Select Committee on Job Security

Uber response to written questions: 14 May 2021

Thank you for the opportunity to provide further information to the Committee. We have provided responses to the written questions from Senator Sheldon below.

Question 1

Could you confirm whether the following data is currently collected by Uber Australia or Uber Eats Australia:

1. Trip/delivery origins and destinations
2. Trip/delivery fares
3. Trip/delivery durations
4. Trip/delivery route, and/or the route taken to a pick-up
5. Driver/rider pay (per trip and/or per hour)
6. Driver/rider hours logged into the Uber/Uber Eats app
7. Driver/rider tenure with Uber/Uber Eats
8. Driver/rider downtime between trips
9. Driver/rider utilisation (the proportion of time drivers spend engaging in orders, compared to downtime waiting for a dispatch)
10. The number, and/or proportion, of trips/deliveries rejected by drivers/riders
11. Complaints lodged by either drivers/riders or customers
12. Accidents (including on-trip accidents, accidents occurring while driving/riding to a pick-up, and accidents occurring while logged into the Uber/Uber Eats app but not engaging in an order)
13. Injuries and/or property damages occurring either through accidents, or other acts by drivers, customers or third parties.
14. Drivers'/riders' insurance status and coverage
15. Drivers'/riders' work visa status
16. Drivers'/riders' breach of road rules or COVID-19 rules
17. Tolls incurred during the course of a trip
18. Tolls incurred while travelling to a pick-up location

Response

Consistent with Uber's privacy policy, Uber Technologies Inc. collects and retains the data necessary for the functioning of the Uber app and, where applicable, to meet applicable regulatory obligations (for example, state-based point to point transport regulations generally impose certain record keeping obligations for booking service providers such as Uber). Uber local support entities, including Uber Australia Pty Ltd will get limited tech access to personal data stored and processed directly by Uber Technologies Inc. for limited support functions, e.g., for customer support issues, incident management, and for data sharing with relevant government agencies.

The Uber app collects data relating to items (1) - (10), although as detailed in Uber's submission at page 5, Uber has no visibility into activity that drivers and delivery people undertake outside of the Uber app (including when they are online with the Uber app).

In respect of items (11) - (13) and (16), Uber's 24/7 customer support team maintains the records necessary to provide support in response to incidents and to meet our regulatory obligations and our commitment to safety (e.g., complaints management for a booking service provider; notifying incidents to WHS regulators).

Where relevant, Uber requires drivers and delivery people to confirm their insurance. This is alongside insurance which is made available by Uber (e.g., personal injury protection insurance, underwritten by Chubb, is provided to all drivers and delivery people).

In respect of item (15), all drivers and delivery people are required to complete a right to work check before they are eligible to accept trips or delivery requests through the Uber app.

Toll information is generally collected as part of the fare information.

Question 2

Could you confirm whether Uber or Uber Eats collects any other forms of data in addition to those listed in Question 1, and if so, what?

Response

Uber relies on the trust of everyone who uses our app and we take protecting their privacy seriously.

This includes Uber's Privacy Principles, which provide stability and a common framework no matter how or where personal data is collected or used. These are:

We do the right thing with data.

We build privacy into our products from start to finish.

We collect only what we need.

We are transparent about our data practices.

We give users choices about their data.

We safeguard personal data.

Uber provides detailed information on the data we collect on our privacy overview page, available online here: https://www.uber.com/global/en/privacy/overview/

This also includes a link to our Privacy Notice.

Question 3

How does Uber/Uber Eats collect this data, and once collected, how is it stored and used by Uber/Uber Eats?

Response

The data described in answers (1) and (2) above are collected from Users, whether through Uber mobile applications, websites, and through other communications channels. Data is stored on servers located in the United States by Uber Technologies Inc., and certain limited data sets may be accessed by local support entities such as Uber Australia Pty Ltd (located in Australia) or in customer support Centres of Excellence, and our APAC regional headquarters (located in Singapore). Vendors, including in India and the Philippines, also assist with Driver onboarding and have limited access to onboarding data.

Question 4

How much are Uber and Uber Eats drivers/riders paid according to the following definitions:

1. Average hourly pay, (across the entire 24-hour day, not just peak periods, and across all markets, not just Sydney), and;
2. Average pay per trip
3. Could the above figures be provided both pre-expenses, and post-expenses

Response

Drivers and delivery people earnings are based on set time and distance rates. More information on how earnings are calculated is included in Annex 2 to Uber's submission.

No platform has control over or full visibility into hourly earnings, however Uber has commissioned research on hourly earnings for drivers and delivery people in Sydney which have been provided to the Committee.

In addition, in survey research undertaken as part of the Victorian inquiry into the on demand economy, platform workers in the transport and delivery segment self reported average hourly earnings of $22.19 per hour.

Finally, when measured over a fortnight, across all periods for all drivers and delivery people in Australia, over 98% of drivers and delivery people earn above the minimum wage after costs (based on the cost estimates prepared by Alphabeta and Accenture). It is important to note that this is a floor on earnings, and that the overwhelming majority of drivers and delivery people earn significantly above the minimum wage, after costs, for these periods.

Question 5

How does Uber and Uber Eats calculate the expenses of its drivers/riders?
Response Uber cannot calculate the actual costs of individual drivers and delivery people because they have control over the key inputs into costs (such as the type of vehicle, how and when they drive etc). Uber has undertaken research to estimate expenses at an aggregate level, and cost estimates for Australia are detailed in the Alphabeta report for drivers at p 20 and in the Accenture report for delivery people at pp 19 - 20.

Questions 6 - 8 What are the peak days and times for Uber and Uber Eats driver/rider utilisation? (note – by utilisation we are referring to the proportion of time drivers/riders spend earning and engaging in trips, compared to unpaid downtime between dispatches). What are considered off-peak days and times for Uber and Uber Eats rider utilisation? On what day of the week and time is the lowest rate of Uber and Uber Eats driver/rider utilisation, and what is the typical hourly pay for a driver and rider in this time?
Response Demand for rideshare services and online food delivery is driven by consumer demand, and peak periods reflect that. For example, driving is busiest during commute periods. on Friday and Saturday nights, and around large events. For food delivery, demand is greatest around mealtimes because that is when consumers choose to order. Given the impact that when, where and how drivers and delivery people choose to work has a meaningful impact on earnings, we work to equip everyone using our app with the tools and information to make the most of their time. Peak times were not included in the Alphabeta report (for rideshare drivers in Sydney), although the sensitivity analysis on p 18 of the report demonstrates the impact of when and where drivers choose to work has on earnings. Peak times in the Accenture report (for delivery people in Sydney) are included at p 33 of that report. A sensitivity analysis of the impact of delivery people choosing to work in non-peak periods is included on p 17 of that report.

Question 9 What is the typical variation in the following metrics between peak periods and off-peak periods, for both Uber and Uber Eats respectively: 1. Utilisation rate 2. Average hourly pay 3. Average pay per trip 4. Average trips completed per hour 5. Average unpaid downtime per hour

Response
Peak times were not included in the Alphabeta report (for rideshare drivers in Sydney), although the sensitivity analysis on p 18 of the report demonstrates the impact of when and where drivers choose to work has on earnings.

Non-peak times in the Accenture report (for delivery people in Sydney) are included at p 33 of that report. A sensitivity analysis of the impact of delivery people choosing to work in non-peak periods is included on p 17 of that report.

Question 10

Could you confirm that the average pay of Uber Eats riders is substantially less outside of the peak mealtimes covered by the Accenture report released earlier this month?

1. How much lower is the pay for Uber Eats riders outside of these two peak mealtimes?

Response

Non-peak times in the Accenture report (for delivery people in Sydney) are included at p 33 of that report. A sensitivity analysis of the impact of delivery people choosing to work in non-peak periods is included on p 17 of that report.

Question 11

How many accidents have Uber and Uber Eats drivers/riders been involved in, including but not limited to accidents during a trip/order, accidents occurring while a driver/rider is travelling to a pick-up, and accidents occurring while a driver is logged into the Uber or Uber Eats app but has not accepted an order, in the last year?

Response

Work, health and safety laws in Australia are intended to ensure everyone has a role to play in promoting safety in every workplace. Platforms, like Uber, have a responsibility to our riders, consumers and the community to keep people safe. We take those responsibilities seriously.

The NSW Centre for Road Safety identified 55 food delivery rider (bicycle and motorcycle) casualties in 2019 and 2020, accounting for 1.19% of all motorcycle and pedal cycle rider casualties in that period.

In NSW, Uber is required to notify certain safety incidents to SafeWork NSW. For the period from January to October 2020, Portier Pacific Pty Ltd notified 74 incidents to SafeWork NSW (these incidents relate to the Uber Eats platform). For the 12 month period to 3 May 2021, Rasier Pacific Pty Ltd notified 12 incidents to SafeWork NSW (these incidents relate to the Uber ridesharing platform).

Uber has also published detailed safety data in relation to its US ridesharing platform. This report, which covered a period in which more than 3.1 million trips took place each day in the US, found that:

- 1.4% of trips had a support request of any kind, most frequently for issues such as lost items, refunds, or route feedback.
- 0.1% of trips had a support request for a safety-related concern, and the majority of those concerns were about less-severe safety issues such as complaints of harsh braking or a verbal argument.
- 0.0003% of trips had a report of a critical safety incident, which are the incidents referenced in the safety report.

The US Safety Report identified an Uber-related motor vehicle fatality rate for 2017 was 0.59 fatalities per 100 million vehicle miles traveled; it was 0.57 fatalities per 100 million miles traveled in 2018. For both years, the Uber data is about half of the national rates.

As the numbers in the Safety Report show, critical safety incidents on our platform are, statistically, extremely rare. But even one critical safety incident is unacceptable because it represents the lived experience of someone in the Uber community. Accordingly, we continue to invest in improving safety for everyone who uses the Uber app.

Details on the steps we are taking to promote the safety of drivers and delivery people are included in pages 8 - 9 and 24 - 25 of Uber's submission.

Question 12

When tolls are incurred during a trip, are these paid by Uber/Uber Eats, or are they passed on to the driver, or are they passed on to the customer?

Response

For tolls incurred while completing a delivery with Uber Eats, the cost of these tolls between the restaurant and the delivery address are covered by Uber Eats.

For tolls incurred while completing a trip with Uber, the upfront price shown to a rider when making a trip request is inclusive of estimated tolls. Once the trip is completed, the rider is charged by the driver based on tolls actually incurred on the trip.

Question 13

When tolls are incurred when a driver is travelling to a pick-up, are these paid by Uber/Uber Eats, or are they passed on to the driver, or are they passed on to the customer?

1. If these tolls are passed on to the driver, and a driver chooses to take a lengthier route to the pick-up to avoid this cost, are they potentially subject to any direct or indirect consequence from either Uber/Uber Eats, or the customer?

Response See response to question (12).

Question 14 What rate of commission does Uber charge its drivers?
Response For those drivers who were first activated before 24 April 2016: 22% (including GST); for those after this date: 27.5% (including GST). For Uber Pool, the service fee is calculated on each trip segment, so that the earnings for the entire trip match that of an equivalent trip with UberX as closely as possible. More information on service fees for Uber Pool are included on our website, here: https://www.uber.com/en-AU/blog/sydney/pool-service-fee/

Question 15 What rate of commission does Uber Eats charge its riders?
Response Uber Eats does not charge delivery people a service fee.

Question 16 What rate of commission does Uber Eats charge restaurants?
Response Merchant service fees can range from 3% - 30%, depending on the service(s) they choose. Merchants can also switch back and forth between these options depending on their needs such as how busy they are at any given time. More information can be found at https://restaurants.ubereats.com/au/en/pricing/.

Question 17

On what date did Uber and Uber Eats each begin providing accident insurance to drivers/riders?

Response

Uber's partner protection programme commenced on 1 November 2018, and includes an insurance policy if drivers or delivery people using our app are in an accident while on a trip or delivery. We also offer access to counselling services through Converge should a driver need support following an incident. This support package is offered at no additional cost to partners and they are automatically enrolled. More detail on our partner support package is available online, here: https://www.uber.com/au/en/drive/insurance/injury-protection/

More information on other insurance, including CTP and Uber's contingent liability policy, is available on our website, here: https://www.uber.com/au/en/drive/insurance/?city=sydney

Question 18

Did the introduction of accident insurance for drivers/riders result in, or coincide with, any change to the rate of commission they are charged, or the imposition of any new fee?

1. Could you share the rate of commission charged to Uber and Uber Eats drivers/riders:
    i. One year before insurance was introduced;
    ii. On the date insurance was introduced, and;
    iii. One year after the insurance was introduced?

Response

Uber's partner protection programme commenced on 1 November 2018. Uber has made no changes to service fees for driver partners in that period. On 1 March 2021, Uber Eats introduced a new model to engage delivery people directly. This included removing the service fee for delivery people. Details on those changes are available on our website here: https://www.uber.com/en-AU/newsroom/newdeliverymodel/

Question 19

How does the typical average pay per hour, and per trip, vary between Uber/Uber Eats drivers/riders operating in Sydney or Melbourne, compared to smaller cities, and compared to destinations other than capital cities?

Response

As set out on pages 5 - 7 of our submission, Uber has undertaken detailed research with Alphabeta and Accenture on the experience of drivers and delivery people—including earnings—in Sydney.

These earnings estimates are consistent with the findings of the national survey of on-demand economy workers, conducted as part of the Victorian inquiry, which found that platform workers reported average hourly earnings of $22.19 in the transport and food delivery segment of the gig economy. That survey was described as “broadly representative by gender, age and State/Territory.”

Question 20

In discussions, meetings or correspondence with the New South Wales Government around the Uber and Opal pilot scheme, did the Government mention or raise concern around Uber/Uber Eats’ record with respect to driver/rider pay and conditions, driver/rider safety, or the tax you pay in Australia?

1. If yes, what was the nature and content of this discussion?

Response

We’re proud to be part of the NSW Government’s trial to integrate Uber, along with Ingogo taxi, Lime bikes and Manly Fast Ferry, into the Opal Digital Card. The initiative means that thousands of people will be able to pay for their Uber trip with the Opal digital card and get $3 credit back when they combine a public transport trip with an Uber trip, helping promote public transport usage and reduce reliance on private cars.

The items in question 20 were not discussed in relation to Uber’s participation in the pilot.

Question 21

Why did Uber settle its case in the Federal Court with Amita Gupta?

Response

We welcomed the resolution of this case, which involved Ms Gupta discontinuing her claim and allowing the two decisions of the Fair Work Commission (which found Ms Gupta to be an independent contractor) to stand.

Question 22

In testimony provided at the hearing, Mr Denham contested the findings of a study by the University of Chicago, University of California, Berkley, and the New School, with respect to the introduction of a minimum pay standard in New York City. Mr Denham claimed that he has seen policy proposals which have produced contrary findings. Could these be provided to the Committee?

Response

Research undertaken by the Berkeley Research Group estimated that the impact of Assembly Bill 5 (AB 5) in California found that an employment model for rideshare and online food delivery would reduce the number of "app-based" drivers in the state by 80% - 90%. A copy of that research is attached.

This is consistent with Uber's own analysis, which estimated that AB 5 would lead to higher prices, demand reduction (between 23% - 59% across various markets in CA) and resulting in a 76% decrease in available work for drivers.[1]

This was observed in Geneva, where regulatory changes have required platforms like Uber Eats to change its model from independent work. Instead, anyone working on Uber Eats must be an employee of a "fleet operator" which hires traditional, scheduled employees. As a result, 77% of delivery people in Geneva who used the app as an independent contractor was out of work.[2]

With respect to the change in NYC, Uber notes that these changes resulted in:

- **Reduced earnings opportunity for existing drivers:** platforms like Uber, Lyft and Juno had to restrict access to the platform for drivers when demand was low.[3] That meant tens of thousands of drivers simply couldn't go online, and smaller platforms like Juno left the market. This has led to major driver protests, because it stopped what drivers value the most about platforms like Uber: the freedom to work when and where they want.[4]
- **No or limited access for new drivers:** Uber has stopped onboarding new drivers in NYC as a result of the changes.[5]
- **Higher prices which disproportionately impacted lower income neighbourhoods.** After the rule went into effect, trips continued to increase faster in higher income neighborhoods and primarily slowed in low-income communities in the outer boroughs. Total Uber trips actually continued to increase in NYC but most of that growth was concentrated in higher income communities. The result is that the price increases served to limit transportation options for some of the most disadvantaged New Yorkers.[6]

Where a similar pay standard has been introduced in Seattle, fares have increased from 25% to 50%.[7]

[1] https://medium.com/uber-under-the-hood/analysis-on-impacts-of-driver-reclassification-2f2639a7f902
[2] https://medium.com/uber-under-the-hood/independent-couriers-reaction-to-employee-reclassification-learnings-from-geneva-e3885db12ea3
[3] https://therideshareguy.com/nyc-uber-lyft-driver-lockout/
[4] https://www.nydailynews.com/new-york/nyc-crime/ny-uber-lyft-protest-20190917-4mjaxhb3ijbjph7ufi2qbth564-story.htm
[5] https://www.theverge.com/2019/4/29/18522885/uber-lyft-not-accepting-new-drivers-nyc-rules-supply-demand
[6] https://nypost.com/2019/07/22/uber-says-de-blasios-ride-share-rules-hurt-poor-new-yorkers/
[7] https://www.seattletimes.com/seattle-news/transportation/embargoed-uber-raising-its-prices-starting-jan-1/

Question 23

What are the data inputs to Uber and Uber Eats' algorithms which assign orders to drivers/riders?

Response

Uber’s algorithms seek to match drivers and riders (or delivery people to restaurant orders) efficiently. This results in lower wait times and more business for earners.

An overview of our approach to matching riders and drivers is included on our website here: https://www.uber.com/us/en/marketplace/matching/ (although this content is designed for the US, where there are some differences, the description of matching riders and drivers is largely consistent with Australia).

With respect to delivering with Uber, the system takes into account factors including how far away a delivery partner is from the pickup location; the estimated time to the pickup location; and the delivery partner most likely to arrive at the restaurant when the food is prepared and ready to be collected.

In both cases, work is not “assigned”. Instead, drivers and delivery people receive trip or delivery requests which they choose to accept or reject. If a driver or delivery partner chooses not to accept a request, the system will direct the trip or delivery request to another person.

Question 24

Do Uber or Uber Eats engage in any automated decision making with respect to making deductions from pay, altering or reducing drivers/riders’ likelihood of being assigned an order, or suspending drivers/riders?

Response

Uber’s algorithms seek to match drivers and riders (or delivery people to restaurant orders) efficiently. There is no process or “automated decision making” that seeks to discriminate allocation of trip or delivery requests to individuals.

In some cases, such as when a driver has taken an inefficient route and a rider requests a fare review, there may be an adjustment to the rider fare paid to the driver.

Uber provides detailed information on how drivers and delivery people can lose access to their account on our website, here: https://www.uber.com/au/en/drive/safety/deactivations/

Question 25

Could Uber and Uber Eats confirm whether its drivers and riders in Australia are subject to a contractual obligation to engage in mediation and or/arbitration and/or any other legal proceeding in the International Chamber of Commerce (ICC) in Amsterdam, rather than in a local Court?

1. If yes, how many Australian drivers or riders have filed an application in the ICC since Uber and Uber Eats launched in Australia?
2. If yes, how much would it cost a driver or rider to file an application in the ICC?
3. If yes, what do you estimate to be the combined total costs of the application fee, legal representation, travel and accommodation expenses, and any other associated costs?

Response

Uber's contracts with Australian customers are governed by NSW law and parties are free to resolve disputes in NSW.

Questions 26 - 29

26. What was Uber and Uber Eats' revenue in the 2019-20 financial year?

27. What was Uber and Uber Eats' taxable income in the 2019-20 financial year?

28. What was the nature and sum of payments made by Uber Australia and Uber Eats to any overseas entity for the purposes of intellectual property royalties, licensing fees or any other payment made to an overseas parent company or related entity in the 2019-20 financial year?

29. How much did Uber and Uber Eats pay in taxes in the 2019-20 financial year?

Response

Uber Australia submits annual financial statements to ASIC, which are available to the public. This has been audited. A copy of Uber's financial statement for FY2019 is attached.

Question 30

How much did Uber or Uber Eats employees, and Uber or Uber Eats drivers/riders, receive in JobKeeper?

Response

Uber did not apply for or receive the JobKeeper wage subsidy in Australia in respect of its employees.

Individual drivers and delivery people may have been eligible for JobKeeper as independent contractors, and Uber sought to provide detailed and accessible information to everyone earning with the Uber app on how to access social protections during the pandemic. More information is available at https://www.uber.com/au/en/coronavirus/government-relief/.

Demand for rideshare services was significantly impacted by the restrictions imposed in response to COVID-19 and we know that many drivers were eligible for and benefited from JobKeeper.

Question 31
In an interview with the Australian Financial Review published on 26 November 2020, Uber's global CEO Dara Khosrowshahi said Uber is considering whether to begin having drivers in Australia bid against each other for rides and set their own prices. 1. If this is proceeding, when will it begin? 2. If this is not proceeding, why not?
Response
This was a reference to a trial which was then underway in the US, which may have been expanded if successful. We have subsequently ended that trial.

Question 32
Are Uber Eats riders allowed to cancel an order after they have picked up the food, and abscond with the food, without being subject to any consequence or punitive action by Uber Eats? 1. If yes, to confirm, there is no enforcement mechanism or disincentive to Uber Eats riders from absconding with orders? 2. If no, what are the enforcement mechanisms or disincentives which apply? 3. If yes or no, how many orders in the 2019-20 financial year were cancelled after the order had been collected?
Response
Delivery people are permitted to cancel an order at any stage. Uber Eats maintains a quality management system intended to identify consistent failure to deliver the order after food has been collected to the customer as per our community guidelines. The number of orders cancelled is commercially sensitive. However, this is a very small percentage of orders (and much less than 1% of orders are cancelled post pick-up).

Question 33
Are Uber Eats riders allowed to subcontract their orders to another rider? 1. If Yes, how many orders have been subcontracted, and by how many subcontractors, in the last year, and what proportion of total orders or total riders does this constitute?
Response

As independent contractors, Uber Eats delivery people are entitled to delegate work in accordance with their services agreement, provided that the delegate meets Uber Eats' minimum requirements including passing a background and right to work check. Reflective of the independence delivery people hold, Uber Eats does not actively track delegation.

Question 34

A 2018 study by academics at Stanford University found a 7% gender pay gap among Uber drivers. Is Uber Australia and Uber Eats aware of the existence of a gender pay gap in its respective Australian businesses, and if yes, what is that gap?

Response

Uber does not have this data for Australia. However, we note that the 2018 study was undertaken in partnership with Uber.

Question 35

Do Uber and Uber Eats believe that any person working a full hour on its platform should receive at least the national minimum wage, including the casual loading, of $24.80?

Response

When measured over a fortnight, across all periods for all drivers and delivery people in Australia, over 98% of drivers and delivery people earn above the minimum wage after costs (based on the cost estimates prepared by Alphabeta and Accenture). It is important to note that this is a floor on earnings, and that the overwhelming majority of drivers and delivery people earn significantly above the minimum wage, after costs, for these periods.

REPORT OF THE BERKELEY RESEARCH GROUP (BRG)

David Lewin, Managing Director
William Hamm, Managing Director
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ANALYSIS OF DRIVER JOB LOSSES IF GIG ECONOMY COMPANIES MUST RE-CLASSIFY DRIVERS AS EMPLOYEES RATHER THAN INDEPENDENT CONTRACTORS

Assembly Bill 5 (AB 5), which was enacted in September 2019, establishes a legal test that its author claims will require reclassification of app-based rideshare and food delivery drivers as employees rather than independent contractors. The available evidence shows that most drivers prefer the unique flexibility provided by the network platforms, evidenced by the fact that the latest available data indicate the following:

- **According to the U. S. Bureau of Labor Statistics, "79 percent of independent contractors preferred their arrangement over a traditional job."[1]**
- **Over 1 million Californians logged on to the platforms to earn income totaling over $6 billion.**
- **Approximately 80% of all drivers work less than 20 hours per week**, and most of them work less than 10 hours per week. [2]
- **Approximately 70% of all drivers work less than 20 weeks per year**, and most of them work less than 5 weeks per year.

Our analysis finds that the success or failure of the network platform companies depends on two key factors: (1) the continued willingness of consumers to pay the cost of the services offered by the drivers, rather than use alternative modes of transportation (including use of the consumers' own vehicles), and (2) the continued willingness of hundreds of thousands of Californians to provide such services through an app, mostly on a part-time basis, in exchange for the amounts customers are willing to pay for these services. Reclassification of app-based drivers

[1] Bureau of Labor Statistics, "Contingent and Alternative Employment Arrangements – May 2017," News Release date June 7, 2018.

[2] The average work hours per driver is 5.3 hours per week (which includes all zero hour weeks for all active drivers during the most recent year for which data are available).

as employees will significantly and negatively affect both of these prerequisites for the companies' survival, for three important reasons.

First, the employment model will significantly increase the companies' operating costs, most of which will have to be passed on to customers in the form of higher prices charged for transportation services. An increase in the prices charged customers will materially reduce the demand for services offered by the drivers, thereby reducing both the companies' revenues and the drivers' income.

Second, the employment model will unavoidably require the network platform companies to eliminate the flexibility that drivers find so attractive about working as independent contractors. The companies will have no choice but to discontinue this flexibility in order to control their operating costs and assure compliance with the many legal requirements that apply to employees (e.g., wages and hours, meal and rest breaks, etc.). The evidence makes clear that the loss of flexibility will bring about a massive reduction in the number of drivers willing to provide app-based transportation services and needed by the network platform companies.

Third, the interaction of these two consequences (higher consumer prices and reduction in the supply of drivers) will produce a downward spiral in demand for app-based transportation services, further threatening the companies' viability and the drivers' income-earning opportunities. As the number of drivers declines, the responsiveness of drivers to consumer demand for drivers also declines, thereby leading to increased consumer wait-times for pick-up or delivery and making the services less convenient and less reliable, which will further reduce consumer demand. With lower demand, the network platform companies will be under even greater pressure to raise consumer prices so as to cover their fixed costs, attract willing employee drivers, and improve the customer experience. The higher prices, in turn, will further reduce consumer demand, potentially threatening the viability of these businesses.

CONCLUSION

Given (1) the economic realities of the network platform companies' markets, (2) published research and data regarding the industry, and (3) the results of our in-depth research and economic modeling, we conclude that requiring drivers to be classified as employees, rather than independent contractors, will:

- **Significantly threaten the viability of the companies**
- **Significantly reduce the income-earning opportunities of the drivers** that currently depend on these companies for their economic well-being;
- **Reduce the number of app-based drivers that the companies will need to satisfy consumer demand by 80-90 percent**, resulting in the immediate elimination of work opportunities for hundreds of thousands of individuals currently working as independent contractor drivers.

Based on the latest available data prior to the COVID-19 pandemic, requiring drivers to become full-time employees will reduce the number of needed drivers **from more than 1,000,000 to less than 100,000**. While we do not have estimates of the total number of drivers currently accessing these platforms in a COVID-19 environment, the conclusion resulting from our economic analysis applies at all levels of demand: **the employment model will reduce the number of drivers by 80-90%.**

THE AUTHORS OF THIS REPORT

David Lewin, PhD, Managing Director

David Lewin is the Neil H. Jacoby professor emeritus of management, human resources, and organizational behavior at the UCLA Anderson School of Management. He has provided consulting advice and expert testimony in numerous labor and employment matters involving age, gender, race, and religious discrimination, wrongful termination, executive compensation, employee compensation, performance management, constructive discharge, wages and hour, and independent contractor versus employee status. In these areas, Dr. Lewin has often designed and analyzed data obtained from survey questionnaires, interview protocols, and observational studies. He has also consulted widely on human resource management issues and practices with companies in the U.S. and abroad.

Dr. Lewin has published 25 books and more than 150 scholarly and professional journal articles on numerous aspects of human resource management and employment relations. He is a Fellow and recent member of the Board of Directors of the National Academy of Human Resources and served as faculty director of the UCLA Anderson School's Advanced Program in Human Resource Management. Formerly on the faculty of the Columbia University Graduate School of Business, Dr. Lewin joined the UCLA Anderson School in 1990.

William ("Bill") Hamm, Managing Director

Bill Hamm is an economics consultant with high-level experience in both business and government. Prior to entering the private sector, Dr. Hamm headed the non-partisan Legislative Analyst's Office in California where he earned a nationwide reputation for objectivity, expertise, and credibility on public policy issues ranging from taxation to healthcare. He also spent eight years in the Executive Office of the President in Washington, D.C., where he headed a division of the Office of Management and Budget responsible for analyzing the programs and budgets of the Department of Labor, the Department of Housing and Urban Development, the Veterans Administration and other federal agencies.

Dr. Hamm holds a BA from Dartmouth College and a PhD in economics from the University of Michigan. He is a member of the American Economic Association and the American Law and Economics Association; a fellow of the National Academy for Public Administration; and a director of the Grameen Foundation, an international not-for-profit organization that develops innovative, sustainable solutions to fight global poverty and hunger.

Mia Kim, Senior Associate

Mia Kim has conducted numerous analyses of and studies on matters in the fields of labor and employment, class actions, commercial damages and securities. Ms. Kim holds a BS in industrial engineering and an MA in economics from Seoul National University and completed PhD coursework at the Sol Price School of Public Policy at the University of Southern California.

How the report was conducted:

Before accepting this engagement, we requested and were granted (1) access to confidential and proprietary economic data maintained by several of the largest rideshare and delivery platform companies, and (2) the independence and control necessary to ensure that our findings and conclusions are the result of objective analysis. We based our analysis on well-established economic principles and on our understanding of the state's tax programs. We also reviewed surveys of app-based rideshare and food delivery drivers conducted by third parties, and interviewed drivers and managers at several app-based rideshare and delivery network companies in order to assess the findings from these surveys.

accenture

Making delivery work for everyone

March 2021

Accenture Strategy

Commissioned by

Uber

Contents

This document is intended for general informational purposes only. The analysis in this report was commissioned by Uber Australia and prepared by Accenture on behalf of Uber Australia.

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Note: All dollar figures are Australian dollars (AU$).

