



Airtasker Submission

Select Committee on the Future of Work and Workers

February 2018



Acknowledgement

On behalf of Airtasker, we would like to thank you for the opportunity to submit this paper to the Select Committee on the Future of Work and Workers in Australia for your consideration.

We embrace the need for discussion on this important topic and acknowledge that there are a number of aspects of the flexible labour economy that need to be addressed. We also believe that there is a role for regulation to nurture, embrace and leverage the positive impact of flexible labour on the lives of Australians whilst fostering innovation that unlocks new economic value.

One of our core values at Airtasker is to “stay open” and we truly welcome any opportunity to share what we have learned throughout our journey and to understand the perspectives of all stakeholders.

If you would like to contact us at anytime please email us at: stayopen@airtasker.com

Thank you.

Tim Fung and the Airtasker Team



About Us

Airtasker is a community marketplace that connects people and businesses with members of the local community who are able to complete tasks to earn additional money.

We're an evolution of your local noticeboard, leveraging technology to help members of the community come together in a trusted environment to create working opportunities for Australians.

The idea for Airtasker came about in 2011 when our co-founder Tim was moving apartments in Sydney and asked his mate Ivan (who runs a chicken chippie factory and owns a small truck used to make deliveries) to help with moving and all of those everyday jobs that needed to be done - like cleaning, packing boxes, assembling IKEA furniture and setting up the wifi router. After helping out with all of these jobs, Ivan turned to Tim and said: "Did you know this is the fourth time I've been asked to help someone move apartments? And it's all because of this truck!"

That got Tim and co-founder Jono thinking: Why do we bother our busy friends and family to help with all of these tasks when there are so many people across Australia who would love an opportunity to earn some extra money by helping out?

In March 2012, Airtasker was born.

Since then we've been on a truly humbling journey, learning more about the people in the Airtasker community each day whilst striving towards our mission of creating working opportunities for Australians and empowering people to realise the value of their skills.

We believe that good work for humans is an end-product, not a by-product of what we do.

We're a proudly Australian company headquartered in Sydney and employing more than 140 full time employees.



**"Airtasker has given
me the ability to
work when I can and
earn good money at
the same time."**

Samantha O.
Furniture assembly
📍 Blacktown, NSW
308 tasks





Airtasker Business Model

We've learned that the market for local services in Australia is quite fragmented and lacks transparency. This results in many people:

- not being able to find or connect with a person who has the relevant skills to complete a task
- not being able to ascertain the skills and experience of another person or the quality of the service they provide (ie. it is too hard to find information in relation to another person's qualifications, experience etc and therefore not worthwhile to engage with that service provider)
- believing that there isn't a way to find a person to complete non-traditional services (ie. the services economy is limited to what services people traditionally offer rather than expanding to the services people actually require - like "removing a spider from a ceiling fan")

Also, prior to Airtasker, people with skills and available time had no easy way to identify other people in their local community that might have a need for their service. Babysitters, dog-walkers, handymen and others had limited options other than letterbox dropping and word-of-mouth recommendations. Similarly, tradespeople and professionals who were self-employed or in small businesses had limited options to find new customers other than traditional classified advertising and direct mail.

Airtasker is aiming to build infrastructure to increase transparency in the local community and create working opportunities in the Australian services economy by providing the following services:

- **Communication services** - a platform for people to find, connect and communicate with other members of their local community. Reducing barriers to communication lowers friction for people describing the tasks they need performed - which helps to unlock new service industries.
- **Reputation services** - a system to verify ID, qualifications and licenses and to create peer reviews which can be viewed by another member of the local community. Enabling this transparency helps to build trust within the community which unlocks significant additional economic value.
- **Payments services** - delivering a capability to escrow funds based on an agreed contract between two parties from the time at which a task is agreed until it is completed.
- **Insurance services** - a policy to cover a person for their liability to another member of the community for personal injury or property damage whilst performing common services.
- **Marketing services** - marketing and promotion to attract people that create working opportunities for the benefit of people that want to complete tasks to earn additional money.



