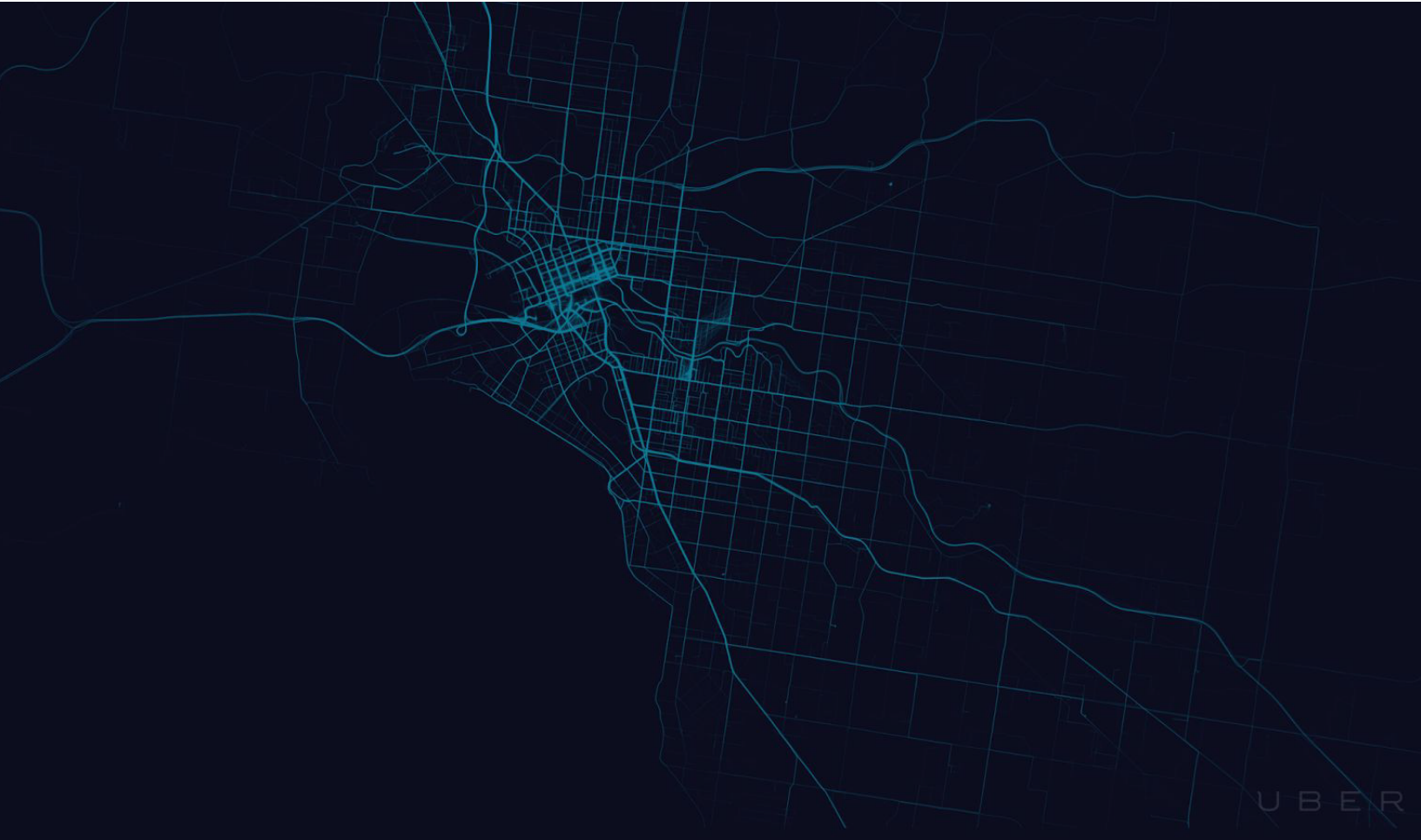


UBER

INQUIRY INTO THE TRADE SYSTEM AND THE DIGITAL ECONOMY



**Submission to the Australian Parliament Joint
Standing Committee on Trade and Investment Growth**

October 2017

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Introduction

Uber welcomes the opportunity to provide a submission to the Inquiry into the Trade System and Digital Economy. The digital economy presents an important opportunity to grow trade-focused businesses. Through new technology Australian businesses are able to access new customers on a global scale and export local innovations more freely. In addition, new digital technology can increase productivity through more efficient access to Government services.