Uber Eats delivery workers

Delivery with Uber Eats

+210%

Australians are spending 210% more on food delivery today vs before COVID-19 even as in-venue dining begins to return

59,000

work opportunities provided by Uber Eats in Australia during 2020

9 in 10

delivery workers find flexibility to be a key attraction of working on Uber Eats

Delivery workers in Sydney

59%

of delivery workers joined a delivery platform to support themselves financially during the COVID-19 pandemic

3 in 5

of delivery workers on Uber Eats work an average of 20 hours or less per week

$21.55

Average take home pay for delivery workers on Uber Eats is $21.55 per hour during mealtimes. This varies by mode of delivery

- $20.47 for cars
- $21.97 for motorcycles
- $21.92 for bicycles

Platforms and government need to work together to improve platform work for all participants.

Some of the areas they should focus on are:

- Providing protection to all delivery workers while on the job
- Facilitating innovation in pooled or proportional benefits for all platform workers
- Creating channels for continuous feedback and accountability to improve platform work

Executive summary

The gig economy is a relatively new phenomenon that has enabled and driven the emergence of a new type of flexible work that not only allows workers to set their work schedule but also allows them to change it in real time.

Prior to the emergence of app-based work, most workers had a limited ability to easily access flexible work. This was despite workers' preferences shifting towards options that offer more autonomy and greater choice, so they can balance other commitments and needs.

Since its emergence, the gig economy has continued to evolve, offering more options and even easier access to work. This growth accelerated as many Australians began to rely on home delivery during the COVID-19 lockdowns. With consumer spending on food delivery more than three times higher than before COVID-19, delivery platforms such as Uber Eats, Deliveroo, Menulog, DoorDash and EASI are continuing to grow, creating more opportunities for workers to earn.

This study combines administrative data from Uber Eats and bespoke surveys, to understand the experience of Australians working as delivery workers on the Uber Eats app. This study adopts a similar methodology and approach as *Flexibility and fairness: What matters to workers in the new economy*, to estimate how much delivery workers make and determine their key drivers.

This study also looks at how to improve delivery work, and platform work more generally. With governments all over the world considering how to best support those working in the gig economy, and with platforms looking to make similar investments, there are significant opportunities for collaboration to improve the quality of platform work. In this study, we identify a number of directions for reform that governments and platforms could cooperate on to improve platform work for all workers, both in Australia and globally.

"This growth accelerated as many Australians began to rely on home delivery during the COVID-19 lockdowns."

Uber Eats created 59,000 work opportunities in Australia during 2020

The COVID-19 pandemic created various challenges for restaurants as Australia headed into lockdown in late March 2020. As dining at restaurants no longer become an option, consumer spending on food delivery services was quick to take its place. Consumer spending on food delivery is now three times more than before the pandemic started. During this time, spending at restaurants has also returned to pre-pandemic levels, suggesting that delivery platforms are here to stay.

Uber Eats entered the Australian market in 2016, and since then has provided thousands of work opportunities across the country. In 2020, Uber Eats supported 59,000 work opportunities, more than eight times its starting point in 2016.

A significant driver of this growth has been the desire from workers for more flexible options. About half the delivery workers on Uber Eats report flexibility as a primary motivator for joining the platform.

When asked about the flexibility of Uber Eats, 9 in 10 delivery workers (89%) were satisfied with the ability to balance work and non-work commitments. This flexibility has allowed 4 in 5 delivery workers (79%) to work another job in addition to Uber Eats, and 34% to engage in studies while working on the app.

Many delivery workers are using Uber Eats to earn supplemental income. About 8 in 10 delivery workers in Sydney work 30 hours or less per week.

Importantly, these work opportunities created by Uber Eats are often provided to individuals who may have otherwise struggled to access work. More than half (60%) of Uber Eats' delivery workers indicated that they found it difficult to access traditional work. The key barriers they faced included visa restrictions, limited skills or experience, and limited English fluency.

More than three-quarters of delivery workers (77%) on Uber Eats were also ineligible for government support during the COVID-19 pandemic. This was primarily due to their visa status. About 6 in 10 delivery workers began delivery work to support themselves financially during COVID-19. Nearly 1 in 3 of all delivery workers increased their hours on delivery platforms to financially support themselves during the pandemic.

The average delivery worker on Uber Eats in Sydney takes home $21.55 per hour during mealtimes.

Pre-cost earnings per hour on the Uber Eats app vary by mode of delivery. During key mealtimes, delivery workers in Sydney earn on average $24.04 per hour in a car, $23.48 per hour on a motorcycle and $22.65 per hour on a bicycle. Adjusting these figures to account for commute time, pre-cost earnings increase by approximately 6% for all modes of delivery.

The key drivers of pre-cost earnings per hour include when, where and how a delivery worker elects to work on the app. For example, delivery workers who work a higher share of their time during dinnertime on Fridays earn more than the average.

Similar to other independent workers and businesses, delivery workers incur costs associated with their work. Average hourly costs incurred on the Uber Eats app are $3.30 per hour for cars, $1.51 per hour for motorcycles and $0.73 for bicycles.

This means delivery workers on Uber Eats have an average take-home pay of $20.74 per hour if they drive a car, $21.97 per hour on a motorcycle and $21.92 per hour on a bicycle. The weighted average take-home pay for all delivery workers in Sydney is $21.55 per hour.

While this study does consider delivery workers who find work on multiple apps, it only considers their earnings and experiences with Uber Eats.

Delivery workers value the flexibility of Uber Eats, but some areas can be improved

Delivery workers on Uber Eats value the flexibility and autonomy of being their own boss very highly. 84% of them indicated that flexibility was more important than an hourly wage, while another 84% valued flexibility more than other employment benefits. The flexibility of working on Uber Eats is a core element to attracting its workforce, as the majority of delivery workers (83%) said they would be unlikely to continue delivering if they were required to work set shifts.

Delivery workers on Uber Eats are also satisfied with various other aspects of their job on Uber Eats. When asked about this, 4 in 5 delivery workers said they were satisfied with their role on Uber Eats, while 83% were satisfied with the work itself that they do while on the Uber Eats app.

Despite the positives, delivery workers believe customer support, dependability of earnings and responsiveness to feedback on Uber Eats require improvement. These are some of the areas in which platforms such as Uber Eats can look to reform and improve the experience for delivery workers.

Platforms and government can improve platform work by adopting nine key principles

Platform work has grown quickly over the past decade, providing more opportunities for easy access to flexible work. However, there are various issues platforms and government could address to ensure platform work remains a viable and attractive opportunity.

This study has identified nine key principles to guide platforms and government on reform to improve the quality of platform work for all participants:

- All workers should be kept safe while working.
- All workers should be afforded protection from any injury acquired while working.
- Explore how benefits could accrue to individuals through proportional accounts or pooled funds.
- All workers should be entitled to government support, and platforms should inform workers of their options.
- All workers should be able to maximise their earning potential, and have access to information and tools to help them make informed choices about their work.
- All workers should be encouraged to voice their concerns, and platforms should listen to and act on their feedback.
- All workers should receive support that enables them to realise their potential and aspirations.
- Everyone should be able to reliably find and access quality, safe work.
- Everyone should be able to work in a way that suits them, and have the ability to vary their portfolio of work to suit their needs.

01

Uber Eats supports 59,000 work opportunities in Australia

Demand for food delivery grew during COVID-19, and is now here to stay

Spending on food delivery was quick to substitute for restaurant spending during COVID-19. Today, it is three times higher than pre-COVID levels while restaurant spending has returned to normal.[1]

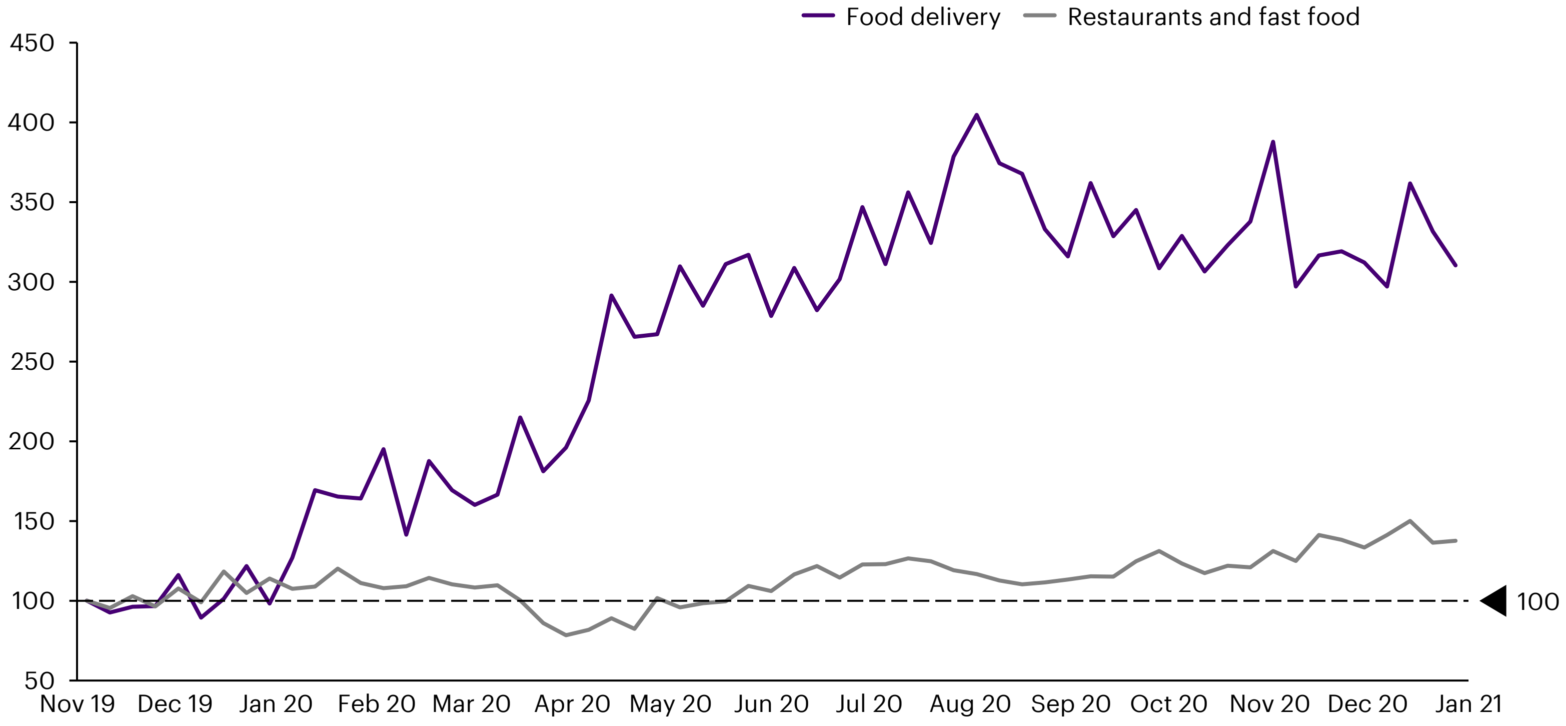
The COVID-19 pandemic created new challenges for industries such as tourism and hospitality. As Australian cities entered lockdown in early 2020, and restaurants faced the challenge of finding new revenue streams, food delivery services provided a direct lifeline to restaurants to keep revenue flowing.

As Australian cities emerged from lockdown in June 2020, restaurants began to experience increased foot traffic and consumer spending. Despite this, spending on food delivery remained more than three times higher than pre-COVID levels.[1]

Although food delivery may have operated as an alternative during the pandemic, it has become embedded in the Australian lifestyle, and will continue to be a critical component of Australia's hospitality sector.

Consumer spending on food related purchases during the COVID-19 pandemic

Weekly index of consumption per person, 100 = normal weekly base excluding Christmas



Sources: illion; Accenture analysis

1 illion consumer tracker.

Uber Eats is supporting a growing number of work opportunities in Australia

Work opportunities provided by Uber Eats increased eight-fold since 2016, driven by workers' desire for more flexible work.[1]

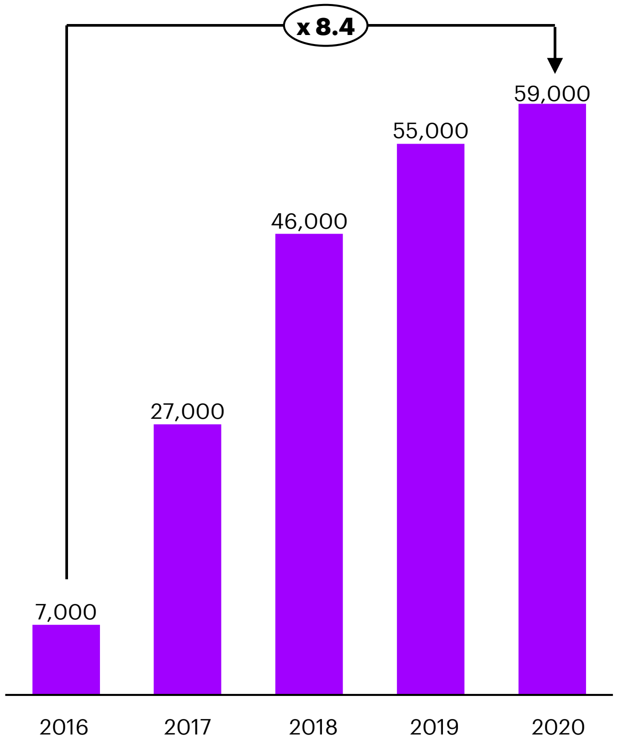
The food delivery industry has rapidly evolved since the 1990s when the first businesses entered the Australian market. Since then, multiple platforms – including Menulog, Deliveroo, Uber Eats and EASI – have entered the Australian market, growing food delivery to a $2.6 billion industry, up 550% from 2016.[2] This significant growth has provided thousands of work opportunities for people across Australia, and provided a lifeline to the hospitality industry during the COVID-19 pandemic.

In 2016, Uber Eats alone provided work opportunities to approximately 7,000 workers in Australia. Since then, it has expanded across Australia and seen a significant growth in demand, resulting in an eightfold increase in the number of monthly active delivery workers working on the platform, to a 2020 total of 59,000.[1]

A significant driver of growth in the number of delivery workers in Australia is workers wanting the flexibility and autonomy to dictate their own working hours and times. This was reflected in a recent Uber Eats survey, in which nearly half (49%) of all respondents reported having joined the Uber Eats app because it offered them the flexibility to choose their own working hours.[3] Other key drivers of growth in workers on Uber Eats included unemployment (24%) and opportunities to earn additional income (17%).[3]

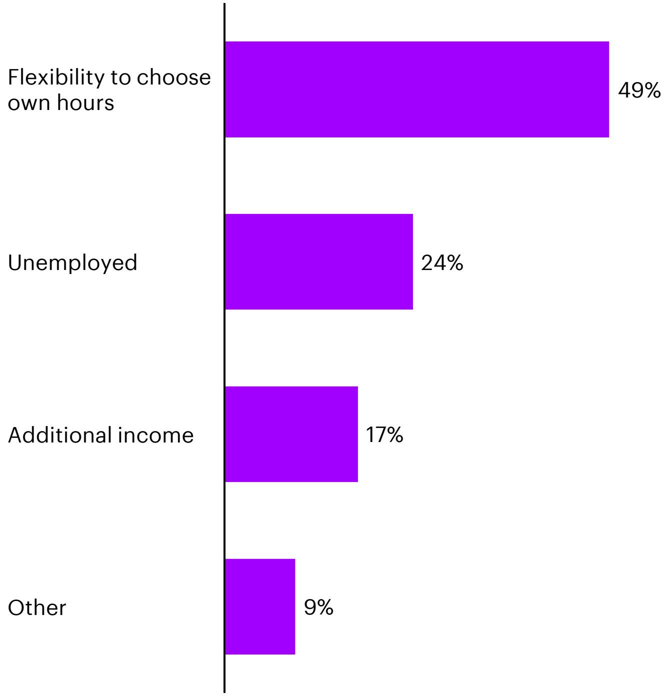
Active Uber Eats delivery workers in Australia over time

Number of active delivery workers, Dec 2016 – Dec 2020



Primary motivation for joining Uber Eats [(a)]

% of survey respondents (n = 567), 2020



(a) Survey question: Which, if any, of the following best describes your motivation to start delivering via the Uber Eats app?
Sources: Uber Eats administrative data; Uber (2020) Why I deliver survey; Accenture analysis.

1 Uber Eats administrative data.
2 AlphaBeta Australia (2020) *Growing the pie*. Research conducted prior to COVID-19 pandemic found that 70% of this economic activity was incremental to the restaurant economy.
3 Uber (2020) Why I deliver survey.

Uber Eats provides workers the flexibility they desire

A large proportion of delivery workers are satisfied with the flexibility offered by their current role. Many of them are also engaged in other activities while working on Uber Eats.

A key characteristic of the work opportunities provided by Uber Eats is the degree of freedom and autonomy it provides to delivery workers, who have complete authority over when they work, where they work, how they work and how much they work.

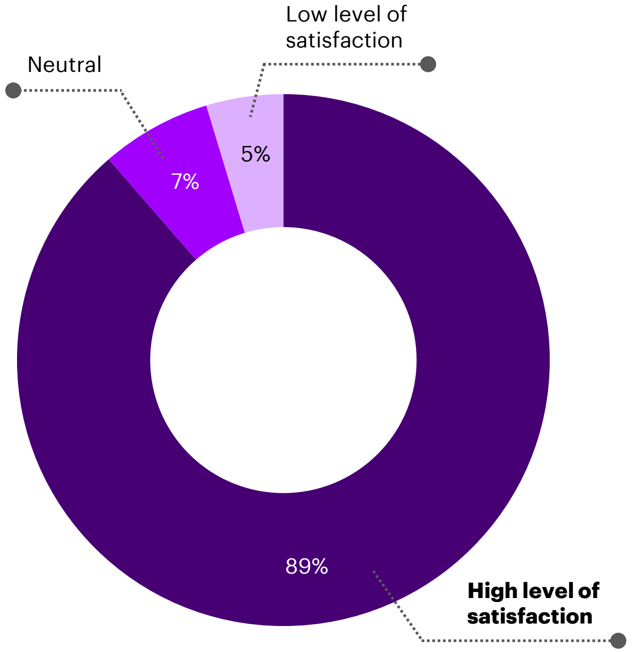
The importance of this flexibility is reflected in a recent survey of delivery workers, in which 9 in 10 respondents (89%) were satisfied with the level of flexibility Uber Eats offered them to balance their work and non-work commitments.[1]

The flexibility of Uber Eats has allowed 1 in 2 delivery workers surveyed (47%) to improve their work-life balance since joining the Uber Eats app.[2]

This flexibility has also allowed delivery workers to engage in other activities such as additional part-time work or studying. Four in five delivery workers surveyed (79%) indicated that they were working at least one other job in addition to Uber Eats, while another 34% indicated they were studying simultaneously.[3]

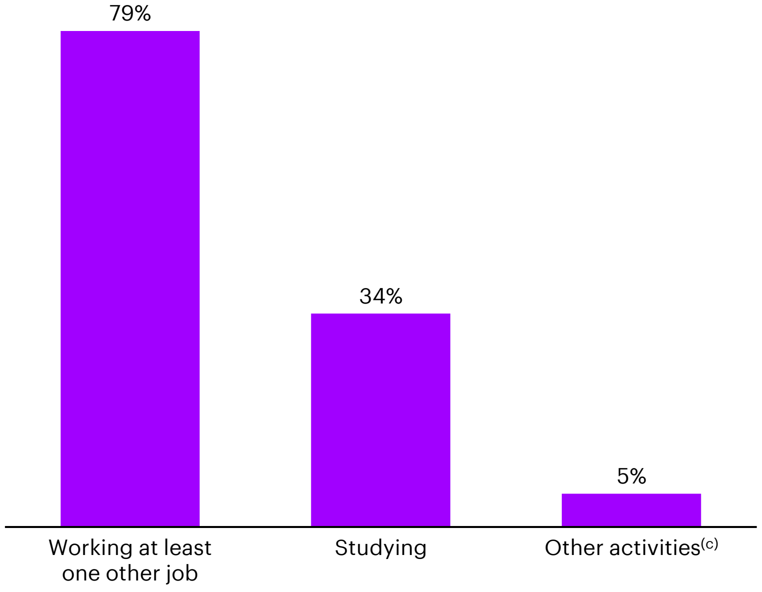
Satisfaction with job flexibility among Uber Eats delivery workers[(a)]

% of survey respondents (n = 492), 2021



Engagement in activities outside of Uber Eats prior to COVID-19[(b)]

% of survey respondents (n = 492), 2021



(a) Survey question: You said you work on the Uber Eats platform. How would you rate your satisfaction in working with Uber Eats in the following aspects of your job as a delivery partner? Please choose a number between 0 and 10, where 0 is 'Totally dissatisfied' and 10 is 'Totally satisfied'
(b) Survey question: Before the COVID-19 pandemic, did you do any of the following while also doing delivery work?
(c) Other activities include providing care for children, family members or friends; and other activities not specified.
Note: Totals may not equal to 100% due to rounding. A delivery worker was classified as satisfied where they rated their satisfaction as 6 or higher.
Sources: YouGov (2021) Uber delivery worker survey; Accenture analysis.

1 YouGov (2021) Uber delivery worker survey.
2 Uber (2020) Why I deliver survey.
3 Uber (2020) Why I deliver survey.

Most delivery workers use Uber Eats for supplementary income

Uber Eats is widely used for supplementary income: 79% of delivery workers work an average of 30 hours or less per week.

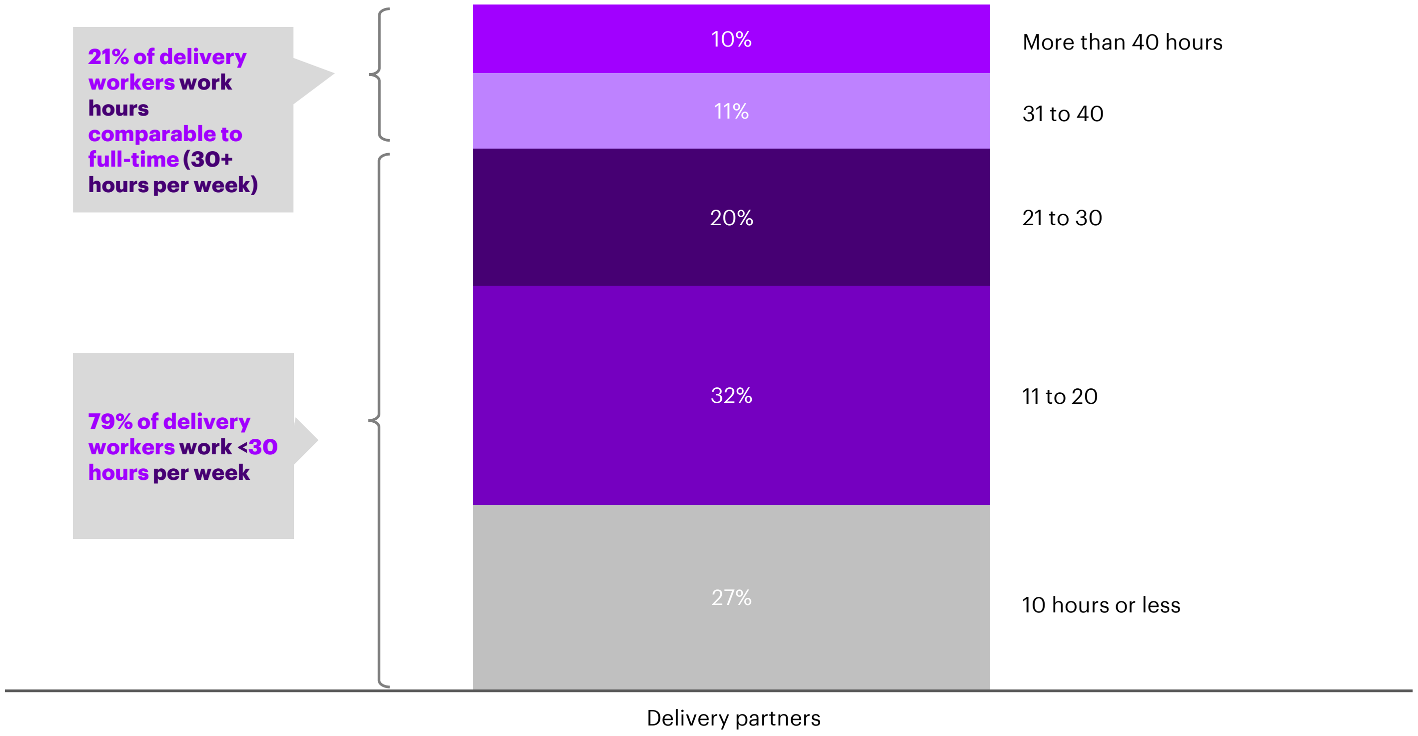
More than one-quarter (27%) of delivery workers spend 10 hours or less per week on the Uber Eats platform.[1] For these delivery workers, earnings from the Uber Eats app is a supplemental source of income – a way to save up for a holiday or other expense, or to get some extra cash to help make ends meet.

By comparison, only a very small share of delivery workers work hours on the Uber Eats platform that is comparable to full-time work. About 10% work 40 hours or more per week, while about 11% work 31 to 40 hours per week.

Of all survey respondents, 63% indicated that they joined Uber Eats to earn another source of income.[2] However, during COVID-19, 57% of respondents said that income from Uber Eats was essential for them.[2]

Delivery workers by hours worked per week

% of Sydney delivery workers (n = 9,389), Aug – Dec 2020



Note: Totals may not add to 100% due to rounding.
Sources: Uber Eats administrative data; Accenture analysis.

1 Uber Eats administrative data; Please see the methodology in the appendix for more detail about the construction of the sample of representative delivery workers.
2 YouGov (2021) Uber delivery worker survey.

Uber Eats provides access to work for those who would otherwise struggle to work

Three in five delivery workers find it challenging to access traditional work. The key challenges include visa restrictions, and limited skills and experience.

Many individuals often struggle to find traditional work – that is, work as a casual or permanent employee. There are many barriers to overcome, such as initial job availability; the application process, including interviews and reference checks; and various qualification, experience and skill requirements. Traditional job recruitment processes are also very competitive, resulting in very few applicants actually being hired.

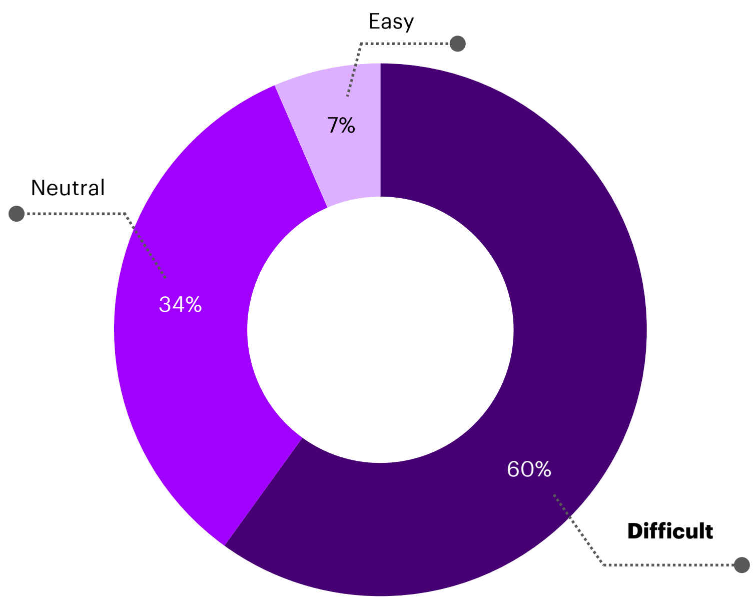
The main barriers to employment for the broader Australian population are lack of experience, education or skills (36%), and health and family reasons (16%).[1]

Among the delivery workers surveyed, 60% found it difficult to access traditional work. Of these, 3 in 10 (29%) indicated that visa restrictions were their biggest barrier to accessing work, and about 1 in 4 (23%) reported their limited skills or experience being the prohibiting factor.[2]

Previous surveys conducted by Uber found that 1 in 10 delivery workers joined the Uber Eats app because they were unable to find other work, while another 1 in 7 joined because they were in the process of looking for full-time or part-time employment.[3]

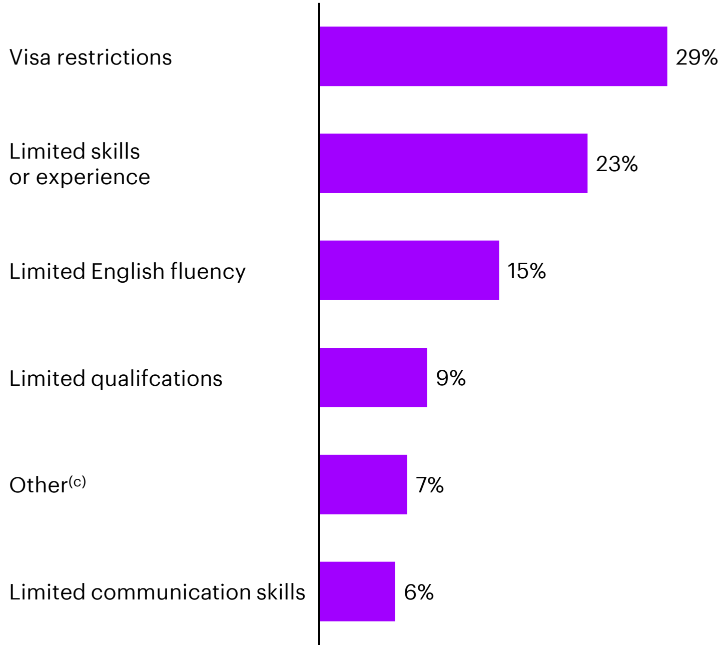
Ability to access to traditional work[(a)]

% of survey respondents (n = 492), 2021



Barriers to accessing traditional work[(b)]

% of survey respondents (n = 492), 2021



(a) Survey question: How easy or difficult is it for you to find traditional work? Traditional work is being an employee as a casual or permanent worker (part time or full time).
(b) Survey question: What challenges do you face in accessing traditional work? Traditional work is being an employee as a casual or permanent worker (part time or full time).
(c) Other includes age; limited opportunities; health and low wages.
Sources: YouGov (2021) Uber delivery worker survey; Accenture analysis.

1 HILDA Survey Release 19.0.
2 YouGov (2021) Uber delivery worker survey. Note that to access work via the app, Uber Eats performs a right-to-work check.
3 Uber (2020) Why I deliver survey.

