

**Senate Select Committee on Job Security
Hearing on Monday, 26 July 2021**

**Question on Notice and Reports referred to
Rowan Kelly (Legal Practice Manager, Circle Green Community Legal)**

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Senator SMALL: Let me pick up on some of those issues. When you assert that people don't want flexibility, the big gig providers, like Uber, for instance—and I'll use them as a great example—have submitted survey data to this committee. The survey was sent to 100,000 'driver partners', as they call them, and they received 18,000 responses, with 83 per cent of those responses indicating that flexibility was the No. 1 motivator for participation in the gig economy. So what's your evidence to assert that people don't want the flexibility? Overwhelmingly it seems to me they're voting with their feet and embracing that flexibility around other responsibilities, whether that's alternative forms of employment, study, caring et cetera.

Mr Kelly: I've seen other studies, and I can't identify those studies at the moment, but they basically say in relation to the gig economy that there are people who do it because of choice and there are people who do it because they are supplementing their income—university students doing a side gig. Then there are people who are actually doing it because this is their need to actually obtain an income to support themselves. This is the only type of work that they can actually do, and there is that necessity in relation to that. That's the cohort which I'm talking about which needs the protection in relation to the employment laws and conditions and everything that flows on in relation to that.

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CHAIR: Thank you, Mr Kelly. Your evidence will assist the committee in its deliberations and in the preparation of its report. If you've taken questions on notice, could you please provide the responses to the secretariat by 9 August 2021. I note there were some reports that you referred to. If you have those reports and can make them available to the committee, it would be appreciated. Thank you, Mr Kelly, for your time.

Answer and Reports referred to

In relation to studies that examine why workers undertake gig economy work – and whether it is a matter of them choosing gig economy work instead of available alternative forms of employment because of perceived flexibility - there are two lines of research.

The first looks at the demographics of workers in the gig economy and the second looks at the reasons why people work in the gig economy.





Demographics

The *Digital Platform Work in Australia: Preliminary Findings from a National Survey* (Preliminary Report, 2019)¹ found:²

- Younger people (aged 18-34) and males are working through digital platforms in higher proportions than other demographic groups. Females are only half as likely as males to work on digital platforms. People are also less likely to participate in platform work as they age.

...

- Students and the unemployed have higher participation rates. Compared to employed respondents, students are 1.3 times more likely to be doing platform work, and unemployed respondents are twice as likely.
- Respondents who identified as living with a disability, temporary residents, and those who spoke a language other than English at home, were more likely to participate in digital platform work.
- Relative to Australian citizens, temporary residents are three times more likely to be a current platform worker and twice as likely to have been a former platform worker. Permanent residents are 1.7 times more likely than Australian citizens to be current or former platform workers.
- Respondents who speak a language other than English at home are also 1.5 times more likely to be current platform workers.

The *Digital Platform Work in Australia: Preliminary Findings from a National Survey* (Preliminary Report, 2019) then found in respect of income earned in the gig economy:³

Those most likely to say that digital platform work is essential for meeting basic needs are respondents living with a disability, unemployed respondents, and those doing care or transport and delivery work.

Specifically, in relation to the transport and food delivery category of the gig economy, the *Digital Platform Work in Australia: Preliminary Findings from a National Survey* (Preliminary Report, 2019) found in respect of the workers performing this work:⁴

Transport and food delivery workers were significantly more likely to indicate temporary residency status and were less likely to be Australian citizens.

...

Transport and food delivery workers, and sales and marketing workers, along with software development and technology workers, were also more likely to speak a language other than English at home.

¹ McDonald, Paula et al, *Digital platform work in Australia: preliminary findings from a national survey* (Report, 18 June 2019)

² At page 3.

³ At page 5.

⁴ At page 18.