While technological change has significant benefits for our trade focused economy, there are a number of challenges for business and policy makers. As trade and global commerce become increasingly digitised, consumers and businesses are more mobile than ever. While this grows potential markets, it also vastly increases competition. For Australia to remain competitive and attract investment and trade in this environment, Government is required to be proactive and agile in response to change.

This submission outlines a number of key opportunities to support trade infrastructure and ensure Australia's economy is prepared for ongoing digital change. This includes efforts to improve transport infrastructure to enhance the tourism sector. The submission also highlights a number of opportunities to improve digital access to Government services and preserve cyber security and resilience.

The role of digital transport in the visitor economy

Australia's status as a world-class tourist destination is critical in maintaining the nation's favourable trade position. Tourism accounts for half of all Australian trade in services, with international visitors consuming \$34.2 billion last year¹. This demand will continue to grow, driven by rapidly expanding Asian markets.

Digital products, services and marketing play an important role in expanding Australia's tourism offering². Increasingly, visitors are able to access information in real-time, in their preferred language and pay how they want. In addition, new platforms and aggregators have opened the door for new services, experiences and information sources.

Uber welcomes the opportunity to play a role in serving Australia's visitors and support our reputation as an innovative, accessible and globally connected country. With services in over 80 countries and 650 cities around the world, Uber offers international visitors a safe and familiar way of exploring Australia. In 2017 to date, people from 76 different countries used Uber in Australia during their visit.³

The perception that a city has an efficient and safe transport network is a key contributor to destination attractiveness⁴. Uber plays an important role in this regard, allows tourists to request a safe, reliable and affordable ride in under four minutes⁵ and select their destination without needing to understand the local language or transport system.

When tourists know they have access to simple, reliable and affordable transport they tend to stay out longer, venturing further from their accommodation.⁶ This increases the overall value of a visit to the host city, as well as spreading tourism spending more broadly, particularly benefiting small businesses operating off the 'beaten path'.⁷

¹ Department of Foreign Affairs and Trade, Trade in services in Australia, 2016

² Tourism Australia, Tourism 2020 Report,

³ Tourism Research Australia, *International Visitors in Australia, 2016*

⁴ Sarma, M. K. (2003). *Towards positioning a tourist destination: a study of Northeast India*. ASEAN Journal on Hospitality and Tourism

⁵ Based on average estimated time of arrival data in major capitals

⁶ Albalade, D. and Bel, G. (2009). *Tourism and urban public transport: Holding demand pressure under supply constraints*

⁷ Ibid.



UBER IS USED IN MELBOURNE BY VISITORS FROM AROUND THE WORLD

MELBOURNE, VICTORIA

The line thickness indicates the volume of
Uber users.

Data from the city of Melbourne between July,
2015, and July, 2016.

Improving visitor transport through improved airport access

The experience of getting to and from the airport is generally a visitor's first and last impression of Australia. For this reason airport transfers have a lasting impact on visitor experience and can influence a visitor's decision to return⁸. As a result, ensuring efficient land transport access to major airports plays an important role in driving Australia's visitor economy.

Uber currently operates at airports across the country including Sydney, Melbourne, Perth, Adelaide, Brisbane, Gold Coast and Cairns. As soon as an international visitor lands, they can request a ride through the Uber app and receive detailed instructions on where to meet their driver. Riders are provided with an ETA, a fare estimate and can track their ride as it approaches the pickup location. These functions help ensure a city's great attractions, not an anxious airport transfer, remains at the forefront of visitors' memories.

Despite technological improvements, further improvements to airport access is being restricted by a lack of infrastructure. Investment in land transport access for airports has not been sufficient to cater to the significant growth in demand.⁹ In addition, governance structures that divide State and Federal responsibilities has resulted in some land transport priorities falling through the cracks. This has contributed to increased travel times to and from major airports, particularly in Sydney and Melbourne¹⁰.