Uber Eats provides a safeguard for workers who are not eligible for government support

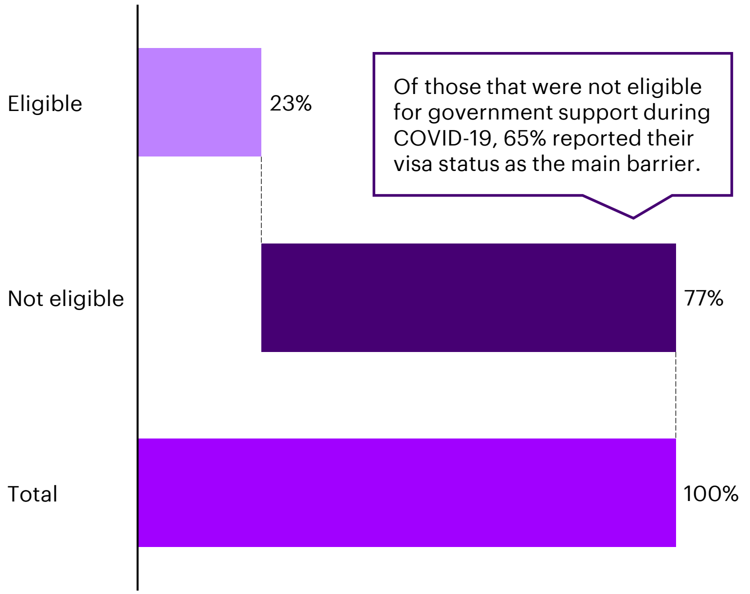
Nearly 8 in 10 delivery workers on Uber Eats were not able to access government support during the pandemic. Six in ten delivery workers joined a delivery platform during COVID-19 to support themselves financially.

The COVID-19 pandemic brought about Australia's first recession in nearly three decades, and with it significant unemployment for workers across various sectors, such as tourism, hospitality and retail. In response, many workers looked to the government for support. This was no different for Uber Eats delivery workers, although 77% of survey respondents were not eligible. Of these workers, 65% reported that their visa status was the main barrier.[1]

In response, delivery workers looked to alternative options to support themselves financially. About 6 in 10 (59%) delivery workers surveyed reported joining a delivery platform to support themselves financially during COVID-19.[1] Nearly 1 in 3 (31%) of all delivery workers increased their hours on delivery platforms to financially support themselves during the pandemic.[1]

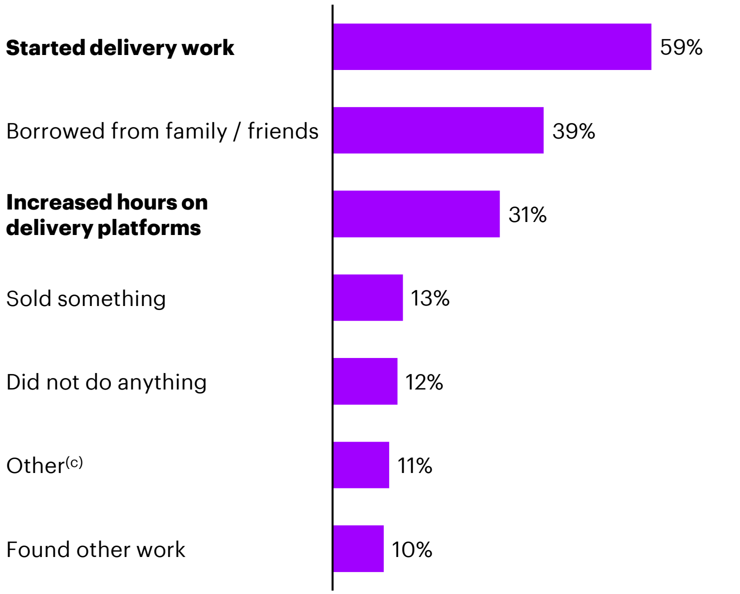
Accessing government support during COVID-19(a)

% of survey respondents (n = 492), 2021



Actions taken to be financial supported during COVID-19(b)

% of survey respondents (n = 492), 2021



(a) Survey question: During the COVID-19 pandemic did you receive any government/public benefits?
(b) Survey question: Did you do any of the following to support you financially during COVID-19? Please select all that apply.
(c) Other includes taking out a loan or increasing an existing loan amount; getting a credit card or increasing an existing credit limit; getting a shot-term high interest product (e.g. overdraft); or withdrew from superannuation account.
Sources: YouGov (2021) Uber delivery worker survey; Accenture analysis.

1 YouGov (2021) Uber delivery worker survey.

02

The average delivery worker in Sydney takes home $21.55 per hour via the Uber Eats app during mealtimes

Pre-cost earnings range from $22.65 to 24.04 per hour, depending on mode of delivery

Delivery workers in Sydney record average pre-cost earnings through the Uber Eats app of $24.04 per hour (car), $23.48 (motorcycle) and $22.65 (bicycle), during key mealtimes.[1]

For this study, we assessed observed data on approximately 6.9 million deliveries made in Sydney between August and December 2020, involving 9,389 delivery workers working on the Uber Eats app. Our analysis focused on Sydney, given its maturity relative to other markets in Australia.

This study also focused on earnings during key mealtimes, when demand for deliveries is highest.[1]

On average, delivery workers on Uber Eats in Sydney earn $23.45 per hour during key mealtimes, before factoring in any costs. This amount varies depending on the mode of transport the delivery worker uses.

Delivery workers who drive a car earn the most: an average of $24.04 per hour before costs during mealtimes. By comparison, the average is $23.48 for delivery by motorcycle and $22.65 for those on bicycles.

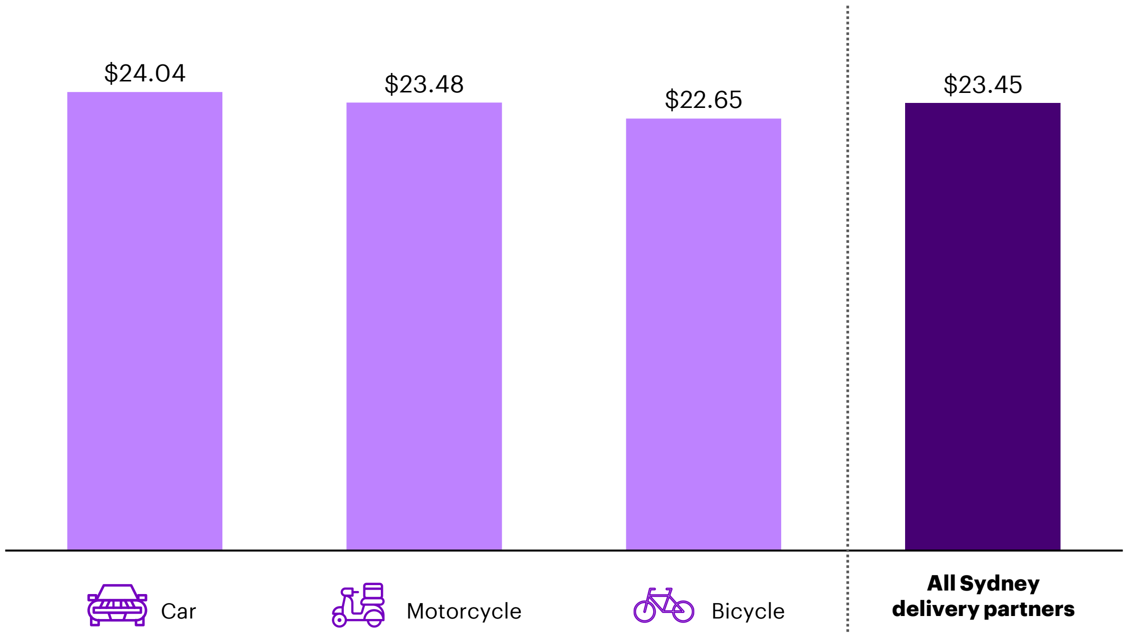
For the purpose of this study, we have assessed earnings over all "online time" during key mealtimes as all of the time that a delivery person is online with the Uber Eats app.

It is important to note that platforms like Uber Eats exercise no control over delivery workers during "online time". Delivery workers may be completing work (e.g. ridesharing or delivery) with another platform app or have the Uber Eats app online while commuting or running errands.

Because off-platform earnings are not visible, platforms cannot determine the actual average hourly online earnings of those working on their platform. However, this study attempts to provide some insight into average hourly earnings by relying on Uber Eats data.

Sydney delivery worker average hourly pre-cost earnings on Uber Eats during key mealtimes[(a)]

AU$ per hour (n = 9,389), Aug – Dec 2020



Note: Earnings per hour are exclusive of tips.
(a) Key mealtimes are lunchtime and dinnertime.
Sources: Uber Eats administrative data; Accenture analysis.

1 Lunchtime is 11am to 2pm; dinnertime is 5pm to 8pm.

Adjusting for 'commute time', pre-cost earnings increase by an average of $1.45 per hour

Adjusting for commute time, average earnings per hour increase to $25.58 for cars, $24.90 for motorcycles and $24.01 for bicycles.

Given the flexibility of choosing when and where to work, many delivery workers log onto the Uber Eats app during the time which would be considered as part of the commute for a traditional job, such as the commute from home to the target work area and vice versa.

But, just like in traditional jobs, including the commute time as working time would be overstating the total time worked. Therefore, we provide estimates of average hourly online earnings adjusted for commute time.

We estimate that commute time accounts for 6% of hours delivery workers spend on the Uber Eats app. This means that for every hour delivery workers spend on the app, they spend approximately four minutes commuting between their home and target work area, and vice versa. In comparison, the average Sydneysider spends 11% of their work time commuting.[1]

Adjusting for commute time, the average pre-cost earnings for delivery workers using a car increases by $1.54 to $25.58 per hour, $1.42 to $24.90 per hour for those on a motorcycle and $1.36 to $24.01 per hour for those riding a bicycle.

Actual pre-cost earnings are likely higher than estimated due to the prevalence of dual-apping.

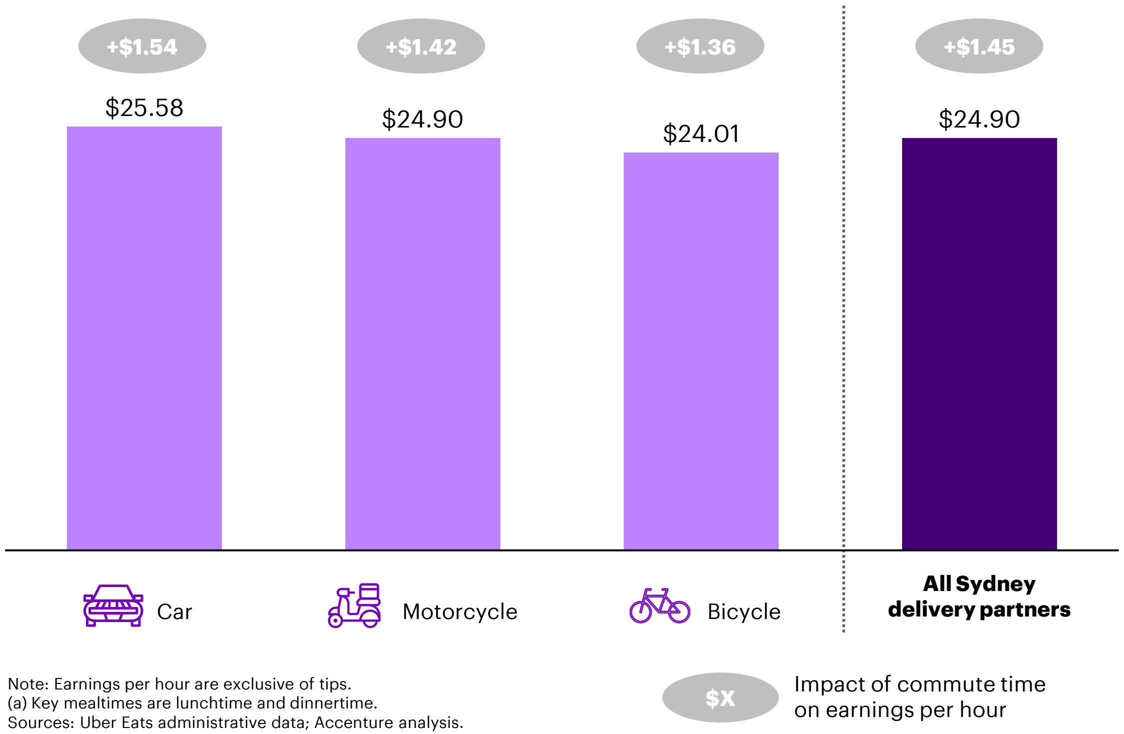
Many delivery workers use multiple delivery apps – known as 'dual-apping' – so the average pre-cost hourly earnings shown here are likely to be understated.

If some or all of the time spent on other delivery apps overlaps with time spent on the Uber Eats app, the real earnings per hour will be higher than is revealed in the Uber Eats data alone.

See page 18 for more information about dual-apping.

Sydney delivery worker average hourly pre-cost earnings on Uber Eats during key mealtimes adjusted for commute time[(a)]

AU$ per hour (n = 9,389), Aug – Dec 2020



Note: Earnings per hour are exclusive of tips.
(a) Key mealtimes are lunchtime and dinnertime.
Sources: Uber Eats administrative data; Accenture analysis.

1 (2018) ABS, *Census of Population and Housing: Commuting to Work*; HILDA Survey Release 19.0; Work time for the average Sydney-sider refers to time they spend at work and commuting.

Pre-cost earnings depend on when, where and how delivery workers elect to work

Delivery workers can increase their earnings on Uber Eats by choosing when, where and how they work.

To isolate the variables that impact earnings per hour, including how delivery workers use the flexibility offered by Uber Eats, we conducted an ordinary least squares regression that related the earnings per hour of each delivery worker in our sample to choices about when, where, and how they work.

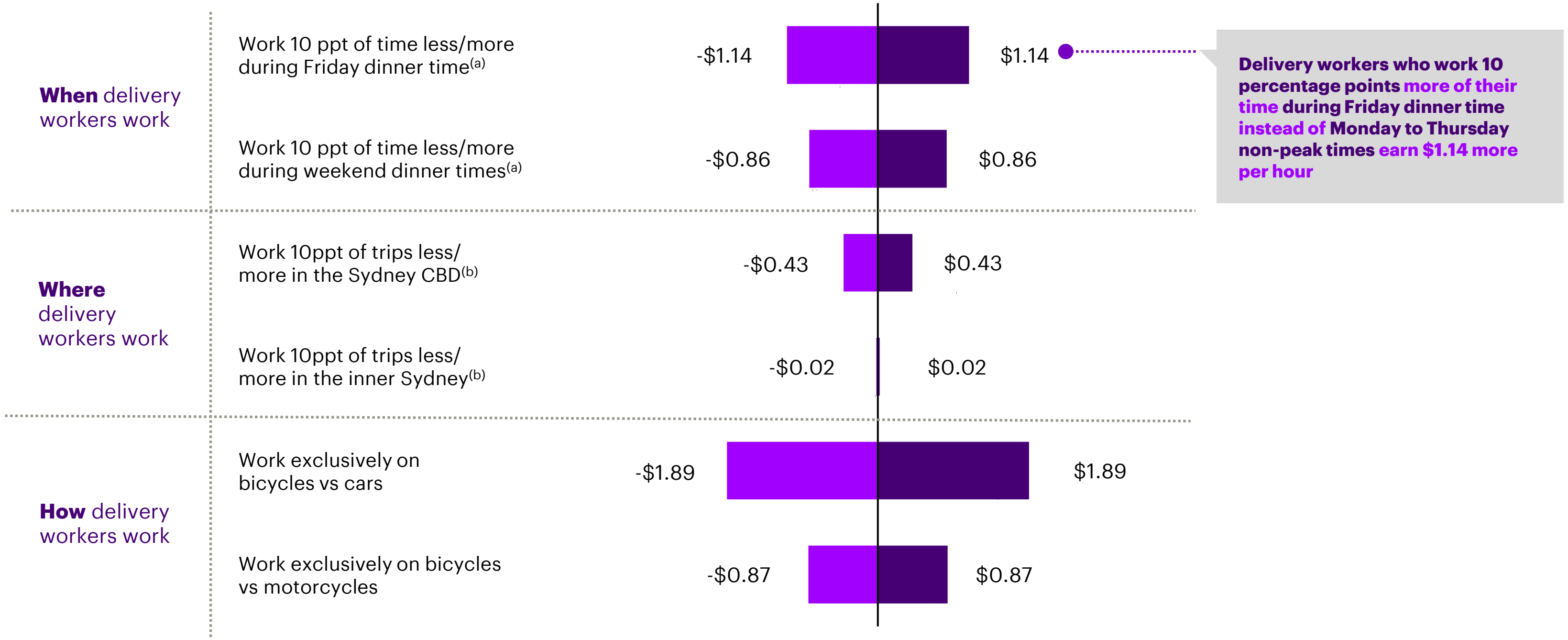
Our analysis showed that delivery workers who work 10 percentage points (ppt) more of their time during Friday dinner times instead of Monday to Thursday during non-peak times are likely to earn $1.14 more per hour, and those working weekend dinner times are likely to earn $0.86 more per hour.

Those who complete 10ppt more of their trips in the Sydney CBD instead of outer Sydney are likely to earn $0.43 more per hour.

Those who work exclusively using cars or motorcycles instead of bicycles are likely to earn $1.89 and $0.87 more per hour, respectively.

Delivery worker pre-cost earnings sensitivities on Uber Eats

AU$ per hour (n = 9,389), Aug – Dec 2020



(a) Instead of working Monday to Thursday non-peak times.
(b) Instead of working in outer Sydney.
Note: See appendix for methodology and detailed results.
Sources: Uber Eats administrative data; Accenture analysis.

Many delivery workers dual-app, so there is potential to increase their Uber Eats earnings

Delivery workers are likely to earn up to an extra $2.41 per hour by increasing their acceptance rate on Uber Eats.

Dual-apping – working across multiple apps at the same time – can be a relatively common practice among platform workers. For example, delivery workers can be online on Uber Eats and Deliveroo, accepting work from both platforms interchangeably.

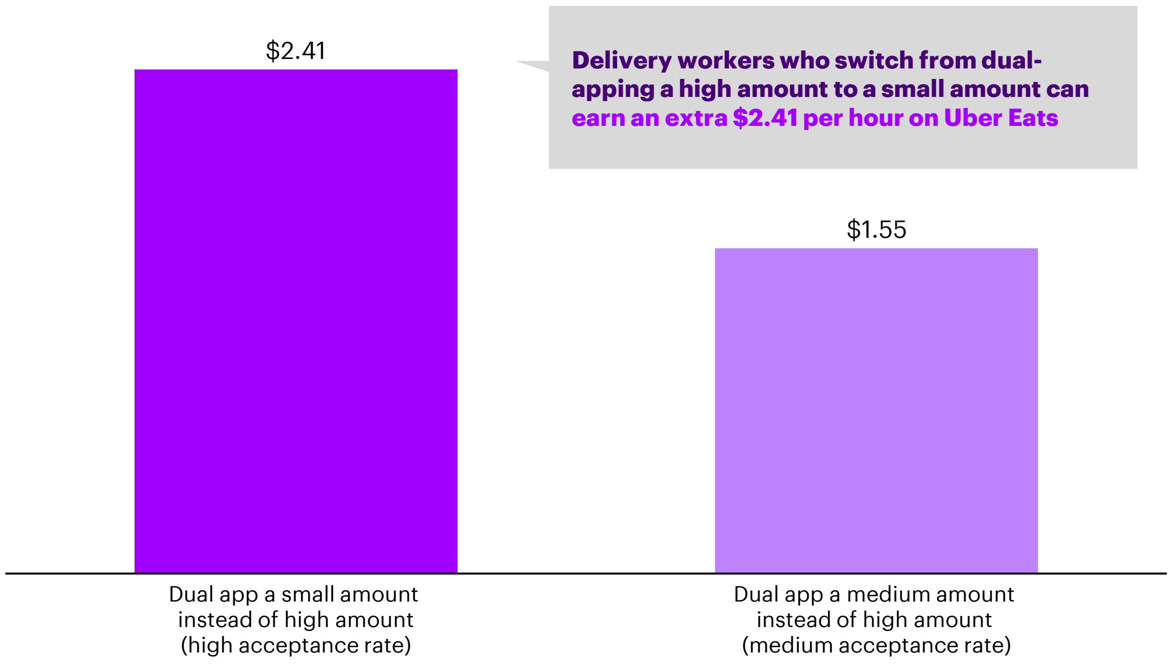
Dual-apping decreases the proportion of available working time in which the delivery worker is completing a delivery for Uber Eats. This directly impacts their earnings per hour on the Uber Eats app.

Although platforms like Uber Eats cannot directly observe dual-apping behaviour, we proxied the degree of dual-apping based on a delivery worker's acceptance rate of deliveries on the Uber Eats app.[2] A low acceptance rate on Uber Eats suggests the delivery worker may be dual-apping a high amount.

Using this approach, we estimate that delivery workers who accept more trips on Uber Eats (i.e. those who may be dual-apping a small amount instead of a high amount) are likely to earn up to an extra $2.41 per hour.

Impact of dual-apping on pre-cost earnings for Sydney delivery workers on Uber Eats

AU$ per hour (n = 9,389), Aug – Dec 2020



Note: See appendix for methodology and detailed results.
Sources: Uber Eats administrative data; Accenture analysis.

1 YouGov (2021) Uber delivery worker survey.
2 Please see appendix for more detail.

Costs vary depending on mode of delivery

The average cost for Sydney delivery workers on Uber Eats is highest for those using cars ($3.30 per hour), followed by those riding motorcycles ($1.51 per hour) and bicycles ($0.77 per hour).

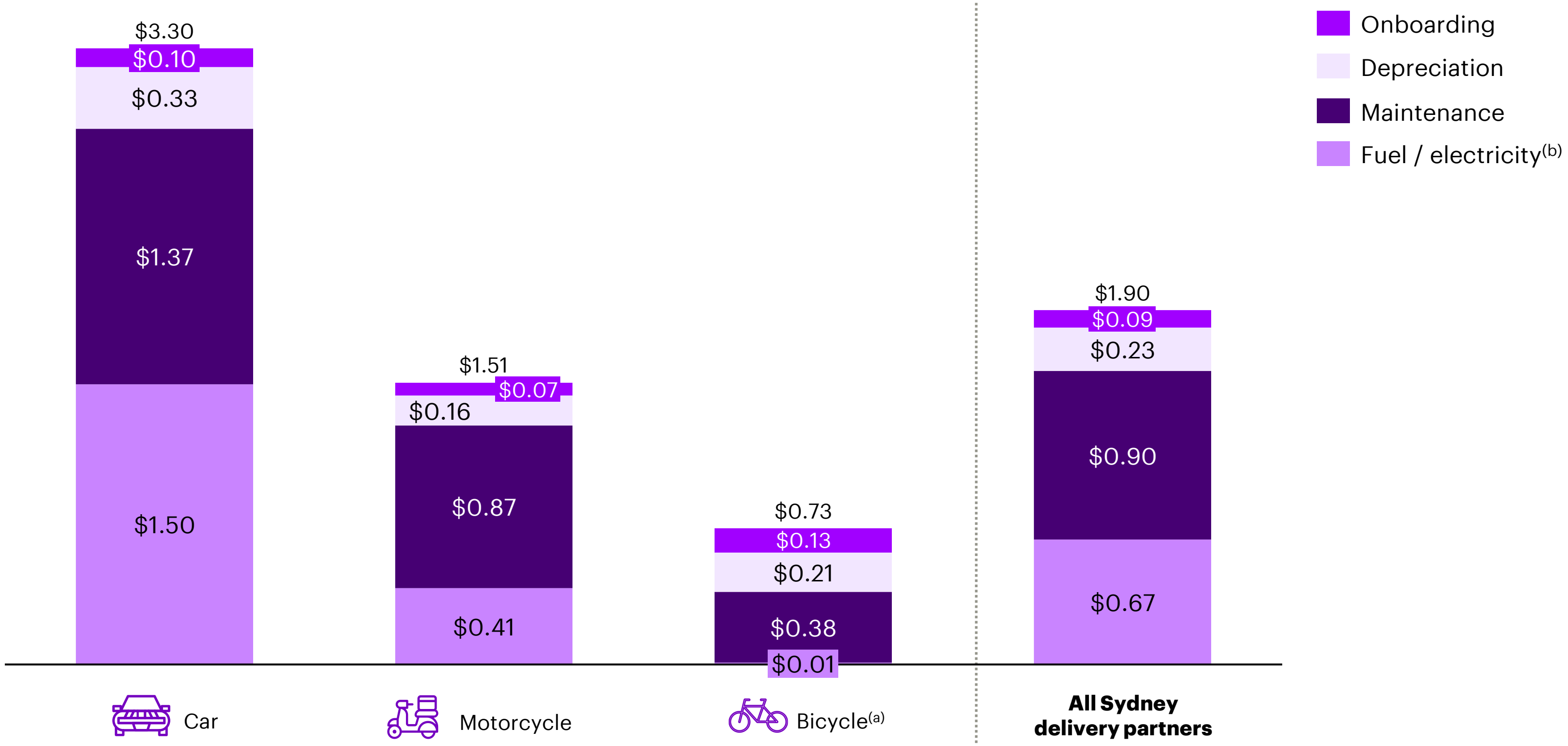
For the purpose of this study, we used an incremental cost approach to estimate the cost per hour for delivery workers using Uber Eats. This involves estimating variable costs like fuel and maintenance directly, and only including fixed costs (for items like registration or insurance) where there was an incremental cost directly attributable to being a delivery worker.[1]

The costs we considered include onboarding, depreciation, maintenance and fuel costs or electricity costs. We also considered various other costs but did not include them in the estimate as they were incurred by all users of these vehicles in NSW, not just delivery workers.[2]

In Sydney, the total cost per hour for delivery workers on Uber Eats is $1.90 on average, although this varies by mode of delivery. Cars have the highest cost per hour ($3.30), followed by motorcycles ($1.51) and bicycles ($0.73).

Delivery worker average costs per hour on Uber Eats by mode of delivery

AU$ per hour, 2020



(a) We assumed an equal split of hours worked on the Uber Eats app by delivery workers on traditional bicycles versus electric bicycles.
(b) Electricity costs are only applicable for electric bicycles.
Note: Components may not add to the totals due to rounding.
Sources: Uber Eats administrative data; ATO; Airtax; Desktop research; AlphaBeta Australia (2019) *Flexibility and fairness: What matters to workers in the new economy*; Accenture analysis.

1 See appendix for details on costs that were not considered to be incremental.
2 Adjusting for commute time has no impact on costs per hour.

Costs vary depending on mode of delivery (cont.)

Costs represent a combination of several factors, depending on whether delivery workers are using a car, motorcycle or bicycle.

To estimate fuel costs, we assumed a fuel efficiency of 14.16 kilometres per litre for cars[1] and 45.25 kilometres per litre for motorcycles,[2] and a fuel cost of $1.22 per litre for both vehicles.[3] Delivery workers using bicycles naturally do not incur any fuel costs. However, those using electric bicycles incur electricity costs from charging their vehicle. We assumed electric bicycles have a battery capacity of 0.39 kWh with a range of 30 kilometres on average, and an electricity cost of $0.24 per kWh.[4]

We assumed a maintenance cost of $0.08 per kilometre for cars, $0.06 per kilometre for motorcycles and $0.04 per kilometre for bicycles.[5] Maintenance costs for motorcycles and bicycles were estimated assuming they will require a major and minor service at different points in the vehicle's lifecycle.[6]

To estimate depreciation costs, we used estimates from previous studies to identify the depreciated value of a vehicle that is attributed to additional kilometres driven by the vehicle for delivery work.[5] For bicycles, we assumed that the depreciated value was equally attributed to time and distance travelled.

Onboarding costs considered items such as background and Visa Entitlement Verification Online (VEVO) checks, and equipment required to work as a delivery worker. We then estimated an hourly cost by dividing those one-off expenses by the average lifetime hours worked on the Uber Eats app.

It is important to note that these estimates do not factor in the effect of dual-apping. If a delivery worker uses multiple delivery apps, and some of the hours on other apps do not overlap with those on the Uber Eats app, their fixed costs per hour – such as onboarding costs – are likely to be lower.

Cost assumption for Uber Eats delivery workers by mode of delivery

Costs per hour	Assumptions		
	Cars	Motorcycles	Bicycles
Onboarding costs	▪ Background and VEVO check at cost of $37 ▪ Delivery bag at cost of $45		
Depreciation	▪ Assumes life of vehicle is 8 years (as per ATO) ▪ 2.4% depreciation from every 10,000km travelled per year ▪ Vehicle value of $8,200, based on top 5 models	▪ Assumes life of vehicle is 5 years (as per ATO) ▪ 3.8% depreciation from every 10,000km travelled per year ▪ Vehicle value of $2,948, based on top 5 models	▪ Assumes life of vehicle is 5 years (as per ATO) ▪ 10% depreciation from every 1,000km travelled per year ▪ Vehicle value of $462 for traditional bicycle, and $1,932 for electric bicycles. This is based on the average price of popular, affordable models.
Maintenance	▪ Cost of $0.08/km	▪ Cost of $0.06/km	▪ Cost of $0.04/km
Fuel / electricity	▪ Fuel efficiency of 14.16km/litre on average ▪ Fuel cost of $1.22/litre	▪ Fuel efficiency of 45.25km/litre on average ▪ Fuel cost of $1.22/litre	▪ Only applicable for electric bicycles. ▪ Battery capacity of 0.39 kWh with a range of 30km on average ▪ Electricity cost of $0.24/kWh
Insurance	▪ No incremental cost as Uber Eats does not have a minimum requirement for cover		
Registration and CTP insurance	▪ No incremental cost (assume most delivery workers register vehicle for personal use)	▪ No incremental cost	▪ Not applicable
GST	▪ Most delivery workers are not required to pay GST		

1 Based on the top 5 car models for Uber Eats delivery workers: Toyota Yaris, Toyota Echo, Toyota Camry, Toyota Corolla, and Honda Civic.
2 Based on the top 5 motorcycle models for Uber Eats delivery workers: Honda Dio NSC, SYM Orbit II, Suzuki Address, Honda CB125E, and Kymco Agility.
3 Based on the average weekly fuel price; Australian Institute of Petroleum (2021) *Average weekly prices for Sydney*.
4 Based on the lower cost range for electric bicycles. Electricity costs are based on average NSW costs: https://www.canstarblue.com.au/electricity/electricity-costs-kwh/.
5 AlphaBeta Australia (2019) *Flexibility and fairness: What matters to workers in the new economy*.
6 Maintenance costs were estimated assuming that motorcycles and bicycles have both major and minor services throughout the vehicle's lifecycle.

