

Senate Standing Committee on Education and Employment

QUESTIONS ON NOTICE Supplementary Budget Estimates 2016 - 2017

Outcome 2 – Workplace Relations and Economic Strategy

Department of Employment Question No. EMSQ16-000942

Senator Cameron asked on 19 October 2016 on proof Hansard page 82

Question

Summary of Grattan Institute Report

Ms Parker: Can I just mention, Senator, I just wanted to say—you asked about gig before—the Grattan Institute, just for your information, has estimated it at 0.5 per cent of workers. They consider it to be quite small and in fact they have also indicated that many workers are doing other jobs as well. So there are employees doing the gig piece, if you like, on top of jobs they are already doing, or they might be students, so it is quite a small proportion of the employment field at the moment.

Senator CAMERON: So what report was this?

Ms Parker: Grattan Institute.

Senator CAMERON: You have analysed this report, have you?

Ms Parker: Yes, we have.

Senator CAMERON: Can you provide me details of your analysis of it?

Ms Parker: We have done a summary so I imagine we could do that.

Senator CAMERON: Could you provide the summary?

Ms Parker: Sure.

Senator CAMERON: Could you also provide the summary, if you have done one, of the CEDA report, and whether you have done a summary of the CSIRO report. Could you provide those summaries?

Ms Leon: If we have done a summary, I am happy to provide them. And if we have not, I am happy to provide you with the reports.

Senator CAMERON: Thanks.

Answer

The Grattan Institute report referred to is entitled *Peer-to-peer pressure: policy for the sharing economy*, written by Jim Minifie and Trent Wiltshire of the Grattan Institute.

The following summary is taken from the Grattan Institute's website:

'The rise of the sharing economy can save Australians more than \$500 million on taxi bills, help them to put underused property and other assets to work, and increase employment and income for people on the fringe of the job market.

The prize for getting this new online economy right is large and governments should not try to slow its growth in order to protect vested interests.

Peer-to-peer platforms such as Airbnb and Uber use online technology to help strangers interact and do business. Platforms host markets in accommodation, travel, art, finance and labour, among other fields.

While the private sector will drive the peer-to-peer economy, government can play an important role to support its growth while reducing any downsides.

Some say peer-to-peer platforms bring hidden costs by risking work standards, consumer safety and local amenity, and by potentially eroding the tax base. These worries are not groundless but they should not be used as excuses to retain policies, such as taxi regulation, that were designed for another era and no longer fit.

State and territory governments should follow the lead of New South Wales, the Australian Capital Territory and others, and legalise ride-sharing services such as Uber.

In peer-to-peer accommodation, local councils should allow short-stay rentals run by platforms such as Airbnb, but state governments should give owners' corporations more power to limit disruptions caused by short-stay letting.

Tens of thousands of Australians are already working on peer-to-peer platforms. These platforms will mostly improve an already flexible labour market, but governments must strengthen rules to prevent employers misclassifying workers as contractors, and bring some platform workers into workers' compensation schemes.

Tax rules must be tightened to ensure that platforms based overseas pay enough tax.

Not all traditional industries are happy with the rise of the peer-to-peer economy, but if governments act fast, consumers, workers and even the taxpayer can come out ahead.'

The full text of this report is publicly available from:

<https://grattan.edu.au/report/peer-to-peer/>.

Please refer to the response to EMSQ16-000993 regarding the CEDA report.

Please refer to the response to EMSQ16-000943 regarding the CSIRO report.