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To the Inquiry Secretariat

Response from the Victorian Small Business Commission

The Victorian Small Business Commission (VSBC) works to create a fair and competitive trading environment for Victorian small businesses through its four functions: dispute resolution, engagement, monitoring and advocacy. As an advocate for all small businesses in Victoria, this response seeks to represent a multitude of interests, distinctly, those of individuals working within the gig economy and small businesses who have been impacted by the growing reliance of consumers on digital platforms.

This response is informed by data from disputes between on-demand platforms and workers that have managed by the VSBC. We have reviewed these disputes with consideration to the terms of reference and extracted key points for discussion where appropriate.

Impact for workers of on-demand platforms

How and where do on-demand workers raise issues or concerns about their workplace arrangements?

In recent years, the VSBC has received two applications where the on-demand worker claimed that they were having difficulty raising issues with the platform and finding the right person to speak to. When the VSBC went to contact the platform to notify them of the application that had been received by the Dispute Resolution Officers managing the files also noted it was difficult to determine the best point of contact to process the application.

How are on-demand workers paid, assessed, and how might they lose the right to seek work via the platform?

In one of these applications, and an additional matter relating to a different platform, applicants cited concern that a temporary lapse in performance or a couple of bad reviews was enough to result in a closure of their account with the platform. Given the limited number of platforms within Australia, it was difficult for businesses to resurrect this income stream. It is not within the scope of the VSBC's function to comment on such situations from an employer / employee perspective however we have found that the concept of reviews more generally is a concern evident in applications received by the VSBC from other small businesses and a reflection of the way technology and social media have impacted on consumer culture. That said, there is a vast difference between a restaurant receiving a poor review online – they remain open, they can seek customers via alternate pathways and hope that the variation of reviews will be considered by potential customers – and an individual using the platform

whose fate is wholly tied up in the review system, given it may result in the termination of their account which can effectively be a decision to close a small business.

What do on-demand workers do if they have a dispute or concern about their work and are they sufficiently supported in resolving disputes?

On-demand workers who identify as small businesses are entitled to lodge an application for dispute resolution with the Victorian Small Business Commission. The VSBC has received three applications against such platforms in the last two years which – considering the 1,700 applications we receive from small businesses per annum – indicates to us that there is not significant awareness of our services in this space, or conversely, these disputes are being managed internally or via alternate pathways such as the Fair Work Ombudsman. The VSBC could create a communications campaign targeting small businesses in the gig-economy if funded to do so.

It is worth noting that the role of the VSBC in small business disputes is as the neutral, impartial moderator. We do not have powers to enforce compliance with the relevant laws, such as Fair Work Ombudsman has in the instance of employer / employee relationships.

Impact on businesses

The VSBC has received mixed feedback about the impact of such platforms on small businesses. On the one hand we have been advised that the costs associated with using delivery services are unreasonable and on the other small businesses appreciate the convenience of outsourcing this service.

We hope that this review brings to light a more detailed perspective on this matter.

If you require any further information, please do not hesitate to contact Alice Bradshaw of this office on alice.bradshaw@vsbc.vic.gov.au or 9651 7636.

Kind Regards

Judy O'Connell



Victorian Small Business Commissioner