Take-home pay ranges from $20.74 to $21.97 per hour during key mealtimes

The average take-home pay for Sydney delivery workers on Uber Eats is $20.74 per hour for those using cars, $21.97 for motorcycles and $21.92 for bicycles, for work during key mealtimes.[1]

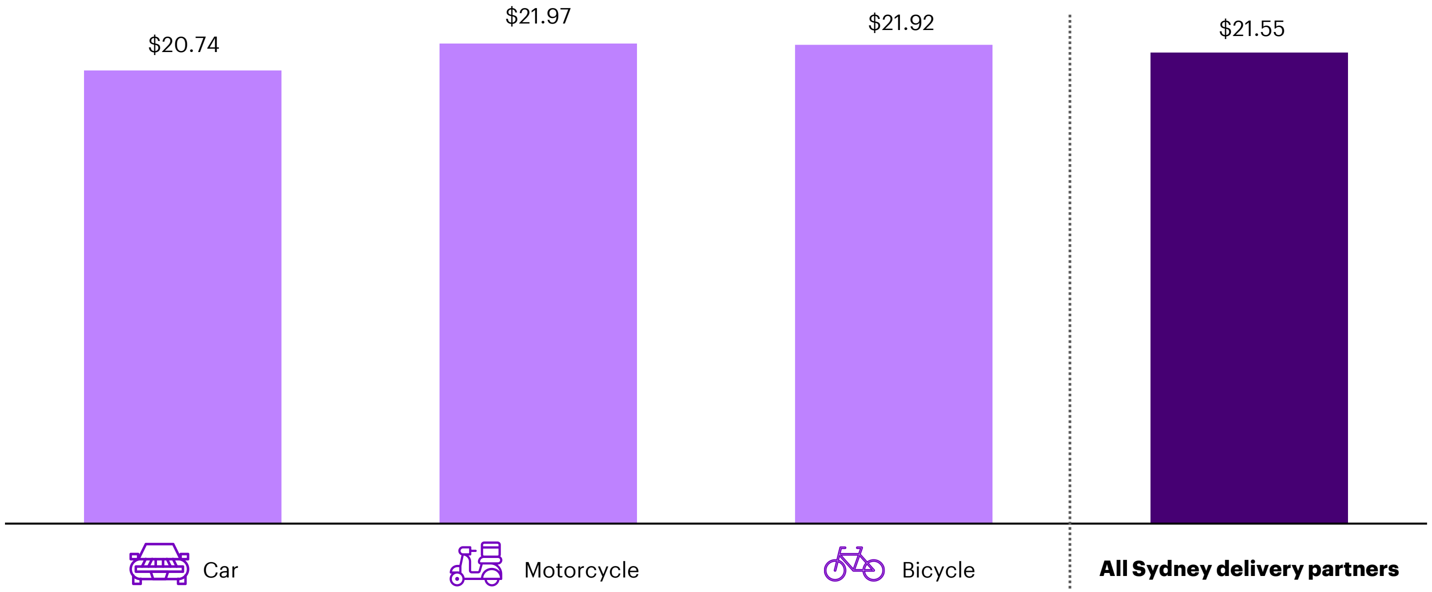
Based on the pre-cost earnings figures in Uber Eats' administrative data, and the costs we estimated by mode of delivery, we were able to estimate the take-home pay for delivery workers working in Sydney.

On average, Sydney's delivery workers take home $21.55 per hour during key mealtimes. This figure again varies depending on the mode of delivery.

Delivery workers who ride a motorcycle have the highest average take-home pay during key mealtimes, at $21.97 per hour. Meanwhile, the average take-home pay for delivery workers on a bicycle is $21.92 per hour, and $20.74 per hour for those driving cars.

Sydney delivery worker average take home pay on Uber Eats during key mealtimes by mode of delivery

AU$ per hour (n = 9,389), Aug – Dec 2020



Sources: Uber Eats administrative data; Accenture analysis.

1 Lunchtime is 11am to 2pm; dinnertime is 5pm to 8pm.

03

Delivery workers value the flexibility of Uber Eats, but some areas can be improved

Delivery workers value the flexibility and autonomy afforded by Uber Eats

Delivery workers on Uber Eats value the flexibility of their work more than an hourly wage or other employment benefits, and most workers are unlikely to continue delivering if they are required to work set shifts.

The Uber Eats platform offers delivery workers various features and experiences. For nearly all delivery workers (96%), the flexibility and autonomy of Uber Eats was a key attraction for working on Uber Eats.[1]

The flexibility offered to delivery workers on Uber Eats is critical, with 84% of them valuing it more than an hourly wage, while another 84% of workers value it more than other employment benefits, such as leave.[1]

Shifting the Uber Eats model to a more rigid work structure with set shifts could cause majority of the workforce to leave, with more than 4 out of 5 delivery workers (83%) saying they would no longer work on the Uber Eats app if they are required to deliver during set shifts.[1]

The importance of flexibility for delivery workers on the Uber Eats app[a]

% of surveyed respondents (n = 738), 2020

(a) Survey question: To what extent do you agree or disagree with the following statements?
Sources: Uber (2020) Why I deliver survey.

1 Uber (2020) Why I deliver survey.

Most delivery workers are satisfied with the work on Uber Eats

Overall job satisfaction is relatively high amongst delivery workers on Uber Eats, with 4 in 5 satisfied with their role on the Uber Eats app.

When considering other aspects of working on the Uber Eats app, most delivery workers were overall satisfied with their experiences while working on the Uber Eats platform.

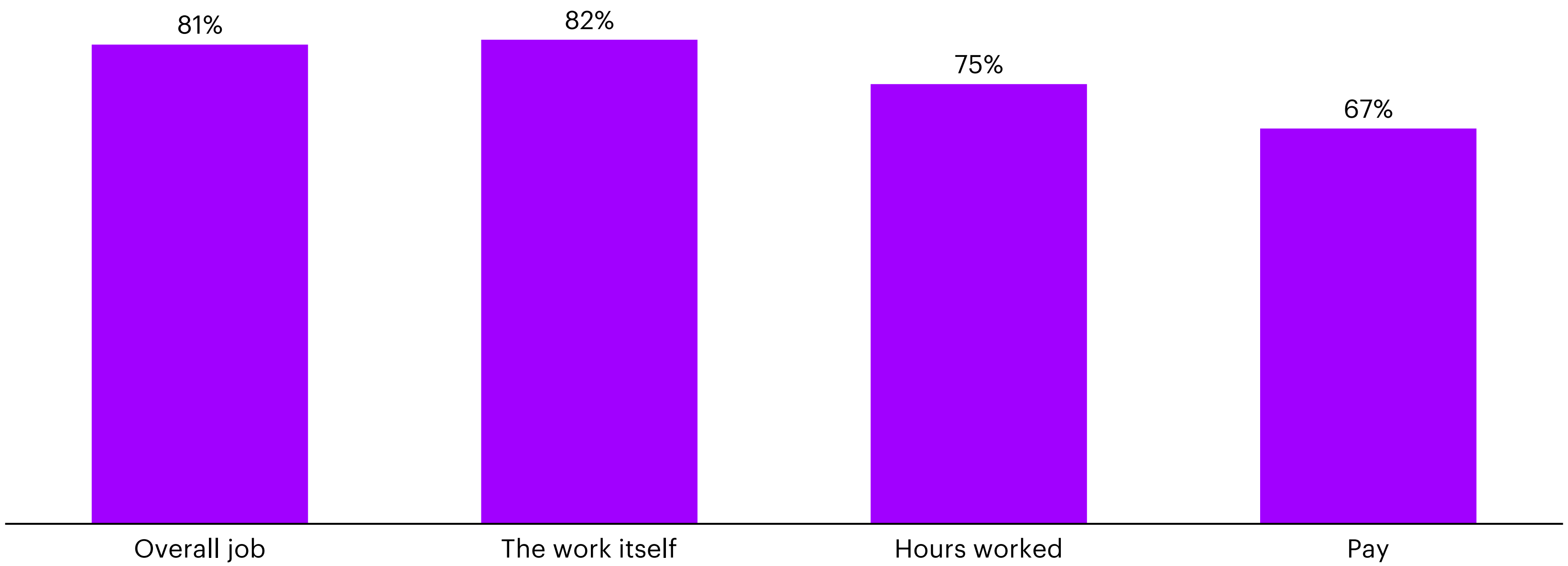
When considering their role on the Uber Eats app, 4 in 5 delivery workers (81%) said that they were satisfied with their role, while 82% were satisfied with the actual work they carried out while working on the Uber Eats app.

Although satisfaction on hours worked while on the Uber Eats platform wasn't as high, three-quarters of delivery workers survey indicated that they were satisfied with their working hours.

Meanwhile, 2 in 3 delivery workers were satisfied with their pay from working on the Uber Eats app.[1] This is explored further on page 25.

Delivery workers satisfied with different aspects of working on Uber Eats[(a)]

% of surveyed respondents (n = 492), 2021



(a) Survey question: You said you work on the Uber Eats platform. How would you rate your satisfaction in working with Uber Eats in the following aspects of your job as a delivery partner? Please choose a number between 0 and 10, where 0 is 'Totally dissatisfied' and 10 is 'Totally satisfied'
Note: A delivery worker was classified as satisfied where they rated their satisfaction as 6 or higher.
Sources: YouGov (2021) Uber delivery worker survey; Accenture analysis.

1 YouGov (2021) Uber delivery worker survey

But delivery workers on Uber Eats want improvements in three key areas

Despite the positives, delivery workers believe customer support, dependability of earnings and responsiveness to feedback on Uber Eats require improvement.

While delivery work has grown rapidly and cemented itself in the Australian economy, there are still various areas in which delivery worker experiences could be improved.

Delivery workers want more customer support, with 29% rating the current experience as poor. Over the next few months, enhanced support will be available to delivery workers.

The dependability of earnings on Uber Eats was identified by 28% of delivery workers as another area which could be improved.[1] There are opportunities to create better experiences and outcomes through greater transparency and information on earnings.

24% of delivery workers on Uber Eats have also had poor experiences with Uber's responsiveness to feedback.[1] To address this, Uber will establish advisory forums that bring together earners on the platform and Uber company leaders to discuss areas of concern and practical ways to address them.

Work on the Uber Eats app is positive in some areas but requires improvement in other areas[(a)]

% of survey respondents (n = 19,213), Australia and New Zealand, drivers and delivery workers, 2021

What is working well on the Uber Eats app	What requires improvement on the Uber Eats app
1 Flexibility and independence when driving/delivering (i.e. working when and where you want)	1 Customer support for delivery workers
2 The steps Uber took to help protect health and wellbeing during COVID-19	2 Dependability of earnings
3 The information Uber provided to support physical safety on the platform (i.e. unrelated to COVID-19)	3 Responsiveness to feedback

(a) Survey question: The following questions will ask about your experience driving and delivering with the Uber app overall. Please consider your entire experience with delivering, both during as well as before COVID-19. Overall, how would you rate your driving or delivery experience with the Uber app in the following areas?
Sources: Uber (2021) Earner voice survey.

1 Uber (2021) Earner voice survey.

04

Platforms and government can improve delivery work by adopting nine key principles

Platforms and government can work together to improve delivery app work

Given that platform work is expected to remain an ongoing and persistent feature of the labour market, platforms and governments should consider how they can individually and collectively improve the quality of work for all participants.

Platform work has grown over the past decade to meet the increasing demand for flexible work in Australia. It has provided people with quick access to work, while offering the flexibility to manage other commitments – such as taking care of family, studying or working another job. More recently, platform work provided an important lifeline to the hospitality industry and workers alike during the COVID-19 pandemic.

Although platform workers make up a small fraction of the broader labour force, the relative growth in this sector has highlighted gaps in the existing labour framework, including protection of workers, entitlements and growth opportunities.

Platforms, in partnership with government, have a responsibility to ensure platform work remains a viable, safe and secure work opportunity for all Australians. We have identified key policy principles that platforms and government need to collaboratively adopt and develop to fulfil this responsibility.

There are a range of principles that can guide platforms and government to help improve platform work.

Policy principles	Governments	Uber and industry
All workers should be kept safe while working.	✓	✓
All workers should be afforded protection for any injury acquired while working.	✓	✓
Explore how benefits could accrue to individuals through proportional accounts or pooled funds	✓	✓
All workers should be entitled to government support, and platforms should inform workers of their options.	✓	✓
All workers should be able to maximise their earning potential, and have access to information and tools to help them make informed choices about their work.		✓
All workers should be encouraged to voice their concerns, and platforms should listen to and act on their feedback.		✓
All workers should receive support that enables them to realise their potential and aspirations.	✓	✓
Everyone should be able to reliably find and access quality, safe work.	✓	
Everyone should be able to work in a way that suits them, and have the ability to vary their portfolio of work to suit their needs.	✓	

1 Industrial Relations Victoria (2020) Report of the Inquiry into the Victorian On-Demand Workforce; McDonald, Paula; Williams, Penny; Stewart, Andrew; Mayes, Robyn & Oliver, Damian (2020) *Digital Platform Work in Australia: Prevalence, Nature and Impact*.

Platforms and government can work together to improve delivery app work

All workers should be kept safe while working.

Australia's work health and safety rules aim to ensure that everyone – regardless of whether they are an independent contractor or an employee – is safe at work.

Platforms should ensure they do everything reasonably practicable to encourage safe behaviours at work. For example, Uber Eats recently launched a new helmet detection feature and a visual safety checklist to help keep delivery workers safe.

Government also has an important role to play, particularly in improving road safety more broadly. The NSW Government has published draft guidelines for delivery platforms to help boost worker safety.[1]

In addition to this, government should invest in measures that could help to reduce the risks associated with delivery work, including installing more bicycle paths and kerbside infrastructure so delivery workers can safely and legally park and make deliveries.

All workers should be afforded protection for any injury acquired while working.

Australia's regulatory framework does not mandate any insurance or protection for platform workers. Platforms, however, should be responsible for supporting and protecting workers who are injured on the job. Some platforms, such as Uber Eats and Deliveroo, have introduced their own protection and compensation schemes covering death, injury and disability.

The NSW Government is also considering a new protection scheme for delivery workers, which would be funded by a customer levy on delivery apps.[2]

Explore how benefits could accrue to individuals through proportional accounts or pooled funds

In exchange for easy access to work, greater flexibility and autonomy, platform workers forgo entitlements such as sick leave and annual leave. This can place platform workers at a disadvantage if they fall ill or wish to take a holiday.

The nature of platform work also implies that workers are likely to be using multiple apps to increase their earnings potential.

Given many delivery workers on Uber Eats may work on other delivery platforms, platforms and government could establish a model of accrued benefits where entitlements follow workers across different jobs in the industry.

Similar models have been adopted in other industries such as coal mining and construction, where it is common for workers to be employed by different employers simultaneously.[3] State and Territory governments in Victoria and ACT have also recently embraced pro-rata, portable schemes for long service leave albeit for employees. Countries like France have adopted social charters to enable platforms to deliver a wider range of social protections.

All workers should be entitled to access government support, and platforms should inform workers of their options.

The COVID-19 pandemic has highlighted the importance of government support, particularly for independent workers.

Like governments around the world, the Australian Government provided some support for self-employed workers and sole traders. However, this support did not include everyone engaged in platform work, including many Uber Eats delivery workers. It is imperative that support be extended to all workers, regardless of their status as an independent contractor or employee, to ensure all workers are supported during times of hardship and uncertainty.

Platforms should help by providing accurate information and guidance to workers, particularly temporary visa holders, on the different support they may be eligible to receive.

All workers should be able to maximise their earning potential, have access to information and tools to help them make informed choices about their work.

Although platform work can provide workers with an income above the minimum wage (as this study has shown), not all platform work is a high-wage option. Many workers look to platform work for quick and easy access to income while they are between jobs, in financial stress or looking for additional funds.

Platforms need to better manage expectations and be transparent about earning opportunities for prospective workers on their app. This can help workers make informed decisions about whether platform work is right for them and empower them to maximise their earnings.

There is also scope for platforms to better inform workers of the different options for increasing their earning potential and enabling platform work to be a reliable option.

1 SafeWork NSW (2020) *A guide to managing work, health and safety in the food delivery industry (draft).*
2 (Cormack, Lucy & Bonyhady, Nick (2020) 'Food delivery levy proposed to pay for workers' comp for the gig economy'.
3 Mining: Coal Long Service Leave Authority and Construction: Incolink (Vic) and QLeave (Qld) and Construction Industry Long Service Leave Act 1987 (SA)

Platforms and government can work together to improve delivery app work

All workers should be encouraged to voice their concerns, and platforms should listen to and act on their feedback.

It is critical that all workers are able to voice their concerns and opinions about their work. This requires platforms to foster an environment in which workers feel comfortable and safe expressing their views and concerns about platform work.

Many platforms have endorsed this practice, but there is a need for greater transparency and accountability to enable platform work to continue to improve. Platforms should be required to report publicly on worker feedback, outlining the key issues and potential solutions. This reporting mechanism and information sharing could help improve the industry more broadly.

Government can also serve as an intermediary to provide more coordination, facilitation and insight at a sector level, by establishing policy observatories or seeding research in this area.

All workers should receive support that enables them to realise their potential and aspirations.

Supporting workers' growth and development is a crucial tool to unlock new economic opportunities, and this is no different for platform workers.

Countries such as Scotland, England, Singapore and France have developed schemes to provide training and learning opportunities for people who are unemployed or in low-paying jobs.[1] These schemes provide funding to individuals, which they can spend on pre-approved training courses to develop new skills.

The Australian Government currently funds the Adult Migrant English Program for permanent residents and new migrants on temporary visas who know little or no English. Programs like this could be expanded further in collaboration with platforms, to offer upskilling opportunities for low-skilled and immigrant workers.

Everyone should be able to reliably find and access quality, safe work.

People can often find it difficult to access traditional work, facing barriers such as not possessing the right training, skills or qualifications.

Platforms often offer these people relatively easy access to work and income. The barriers to entry – such as having a vehicle, a smartphone and the necessary safety equipment – are often lower than the barriers to entry for traditional work. The importance of quick access to work was exemplified during the COVID-19 pandemic, as many workers were able to mitigate the impact of lost income in other pandemic-affected sectors.

As this report has shown, being able to access platform work quickly and with low barriers to entry is important to many, especially at times of economic downturn. Thus it is imperative that policymakers recognise how policies aimed at improving some aspects of platform work may undermine this accessibility, and develop policies weighing both these needs in mind.

Everyone should be able to work in a way that suits them, and have the ability to vary their portfolio of work to suit their needs.

In 2019, 1.4 million Australians wanted more employment flexibility, expressing that they were not satisfied with their current ability to balance work and other commitments.[2]

Flexibility took on a new a meaning during the COVID-19 pandemic, as remote work and variable hours became significantly more common among Australian workers.

Although platforms provide Australians with the autonomy to dictate their own working hours, and the flexibility that so many desire, they are also subject to some artificial penalties, such as no sick leave or annual leave. It is important to maintain flexible work opportunities, as they allow workers to balance other commitments, such as studying, caring for family and working other jobs.

1 OCED (2019) Individual Learning Accounts: Design is key for success.
2 HILDA Survey Release 19.0

05

Appendix

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This study used a range of publicly available data in combination with Uber Eats administrative data and bespoke surveys

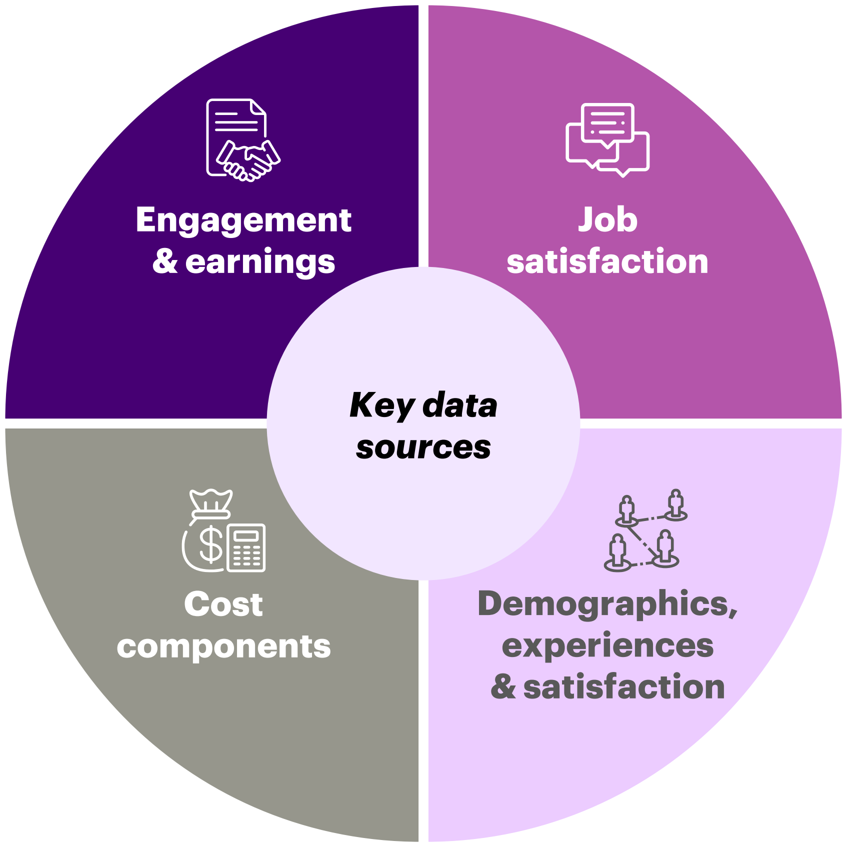
Use: Analysing engagement with the Uber Eats platform by delivery workers, and estimating earnings per hour.

Source: Uber Eats administrative data

Sample: 9,389 delivery workers and 6.9 million deliveries[1]

Use: Estimating the costs of working on Uber Eats as a delivery worker

Source: Multiple, including ABS, fuel prices, vehicle data, industry reports.



Use: Analysing general population jobs circumstances, including satisfaction about different aspects of work.

Source: HILDA General Release 19.0[2]

Use: Analysing delivery workers' demographics, roles outside Uber Eats, and overall job satisfaction.

Source: Bespoke delivery worker survey run by YouGov (n = 492), Uber 'Why I deliver' survey (n = 567), Uber 'Earner voice' survey (n = 8,016)

1 To ensure our analysis focuses on a representative sample of delivery workers, we exclude those who may be trialling the platform or are outliers by using the following exclusion criteria: 1) delivery workers in the bottom 5th and top 95th percentile of earnings per hour; 2) delivery workers who have completed 50 lifetime trips or less on the platform; 3) delivery workers who have been active for a week or less during the sample period (Aug-Dec 2020); 4) delivery partners who are active for 1 hour or less each week.
2 This document uses unit record data from the Household, Income and Labour Dynamics in Australia (HILDA) Survey. The unit record data from the HILDA Survey was obtained from the Australian Data Archive, which is hosted by The Australian National University. The HILDA Survey was initiated and is funded by the Australian Government Department of Social Services (DSS) and is managed by the Melbourne Institute of Applied Economic and Social Research (Melbourne Institute). The findings and views based on the data, however, are those of the authors and should not be attributed to the Australian Government, DSS, the Melbourne Institute, the Australian Data Archive or The Australian National University and none of those entities bear any responsibility for the analysis or interpretation of the unit record data from the HILDA Survey provided by the authors.

This study uses an OLS regression model to assess the drivers of earnings per hour for delivery workers on Uber Eats

Category	Independent variables	Variable construction
Platform-related characteristics	**Mode of delivery:** % car trips % motorcycle trips	▪ % of trips completed in a car ▪ % of trips completed in a motorcycle
	Lifetime trips	▪ Number of lifetime trips since start joining Uber Eats to December 2020
Engagement with the platform	**Time of day worked** % Mon to Thurs lunch hours % Mon to Thurs dinner hours % Friday lunch hours % Friday dinner hours % Friday non-peak hours % Weekend lunch hours % Weekend dinner hours % Weekend non-peak hours	▪ % of hours worked during Monday to Thursday lunch times (11am to 2pm) ▪ % of hours worked during Monday to Thursday dinner times (5pm to 8pm) ▪ % of hours worked during Friday lunch hours (11am to 2pm) ▪ % of hours worked during Friday dinner times (5pm to 8pm) ▪ % of hours worked during Friday non peak times (all other times on Fridays besides lunch and dinner) ▪ % of hours worked during weekend lunch hours (11am to 2pm) ▪ % of hours worked during weekend dinner times (5pm to 8pm) ▪ % of hours worked during weekend non peak times (all other times on weekends besides lunch and dinner)
	Location of trips % CBD trips % inner trips	▪ % of trips completed in the CBD Sydney ▪ % of trips completed in inner Sydney
	Dual apping Low level of dual apping Medium level of dual apping	▪ delivery workers who have an acceptance rate of 85% or above; ▪ delivery workers who have an acceptance rate of between 60% to 85%.
	Hours worked per week	▪ Number of hours worked per week ▪ We also test 'weeks square' given there is the potential for a non-linear relationship with earnings per hour (i.e. relationship that changes direction)
	Weeks worked in the period	▪ Number of weeks worked
Demographics and seasonality	**Seasonality** % of all hours in July / August	▪ % of hours worked during the months of July and August (these are considered as peak months)
	Age	▪ Raw age in years
	Female	▪ Dummy variable (Male = 0, Female = 1)

Sources: Accenture analysis.

Outputs of the OLS regression model

Category	Independent variables	Variable coefficient
Platform-related characteristics	**Mode of delivery:** % car trips % motorcycle trips	 1.89*** 0.87***
	Lifetime trips (tenure)	0.0003***
Engagement with the platform	**Time of day worked** % Mon to Thursday lunch hours % Mon to Thursday dinner hours % Friday lunch hours % Friday dinner hours % Friday non-peak hours % Weekend lunch hours % Weekend dinner hours % Weekend non-peak hours	 5.39*** 6.79*** 6.88*** 11.36*** 5.53*** 4.16*** 8.63*** 6.02***
	Location of trips % CBD trips % inner trips	 4.26*** 0.20*
	Dual apping Low amount of dual apping Medium amount of dual apping	 2.41*** 1.55***
	Hours worked per week	0.04***
	Hours worked per week squared	-0.0006***
	Weeks worked	-0.02**
Demographics and seasonality	**Seasonality** % of all hours in July/August	-1.92***
	Age	0.002
	Female	-0.13
Intercept		11.46***

Note: * p< 0.05; ** p < 0.01; *** p ≤ 0.001; R squared = 0.27.
Sources: Uber Eats administrative data; Accenture analysis.

Costs for delivery workers on Uber Eats were estimated using an incremental cost approach

Key assumption: delivery workers would have their vehicle even if they did not work for Uber Eats[1]

Incremental | Not incremental / no additional cost | Depends

Cost segment	Cost	Car	Motorcycle	Bicycle	Description	Source
Vehicle regulation costs	Registration			N/A	Incremental cost of $137-180 p.a. if car is registered for business	NSW Govt
	CTP insurance			N/A	Incremental cost of $30 p.a. if car is registered for business	NSW Govt
	Pink slip			N/A	No additional cost for business	NSW Govt
	Helmet and lights	N/A	N/A		Not incremental	NSW govt
Vehicle fixed costs	Financing				Not incremental	Bespoke survey
	Insurance				Not incremental	Uber
Vehicle variable costs	Fuel cost			N/A	Only the proportion used for deliveries is incremental	Uber Eats administrative data, desktop research
	Depreciation cost				Only the depreciation from distance travelled for deliveries is incremental	ATO, desktop research
	Maintenance cost				Only the proportion related to deliveries is incremental	Desktop research
Tax	GST accrued				Relevant if income > $75k or ridesharing driver as well	Admin data
	GST deductions				As above	Admin data
Uber onboarding costs	Background and VEVO check				$37 over lifetime of work on Uber Eats	Uber Eats
	Delivery bag				$45 over lifetime of work on Uber Eats	Uber Eats

1 The 'Why I deliver' survey showed that 84% of delivery workers own the vehicle used to make deliveries. More than 60% of the most commonly used cars are over 10 years old. Majority of delivery workers work part time hours or less.
Sources: Desktop research; (2019) AlphaBeta Australia, Flexibility and fairness: what matters to workers in the new economy; Uber Eats surveys; Accenture analysis.

About Accenture

Accenture is a global professional services company with leading capabilities in digital, cloud and security. Combining unmatched experience and specialized skills across more than 40 industries, we offer Strategy and Consulting, Interactive, Technology and Operations services—all powered by the world's largest network of Advanced Technology and Intelligent Operations centres. Our 506,000 people deliver on the promise of technology and human ingenuity every day, serving clients in more than 120 countries. We embrace the power of change to create value and shared success for our clients, people, shareholders, partners and communities.

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Uber Australia Holdings Pty Ltd and its subsidiaries
ACN 622 364 318

Annual report for the year ended 31 December 2019

Contents

These financial statements are consolidated financial statements for the Group consisting of Uber Australia Holdings Pty Ltd and its subsidiaries. A list of its subsidiaries is included in Note 23(b).

The consolidated financial statements are presented in Australian dollar ($).

Uber Australia Holdings Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered address is at PKF, Level 8, 1 O'Connell Street, Sydney and its principal place of business is at Level 30, 580 George Street, Sydney.

The consolidated financial statements were authorised for issue by the directors on 20 May 2020. The directors have the power to amend and reissue the consolidated financial statements.

Directors' report

Your directors present their report on the consolidated entity consisting of Uber Australia Holdings Pty Ltd ("the Company") and the entities it controlled at the end of, or during, the year ended 31 December 2019. Throughout the report, the consolidated entity is referred to as the Group.

