On demand industry

12 July 2021

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Introduction

This note provides a summary of the 'on-demand delivery services' industry by presenting relevant research and data.

As noted in the application made by Menulog, the industry is part of a broader platform or gig economy. It is often noted that these terms can be interchangeable, hard to define and at times contested.[1] The gig economy has been defined as 'economic activity characterised by all of the following features: the worker provides on-demand services, the worker is classified as an independent contractor and a digital platform mediates the transaction.'[2] This highlights the difficulties in obtaining data specifically relating to the industry as defined in Menulog's application.

According to the application, the business model has a reliance on app technology to connect its network of on demand delivery courier network with restaurants to the end consumer as well as on demand delivery of goods from other retailers.

The Senate Select Committee on Job security noted that generally 'on-demand' work is work in the labour market procured 'on-demand' with 'on-demand' workers employed as needed by business.

[1] Australian Senate (2021), 'First interim report: on-demand platform work in Australia', *Senate Select Committee on Job Security*, June, p. 1: Victorian Government Department of Premier and Cabinet, *Report of the Inquiry into the Victorian On-Demand Workforce*, June 2020, p. 11.

[2] Actuaries Institute (2020), 'The Rise of the Gig Economy and Its Impact on the Australian Workforce' (Green Paper), December, p. 5.

In Australia this can encompass casual employees, labour hire employees and fixed-term and independent contractors.[3]

Much of the data in this note is taken from a research report[4] that presents findings from a National Survey on Australians Working in the Gig Economy (the National Survey), commissioned by the Victorian Government for the Report of the Inquiry into the Victorian On-Demand Workforce.[5] The objectives of the research report were to explore the prevalence and characteristics of digital platform work in Australia, gain insight into the experiences of those participating in digital platform work, and understand the extent to which they combine digital platform work with other forms of paid work.[6]

However, it should be noted that the National Survey covers all forms of on-demand work, not just delivery services. The National Survey defined platform work as a subset of 'on-demand work', stating platform work is 'work accessed through or organised by digital platforms which match workers and clients via internet platforms or 'apps'.[7] This subset also includes ridesharing platforms and crowd-work systems (such as Airtasker where workers apply or bid competitively in order to undertake tasks). These types of on-demand work differ from the on-demand system common in food delivery platforms as used by Menulog.[8]

The Inquiry also noted that it can be difficult to determine the work status of platform workers. The prevailing view being that platform workers do not operate under employment arrangements and are self-employed independent contractors. However, the inquiry report noted the delineation between employee and non-employee workers is not always clear and stated that the National Survey revealed that:

> '… on-demand work is occurring in a variety of ways across a diverse range of sectors, with differences in the nature of the work, spectrum of experiences, pay and arrangements arising from platform work. Comments levelled at the 'on-demand economy' may be borne out in some sectors, or regarding some platforms, but not be universally true.'[9]

The National Survey was undertaken online between 21 March 2019 and 21 April 2019 for respondents aged 18–74 years. Over 14 000 people were surveyed, of which 988 were or had

[3] Australian Senate (2021), 'First interim report: on-demand platform work in Australia', *Senate Select Committee on Job Security*, June, p. 1: Victorian Government Department of Premier and Cabinet, *Report of the Inquiry into the Victorian On-Demand Workforce*, June 2020, p. 11.

[4] McDonald P, Williams P, Stewart A, Mayes R & Oliver D (2019), *Digital Platform Work in Australia—Prevalence, Nature and Impact*, November.

[5] Victorian Government Department of Premier and Cabinet, *Report of the Inquiry into the Victorian On-Demand Workforce*, June 2020.

[6] McDonald P, Williams P, Stewart A, Mayes R & Oliver D (2019), *Digital Platform Work in Australia—Prevalence, Nature and Impact*, November, p. 12.

[7] Victorian Government Department of Premier and Cabinet, *Report of the Inquiry into the Victorian On-Demand Workforce*, June 2020, p. 11: De Stefano V (2016), 'The Rise of the 'just-in-time workforce': On-demand work, crowdwork and labour protection in the gig-economy', *ILO*, ILO Conditions of Work and Employment Series, No. 71, p. 1.

[8] Victorian Government Department of Premier and Cabinet, *Report of the Inquiry into the Victorian On-Demand Workforce*, June 2020, p. 15.

[9] Victorian Government Department of Premier and Cabinet, *Report of the Inquiry into the Victorian On-Demand Workforce*, June 2020, p. 12.

been participating in platform mediated work over the 12 months prior to the survey (or 7.1 per cent).[10]

Findings from the National Survey are complemented by data from the ABS and research from the Actuaries Institute and Alphabeta**.**

Size of the industry

There remain significant challenges in quantifying the size of the gig economy. This is largely due to a lack of a clear and consistent definition, and a lack of regular and standardised data collection.[11] Consequently, most research attempting to measure the size of the gig economy utilises estimates from survey sample research. Additionally, it is assumed in much literature that many gig economy workers consider this work to be supplementary to their form of primary work. This presents even greater challenges in quantifying levels of employment in the industry. This was supported by the National Survey responses.[12]

In recent years, the gig economy has experienced rapid growth.[13] In 2015, its market size was $0.7 billion, growing to $6.3 billion in 2019, with estimates of up to 250 000 workers. However, whilst the rate of growth in the gig economy between 2018 and 2019 was still high at 32 per cent, it has fallen significantly from an annual average growth rate of 75 per cent between 2015 and 2019.[14]

Growth in the gig economy has largely been driven by the Meal delivery and Private transport sectors. Meal delivery makes up a significant portion of the industry, accounting for $3.8 billion of the market in 2019. The meal delivery market has increased more than 6-fold between 2015 and 2019. Of this growth, gig economy workers (as opposed to traditional meal delivery providers) have been the major contributor, making up 78 per cent of total growth. Meal delivery has also grown rapidly as a share of total restaurant turnover. In 2019, total restaurant turnover in Australia was $47 billion, of which $2.6 billion (5.6 per cent) came from App Delivery, an increase from approximately 1 per cent in 2016.[15]

The private transport sector has also seen significant growth in consumer spending of 39 per cent between 2015 and 2019, driven largely by demand for gig economy private transport workers, such as Uber.[16] Consumer spending on traditional private transport providers, such as taxis, has decreased by 6 per cent over the same period.

COVID-19 has impacted sectors within the gig economy differently. For example, meal delivery has experienced a surge in demand. In June 2020, weekly consumer spending on meal delivery was

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[10] McDonald P, Williams P, Stewart A, Mayes R & Oliver D (2019), *Digital Platform Work in Australia—Prevalence, Nature and Impact*, November, p. 8.

[11] Actuaries Institute (2020), *The Rise of the Gig Economy and its Impact on the Australian Workforce*, December p.9.

[12] Victorian Government Department of Premier and Cabinet, *Report of the Inquiry into the Victorian On-Demand Workforce*, June 2020 (Victorian on-demand workforce report), p. 16.

[13] Actuaries Institute (2020), *The Rise of the Gig Economy and its Impact on the Australian Workforce*, December p. 5.

