that workers in productive activities which are managed and effectively controlled by a lead business are, in effect, employees of that business." (p. 18)

In reviewing the other submissions to your inquiry, we were struck by certain claims and propositions put forward by the Uber Eats business in the course of their submission to you (in Sydney on 12 April). I am referring in particular to their document, "Making Delivery Work for Everyone," which was attached to their submission. This document contains interesting information regarding the nature of Uber Eats business in one community (Sydney), revenues and costs incurred by the company's riders and drivers, and attitudes and circumstances reported by those drivers in company-sponsored surveys. That information, in my judgment, deserves critical review and reinterpretation. In some cases, the company's own data reinforces the argument for closing the loophole which currently permits these platform businesses to avoid normal costs and obligations associated with employment. I would

like to provide my responses to some of the Uber Eats claims and information, which I hope will be useful in the course of your deliberations.

Introduction

Digital platform businesses engage workers to perform specified tasks, compensated on a piece work basis, and assigned through an app on their smart phone. The workers have no guarantees regarding hourly or total income, their work and income depends immediately on consumer demand for their services (and on how many other workers are waiting for assigned jobs), and they are denied other normal entitlements of employment (such as superannuation, workers compensation, paid sick leave, and paid holidays). This business model has grown rapidly in Australia and other countries, extending beyond initial applications (like ride share and food delivery) into other sectors including technology, construction and repair, and even human and caring services (like aged care and home care). Compelled by growing public concern over the consequences of this precarious employment model for income inequality and financial insecurity (not to mention other externalities, like tax evasion, traffic congestion, and pollution), governments and regulators in many countries are developing policy responses to require platform businesses to provide gig workers with more security, fairer incomes, and basic entitlements.

These reforms would add significantly to the operating costs of the platform firms (and in some cases would likely make them unviable), and so the industry is resisting this growing trend with lobbying, public opinion campaigns, and legal challenges.[1] In many cases, the platform businesses have adopted a strategy of offering incremental changes in their current practices (in some cases including offers to provide certain minimal substitutes for normal employment entitlements), so long as legislation confirms that gig workers are not 'employees' and the firms are not obliged to provide normal employment entitlements and protections. The relatively token 'benefits' offered by the gig employers in this proposed 'compromise' may include:

- Modest efforts to train workers in better safety practices, time-saving efficiencies, and other ways to improve their personal incomes and safety within the structure of the on-demand model.
- Structures of communication to nominally allow workers to express 'concerns' to management – but without formal rights to elect representatives or undertake collective bargaining.
- Modest 'benefit' packages, usually consisting of a premium paid to individual workers on top of base revenue sharing, as a substitute for normal employment

[1] An extreme example of their power to sway public opinion and governments was the successful campaign by Uber and other platform firms to overturn California legislation requiring them to meet normal employment standards for their workers through a massive campaign, costing over $200 million, through a plebiscite in November 2020.

entitlements (like paid time off for illness or vacation, or superannuation contributions).[2]

These proposals must be understood as part of a big-picture effort by platform firms to evade the imposition of normal employment protections and entitlements (like minimum wage, paid leave, workers' compensation, and health and pension benefits). These businesses recognise the coming regulatory threat to their current employment practices, and would prefer to head off this fundamental challenge through partial, much less costly concessions.

The core narrative advanced by the digital platform industry in this effort typically unfolds like this:

- Gig work is a 'new' industry, and 'old' labour regulations (like the minimum wage) are not appropriate.
- Gig workers love the 'flexibility' of their jobs, and don't want a regular hourly wage (which, they argue, would necessarily sacrifice that flexibility).
- Gig companies care about their workers, and would like to improve their conditions of work, but government regulations prevent this (because offering additional benefits to workers in the current regulatory context would increase the likelihood that gig workers will be confirmed as 'employees' in legal and arbitration cases).
- If governments would agree to confirm the continuing ability of these firms to avoid normal employment obligations, change those rules, then platform companies could implement those 'reforms' – for the good of the industry, its workers, and its consumers.

The prospects for this sophisticated strategy by the digital platform firms to forestall more genuine regulation of their employment practices remain in doubt. The defeat of an important regulatory initiative to extend basic employment rights to gig workers in the California Proposition 22 case was important – but there is a continuing flow of new cases in other jurisdictions (in the U.S., Europe, and elsewhere) that indicate the wholesale evasion of normal employment standards by these firms will soon be curtailed or abolished entirely.

[2] A cash payment for benefits thus becomes effectively indistinguishable from the cash revenues paid to gig workers in existing practice; and since the platform companies unilaterally control (and regularly change) the terms of their revenue arrangements, there is no protection against the employers reducing base revenues in the future to offset the impact of these 'benefits packages'. The bare bones package of basic health insurance and minimum distance rates contained in the California Proposition 22 package was estimated to assure workers of total compensation (including benefits) of just $5.64 per hour; see Ken Jacobs and Michael Reich, "The Uber/Lyft Ballot Initiative Guarantees only $5.64 an Hour," UC Berkeley Labor Centre, 2019.

Evaluating the Uber Eats Submission

A revealing example of this lobbying strategy by digital platform businesses was provided in the submission to your committee from the Australian division of Uber Eats. The company is a wholly-owned component of the U.S.-based Uber empire. Uber has yet to earn a single dollar in profit – but its market capitalization is close to $100 billion (U.S.), and its founders and early investors are billionaires as a result. Uber Eats presented evidence to your committee on 12 April in Sydney. In its submission, the company tabled a report commissioned from the consulting firm Accenture, titled *Making Delivery Work for Everyone*. The report includes information from surveys and internal company data regarding the practices, preferences, and incomes of its food delivery workers in Sydney. It claims those drivers 'earn' up to $24 per hour (in prime times, before expenses), and greatly value the 'flexibility' of their work arrangement. Indeed, the company claims that flexibility is more important to its workers than wages. The report repeated the standard argument that the company would like to help make delivery work 'better' – but this will require cooperation from government to ensure that offering a modest benefit program does not jeopardise the company's continued efforts to evade normal employment responsibilities.

Uber Eats likely hoped that this information would strengthen its reputation as an enlightened, caring employer. But in my judgment the company's own evidence confirms that even in the selected instances it chose to report, its workers earn less than the statutory minimum wage for casual workers (including casual loading). And a close reading of the Uber Eats/Accenture report highlights several other unintended revelations: including that workers spend much or most of their time waiting for fares, that many Uber Eats workers are working in violation of immigration restrictions, and that the incomes of delivery workers are constantly undercut by a vast and uncontrolled over-supply of riders and drivers. The Uber Eats/Accenture report thus serves as an informative case study in the public relations effort of gig platforms: it invokes exactly the same narrative and misleading language as other platform advertising and lobbying material, but its use of both language and quantitative data in fact inadvertently confirms the flaws and highly exploitive nature of the company's business model.

