

Submission by a Worker – Inquiry Into the On-Demand Workforce in Victoria

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vic.gov.au/on-demandinquiry

The prevalence and nature of on-demand work in Victoria

The Inquiry wants to understand the extent of and issues for the on-demand workforce. We welcome examples or case studies that illustrate the experience of individuals and the perspective of workers in the on-demand economy. The following questions are prompts for people working in the on-demand economy – you do not need to answer all of them or, if you prefer, you can say whatever you like at the end under ‘additional information’.

1. How frequently are you offered on-demand work in Victoria?

On-demand driving work in Victoria is often quite consistent and has high demand. The pay is very low, forcing many drivers to work long hours to make ends meet.

2. How much on-demand work do you do each week?

The RSDU represent mainly full time drivers, drivers doing approximately 35-50 hours per week

3. In what industries or regions do you work, when working for an on-demand business or platform?

Most drivers in Melbourne work for:

Uber
Didi
Ola
Taxify

4. Do you have another job and what kind of other job(s) do you have?

n/a

The legal status of on-demand workers

The status of workers in the on-demand economy is a fundamental issue that determines how regulatory frameworks apply to workers. The answer to this question impacts on the rights and obligations of workers, platforms, businesses, consumers and the community. It dictates where a person might go for help or advice if something goes wrong and what remedies might be available.

A fundamental question that the Inquiry must consider is whether and how regulators are able to resolve the question of whether the laws they are invested with enforcing on behalf of the community apply to these arrangements and the extent to which users and workers are able to understand their rights and obligations and seek assistance if something goes wrong. The Inquiry therefore seeks submissions about the following:

5. How were you recruited and engaged to perform work?

Most drivers were recruited via an online ad or direct recommendation from other drivers, who got paid bonuses by the operators to make the recommendation to their friends and families.

6. Please outline how your work arrangements were put in place?

Drivers were required by Uber/Didi/Ola/etc. to agree to a contract, stripping them of any bargaining power, a sham contract by any standard. The RSDU has filled with the Fair Work Ombudsman late 2017, providing the FWO with a list of 60 full time drivers. As a result FWO has launched an investigation into Uber's working relations with its drivers. The investigation is ongoing, to date.

7. Did you discuss or negotiate the details of your work arrangement with the platform and/or the end user?

Yes, the platforms normally choose to ignore our demands. It is only via RSDU's strikes and media blitz actions that the platforms normally "listen" and improve some of the issues we've raised.

8. Do you decide how and where you work?

Yes and no. There are only certain times of the day when ride numbers are high really. These are mainly rush hours. Full time drivers that rely on Uber or any other platform for their income must

drive when demand is high in-order to maintain the best possible take home pay, which in most cases is still well under the award wage for this industry (after allowing for all car and on road expenses).

9. Are you free to provide the same services to more than one on-demand platform and/or client at the same time?

Yes and no. The platforms seem to penalize drivers for cancelling trips or not fulfilling certain quotas. Furthermore, Uber, due to their predatory pricing tactics, keep ride prices very low, in effect holding the vast majority of jobs (UberPool is a good example). New entrants to the market must compete with Uber's often loss making rates (to drivers) in-order to survive. It is a fast race to the bottom, all at the drivers expense!

As long as these operators are allowed to continue and self-regulate themselves we expect the conditions to continue and deteriorate.

10. What do you do if you have a dispute or concern about your work? Where and from whom can you seek help in resolving disputes?

Drivers (in most cases) must negotiate an online email system with often no right of appeal. Drivers can be deactivated and out of a job without notice. The system is not transparent and when drivers ask for more details on a passenger complaint they would often be given the "privacy" non-disclosure run around reply. Not only drivers can be deactivated (read fired without notice) often they are not even being told "why" or given any due process.

11. How is the quality of your work assessed? In what situations if any might you lose the right to obtain work via the platform?

The platform assesses your star rating, completion and cancellation rates. A fall in these standards often leads to less work given and/or a full deactivation (being blocked from accessing the platform altogether).

The impact of on-demand work for workers, including vulnerable workers

The impact of on-demand work on workers is multi-dimensional and complex. In considering the question of 'impact' the Inquiry wants to hear about the experience of individual on-demand workers, but also seeks to understand the broader impact of the emergence of on-demand work on both the on-demand cohort, but also workers in 'traditional' arrangements.

