

20 February 2019

By email: OnDemandInquiry@ecodev.vic.gov.au

RE: Inquiry into the Victorian on-demand workforce

Dear Sir/Madam,

Randstad welcomes the opportunity to provide a brief submission for the Inquiry into the Victorian on-demand workforce.

Randstad is a global on-hire services and HR solutions firm, operating nationally with a significant presence in Victoria through locations and teams in Melbourne CBD, Geelong, Mulgrave, Essendon Fields and Derrimut.

The increasing prevalence of the on-demand industry combined with the increasing regulation of the on-hire industry is a considerable concern.

Randstad believes that the increased regulation of the on-hire industry will contribute to the increased utilisation of on-demand services as hiring models for casual employment become less flexible and carry higher risks in the current industrial relations environment. In turn, this encourages participation in the unregulated on-demand services industry which Randstad believes will result in the short term in the worsening of working conditions and pay for workers across Australia. In a more medium to longer term, we believe it will also weaken the strength and structure of the funding of our current social system, point which we will come back on later in this submission.

Notwithstanding the similarities of both industries in matching supply and demand for labour, there are significant differences in the rights and benefits afforded to workers based on their legal status. For example, comparing those employed on a casual basis by companies such as Randstad, to workers deemed as "independent contractors" under the on-demand apps and platforms.

Casual employees of companies like Randstad are guaranteed to be paid at least the casual award rate for the work they perform according to the applicable industrial instrument and like all casual employees, are entitled to be paid superannuation and to be covered by appropriate insurances as well as the protections and benefits as provided by the Fair Work Act 2009 (cth).

However, while most on-hire workers are classified as employees and engaged as employees, the same cannot be said for workers in the on-demand industry. Concerns arise as to what checks are performed in the on-demand industry to determine the correct classification of a worker and if they are being performed, are they are done so in a meaningful way?

Some of the major on-demand platforms in Australia relate exclusively to unskilled or low skill work. In some situations, such as the recent cases with Foodora, they required workers to be available within defined hours and wearing uniforms, unable to meaningfully substitute their labour or generate goodwill for their 'businesses'. Randstad is not confident that many workers on such platforms could fulfil the indicia of the multi-factor test for independent contractors and would not engage them as such.

With this misclassification comes a loss of minimum guaranteed rates of pay in accordance to an industrial instrument, super, taxation and insurance. The worker disproportionately wears the risk. In addition, there are also indirect consequences to the funding of our social and tax system with the reduction of payment to superannuation funds, eroding of the payroll tax, lack of adherence to minimum rates of pay and access to workers compensation and unfair dismissal.

Randstad also has concerns in relation to the safety of workers in the on-demand industry. Randstad engages a Work Health and Safety team, conducts on-site checks and works closely with clients to ensure workers perform in a safe environment. The on-demand industry, however, operates through a digital platform. Randstad is concerned as to how these services satisfy themselves, their clients and most importantly the workers as to their safety.

Randstad submits that it does not make sense for both industries which are primarily concerned with supplying labour to be subject to different levels of regulation. A fair market shouldn't allow actors to compete on the safety of workers or below minimum wages. Minimum standards for payment and safety should apply regardless of how a worker is engaged. Randstad believes that doing so will provide all workers with more consistent access to rights and provide the market with a level playing field.

Randstad is willing to provide further comments should the inquiry request.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'FRANK RIBUOT', is written over a horizontal line that spans the width of the signature.

Frank Ribuot
Chief Executive Officer
Randstad