Ensuring Australia's major airports are easily accessible should be viewed as an important investment in trade infrastructure. This should include dedicated on-site land for point to point

⁸ Future Melbourne (Economic Development) Committee, *City of Melbourne Tourism Action Plan: 2016–2019*

⁹ Tourism and Transport Forum, *Accessing Australia's Airports*, 2014

¹⁰ Infrastructure Partnership Australia, *Transport Metric*, 2017

transport operators and improved surrounding road networks. To achieve this, greater investment in land transport infrastructure both on and off airport land is required. This should be further supported through increased coordination between State and Federal governments regarding airport access.

Digital access to Government services

Trade is becoming increasingly digital, with consumers and businesses able to access more products, customers and services globally¹¹. For businesses operating in Australia to be competitive in this landscape, they must be able to access government services through digital channels. The Federal Government has increasingly recognised the importance of this through the formation of the Digital Transformation Agency as well as through the commitment to a whole of Government Digital Economy Strategy.

Improving digital access to Government services should not focus on large-scale, discrete projects alone. Incremental improvements and digitisation of regulatory processes can play a key productivity driver for industry. Specifically, by making it simpler, clearer and faster for businesses and individuals to access industry-specific services through better use of technology and public data¹². A large and increasing proportion of businesses prefer digital channels to interact with Government agencies¹³. Digitisation of regulatory processes also has significant benefits for Government, with face-to-face transactions cost an average of \$16.90 for the public sector to deliver, compared to 40 cents for a transaction delivered online¹⁴.

Uber operates in a complex regulatory environment that has undergone significant technological change in recent years. As a result, Uber has extensive experience with State and Federal governments to develop new digital processes. This includes the development of online processes for licensing systems, insurance checks and industry reporting requirements across multiple jurisdictions. During this time we have developed a number of successful projects that have reduced costs and improved outcomes for the public, industry and Government.

Building on work with service delivery agencies at a state level, Uber has identified a number of opportunities to expand digital access to regulatory processes and transactional services in partnership with Federal Government agencies. This includes updating proof of identity and documentation certification requirements to better allow for digital submission of information. Similarly, further digitisation of administrative processes such as consent collection and signature requirements represents an important opportunity in this regard. Uber welcomes the opportunity to have an active partnership with Government to deliver such outcomes.

¹¹ Department of Industry, Innovation and Science, Digital Economy Strategy Consultation Paper, 2017

¹² Department of Industry, Innovation and Science, Digital Economy Strategy Consultation Paper, 2017

¹³ Digital Transformation Agency research. Available online at:

<https://www.dta.gov.au/blog/how-do-australians-really-feel-about-digital-government-services/>

¹⁴ Deloitte Access Economics (2015), Digital government transformation

Government open data initiatives that are responsive to industry will also play an important role in encouraging digital readiness. Access to open and high quality data sets can assist businesses in reducing regulatory costs, develop new services and improve compliance functions¹⁵. One example Uber has identified in this regard includes providing data in relation to vehicle registration in a digital open data format. In addition, improvements to non-sensitive data for right to work requirements, can be used to scale identity solutions and compliance. The further expansion of data programs such as these actively encourages best practice digital processes within industry.

Improving cyber-resilience and fostering innovation through data security

The digitalisation of data sets has vastly increased capacity to collate and transfer information. At the same time data analytics tools and techniques have become cheaper and more powerful. These trends have had far-reaching impacts and the discussion around reconciling the various rights and interests in data and ensuring cyber-resilience is an important one. This includes how commercial and privacy considerations can be provided to deliver the security needed to foster innovation and attract investment in a digital age.

As large data sets become increasingly prevalent so does the need for cyber resilience and security. In the case of Uber, service improvements depends on riders and drivers trusting our technology. Uber invests heavily in data encryption and other security measures to keep this data safe and secure. This includes experienced internal security teams that extensively test products to find and fix software vulnerabilities before they can be exploited.