12. What and how are you paid?

To put it in a few words, nothing short of “slavery” like working conditions. No holidays, no sick days or any work security whatsoever! Drivers work for much less than the minimum wage for their industry (after allowing for all car and on road expenses) with most drivers unable to save any money into their superannuation.

The ATO is chasing these vulnerable, underpaid, exploited, drivers is a sham by itself.

13. Why do you engage in on-demand work?

Drivers have many reasons, with most reporting lack of work in their own sector, due to age, language barrier (new immigrants) etc.

Flexibly (limited) in the hours of work is also often a reason particularly with people working part time elsewhere or seeking new jobs, single mothers, or care takers, students etc.

14. How often do you participate in on-demand work? Is on-demand work some, most or all of the paid work that you do? Do you also work outside of the on-demand economy?

n/a

15. Do you experience any differences when you work under on-demand arrangements or ‘traditional’ arrangements?

Yes. Traditional arrangements offer job security and steady pay as long as one can find one. One would know how much they will earn per week. You cannot say the same for on-demand work.

16. Are there any training or development opportunities made available to you when you work with an on-demand business or platform?

no

17. How do you raise issues or concerns about your workplace arrangements? Do you feel confident to do this?

No, due to on-demands companies’ ability to deactivate drivers for no reason, most drivers prefer not to publicly disclose their identities when making a complaint or discuss their issues in public.

18. What happens when you are unable to work due to a physical or psychological injury, illness?

Drivers don't get paid, most full time drivers can't really afford to stay home when they are sick or injured. Many drivers have experienced or reported such stories and how they still had to drive because no one else will pay them for these days, rent/utilities/etc bills keep coming regardless.

19. How are workplace injuries addressed if you are injured?

Drivers are basically on their own. Chances they will get deactivated due to a complaint by a passenger who may feel they may not look right or too sick to drive on that particular day.

20. Are you paid superannuation?

No! Drivers are engaged in a sham contracting arrangement and are not being paid superannuation or any other work related entitlements. On demand operators circumvent work laws and underpay drivers while increasing their own bottom line.

21. What tax do you pay and how do you ensure your tax liabilities are met?

The ATO treat drivers as running a business, regardless of whether they get to earn or set the working conditions with the customer like any other business would (example: ride prices).

Drivers must pay 10% GST on all rides, starting at the very first ride, plus income tax, according to their tax bracket. Not only drivers are being ignored by the ATO/Government for being engaged in a classic sham contracting arrangement, they being put through the hoops with ABN and quarterly BAS statement requirements, accounting and other business related liabilities.

Your views

It is the RSDU (Ride Share Drivers United) view that rideshare operators must be forced to up their game if they wish to continue and classify drivers as "independent contractors".

1. A special committee must be formed to determine the minimum pay per KM in Victoria. The minimum must take into account acceptable average of vehicles wear and tear and all

expected car and on road expenses to drivers. Then allow for a profit margin per KM which enables drivers to take home at least minimum wage, have enough to put in their superannuation and save a few dollars for rainy days when they can't work. With full time drivers driving an average of approximately 1000km per week (in Victoria), this should not be too hard to calculate. It is the RSDU view that the minimum base price should revolve around the \$1.60 per KM in Victoria (at today's conditions/index). It is \$1.15 at present. Minimum fare \$9.

2. Operators must be limited by drivers cap! They are currently allowed to recruit an unlimited number of drivers. It is unsustainable and comes at driver's expense in pay and conditions. The RSDU recommends a drivers cap of no more than 7000 in total (for the state) put on all operators. This should be the total number of ride share drivers allowed to operate on the roads at any given time, forcing operators to lift their game and better drivers conditions with bonuses and better terms.
3. As long as all other sham contracting issues (promoted by this industry) have not been addressed, ATO should stop targeting and treating on-demand workers as running a "business". One cannot be said to be running a business as long as the level of his earnings or work conditions are dictated by a third party while he has no control over pricing, does not collect payment directly and getting paid well below the standard for his industry. What we have here is a clear sham contracting arrangement, and this must be addressed before anything else.

Most drivers would like to remain classified as self-employed but they would also like to see the main operators forced to providing them with transparency, the right tools/opportunities to carry profitable business decisions just like any other REAL business is expected to. This includes a say on pricing and knowledge of the destination ahead of a pick up, more transparency! And then some.