

# This gig is proving its worthiness

## Paul Fletcher



Australians have enthusiastically embraced the gig economy over the past decade.

Many millions of us regularly get around with ridesharing services like Uber, Ola and Ingogo; order meals through platforms like Doordash, Menulog and Uber Eats, or find someone to help with a job around the home using services like Airtasker. The story is similar for Australians with more specialised needs like finding a disability or aged care support worker, with platforms like Mable meeting needs that traditional providers do not.

The other side of the coin is the hundreds of thousands of Australians who are providing their services over these platforms. They have made this choice because it allows them to work flexibly when it suits them.

Often, they will combine the work they do as an Uber driver or disability support worker with other time commitments such as study, family responsibilities or building a business.

An IPSOS poll commissioned by Uber last year found that 93 per cent of its workers want laws to preserve their flexibility. Uber points out that its drivers earn on average almost \$33 per hour, well above the minimum wage.

As the Productivity Commission pointed out in its Five-Year Productivity Inquiry, the gig economy is bringing benefits by boosting productivity "through matching efficiency in service markets and spurring technological innovation by platforms and their competitors".

You would think that a government which says it supports innovation and the digital economy would welcome these developments.

Not at all: the Albanese Government is actively hostile. Workplace Relations Minister Tony Burke calls the gig economy a "cancer" and he has introduced draconian laws that will adversely impact the sector.

The reason is pretty obvious: the union bosses hate the digital economy and digital platforms. They want to go back in time 50 years or more, when most employment was full

time, most workers were unionised and union bosses were all powerful.

The Albanese Government's new laws would give the Fair Work Commission the power to set minimum pay and conditions for "employee-like" workers, including independent contractors who work for rideshare and on-demand delivery companies.

This is a plan to stamp on the innovation, flexibility and choice which has flourished over internet-based platforms, by seeking to force-fit these new arrangements into the rigid job categories of the economy of 50 years ago.

As the Productivity Commission says: "Simply imposing employee status in all cases would effectively erode many of the productivity benefits and flexibility for workers that arise from platform work as currently arranged." Of course if there are specific failings in, for example, insurance coverage for food delivery drivers, that should be addressed.

But barring Australians from having the choice to provide their services via internet platforms, simply because the union bosses do not like those arrangements, would be a terrible policy mistake. Unless significantly modified, the approach being pursued by the Albanese Labor Government is likely to damage the digital economy in Australia, to the detriment of both those who consume services and those who provide services.

Rather than jumping to the tune of union bosses, the government should consult very carefully with platform operators, consumers and service providers, respect the choices that millions of Australians are making every day and take great care to avoid destroying the benefits that this sector has brought.

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