Transport and food delivery workers were also “*more likely to say the income was essential for meeting basic needs.*”⁵

There has been local academic research into transport and food delivery gig work in WA, which found [Circle Green Community Legal bolded emphasis]:⁶

Labour market fit

The largely positive view of gig work’s ability to fit riders’ individual circumstances was, in part, informed by their relative labour market position and alternatives. That is, perceptions of autonomy are best contextualised by considering individual labour market options. Workers were acutely aware that they held tenuous positions in the Australian labour market. The interviewed riders were **overwhelmingly young, non-Australian residents, and had limited English language skills. Work restrictions associated with their visas limited their labour market alternatives.** Given such handicaps, in combination with the low entry requirements for food-delivery work, the sector was viewed as a ‘good labour market fit’. Moreover, their perceived labour market alternatives, such as hospitality, were regarded as less desirable. Riders indicated that poor pay – including systematic underpayment, abuse of temporary migrants (see Underhill and Rimmer, 2016) – and limited opportunities for continued employment made these alternatives less attractive than delivery work. In this context they saw gig work as providing relative autonomy and enjoyment. Riders thus consider both subjective and objective aspects of job quality through the lens of their available labour market options. The lack of better alternatives, however, did not entail that riders considered the work as particularly good, as one rider put it:

It’s a shit job, yeah of course, it’s for a young man, young woman...Yeah it’s only for backpackers. Sometimes I can see an Aussie man or New Zealand doing this fucking job, I don’t understand, try to find a better job (Interview 8).

*The Rise of the Gig Economy and its Impact on the Australian Workforce (Green Paper, 2020)*⁷ also found:⁸

This analysis indicates that the gig economy workforce is over-represented in the following populations segments (figure 4.1):

- Younger age groups.
- Lower levels of Affluence (proxy for an individual’s purchasing power).
- Students.
- Formerly unemployed.

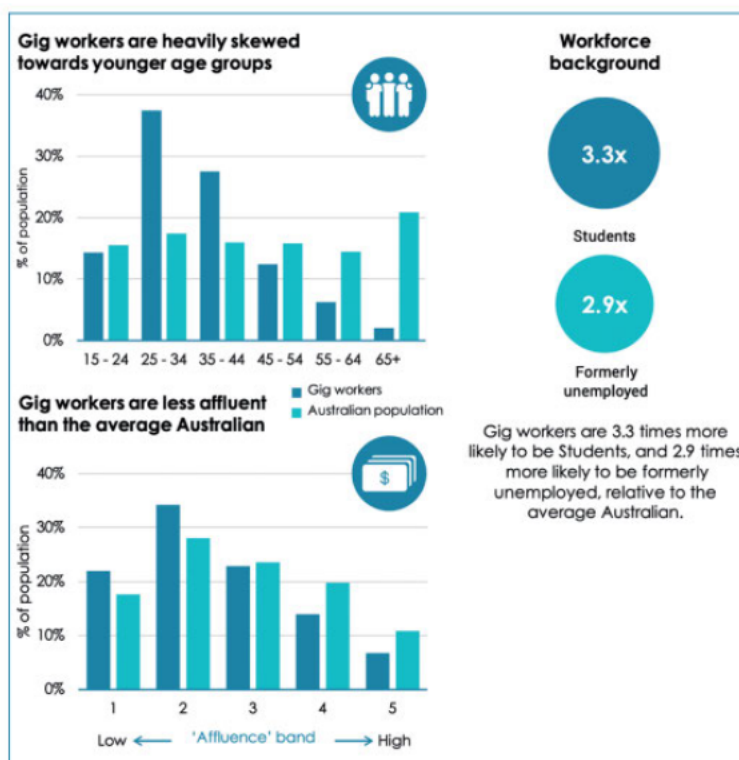
⁵ At page 31.

⁶ Goods, Caleb et al, “‘Is your gig any good?’ Analysing job quality in the Australian platform-based food-delivery sector’ (2019) 61(4) Journal of Industrial Relations 502

⁷ Actuaries Institute, ‘The Rise of the Gig Economy and its Impact on the Australian Workforce’ (Green Paper, December 2020)

⁸ At page 23 – 24 (footnote references excluded).

Figure 4.1: Demographic and behavioural profile of the gig economy workforce¹¹



Source: Quantum transactional data

This profile of the gig workers over-represents more vulnerable segments of the Australian workforce for the following reasons:

1. Young workers and students are new to the Australian workforce. Therefore, they may not understand or fully consider the risks and lower entitlements associated with their contracting arrangement with digital platforms.
2. Formerly unemployed and workers with low Affluence have higher dependence on government income protection schemes and the age pension upon retirement.