In this letter, I will review *Making Delivery Work for Everyone* in critical detail. I will closely examine the language used by the company, showing it invokes similar themes to the worldwide effort by platform firms to forestall normal employment regulations and requirements. I will also examine the quantitative data presented in the report, showing it reveals more about Uber Eats' operations than perhaps the company intended. Several aspects of the company's own report should in fact reinforce legislators' concerns with the exploitive, inefficient nature of the employment model.

"The gig economy is a relatively new phenomenon," and "a new type of flexible work" (p.4).

Platform firms regularly invoke an aura of technological innovation in arguing that old-fashioned labour laws are 'outdated' and not applicable to their businesses. But while smart phones and apps are obviously something that didn't exist before the 21st Century, there is nothing new about the employment relationships embedded in the gig economy business model. The core features of the on-demand employment model have been in common practice for centuries:

- Engaging workers only when required, with no assurance of continuing work.
- Compensating workers on a unit or piece basis, for each specific task completed (not for time spent working).
- Requiring workers to provide capital equipment, tools, and place of work.
- Creating an intermediary business, positioned between the worker and the end-user of their services, which arranges and controls the relationship and then captures a share of the resulting revenue flow.

These core features of contingent or dependent contracting have been applied in a wide range of industries and occupations since the Industrial Revolution.[3] Similar arrangements applied in the gangmaster system common in agriculture, resource and construction settings in the 19th Century (and still practiced in some places today); the cottage or putting-out system of small scale manufacturing; and own-account contractor and owner-operator arrangements common today in trucking, fisheries, forestry, cleaning, and other settings. These workers, too, had great 'flexibility' in determining when and where they worked. And like modern gig workers, they suffered from low wages and insecure incomes – and this poverty and insecurity fundamentally shaped and constrained the supposed 'flexibility' of these roles.

The employment practices of the gig economy are not new at all: they are centuries old. The fact that modern platform firms use digital apps to direct and supervise labour, and to control resulting revenue flows, is not a fundamental change in those long-standing employment practices.

"Delivery workers on Uber Eats value the flexibility and autonomy of being their own boss" (p. 5).

This claim, so central to the entire narrative of the platform companies, must be confronted and put in economic context. Uber Eats and other platforms claim that since

[3] The historical antecedents for modern gig work are explored by Jim Stanford, "The resurgence of gig work: Historical and theoretical perspectives," *Economic and Labour Relations Review*, 28(3), 2017, pp. 382-401, and Matthew Finkin, "Beclouded work in historical perspective," *Comparative Labor Law and Policy Journal*, 37(3), 2016, pp. 603-618.

workers can choose when to log on and log off, they are not employees.[4] And that flexibility allows gig workers to combine their work with other activities (including studying, family responsibilities, or working other jobs). Finally, the argument is made – implicitly and explicitly – that imposing traditional expectations on platform businesses (like paying a minimum wage) would necessarily sacrifice that 'flexibility'.

First, contrary to the companies' claims, gig workers do not freely choose when to work. They can choose when to log onto the platforms. But they have no control over whether that act results in actual paying work. Gig workers spend large amounts of unpaid time waiting for assigned jobs (and the Uber Eats report provides inadvertent confirmation of this enormous and inefficient waste). They do not control when they actually work, and they certainly do not control their income. All they directly control is when to join a long line-up of other gig workers also waiting for job assignments.

Second, given the uncertainty of incomes associated with this role, workers 'choices' about when to log on are ultimately controlled by conditions in the consumer market they are hired to service. Uber Eats has only reported purported earnings for its workers in its busiest city, during the busiest times of the day: lunch and dinner hours. Why do its workers 'choose' to work during those periods? Is it because they do not like having regular meals themselves, and so prefer to work while others are eating? Of course not: this 'choice' about when to log on is centrally determined by the expected availability of assigned jobs. This is why gig workers congregate on the platforms during particular times (mealtimes for food delivery workers, rush hours and weekend evenings for ride-share workers) – not because that is when the work best suits their 'work-life preferences.'

Third, the 'choice' of gig workers about when to log on (including their right to 'turn down' jobs assigned to them through the app) is also shaped by the economic compulsion which they experience. The Uber Eats report confirms that the company's workforce consists largely of desperate, unprotected individuals who are excluded from other, more secure jobs, and also excluded from government income support programs. In that context, do these workers truly 'choose' when to work? Not really: they work as many hours as they can, offset by the painful reality that at many times that 'work' translates into very little income. They 'choose' to work, in the same sense that a poor person 'chooses' to sleep under a bridge.

Finally, the assumption by the platform firms that this constrained vision of 'flexibility' and the payment of normal hourly wages are somehow incompatible is false, and must be challenged. There are many waged jobs (in casual, part-time, or even full-time arrangements) in which shift schedules are not fixed, and workers can exercise

[4] In legal terms some adjudicators have accepted this one-dimensional claim, and others have rejected it – arguing there are other features of the relationship between platforms and their workers (including the degree of control exerted by the platforms over workers while they are logged on, the platforms' control over pricing and revenues, and the fact that workers do not independently provide their service for many different customers) that confirm the workers are indeed employees not true independent businesses.

considerable or even complete discretion over when they work – yet they are still considered employees, and still entitled to basic protections (including minimum wage, paid leave, superannuation, and workers' compensation). Many salaried workers have no set hours. Many part-time workers (in industries like retail, hospitality, warehouse, technical services, care work, and others) can choose what shifts to work or when to complete their assigned tasks, yet are still paid by the hour. Indeed, pressed by tightening regulations and public opinion, even some digital platform companies are now adopting wage-based employment models in which workers can still choose which days or shifts to work, and are paid by the hour for their time.

In sum, the vaunted 'flexibility' which the platform companies claim is the prime motivation for its workers to work[5] is not all it is cracked up to be. Workers do not actually choose when they work (the app assigns them tasks on an unpredictable and uncontrollable basis, and they spend huge proportions of their logged-on time in unpaid waiting, not working); their hours are fundamentally dependent on consumer demand; and there are many practical strategies in which this vaunted 'flexibility' could be maintained within a waged employment model.

"Uber Eats supports 59,000 work opportunities in Australia" (p. 9).

In order to avoid the perception that they actually 'employ' their workers, Uber Eats and other platform companies use vague and strange language to describe their staff: calling them 'partners' or 'associates' or 'drivers', but not usually 'workers' – and never 'staff' or 'employees.' This ongoing ritual reaches a ridiculous extreme in this section of the report, in which Uber Eats wants to boast about how many jobs it has created for needy Australians – but without calling them 'jobs.' So the strange euphemism 'work opportunities' is invoked. Uber Eats says it created 59,000 such 'opportunities' in 2020, up eight-fold since 2016.