There are two main roles that a person can represent in the Airtasker community - a buyer of services (which we refer to as a "Job Poster") and a seller of services (which we refer to as a "Tasker").

Job Poster Experience

The interaction with Airtasker for a person who needs a task completed (a Job Poster) by another member of the community (a Tasker) is:

① Post a task	② Assign a task	③ Pay and review
<p>The Job Poster can describe a task including requirements, time, location and proposed budget.</p> <p>It's free to post a task.</p>	<p>The Job Poster reviews the offers made by Taskers and can select a person based on the information provided. The Job Poster pays funds into a secure account held on behalf of the Tasker.</p>	<p>Once the task is completed, the Job Poster requests for funds to be released to the Tasker. The Job Poster may then provide a review to the Tasker in relation to the task completed.</p>

Tasker Experience

Conversely, the interaction with Airtasker for a person who completes a task (a Tasker) for another member of the community (a Job Poster) is as follows:

① Clarify requirements	② Make an offer	③ Request payment and review
<p>The Tasker browses working opportunities and when interested, can ask questions to clarify the requirements of a task including the qualifications, skills, timing or equipment required.</p>	<p>Once satisfied, the Tasker can make an offer to complete the task. They are able to include any of their special conditions and quote an amount to be paid in exchange for the services.</p>	<p>Once the task is completed, the Tasker sends a request to the Job Poster to release funds. The Tasker may then provide a review to the Job Poster in relation to the task completed.</p>

Airtasker generates revenue by charging a Service Fee to the Tasker which is payable upon assignment of each individual task.



**"Airtasker has
helped me discover
my gardening skills
and experience."**

Gift A.
Gardening
📍 Glenfield, NSW
263 tasks

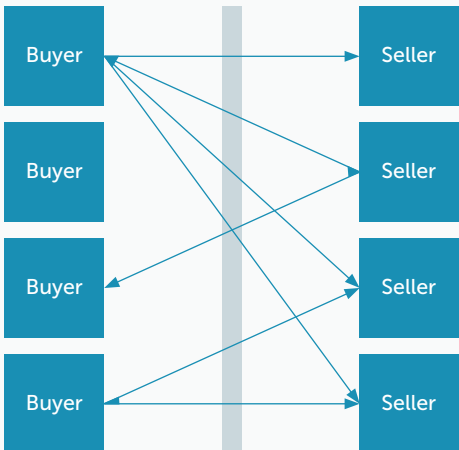
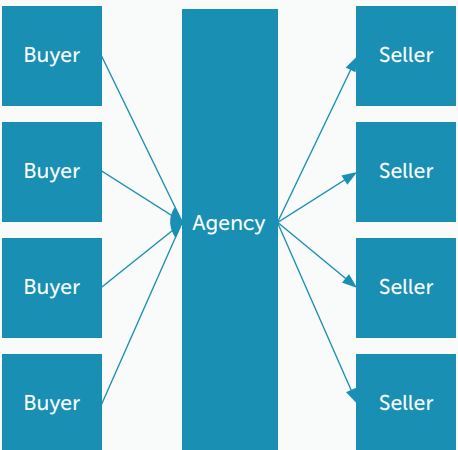


Differences between marketplace and agency business models

We believe that there are critical differences between the various platforms currently being referred to collectively under the informal banner of the “gig economy” and that these differences can form the basis of classifying a platform as either an “agency” or an “open marketplace”.

We have outlined our view of the differences between these two classifications below.

Based on these classifications, we believe that Airtasker can be described as an open marketplace.

Open Marketplace	Agency
The scope of services to be provided is defined independently between the buyer and the seller of the service.	The scope of services to be provided is largely defined by the platform (although there may be some unique parameters for each individual job).
The price to be paid for services is agreed independently between the buyer and the seller of the service.	The price (or pricing methodology) to be paid for services is determined by the platform.
The buyer and seller of the service proactively opt-in to each individual service transaction (rather than committing to long term working arrangements).	The seller of the service is required to make upfront commitments which may have impact on that person over the medium or long term.
The platform does not push work to any individual or groups of sellers. The buyer and seller of services provide their own reputational data (such as licenses, verifications and peer reviews) which they independently use to decide whether they enter a direct contract between each other.	The platform pushes work to an individual or group of potential sellers. The platform may use proprietary methodologies or data to determine which seller performs the work.
Open Marketplace Platform Structure Overall, a wide base of buyers interact independently with a wide base of sellers within an agreed marketplace framework. 	Agency Platform Structure Overall, a base of buyers interact with the agency entity which then goes on to interact with a base of sellers. 



Who is finding work via Airtasker?

Airtasker is a community marketplace made up of 1.9 million Australian community members.

We do not exclusively define members as either Job Posters or Taskers as we believe that each and every person will at times be the seller of services and at another time will be the buyer of services. So far, this hypothesis is supported by the data point that 33% of people that complete tasks on Airtasker also post tasks on Airtasker.

The vast majority of people who find work on Airtasker do so as a supplementary form of income. About 70% of people who complete tasks each month complete less than 5 tasks per month.

Whilst professional tradespeople, freelancers, students and consultants use Airtasker to identify opportunities to grow their existing small business, Airtasker also provides working opportunities for people who:

- find it difficult or not possible to find work via traditional employment channels
- wish to supplement an existing part time occupation with additional income
- have unique skills that cannot be monetised through traditional, supply-led channels

We believe that the number of Australians wanting to find work via platforms such as Airtasker will continue to grow - supported by an increasing trend towards people wanting flexible work. Recent Australian representative research indicates that the most important thing people are looking for in a job is "flexibility of hours" (37.4% responded that this was the most important thing). Perhaps surprisingly, "flexibility of hours" was deemed to be even more important than "pay" (37.1%) and significantly more important than the "predictability of work" (7.5%).

Furthermore, the same research found that 79.8% of Australians agreed with the statement "the traditional employment model of the 9-5 office job is inflexible for workers in 2018 and into the future" and 74.1% of Australians agreed "the flexibility of freelancing / working for yourself would make up for the lack of certainty / predictability of work".

Based on these data points, we believe that there is a significant opportunity for Airtasker to create working opportunities for Australians - today and into the future.

¹Australian representative study conducted by Pure Profile, commission by Airtasker (Jan 2018)



**"I still work with my
electrician guys but
I can also choose to
do my own thing
and make a bit of
extra money"**

Brendan O.
Tradesperson
📍 West Pennant Hills, NSW
438 tasks



What type of work is Airtasker helping to create?

We believe that trust, safety and quality of work in the community is driven by mutual transparency and accountability between the Job Poster and the Tasker. Our aim is to create a safer and more fair services economy by providing Job Posters and Taskers with objective information (including identity, qualifications and peer reviews) which can be used to help people in the community make more informed decisions.

We also believe that by providing Taskers with transparent, structured financial data (as opposed to fragmented information in the “grey” or “underground” cash economy) we can also help educate and empower people to take ownership of their financial planning and assist them to meet their tax obligations.

Our data indicates that Airtasker mainly creates new working opportunities rather than simply shifting work from one marketing channel to another. We do this via the establishment of a “demand driven” approach in which Job Posters request the service they specifically need, rather than Taskers trying to predict in advance what services or skills may (or may not) be in demand in the future and then preemptively marketing those services to potential Job Posters.

So, whilst Airtasker is helping to create flexibility and efficiency in traditional small business industries (like trades, photography, accounting services etc) this demand driven mechanism allows Job Posters on Airtasker to create entirely new working opportunities that simply would not have existed otherwise.

Our analysis indicates that at least 24% of tasks created via Airtasker are new working opportunities that may simply not have otherwise materialised into an economic transaction. Some recent examples of these tasks include:

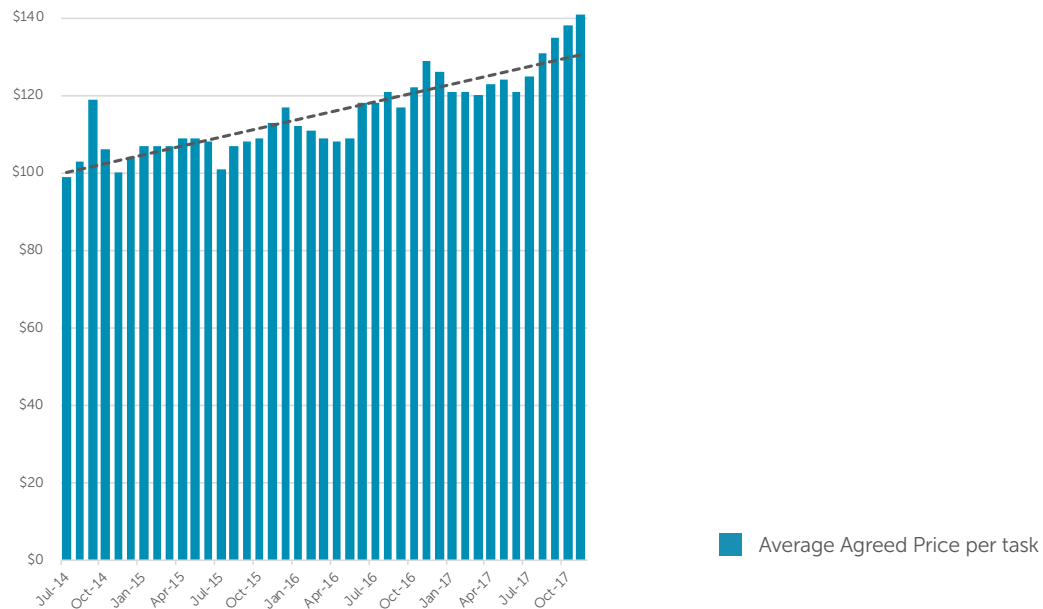
- Retrieve a drone from a tree
- Collect cockroaches for a video production
- Spanish guitarist to serenade an office on Valentine’s day
- Australia Day cricket umpire
- Wrapping children’s school books with “contact”

The price for work on Airtasker is agreed independently between the Job Poster and the Tasker. In line with our business model in which we charge a percentage service fee to the Tasker, we are absolutely incentivised to ensure that Taskers are appropriately remunerated and do not engage in a “race to the bottom” in terms of pricing. If Taskers earn less, our revenue decreases. Conversely, if Taskers are paid well, our revenue increases.

In line with this structure, the Job Poster is the only person who sees the range of offers made by the Taskers. The Taskers do not see each others’ prices which makes “under bidding” and a “race to the bottom” less likely. We believe this is largely the same price selection mechanism compared to when a person requests a few quotes from a few different tradespersons prior to making a decision on which person to hire.



More specifically, we are pleased to share that the average task price per task on Airtasker has grown steadily over the prior years from \$99 per task in 2014 to \$140 per task in 2018.

