

Senate Standing Committee on Economics

Inquiry into the Influence of International Digital Platforms

Amazon Commercial Services Pty Ltd (**Amazon**) provides the following responses to questions on notice which arose during a hearing held by the Senate Standing Committee on Economics (**Committee**) on 22 August 2023. The hearing was held as part of the Committee's inquiry into the influence of international digital platforms. The page references below have been taken from the Proof Committee Hansard provided to Amazon on 25 August 2023.

Question 1

Senator Bragg asked Amazon's representatives to take the following question on notice:

"Can you take on notice some practical examples [of data sharing] that might occur across the various arms of Amazon that do business in Australia." (Page 2).

Amazon knows that customers care how their information is used and shared. We appreciate the trust that customers place in us to handle their data securely, carefully and sensibly. We collect personal information from our customers to provide and continually improve our products and services. Amazon is not in the business of selling customers' personal information to others.

Customers can use their Amazon account to access many Amazon services. For example, a customer can use their Amazon account to log into the Amazon Australia Store, their Amazon devices or the Audible service. Customers can also use their Amazon account to manage their orders, payments setting and more for the Amazon Australia Store, as well as to manage various features of their Amazon devices or services such as Alexa, Prime Video or Audible.

Amazon may also use a customer's personal information to display interest-based ads for features, products, and services that might be of interest to a customer. To serve interest-based ads, Amazon may use information such as a customer's interactions with Amazon sites, content or services. Amazon does not use information that personally identifies a customer to display interest-based advertising, and customers always have the option of opting out of interest-based advertising. All information used for interest-based advertising is pseudonymised, and secured, used, and maintained in dedicated and distinct systems.

The Amazon Australia Privacy Notice (Privacy Notice) describes how Amazon collects and processes our customers' personal information through Amazon websites, devices, products, services, and applications that reference the Privacy Notice.

All of the purposes for which Amazon uses a customer's personal information are outlined in the Privacy Notice in the section titled "For what purposes does Amazon use your personal information". These purposes include for fraud prevention, communicating with customers and to provide and improve Amazon services. Amazon does not share or use a customer's personal information for any other purposes than those described in the Privacy Notice.

Question 2

Senator Bragg asked Amazon's representatives the following question:

"Can you provide on notice please, some information about that [the external dispute resolution processes available to retailer customers]". (Page 3)

Amazon has every incentive to ensure that our customers are satisfied. However, in the rare instances where this is not the case, we offer a range of options to customers, in addition to their Australian Consumer Law rights, to address any problems with their purchases, whether sold by Amazon Australia or another Seller.

Customers can engage directly with Amazon Australia's Customer Service teams. In cases where a customer's complaint cannot be resolved by frontline Customer Service teams, disputes can be escalated to Amazon's Executive Customer relations team (ECR).

There are also consumer and civil claims processes in different states which offer simple dispute resolution options for consumers. We have a strong incentive to avoid complaints being referred to these processes, but if they are, we engage constructively to resolve these matters.

Question 3

Senator Shoebridge asked Amazon's representatives to take the following question on notice in relation to Amazon Prime:

"Can you identify whether you have any ethical business practices in place to alert people that they're paying for something and not getting anything?" (Page 4)

Amazon is proud of our Prime membership program, which we have offered to Australian customers since 2018. Prime offers multiple benefits, including fast and free shipping on eligible purchases, streamed video content on Prime Video, music and podcasts through Prime Music, games and a continually changing selection of ebooks.

We want all Prime members to receive value from their membership, and regularly communicate directly with consenting Prime members to remind them about their benefits.

First, to assist new members to access Prime benefits, we send a welcome email, which outlines all the benefits and provides links to different services. The email also includes an overview of the inclusions of their Prime membership and relevant terms applying to their Prime membership and simple, clear instructions on cancellation if they decide not to continue with a paid membership. We clearly disclose that free trials automatically convert to a paid membership and that the membership renews automatically.