To ensure the digital economy can continue to thrive and innovate, Government is required to recognise that protecting information access and rights is critical. This includes ensuring data that is collected is stored and used in a manner securely and protects privacy. In addition, assurances that commercially sensitive information required to deliver such innovations is not undermined. This establishes to confidence and security for businesses and individuals to invest and embrace new technologies and ideas.

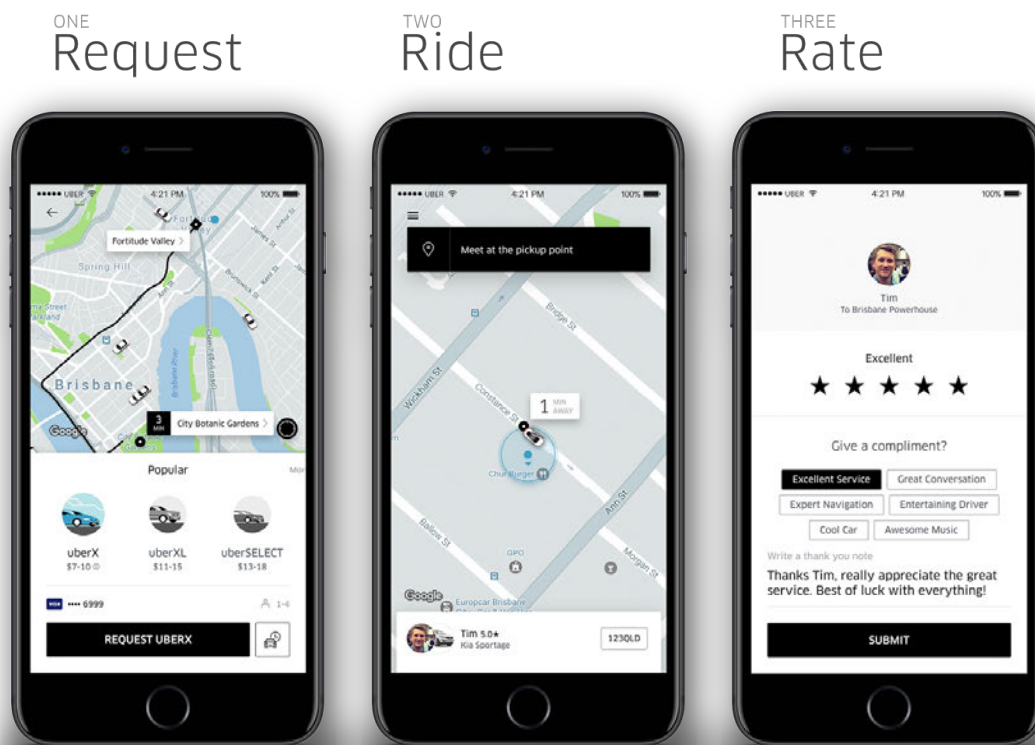
In the case of Uber, data driven initiatives are critical to not only improve the consumer experience, but the mobility experience for all road users. For example, Uber has partnered with Infrastructure Partnerships Australia, to create a 'journey time' metric using aggregated and de-identified trip data. The project has contributed to discussions around important city-shaping infrastructure, allowing policy makers to better utilise scarce resources. Initiatives such as this are indicative of the strong incentives that exist for private companies to maintain public trust and confidence by leveraging data analytics for the social good.

¹⁵ Department of Industry, Innovation and Science, Digital Economy Strategy Consultation Paper, 2017

Government's with insufficient cyber-security systems and requirements to disclose sensitive data without a clear purpose presents a risk to the commercial incentives that drive business innovation. This is particularly true if there is a real or perceived risk that competitors may gain access to that information. As a result, it is imperative that Government efforts to expand open data policies are balanced carefully with the privacy and commercial protections that allow for businesses to innovate and grow.