Directors

The following persons were directors of Uber Australia Holdings Pty Ltd during the whole of the financial year and up to the date of this report:

Francois Chadwick
Nicholas Falzon
Keir Gumbs (Appointed with effect from 15 January 2019)

Principal activities

The Group's principal activities are to support proprietary technology applications ("platform(s)") that enable independent providers of ridesharing services ("Driver Partner(s)"), Eats meals and essentials purchase and delivery services ("Merchant Partner(s)") and Eats delivery services ("Delivery Partner(s)"), collectively the Group's "Partners," to transact with "Rider(s)" (for ridesharing services), "Merchant Partner(s)" (for delivery services) and "Eater(s)" (for meals and essentials purchase and delivery services), collectively defined as "end-user" or "end-users."

Driver Partners provide ridesharing services to Riders through a range of offerings based on vehicle type and/or the number of Riders. Merchant Partners provide meals and essentials purchase and delivery services to Eaters and Delivery Partners provide delivery services to Merchant Partner.

Dividends – Uber Australia Holding Pty Ltd

No dividends have been paid or declared during the financial year, nor do the directors recommend the declaration of a dividend (2018: $nil).

Operating results for the year

The net profit after tax of the Group for the year ended 31 December 2019 was $1,582,000 (2018: net loss of $13,218,000).

Directors' report

Significant changes in the state of affairs

There have been no significant changes in the state of affairs during the year.

Events since the end of the financial year

As explained in Note 27 in the financial statements, the COVID-19 outbreak and resulting measures taken by the governments to contain the virus have affected the Group's operations. Our priorities have been to ensure the health and safety of our employees (we have taken a number of measures like social distancing and working from home) and supporting the Uber Group's initiatives (including for our partners) through this difficult time. The extent of COVID-19's effect on the Group's operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic.

No adjustments have been made to the consolidated financial statements as at 31 December 2019 for the impacts of Covid-19.

Likely developments and expected results of operations

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

Environmental regulation and performance

The Group is not subject to any particular or significant environmental regulation under laws of the Commonwealth or of a State or Territory.

Rounding of amounts

The Group is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the consolidated financial statements. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Insurance of officers and indemnities

The Group from time to time may provide a limited indemnify its officer(s), such as under a limited power of attorney. The premium paid on this indemnification is $3,597 (2018: $3,419).

Directors' report

Proceedings on behalf of the Group

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 237 of the *Corporations Act 2001*.

Auditor's independence declaration

A copy of the auditor’s independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

Nicholas Falzon
Director

Sydney
20 May 2020

Auditor's Independence Declaration

As lead auditor for the audit of Uber Australia Holdings Pty Ltd for the year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Uber Australia Holdings Pty Ltd and the entities it controlled during the period.

Craig Heraghty
Partner
PricewaterhouseCoopers

Sydney
20 May 2020

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Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2019

	Notes	2019 $'000	2018 $'000
Revenue from contracts with customers	7	**1,161,559**	935,263
Cost of providing services		**(273,474)**	(149,641)
Gross profit		**888,085**	785,622
Marketing expenses		**(237,575)**	(80,330)
Administrative expenses		**(621,724)**	(703,665)
Other (losses)/gains – net	9	**(143)**	922
Operating profit	8	**28,643**	2,549
Finance costs	10	**(9,508)**	(7,809)
Profit/(loss) before income tax		**19,135**	(5,260)
Income tax expense	11	**(17,553)**	(7,958)
Profit/(loss) after income tax and total comprehensive profit/(loss) for the year		**1,582**	(13,218)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position
As at 31 December 2019

	Notes	Group 2019 $'000	Group 2018 $'000
ASSETS			
Current assets			
Trade and other receivables	12	2,112,880	2,888,419
Current tax assets		-	11,035
Other current assets	13	750	1,686
Total current assets		2,113,630	2,901,140
Non-current assets			
Plant and equipment	15	6,362	11,185
Right-of-use assets	16	19,119	-
Deferred tax assets	17	12,683	6,741
Other non-current assets	13	300	285
Total non-current assets		38,464	18,211
Total assets		**2,152,094**	**2,919,351**
LIABILITIES			
Current liabilities			
Trade and other payables	14	2,071,795	2,885,879
Contract liabilities		2,671	3,700
Current tax liabilities		1,235	-
Lease liabilities	16	4,293	-
Employee benefit obligations	18	9,596	7,454
Provisions	19	2,008	252
Total current liabilities		2,091,598	2,897,285
Non-current liabilities			
Contract liabilities		5,124	1,661
Lease liabilities	16	13,533	-
Employee benefit obligations	18	2,115	964
Provisions	19	3,002	2,098
Total non-current liabilities		23,774	4,723
Total liabilities		**2,115,372**	**2,902,008**
Net assets		**36,722**	**17,343**
EQUITY			
Issued capital	20	(2)	(2)
Share-based compensation reserve	22	17,797	-
Other reserves	21	42,021	42,021
Accumulated losses		(23,096)	(24,678)
Total equity		**36,722**	**17,343**

(2) Denotes $2

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity
For the year ended 31 December 2019

		Attributable to owners of Uber Australia Holdings Pty Ltd				
	Notes	**Issued capital**	**Share-based compensation reserve**	**Other reserves**	**Accumulated losses**	**Total**
As at 1 January 2018		(1)	-	8,888	(11,460)	(2,572)
Loss for the year, representing total comprehensive loss		-	-	-	(13,218)	(13,218)
Transactions with owners in their capacity as owners						
Issuance of share capital		(1)	-	-	-	(1)
Acquisition of a subsidiary under common control	6(b)	-	-	33,133	-	33,133
		(1)	-	42,021	(24,678)	17,343
At 31 December 2018		**(2)**	**-**	**42,021**	**(24,678)**	**17,343**
As at 1 January 2019		(2)	-	42,021	(24,678)	17,343
Profit for the year, representing total comprehensive loss		-	-	-	1,582	1,582
Transactions with owners in their capacity as owners						
Share-based payments	22	-	17,797	-	-	17,797
		(2)	17,797	42,021	(23,096)	36,722
At 31 December 2019		**(2)**	**17,797**	**42,021**	**(23,096)**	**36,722**

(1) Denotes $1
(2) Denotes $2

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows
For the year ended 31 December 2019

	Notes	2019 $'000	2018 $'000
Cash flows from operating activities			
Profit/(loss) before income tax		**19,135**	(5,260)
Adjustment for:			
Other income		**260**	-
Finance costs	10	**9,508**	7,809
Depreciation of plant and equipment	15	**5,938**	-
Depreciation of right-of-use assets	16	**5,146**	-
Share-based payment expense	22	**17,797**	-
Loss on disposal of plant and equipment	9	**9**	-
		57,793	2,549
Change in operating assets and liabilities, net of effects from acquisition of controlled entity:			
Decrease/(increase) in trade and other receivables	12	**775,539**	(237,071)
Decrease/(increase) in other current and non-current assets	13	**922**	(11)
(Decrease)/increase in trade and other payables	14	**(823,755)**	231,659
Increase in contract liabilities		**2,433**	2,874
Increase in employee benefits obligations	18	**3,293**	-
Income tax paid		**(11,064)**	-
Net cash flows from operating activities		**5,161**	-
Cash flow from investing activity			
Purchase of plant and equipment	15	**(2,151)**	-
Cash flows used in investing activity		**(2,151)**	-
Cash flow from financing activities			
Interest expense paid for lease liabilities	10	**(1,020)**	-
Repayments of lease liabilities		**(1,990)**	-
Cash flow used in financing activities		**(3,010)**	-
Net movement in cash and cash equivalents		**-**	-
Cash and cash equivalents at the beginning of the financial year		**-**	-
Cash and cash equivalents at end of the financial year		**-**	-

The above consolidated statement of cash flow should be read in conjunction with the accompanying notes.

1. Corporate information

The consolidated financial statements of Uber Australia Holdings Pty Ltd (the "Company"), Uber Australia Pty Ltd, Uber Pacific Pty Ltd, Raiser Pacific Pty Ltd and Portier Pacific Pty Ltd (its "subsidiaries") for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of the directors on the date the directors' report was signed.

The Company and its subsidiaries (the "Group") is a for-profit Company limited by shares that is incorporated and domiciled in Australia. The ultimate parent entity is Uber Technologies, Inc., a company registered in the United States of America. The immediate parent entity is Uber International Holding B.V., a company registered in Netherlands. The registered office of the Group is PKF, Level 8, 1 O'Connell Street, Sydney. The principal place of business of the Group is Level 30, 580 George Street, Sydney. The nature of the operations and principal activities of the Group are described in the directors' report.

2. Significant changes during the financial year

There were no significant changes during the financial year.

3. Summary of significant accounting policies

(a) Basis of preparation

Statement of Compliance

The Group is a for-profit entity for the purpose of preparing the consolidated financial statements.

The consolidated financial statements of the Group comply with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

The consolidated financial statements have been prepared on a historical cost basis.

New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2019:

- AASB 16 *Leases*
- Interpretation 23 *Uncertainty over Income Tax Treatments.*

3. Summary of significant accounting policies (continued)

(b) Basis of preparation (continued)

New and amended standards adopted by the Group (continued)

The Group had to change its accounting policies as a result of adopting AASB 16. The Group elected to adopt the new rules retrospectively but recognised the cumulative effect of initially applying the new standard on 1 January 2019. This is disclosed in Note 5(a). The other amendments listed above did not have any impact on the amounts recognised in prior years and are not expected to significantly affect the current or future years.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2019 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(b) Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the Company has control. The Group controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

3. Summary of significant accounting policies (continued)

(c) Common control transactions

(i) Business combinations under common control

Business combination involving entities under common control is accounted for using the predecessor values method. The predecessor values method requires the financial statements to be prepared using predecessor book values without any step up to fair value. The acquiree's book values are generally those in the consolidated financial statements of the highest entity that has common control for which consolidated financial statements are prepared. Predecessor values are adjusted to ensure uniform accounting policies. The difference between any consideration given and the aggregate book value of the assets and liabilities (as of the date of the transaction) of the acquired entity is recorded as an adjustment to equity. No additional goodwill is created by the transaction.

The acquired entity's results and balance sheet are incorporated into the Group's consolidated financial statements prospectively from the date on which the business combination between entities under common control occurred. Consequently, the consolidated financial statements do not reflect the results of the acquired entity for the period before the transaction occurred. The corresponding amounts for the previous year are also not restated.

(ii) Capital reorganisation

A common control transaction involves a new company set up where the new company does not meet the definition of a business, with neither acquisition accounting nor predecessor accounting available, such transaction is accounted for as a capital reorganisation. In a capital reorganisation, the acquirer (the new company) incorporates the assets and liabilities of the existing entity at their pre-combination carrying amounts without fair value uplift. The pre-combination book values reflect the carrying values in the books of the existing entity and they are not those from the highest level of common control. No new goodwill is recorded. Any difference between the cost of the transaction and the carrying value of the net assets are recorded in equity, whether the consideration is in a form of shares or cash.

The acquirer's consolidated financial statements include the acquired entity's full results, even though the reorganisation may have occurred part of the way through the year.

3. Summary of significant accounting policies (continued)

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollar ($), which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other (losses)/gains.

(e) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not recognised if they arise from initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

3. Summary of significant accounting policies (continued)

(e) Income tax (continued)

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset against current tax assets and liabilities when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Tax consolidation legislation

The Company and its subsidiaries are a part of a multiple entry consolidation (MEC) group. Uber Australia Holdings Pty Ltd ("the Head Entity"), and the controlled entities in the MEC group, all account for their own current and deferred tax amounts directly allocable to their stand-alone income or loss.

The Company has applied an appropriate allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the MEC group.

In addition to its own current and deferred tax amounts, the Head Entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

3. Summary of significant accounting policies (continued)

(e) Income tax (continued)

There is a formal tax sharing and funding agreement in place for both corporate income tax and goods and services tax ("Agreements"). Under the terms of the Agreements, the Company's subsidiaries agree to pay a tax equivalent payment to or from the Head Entity equal to the tax liability or asset assumed by the Head Entity. Accordingly, the amount paid by the Company's subsidiaries arising under the Agreements for each period is equal to the tax liability or asset assumed by the Head Entity for that period.

(f) Leases

Until 31 December 2018, a lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset tor assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Group has changed its accounting policy for leases where the Group is the lessee. The new accounting policies are set out in note below and the impact of the change in Note 5(a).

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

3. Summary of significant accounting policies (continued)

(f) Leases (continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee’s incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

3. Summary of significant accounting policies (continued)

(f) Leases (continued)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low value assets comprise IT equipment and small items of furniture.

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

(g) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

3. Summary of significant accounting policies (continued)

(h) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

Collectability of trade and other receivables is reviewed on an ongoing basis at an operating unit level. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable. The Group applies the AASB 9 simplified approach to measure expected credit losses which use a lifetime expected loss allowance for all trade receivables and contract assets.

(i) Plant and equipment

Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Network, audiovisual ("AV") and office equipment	3 years
Furniture and fixtures	5 years
Leasehold improvements	2 - 5 years
Other equipment	2 - 5 years
Construction in progress	not depreciated

An item of plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other comprehensive income under “Other (losses)/gains– net” when the asset is derecognised.

The residual values, useful lives and methods of depreciation of plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of acquiring the asset.

3. Summary of significant accounting policies (continued)

(j) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. There is no cash and cash equivalents as at year end as the Group has a cash pooling arrangement with Uber B.V. and all cash is transferred to Uber B.V. at the end of every day.

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(l) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

3. Summary of significant accounting policies (continued)

(m) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Other long-term employee benefit obligations

The Group recognises liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Share-based payments

The Group accounts for share-based compensation expense in accordance with the fair value recognition and measurement provisions of AASB – RDRS, which requires compensation cost for the grant date fair value of share-based awards to be recognised.

The Group records share-based compensation expense for service-based and performance based equity awards such as stock options, warrants and restricted shares on a straight-line basis and accelerated attribution method, respectively, for awards over the requisite service period.

3. Summary of significant accounting policies (continued)

(m) Employee benefits (continued)

(iv) Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period which they are incurred.

(mi) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(mii) Revenue recognition

The Group recognises revenue when or as it satisfies its obligation. The Group derives its revenues principally from its service in connection with Ridesharing and Uber Eats. The accounting policies for the Group's revenue from contracts with customers are explained in Note 7.

Contract liabilities pertains to deferred revenue for cash received for services yet to be performed.

(miii) Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

3. Summary of significant accounting policies (continued)

(q) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(r) Rounding of amounts

The Group is of a kind referred to in in ASIC Legislative Instrument 2016/191, relating to the ‘rounding off’ of amounts in the consolidated financial statements. Amounts in the consolidated financial statements have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

4. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

4. Significant accounting judgements, estimates and assumptions (continued)

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to income tax expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

5. Changes in accounting policies

(a) Leases

As indicated in Note 3(f) above, the Group has adopted AASB 16 Leases retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

On adoption of AASB 16, the Group recognised lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of AASB 117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 January 2019. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 7.80%. Provisions for asset restoration previously capitalised under plant and equipment has been reclassified to right-of-use asset as per Note 15 and 16.

5. Changes in accounting policies (continued)

(a) Leases (continued)

(i) Practical expedients applied

In applying AASB 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying AASB 117 and Interpretation 4 Determining whether an Arrangement contains a Lease. There were no onerous contracts as at 1 January 2019.

(ii) Measurement of lease liabilities

	2019 **$'000**
Operating lease commitments disclosed as at 31 December 2018	**13,321**
Less:	
Discounted using the lessee's incremental borrowing rate of at the date of initial application @7.80%	**(1,528)**
Low:-value leases not recognised as a liability	**(65)**
Lease liability recognised as at 1 January 2019	**11,728**
Of which are:	
Current lease liabilities	**5,946**
Non-current lease liabilities	**5,782**
	11,728

5. Changes in accounting policies (continued)

(b) Capitalisation of plant and equipment

For all financial years up to 31 December 2018, the Group capitalised computer equipment at cost and depreciated it over the estimated useful economic life of 3 years using the straight-line depreciation method.

From 1 January 2019, the Group has changed its accounting treatment for laptops and desktop for office use from capitalisation and depreciation over the estimated useful life to expensing as incurred through the profit or loss. The management has conducted a materiality analysis which concludes that the change in accounting policy would not materially impact the financial statements of the Group.

Due to the immaterial nature of this change, management concludes that the prior period financial statements do not need to be restated.

6. Common control transactions

(a) Capital reorganisation

Subsequent to the incorporation of the Company, its immediate holding company, Uber International B.V. completed the transfer of business activities in three of its subsidiaries, i.e. Uber Pacific V.O.F, Rasier Pacific V.O.F and Portier Pacific V.O.F (the “V.O.F entities”) to the Group in December 2017. The transaction is accounted for as a capital reorganisation. The consolidated financial statements for 2018 of the Group are presented using the values from the consolidated financial statements of the previous group holding company, i.e. Uber International B.V. The equity structure, i.e. the issued share capital would reflect that of the Company with other amounts in equity being those from the consolidated financial statements of the previous group holding company. The resulting difference is recognised as a component of equity under “Other reserves”.

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6. Common control transactions (continued)

(a) Capital reorganisation (continued)

The assets and liabilities recognised as a result of the capital reorganisation are as follows:

	Predecessor values 2018 $'000 (Unaudited)
Trade and other receivables	**1,977,729**
Other current assets	**35**
Current tax assets	**293**
Trade and other payables	**(1,973,537)**
Employee benefit obligations	**(56)**
Contract liabilities	**(1,568)**
Net assets recognised	**2,896**
Consideration paid	**-**
Net difference from capital reorganisation – included in statement of comprehensive income	**2,896**

	Predecessor values 2018 $'000 (Unaudited)
Comprising of:	
Other reserve – arising from the difference in capital structure of V.O.F entities and the subsidiaries	**8,888**
Opening accumulated losses	**(9,378)**
Profit for the period, included in statement of comprehensive income	**3,386**
	2,896

6. Common control transactions (continued)

(b) Acquisition of a subsidiary under common control

As part of an internal group reorganisation, Uber International Holding B.V. has distributed one fully paid ordinary share of Uber Australia Pty Ltd to Uber International B.V. on 10 December 2018, with the same share subsequently transferred to the Company on the same date. The Company and its subsidiaries are controlled by the intermediate parent entity, Uber International B.V.. This is accounted as a business combination under common control as the Group and Uber Australia Pty Ltd are under the common control of Uber Technologies Inc. before and after the transaction. Accordingly, the consolidated financial statements for 2018 of the Group are presented as follows:

(a) the net assets of the combining entities or businesses are consolidated using the existing book values from Uber Technologies Inc.'s perspective. The values are the same as those in Uber Australia Pty Ltd.'s own books when it has been under common control since it was formed. Thus, the assets and liabilities of Uber Australia Pty Ltd are recorded at the book values as at 10 December 2018 stated in the consolidated financial statements of the Group;

(b) no amount is recognised as consideration for goodwill or excess of the Company's interest in the net book value of Uber Australia Pty Ltd.'s identifiable assets, liabilities and contingent liabilities over cost as at 10 December 2018, to the extent of the continuation of the Company or parties' interests; and

(c) comparatives are not restated.

As a result of the acquisition above, Uber Australia Pty Ltd's results were incorporated into the Group's consolidated financial statements for the year ended 31 December 2018 prospectively from 10 December 2018 to 31 December 2018. The Groups' consolidated financial statements for the year ended 31 December 2019 included the results of Uber Australia Pty Ltd from 1 January 2019 to 31 December 2019. Consequently, the amounts presented in these consolidated financial statements are not entirely comparable.

6. Common control transactions (continued)

(b) Acquisition of a subsidiary under common control (continued)

The assets and liabilities recognised as a result of the acquisition are as follows:

	Predecessor value 2018 $'000
Trade and other receivables	**231,983**
Other current assets	**1,640**
Current tax assets	**24,599**
Plant and equipment	**11,185**
Deferred tax assets	**5,137**
Other non-current assets	**285**
Trade and other payables	**(230,399)**
Contract liabilities	**(529)**
Employee benefit obligations	**(8,418)**
Provisions	**(2,350)**
Net assets acquired	**33,133**
Consideration paid – one fully paid ordinary share	**(1)**
Net difference – Other reserves	**33,133**

(1) Denotes $1

7. Revenue from contracts with customers

	2019 $'000	**2018 $'000**
Revenue	**1,161,559**	935,263

The revenue comprises of ridesharing and Uber Eats revenue with incentives to partners as reductions of revenue.

Disaggregation of revenue

The Group has one line of revenue which is from ridesharing and Uber Eats. All revenue is service transferred over time and earned in the geographical region of Australia.

7. Revenue from contracts with customers (continued)

Core Platform (continued)

The Group enters into Services Agreements ("SA") with Partners. The SA defines the service fee the Group charges Partners for each transaction. Upon acceptance of a transaction, the Partner agrees to perform the ridesharing or meals and essentials purchase or delivery services as requested by an end-user. The acceptance of a transaction request combined with the SA establishes enforceable rights and obligations for each transaction.

A contract exists between the Group and a Partner after the Partner accepts a transaction request and the Partner's ability to cancel the transaction lapses. End-users access the Platform for free and the Group has no performance obligation to end-users. As a result, end-users are not the Group's customers. The Group's service includes on-demand lead generation, and related activities, including facilitating payments from end-users, that enable Partners to seek, receive and fulfil on-demand requests from end-users seeking ridesharing services and meals and essentials purchase services and delivery services. These activities are performed to satisfy the Group's sole performance obligation in the transaction, which is to connect Partners with end-users to facilitate the completion of a successful transaction.

Judgment is required in determining whether the Group is the principal or intermediary in transactions with Partners and end-users. The Group evaluates the presentation of revenue on a gross or net basis based on whether it controls the service provided to the end-user and is the principal (i.e. "gross"), or the Group arranges for other parties to provide the service to the end-user and is an intermediary (i.e. "net"). The Group's role is to provide the service to Partners to facilitate a successful trip or meals and essentials purchase or delivery to end-users. The Group concluded it does not control the goods or services provided by Partners to end-users as (i) the Group does not pre-purchase or otherwise obtain control of the Partners' goods or services prior to its transfer to the end-user; (ii) the Group does not direct Partners to perform the service on the Group's behalf, and Partners have the sole ability to decline a transaction request and (iii) the Group does not integrate services provided by Partners with its other services and then provide them to end-users. As part of the Group's evaluation of control, the Group reviews other specific indicators to assist in determining the principal versus intermediary role. The Group is not primarily responsible for ridesharing and meals and essentials purchase and delivery services provided to end-users, nor does it have inventory risk related to these services. While the Group recommends the price for ridesharing and delivery services, the Partner and end-users have the ultimate discretion in accepting the transaction price and this indicator alone does not result in the Group controlling the services provided to end-users. Accordingly the Group recognises revenue on a net basis, representing the fee the Group expects to receive in exchange for the provision of services to Partners.

7. Revenue from contracts with customers (continued)

Core Platform (continued)

Partners are the Group's customers and pay the Group a service fee for each successfully completed transaction between the Partner and end-users. The Group's obligation in the transaction is satisfied upon completion by the Partner of a transaction. In the vast majority of transactions with end-users and Partners, the Group acts as an intermediary by connecting Partners and end-users seeking ridesharing, delivery and meals and essentials purchase services with Partners looking to provide these services. Accordingly, the Group recognises revenue on a net basis, representing the fee the Group expects to receive in exchange for the Group providing the service to Partners. The Group records refunds to end-users that it recovers from Partners as a reduction to revenue. Refunds to end-users due to end-user dissatisfaction with the Platform are recorded as marketing expenses and reduce the accounts receivable amount associated with the corresponding transaction.

Ridesharing

The Group derives its ridesharing revenue primarily from service fees paid by Partners for services to connect Partners with Riders and where Partners successfully complete a trip via the Platform. The Group recognises revenue when a trip is complete. There were no material unsatisfied performance obligations as of 31 December 2019.

The service fee is typically a fixed percentage of the end user fare. The Group typically receives the service fee within a short period of time following the completion of a trip, and as such, Partner contracts do not have a significant financing component.

Uber Eats

The Group derives its Uber Eats revenue primarily from service fees paid by Partners for services to successfully complete a meals and essentials purchase and delivery service via the Platform. The Group recognises revenue when an Uber Eats transaction is complete. There were no material unsatisfied performance obligations as of 31 December 2019.

The service fee paid by Merchant Partners and Delivery Partners is typically a fixed percentage of the meal price and delivery fee. The Group typically receives the service fee within a short period of time following the completion of a delivery. As such, Merchant Partner and Delivery Partner contracts do not have a significant financing component.

7. Revenue from contracts with customers (continued)

Incentives to Partners

Incentives provided to Partners are recorded as a reduction of revenue if the Group does not receive a distinct good or service or cannot reasonably estimate fair value of the good or service received. Incentives to Partners that are not for a distinct good or service are evaluated as variable consideration, in the most likely amount to be earned by the Partner, at the time or as they are earned by the Partner, depending on the type of incentive. Since incentives are earned over a short period of time, there is limited uncertainty when estimating variable consideration.

Incentives earned by Partners for referring new Partners are paid in exchange for a distinct service and are accounted for as customer acquisition costs. The Group expenses such referral payments as incurred in sales and marketing expenses in the consolidated statements of profit or loss and other comprehensive income. The Group applied the practical expedient under AASB 15 and expenses costs to acquire new customer contracts as incurred because the amortisation period would be one year or less. The amount recorded as an expense is the lesser of the amount of the incentive paid or the established fair value of the service received. Fair value of the service is established using amounts paid to vendors for similar services.

The Group evaluates whether the cumulative amount of payments, including incentives, to Partners that are not in exchange for a distinct good or service received from Partners exceeds the cumulative revenue earned since inception of the Partner relationships. Any cumulative payments in excess of cumulative revenue are presented as cost of revenue in the consolidated statements of profit or loss and other comprehensive income.

End-User Promotions

The Group offers promotions to end-users to encourage use of the Group’s Platform. These are offered in various forms and include:

Targeted end-user promotions
These promotions are offered to a limited number of end-users in a market to acquire, re-engage, or generally increase end-users use of the platform, and are akin to coupon(s). An example is an offer providing a promotion on a limited number of rides or meals and essentials purchase and deliveries during a limited time period. The Group records the cost of these promotions as sales and marketing expenses at the time they are redeemed by the end-user.

7. Revenue from contracts with customers (continued)

End-User Promotions (continued)

End-user referrals
These referrals are earned when an existing end-user (the referring end-user) refers a new end-user (the referred end-user) to the platform and the new end-user undertakes their first transaction on the platform. These referrals are typically paid in the form of a credit given to the referring end-user. These referrals are offered to attract new end-users to the Platform. The Group records the liability for these referrals and corresponding expense as sales and marketing expenses at the time the referral is earned by the referring end-user.

Practical Expedients
The Group has utilised the practical expedient available under AASB 15 and does not disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less. The Group has no significant financing components in its contracts with customers.

8. Material profit or loss items

	2019 **$'000**	**2018** **$'000**
Depreciation expense	**11,084**	-
Employee benefits expense - other	**75,256**	-
Employee benefits expense – defined contribution	**5,407**	-
Employee benefits expense – share-based payments	**17,797**	-
Facility expenses	**3,625**	-
Marketing expenses	**237,575**	80,330
Professional fees	**9,530**	347
Service fees	**494,215**	691,013

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9. Other (losses)/gains - net

	2019 $'000	2018 $'000
Net foreign exchange (loss)/gain	**(134)**	922
Loss on disposal of plant and equipment	**(9)**	-
	(143)	922

10. Finance costs

	2019 $'000	2018 $'000
Interest expense for lease liabilities	**1,020**	-
Provisions – unwinding of discount	**289**	-
Interest expense on cash pooling arrangement	**8,199**	7,809
	9,508	7,809

11. Income tax

The major components of income tax expense for the years ended 31 December 2019 and 2018 are:

	2019 $'000	2018 $'000
Current income tax:		
Current income tax charge	**14,318**	8,484
Adjustments in respect of current tax of previous year	**9,143**	-
Deferred tax:		
Relating to origination and reversal of temporary differences	**(2,315)**	(526)
Adjustments in respect of deferred tax of previous year	**(3,593)**	-
Income tax expense reported in the consolidated statement of profit or loss and other comprehensive income	**17,553**	7,958

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11. Income tax (continued)

Reconciliation of tax expense and the accounting profit multiplied by Australia's domestic tax rate for 2019 and 2018:

	2019 $'000	2018 $'000
Accounting profit/(loss) before income tax	**19,135**	(5,260)
Tax at Australia's statutory income tax rate of 30% (31 December 2018: 30%)	**5,741**	(1,578)
Adjustments in respect of current income tax of previous years	**9,143**	-
Adjustments in respect of temporary differences for which deferred tax has been recognised	**(3,517)**	-
Non-deductible entertainment expenses	**775**	-
Non-deductible share based payments expenses	**5,339**	-
Other assessable income	**700**	-
Transfer pricing adjustment	**(628)**	9,536
Aggregate income tax expense	**17,553**	7,958

12. Trade and other receivables

	31 Dec 2019 $'000	31 Dec 2018 $'000
Net trade receivables	**8,770**	4,809
Other receivables	**51**	16
Receivables due from related parties	**2,104,059**	2,883,594
	2,112,880	2,888,419
Net trade receivables		
Trade receivables	**11,032**	6,244
Loss allowance	**(2,262)**	(1,435)
	8,770	4,809

Trade receivables are non-interest bearing and generally on 30 days terms.

12. Trade and other receivables (continued)

Trade receivable represents (1) uncollected fare payments from end-users for completed transactions where the payment method is credit card and includes (a) end-user fare amounts not yet settled with payment service providers and (b) end-user fare amounts settled by payment service providers but not yet remitted to the Group or where the payment is cash and includes service fees not yet deducted against future service fees of driver partners (2) uncollected fare payments from businesses where end-user fares have been settled with driver partners but not yet remitted to the Group by these businesses. The timing of settlement of amounts due from these parties varies by product. The portion of the fare receivable to be remitted to Partners is included in accrued and other current liabilities.

Although the Group pre-authorises forms of payment to mitigate its exposure, the Group bears the cost of any accounts receivable losses. The Group records an allowance for doubtful accounts for fare and invoiced amounts that may never settle or be collected. The Group considers the allowance for doubtful accounts for fare amounts to be direct and incremental costs to revenue earned and, therefore, the costs are included as cost of revenue in the consolidated statements of operations. The Group estimates the allowance based on historical experience and geographical trends, which are reviewed periodically and as needed, and amounts are written off when determined to be uncollectable. Chargebacks and credit card losses were $3,657,000 for 2019 (2018: $9,969,000).

