

Deaths of Sydney delivery drivers expose dangerous conditions in the “gig economy”

Max Boddy
9 October 2020

Two delivery drivers in Sydney, Australia’s largest city, tragically lost their lives in road accidents within one week of each other. Dede Fredy, who worked for Uber Eats, and Xiaojun Chen, who worked for Hungry Panda, both died in late September. This brings the total number of deaths in the industry to at least four since 2017.

Both companies operate as part of the so-called “gig-economy.” The drivers are not directly employed by the company, instead having a legal status akin to independent contractors. The work is irregular and pay is heavily dependent on the number of deliveries and demand.

The latest fatalities have highlighted the unsafe conditions of workers in the sector. They receive no workplace safety support, and often have no access to company insurance, leave entitlement or superannuation. Their plight is the direct outcome of the destruction of full-time permanent jobs over the past four decades, enforced by the trade unions.

Dede Fredy died three days after he was struck by a car in Marrickville, on September 27. He leaves behind his family, who he was supporting in Indonesia. Chen, 43, died after a collision with a bus in Zetland.

Statements from both Uber Eats and Hungry Panda washed their hands of responsibility. Uber Eats claims they notified SafeWork New South Wales, have been in contact with the family to offer assistance, and outlined a support package for drivers, which they say includes drivers’ insurance. The details of the insurance cover are, however, unknown, as is the support the companies are offering to the affected families.

Another recent incident has highlighted the perilous conditions in the sector. A man named Mohammad told Australian media this month that his friend, who is a driver for Menulog, an Australian based company, was

assaulted in Randwick by a stranger yelling racial abuse. He suffered several broken teeth and could not talk or eat properly. When Menulog was contacted, Mohammad said the company responded by stating, “You’re just a contractor, we’re sorry about the incident but we can’t do anything. You have to get your own insurance.”

The continuing boom of the gig economy has created a layer of highly exploited workers internationally. Workers are forced into these jobs due to ever-increasing unemployment rates and the casualisation of the workforce. Many in the sector are vulnerable international students or immigrants.

Under conditions of the coronavirus pandemic, Australia is continuing to see Great Depression-level unemployment rates. Jobless data released last month revealed that this has driven many into insecure employment, accelerating the growth of the “gig economy.”

In the official August figures, which understate the level of job destruction, there was a 50,200 growth in the number of self-employed people who operate without employees. Corporate economists have assessed that practically all of these people were likely working in the gig economy.

In 2018, the Australia Institute’s Centre for Future Work released a report, which found that the average hourly wage for delivery drivers in the sector was \$14.62 before personal income tax. This is well below the minimum wage of \$19.84 per hour.

The report detailed how Uber’s business model, which has been embraced by all other gig economy companies, operates. The driver pays a 55 cent booking fee to Uber, who then takes an additional 27.5 percent of all revenue generated. The remaining 72.5 percent is paid to the driver, who has to pay for all costs

associated with the vehicle, including petrol, insurance and the purchase of the vehicle itself. Drivers are not paid for the time it takes to collect the fare, time spent waiting for a job or for travel to the region where they are working.

Many drivers earn even less. A survey conducted by the Transport Workers Union (TWU), interviewing 240 drivers, found that the average wage was closer to \$10.42 an hour. The survey also revealed some of the conditions these workers face.

One driver said, “We are just told how much we are paid per job, there is no negotiation.” Another indicated that drivers were compelled to sign whatever contract was presented to them. And it could generally be terminated at the will of the company. “They don’t say it explicitly, but you know it is implied,” the worker said.

Others reported the conditions they worked under saying they fear some customers as well as dangerous areas, where they are forced to drive at night. This is because they are unable to see their destination point until they accept the job. One driver, who works for Uber, also said, “Yes, [I was] hit by a car. Uber won’t cover insurance for it.”

The TWU released this survey as part of a phony campaign,, whose chief aim is the passage of an amendment to the Work Health and Safety Act 2011, which is currently before the NSW Legislative Council. The amendment would only require companies to provide workers with minimal protective equipment. The union is also calling for a bogus charter of rights that would not fundamentally alter the precarious employment status or appalling conditions of workers in the sector.

The real purpose of the TWU campaign is to divert growing anger among drivers behind the Labor Party and the unions, the very forces responsible for the atrocious situation facing “gig economy” employees.

For the past four decades, Labor and the unions have presided over the gutting of full-time jobs in Australia, pushing workers into casualised or insecure part-time employment. This began under the Hawke and Keating Labor governments of the 1980s and 90s, and was accelerated by Labor administrations after the 2008 global financial crisis.

In 2009, the Rudd Labor government, with the full support of the unions, established the Fair Work

Commission (FWC), a pro-business tribunal that functions as an industrial and political straitjacket, banning virtually all strike action by workers. Over the past eleven years, the unions have dragged workers before the FWC to prevent any stoppages, and to enforce cuts to jobs, wages and conditions.

In June 2019, the Fair Work Ombudsman, who works alongside the FWC, ruled that Uber drivers were not employees but independent contractors. This essentially rubber stamped the conditions forced upon these workers, and gave the companies carte blanche to deepen their attacks on workers’ rights.

This was effectively reconfirmed by the FWC in April this year. The TWU brought a case of the unfair sacking of an Uber Driver before the commission, which subsequently upheld the dismissal. The TWU nevertheless hailed the outcome as a victory, stating that the FWC had “slammed” Uber’s business model when its commissioners made mealy-mouthed statements of concern about the conditions facing drivers.

This again demonstrated that the TWU campaign is a sham. In the fight for their most basic rights, “gig economy” workers confront the unions, no less than the companies, as their enemies.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact