



11 September 2019

Mr Nazih Elasmr MP
Chair, Economy and Infrastructure Committee
Parliament House
Spring Street
East Melbourne VIC 3002

Via email: [REDACTED]

Dear Mr Elasmr

Thank you again for the opportunity to appear before the Legislative Council's Economy and Infrastructure Committee on 31 July 2019. It was terrific to discuss Uber's submission and our vision for the future of transportation with Members.

During the hearing, we committed to revert back to the Committee with additional information. Further, having heard evidence provided by other industry participants, we feel it is important and necessary to correct the record on a number of matters raised before the Committee.

MATTERS TAKEN ON NOTICE

UberPool

Smartphones have made carpooling possible at scale for the first time. One of the products we have in placed in large cities, UberPool, makes it easy for people headed in the same direction at the same time to share the journey, getting more people in fewer cars. In major markets, UberPool trips make up a significant portion of total trips taken in the city.

In Australia, UberPool is now available in both Melbourne and Sydney.

Only seven months after our initial launch, we saw a growing number of Uber trips in Melbourne's core area now UberPool trips, saving millions of kilometres of car journeys. In the time since launch, if Uber riders had driven alone instead of sharing their rides using UberPool, we estimate that 1,735,000 more kilometres would have been travelled, consuming more than 173,000 extra litres of petrol and emitting 400 tons (440 US Tonnes) of carbon dioxide.

Vehicle solutions and Uber Marketplace

The Uber Marketplace is designed to connect new and existing driver-partners with vehicle rental, leasing and finance providers that offer products designed for ridesharing.

Driver-partners are able to use Marketplace to access quotes from a number of independent providers, compare offers, and are then able to work directly with vehicle solutions providers to obtain a vehicle suitable for ridesharing.

Given Uber is an independent third party to transactions of this nature, it is difficult to provide definitive guidance on the number of driver-partners using vehicles that are not their own. Further, given the nature of the flexible ridesharing model, there will be a natural fluctuation in the number of these vehicles on the road at any given time. However, with the information we do have, we can say that the number of driver-partners who utilise these third party services makes up a very small percentage of total driver-partners using the Uber app (single digit percentage), and that this cohort has become smaller over time.

Levy and trips

Since July 2018, the Commercial Passenger Vehicle Service Levy has applied to every Uber trip taken in Victoria. As an accredited Booking Service Provider, Uber collects the levy on each booked trip and remits the total amount quarterly to the State Revenue Office (SRO).

All Uber trips are booked through the Uber app, and our technology ensures for all trips are recorded, tracked and monitored. We have robust processes in place to ensure that the levy is collected on each eligible trip, and payments are efficiently remitted to the SRO. As such, relative to traditional industry, we are confident that there is no levy payment 'leakage' from Uber as a Booking Service Provider, in that all trips are clearly and mandatorily recorded, and then remitted.

Given the nature of the levy - namely the fact that a payable amount clearly equates to the number of trips - the total amount payable represents commercially sensitive information to Uber. The number of trips taken in each quarter is similarly commercially sensitive. As such, it is not possible to provide this information to the Committee.

Uber can confirm that we have made significant payments to the SRO each quarter to meet our obligations under the *Commercial Passenger Vehicle Industry Act 2017*.

Research on driver-partner earnings

In Uber's submission and during the hearing, we referenced independent research which provides data-backed insights into the amount earned by driver-partners in Australia.

The report, 'Flexibility and fairness: what matters to workers in the new economy' by Australian economic advisory firm alphaBeta, found that driver-partners most value the flexibility the app provides and the majority could not use Uber without being able to choose if, when and where they drive. alphaBeta's research combined Uber's administrative data in Australia with demographic surveys to better understand the experience of more than 60,000 rideshare driver-partners who are using the Uber App.