There are many important issues to unpack regarding this strange and inadvertently insightful claim. First, the company's use of the term 'opportunities' confirms the preceding point that Uber Eats workers do not actually choose when to work: they choose when they can sign on to the app and receive an 'opportunity' to work. But whether they then actually receive any work is out of their control: it is determined, rather, by consumer demand, the number of other workers also seeking 'opportunity,' and by the specific functioning of Uber Eats' dispatch algorithm.[6] 'Work opportunity' is not synonymous with 'work,' and certainly not with 'income.'

[5] As discussed below, the Uber Eats report explicitly claims that 'flexibility' is more important than wages in motivating its workforce – seemingly implying that its workers would be willing to work for free, so long as they can choose when to do so.

[6] A major issue for gig workers is the lack of transparency and unilateral company control of the algorithm for assigning jobs to waiting workers. Unlike more transparent dispatch systems used in taxis and other businesses, jobs are not necessarily assigned on the basis of who is closest or which worker has been waiting longest; the assignment of jobs can also reflect company efforts to favour certain workers and punish others, among other opaque criteria.

Indeed, many other organisations and sectors in Australia could equally claim to be creating large numbers of 'work opportunities,' if 'opportunity' is understood as the possibility of doing something productive that generates income – but without any certainty that this will occur. Every time an urban consumer goes out to buy groceries, they create a 'work opportunity' for the tens of thousands of people working in the food retail sector in their entire community: not all of them will actually perform work (usually just a handful will), but they all have the *opportunity* to receive work and income as a result of the consumer's (small) purchase. By so contorting the English language to evade any implication that Uber Eats actually employs these people, while still trying to claim credit for any work that actually does get done, the Uber Eats submission inadvertently shines a spotlight on the superficial and unreliable nature of its bargain with its workers.

The contradictions in the Uber Eats claim are even more dangerous to the firm's attempt to avoid being named an 'employer.' Uber Eats claims its workers are independent contractors: owners and operators of their own businesses. Uber Eats is not their employer, it simply provides those 'businesses' with an information 'service': namely, instructions on where to pick up the food and where to deliver it. (Uber makes the same claim with regard to its ride-share drivers.) Few take this contorted depiction of the relationship between the digital platform and its workers seriously (and it is being rejected by a growing number of courts and labour tribunals around the world). Nevertheless, let us accept the Uber Eats account at face value for a moment. In this telling, where the workers are independent owner-operators delivering food from restaurants to diners (and merely 'informed' by Uber Eats), *it is restaurants and their customers who create the 'work opportunity' for delivery workers – not Uber Eats*. Uber Eats, by its own self-depiction, bears no more responsibility for the resulting work and income than any other business which also supplies inputs to the service performed by its riders and drivers: like the petrol stations where they fill up their cars, the telecom companies which provide their data, and the bicycle manufacturers who assembled their bikes. Uber Eats cannot simultaneously claim that its workers are contractors not employees, yet still claim credit for the resulting 'jobs.' The company's attempt to have its cake and eat it, in this regard, reveals that even it does not believe the fiction that its delivery workers do not work for Uber Eats.

Most important in economic terms, the company's claim to have 'created' 59,000 work opportunities also confirms that this firm (and the entire food delivery industry) carries a vastly excessive supply of labour, relative to any conceivable need for its services. Most Uber Eats delivery workers have no possibility of earning decent hourly wages, given this enormous and uncontrolled pool of workers vying for a growing but still limited number of delivery jobs. If these 59,000 people were genuinely working, Uber Eats would qualify as one of Australia's largest employers. This claim implies, for example, that Uber Eats is twice as large (by number of workers) as iconic Australian companies like BHP (with around 20,000 Australian employees), Westpac Bank (30,000), Qantas (25,000), or Telstra (26,000). Of course, Uber Eats' business cannot

really be compared with companies of this size and importance. There may be 59,000 Australians who have loaded the Uber Eats app on their phone and purchased the required start-up gear (like the carrying bag), and some subset of those who regularly deliver food for some portion of each week. But there are obviously not 59,000 Australians truly performing this job in any economically meaningful sense. The unbelievable scale of the labour market footprint claimed by Uber Eats, in addition to the contorted terms which the company invokes to describe the employment relationship, further exposes the superficial, misleading attachment between the company and its workers.

Far from applauding Uber Eats for creating so many 'work opportunities', a better response to this information would be to question why and how such a huge group of Australians has come to be 'engaged' in such a marginal, ultimately unproductive activity. And why is a company boasting about a system which results in tens of thousands of generally poor, desperate people to waste so much of their time waiting (often for hours) for another poorly-paid gig. The idea that Australia's labour market is now being led by companies which 'employ' such vast numbers of people in mundane, inefficient, low-technology, time-wasting ventures like this one should surely be a concern for all policy-makers. We need more Australians working in high-tech, value-added, well-paying roles – not delivering fast food on bicycles.

Based on Uber Eats' estimated 60% market share of the overall food delivery business,[7] its claim implies total employment of around 100,000 delivery workers in the platform-based food delivery business. That represents close to 1% of total employment in Australia. The entire food and beverage industry accounts for around 5% of total employment (in all roles, including management and supply services).[8] There is no conceivable way that Australia needs 100,000 people employed to deliver prepared food. That 100,000 people have signed on to do this work (then spending much or most of their work time doing nothing) is a sign of their desperation and their lack of alternative opportunities; in a purely economic sense it represents a massive misallocation of productive potential.

"Delivery workers … have complete authority over when they work … and how much they work" (p. 10).

This is a more extreme and explicitly false phrasing of Uber Eats' general claim about the benefits of 'flexibility' that was interrogated above. Uber Eats workers control when to sign on and off the app, but they have no authority over when and how much they work. That is determined by the Uber Eats dispatch algorithm (programmed and managed unilaterally by the company), and depends on the level of business, the number of other delivery workers logged on, and the algorithm's formula for dividing

[7] See Patrick Durkin, "Restaurant anger directed at Uber Eats," *Australian Financial Review*, 20 March 2020, https://www.afr.com/life-and-luxury/food-and-wine/restaurant-anger-directed-at-uber-eats-20200319-p54bxz.
[8] ABS Labour Force, Detailed, February 2021.

available work among available drivers. Those factors are all outside drivers' control and even their knowledge.

"Most delivery workers use Uber Eats for supplementary income" (p. 11).

This claim activates a long-standing gig-employer trope that their workers do not really depend on the income they earn through the platform for the 'necessities' of life. Rather, they are just trying to earn a 'little extra' income. The intended and obvious implication is that the very low level of hourly incomes is not a serious problem: those workers don't really 'need' this income, it is 'supplementary.'

Uber Eats' argument is objectionable on several grounds. First, there is nothing in the company's own data to indicate whether the income is 'supplementary' or not: the Uber Eats-commissioned surveys did not ask that question. Instead, the authors of the report simply *assert* that any Uber Eats worker who worked relatively few weekly hours must be doing it for 'supplementary' reasons. The possible 'supplementary' motives listed in the Accenture report include saving for a holiday, or getting "extra cash to help make ends meet." Few would suggest that money used to "make ends meet" is indeed 'supplementary' in any sense of the word: it would seem that in these cases, earnings are essential to the financial solvency of the Uber Eats workers and their families. At any rate, the Uber Eats report contains no evidence to support the claim that the income is not part of workers' core household budgets. Indeed, data reported later (on p. 11) suggests that for 57% of Uber Eats workers, their earnings from the platform are "essential." Uber Eats' own data thus confirm that the earnings received by most of its workers are essential, not supplementary (as Uber Eats claims).

In addition to the company's unjustified identification of short-hours workers with working for 'supplementary' income, the company's own data on the distribution of hours amongst its workers also confirms that the incidence of people working full-time hours is in fact much higher than it suggests. Only 21% of its workers in Sydney during the period covered by the data worked 31 or more hours per week (the company's definition of full-time). But those workers accounted for about half of all Uber Eats deliveries in that period. The report does not report the distribution of deliveries between workers according to their hours worked (though the company has the data), but the estimated share can be imputed by calculating a weighted average of hours worked (assuming equal distribution of deliveries between workers with different hours,[9] and appropriate mid-points of the bands illustrated on p. 11 of the Uber Eats/Accenture report). So without for a moment accepting Uber Eats' identification of 'working part-time' with 'working for supplementary income,' even by its own definition, around half (and possibly more) of its deliveries are performed by people working full-time – and who thus, by the company's definition, really 'need' the money.

[9] It is possible that workers who work more hours are more likely to be assigned deliveries by the Uber Eats algorithm, in which case this methodology *underestimates* the share of deliveries accounted for by full-time workers.

To be sure, many Uber Eats workers are engaged in other jobs, and/or have access to other sources of income. Otherwise, it would not be possible for them to survive. In this regard, the company's claims about the non-essential nature of worker earnings are in fact a confirmation of the extremely low and insecure incomes that its workers receive. But the idea that if income is somehow 'supplementary' in any genuine sense, there is less reason to be concerned with the level of wages, must also be rejected anyway. There is a long and dishonourable tradition of labour laws and employment practices which pay some workers less than others, because they supposedly don't 'need' the income as much. Lower wages for women were often justified on false grounds that since their basic needs were met by their husbands' income, it is acceptable to pay them less; women were said to be working 'for pin money.' Lower wages for young workers (still in effect in Australia) are also justified on grounds that they are supported by their parents (which is often not true), and hence don't need (nor deserve) a full wage. Basic principles of equality, however, require workers to be paid equally for work of equal value. Whether the funds are used to buy food and pay rent, or save for a holiday or some other 'luxury,' has no bearing on the value of the work performed, and should not affect the level of compensation. The arguments of Uber Eats and other platforms that their workers perform these jobs for 'extras' is a self-evident attempt to evade responsibility for the poverty experienced by many of its workers. It has no justification in economic theory, nor in morality.

"Uber Eats provides access to work for those who would otherwise struggle to work" (p. 12).

This claim shines a bright, unintended spotlight onto a core dimension of the gig economy labour model. Any casual observer can see that digital platforms have successfully tapped into a segment of the labour market characterized by deep marginalisation and vulnerability. This ultimately is essential in explaining why these workers will tolerate roles that offer such low and unpredictable incomes, and waste so much of their time. Curiously, Uber Eats tries to enlist this uncomfortable reality as proof that its business fulfils a valuable social function, by allowing marginalised people to earn incomes. The marginalisation of those workers is essential to the platforms' ability to recruit labour under such unattractive conditions.

Of course, Uber Eats cannot claim that it employs these individuals, so it invokes another euphemism – 'provides access to work' – in its effort to simultaneously claim credit but deny responsibility for the 'jobs' associated with its business. More damaging, the company's attempt to claim credit for hiring people who otherwise wouldn't be able to work raises major concerns about its ethical and legal practices. The most common reason cited in the company-commissioned survey for why its workers could not find work elsewhere was immigration requirements: 29% of respondents cited visa restrictions as the reason they could not find alternative work. This could include newcomers who do not have permission to work in Australia; it could also include

international students who wish to work more than the 40 hours per fortnight they have traditionally been limited under normal student visas.[10]

This 29% figure likely understates the true proportion of Uber Eats drivers who could not legally work in another job. Elsewhere in the Accenture report (p. 13), it is reported that 77% of Uber Eats workers could not qualify for government income support during the COVID-19 pandemic, and that 65% of those cited visa status as the reason. This suggests that a much higher proportion (perhaps half) of Uber Eats' workforce may actually be ineligible to work (or work that many hours) in Australia.[11]

The obvious but unintended implication of Uber Eats' attempt to claim credit for 'employing' the unemployable is that many of its workers are likely not working for Uber Eats legally. There is no visa in Australia's immigration system which prohibits holders from performing waged labour (as an employee), but allows them to work through a digital platform.[12] If at least 29% (and likely more) of Uber Eats' workforce is not allowed to legally perform a waged job, then they are not allowed to legally work for Uber Eats, either. Elsewhere the company indicates that it checks immigration status of its workers (through the VEVO system), but with so many of its respondents reporting that visa restrictions prevent them from working in other jobs and/or qualifying for government income supports, these checks may not be adequate.

Throughout the history of wage labour, exploitive and often law-breaking employers have always tried to justify their actions by saying they are 'helping' the workers they employ at below-legal wage rates. The 7-11 franchisee who steals cash back from their vulnerable workers; the corporate farms which exploit migrants and backpackers by overcharging for accommodation and underpaying wages; the restaurants who employ staff under-the-table for well below minimum wage: all could make exactly the same argument that they are 'helping' people who wouldn't be able to work otherwise. And it is precisely the fact they cannot work in other jobs (and their very presence in Australia is uncertain) that gives these employers undue power over their workers, and allows them to recruit labour despite these exploitive practices.

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[10] Those rules were relaxed during the pandemic in certain essential industries – including aged care, disability services, and agriculture. See Department of Home Affairs, "Temporary relaxation of working hours for student visa holders," https://immi.homeaffairs.gov.au/visas/getting-a-visa/visa-listing/student-500/temporary-relaxation-of-working-hours-for-student-visa-holders. They have been relaxed further more recently to allow international students to work unlimited hours in hospitality and other industries. But at the time the survey was conducted, students were restricted in how many hours they could work, including in platform roles.