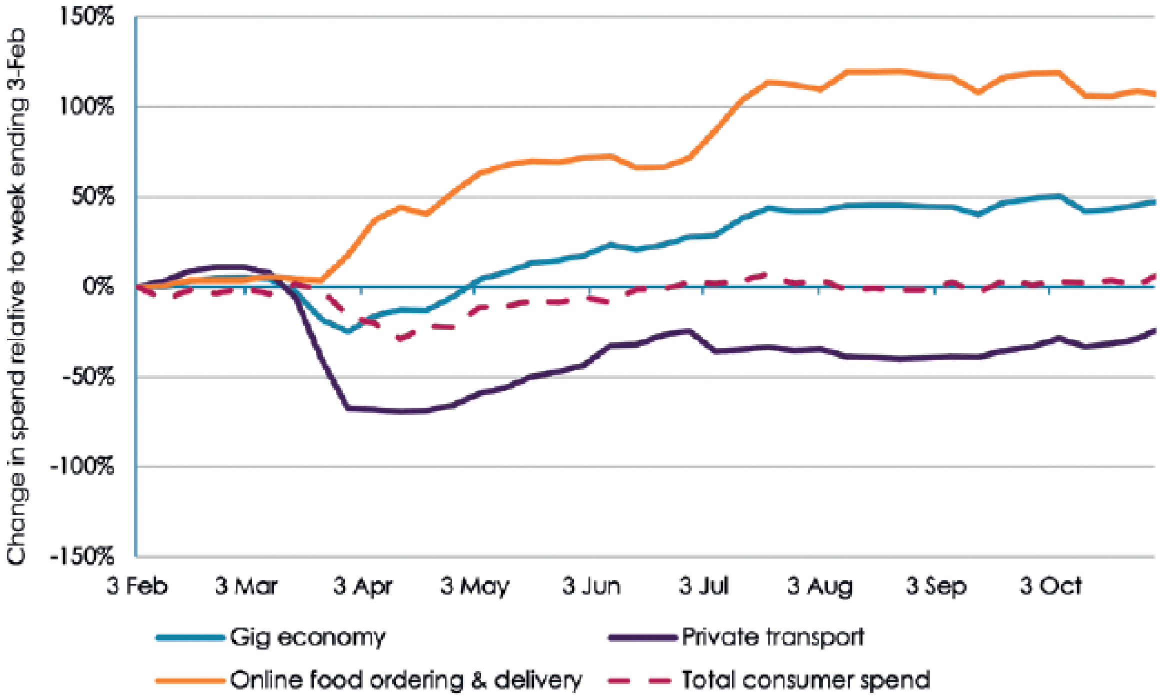
[14] Actuaries Institute (2020), *The Rise of the Gig Economy and its Impact on the Australian Workforce*, December p. 14.

[15] Alphabeta (2020), *Growing the Pie,* February, p. 6.

[16] Actuaries Institute (2020), *The Rise of the Gig Economy and its Impact on the Australian Workforce*, December p. 5.

70 per cent higher than pre-COVID-19 levels.[17] However, private transport was initially impacted severely, declining by 70 per cent in early April 2020 and remaining more than 20 per cent lower than pre-COVID-19 levels by October 2020 (Chart 1).

Chart 1: Growth in consumer spending over 2020 (February to October)



Source: Actuaries Institute (2020), *The Rise of the Gig Economy and its Impact on the Australian Workforce*, December, Figure 5.1.

Using ABS data to define the on-demand services industry is difficult as such workers cannot be readily placed into current defined categories. One industry class that captures a number of on-demand workers is Courier pick-up and delivery.[18] ABS data show that the entry and exit rates for non-employing businesses in the Courier pick-up and delivery class have increased from 10 649 to 19 382 (82 per cent) from 1 July 2016 to 30 June 2020.[19]

Data from Alphabeta show that, of the 2.3 billion orders in restaurants in 2019, 120 million (5.2 per cent) were through App Delivery.[20] People tend to use delivery apps more on Sundays, public holidays and rainy days than ordering from a restaurant directly (Chart 2).

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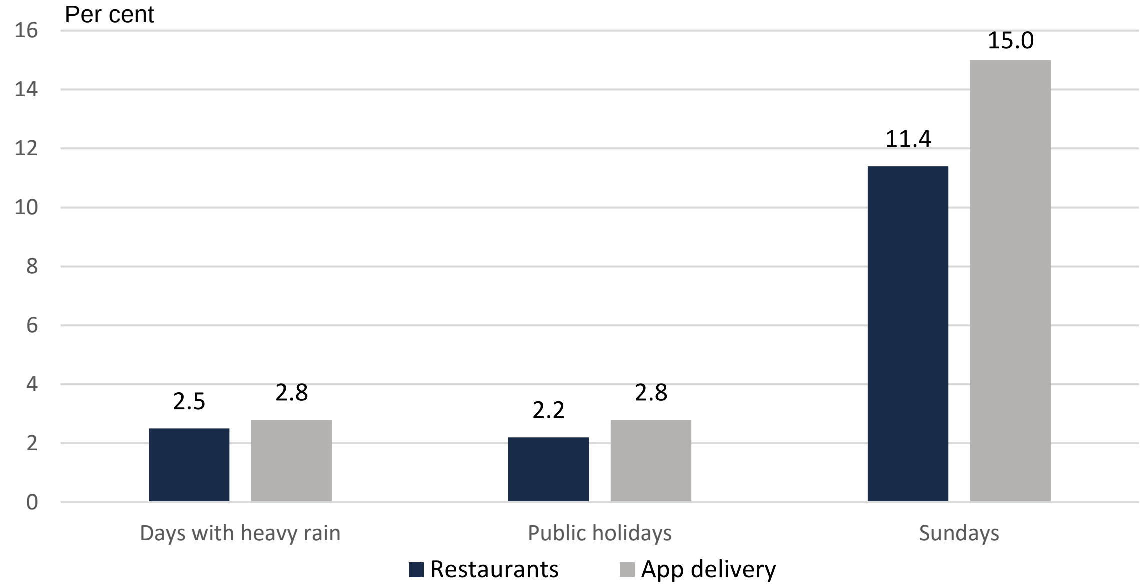
[17] Actuaries Institute (2020), *The Rise of the Gig Economy and its Impact on the Australian Workforce*, December p. 6.

[18] This industry class consists of units mainly engaged in the door to door pick-up (i.e. from the customer's residence or place of business), transport and delivery of letters, documents, parcels and other items weighing less than 30 kgs. For example, customised express pick-up, grocery, home and delivery services and messenger services.

[19] ABS (2021), *Counts of Australian Businesses, including Entries and Exits, July 2016 – June 2020*, February.

[20] Alphabeta (2020), *Growing the Pie*, February, p. 6.

Chart 2: Share of total orders



Note: App delivery refers to consumers ordering from restaurants through third-party delivery services. Heavy rain is 15mm or more rainfall.

Source: Alphabeta (2020), *Growing the Pie*, February, p. 19.

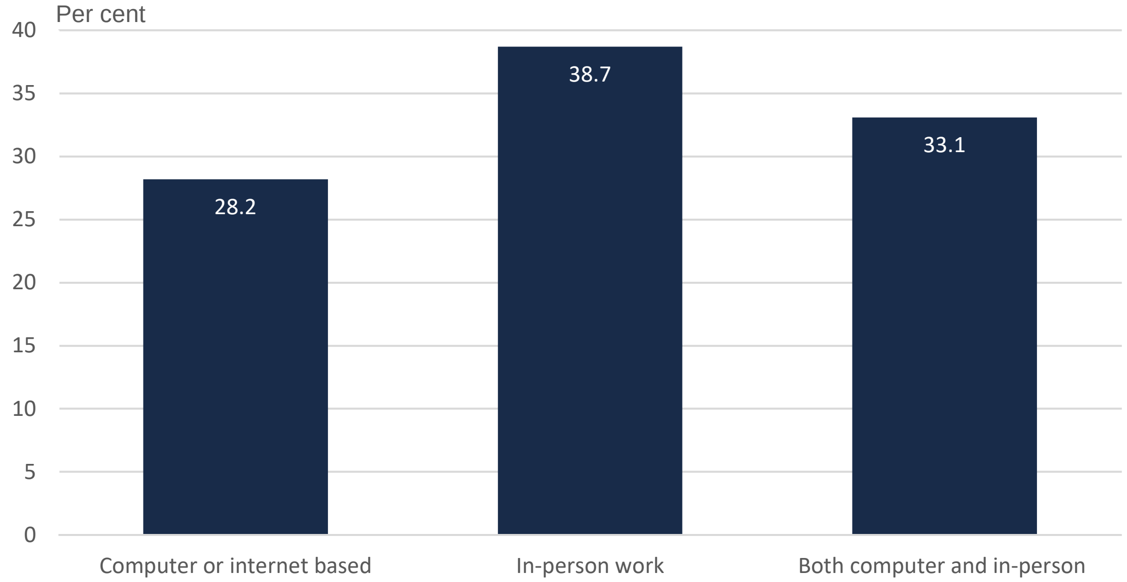
Who participates in the on demand industry?