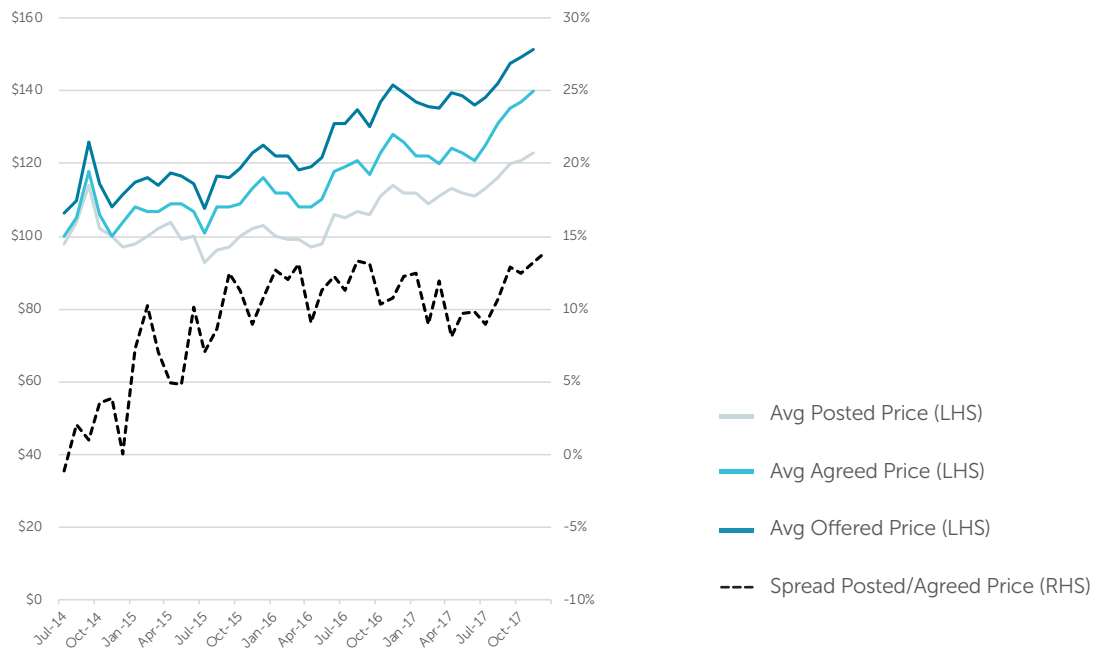


We believe it is extremely important that Taskers are able to proactively set their own pricing as this ensures that they are satisfied with the amount earned for each individual task. There are three metrics which are relevant to the final amount the Job Poster will pay the Tasker for each task:

- posted price - the initial budget set by the Job Poster
- offered price - the price quoted by the Tasker
- agreed price - the price agreed by both parties



Over time, we've seen that there is a positive and growing "spread" between the posted price and the agreed price - indicating that Taskers are able to utilise their reputation to "up-sell" and that low pricing is not the main factor used to determine which Tasker is selected to complete the task. In fact, we've found that less than 39% of tasks are actually assigned to the Tasker who quotes the lowest offer price.