[11] Many survey respondents would be understandably reluctant to honestly report that they are ineligible to work in Australia, but would report that they do not qualify for government income assistance; that is one factor that could account for the large difference in the two estimates. Some international workers are legally allowed to work in Australia but ineligible to receive income supports.

[12] Uber Eats itself advises applicants they must "confirm that you have citizenship, residency or visa status that allows you the right to work in Australia"; see Uber, "Become a delivery person," https://www.uber.com/au/en/deliver/. Anyone who passes this test should be able to work in any other waged job in Australia, so the 29% share of respondents who report they cannot do so is incompatible with their purportedly legal status working for Uber Eats.

In this regard, Uber Eats' claim to be 'employing' otherwise unemployable workers is morally bankrupt, and potentially an indication of illegal work practices. The purpose of core labour standards like the minimum wage is precisely to prevent employers from taking advantage of the desperation of certain segments of workers to drive wages to unacceptably low levels.[13] Those companies cannot justify their actions on grounds that they are 'helping' individuals who would otherwise be even more desperate. And the policy response to this problem is not to thank employers for providing 'work opportunities' to these desperate workers. Rather, it must be to provide universal access to decent jobs and basic incomes across all parts of society – thus eliminating the pockets of desperation that are an essential precondition for the employment strategies of gig platforms.

"Uber Eats provides a safeguard for workers who are not eligible for government support" (p. 13).

This claim is simply an alternate expression of the same narrative discussed and critiqued above. The incomes earned by Uber Eats workers may be low and uncertain. But they are better than nothing – which is what those workers would get otherwise, because they cannot even qualify for normal support programs. The report suggests that three-quarters of Uber Eats' entire delivery workforce (77%) are ineligible for government income support, implying they must 'work or starve.' That certainly puts earlier claims about workers' appreciation of the 'flexibility' of platform work in a different context: the 'flexibility' that is likely most appreciated is the ability of these workers to earn *any* income at all. Moreover, half of Uber Eats' workforce (65% of 77%) are not eligible for government income supports because of visa issues – raising further questions about the legal ability of many of these workers to be working in Australia (even for a digital platform).

There are many negative and unintended implications of this line of argument:

- Uber Eats is acknowledging that its workers are desperate.
- Uber Eats is acknowledging that most of its workers are ineligible for Australian income support programs, and hence many of them are likely ineligible to work legally in Australia (including working for Uber Eats).
- Uber Eats is explicitly cultivating a sentiment among the broader public that it is better to have desperate people (many of them foreigners) delivering prepared food for cheap, rather than living off government programs. Given Uber's demonstrated record of actively mobilising public and consumer opinion against government regulations that would constrain its business operations, the potential impact of this line of argument should not be underestimated.

[13] The standards are also intended to eliminate the 'choice' of workers to accept those jobs, no matter how desperate they may be – so Uber Eats' claim that its workers *want* to do this work, despite low wages, is irrelevant in this context.

"We assessed observed data on approximately 6.9 million deliveries made in Sydney between August and December 2020, involving 9,389 delivery workers" (p. 15).

Part 2 of the Accenture study reports findings of an analysis of a subset of Uber Eats deliveries conducted in the city of Sydney in the latter months of 2020. Internal Uber Eats data is analysed to compute estimated hourly revenue for a sub-set of those deliveries. These figures are then combined with estimates of operating costs for Uber Eats workers (based on exogenous assumptions by Accenture, not observed data) to generate estimates of net income after operating costs. Various specific aspects of this analysis are considered and challenged below. For now, I consider certain arising from the overall scope and methodology of these estimates.

First, the data confirm that Uber Eats workers, in general, are terribly underutilised when they are on the job. The report does not reveal how many delivery jobs are assigned to a typical worker, but this can be imputed from various other statistics in the study. Sharing 6.9 million deliveries among 9,389 drivers over a 22-week period implies an average rate of assigned delivery of under 34 deliveries per worker per week. Based on the distribution of hours of work data also contained in the report (p. 11),[14] this implies an average of just 1.7 deliveries per hour per worker. Uber Eats does not divulge its schedule of payments to delivery workers: they are paid a set fee per delivery, topped up by additional revenue tied to distance traveled and other factors. It is common for fees to equal $6-8 per delivery. More specific estimates could be computed if Uber Eats revealed its full data on rides and delivery worker revenues (rather than releasing only certain information for a narrow subset of its business).

This data indicates that hourly incomes for all Uber Eats workers are much lower than the estimates reported in its report (given that the average Sydney rider or driver makes just 1.7 deliveries per hour). It also confirms the enormous and wasteful underutilisation of labour inherent in this model. It clearly does not take an hour to deliver 1.7 restaurant meals. Uber Eats' own data therefore confirms that most of its staff spend most of their time waiting. In a proper delivery business, with schedules and routes optimised for maximum efficiency, a fully utilised food delivery worker (in a dense urban setting) could easily make 50 or more deliveries in a typical day. This attests dramatically to the inherently inefficient and wasteful nature of this business model: by tapping into an unlimited, desperate labour supply, who are willing to wait for hours in pursuit of a small number of delivery jobs, this firms is wasting the time and productive potential of a huge number of people. The only reason it can maintain such an inefficient business model[15] is because the company itself does not pay for that time.

[14] The data on p. 11 implies an average of 19.5 hours of work per week across the whole workforce, assuming equal midpoints within each range.
[15] Of course, since Uber Eats and other lines of Uber's business have never made a single dollar in profits, even with this enormous subsidy from its workers there are grave doubts about its viability.

Uber Eats' workers are subsidising an irrational, wasteful business model with their unpaid idle time.

As noted, the hourly income estimates reported in Part 2 of the Uber Eats/Accenture study only consider a sample of Uber Eats' overall delivery business. Accenture has chosen the busiest times, in the company's busiest market, to report average income estimates that are still very worrisome. The study says that it "focused on earnings during key mealtimes, when demand for deliveries is highest" (p. 15): namely lunch hours (11am to 2pm) and dinnertime (5pm to 8pm). Accenture and Uber Eats could as easily have reported average incomes for the whole sample of their Sydney business. They also could have computed (using Uber Eats' internal data) average incomes for other cities in Australia. The fact that the study did not report this available data can only be interpreted as confirmation that average hourly incomes outside of peak times in the company's peak market are much lower than any other segment of its business.

"Pre-cost earnings range from $22.65 to $24.04 per hour" (p. 15).

In conventional accounting, 'pre-cost earnings' is not a recognised or meaningful concept. Businesses generate revenues. They pay their costs. The difference is earnings, which can be measured at different levels (gross operating surplus; earnings before tax, interest and depreciation; after-tax earnings; and others). No accountant or tax office or economic theory identifies a concept called "pre-cost earnings." A search for "pre-cost earnings" conducted on the entire site of the Australian Accounting Standards Board (the government agency which oversees accounting standards in Australia) generates this result:

There are no pages that contain the search term **"pre-cost earnings"**

In short, "pre-cost earnings" is literally not a thing. Any publicly-traded or regulated business which reported "pre-cost earnings" in this manner would likely face investigation or even sanction from securities regulators and tax officials.