The National Survey found that 7.1 per cent of respondents were currently offering services or undertaking work via a digital platform, or they had done so within the last 12 months. A further 6.0 per cent of respondents had, at some time, undertaken digital platform work.[21] Of these, 38.7 per cent had performed work in-person at a specified location (e.g., driving, cleaning, caring); 28.2 per cent had undertaken computer or internet-based work (tasks that can be executed or communicated online); and 31.1 per cent had engaged in both types of work at the same time (Chart 3).[22]

[21] McDonald P, Williams P, Stewart A, Mayes R & Oliver D (2019), *Digital Platform Work in Australia—Prevalence, Nature and Impact*, November, pp. 5, 31.

[22] McDonald P, Williams P, Stewart A, Mayes R & Oliver D (2019), *Digital Platform Work in Australia—Prevalence, Nature and Impact*, November, p.5.

Chart 3: Participation rate by type of digital platform work



Source: McDonald P, Williams P, Stewart A, Mayes R & Oliver D (2019), *Digital Platform Work in Australia—Prevalence, Nature and Impact*, November, Figure 1.

Table 1 shows that higher proportions of younger people (18–34 years) had participated in digital platform work compared to older age groups. Males were nearly twice as likely to participate in digital platform work than females (16.6 per cent compared with 9.4 per cent). People with non-English speaking backgrounds were more than twice as likely to be currently working in digital platform work (13.0 per cent) than people from English speaking backgrounds (5.6 per cent). Respondents with a higher level of education (particularly bachelor or postgraduate degrees) were more likely to engage in digital platform work than respondents with lower levels of education.[23]

[23] McDonald P, Williams P, Stewart A, Mayes R & Oliver D (2019), *Digital Platform Work in Australia—Prevalence, Nature and Impact*, November, pp. 32–34.

Table 1: Participation in digital platform work by demographic characteristics

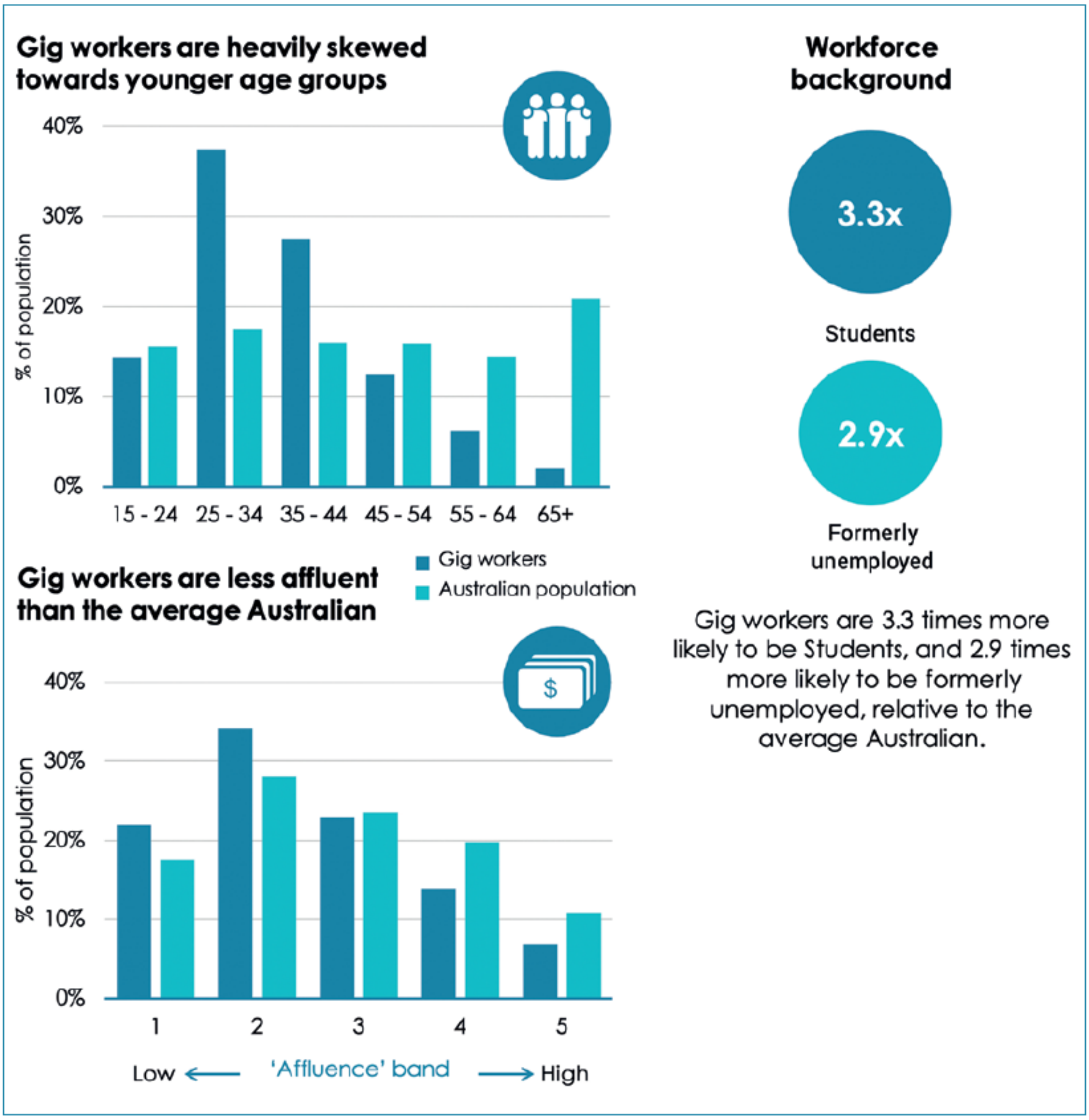
	No (%)	Yes, but not in the last 12 months (%)	Yes, currently or within the last 12 months (%)
Age			
18–34 years	80.0	9.0	11.0
35–49 years	85.6	6.0	8.4
50–64 years	93.2	3.3	3.5
65–74 years	95.7	3.1*	1.1*
Gender			
Female	90.6	4.4	5.0
Male	83.4	7.5	9.1
Location			
Major cities	85.7	6.5	7.8
Inner regional	93.0	3.4*	3.6*
Outer regional	91.6	4.5*	3.9*
Remote	89.5	6.5*	4.0**
Very remote	90.6	n/a	n/a
Living with a disability			
No	87.3	5.9	6.8
Yes	85.6	6.5*	7.9*
Prefer not to say	76.2	10.0*	13.9*
Non–English speaking background			
Yes	77.2	9.8	13.0
No	89.4	5.1	5.6
Prefer not to say	69.9	11.8*	18.4*
Highest education level			
Less than Year 12	91.8	3.3*	4.8*
Year 12 or equivalent	91.9	4.0*	4.1*
Vocational qualification	89.3	4.7	6.0
Bachelor degree	83.1	8.0	8.9
Postgraduate qualification	85.0	6.9	8.1
Labour force status			
Employee or self-employee	85.5	6.5	8.0
Unemployed	79.3	7.4*	13.2
Student	77.9	9.8*	12.3*
Retired	95.7	2.7*	1.5*
Full-time homemaker, or unpaid carer	90.1	5.9*	4.0*
Volunteer	85.5	5.8**	8.7**
Other, not in the labour force	91.6	3.5**	4.8**
Household status			
Single, no children	85.8	6.5	7.8
Single with at least one child living with you	85.6	6.5*	7.9*
Couple without children	84.5	7.2	8.3
Couple with at least one child living with you	85.9	6.1	8.0
Couple with children who do not live with you	94.4	3.1*	2.4*
Other	92.0	4.0*	4.0*

Note: * relative standard error >10 per cent; ** relative standard error >25 per cent.