Receivables due from related parties are non-interest bearing and are repayable on demand. These receivables mainly pertain to collection on behalf by related parties.

13. Other current and non-current assets

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	2019 $'000	**2018 $'000**
Current		
Prepayments	**478**	1,470
Deposits	**272**	216
	750	1,686
Non-current		
Deposits	**300**	285
	1,050	1,971

14. Trade and other payables

	2019 $'000	2018 $'000
Current		
Trade payables	**63,255**	61,320
Other payables	**174**	2,469
Accrued expenses	**16,689**	14,652
Payables due to related parties	**1,141,419**	2,274,880
Payable due to a related party on cash pooling arrangement	**836,999**	528,791
GST payable	**13,259**	3,767
	2,071,795	2,885,879

Trade payables are unsecured and are usually paid within 30 days of recognition.

Payable due to a related party on cash pooling arrangement relates to cash pooling between Uber B.V. and all the group entities. All group entities have individual bank accounts and their month-end cash balances are being swept into a single cash account owned by Uber B.V.. In turn, funds are transferred from Uber B.V. to group entities for working capital purposes. The payable on cash pooling arrangements between Uber B.V. and Uber Pacific Pty Ltd, Rasier Pacific Pty Ltd and Portier Pacific Pty Ltd are non-interest bearing and are repayable on demand. The payable on cash pooling arrangements between Uber B.V. and the V.O.F entities, which are consolidated due to the capital reorganisation explained under Note 6(a), bear interest at official cash rate plus a 0.25% spread, and are repayable on demand.

Payables due to related parties are non-interest bearing and are repayable on demand. These payables mainly pertain to payment on behalf by related parties and service fees due to related parties.

15. Plant and equipment

Group	Network, audio visual ("AV") and office equipment	Furniture and fixtures	Leasehold improvements	Other equipment	Construction in progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000
2019						
Cost						
Beginning of financial year	3,807	231	15,192	16	1,216	20,462
Adjustment for change in accounting policy, see Note 5(a)	-	-	(2,065)	-	-	(2,065)
Restated opening net book value	3,807	231	13,127	16	1,216	18,397
Additions	314	-	464	-	1,374	2,152
Disposals	(6)	-	(623)	-	-	(629)
Transfer	114	16	1,407	(2)	(1,535)	-
End of financial year	4,229	247	14,375	14	1,055	19,920
Accumulated depreciation						
Beginning of financial year	2,590	145	6,542	-	-	9,277
Adjustment for change in accounting policy, see Note 5(a)	-	-	(1,037)	-	-	(1,037)
Restated opening net book value	2,590	145	5,505	-	-	8,240
Additions	877	49	5,012	-	-	5,938
Disposals	(4)	-	(616)	-	-	(620)
End of financial year	3,463	194	9,901	-	-	13,558
Net book value						
As at 31 December 2019	**766**	**53**	**4,474**	**14**	**1,055**	**6,362**
As at 31 December 2018	1,217	86	8,650	16	1,216	11,185

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16. Leases

(i) Amounts recognised in the balance sheet

	31 Dec 2019 $'000	1 Jan 2019 $'000
Right-of-use assets		
Buildings	**16,777**	12,423
Provision for asset restoration	**2,342**	1,028
	19,119	13,451
Lease liabilities		
Current	**4,293**	6,074
Non-current	**13,533**	6,349
	17,826	12,423

Additions to the right-of-use assets during the 2019 financial year was $5,668,000.

(ii) Amounts recognised in the consolidated statement of profit or loss

	2019 $'000
Depreciation charge of Right-of-use assets	
Buildings	**4,059**
Others	**1,087**
	5,146
Interest expense (included in finance cost)	**1,020**
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in administrative expenses)	**449**

The total cash outflow for leases in 2019 was $3,010,000.

17. Deferred tax balances

Deferred tax relates to the following:

	Consolidated statement of financial position		Consolidated statement of profit or loss and other comprehensive income	
	2019 $'000	**2018 $'000**	**2019 $'000**	**2018 $'000**
Plant and equipment	**5,481**	2,805	**2,678**	2,805
Unrealised foreign exchange gains and losses	**(413)**	(424)	**11**	(325)
Provisions and accruals	**5,677**	2,752	**2,889**	2,162
Deferred income	**2,338**	1,608	**730**	1,021
Leases	**(400)**	-	**(400)**	-
Deferred tax benefit			**5,908**	5,663
Net deferred tax assets	**12,683**	6,741		
Reflected in the consolidated statement of financial position as follows:				
Deferred tax assets	**13,496**	7,165		
Deferred tax liabilities	**(813)**	(424)		
Deferred tax assets, net	**12,683**	6,741		

The Company and its subsidiaries have applied the tax consolidation legislation which means that these entities are taxed as a single entity. As a consequence, the deferred tax assets and deferred tax liabilities of these entities have been offset in the consolidated financial statements.

18. Employee benefit obligations

	2019 $'000	**2018 $'000**
Current		
Leave obligations	**786**	2,209
Compensation and bonus	**7,842**	3,561
Salary and fringe benefit tax	**968**	1,539
Others	**-**	145
Total employee benefit obligations	**9,596**	7,454
Non-current		
Leave obligations	**2,115**	964

18. Employee benefit obligations (continued)

The leave obligations cover the Group's liabilities for long service leave and annual leave which are classified as either other long-term benefits or short-term benefits.

19. Provisions

	2019 $'000	2018 $'000
Provision for asset restoration		
Current	**2,008**	252
Non-current	**3,002**	2,098
	5,010	2,350

The Group is required to restore the leased premises of its offices to their original condition at the end of the respective lease terms. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements. These costs have been capitalised as part of the cost of right-of-use assets (2018: as part of the cost of leasehold improvements) and are amortised over the shorter of the term of the lease or the useful life of the assets.

(i) Movements in provisions

	2019 $'000	2018 $'000
At beginning of financial year	**2,350**	-
Acquisition of a subsidiary under common control	**-**	2,350
Additional provision charged to right-of-use assets during the financial year	**2,696**	-
Unused amounts released to profit or loss	**(325)**	-
Unwinding of discount charged to profit or loss	**289**	-
At end of financial year	**5,010**	2,350

20. Issued capital

Group	2019 Number of shares	2018 Number of shares
Fully paid ordinary shares		
At beginning of financial year	**2**	1
Addition	**-**	1
At end of financial year	**2**	2

21. Other reserves

Other reserves arose due to a capital reorganisation involving the Group and its subsidiaries in respect of transfer of business activities and acquisition of a subsidiary under common control. Refer to Note 6 for details of the common control transactions. Other reserves are non-distributable.

22. Share-based compensation reserve

The Company's Ultimate Parent Entity, Uber Technologies, Inc. ("UTI") maintains two equity incentive plans: the 2013 Equity Incentive Plan ("2013 Plan") and the 2010 Stock Plan ("2010 Plan" and collectively, "Plans"). The 2013 Plan serves as the successor to the 2010 Plan and provides for the issuance of incentive and non-qualified share options, restricted stock units ("RSUs") and stock appreciation rights ("SARs") to employees of the Company that vest upon the satisfaction of service conditions or both service and performance conditions.

- The service condition is generally satisfied over four years, and awards begin to vest following the employees one-year employment anniversary.

- The performance condition is satisfied upon the occurrence of a qualifying event, which is defined as the earlier of (i) the closing of certain specified liquidation transactions or (ii) an initial public offering ("IPO").

Under the terms of these awards, the employee is not required to be employed at the date of the qualifying event; however, the liquidity event needs to occur before expiration of the award. On exercise, options convert to one ordinary share in UTI at the agreed exercise price of the option.

UTI has elected to use the Black-Scholes option-pricing model to determine the fair value of stock options, warrants and stock appreciation rights (SARs) on the grant date. The Black-Scholes option-pricing model requires certain subjective inputs and assumptions including the expected term and stock price volatility. In addition, UTI is required to estimate the expected pre-vesting award forfeiture rate, and only recognises expenses for those share expected to vest

The opening balance of the share-based compensation reserve is recognised as a component of equity under "Other reserves". This is the result of the acquisition of Uber Australia Pty Ltd under common control, where the equity structure, i.e. the issued share capital would reflect that of the Company with other amounts in equity being those from the consolidated financial statements of the previous group holding company. This is disclosed under Note 6(b).

22. Share-based compensation reserve (continued)

The number and weighted average exercise prices ('WAEP') of share options, RSUs and SARs are as follows:

2019	**Number of options**	**WAEP of share option (USD)**	**Number of RSUs**	**WAEP of RSUs (USD)**	**Number of SARs**	**WAEP of SARs (USD)**
As at 1 January 2019	1,652,664	$14.68	184,631	$39.81	23,921	$3.22
Granted	-	-	426,775	$42.78	-	-
Exercised	(19,470)	$25.34	(110,096)	$41.06	(18,178)	$1.81
Forfeited	(91,662)	$13.34	(38,152)	$44.61	(506)	$6.93
Expired	(30,014)	$13.32	-	-	(1,288)	$6.23
Transfer in	7,555	$11.95	16,778	$41.34	-	-
Transfer out	(188,777)	$16.51	(27,461)	$45.50	-	-
As at 31 December 2019	**1,330,296**		**452,475**		**3,949**	
Vested and exercisable as at 31 December 2019	925,287	$14.91	-	-	3,870	$8.28

23. Related party transactions

(a) Parent entities

The Group is controlled by the following entities:

Name	**Type**	**Place of incorporation**	**Ownership interest 2019**	**2018**
Uber International B.V.	Immediate parent entity	Netherlands	**100%**	100%
Uber Technologies, Inc.	Ultimate parent entity and controlling party	United States of America	**100%***	100%*

* Uber Technologies, Inc. ultimately holds 100% of the issued ordinary shares of Uber International B.V.

(b) Subsidiaries

The Group's subsidiaries at 31 December 2019 and 2018 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

23. Related party transactions (continued)

(b) Subsidiaries (continued)

Name of entity	Country of incorporation	Ownership interest held by the Group 2019 %	Ownership interest held by the Group 2018 %	Principal activities
Uber Pacific Pty Ltd	Australia	100	100	Ridesharing services
Rasier Pacific Pty Ltd	Australia	100	100	Ridesharing services
Portier Pacific Pty Ltd	Australia	100	100	Uber Eats services
Uber Australia Pty Ltd	Australia	100	100	Providing market research, product and service marketing

* These subsidiaries have been granted relief from the necessity to prepare separate financial reports in accordance with ASIC instrument 2016/785.

(c) Key management personnel compensation

	2019 $'000	2018 $'000
Employee benefits expense - Other	**20,198**	-
Employee benefits expense - Defined contribution	**909**	-
Employee benefits expense - Share-based payments	**7,531**	-
Nominee director's fee	**36**	15
	28,674	15

Key management personnel includes employees who have authority and responsibility for planning, directing and controlling the activities of the Group.

23. Related party transactions (continued)

(d) Significant transactions with other related parties

In addition to the information disclosed elsewhere in the consolidated financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

	2019 $'000	2018 $'000
Other transactions		
Collection on behalf by a related company	**3,073,337**	777,951
Service fee paid to related companies	**494,215**	499,590
Advance funding from a related company for cash pooling arrangement	**(260,938)**	(339,606)
Payment on behalf by related companies	**(2,098,136)**	(16,722)
Interest expense payable to a related company	**8,199**	7,809

24. Commitments and contingencies

(a) Contingent liabilities

In May 2019, an Australian law firm filed a class action in the Supreme Court of Victoria, against one of the Company's subsidiaries and its related parties (collectively referred to as "Uber entities"), on behalf of certain participants in the taxi and hire-car industry. The plaintiff alleges that the Uber entities conspired to injure the group members during the period 2014 to 2017 by either directly breaching transport legislation or commissioning offenses against transport legislation by UberX Driver Partners in Australia. The Group denies these allegations and intends to vigorously defend against the lawsuit. As the proceeding is still at an early stage, it is difficult to measure the potential financial outcome and hence, a provision has not been recognised in the consolidation financial statements.

Besides the above, there are no other contingent assets as at the reporting date which would have a material effect on the Group's consolidated financial statements as at 31 December 2019 (2018: none).

(b) Operating lease commitments

The Group leases various offices under non-cancellable operating leases expiring within two to eight years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

24. Commitments and contingencies (continued)

(b) Operating lease commitments (continued)

With the adoption of AASB 16 from 1 January 2019 onwards, the Group has recognised lease liabilities in relation to leases. Details of lease liabilities are under Note 16. The amounts of lease commitments as at 31 December 2018 disclosed below.

	2018 **$'000**
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:	
Within one year	**5,597**
After one year but not more than five years	**7,724**
At end of financial year	**13,321**

25. Deed of cross guarantee

On 10 December 2018, Uber Australia Pty Ltd entered into a Deed of Cross Guarantee with the Company and Uber Pacific Pty Ltd, Rasier Pacific Pty Ltd and Portier Pacific Pty Ltd (the "subsidiaries").

The Company, Uber Australia Pty Ltd, Uber Pacific Pty Ltd, Rasier Pacific Pty Ltd and Portier Pacific Pty Ltd are parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*.

The Company, Uber Australia Pty Ltd, Uber Pacific Pty Ltd, Rasier Pacific Pty Ltd and Portier Pacific Pty Ltd represent a 'closed group' for the purposes of the instrument, and as there are no other parties to the deed of cross guarantee that are controlled by the Company, they also represent the 'extended closed group'.

One of the main conditions of the ASIC class order is that the parent entity prepares consolidated financial statements which includes financial information of the parties to the deed. As these consolidated financial statements have included the financial information of the closed group consisting of the Company, Uber Australia Pty Ltd, Uber Pacific Pty Ltd, Rasier Pacific Pty Ltd and Portier Pacific Pty Ltd, there is no additional disclosures made.

The consolidated financial statements also include assets and liabilities of other entities outside "closed groups", i.e. V.O.F entities at their predecessor values upon transfer of business activities to the Group under a capital reorganisation in 2017. Details of these transactions are disclosed in Note 6(a).

26. Parent entity financial information

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2019 $'000	2018 $'000
Balance sheet		
Current tax assets	**4,961**	**2**
Investment in subsidiaries	**(1)**	**(1)**
Total assets	**4,961**	**2**
Trade and other payables, representing total liabilities	**1,722**	**6**
Net assets/(liabilities)	**3,239**	**(4)**
Shareholders' equity		
issued capital	**(2)**	**(2)**
Retained earnings/Accumulated losses	**3,239**	**(4)**
Total equity	**3,239**	**(4)**
Statement of profit/(loss) and other comprehensive income/(loss)		
Profit/(loss) for the year	**3,243**	**(4)**
Total comprehensive income/(loss)	**3,243**	**(4)**

(1) Denotes $4
(2) Denotes $2

26. Parent entity financial information (continued)

(a) Summary financial information (continued)

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of the Company. Dividends received from associates are recognised in the parent entity's profit or loss when its right to receive the dividend is established.

(ii) Tax consolidation legislation

The Company and its subsidiaries became part of a multiple entry consolidation (MEC) group. Uber Australia Holdings Pty Ltd ("the Head Entity"), and the controlled entities in the MEC group, all account for their own current and deferred tax amounts directly allocable to their stand-alone income or loss.

The Company has applied an appropriate allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the MEC group.

Details are disclosed in Note 3(e).

(iii) Financial guarantees

There are cross guarantees given by the Group as described in Note 25. No deficiency of assets exist in any of these companies. No liability was recognised by the parent entity or the Group in relation to the guarantee, as the fair value of the guarantee is immaterial. The parent entity did not have any contingent liabilities as at 31 December 2019 or 31 December 2018.

27. Events after the reporting period

On 11 March 2020, the World Health Organisation declared the novel strain of coronavirus disease ("COVID-19") as a pandemic. The COVID-19 outbreak and resulting measures taken by the governments to contain the virus have affected the Group's operations. The Group's priorities have been to ensure the health and safety of the employees (the Group has taken a number of measures like social distancing and working from home) and supporting the Uber Group's initiatives (including for our partners) through this difficult time. The extent of COVID-19's effect on the Group's operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic.

No adjustments have been made to the financial statements as at 31 December 2019 for the impacts of Covid-19.

28. In the directors' opinion:

(a) the consolidated financial statements and notes set out on pages 5 to 46 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Accounting Standards – Reduced Disclosure Requirements, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

  (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and

(c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in Note 25 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 25.

This declaration is made in accordance with a resolution of the directors.

Nicholas Falzon
Director

Sydney
20 May 2020

Independent auditor's report

To the members of Uber Australia Holdings Pty Ltd

Our opinion

In our opinion:

The accompanying financial report of Uber Australia Holdings Pty Ltd (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 31 December 2019
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.

PricewaterhouseCoopers

Craig Heraghty
Partner

Sydney
20 May 2020

Flexibility and fairness:

What matters to workers in the new economy

MARCH 2019

This report produced by
AlphaBeta for Uber

alphaβeta
strategy x economics

αlphaβeta

strategy x economics

This report has been commissioned by Uber and prepared by AlphaBeta. Professor Jeff Borland of the University of Melbourne provided independent advice and guidance on the analysis. AlphaBeta is a research firm with offices in Sydney, Singapore, Canberra and Melbourne. AlphaBeta specialises in combining advanced analytical techniques and innovative data to generate new insights and fresh perspectives on the challenges facing business and government.

For further information on this report contact sydney@alphabeta.com.

An agenda to improve opportunities in the gig economy

1.2M Australians want more flexible work but most are forced into choosing between flexibility and stability

Uber provides flexible work for 60,000 drivers-partners

Of Australia's 60,000 Uber driver-partners

78% joined Uber for the flexibility to **balance** their work, study and family commitments

Nearly **half** are parents of children under 18

3 in 5 wouldn't work without the flexibility Uber provides

Most driver-partners use Uber for supplemental income. Nearly half spend **<10 hours a week** on the app

Driving more opportunity in the gig ecomony

Businesses and government need to work together on an agenda that ensures gig economy work is both flexible and secure. **Opportunities include:**

- enabling gig economy businesses to introduce **social benefits and insurance** packages that offer benefits for significant life events
- creating new **lifelong learning and reskilling** opportunities that could help gig economy workers prepare for new careers while they work
- creating a framework that encourages and supports **superannuation contributions** from multiple sources of work

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Flexibility and fairness: what matters to workers in the new economy

Executive summary

Australia's workforce has become increasingly diverse over the last 25 years, with more women, students and over-60s in jobs than ever before. This shift has driven demand for more flexible work, with almost six in 10 Australian workers wanting jobs that would also allow them to juggle study, parenting, side-businesses, travel plans, or increasing caring responsibilities as our population ages.

The gig economy is a new source of flexible work across a range of industries, business models and employment arrangements. One common feature of the gig economy is that workers have a high degree of control over their hours and location of work. Unlike full-time, part-time or even casual employees, gig workers can earn income whenever and wherever they want.

This report is a contribution to the national debate about the changing nature of work and the new opportunities offered by the gig economy. It is the first Australian study to combine Uber's administrative data with demographic surveys to better understand the experience of tens of thousands of Australians who are using the Uber app as a flexible earning opportunity.

As the gig economy becomes a larger part of the employment landscape, there is an opportunity to develop frameworks that better support both flexibility for independent workers, as well as the security and entitlements they value. Governments around the world are considering options to best support those working in the gig economy, while a number of platform providers have also started developing initiatives and programs to offer independent workers more support. This report identifies a number of areas where policy reform could help facilitate the continued growth of flexible job opportunities through apps like Uber while also supporting safety, security, reward and opportunity.

Around 1.2 million Australians want more flexible work

Many Australians want more flexible work. Many of these people are juggling study, parenting or caring responsibilities. Others may have side-businesses, health constraints, second jobs or travel plans. All of these workers value flexibility; many could not work without it.

Around 5.5 million Australian workers are in 'low' or 'neutral' flexibility jobs and, of these, 1.2 million report that they want more flexibility.[1] For many of these workers the costs of having less flexibility will be foregone time with family and costs associated with outsourced care. In the gig economy, flexibility gives workers the opportunity to earn income while managing a range of other family, work or lifestyle commitments and constraints. Without these opportunities, Australians are faced with a choice between the costs of 'low flexibility' work or not being able to work and having lower income.

While job flexibility is valued by many Australian workers, it is not the only job attribute that matters. Workers rightly value the income security that traditional work offers – which consists of security of tenure and benefits and protections such as sick pay, holiday pay, parental leave and superannuation. The Household, Income and Labour Dynamics in Australia (HILDA) Survey reveals that nearly half of Australian workers express a preference for both job flexibility and security. Unfortunately, the Australian economy is not generating enough of these flexible and secure jobs.

As the gig economy grows, more flexible income opportunities for a growing number of workers will be available but it is critical that this comes with the securities and benefits that are fundamental pillars of the Australian industrial relations system and reflects Australian expectations of what it means to work in a fair environment.

Uber provides opportunities for more than 60,000 driver-partners who value the flexibility it offers

Uber provides flexible earning opportunities for more than 60,000 driver-partners in Australia. Nearly four in five Uber driver-partners say they chose to drive using the Uber app because it gives them flexibility to balance work and family life. More than three in five Uber driver partners say that they could not work in traditional roles that do not offer this type of flexibility.

Flexibility in work comes in different forms. For people that drive using Uber, it means the ability to set their schedules and adjust them in real time. Driver-partners can literally log on and off whenever they wish. The value of Uber's flexibility is particularly important for driver-partners juggling other work or family commitments. About a quarter (26%) of driver-partners who use the Uber app also have a full-time job and are using Uber for supplemental income. Another 15% of driver-partners are generating income to support them while they develop their own business, 10% are students, 6% are retirees earning some extra income and 5% are driving with Uber while also caring for a family member or loved one. In addition, 48% of driver-partners are parents with one or more children of dependent age.

1. 'Low' flexibility workers are those that gave their current job a score of 1-3 for flexibility in the HILDA survey, on a scale of 1-7. 'Neutral' flexibility workers gave their current job a score of 4.

Executive summary

Flexibility is a strong driver of job satisfaction

Uber driver-partners are satisfied across a range of job attributes – flexibility, the work itself, hours, job security and remuneration. Satisfaction is greatest with the flexibility that is available to driver-partners using the app (average of 7.94 on a scale of 0-10) and satisfaction with the work itself.

Driver-partners using Uber are generally satisfied with their jobs. They report average job satisfaction of 6.7 (out of 10). However, job satisfaction is highest for those driver-partners for whom flexibility is most important, and lower for those for whom it is less important. However, even the minority of driver-partners for whom flexibility was not a driver of their choice to drive with the app, are net satisfied on average.

Most drivers use Uber as an additional source of income and their earnings reflect when and where they choose to work

For the vast majority of driver-partners, Uber is a supplemental source of income. Nearly half of all driver-partners spend a maximum of 10 hours per week on the app[2]. A minority have weekly hours on the Uber app that compares to full-time work, with just 14% of partners driving for 30 hours per week or more.

In Sydney, the average driver-partner receives $29.46 (i.e. after Uber's service fee) for every hour on the app. However, this necessarily includes time spent 'commuting' between the driver-partner's home and target work area. For the broader workforce, the time associated with commuting is significant. The average commute for Sydney-siders has been estimated to be between 35 and 39 minutes each way, and 48 minutes for users of public transport[3]. Were estimates of these workers' earnings per hour to include the time associated with commuting it would have a material impact. To put Uber driver-partner earnings in context it is important to consider the impact of commuting. If we remove estimated 'commuting hours' from hours online when calculating Uber driver-partner earnings, the average hourly earnings rises by $2.65 to $32.11.

Driver-partners have total autonomy and decide when and where to drive and for how long. This means earnings vary depending on whether drivers are active at times and in places where demand is highest. For example, driver-partners who use the app in peak times of the week, in areas of high demand, or work more in the busiest months of the year (eg. November and December), earn more than the average.

The average costs incurred by a driver-partner (including GST, fuel, insurance, maintenance and depreciation) is $8.46/hour in Sydney. Accordingly, the average earnings per hour, net of costs, is estimated to be $21.00 per hour (or $23.35 per hour after removing 'commute' hours).[4]

As the gig economy grows, it will provide flexible income opportunities for a growing number of Australian workers. It will also be important to ensure that the gig economy can offer security to workers as well.

An agenda to support opportunity, flexibility and security for gig economy workers

Uber has already introduced a range of operational innovations aimed at providing its partners with greater support and peace of mind, while preserving the flexibility they value.

In Australia, Uber has launched a new package that has seen Australian driver and delivery partners provided with support through an insurance policy, at no additional cost to them, for accidents while on a trip.

In a similar way, Uber delivers protection for accidental injuries for over two million people around the world that use the app to get work.

Uber has also made investments in learning and development in the United States for partners and their family members, in skills and training in France including language training and business management advice and in extensive social insurance products in Europe including payments for maternity and paternity.

However, more needs to be done. As the gig economy grows, apps like Uber and governments have a shared responsibility to work together to strike an appropriate balance between new work opportunities that provide flexibility and security for all participants. This report identifies seven areas in which policymakers and platforms like Uber can work together in pursuit of that goal.

2. 'Hours is calculated based on all online time. The number of weeks included in the denominator is the number of weeks in the period the individual was a user of the app, defined as the number of weeks from their first week of use to their last week of use in the relevant period. As opposed to using an average hours per week contingent on working, this measure reflects the tendency for driver-partners to have weeks where they work zero hours in amongst other weeks where they work. However, it also takes account of the fact that many drivers become a user of the app for the first time part way through any study period, or may cease to be a user part way through a period.
3. BITRE (Bureau of Infrastructure, Transport and Regional Economics) (2016). Lengthy commutes in Australia, report 144, BITRE, Canberra
4. Cost per hour based on excluding 'commute' hours is $8.76

Executive summary

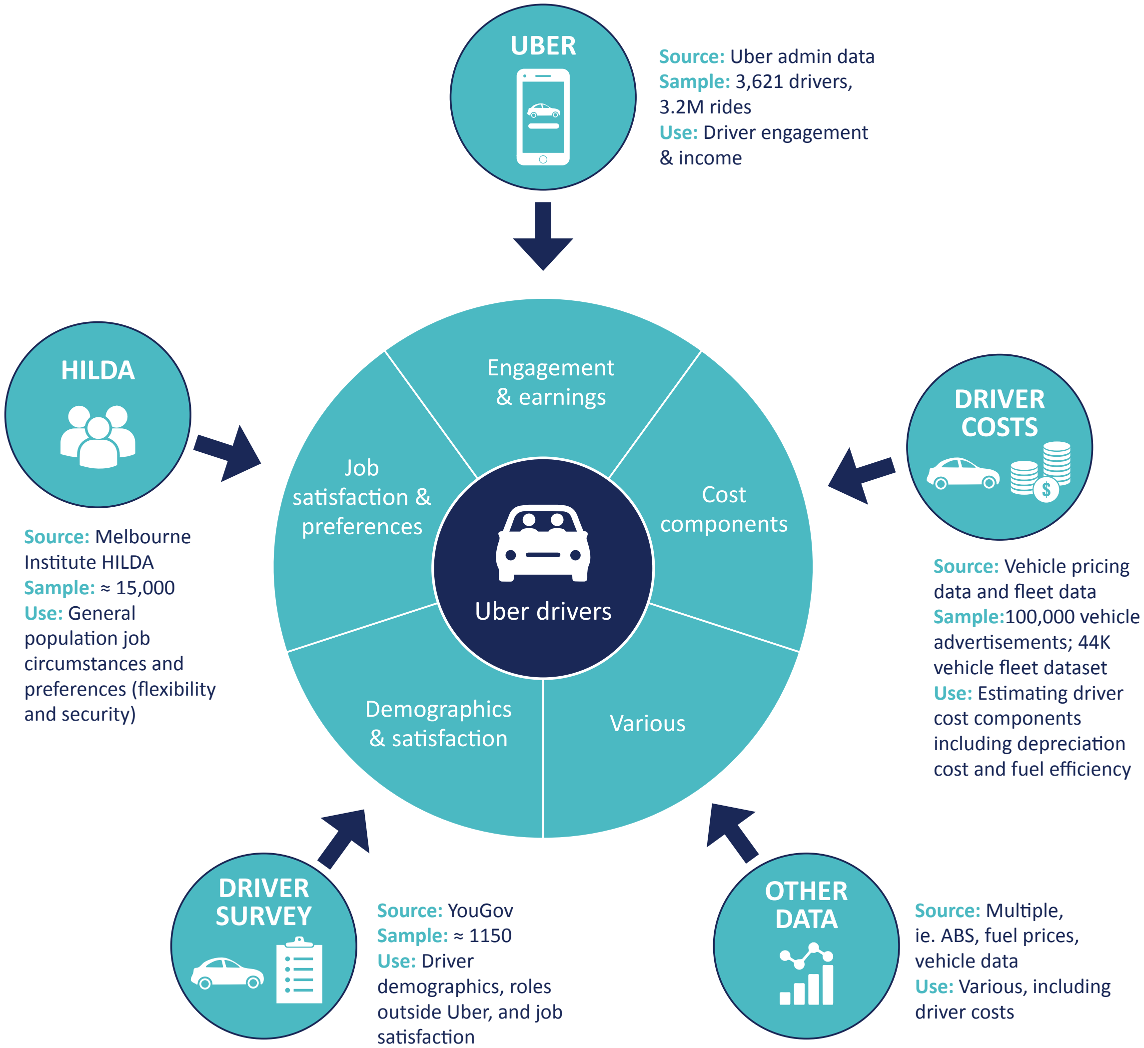
This report is based on administrative data on 3.2 million Uber rides and a survey of driver-partners using the Uber app

This report is based on a combination of data sources. Uber provided administrative data on a random sample of 3,621 Sydney driver-partners using the Uber app, who together completed 3.2 million rides. This data was used to understand driver-partners' engagement with the platform and their earnings per hour. This information was supplemented with a survey of driver-partners to develop a robust picture of demographics, backgrounds and roles outside Uber.

AlphaBeta used HILDA data to establish job circumstances and preferences in terms of flexibility and security, in the general population.

EXHIBIT 1

Data sources used in this report.



1. Around 1.2 million Australians want more flexible work

The desire for job flexibility is significant and growing

Many Australians want more flexible work. Many of these people are juggling study, parenting or caring responsibilities. Others may have side-businesses, health constraints, second jobs or travel plans. All of these workers value flexibility; and many of them could not work without it.

