Inquiry into the Victorian on-demand workforce

Victorian Local Learning and Employment Networks (VicLLENs) and Youth Affairs Council Victoria

Joint Submission

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For more information on this submission contact:

Trent McCarthy
Chief Executive Officer, Central Ranges Local Learning and Employment Network
[redacted text]
[redacted text]

Paul Turner
Chief Executive Officer, Youth Affairs Council Victoria
[redacted text]
[redacted text]

On-demand work

Technology in globalized markets has seen the rise of a small number of platform companies, like Uber and Airbnb, that have captured huge markets across geographical boundaries world-wide. This new so-called "gig" economy, has increased inequality by concentrating wealth in a few multinational companies, and is dramatically reducing the conditions of many working people in Australia. The latter is because they do not hire workers as employees, instead treating them as independent contractors, releasing companies from responsibilities around leave entitlements, work safety, insurance, training and workplace culture.

Many on-demand workers are low-wage workers such as drivers, food deliverers, cleaners and home-care workers that can ill afford the loss of the safety net of conditions and the low pay. The Australia Institute has reported the ridesharing company's UberX drivers earn $14.62 per hour on average, well below Australia's minimum wage of $18.93 per hour, and the award rate of around $30 per hour when including penalties [1]. These new forms of work are contributing to income stagnation in Australia.

The impacts on young people

These changing conditions of work – while offering flexibility that can suit many people, such as those with caring responsibilities, disabilities or study – impact greatly on young people, whose work is increasingly casualised. Many young people now piece their incomes together from a range of sources. They could deliver meals for Deliveroo at night, do jobs from Air Tasker during the day, and rent out the garage in their sharehouse for parking through Parkhound. Having on-demand platforms as entry level work impacts on young people's early experiences of work and the conditions that give them the best chances of long-term successful careers, such as contact with mentors and workers with more experience.

In addition to personal impacts, multinational on-demand platforms extract value from local areas, decreasing the viability of local ventures young people can work for. Australian and international research shows, however, that local economies are critical to young people's understanding of work, belief in what is possible and therefore attachment to school, and development of job search skills and work experience [2]. For this reason, even though platform work gives flexibility and allows young people the opportunity to be their own microbusiness, change is needed to replace the important aspects of work that are being lost.

Better versions of on-demand platforms

We are not writing this submission to outline the working conditions for young people employed in on-demand work, as others will know this better than us. We want to ensure the inquiry includes in its definition of on-demand work the new community and worker-controlled platforms that address many of the issues of on-demand work for young people. Operating under the banner of the "new" or

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[2] https://d3n8a8pro7vhmx.cloudfront.net/theausinstitute/pages/2692/attachments/original/1519989285/Subsidizing_Billionaires_Final.pdf?151
https://theconversation.com/youth-unemployment-local-communities-essential-for-helping-young-people-find-work-56073

"collaborative" economy, platforms are being developed that utilize cooperative business models to provide greater economic security and better conditions, as well as connecting young people with potential mentors, and retaining value in the communities in which they are created. Under these models, workers or communities share profit or benefits.

Some overseas cooperatives have been hugely successful. **Sunderland Home Care Associates** is an award-winning cooperative providing social care in the UK. Employees own a share of the business, and profits are spent on improving service and rewarding staff. This makes staff strive for high quality client service, so the business model is one of the only ones that has quality improvement built-in as a staff incentive (Guardian 2013). A similar cooperative is in operation in NSW.

In New Zealand, a group of computer programmers started the freelancer and contractor collective, **Enspiral** (https://enspiral.com/). It collects a percentage of its 150+ freelancer's payments into a collective pool. The pool funds shared administration, conditions, a coworking site, periodic retreats, and collective social purpose projects so freelancers can work together. It has developed several open-source software platforms for collective decision-making and budgeting, which have allowed it to include members at distance. Enspiral has created a way for on-demand workers to re-create their conditions collectively.

Cooperatives are also emerging in Victoria, for example through **Earthworker** (https://earthworkercooperative.com.au/), which is establishing a network of worker-owned cooperatives. Its first business was a cooperative that produces renewable energy parts in the Latrobe Valley. Earthworker's more recent businesses are in the platform on-demand space. It has established a cleaning platform cooperative (Redgum) and is currently finalizing a platform trades and services cooperative.

Young people in Bendigo are also creating a community-controlled platform cooperative to directly rival the likes of Uber and Airbnb. **The bHive in Bendigo** (http://bhive.coop/) is a "peer to peer sharing economy platform" that local people are building, operate and own. It will become operational in 2019 and will provide skill sharing, car sharing, food sharing, logistics, house sharing, crowdfunding and insurance to begin with. But it has the potential to include any and all peer to peer sharing enterprises across a range of economic sectors: worker support, learning and education, wellness and beauty, municipal services, money, goods, health, space, food, utilities, mobility services, personal and business services, logistics, vehicle sharing, corporations and organisations, analytic and reputation.

Why this submission?

This submission is to ensure that community- and worker-owned platforms for on-demand work are considered in any definition of on-demand used by the inquiry. At the moment this movement is in its infancy, but it is growing in Victoria, and has the potential to address many of the negative impacts on young people and their communities created by multinational platforms. There are alternatives and ideas are being floated about various cooperative and stock ownership programs that give workers capital ownership of the platforms they serve.

The inclusion of this type of work in the definition is important to ensure the Inquiry considers not only the types of workers' protections that are in place for companies operating in Australia, but also examines ways government start-up frameworks and support eco-systems might assist their growth.

There will need to be some clearing of the weeds for communities to be able to grow these aspects of local economies themselves, but the benefits will be great for young people, customers, and regional economies.

Research mapping the extent of the creation of new forms of meaningful work at the local level (broader than just for on demand workers), and the policy and institutional adaptations needed to support it, is being undertaken under "Commoners Strategies". An example can be seen here for the City of Ghent (note particularly Graphic 6) http://commonstransition.org/commons-transition-plan-city-ghent/