Source: McDonald P, Williams P, Stewart A, Mayes R & Oliver D (2019), *Digital Platform Work in Australia—Prevalence, Nature and Impact*, November, Table 2.

Similar findings were presented in the Actuaries Institute report *The Rise of the Gig Economy and its Impact on the Australian Workforce* where the on demand workforce was skewed mainly towards less affluent, younger people who were studying and had recently been unemployed[24] (Chart 4).

Chart 4: Demographic and behavioural profile of the on demand workforce

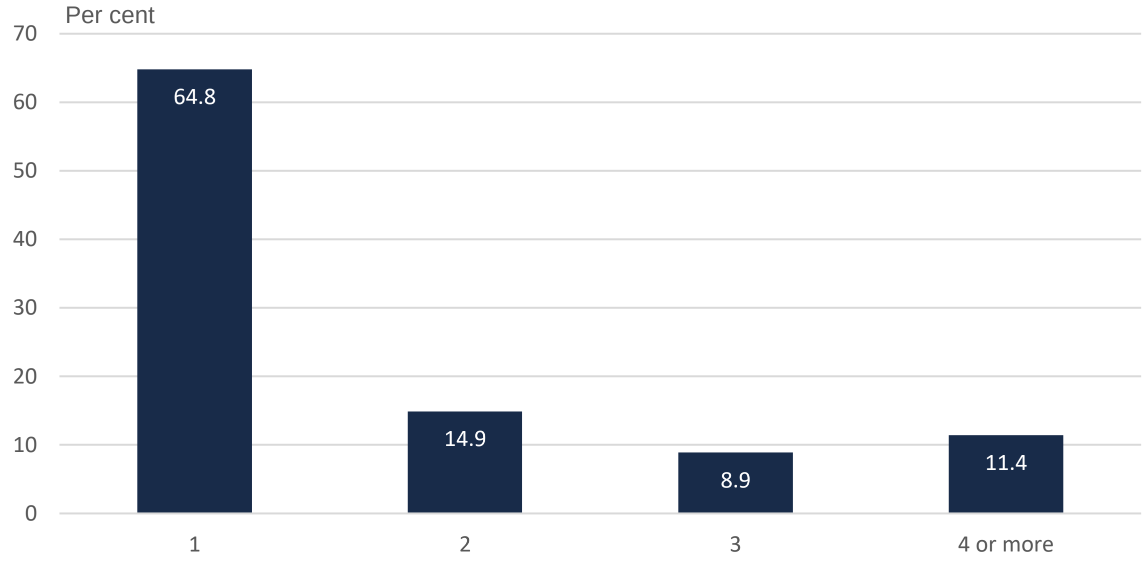


Source: Actuaries Institute (2020), *The Rise of the Gig Economy and its Impact on the Australian Workforce,* December, Figure 4.1.

[24] Actuaries Institute (2020), *The Rise of the Gig Economy and its Impact on the Australian Workforce,* December, Figure 4.1.

The National Survey found that around one-third of current platform workers were working across multiple platforms, with 11.4 per cent registered to 4 or more platforms (Chart 5). Transport and food delivery workers had a higher likelihood of working on 3 or more platforms and were significantly less likely to be working on 1 platform.[25]

Chart 5: Proportion of participants working across number of platforms



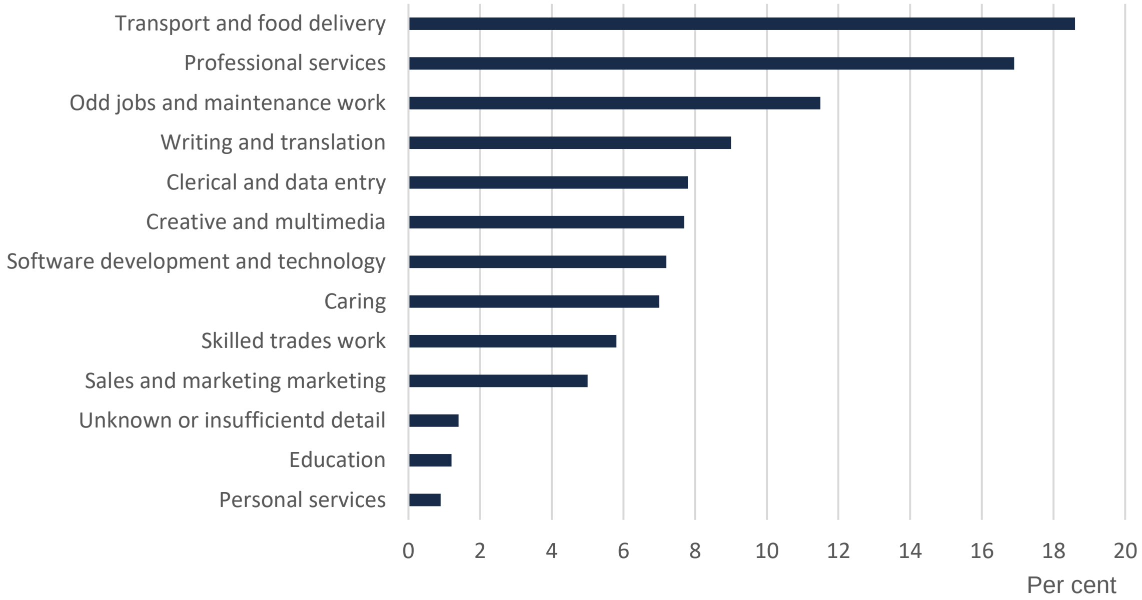
Source: McDonald P, Williams P, Stewart A, Mayes R & Oliver D (2019), *Digital Platform Work in Australia—Prevalence, Nature and Impact*, November, Figure 2.

Transport and food delivery platforms were the most common category, accounting for 61.4 per cent of current workers.[26] When asked to nominate what type of work was performed on their main platform, respondents stated Transport and food delivery as the most common (18.6 per cent), followed by Professional services (16.9 per cent) and Odd jobs and maintenance (11.5 per cent) (Chart 6).

[25] McDonald P, Williams P, Stewart A, Mayes R & Oliver D (2019), *Digital Platform Work in Australia—Prevalence, Nature and Impact*, November, p. 41.

[26] McDonald P, Williams P, Stewart A, Mayes R & Oliver D (2019), *Digital Platform Work in Australia—Prevalence, Nature and Impact*, November, p. 37.

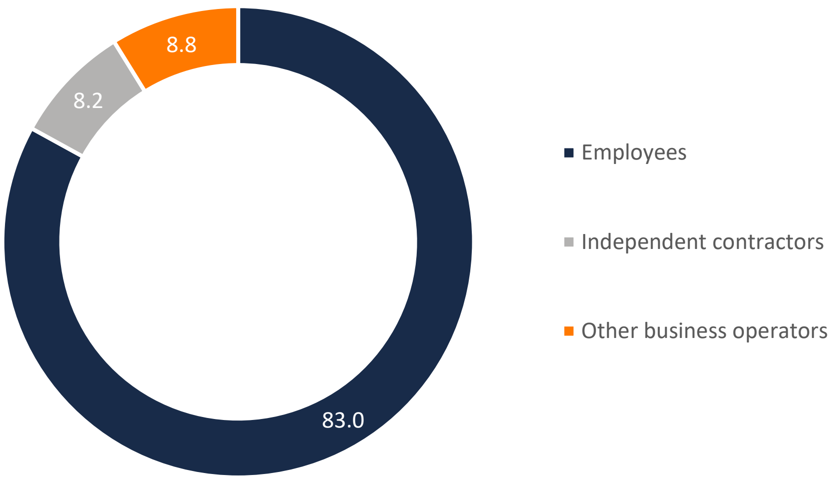
Chart 6: Type of work performed through main digital platform



Source: McDonald P, Williams P, Stewart A, Mayes R & Oliver D (2019), *Digital Platform Work in Australia—Prevalence, Nature and Impact*, November, Table 4.