The need for greater flexibility in employment is underpinned by a number of long-term structural changes in Australia's workforce landscape including female workforce participation, ageing populations, and growing numbers of post-secondary students. The workforce participation rates of these groups have grown far more than that of the wider population. In the 26 years since 1992, Australia's workforce participation rate grew 7 percentage points, while that of women, persons over 60, and students grew 12, 12 and 13 percentage points respectively.[5] These changes have seen an influx of people into the labour market who have different working needs and have produced a need to re-balance household labour and caring responsibilities, which in turn supports a broader need for flexibility.

Many of these workers have taken on part-time work. In 1992 less than one in five Australians had a part time job, but last year it was nearly one in three. But millions of Australians remain in jobs without enough flexibility. The HILDA survey reveals that around 5.5 million Australian workers are in 'low' or 'neutral' flexibility jobs (around 49% of all workers) and, of these, 1.2 million report that they would prefer more flexibility.[6]

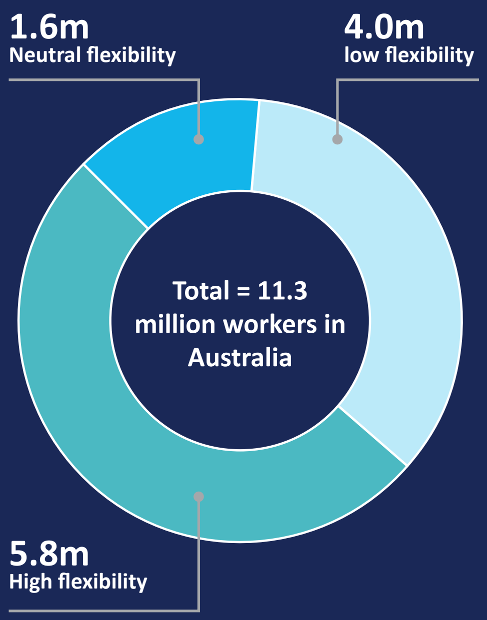
5. Participation rate here refers to employment to population ratio.

6. Workers who "prefer more flexibility" are those with 'low' or 'neutral' flexibility jobs and report being dissatisfied with "flexibility to balance work and non-work commitments", (i.e. score 0-4 on a scale of 0-10) in the HILDA survey.

EXHIBIT 2

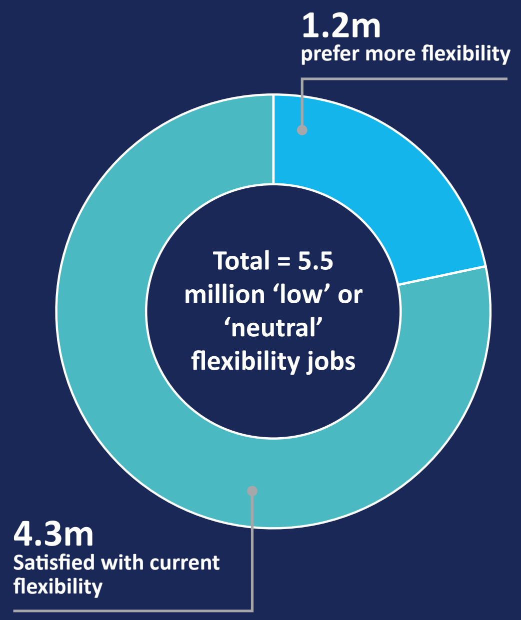
1.2 million Australian workers want more flexible work

5.5 million Australians are in 'low' or 'neutral' flexibility jobs...
Number of workers by job flexibility, million



NOTE: 'Low' flexibility workers are those that reported that their current job has low flexibility (i.e. a score of 1-3 on a scale of 1-7); 'Neutral' flexibility workers are those that reported that their current job has neutral flexibility (i.e. a score of 4 on a scale of 1-7)
SOURCE: HILDA, AlphaBeta

... of which 1.2 million say they want more flexibility
Number of workers by preference, million



NOTE: "Prefers more flexibility" are workers who have 'low' or 'neutral' flexibility jobs and report being dissatisfied with "flexibility to balance work and non-work commitments", (i.e. score 0-4 on a scale of 0-10).
SOURCE: HILDA, AlphaBeta

1. Around 1.2 million Australians want more flexible work

More Australians are seeking sources of income that can fit around a range of family, work and lifestyle commitments

Job flexibility is attractive for many categories of workers, including entrepreneurs, older workers, students, and parents. Low wage growth (which has averaged 2-2.5% p.a over the last 5 years, well below the long term trend)[7] as well as the rise of casual and part-time jobs, has seen many Australians turn to working multiple jobs to make ends meet, in turn driving demand for flexible work to provide supplemental income. According to 2018 data from the Australian Bureau of Statistics, up to 960,000 Australians are juggling two or more jobs, with people seeking out multiple income-earning opportunities to allow for greater discretionary spending or to enable them to build up their own small business ventures.

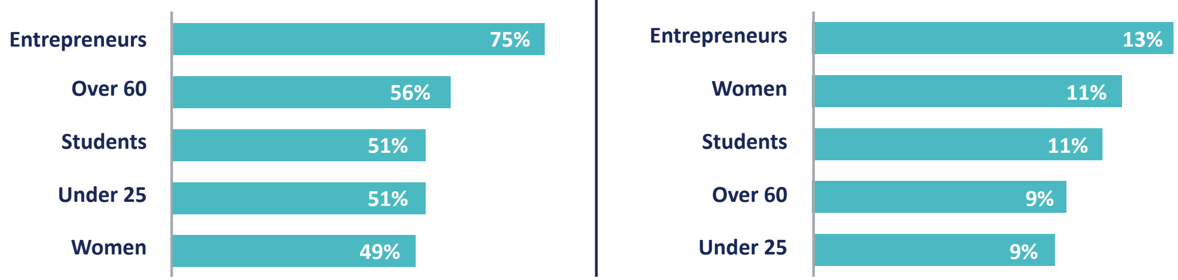
7. ABS Wage Price Index, 6345.0

EXHIBIT 3

Many Australians want flexible sources of income that they can manage around work, family and lifestyle commitments

Categories of workers with flexible jobs
% of workforce

Workers who do not have but want flexible jobs
% of workforce



NOTE: "In a flexible job" means workers that reported that their current job has high flexibility (i.e. score of 5-7 on a scale of 1-7). "Wants a flexible job" are workers who have low flexibility but report dissatisfaction with their level of flexibility (i.e. a score of 0-4 on a scale of 0-10). Entrepreneurs defined as self employed/employer with employees
SOURCE: HILDA, AlphaBeta

1. Around 1.2 million Australians want more flexible work

Australians don't want to choose between flexibility and security

While flexibility at work is valued by many Australian workers, income security is also important. Accordingly, many workers value security of tenure and entitlements that provide protection and support for unforeseen circumstances like sickness, time with family like holidays or becoming new parents, and even when it comes time to retire.

HILDA data provides insight into how Australian workers value different characteristics of their jobs. The data shows that 14% of Australian workers express a strong preference for flexibility and 29% express a strong preference for job security but, importantly, many more workers (45%) express a preference for both flexibility and security.[8] For many Australian workers, flexibility and security should not be an 'either/or'; they would prefer not to have to choose between them when selecting a job.

Despite the growing preference for jobs with both flexibility and security, the Australian economy is not generating enough jobs with both these traits. Using the HILDA data we categorise all Australian jobs according to their level of security and flexibility. Since 2008, the number of 'high security and high flexibility' jobs has increased just 5%, despite rapidly rising demand for them.

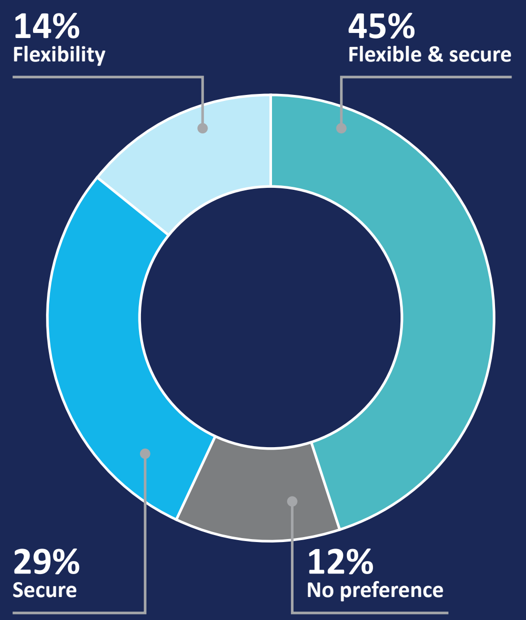
There has also been slow growth in jobs with 'high security and low or neutral flexibility' (up just 3% since 2008), due in part to the decline in occupations such as factory workers (-13%) and machine operators (-6%). The fastest jobs growth has been in 'low flexibility and low security' occupations which have increased by 29% since 2008. The growth in this category has been associated in growth occupations such as carers and aides (+66%) and hospitality workers (+41%).

8. The methodology for classifying worker preferences in respect of security is described in the appendix, including the language of the relevant HILDA questions. Given the language of the questions, respondents may be considering security in the narrower sense of security of tenure, however they may also be contemplating broader considerations that impact on income security.

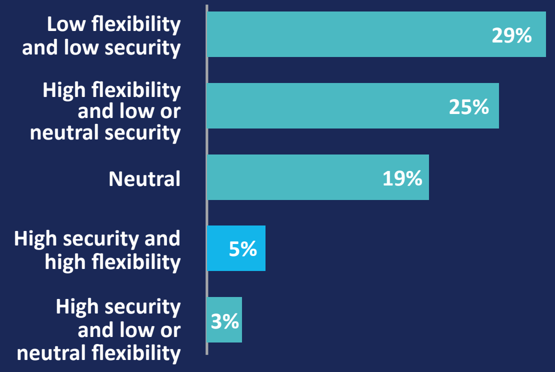
EXHIBIT 4

Many Australians want jobs that are both flexible and secure; but our economy isn't creating enough of these jobs

Nearly half of all Australian workers value both flexibility and security in their jobs...
% of workers with a strong preference for job characteristics



...but jobs with both high security and high flexibility are among the slowest growing in our economy
Growth in the number of jobs by category, 2008-2016, %



NOTE: See appendix for methodology
SOURCE:HILDA, AlphaBeta

2. Uber provides opportunities for more than 60,000 driver-partners in Australia who value the flexibility it offers

Many driver-partners couldn't work without the flexibility Uber offers

Uber provides economic opportunities for more than 60,000 driver-partners in Australia. Using the Uber app enables these workers to earn income when and where they want, fitting their work in with their preferences and commitments. The type of flexibility Uber offers driver-partners is rare. It is qualitatively different from the flexibility of a typical casual or part-time worker. There are no set shifts, there are no set workplace locations, there are no bosses or managers. Driver-partners choose where, when and how much they work, and can vary those choices from week to week, day to day, and within the course of a day.

This flexibility is very highly valued by driver-partners using Uber. Nearly four in five driver-partners say they chose to drive using Uber because it gives them flexibility to balance work and family life. And more than three in five driver-partners say that they could not work for a traditional company that did not offer this type of flexibility. This is consistent with the findings of Chen and Chevalier in the US market, who find Uber driver partners derive significant financial value from the flexibility of the platform, and would significantly reduce hours without it.[9]

Today 48% of Uber driver-partners have one or more children of dependent age, so many of those using the Uber app are parents (with caring responsibilities) who are seeking greater flexibility to meet family requirements.

Around 42% of driver-partners were not in full-time work immediately prior to commencing using the Uber app. Nearly 17% were in part time work, 3% were students, 4% were retired and 7% were unemployed. Of those that were unemployed, more than 70 percent had been without work for more than 3 months.

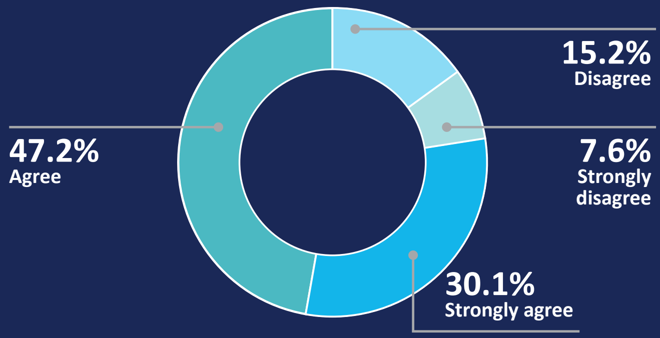
9. Chen, M.K, Chevalier, J.A, Rossi, P.E and Oehlsen, E. (2017). The value of flexible work: evidence from Uber drivers. Working Paper 23296, National Bureau of Economic Research

EXHIBIT 5

Many Australians want flexible sources of income that they can manage around work, family and lifestyle commitments

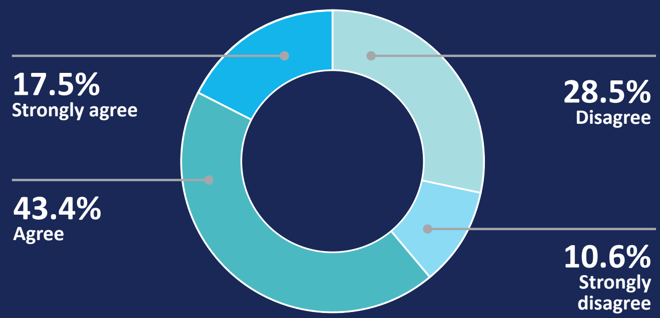
Nearly 4 in 5 Uber driver-partners agree that they value the flexibility in the Uber platform

Survey Question: "I partnered with Uber to have more flexibility in my schedule and balance my work life and family"



3 in 5 Uber driver-partners agree they wouldn't work for a 'traditional company' without flexibility

Survey Question: "I don't want to work for a traditional company in case I lose the flexibility I have"



SOURCE: Uber driver-partner survey, AlphaBeta

2. Uber provides opportunities for more than 60,000 driver-partners in Australia who value the flexibility it offers

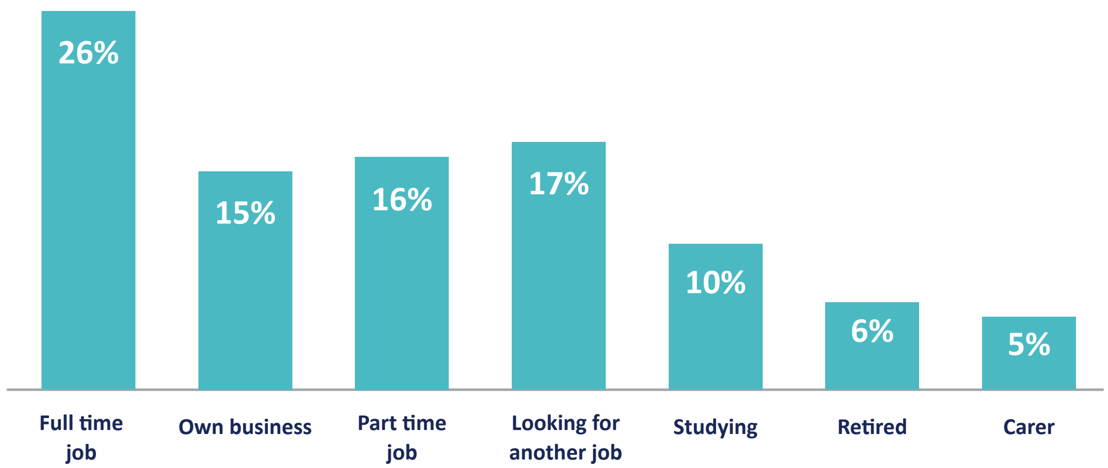
Most driver-partners using Uber are juggling multiple work and family commitments

Uber's flexibility is particularly important for driver-partners juggling other work or family commitments. Four in ten driver-partners using Uber use the platform to earn supplemental income on top of their full-time or part-time jobs. Another 15% of driver-partners are generating income to support them while they develop their own business, 11% are students, 6% are retirees earning some extra income and 5% are driving using Uber while also delivering care to a family member or loved one.

EXHIBIT 6

Flexibility helps Uber driver-partners fit their work around other commitments

Work, family and lifestyle commitments of Uber driver-partners
% of drivers surveyed



SOURCE: Uber driver-partners survey, AlphaBeta

2. Uber provides opportunities for more than 60,000 driver-partners in Australia who value the flexibility it offers

Many driver-partners using Uber would cease to drive if there was a fixed schedule

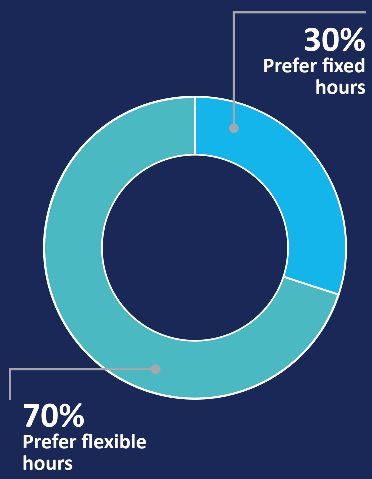
For many driver-partners using Uber, flexibility is the main drawcard. When asked whether they prefer a flexible or fixed hours arrangement, 70% said they would prefer to retain their current flexibility. Of those who would prefer flexibility, more than half said that flexibility was essential and if they were forced to move to a fixed schedule they would cease to drive using Uber. Moreover, a majority of those who might accept a fixed schedule indicated they would need to be paid at least 50% more to move from their flexible hours to a fixed schedule, with many indicating they would need to be paid at least 70% more.

EXHIBIT 7

Many Uber driver-partners would not drive if there was a fixed schedule; many others wouldn't move to fixed hours for less than 50% more pay

7 in 10 driver-partners prefer flexible hours to a fixed schedule

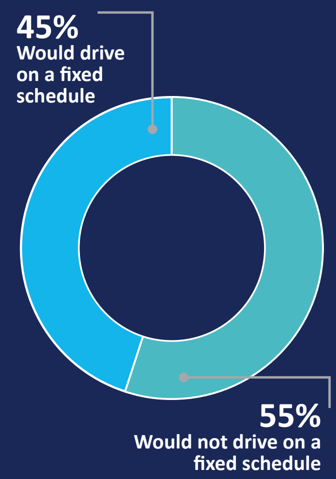
Question: "Would you prefer to work fixed hours rather than the fully flexible hours you have now"



SOURCE: Uber driver-partner survey, AlphaBeta

55% of partners preferring flexible hours would not drive fixed hours*

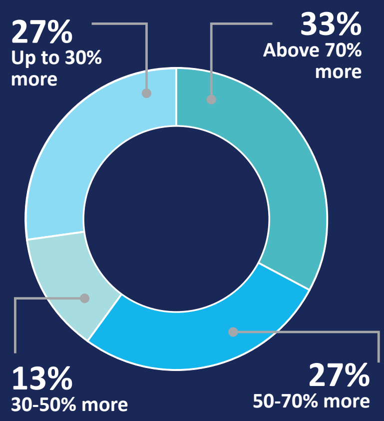
Question: "Would you accept a fixed schedule for your Uber hours"



*NOTE: Driver-partners who said that no amount of additional money would cause them to continue to drive under a fixed schedule

Many driver-partners value flexibility at >50% of their total pay

Question: "How much more would you need to be paid to move to fixed hours"



NOTE: This sample includes only those driver-partners who said that an amount of additional money would cause them to continue to drive under a fixed schedule

2. Uber provides opportunities for more than 60,000 driver-partners in Australia who value the flexibility it offers

The preference for flexibility that emerges from driver-partner surveys is also supported by Uber administrative data which shows that most driver-partners exercise significant flexibility in the hours they work. Average hours worked and the composition of those hours vary considerably across driver-partners. Individual driver-partners may work intensively for a few weeks, then cease to drive much at all for the subsequent weeks. Overall, their quantum and mix of hours vary from week to week.

For example, nearly a quarter of Uber driver-partners average 10-20 hours per week. However, of all the weeks for driver-partners in this cohort, only 33% involved working 10-20 hours per week. Thirty-eight percent of weeks involved less than 10 hours per week, and 29% of weeks were more than 20 hours per week. Across all driver-partners, only 13% work a consistent number of hours per week.[10] This is consistent with the observations of Hall and Krueger in the US market, who found that the hours worked by driver-partners vary considerably from week to week.[11]

The same pattern emerges for driver-partners' choice in terms of mix of hours from week to week. Only 10% of driver-partners work a consistent mix of weekend and weekday hours.[12] Instead, many choose to work the more lucrative weekend evenings only when it suits them. This finding is consistent with Chen and Chevalier, who found that in the US market 43% of drivers vary their work schedule type from one week to the next.[13]

Driver-partners using the Uber app don't want to lose flexibility, but they also want more security

As the gig economy grows, more flexible income opportunities are available for a growing number of Australian workers, but it is critical that these opportunities come with the securities and benefits that are fundamental pillars of the Australian industrial relations system. It should reflect Australian expectations of what it means to work in a fair environment.

Uber's survey of driver-partners showed that most driver-partners (61%) believe the flexibility to determine their own working hours is more important than having guaranteed pay and entitlements. However, there is also a cohort of driver-partners (39%) who place less value on flexibility relative to those benefits and protections. These driver-partners still value flexibility but they would prefer not to have to forego the income security that comes through benefits and protections.

10. For quantum of hours per week, this is defined as working within their average band 90%+ of weeks on the platform during the period, over a 3 month period.
11. Hall, J. V., & Krueger, A. B. (2018). An analysis of the labor market for Uber's drivers in the United States. ILR Review, 71(3), 705-732.
12. For mix of hours per week, this is defined as working within a 10% range (+/- 5%) of their average weekday/weekend mix 90%+ of weeks worked, over a 3 month period.
13. Chen, M.K, Chevalier, J.A, Rossi, P.E and Oehlsen, E. (2017). The value of flexible work: evidence from Uber drivers. Working Paper 23296, National Bureau of Economic Research

3. Flexibility is a strong driver of job satisfaction

Driver-partners are satisfied

Uber driver-partners are generally satisfied with their work. Our survey asked driver-partners to state their satisfaction across a range of job attributes including flexibility, the work itself, hours, job security and remuneration. Each of these attributes scored in the top half of the index.

Satisfaction is greatest with the flexibility that is available to driver-partners using the app. Driver-partners report average satisfaction of 7.9 with this attribute (on a scale of 0-10). Satisfaction is also high with the work itself, with reported satisfaction of 7.2.

Flexibility is a strong driver of job satisfaction for driver-partners

Job satisfaction is highest for driver-partners who value flexibility. Overall job satisfaction is 6.7 among all drivers. However, the driver-partners who strongly agree with the statement that "I partnered with Uber to have more flexibility in my schedule and balance my work life and family" are considerably more satisfied, with average job satisfaction of 7.7. Driver-partners who agree with the statement had average job satisfaction of 6.5. For the minority of driver-partners who disagree with the statement, job satisfaction is lower – though it should be noted that even this group of driver-partners is net satisfied on average.

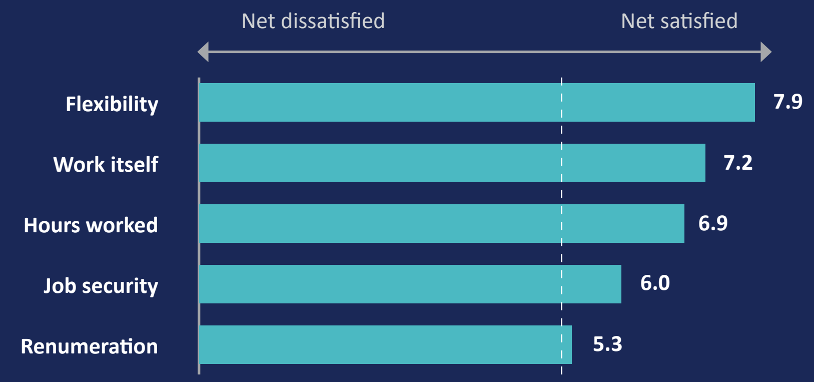
Professional flexibility was traditionally only open to a very small spectrum of the workforce, ie. professions like barristers, surgeons or architects. Today, this flexibility and independence can be made accessible to everyone. For those driver-partners who value flexibility the most, job satisfaction is highest.

EXHIBIT 8

Flexibility is a strong driver of job satisfaction for Uber driver-partners

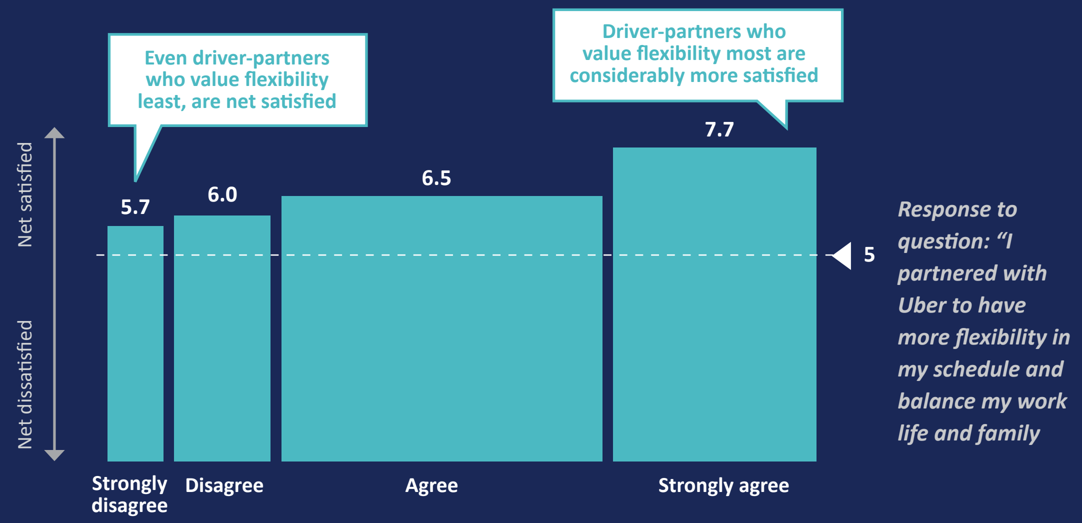
Uber driver-partners are net satisfied on all attributes (particularly flexibility)

Average satisfaction score (0-10 scale), Uber driver-partners



Views on flexibility drive Uber driver-partner job satisfaction

Average satisfaction score by importance of flexibility as a reason for driving with Uber (0-10 scale)



SOURCE: Uber driver-partner survey, AlphaBeta

4. Most driver-partners use Uber as an additional source of income and their earnings reflect when and where they choose to work

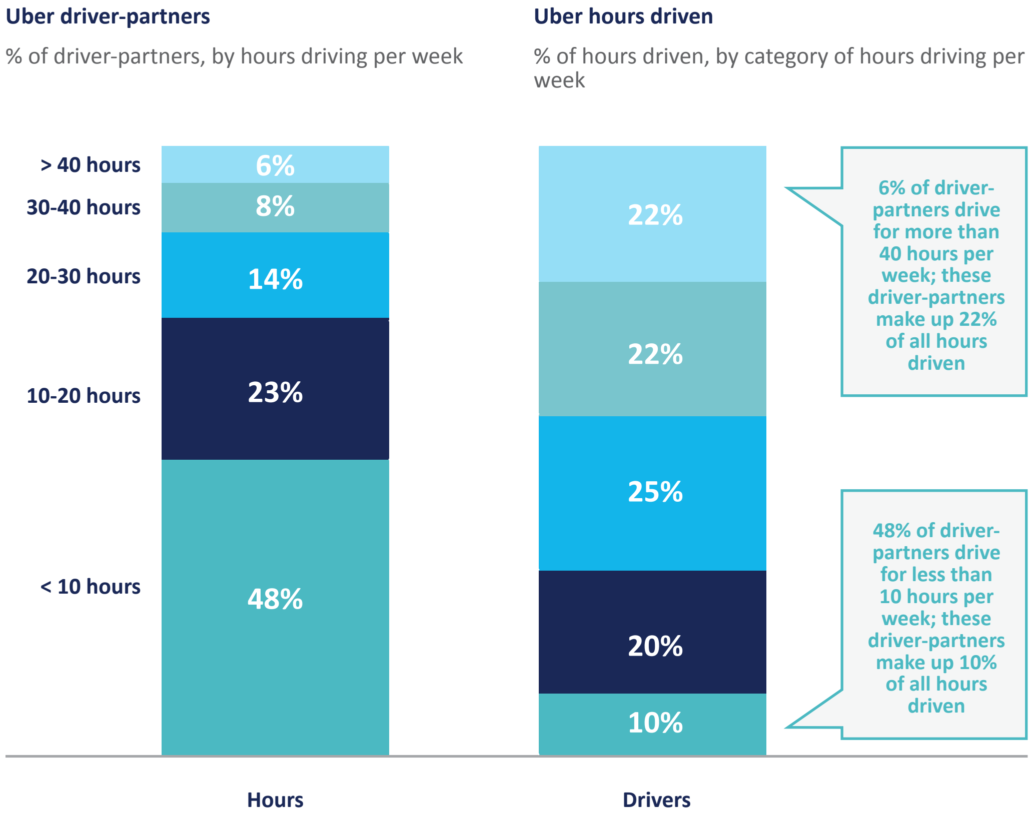
Uber is mainly a source of supplemental income for driver-partners

For most driver-partners, Uber is a supplemental source of income rather than their primary source of income. Nearly half of all driver-partners spend a maximum of 10 hours a week on the app (all online time) and nearly three quarters of driver-partners are on the app for fewer than 20 hours per week. For these driver-partners, earnings from the Uber app is supplemental income, a way to save up for a holiday or other expense, or just extra cash to help make ends meet. Many of these people work intermittently, driving intensively for a few weeks then not at all for a period. Others consistently fit in a few hours driving each week when other work and family commitments permit.

Only a minority of driver-partners have weekly hours on the Uber app that compares to full-time work. Just 6% of driver-partners work 40 hours per week or more and just 8% work between 30 and 40 hours per week.

EXHIBIT 9

Uber is mainly a source of supplementary income for driver-partners: almost half work less than 10 hours per week; and just 1 in 7 work more than 30 hours



4. Most drivers use Uber as an additional source of income and their earnings reflect when and where they choose to work

The average pre-cost earnings of a driver-partner using Uber is $29.46/hour in Sydney

For this study we accessed data on 3,621 driver-partners using Uber, which account for 3.2 million rides. We examined Sydney as it is Australia's most mature market.

In Sydney, the average driver-partner receives $29.46 after Uber's service fee for every hour they spend on the app.[14] From these earnings the driver-partner must pay their costs (including GST, fuel, insurance, maintenance and depreciation) which are discussed in the next section.

We arrived at this pre-cost earnings estimate of $29.46 by dividing the money driver-partners received by the time they spent online. But many driver-partners log in from home, although they may intend to work in a more densely populated area like the CBD. We estimate that this accounts for more than 8% of driver-partner hours on the Uber app; that is, driver-partners spend approximately one hour online and commuting between their home and target work area and vice versa for every 12 hours online. To put earnings in context it is important to consider the impact of commuting. For the broader workforce, the time associated with commuting is significant. The average commute for Sydney-siders has been estimated to be between 35 and 39 minutes each way. For users of public transport the estimate is higher, at 48 minutes.[15] Were estimates of these workers' earnings per hour to include the time associated with commuting it would have a material impact. For Uber driver-partners, calculating hours based on all time spent online necessarily captures time commuting. If our earnings figures are adjusted to remove these 'commuting hours' from the calculation of Uber earnings, the average hourly earnings would rise by $2.65 to $32.11.

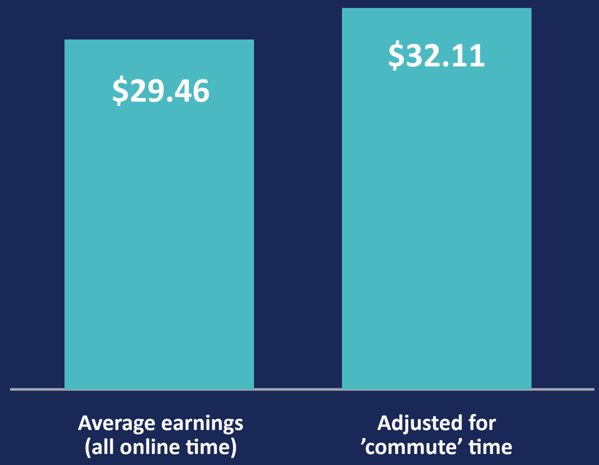
It should also be noted that the average earnings per hour described here are likely to be understated, due to the role of 'dual-apping', where driver-partners use multiple rideshare apps. In the case of Uber driver-partners, survey evidence suggests 40% use multiple rideshare apps to earn income. If some or all of the time spent on other rideshare apps overlaps with time spent online on the Uber app, then the real earnings per hour of these driver-partners during will be higher than can be seen from Uber data only. However, the value associated with this activity has not been quantified for this report.

EXHIBIT 10

Uber driver-partner earnings average $29.46 per hour before costs in Sydney. Adjusting for 'commute' time earnings are $32.11 per hour

Driver-partner pre-cost earnings in Sydney

$ per hour, pre cost, in Sydney



SOURCE: Uber administration data, AlphaBeta

14. This measure of 'pre-cost' earnings is the earnings received by drivers before they pay costs. Estimate excludes driver-partners who worked <50 hours during the 12 month period examined.
15. BITRE (Bureau of Infrastructure, Transport and Regional Economics) (2016). Lengthy commutes in Australia, report 144, BITRE, Canberra

4. Most drivers use Uber as an additional source of income and their earnings reflect when and where they choose to work

Earnings vary as driver-partners exercise their flexibility to work where and when they want

While the average driver-partner using Uber in Sydney earns $29.46 per hour before costs, there is variation in earnings around this average.

Driver-partners using the Uber app use the platform's flexibility to tailor their work to their needs, choosing when they work, where they work, and how much they work. These decisions, which driver-partners have complete autonomy over and unilaterally determine, affect the driver-partners' earnings and their earnings per hour.

In order to isolate and test the factors that affect earnings per hour, and to understand how driver-partners' use of the flexibility offered by the app influences earnings, we conducted an ordinary least squares regression that related the earnings per hour of each of the driver-partners in our sample to choices about where and when they work, how much they work, and other factors including tenure and demographics.

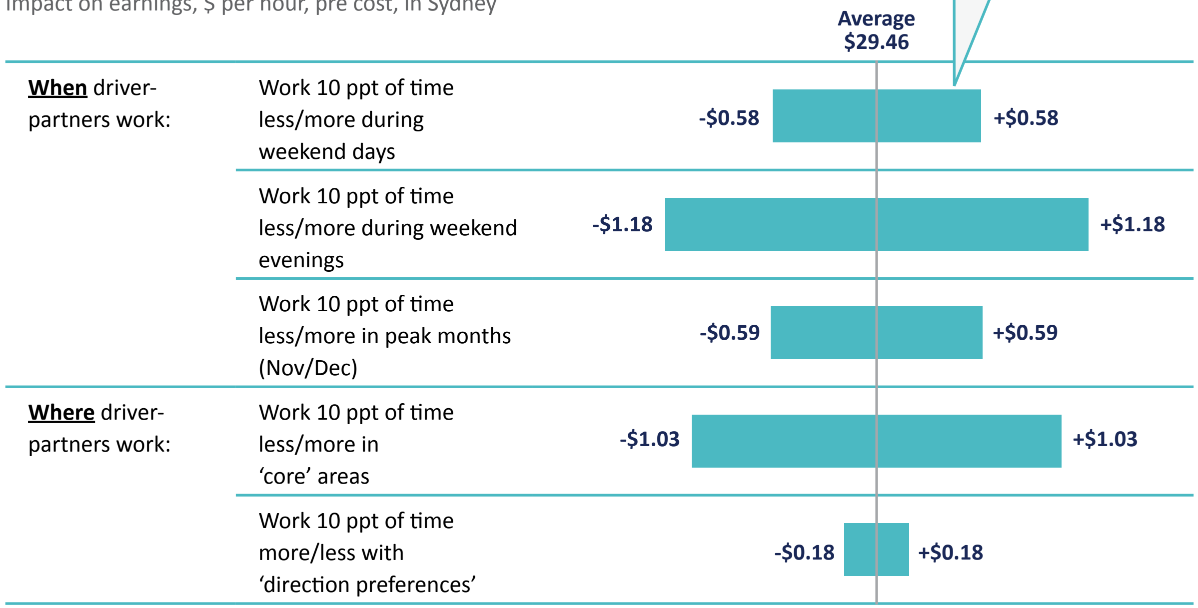
EXHIBIT 11

Uber driver-partners can impact their earnings by exercising their choice of when and where to work

This means driver-partners who work 10 percentage points more of their time during weekend days than average earn $0.58 per hour more than average

Driver-partner pre cost earnings sensitivities (regression results)

Impact on earnings, $ per hour, pre cost, in Sydney



NOTE: 'Direction preferences' is a setting that drivers can use to control where they drive.
SOURCE: Uber administration data, AlphaBeta

4. Most drivers use Uber as an additional source of income and their earnings reflect when and where they choose to work

The most significant differences in earnings come from the choices driver-partners make about when and where to work, as drivers use the flexibility offered by the Uber app to make trade-offs that reflect their circumstances.[16]

In particular, driver-partners' decisions about when to work substantially affect their income. For example, driver-partners earn more if they choose to work in periods when there is high demand from riders relative to supply, including weekends and weekend evenings. These periods provide driver-partners with more trips per hour.

Driver-partners who work 10 percentage points (ppt) more of their time than average during weekend days or weekend evenings earn $0.58 and $1.18 more per hour respectively than average. Also, driver-partners who choose to work in the high demand months of the year (November and December) earn more than those that do not. Driver-partners who work 10 ppt more of their hours in these months than average earn $0.59 per hour more on average.

Similarly, where a driver-partner works substantially affects their income. Those who work 10 ppt more of their time in the 'core areas' of demand than the average can earn $1.03 more per hour. Core areas of demand are the busiest areas that cumulatively contribute two-thirds of trip demand. In Sydney these areas include the CBD, the Eastern Suburbs, the Inner West, the Lower North Shore, Manly, Burwood and Parramatta. Equally, driver-partners may choose to trade-off these extra earnings in order to focus their driving in other locations, perhaps nearer their home, for reasons that reflect their personal circumstances and non-work commitments.

Driver-partners using the Uber app can drive wherever they choose (provided the app is available) and in addition, the app allows driver-partners to set preferences over where they work and what direction they are willing to travel. Driver-partners can use these settings to remain in a particular region, or to ensure that they only receive trips towards their home when they want to stop working. Driver-partners who use these settings 10 ppt more of their time than average earn $0.18 less per hour than others.

There are also times in particular locations when due to demand exceeding supply trips will incur 'surge' pricing where the rider pays a higher price and the income of the driver is also higher. A driver-partner's ability to determine what proportion of their trips incur surge pricing is limited – surge pricing is dynamic and can't be guaranteed. However, the incidence of surge pricing means driver-partners who drive at the busiest times of the week and in the core areas of demand are likely to see the benefit of it.

Driver-partners incur average costs of $8.46 per hour in Sydney, so average earnings net of costs are $21.00 per hour

For the purpose of this study we used an 'incremental costs' approach to estimate the cost per hour for driver-partners using Uber.[17] This involves estimating variable costs like fuel and maintenance directly, and only including fixed costs associated with items like registration or insurance where there is an incremental cost directly attributable to being a ride share driver-partner.

In Sydney, the total incremental cost per hour of driving using Uber averages $8.46.[18] This accounts for GST, fuel, maintenance, vehicle depreciation, and the additional cost for comprehensive insurance for rideshare driver-partners. However, it does not include the costs of registration or CTP, because in Sydney these costs for driver-partners are the same for rideshare as for other vehicles.[19]

To estimate fuel costs, we assumed fuel efficiency of 13.25 kilometres per litre and fuel cost of $1.41 per litre.[20] Maintenance is assumed to cost $0.08 per kilometre. To estimate depreciation cost, we employed a two-step methodology. We used a web-crawler to scrape price, make, model, age, distance driven, dealership, engine, and other data for over 100,000 car advertisements on carsales.com.au. We then developed a statistical model to price cars based on make, model, year, distance driven and other car features, and forecast the depreciation schedules for driver-partners using the Uber app and other drivers. Using this model, we estimate the incremental depreciation cost due to Uber driving to be $0.64 per hour.

It is again important to note that this does not include the effect of dual-apping. If a driver-partner uses multiple rideshare apps, and some of the hours on other apps do not overlap with those on the Uber app, then 'fixed costs' like the additional cost

16. Full results for the regression analysis are included in the Appendix.
17. Other reports sometimes use a 'proportional approach', which estimates variable costs in the same way as the incremental approach, but allocates fixed costs based on how often the car is used for Uber versus its time spent in private use. We find the incremental approach more accurate in representing costs actually incurred by driver partners due to their Uber driving.
18. Cost per hour based on excluding 'commute' hours is $8.76
19. Registration costs $409 per year. CTP has an annual fee of $490 per year. None of this is incremental for driver-partners because it is the same for rideshare as for other vehicles. There is an additional CTP cost for rideshare activity, however this is borne by the passenger.
20. Value currently used for this estimate is the efficiency of a non-hybrid Camry; Average weekly price from AIP over the time period.

4. Most drivers use Uber as an additional source of income and their earnings reflect when and where they choose to work

associated with vehicle insurance for rideshare vehicles would be amortised over a larger number of hours, reducing the cost per hour.

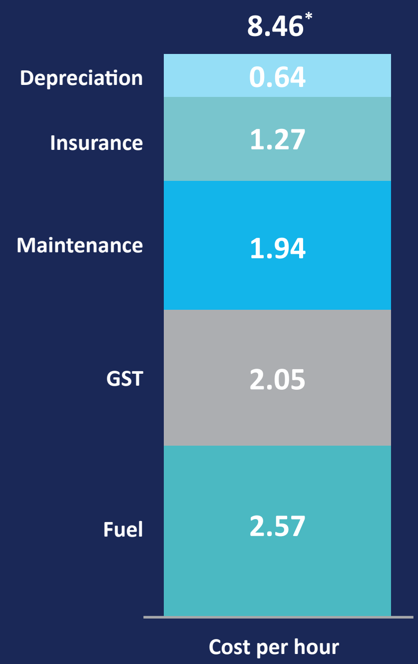
Given an average cost per hour of $8.46, the average earnings per hours of Uber driver-partners in Sydney, net of costs, is estimated to be $21.00 per hour (or $23.35 per hour after removing 'commute' hours).

EXHIBIT 12

The average driver-partner cost is $8.46 per hour in Sydney

Estimated cost per hour for Sydney Driver Partners

$/hour



Included costs	Key assumptions
Fuel	• Fuel efficiency of 13.25kms per litre** • Fuel cost of $1.41 per litre***
GST	• GST payable to government from actual fares minus estimated GST deductible based on GST paid by drivers (eg. on Uber commission, various costs)
Maintenance	• Cost of $0.08/km
Insurance	• Monthly policy cost for comprehensive cover for ride share drivers of c.$189 (c.$2266 p.a). Incremental cost vs. private car is c.50% of this value
Depreciation	• Vehicle value of $34,500 (based on weighted average of top 10 models) • Estimate reflects calculation approach based on developing a depreciation model based on real vehicle price data to determine the impact of additional kilometres
Financing	• No incremental financing cost
CTP	• Annual fee of $490 per year is the same for rideshare as for non rideshare, so no incremental cost
Registration	• Annual fee of $409 per year is the same for rideshare as for non rideshare, so no incremental cost

NOTE: Based on average hours per week and average kilometres. Excludes driver-partners who worked <50 hours during the 12 month period examined. *Cost per hour shown is based on all online hours. Cost per hour based on excluding 'commute' hours is $8.76. **Fuel efficiency estimate is based on estimate for top 10 models used; ***Average weekly price from AIP over the time period

SOURCE: AIP; vehicle websites; Uber Vehicle Fleet data; RACQ; government websites; public websites; Uber Admin data; AlphaBeta analysis

5. An agenda to support opportunity, flexibility and security for gig economy workers

Platforms and Governments are working to improve support for independent workers

As the gig economy becomes a larger part of the employment landscape, the frameworks to support people in independent work need to evolve to ensure that flexibility does not come at the expense of fairness - in the form of the protections and securities that Australians value.

Governments around the world are considering ways to achieve this. Following the discussion at G20 Leaders Summit in Buenos Aires, Argentina, the 2018 G20 Leaders Declaration stated an intention to promote social protections for workers using digital platforms.

> *"We remain committed to building an inclusive, fair and sustainable Future of Work by promoting decent work, vocational training and skills development, including reskilling workers and improving labour conditions in all forms of employment, recognizing the importance of social dialogue in this area, including work delivered through digital platforms, with a focus on promoting labour formalization and making social protection systems strong and portable, subject to national law and circumstances."*

In France, the Macron Government is proposing an innovative framework called the "social charter", aimed at solving this situation and encouraging platforms to improve independent worker protections and working conditions.[21]

Under the French social charter proposal, each platform provider would be allowed to list benefits, training and other conditions provided to independent workers in a "social charter" which would be verified by the administration and could not be seen as indicator of an employment relationship.

There are other efforts around the world aimed at finding modern solutions that help ensure fairness, security, and opportunity for all workers. In 2019, the Governor of California announced that he would establish a Future of Work Commission to look into ways to deliver flexibility with security.

At the same time, app-based/gig economy businesses are looking at ways to better support workers using their platforms. For example, Uber has recently introduced a number of initiatives aimed at providing better support and protection for people using the app to earn.

In November 2018, Uber invested in an Australian personal accident insurance product for injury, death and disability from Chubb to cover its driver-partners, as well as access to counselling services through Converge International should something go wrong while on a trip. The partner support package is available to eligible Australian drivers at no cost to them. It provides lump sum payments for injury, death and disability, as well as inconvenience payments to cover time off work arising from on- app injuries and reimbursement of certain non-medical expenses in some circumstances.

In Europe, Uber's partnership with AXA insurance also offers social insurance and benefits for life events off-trip such as compensation for non-work injuries and severe sickness and one-off payments for life events such as the birth of a child or maternity/paternity and jury service.

In the United States, Uber has piloted several programs to support its driver-partners' growth and personal ambitions. In the USA, Uber has offered in partnership with Arizona State University Online, Uber offers to pay for eligible driver-partners or their family members to complete degree credits, English language, and entrepreneurship courses flexibly and online. A separate partnership between Uber and the Community College of Allegheny County (CCAC) in Pittsburgh offered qualifying drivers access to up to $500 in funding for tuition, fees and textbooks for courses at CCAC.

21. Les Echos - Uber, *Deliveroo, vers un statut spécial pour les indépendants* (link)

5. An agenda to support opportunity, flexibility and security for gig economy workers

There is more to do to provide gig economy workers with both flexibility and security

As the gig economy grows, platforms like Uber and governments have a shared responsibility to deliver flexibility, security and fair reward for all participants. Currently, Australian workers fall into one of two legal categories: employees, or independent contractors.

Broadly speaking, employees have better job security and entitlements like minimum wage, sick leave, holiday pay and superannuation. Of course, there are important differences between permanent and casual employees. For example, casual employees do not enjoy the same job or income security as permanent employees, but arguably have more flexibility. Independent workers get control over their time and schedule but forego access to traditional benefits.

In Australia (as in other parts of the world) these frameworks for work were established before the gig economy emerged and some groups have argued that they do not properly support gig economy workers, who are currently made to forego benefits like insurance and superannuation for the flexibility they desire.[22] Meanwhile, gig economy platforms like Uber are wary of offering additional benefits due to the risk of having contractors reclassified as employees.[23]

As more and more people are looking for independent and flexible earning opportunities, businesses, governments and societies need to do more to meet them there. Gig economy businesses, like Uber, need to work with government to strike a balance between flexibility and fairness. This report identifies seven areas in which governments and app based businesses can work together to best do this.

1. Social benefits and protections

While the gig economy provides access to work as well as control and autonomy in completing that work, it is important that businesses work with government and attach with it higher responsibilities that protect individuals and support their growth. On demand platforms like Uber have begun to provide social benefits and protections to their users, through programs like the "partner support and protection" package introduced in Australia last year.

Uber has indicated it is interested in developing more social insurance products for driver-partners that will help provide for life events such as the birth of a baby or serious illness, as it has done in Europe. However, there are constraints embedded in the current policy framework in Australia where providing additional benefits risks driver-partners being reclassified as employees - effectively putting at risk the flexibility they value most. This risk may be addressed by Governments introducing provisions - similar to the French 'social charter' - ensuring protections and benefits [to the advantage of the contractor] are not used as a factor in employment classification.

Australian governments should consider ways to provide better protections and support to all workers, by developing a set of National Independent Work Standards (similar to the National Employment Standards). Platforms like Uber, Airtasker and Deliveroo could sign up to these standards in return for which governments would be willing to confirm and settle the question of legal status. It is important that innovative solutions of this type reflect the hard won and important basic conditions and social expectations that Australians have of work. Reform in this area needs to be carefully considered and well targeted to avoid any unintended impacts on the strong safety net and standards that underpin Australian economic and social policy.

2. Superannuation

For most driver-partners, Uber is a source of supplementary income, rather than their full-time job (i.e. almost half of all driver-partners work less than 10 hours per week). While only a minority (14%) of driver-partners use Uber in a manner akin to full-time work (i.e. they work more than 30 hours per week), there is a cohort of users who are likely to derive significant income from the platform over multiple years.[24] These users could accumulate significant savings if they put a portion of their earnings from the Uber app into superannuation. Platforms like Uber should be considering ways to support people earning to save for the future through education, product partnerships and app integrations. Governments should also consider ways in which to create a framework for supporting contributions through streamlined administration arrangements for contributions from multiple sources of work.

3. Lifelong learning and re-skilling

For people transitioning between jobs either as a result of displacement or the highly cyclical Australian economy, being able to quickly start earning a living, and being able to do that flexibly around retraining is becoming increasingly important. Already many gig economy workers are in temporary transition between roles. Exhibit 6 shows that 17% of drivers using Uber are working to earn money during career transitions. In a global

22. Fair Work Ombudsman (2018), 'The Gig Economy: Navigating new ways to work'. Available at: https://www.fairwork.gov.au/about-us/news-and-media-releases/2018-media-releases/june-2018/20180620-gig-economy-op-ed
23. Barratt T, Veen A, Goods C (2018), 'Why gig workers may be worse off after the Fair Work Ombudsman's action against Foodora'. Available at https://theconversation.com/why-gig-workers-may-be-worse-off-after-the-fair-work-ombudsmans-action-against-foodora-98242
24. Where akin to 'full-time work' refers to those working 30 hours or more per week.

5. An agenda to support opportunity, flexibility and security for gig economy workers

economy that is exposed to constant, rapid change individuals are expected to experience multiple career transitions and flexible, independent work options can play a role as an income 'safety net' to bridge between roles.

By extending the investments it has made elsewhere in the world, Uber can help people gain the skills they need for their desired careers. Initiatives like Uber Pro and Uber's CCAC partnership in the US, offer eligible drivers free education via the Arizona State University Online, or financial incentives to pay for tuition, fees and textbooks at CCAC in Pittsburgh.

Businesses like Uber should be encouraged and incentivised by Government to provide support, skills and training for the work people engage in daily, and as they build their experience for the future. This is particularly important for people in transition between jobs.

4. Work and income recognition

As the gig economy grows, income and experience needs to be recognised by the broader economy including government and financial institutions so that independent workers are not disadvantaged when they apply for loans or government benefits. Centrelink, for example, requires young Australians to have worked more than a certain number of hours per week in order to be considered financially independent from their parents. This affects how much money they are eligible to receive from the Youth Allowance scheme. Similarly, the government applies a "work test" to determine Australians' eligibility for childcare subsidies, superannuation co-contributions, and the pension bonus scheme. Legitimate experience and income in the gig economy needs to be recognised so that workers are not disadvantaged.

5. Credentials to recognise skills acquired on the job

Partners using Uber are independent contractors who run their own businesses and in doing so, they develop skills and experience relevant to other employment, including customer service, digital literacy and expense management. However, these skills are not formally recognised. There is an opportunity for Governments to work with platforms like Uber to formally recognise the skills gained by drivers in their roles through micro credentials or similar.

6. Occupational licensing

Ridesharing is a regulated activity in all Australian jurisdictions. While specific requirements vary, all states and territories require rideshare drivers to undergo background checks and apply for rideshare licenses or accreditations. Sydney driver-partners, for example, must obtain a Passenger Transport Licence Code, for which applications take up to 14 days to process. Driver-partners in Perth need to undergo a medical assessment that costs about $75 before applying for a licence, which costs a further $110.[25] The state also requires rideshare vehicles to have a suitable level of motor vehicle injury insurance, which costs $154 more than the insurance required for a private car.[26] Uber would like to work with government to reduce the financial and administrative burden associated with licensing. Reducing licensing costs and moving from a paper process to a digitised one would reduce burdens to entry that disproportionately discourage casual use of the Uber app. Uber also believes that the hard won gains from regulating ridesharing can be diminished without constant assessment of the role of new regulations as well.

7. Tax compliance & support

There are important opportunities for platforms like Uber to work with Government to encourage tax compliance amongst current and potential independent gig workers, without creating disincentives for participating in the gig economy. As reflected in the data in this report, a large proportion of drivers are using Uber to earn for less than ten hours each week. Indeed for many, use of the Uber app is a short term pursuit. Drivers using the Uber app are responsible for completing regular BAS statements and tracking expenses over time through logbooks and invoice collection. For those drivers who use Uber only on short term basis or for limited hours per week, this can be a significant time drain. There is an opportunity for Government and businesses to work together to simplify tax reporting.

25. WA Department of Transport, Become a bus, taxi or charter vehicle driver. Available at https://www.transport.wa.gov.au/licensing/become-a-bus-taxi-or-charter-vehicle-driver.asp
26. WA Department of Transport, Motor Injury Insurance. Available at https://www.transport.wa.gov.au/licensing/motor-injury-insurance.asp

Conclusion

Driver-partners using Uber value flexibility most. Many couldn't work without it

The gig economy is relatively new in Australia. This new category of work has created income-earning opportunities for people previously excluded from the workforce, while also unlocking new, innovative business models throughout the economy.

Australians want to participate in the gig economy. Uber users are satisfied in their jobs, and flexibility is so important to them that nearly 40% of all driver-partners using Uber say they would not exchange their flexibility for any amount of extra pay.

Beyond their shared demand for flexible work, this report shows that driver-partners using Uber are a heterogeneous group, spanning a wide range of demographics, earnings, work-life preferences, and commitments. Most use Uber as a source of supplemental income and significantly vary their hours of work from week to week. Many driver-partners do so in between study, parenting, health constraints, side-businesses or travel plans.

However, there is an important opportunity to better support gig economy workers. Uber's data shows that 17% of driver-partners use Uber to earn money while in-between jobs; these workers would benefit from education programs that allow them to flexibly re-skill or up-skill. Further, 14% of driver-partners spend more than 30 hours a week on the app. These workers would benefit from superannuation and social benefits and insurance for significant life events.

Australians shouldn't have to choose between flexibility and security; business and government have a role in creating work opportunities that offer both. Through closer cooperation and data-driven debate, Australia has the opportunity to create more modern frameworks and innovative support structures that offer flexibility, security and fairness to all.

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This paper uses unit record data from the Household, Income and Labour Dynamics in Australia (HILDA) Survey. The HILDA Project was initiated and is funded by the Australian Government Department of Social Services (DSS) and is managed by the Melbourne Institute of Applied Economic and Social Research (Melbourne Institute). The findings and views reported in this paper, however, are those of the author and should not be attributed to either DSS or the Melbourne Institute

Senate Select Committee on the Future of Work and Workers, Submission 38 (Uber submission)

Uber White Paper on Work and Social Protection in Europe https://ubernewsroomapi.10upcdn.com/wp-content/uploads/2018/02/Uber-White-Paper-on-Work-and-Social-Protections-in-Europe.pdf

Methodological Appendix

APPENDIX 1: Workers' Flexibility and Security – Circumstances and Preferences

1. Determining worker circumstances

Worker circumstances were classified using self-reported answers to the following HILDA survey questions on flexibility and security, with classifications as described:

- Security: "I have a secure future in my job"
- Flexibility: "My working times can be flexible"

AlphaBeta classification of answers was as follows:

- Security: 1-3 = Low security, 4 = Neutral, 5-7 = High security
- Flexibility: 1-3 = Low flexibility, 4 = Neutral, 5-7 = High flexibility

Based on these classifications, circumstances were classified as follows:

	Low security	Neutral	High security
Low flexibility	Low flexibility and security	Neutral	High security
Neutral	Neutral	Neutral	High security
High flexibility	High flexibility	High flexibility	High security and flexibility

2. Classifying worker preferences

Worker circumstances were classified by combining responses for worker circumstances (as described above) with worker satisfaction ratings. The first stage was to segment worker satisfaction scores as follows:

- Security: "Job security satisfaction". 0-4 = Low satisfaction, 5 = Neutral, and 6-10 = High satisfaction
- Flexibility: "Flexibility to balance work and non-work commitments satisfaction". 0-4 = Low satisfaction, 5 = Neutral, and 6-10 = High satisfaction

The above classifications were then combined with worker circumstances to proxy for worker preferences, as follows:

		Circumstance		
		Low	**Neutral**	**High**
Satisfaction	**Low**	Preference for high	Neutral	Preference for low
	Neutral	Neutral	Neutral	Neutral
	High	Preference for low	Neutral	Preference for high

3. Grouping worker preferences

Worker preference classifications were combined in a similar manner to worker circumstances. The table below shows the groupings:

	Low security preference	Neutral preference	High security preference
Low flexibility preference	Low flexibility and security	Neutral	High security
Neutral preference	Neutral	Neutral	High security
High flexibility preference	High flexibility	High flexibility	High security and flexibility

Methodological Appendix

APPENDIX 2: Driver-partner survey

As part of AlphaBeta's research, YouGov was commissioned to conduct a representative survey of active Uber driver-partners.

Uber provided YouGov with a randomly generated, geographically representative database of 10,000 driver-partners.

The survey was emailed to potential respondents, with completion of the survey done online. It was made clear that the survey was being conducted on behalf of Uber.

The survey sample consisted of 1154 Uber driver-partners.

Methodological Appendix

APPENDIX 3: Factors impacting driver-partner earnings per hour

To assess the impact of different factors on driver-partner earnings per hour we developed an OLS regression, with individual driver-partner earnings per hour (average for the whole period) as the dependent variable, regressed against a range of independent variables. With this construction there was one observation per driver-partner in our sample.

The construction of the independent variables and the output of the OLS regression are shown in the tables below. We conducted both linear and log based regressions, with the two approaches yielding similar conclusions. The results of the linear regression are shown below and used in the report for ease of interpretation.

Independent variable	Variable construction
Age	Age in years
Gender	Dummy variable (Male = 0, Female = 1)
Tenure	Number of weeks since start date
Weeks worked in the period	Number of weeks worked
Hours worked per week (contingent on working)	Number of hours worked per week. We also test 'weeks squared' given there is the potential for a non-linear relationship (that changes direction)
Composition of hours - % weekday evening % weekend day % weekend evening	Continuous variables taking a value between 0 and 1 based on the % of weekday evening hours, % weekend day hours, % weekend evening hours respectively
Use of 'direction preferences' - % of time in mode	Continuous variable taking a value between 0 and 1 based on the % of time driven with direction preferences mode active
Location of driving – Core vs. non-core areas	Continuous variable taking a value between 0 and 1 based on the % of open time spent in core areas of demand
Seasonality of driving	Continuous variable taking a value between 0 and 1 based on the % of a driver's hours online that are in November/December

Methodological Appendix

APPENDIX 3: Factors impacting driver-partner earnings per hour (cont...)

Output of OLS Regression Model

Independent variable	Variable coefficient
Age	-0.01
Female	-0.81*
Tenure	0.02***
Weeks worked in the period	0.00
Hours worked per week (contingent on working)	0.08***
Hours worked per week squared (contingent on working)	-0.00**
Composition of hours - % weekday evening % weekend day % weekend evening	 -2.30*** 5.76*** 11.76***
Driver direction preferences - % of time specified	-1.78***
Location of trips – % of open hours spent in core areas	10.33***
Seasonality - % of time in November or December	5.89***
Coefficient	17.48***

R squared = 0.42
* p<0.05
** p<0.01
*** p< or = 0.001

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