Furthermore, there is evidence that gig economy work does not address the specific vulnerabilities of these populations:

The *Report of the Inquiry into the Victorian On-Demand Workforce* (Report, 2020) found:⁹

AGE

- The largest cohort working via platforms was the 18–34 age group (20 per cent) with the next oldest grouping (35–49) representing 14.8 per cent.

GENDER

- Females are only half as likely as men to work on digital platforms. Workers in clerical and data entry, sales and marketing support, writing and translation; and carers were more likely to be women, while men were predominant in software development and

⁹ At page 32 (footnote references excluded).



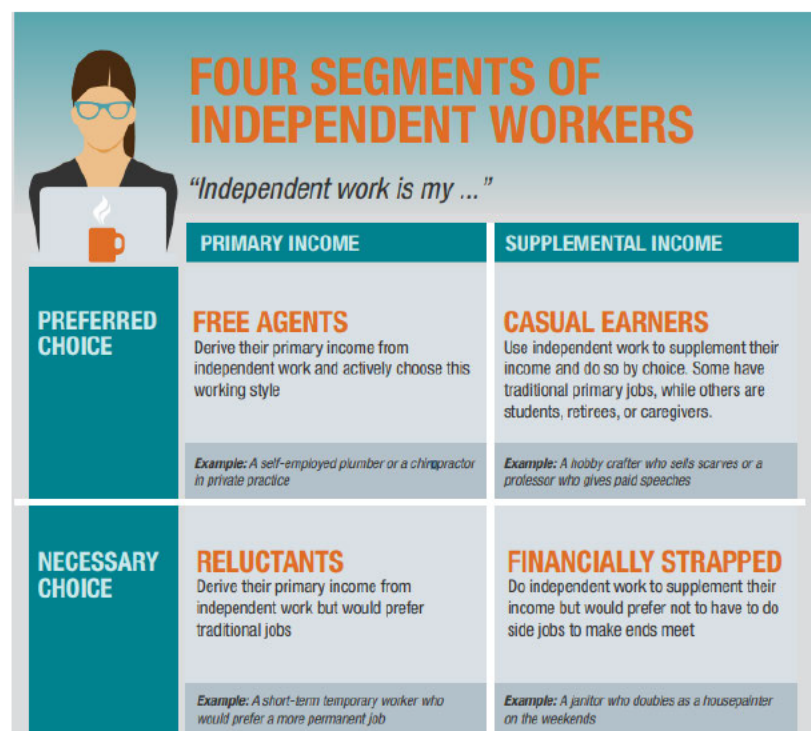
technology, transport and food delivery, and skilled trade work.

OTHER

- Transport and food delivery workers were more likely to be younger (aged 18–34), to indicate temporary residency status and speak a language other than English at home.

Basis for being involved in the gig economy

McKinsey & Company suggested in *Independent Work: Choice, Necessity, and the Gig Economy* (Report, 2016)¹⁰ that there were four segments of **independent workers**:¹¹



The definition of independent workers *Independent Work: Choice, Necessity, and the Gig Economy* (Report, 2016) encompassed three categories of independent workers encompassed people who provide labour services as well as those who sell goods or rent assets (such as a spare room).

In relation to the two 'Necessary Choice' segments, the workers *Independent Work: Choice, Necessity, and the Gig Economy* (Report, 2016) stated:¹²

- **Reluctants** derive the majority of their income from independent work but would prefer to switch to a traditional job if one were available. This group includes people who resort to independent work because they cannot find a traditional job that pays well or fits their needs—or they can't find one at all. This could include some people on short term

¹⁰ McKinsey & Company, *Independent Work: Choice, Necessity, And The Gig Economy* (Report, October 2016)

¹¹ Executive Summary.

¹² Page 46

probationary contracts (although it excludes those who are long-term temps or permatemps, as noted in our original definition of independent work).

- **The financially strapped** are those who use independent work for supplemental income to make ends meet but would prefer not to have to take side jobs. In general, as we discuss below, these individuals are more likely than casual earners to be in low income households.

The Transport Workers' Union have published an infographic based on a rideshare driver survey they conducted indicating several areas of concern regarding rideshare drivers:¹³



¹³ Transport Workers' Union (TWU), *Rideshare Driver Survey* (Infographic, 2019): <https://www.twu.com.au/wp-content/uploads/2019/05/Rideshare-Survey-Infographic-FINAL.pdf>