The report made a number of important key findings, including:

- 78 per cent of driver-partners signed up to Uber because of its flexible opportunities – and 3 in 5 would not work at all without the flexibility the app provides.
- Driver-partners using Uber are satisfied across a range of 'job' attributes – flexibility, the work itself, hours, job security and remuneration.
- For a significant portion 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.
- A minority of driver-partners have weekly hours on the Uber app that compare to full-time work. Just 6% drive more than 40 hours per week and just 8% drive between 30 and 40 hours per week.
- In Australia's most mature ridesharing market, Sydney, the average driver-partner receives \$29.46 (after Uber's service fee) for every hour on the app. The average costs incurred (including GST, fuel, insurance, maintenance and depreciation) is \$8.46/hour. Accordingly, the average earnings per hour, net of costs, is estimated to be \$21.00 per hour.
- The report also shows earnings vary depending on whether driver-partners 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 or in areas of high demand, earn more than the average.

Please find Alphabet's full report enclosed with this correspondence.

OTHER MATTERS

Audit

A number of industry participants noted that new entrants like Uber were not able to be audited by relevant authorities. This is incorrect. In Victoria alone, Uber has already been audited on a number of different occasions by appropriate authorities, and regularly responds to requests for information and support.

Safety and deactivation of riders

Uber has a responsibility to help keep people safe. While no form of transportation is 100% free of incidents, we are committed to doing our part and promoting safe use of our app, tackling tough issues, and mitigating any incidents. Uber is not just a smartphone app that gets people from A to B at the touch of a button - Uber is a huge community of people who share a common goal: to create a world where it's safe and easy for everyone to get around.

It's important to note that new technology has enabled Uber to build safety into our service from beginning to end: before a passenger even gets into the car, throughout the journey and after they have reached their destination. This includes giving riders information about their driver; tracking all trips using GPS from beginning to end; enabling riders to share their route and trip information; and incorporating feedback from riders and driver-partners.

Uber's Community Guidelines - which all riders and driver-partners must adhere to - expressly prohibit any inappropriate or violent misconduct when using the app. If a rider or driver-partner breaches these Community Guidelines, they may lose access to the app. Any suggestion that riders do not lose access to the Uber app for inappropriate conduct is incorrect. In fact, in Australia, riders can lose access to the app for consistently receiving low ratings from driver-partners.

Further, Uber has invested in a 24/7 global Incident Response Team (IRT) to respond to any incidents or accidents that are reported to Uber. When incidents occur, Uber can work closely with law enforcement. We provide information in response to valid legal requests to help inform law enforcement officials, and have relationships with law enforcement officials across the country.

Support for Victorian driver-partners

Uber provides support to driver-partners through a range of different channels, including online, in app, over the phone, and in person at our Greenlight Hubs. Uber operates a

significant Greenlight Hub (driver-partner support centre) in Port Melbourne, where driver-partners are able to visit and work with support staff to help solve problems.

Ridesharing is a distinct transport model

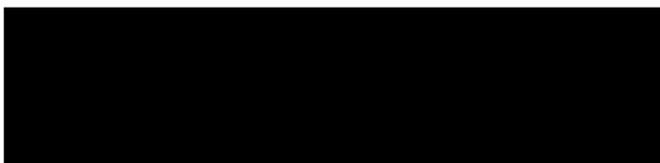
It is important to note that ridesharing operates in a different market with a different model to existing point-to-point transport services. It faces different commercial and safety risks, and employs different mitigation strategies.

Regulations already acknowledge fundamental distinctions between different forms of passenger transport. Taxis, for instance, are distinguished from other modes by their capacity to engage in street hails and rank jobs. The rationale for independent taxi regulations is grounded in the risks unique to anonymous rank and hail work. There is nothing unique or different about this approach to regulation - for example, hire cars have always been subject to different regulatory conditions because of this significant difference in risk.

Simply put, this risk based approach to regulation is best practice, and is consistent with both Victorian and Federal Government guidance on developing public policy. Victorian regulations rightly acknowledge relevant distinctions between different markets and different modes of transport. The suggestion that regulating for different risk types represents an 'uneven playing field' is inaccurate.

Australian states like Victoria have led the world in openly regulating the point to point transport market, allowing for competition, complementarity and innovation between different types of point to point services. We look forward to continuing to work with the Government and Parliament to ensure Victorians continue to benefit from Victoria's vibrant and efficient point to point transport network.

Yours sincerely



RICHARD WILLDER

Public Policy & Government Affairs, Australia and New Zealand

