

30 May 2023

Senator Tony Sheldon
Chair of Education and Employment Legislation Committee
Deputy Chair of Education and Employment References Committee
Deputy Chair of Select Committee on Australia's Disaster Resilience
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Dear Senator Sheldon,

I am writing to you to bring to your attention [an article](#) that was published in the Canberra Times on May 29 2023.

The article, written by Peter Scutt, Co-Founder and Executive Director at Mable, mentioned our company by name. He's drawn a comparison to our work and raised a number of inaccurate points that should be addressed.

Here I would like to explain why the 'Employee-like reform' he argues against is so important to all Australians working in the gig economy, especially those in the Care Economy, and to correct the record on some of the inaccurate points made.

Firstly, to the importance of these reforms. Many in this debate seem to have failed to fully grasp the significance of employee-like legislation and its implications for gig workers. It is important to recognise that establishing employee-like standards will benefit all workers engaged via platforms as 'independent contractors'. It will end decades of debate and confusion as to the working status and entitlements of many hundreds of thousands of workers, and will ensure some of the lowest paid workers in our economy are granted the basic rights, entitlements and protections they are denied by gig and contracting platforms.

Additionally, implementing these employee-like reforms would hold gig platforms accountable for the services that they provide, manage and finance through their business operations. By establishing a framework that mandates basic worker rights and conditions all workers can be treated fairly and with dignity. This can only be a good thing for working Australians, and the people they serve.

There is an argument that some platforms should be exempt from these reforms because of the way they classify themselves, especially when it comes to controlling workers and

setting pay rates. In recent research produced by the Centre for Future Work, titled [“Unacceptable Risks: the Dangers of Gig Models of Care”](#), the author points out: *“while not all platforms determine final agreed pay rates, they do place constraints on and/or strongly influence rates. All care and support platforms exert control over workers, work and pay... Platforms use algorithms and consumer ratings to filter and rank worker profiles, controlling which workers have an opportunity to be considered for a job and constraining worker behaviour. Ratings systems operate as systems for disciplining workers. A poor rating from a consumer, regardless of whether it is a fair rating, can cause a worker to lose future work opportunities or compel them to put up with unfair or exploitative treatment.”*

It's clear from this extensive research that all platforms in the Care Economy should be included in reforms designed to benefit workers, clients and the community. In relation to the points of comparison made in the article between our organisations, I would like to correct the record:

1. The article claims a relatively high “average” Monday to Friday pay rate of \$44 per hour for Mable’s contracted workers. This “average” masks multiple omissions about real wages — by avoiding days that would attract penalty rates, and failing to describe the experience of the lowest paid workers:
 - Mable workers are permitted to charge \$32 per hour, before any fees, costs, or superannuation, which would result in them earning below: (1) the *minimum* wage, (2) far below the *Award* wage, and (3) when penalty rates are included such as on weekends and public holidays, far below both the minimum wage and Award wage.
 - For example, Hireup workers receive \$60.47 per hour on Sundays (plus super) and \$74.36 on public holidays (plus super).
 - On Mable, the minimum rate able to be charged on any day, whether penalty rates normally apply or not, is \$32 per hour before any fees, costs, or superannuation. Sometimes that can be less than 50% of the Award rate.
 - The comparison of this “average” pay rate also omits other costs borne by contractor workers and regularly not accounted for, such as additional income protection insurance needed in lieu of workers compensation, training costs, financial and tax management costs.
2. The article compares a difference in the gap between service price and topline (not net) worker wages and celebrates this as a “productivity gain” that saves taxpayers’ money. The reality is the lower total price is a function of all the costs Mable *avoids* by using contracting, such as payroll tax, workers compensation, dispute resolution, paid training, and resourcing return-to-work services.

- These avoided costs add around 20% to operational costs.
 - Hireup also meets costs and resources for quality and safety standards as a registered provider (Mable is an unregistered provider).
 - The taxpayer does not benefit as described. In reality, when a company does not pay these costs, it is the taxpayer who ends up paying the difference through health care costs, support pensions, and higher taxes in the long run.
3. The article states “support workers on Mable tell us the flexibility to choose their own hours around their personal commitments is the number-one reason why they choose to provide support via Mable.” The reality is this exact flexibility is available on Hireup through casual employment. It is not the contracting engagement that creates flexibility; it is the technology.
4. The article states that “48 per cent of all relationships between clients and support workers on our platform are six months or older, with many multi-year relationships.” This raises a question of whether these contracting arrangements may in fact be hidden employment arrangements, and whether risk and liability for elderly people and people with disability exists, as they may be deemed as employers in the event of wage underpayment or insurance claim.

Where we can agree with Mr. Scutt is that we would also usually refrain from making these comments in the public domain. But where inaccurate statements are made, especially in relation to our work, we have a duty to correct the record.

We strongly believe that sensible reforms to employment laws and improved oversight of companies operating within the gig economy and NDIS are necessary. Only when all organisations within the industry make comparable contributions for their workers and society, and actively protect their clients against liabilities, can we genuinely assess on a like-for-like basis.

Thank you for your attention to this matter. To arrange a time to meet Hireup to discuss this further, please contact Neil Pharaoh via

Yours sincerely,

Jordan O'Reilly
Cofounder and Executive Director, Hireup