So why does Uber Eats invent this concept? By attaching the term "earnings" to what is actually a measure of gross hourly revenue, Uber Eats is deliberately trying to take advantage of confusion among its workers (many of whom, according to the company's own results, are not fluent in English or have other communication barriers[16]) about how much they will earn in their jobs. The extremely high staff turnover experienced by Uber and other digital platforms reflects an endemic lack of understanding among new workers about how little they actually earn once they cover their costs of doing this work. By equating gross revenue, before any allowance for costs, with "earnings," the company deliberately promotes misunderstanding among its current and prospective workers about their true net incomes.

"Adjusting for 'commute time,' pre-cost earnings increase" (p. 16).

[16] "Limited English fluency" and "Limited communication skills" were among the top reasons cited by respondents to the company's survey on why they cannot work elsewhere (P. 12).

This bizarre claim could possibly qualify as the most outlandish single statement in the entire Uber Eats/Accenture report. Uber Eats workers log on to the app and wait for an assigned job. They do not have a regular place of work: they go to whatever restaurant they are directed to. Some like to congregate in certain informal meeting places: perhaps to socialise with others while they wait, or perhaps in hopes of being closer to prospective customers. Naturally they would log on to the app while traveling to that spot: a 'commute' which, Uber Eats claims without supporting data, takes 6% of the average workers' logged-on time per day. The company argues that since other workers do not get 'paid' for commuting to a regular place of work, why should Uber Eats workers? So they reduce the assumed time spent at work by that 'commuting' time, and lo and behold the apparent "pre-cost earnings' are increased by about 6%[17] (or $1.45 per hour).

This argument is ridiculous on numerous grounds. Uber Eats workers do not have a normal workplace; like other gig workers, they supply their own equipment and 'place' of work. Under the terms of many Modern Awards, workers who are required to visit many different locations in the course of a work day are indeed compensated for the time they spend traveling from job to job. When an Uber Eats driver sets out to a planned location, if they are logged on they could be instructed at any time to change direction to an assigned job. If they do not, this is simply more confirmation that they spend most of their time waiting – not working. And by opening the Pandora's Box of comparison to the standards of other (waged) workers, the Uber Eats/Accenture report merely highlights the extent to which the overall Uber Eats employment relationship diverges from standard, acceptable practice.

"Pre-cost earnings depend on when, where and how delivery workers elect to work" (p. 17).

This section of the Uber Eats/Accenture report uses findings of an econometric regression of data on worker earnings to estimate the impacts on hourly "earnings" of various factors, including time of day, location, and mode of transportation. In the regression, control variables were included to capture the expected impact of different work patterns. Workers who worked Friday and weekend evenings generated slightly more total (pre-cost) revenue (around $1 per hour).[18] Location had little impact on earnings: working in the Sydney CBD increased gross revenues by only 40 cents per hour, and working in the broader inner city region of Sydney had no impact on hourly revenue.[19] Using motorised transport (cars or motorbikes) allows more revenue than

[17] Actually the resulting inflation in hourly "pre-cost earnings" is slightly higher than 6%: if the denominator of a fraction is reduce by 6%, the fraction's value increases by 6.4%.

[18] It is worthy to note that this supposed revenue 'premium' is equivalent to about 5% of gross revenues – much smaller than the loadings and penalties typically accruing to most waged workers under Modern Awards and collective agreements for working on evenings and weekends.

[19] This likely reflects that while there is more business in the Sydney CBD and inner city, that is also where most of the workers congregate; this unlimited elasticity of labour supply thus erases any benefit to the workers from working in a busier region.

riding bicycles – since the worker can complete the delivery more quickly, and then sign back on to await their next job.

The purpose of this analysis, for Uber Eats, is to reinforce the myth that workers can 'control' their earnings by 'choosing' to work at times and in locations where hourly revenues might be slightly higher. This facilitates a 'blame-the-victim' response to complaints about low hourly incomes: workers can always increase their incomes by 'choosing' to work in ways that are more amenable to better revenues.

Apart from inadvertently casting big doubts over the true nature of the 'choice' and 'flexibility' which Uber Eats trumpets, these findings also provide an unintended and unflattering insight into the true nature of this work. Working anti-social hours (particularly weekend evenings) has a positive but miniscule impact on hourly incomes – much smaller than the amount waged workers must be legally compensated for working outside of normal working hours. And some of the seemingly most obvious ways to boost income – such as working in the congested core of Australia's largest city – had virtually no impact on earnings. That's because the 'flexibility' of the Uber Eats workforce, all of whom are desperately chasing more business, adapts immediately to differentials in intensity of business. The greater volume of overall work is thus quickly offset by a larger number of available workers, defeating any hoped-for improvement in hourly incomes.

Elsewhere in the Uber Eats/Accenture report, this wage-suppressing impact of unconstrained labour supply on the earnings of workers is confirmed. For example, a table of detailed statistical results (that few readers would be able to interpret, on p. 34) indicates that drivers who worked *more* hours in what Uber Eats says are its busiest months of the year (July and August) earned almost 2$ per hour *less* than those who did not. This counter-intuitive result was not discussed in the text of the report, and with good reason: why did workers who worked in the busiest (and most unseasonable) months earn less income? Because there were so many more workers vying for that higher but still limited volume of business. They spent more time waiting, on average, and earned less income, even during a busy time.

These results confirm that Uber Eats workers can adjust their schedules to accommodate peak business and locations, with little (and potentially negative) impact on their *realised* incomes. The unintended result confirms that no matter what strategies Uber Eats workers pursue to lift their earnings, their capacity to earn is out of their hands: determined by the volume of business, the number of other drivers on duty, and the logic of the algorithm.

"Many delivery workers dual-app, so there is potential to increase their Uber Eats earnings" (p. 18).

Another version of blame-the-victim logic is invoked by the claim in the Uber Eats/Accenture report, which suggests that Uber Eats workers have undermined their own incomes by simultaneously working for other apps. As discussed above, a central

theme of this report (and most gig employer interventions) is to emphasize the value of the supposed 'flexibility' that workers enjoy as a result of the log-on log-off power they control. We have noted the superficial nature of this 'flexibility.' But in this section, Uber Eats essentially warns its workers that if they invoke this 'flexibility' they will incur a significant economic penalty in the form of lower incomes. The report suggests that workers who turn down a higher portion of offered jobs (for whatever reason) will experience a reduction (of $2.41 per hour) in their "pre-cost earnings."

The report claims that the frequency of declined dispatch requests is a proxy for workers who are 'dual-apping': that is, signed on to more than one food delivery platform in hopes of increasing the frequency of paid work which they can perform. But there is no empirical evidence to support this association: it is simply asserted by Uber Eats. In fact there are many reasons why workers might turn down an offered delivery – including negative weather or traffic conditions, excess required distance, low indicated payment, and others. By suggesting that workers who turn down offered fares must be earning income from other platforms, Uber Eats both deflects blame for low incomes onto the drivers themselves, and plants the suggestion that combined worker incomes (from all apps) are much higher than indicated in its own data.

It is obviously contradictory for Uber Eats to both celebrate the supposed 'flexibility' and control that its workers enjoy, but then threaten them with economic punishment if they actually exercise that flexibility. In light of the company's own admission that many or most of its workers cannot work in other jobs or qualify for government income assistance, the economic coercion embodied in this argument is hypocritical and ruthless.

"We used an incremental cost approach to estimate the cost per hour for delivery workers" (p. 19).

This section of the Uber Eats/Accenture report begins to consider the costs which Uber Eats workers incur in the course of making their deliveries. This is essential in order to estimate the 'post-cost' incomes which Uber Eats workers receive.

Hourly operating costs for bicycle riders are relatively low, estimated by Accenture at 73 cents per hour (assuming an equal split between electric and manually powered bicycles). Accenture's assumptions regarding depreciation are optimistic, allowing a 5-year lifespan for a modest bicycle. Someone riding many hours per week on city streets will likely require equipment replacement more often than that. The risk of bicycle theft (not considered in the cost model, either directly or through insurance premiums) is also ignored. Accenture also makes an allowance for maintenance expenses of 4 cents per kilometre, amounting to 38 cents per hour. Based on these figures, it seems that Uber Eats' bicycle delivery workers drive only about 9.5 kilometres each hour in those peak periods modeled – confirming the low utilisation of delivery workers' time (discussed above), even in peak periods in the company's largest market.

For motorised delivery modes, the Accenture report makes the illegitimate assumption that only the 'incremental' costs associated with vehicle ownership and operation will be considered as an 'expense' of the business of food delivery. Normal accounting and tax treatment of assets which are partly used for a specified revenue-generating purpose would provide for a business to deduct *at least* a pro-rated share of total asset costs (not only incremental or marginal costs, and including capital, depreciation, interest, insurance and licensing costs) as an expense charged against revenue raised with that asset. In fact, if the other uses to which the asset is put do not also generate revenue (such as personal use of a motor vehicle) then in some situations the business would deduct all of the costs of the asset. Instead, Accenture argues that all Uber Eats workers would already have purchased, licensed and maintained their vehicles, regardless of their work for Uber Eats – and hence the only costs recognised are additional marginal expenses associated with the use of the vehicle for Uber Eeats purposes. This is an unrealistic assumption: the decision by UberEats workers to use their vehicles in the business is clearly relevant in their purchase decisions. And this approach would be rejected completely in accepted accounting practices.

The Australian Tax Office has a well-developed method for businesses (including home-based businesses) to account for the expenses of operating a vehicle in the course of that business. Two options are available: full specification of costs (including depreciation), or a simpler per-kilometre approach in which owners deduct a specified standard amount for vehicle use in the course of the business. For the current 2020-21 tax year, that amount is 72 cents per kilometre.[20] The data presented in the Accenture report imply (without being explicitly stated) that motorcycle riders drive their vehicles an average of 14.5 kilometres in each hour during peak meal times, and passenger car drivers an average of about 17.25 kilometres per hour.[21] Once again, this reaffirms the low utilisation of workers and their vehicles, even during peak times: workers making deliveries with a motorised vehicle are clearly capable of covering much more ground per hour than implied in these results. Following the ATO guidelines, this implies direct vehicle operating costs of about $12.50 per hour for cars, and about $10.50 for motorcycles.[22]

[20] See Australian Tax Office, "Cents per kilometre method," Income and Deductions for Business, https://www.ato.gov.au/Business/Income-and-deductions-for-business/Deductions/Deductions-for-motor-vehicle-expenses/Cents-per-kilometre-method/.

[21] For motorcycles, the Accenture report indicates 87 cents per hour in total maintenance costs, costed at 6 cents per kilometre, implying usage of 14.5 kilometres per hour. For cars, it indicates $1.37 in maintenance charges costed at 8 cents per kilometre, implying over 17 kilometres per hour. An alternate method of imputing average vehicle utilisation is from the fuel expense components of operating costs (for cars, $1.50 per hour from a vehicle assumed to use 1 litre of petrol every 14.16 kilometres; for motorcycles 45.25 kilometres per litre); these produce similar estimates of average utilisation.

[22] The ATO makes the same operating cost allowance per kilometre for both types of vehicle, but cars are able to travel more kilometres per hour and hence their operating costs per hour are higher. This figure covers all cost components in the Accenture model other than 'onboarding costs.'

The Accenture model ignores several other categories of expenses incurred by Uber Eats workers.[23] Phone and data costs are not included: an obviously essential input in this line of work. Nor is proper clothing or safety equipment – especially vital for bicycle and motorcycle riders (as tragically confirmed by the deaths of several food delivery riders in Sydney in the last year). The model also assumes that no Uber Eats workers pay GST on their revenues; this is illegitimate. ATO rules require all ride-share drivers to register for GST, and then collect it on all their business income (including income of other lines of work). Many food delivery workers with cars also work for ride-share platforms; payment of GST would reduce their net incomes by another 10% (or $2.50 per hour in peak times in Sydney), potentially partly offset by GST credits claimed on purchased inputs (like petrol).

In sum, the Uber Eats/Accenture report's treatment of operating expenses for Uber Eats workers is unfounded, misleading, and inaccurate. Uber Eats tries describes its workers as self-contained businesses. But no genuine business would be allowed (by certified accountants or by tax officials) to account for its expenses in the manner Accenture suggests in this report. The presentation of such misleading information regarding the true net incomes possible in this vocation fits a long-standing pattern among gig employers of exaggerating the potential incomes from this work. While this helps the platforms elicit an ongoing flow of new recruits, it also produces enormous turnover – not to mention personal distress – as most leave their jobs, eventually giving up on the hope that it can actually offer a subsistence level of income.

"Take-home pay ranges from $20.74 to $21.97 per hour during key mealtimes" (p. 21).

Properly accounting for vehicle costs, and including the various charges ignored by the Accenture cost model, suggests that total hourly expenses are 4 to 5 times higher than implied by the Uber Eats report for motorised workers. Total costs are also higher than indicated for bicycle riders, but by a smaller margin. A correct and comprehensive treatment of operating costs would reduce apparent net ('post-cost') income for motorised Uber Eats workers to $11-12 per hour in peak times (taking at face value the assumed gross revenue estimates). Net incomes for bicycle riders (with lower expenses) are also lower than indicated in the report. Once again, these estimates are based on peak meal times in the company's largest and busiest market. Hourly earnings in other markets, and at other times in Sydney, are much lower. As noted earlier, the aggregate data on all Uber Eats deliveries in Sydney (not just prime meal times) from August through December suggests delivery workers make an average of 1.7 deliveries per hour, implying net income after expenses much lower than implied in the Uber Eats/Accenture report.

[23] The report makes the cryptic acknowledgement (on p. 19) that various other costs were excluded from the analysis, without specifying what those exclusions were.

"Delivery workers on Uber Eats value the flexibility of their work more than an hourly wage or other employment benefits" (p. 23).

This section of the report circles back to Uber Eats' central claim that the flexible nature of the platform model is the greatest benefit of working for the company – even more important than how much income workers earn. This is a bizarre assertion. It is driven by the highly misleading nature of the questions posed in the company-sponsored survey. Every worker (other than volunteers) works to earn an income. No-one would do a job that was 'flexible' if it offered no compensation. We have already questioned the meaning of 'flexibility' in light of the other information contained in this report. Uber Eats drivers do not get to choose when to work: their assigned tasks are not in their control, dependent on consumer conditions, the number of other drivers logged on, and the operation of the algorithm. Their 'choice' to work in peak times is fundamentally shaped by the economic circumstances of the industry, not by their personal preferences. Finally, their 'choice' to do this work at all is shaped by the fact that many do not have access to other jobs (and may be working in this one illegally), and are excluded from government income supports.

In this context, to suggest that 'flexibility' is more important than hourly wages ignores the economic coercion facing these workers. The leading nature of the questions asked in the survey boil down to asking Uber Eats workers, "Would you prefer to do this job, or no job at all?" In that context, the strong results from these survey questions (which Uber Eats interprets as overwhelming endorsement of its business model) are neither surprising nor meaningful. If a more neutral question was asked – such as "Would you prefer to receive a certain, known hourly wage for the time you work for Uber Eats?" – the answers would be very different. These workers' implicit acceptance of the uncertainty inherent in their job is shaped by their inability to support themselves in more conventional, predictable positions.

"Platforms and government can work together to improve delivery app work" (p. 27).

This section of the report finally unveils the ultimate motivation for the Uber Eats submission to the Senate inquiry, and its other lobbying efforts. Uber Eats' primary legislative goal is to prevent governments or regulators from confirming that platform workers are in fact akin to employees – thus clarifying that they are entitled to basic minimum standards and protections (including minimum wages and penalties, superannuation, paid sick leave and holidays, and workers compensation). The company concedes that working for Uber Eats is far from perfect, and that workers would benefit from a range of improvements (including better certainty of income, better safety, and better representation in dealing with the company). Uber Eats could act immediately and unilaterally to address many of those problems. It could assure a regular hourly wage, it could provide superannuation benefits, it could provide insurance coverage, and paid leave (including sick leave, so vital during public health emergencies).

Why does the company claim government must help it address those problems in the platform delivery industry? The key 'cooperation' it is seeking from government is clarification that the company can continue to engage its workers on an on-demand, contractor-style relationships – despite the direct control Uber Eats exerts over all aspects of the work (including directing deliveries, setting prices, and establishing standards). Virtually all of the specific 'principles' listed in the report for improving platform work could be undertaken unilaterally by the company. But it is reluctant to do so: not only because those measures would cost money, but more importantly because offering these benefits would undermine the company's claim that its workers are not employees.

Consider the report's call (p. 27) to "explore how benefits could accrue to individuals through proportional accounts." No exploration of this topic is required. Uber Eats could establish a proportional benefit account for all its workers tomorrow: by creating individual top-up accounts attached to its existing payment channels for its riders and drivers. Those accounts could be funded through payments from the company based on hours worked (perhaps $2 per hour worked), and individual workers could then use accumulated funds to cover paid time off or other needs. Apart from not wanting to commit to an hourly cost like this, Uber Eats worries rightly that undertaking such a commitment would open the door to recognition and enforcement of other basic employment rights. So when the report asks government to join it in "exploring" proportional accounts, it means exploring this idea on condition that it is confirmed that Uber Eats workers are permanently classified as contractors.

The other principles listed in the report's policy agenda range from obvious ("all workers should be kept safe while working") to motherhood ("all workers should receive support that enables them to realise their potential and aspirations"). Some of the principles, if attained, would put Uber Eats out of business. The report says "everyone should be able to reliably find and access quality, safe work." But earlier the report confirmed that Uber Eats' workforce is dominated by workers who do not have access to either secure, decent work or government income support programs. If abundant, reliable, safe work were indeed available to all seeking it, very few Australians would be willing to deliver food on a bicycle through crowded, dangerous streets in pursuit of a modest, uncertain wage. Uber Eats and other platform businesses depend on the permanent existence of a desperate, insecure pool of workers who are effectively excluded from better jobs. A world in which everyone can find quality, safe work is a world in which digital platforms will have a very hard time accessing willing workers under the current arrangement.

Conclusion

I have reviewed the Uber East/Accenture report describing working arrangements, incomes, and attitudes for Uber Eats delivery workers in Sydney. On careful analysis of the data presented in the report, I come to the following conclusions:

- Uber Eats relies on a desperate, marginalised workforce that has little access to alternative employment opportunities.
- That desperation fundamentally shapes these workers' attitude toward the purported 'flexibility' which these jobs provide.
- Inability to work in other jobs (due to visa restrictions), or qualify for government income assistance, suggests that many of these works are not legally working for Uber Eats.
- Uber Eats data confirm that, on average, its drivers spend most of their time in unpaid waiting; they make, on average, just 1.7 deliveries per hour in the busiest market in Uber Eats' Australian business.
- Uber Eats' description of the revenue and expenses associated with its food delivery work is inconsistent with accepted accounting and tax practices, and should be discounted.
- Correcting for more accurate measures of expenses, and considering the full range of hours worked (not just those in the busiest city at the busiest times), there is no doubt that Uber Eats' workers earn far less than the statutory minimums they should be entitled to.
- Uber Eats' claims that workers can control when they work, and influence their earnings by making better choices about when and where to work, are disproven by the company's own data. Those decisions have virtually no impact (and sometimes a negative impact) on workers' net incomes.

All of these conclusions are developed on the basis of Uber Eats' own submitted analysis. In conclusion, I suggest that this evident reinforces the case for your committee to recommend the application of normal employment standards and requirements to digital platform businesses.

Thank you for your attention, and I would be glad to participate in any further discussions or inquiries.

Sincerely,

Dr. Jim Stanford
Economist and Director, Centre for Future Work