The National Survey found a large majority of platforms appear to operate on the basis that the workers who use their services are independent contractors.[27] However, Chart 7 shows that independent contractors make up only 8.2 per cent of the total workforce by employment status of main job.

Chart 7: Australian workforce by employment status of main job

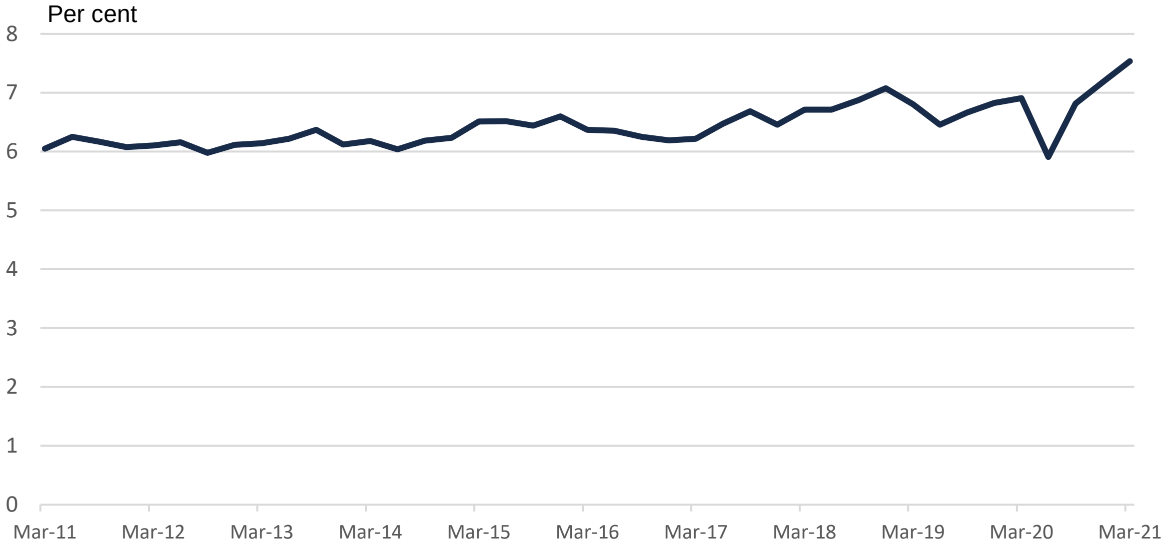


Source: ABS, *Characteristics of Employment, Australia*, August 2020.

27 McDonald P, Williams P, Stewart A, Mayes R & Oliver D (2019), *Digital Platform Work in Australia—Prevalence, Nature and Impact*, November, p. 47.

While the ABS Labour Force Survey focuses on the respondent's *main job*,[28] the National Survey found that the most common motivation for undertaking platform work was not as a primary source of income, but for 'earning extra money'.[29] Chart 8 shows that secondary jobs have increased by 1.5 percentage points over the period between the March quarter 2011 to the March quarter 2021, with the majority of growth occurring from the March quarter 2017 (excluding the dip in the June quarter 2020).

Chart 8: Australian workforce by proportion of secondary jobs



Source: ABS (2021), *Labour Account Australia,* March.

'Earning extra money' and 'working the hours I choose' had the highest average motivation scores (Table 6).[30] Other motivations with a higher proportion of digital platform workers selecting 'very important' included:

- doing work that I enjoy;
- choosing my own tasks or projects; and
- working for myself and being my own boss.

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[28] ABS (2014), *Questionnaires used in the Labour Force Survey*, December.

[29] McDonald P, Williams P, Stewart A, Mayes R & Oliver D (2019), *Digital Platform Work in Australia—Prevalence, Nature and Impact*, November, p. 59.

[30] The average motivation is calculated by valuing the categories from 1 to 4, with 'Not at all important' being 1 to 'Very important' being 4.

Table 6: Motivations for undertaking platform work

	Very important (%)	Important (%)	Slightly important (%)	Not at all important (%)	Mean (no.)
Access to work and income					
A financial necessity	18.7	29.5	26.9	17.6	2.53
Earning extra money	34.3	39.3	17.8	4.4	3.08
Finding regular work	19.6	28.6	28.2	16.8	2.55
Finding work despite health issues or disability	14.8	22.2	18.7	19.7	2.43
Career development					
Building a portfolio	16.9	31.3	24.2	17.4	2.53
Attracting more clients	21.3	31.7	23.4	14.9	2.65
Gaining new knowledge or skills, or improving existing skills	20.5	33.1	26.1	13.5	2.65
Building networks	19.5	28.4	25.3	18.5	2.53
Working conditions					
Doing work that I enjoy	31.2	36.8	20.4	7.4	2.96
Choosing my own tasks or projects	29.8	38.6	19.1	7.3	2.96
Working the hours I choose	36.2	35.4	17.2	6.9	3.05
Working in a place that I choose	29.1	37.3	21.2	7.6	2.92
Working for myself and being my own boss	29.3	34.4	21.2	9.5	2.88
Connecting socially with people	14.1	27.7	24.2	24.4	2.35

Source: McDonald P, Williams P, Stewart A, Mayes R & Oliver D (2019), *Digital Platform Work in Australia—Prevalence, Nature and Impact*, November, Table 22.

How the work is performed

Current digital platform workers from the National Survey were asked how many hours they spent working or seeking work on their main digital platform. Overall, more than one third of respondents (37.5 per cent) did not know the answer to this question,[31] which may suggest that it is difficult to keep track of hours worked particularly since most workers are paid per task or job. Average weekly hours (excluding outliers) was 10 hours a week, with males working more hours on average (10.8 hours) than females (8.2 hours).[32]

Transport and food delivery worked, on average, the highest average number of hours per week (14.5 hours) followed by Software development and technology (14.3 hours) (Table 5).

However, data in Table 2 only shows the hours worked on the main digital platform, and many digital platform workers use multiple platforms, particularly in Transport and food delivery. For example, nearly half (47 per cent) of workers in Transport and food delivery worked on 2 platforms, 13.1 per cent on 3 platforms and 17.5 per cent on 4 platforms. This suggests that average hours worked on the main platform would likely underestimate the hours spent on digital platform work for

[31] McDonald P, Williams P, Stewart A, Mayes R & Oliver D (2019), *Digital Platform Work in Australia—Prevalence, Nature and Impact*, November, p. 44.