Second, every new Prime member receives a free 30-day trial period to see if Prime is right for them.

Third, we provide customers with easy access to a dedicated page about their Amazon account (one click away from the Amazon home page) called "About your Prime Membership" which provides them with information to help them get the most from their Prime membership. This page shows what benefits they have used over the past year and/or 30 days, and informs customers of the benefits available to them. They can also access this page from their Account Page under the Prime – Manage your membership tab.

Fourth, if we are aware a customer has not used some Prime benefits or not used any benefits after a period, we send an email alerting them to the unused benefits. An example is attached, which refers to Prime Music, but similar emails are sent for other services. We also communicate Prime benefits to members through our monthly 'Prime Insider' email which clearly identifies the person receiving the communication as a Prime Member.

We want our Prime members to have a good experience with Amazon and the information we provide to them including through our onsite messaging and communications reminds them of their membership and the benefits available to them.

Question 4

Senator Shoebridge asked Amazon's representatives to take the following question on notice:

"[C]ould you give us on notice what the data shows [data to identify customers that have a Prime membership but are not using the service]." (Page 4)

Australian Prime members are overwhelmingly enthusiastic users of their Prime benefits. Although usage of Prime membership varies continuously, our data shows that a very small percentage of Prime members do not take advantage of their Prime membership. As discussed in response to Question 3 above, Prime members receive access to information about their Prime benefits and usage and an email reminding them of their membership, and then regular reminders of Prime benefits to encourage their use.

Question 5

At the hearing, Senator Stewart asked Amazon's representatives to take the following question on notice:

"If a driver is hurt while delivering for you—so they might be delivering for you parttime to earn some extra cash, but they've got a full-time job otherwise, and they are potentially hurt while delivering your packages—what support does Amazon provide those drivers, if they can't do their full-time job because they've been hurt on the job delivering your packages?" (Page 6)

Amazon Flex Delivery Partners are covered under Amazon's Group Personal Accident Insurance policy. This insurance is provided to the Delivery Partners at no extra cost to them, and ensures financial protection in case of injuries and fatalities while delivering for Amazon Flex. In addition, Delivery Partners are also protected under Amazon's Commercial Auto Insurance Policy. This insurance is provided to Delivery Partners to supplement their own insurance policy at no extra cost to them.

Question 6

At the hearing, Senator Stewart asked Amazon's representatives to take the following question on notice:

"How many Flex drivers have been seriously injured or lost their life while delivering for Amazon?" (Page 6)

Safety is our highest priority and we proactively encourage delivery partners to notify us of any injuries while delivering for Amazon Flex. Since the launch of Amazon Flex in February 2020, over 74 million packages have been delivered and no incidents have led to loss of life. During that period, there have been 10 serious injuries. This figure is based on incidents that were reported to us by delivery partners or we identified ourselves.

Question 7

At the hearing, Senator Stewart asked Amazon’s representatives to take the following questions on notice:

“How many Flex drivers are there in Australia?” Senator Stewart also asked “if that number is growing? And what is the attrition rate amongst your drivers?”. (Page 6)

From January to July this year, the weekly average number of delivery partners who completed a block was just over 5,000. With Amazon Flex, Delivery Partners have the opportunity to turn free time into supplemental income. Delivery Partners can choose delivery blocks (i.e., blocks of time) that suit them best. We see a variety of Delivery Partners who contract with us to deliver packages for Amazon — some who do so several times a week, while others who do so intermittently after taking an extended break for days, weeks, or months. It is the Delivery Partners’ decision regarding when and how often they choose to work.

Question 8

At the hearing, Senator Stewart asked Amazon’s representatives to take the following question on notice:

“Do Amazon Flex drivers take home less pay than drivers directly employed by Amazon, and if that's the case, what is the justification for that?” (Page 6)

Amazon does not employ any drivers in Australia.