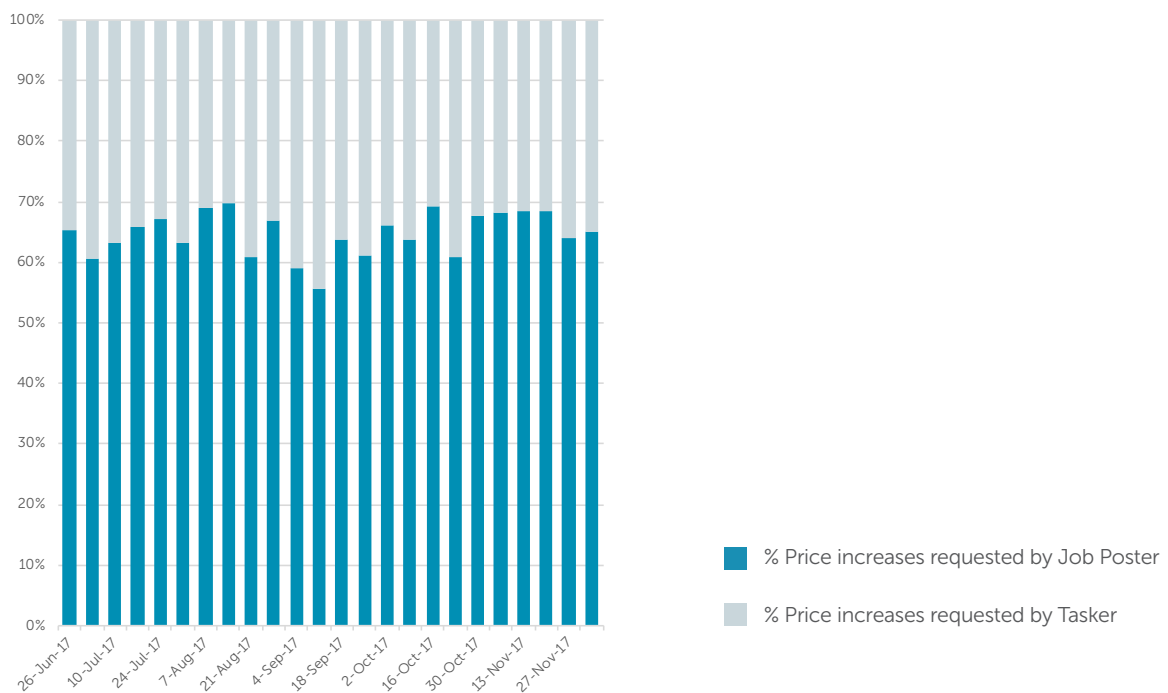


Furthermore, in 2017 Airtasker launched a feature known as “increase price” in order to allow for either:

- Job Posters to pay an amount in addition to an initially agreed price; or
- Taskers to request an amount in addition to an initially agreed price

Encouragingly, we’ve seen that more than two thirds of “increase price” payments are actually initiated by the Job Poster rather than the Tasker. That is, it is far more common for the Job Poster to offer to pay more to the Tasker rather than the Tasker needing to request to be paid more. This suggests that Job Posters are not necessarily opposed to (and in many cases proactively in favour of) paying more than what they may be contractually obliged to pay. Further, many Job Posters are proactively paying “something extra” as a personal thanks for a job well done.

Overall, we believe that empowering individuals to responsibly set their own pricing and then creating empathy between the Job Poster and the Tasker through transparent, direct relationships yields positive community behaviour.





**"...I found Airtasker
and realised you
could actually earn
a decent amount
of money."**

Emily L.
Odd Jobs
📍 Glenwood, NSW
9 tasks



How we plan to make a positive impact on the future of work for Australians:

Our mission is to empower people to realise the value of their skills. We believe that the creation of Australian working opportunities is our primary goal, not just a means to getting something done.

Core to this mission is our desire to help create a sustainable, positive working environment for Taskers in the Airtasker community through:

- **Flexibility** - allowing Taskers to make proactive choices about when, where and how they work as well as how much they want to charge for each individual piece of work.
- **Education** - sharing educational information with Taskers and Job Posters to ensure that all parties are aware of their rights and responsibilities when engaging with other people in the community.
- **Equality** - helping to establish relationships between individual people (rather than relationships between people and corporations) as we believe this establishes social context which in turns encourages positive, empathetic behaviour.

In order to learn more about what we can do to deliver on this mission, we've engaged with a number of government and community stakeholders such as the Australian Tax Office, Department of Human Services, Unions NSW and the Fair Work Commission. These conversations have provided us with meaningful insights and a number of positive suggestions which have resulted in:

- Airtasker engaging with the Australian Tax Office Small Business Fix-It Squad to create a number of proactive "Sharing Economy" recommendations
- Airtasker introducing an Income Protection Insurance offer to all Taskers
- Airtasker rolling out a feature to allow Job Posters to pay an additional (optional) bonus to a Tasker
- Airtasker distributing educational Price Guides incorporating rates suggested by Unions NSW
- Airtasker distributing educational Safety Guides incorporating content suggested by Unions NSW
- Airtasker distributing educational material in relation to Taskers' tax obligations and financial planning in conjunction with H&R Block

Overall we acknowledge that like all forms of work, Airtasker can and must continue to improve.

We remain truly open to hearing opinions and suggestions from all members of the community as we continue to strive towards our mission of empowering people to realise the value of their skills.