[32] McDonald P, Williams P, Stewart A, Mayes R & Oliver D (2019), *Digital Platform Work in Australia—Prevalence, Nature and Impact*, November, p. 44.

those operating in the Transport and food delivery category (and therefore on-demand industry workers).[33]

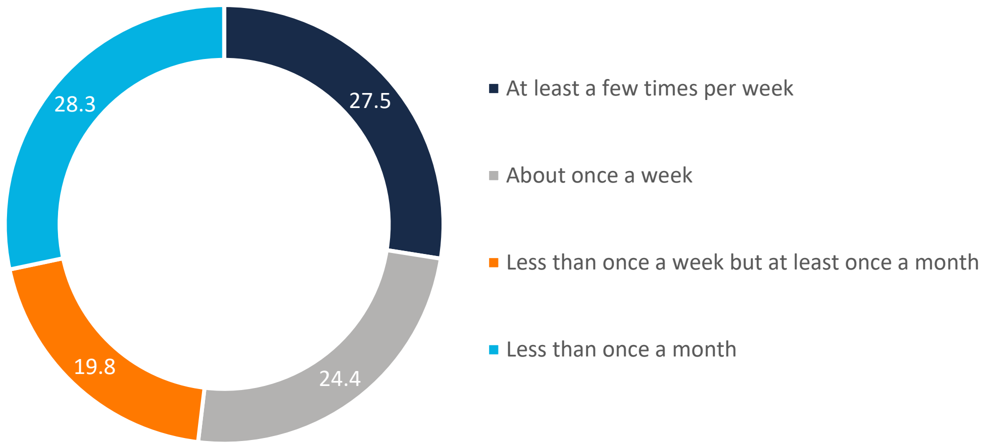
Table 2: Mean weekly hours worked by type of work on main digital platform

	Sample size (no.)	Mean weekly hours (trimmed) (no.)
Transport and food delivery	140	14.5
Software development and technology	44	14.3
Sales and marketing support	27	12.3
Skilled trades work	36	8.9
Odd jobs and maintenance work	60	8.8
Caring	38	8.6
Clerical and data entry	44	8.5
Personal services	6	8.0
Writing and translation	59	7.9
Professional services	105	7.7
Creative and multi-media	44	6.4
Education	9	3.4

Source: McDonald P, Williams P, Stewart A, Mayes R & Oliver D (2019), *Digital Platform Work in Australia—Prevalence, Nature and Impact*, November, Table 8.

Almost as many current digital platform workers participate frequently as those who participate occasionally. Around 3 in 10 engage with digital platforms less than once a month, while another 3 in 10 engage at least a few times a week (Chart 9).

Chart 9: Frequency of engagement with digital platforms

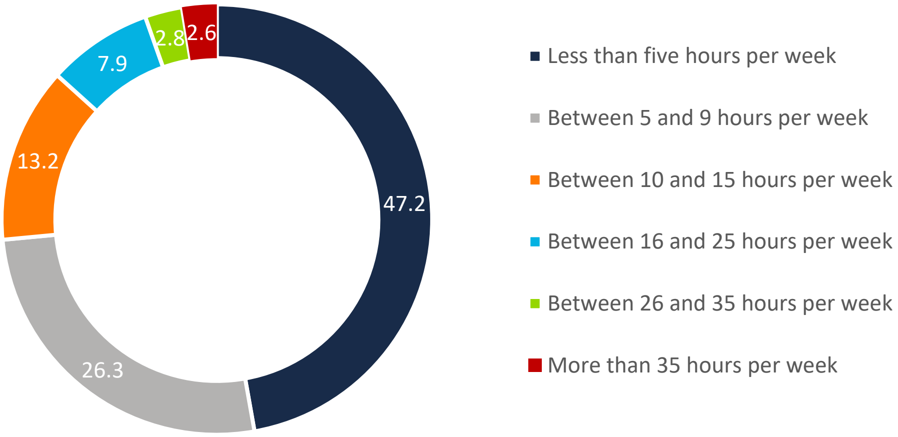


Source: McDonald P, Williams P, Stewart A, Mayes R & Oliver D (2019), *Digital Platform Work in Australia—Prevalence, Nature and Impact*, November, Figure 3.

[33] McDonald P, Williams P, Stewart A, Mayes R & Oliver D (2019), *Digital Platform Work in Australia—Prevalence, Nature and Impact*, November, p. 44.

Almost all digital platform workers were working part-time hours on digital platforms, with almost three-quarters spending up to 9 hours per week on digital platform work. Just 2.6 per cent spent more than 35 hours per week on digital platform work (Chart 10).

Chart 10: Hours per week worked on digital platforms



Source: McDonald P, Williams P, Stewart A, Mayes R & Oliver D (2019), *Digital Platform Work in Australia—Prevalence, Nature and Impact*, November, Table 17.

Respondents to the National Survey were also asked a series of questions regarding the operations of the main digital platform they worked on (Table 3).

Almost half of workers (48.4 per cent) reported having to pay a set amount or percentage of what is earnt through the platform, while around one-third of workers were charged a fee to access work (36.1 per cent) or for priority work opportunities (31.8 per cent).

Almost half of workers (47.9 per cent) reported that the platform can restrict work opportunities if their work is considered unsatisfactory. Only around 4 in 10 (41.6 per cent) responded that the platforms required them to supply an Australian Business Number (ABN), and around 3 in 10 (29.8 per cent) reported that the platform had changed their contract or terms and conditions.

Almost 3 in 10 believed that the platform treated them like an employee (28.4 per cent) and required them to be available to work either at particular times, or for at least a minimum amount of time (28.2 per cent). McDonald et al. (2019) stated that it is unclear whether these workers thought that they were actually employees from a legal perspective, or that they felt like employees based on their treatment.[34] Around one-quarter reported that the platform supplies them with equipment or facilities needed to perform the work, while over 1 in 5 workers (22.8 per cent) reported the platform penalising them for declining work.

[34] McDonald P, Williams P, Stewart A, Mayes R & Oliver D (2019), *Digital Platform Work in Australia—Prevalence, Nature and Impact*, November, p. 48.

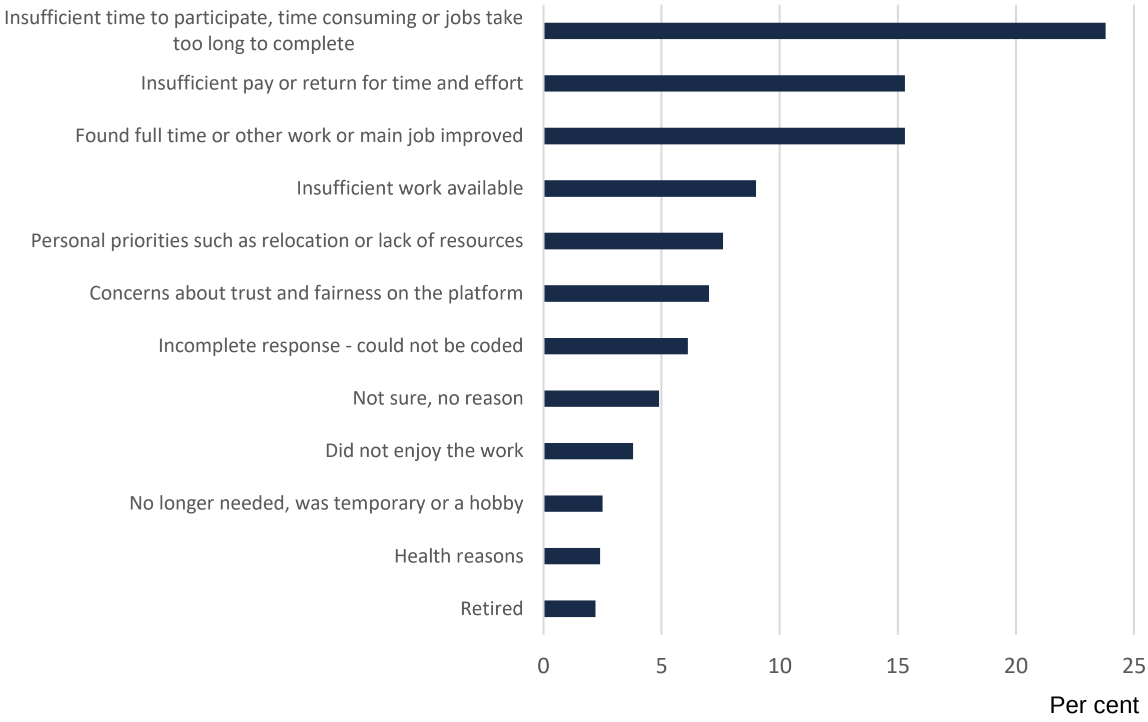
Table 3: Operations of the main digital platform