Appendix - ridesharing explained

Ridesharing is the use of personal vehicles to provide rides. Uber is a technology company that facilitates ridesharing between a registered rider and a registered and safety accredited driver-partner through a smartphone app. The rider makes a pickup request that is transmitted via the Uber app to nearby driver-partners. When a driver-partner accepts the request, the app tracks the subsequent trip, and facilitates an automatic and cashless transaction at the conclusion of the ride.



Uber launched the ridesharing service uberX in Sydney 2014, and since then we have provided millions of Australians with on-demand transport at the push of a button. Now, more than 3 million riders choose to get around Australia with Uber, and over 67,000 people nationwide partner to drive using the Uber app. On average, the wait time for an Uber ride in major cities is under 5 minutes.

Safety and transparency are essential to the ridesharing model. Ridesharing trips:

- are not anonymous
- cannot be hailed on the street or from a taxi rank
- do not accept cash payments and
- are GPS-tracked in real time.

All drivers affiliating with the Uber app receive their driver authorisation directly from the relevant State Department of Transport whom performs the same criminal background and traffic history checks applicable to taxi drivers, bus drivers or limousine drivers.

BEFORE YOUR RIDE



Driver accreditation. Prospective driver-partners receive their driver authorisation, including a stringent criminal background check and driving history check, from the Department of Transport and Main Roads. Partners cannot access the app until these checks are completed.



Vehicle checks. Uber arranges a commercial vehicle inspection with an accredited third-party automobile inspector, through which the driver-partner can receive a Safety Inspection Certificate. Vehicles must be a four-door model and newer than ten years old. All ridesharing partners must have their own third party property damage or comprehensive car insurance. In addition, trips are covered by an \$20 million contingent liability insurance policy from CGU Insurance, an Australian insurer and member of the Insurance Australia Group. The contingent liability policy covers every Australian uberX trip.



Rider registration. Riders must register their name, mobile number and payment details through the Uber app. The rider is unable to make a request until they provide these details, and Uber does not permit anonymous rides.

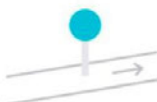


Fare estimate. Riders request a ride from nearby driver-partners by entering their pickup details into the app. An automatic fare estimate is available prior to requesting a ride. The app always notifies the rider of any dynamic pricing ('surge pricing') rate prior to requesting a ride. Riders have absolute discretion to accept or reject the fare. When a driver-partner accepts the request, the app displays the en-route vehicle and ETA.

DURING YOUR RIDE



Shared identities. Ridesharing trips are not anonymous. The app provides the rider with the name, vehicle type, and registration number of the driver in order to identify the requested vehicle. The app also provides the driver with the name of the rider. Uber knows the identity of both parties. However, drivers are not supplied the destination until the rider enters the vehicle, preventing discrimination on the basis of destination.



En route. The Uber app guides the driver-partner to the nominated pickup location. If necessary, the rider and driver can contact one another via phone or SMS. Their respective mobile numbers are anonymised for privacy. Upon pickup, the driver verbally confirms that the rider is the rider identified in the app. The app provides GPS guidance to the driver. The rider can monitor their progress in real-time, and share their journey in real time with friends or family via the one-touch 'share my ETA' function. Riders may also share the fare between multiple riders via a 'split fare' feature.

AFTER YOUR RIDE



Payment. The Uber app transmits trip information to servers that calculate the fare. The app then facilitates a cashless and automatic transaction from the rider to the driver-partner. Automated transactions make fare evasion or cash robbery impossible. Partners remit 25 per cent of the fare to Uber as a facilitation charge and retain 75 per cent of the total fare.



Receipt. The rider is emailed a receipt containing an itemised breakdown of the fare and a map of the route taken. Uber can adjust the fare in the event of a dispute.



Feedback. The rider and driver-partner mutually rate one another via a one-touch five-star rating system. It is a condition of using the Uber app that partners maintain a high rating. Poorly performing partners or abusive riders are identified, contacted by Uber customer representatives, and they ultimately lose access to use the app if their behaviour doesn't improve.



Support. Both parties may provide feedback in the app, and Uber's 24/7 support team acts on complaints swiftly – often within minutes. These systems ensure an ongoing quality control check that delivers excellent rider and driver satisfaction.