	Yes (%)	No (%)	I don't know (%)
Information and communication			
The platform provides information on the regulations with which I have to comply (e.g., tax, superannuation, GST)	41.2	33.5	25.3
The platform has a dispute settlement process	46.6	21.4	32.0
The platform has someone available that I can contact if I have a problem or concern	58.6	19.7	21.7
The platform allows for me to be rated by clients	64.9	19.1	16.0
The platform allows me to rate the clients for whom I work	53.4	28.3	18.3
The platform allows me to provide feedback about the platform itself, its website, app or processes	56.5	23.5	20.0
Fees and charges			
The platform covers me with at least one type of work-related insurance (e.g., for work-related injuries or professional indemnity)	28.9	45.5	25.6
The platform requires me to take out my own insurance	39.7	37.9	22.4
The platform charges me a fee (e.g., a subscription cost) to register or access work	36.1	47.4	16.5
The platform charges for priority work opportunities	31.8	42.9	25.3
The platform requires me to pay a set amount or percentage of what I earn through the platform	48.4	35.3	16.4
Access to the platform			
The platform requires me to supply an ABN	41.6	40.7	17.7
The platform can restrict access to work opportunities if my work is not satisfactory	47.9	25.4	26.7
The platform has changed my contract or terms and conditions	29.8	43.6	26.6
Worker-platform relationship			
The platform treats me as its employee	28.4	53.0	18.6
The platform requires me to display its brand or logo (e.g., on clothing, equipment or documents) when performing work or dealing with clients	29.4	53.7	16.9
I am required by the platform to be available to work either at particular times, or for at least a minimum amount of time	28.2	56.3	15.5
The platform penalises me for declining work	22.8	56.0	21.2
The platform allows me to arrange for work I have accepted to be performed by someone else on my behalf, or for someone else to help me	32.5	41.6	25.9
The platform allows me to work for a client that I originally met through the platform, without having to use the platform	33.8	41.9	24.3
The platform supplies me with the equipment or facilities (such as a computer, internet access, vehicle, etc.) that I need to perform the work	23.5	61.9	14.6
I can contact other workers who are using the platform, through the platform itself	34.8	41.0	24.2

Source: McDonald P, Williams P, Stewart A, Mayes R & Oliver D (2019), *Digital Platform Work in Australia—Prevalence, Nature and Impact*, November, Table 9.

The main reasons that respondents to the National Survey were no longer working or providing services through digital platforms was an ‘insufficient time to participate, time consuming or jobs take too long to complete’ (23.8 per cent of respondents). This was followed by ‘insufficient pay or return for time and effort’ and ‘found full time or other work or main job improved’ (both 15.3 per cent) (Chart 11).

Chart 11: Reasons for no longer working or providing services through digital platforms



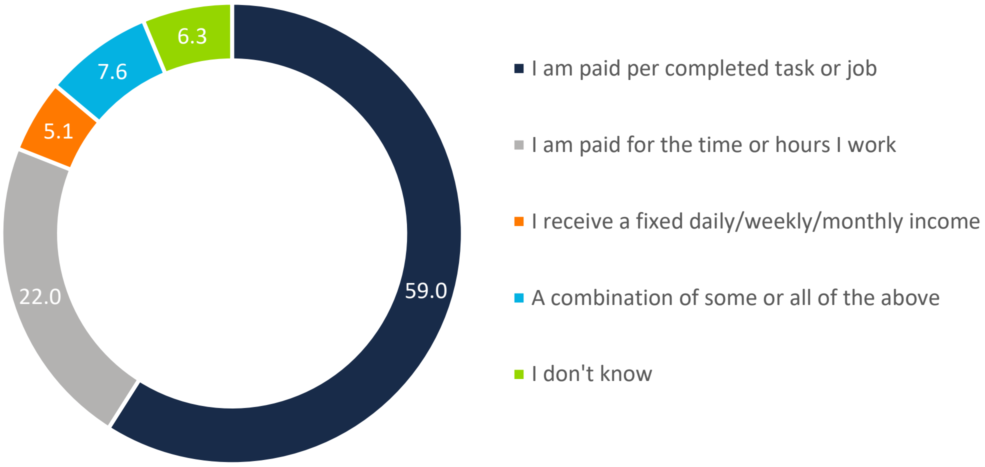
Source: McDonald P, Williams P, Stewart A, Mayes R & Oliver D (2019), *Digital Platform Work in Australia—Prevalence, Nature and Impact*, November, Table 25.

Earnings of digital platform workers

This section presents information on the earnings of digital platform workers, how they are paid and their reliance on income from digital platform work.

According to the National Survey, around 6 in 10 people (59 per cent) undertaking digital platform work are paid per completed task or job, while over 1 in 5 (22 per cent) are paid for the time or hours that they work (Chart 12).

Chart 12: Basis of payment on main platform



Source: McDonald P, Williams P, Stewart A, Mayes R & Oliver D (2019), *Digital Platform Work in Australia—Prevalence, Nature and Impact*, November, Table 5.

Four in 10 people did not know how much they were usually paid per hour, with McDonald et al. (2019) suggesting that they had either not calculated this amount, or that it was difficult to recall.[35]

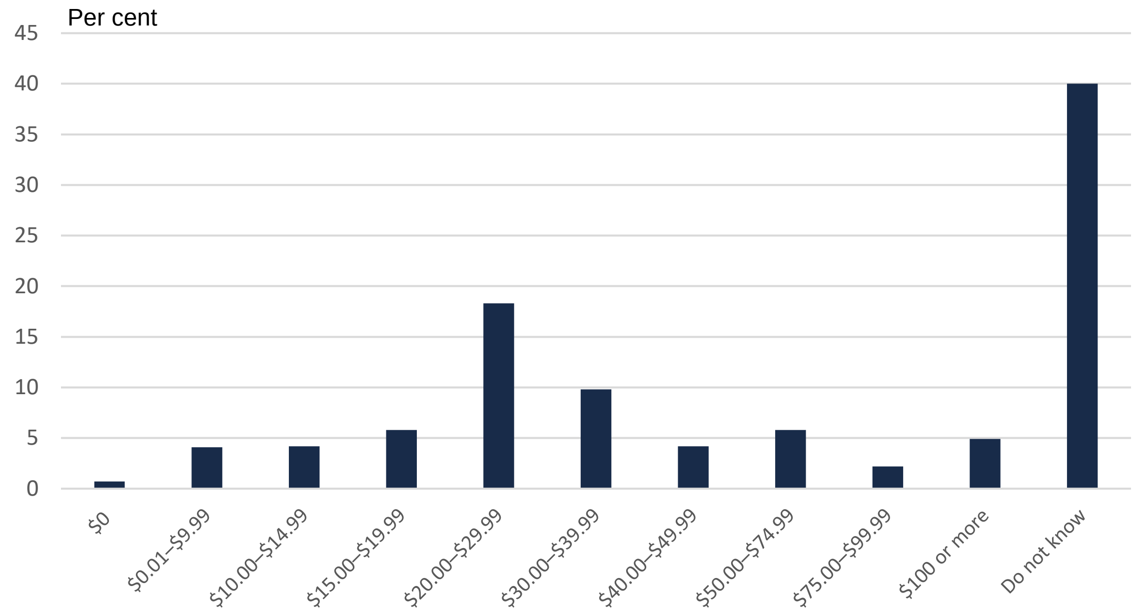
Median hourly earnings for current platform workers was $25.00, while the trimmed mean[36] was higher at $32.16. Median hourly earnings was higher for males ($33.45) than females ($30.78).[37] Almost 1 in 5 respondents earned $20.00 to $29.99 per hour (18.3 per cent) (Chart 13).

[35] McDonald P, Williams P, Stewart A, Mayes R & Oliver D (2019), *Digital Platform Work in Australia—Prevalence, Nature and Impact*, November, p. 42.

[36] Trimmed mean refers to the top and bottom 5 per cent of responses being trimmed.

[37] McDonald P, Williams P, Stewart A, Mayes R & Oliver D (2019), *Digital Platform Work in Australia—Prevalence, Nature and Impact*, November, p. 42.

Chart 13: Approximate hourly earnings on main platform



Source: McDonald P, Williams P, Stewart A, Mayes R & Oliver D (2019), *Digital Platform Work in Australia—Prevalence, Nature and Impact*, November, Table 6.

Platform workers performing professional services or providing sales and marketing support received the highest hourly earnings (Table 4). Workers performing Transport and food delivery were at the lower end. This industry would contain not only on demand delivery service industry workers (food delivery) but would also capture those that work in the Transport industry, such as those working for Uber. It is not possible to separate out the on demand delivery service industry workers from those working in the Transport industry.

McDonald et al. (2019) suggest that almost half of current digital platform workers working in the Transport and food delivery category are operating on multiple digital platforms.[38] Therefore, it is possible that workers in this category can be working for a Transport company (e.g., Uber) as well as a food delivery company (e.g., Ubereats).

[38] McDonald P, Williams P, Stewart A, Mayes R & Oliver D (2019), *Digital Platform Work in Australia—Prevalence, Nature and Impact*, November, p. 44.

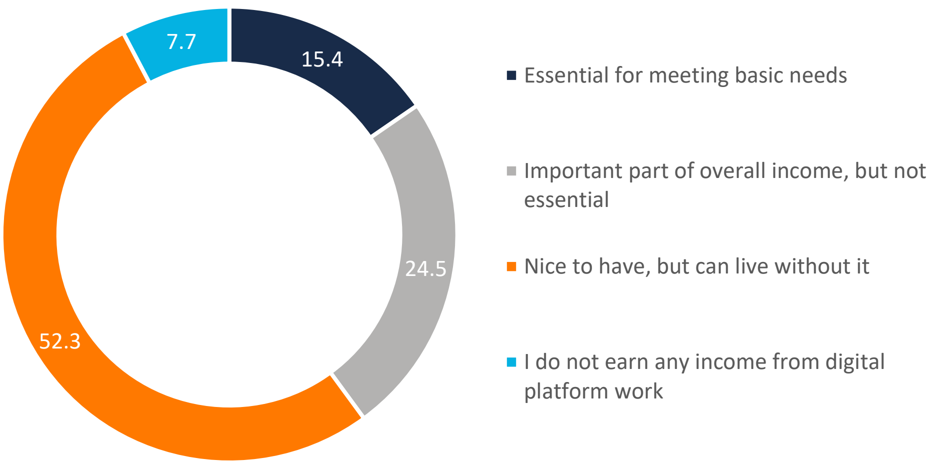
Table 4: Approximate hourly earnings by type of work on main platform

	Median ($)	Trimmed mean ($)	Sample size (no.)
Professional services	40.00	56.85	102
Sales and marketing support	40.00	53.09	28
Software development and technology	30.00	46.21	44
Personal services	45.00	45.65	6
Skilled trades work	30.00	41.53	35
Creative and multimedia	34.00	40.12	42
Education	40.00	37.25	11
Writing and translation	21.00	27.91	56
Odd jobs and maintenance work	23.00	26.93	57
Transport and food delivery	20.00	22.19	120
Caring	23.50	21.60	50
Clerical and data entry	20.00	19.85	39

Source: McDonald P, Williams P, Stewart A, Mayes R & Oliver D (2019), *Digital Platform Work in Australia—Prevalence, Nature and Impact*, November, Table 7.

Over half of digital platform workers (52.3 per cent) described the income as 'nice to have but can live without it', while almost one quarter (24.5 per cent) described it as an 'important part of overall income, but not essential' (Chart 14). Over 1 in 7 workers (15.4 per cent) considered the income to be 'essential for meeting basic needs'.

Chart 14: Reliance on income from working or offering services through digital platforms



Source: McDonald P, Williams P, Stewart A, Mayes R & Oliver D (2019), *Digital Platform Work in Australia—Prevalence, Nature and Impact*, November, Table 18.

Those with a disability, the unemployed, and those with less than Year 12 as their highest level of education were more likely to consider the digital platform income as essential for meeting basic needs (Table 5).[39] There were no significant differences in reliance on income by age, gender, state or territory, non-English speaking background, or residency status.[40]

Table 5: Reliance on income from working or offering services through digital platforms, by selected demographic characteristics

	Essential (%)	Important (%)	Nice to have (%)	No income (%)	Total (%)
Disability					
Yes	29.0	30.4	29.0	11.6	100.0
No	14.4	24.4	54.0	7.3	100.0
Highest level of education					
Less than Year 12	23.7	39.5	21.1	15.8	100.0
Year 12 or equivalent	17.3	29.3	44.0	9.3	100.0
Vocational qualification	20.3	25.5	47.4	6.8	100.0
Bachelor degree	14.4	22.9	56.8	5.9	100.0
Postgraduate qualification	10.2	22.4	57.7	9.8	100.0
Labour force status					
Employee or self-employed	14.4	24.1	54.7	6.8	100.0
Unemployed	31.3	18.8	41.7	8.3	100.0
Student	16.5	35.4	43.0	5.1	100.0
Retired	5.9	20.6	52.9	20.6	100.0
Full-time homemaker/unpaid carer	22.2	22.2	33.3	22.2	100.0
Volunteer	33.3	33.3	33.3	0.0	100.0

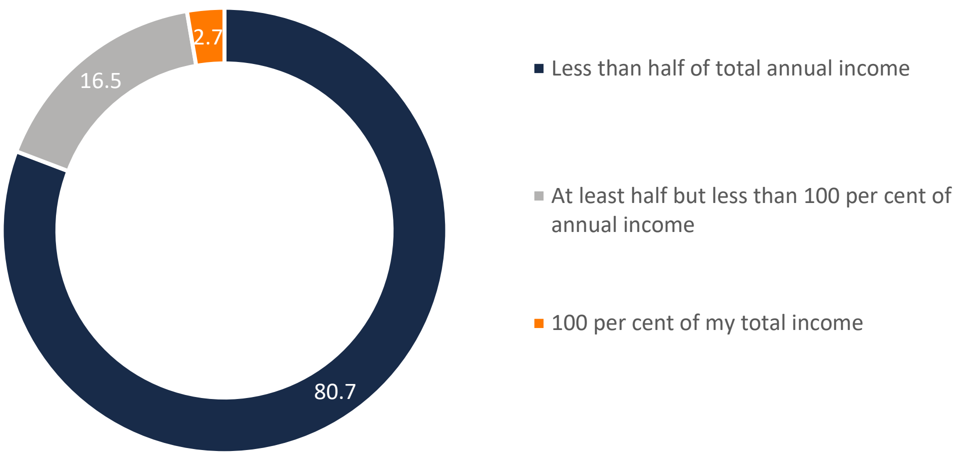
Source: McDonald P, Williams P, Stewart A, Mayes R & Oliver D (2019), *Digital Platform Work in Australia—Prevalence, Nature and Impact*, November, Table 20.

Only 2.7 per cent of workers reported that 100 per cent of their total income came from digital platform work, while a further 1 in 6 reported at least half but less than 100 per cent of their total annual income came from digital platform work (Chart 15). The majority, around 4 in 5 digital platform workers (80.7 per cent), reported that less than half of their total annual income came from digital platform work.

[39] McDonald P, Williams P, Stewart A, Mayes R & Oliver D (2019), *Digital Platform Work in Australia—Prevalence, Nature and Impact*, November, p. 57.

[40] McDonald P, Williams P, Stewart A, Mayes R & Oliver D (2019), *Digital Platform Work in Australia—Prevalence, Nature and Impact*, November, p. 57.

Chart 15: Proportion of total annual income from platform work



Source: McDonald P, Williams P, Stewart A, Mayes R & Oliver D (2019), *Digital Platform Work in Australia—Prevalence, Nature and Impact*, November, Table 19.