



MCKELL INSTITUTE QUEENSLAND

Tough Gig

WORKER PERSPECTIVES ON THE GIG ECONOMY

APRIL 2023

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ABOUT THIS REPORT

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KEY FINDINGS

Workers are dependent on this work and must work long hours to make enough money

- 81 per cent of respondents depend on the money they earn from rideshare, food delivery, or parcel delivery to pay bills and survive.
- 41 per cent of workers reported working overtime (more than 40 hours per week), although gig workers do not earn overtime rates.
- 74 per cent of workers reported working long hours to make enough money, while 69 per cent said they have to work during peak hours to earn enough money.

Low pay is the biggest concern

- The highest reported concerns were low pay, at 76 per cent, not earning money while sick or injured at 65 per cent, and unpaid time waiting for jobs and uncertainty of income at 64 per cent and 60 per cent respectively.
- 45 per cent have struggled to afford everyday items like groceries and household bills.
- At least 45 per cent of workers in the gig economy reported earning less than minimum wage. If this finding is reflected across the gig economy, 90,000-112,000 Australian workers are earning less than minimum wage.
- Drivers working longer hours are worse off. Of those working over 40 hours, at least 66 per cent earn less than minimum wage.
- Food delivery workers were the most likely to report earning less than minimum wage. At least 57 per cent of food delivery workers are paid less than minimum wage.

Instant job loss through deactivation is common

- 79 per cent of respondents use multiple apps. 74 per cent of these workers said they use multiple apps to receive enough jobs and money, while a third said they use multiple apps for job security in case they are deactivated.
- More than a quarter have had their accounts deactivated or suspended, and half listed deactivation as one of their top three concerns.

Low pay is a health and safety hazard

- 51 per cent of all respondents have felt pressured to rush or take risks to make enough money or protect their job, which puts both worker safety and customer safety at risk.
- Over half of the respondents have experienced work-related stress, anxiety, and mental health issues.

Workers face abuse, assaults and injuries

- One in seven experienced sexual harassment, while over a third have been physically injured while working.
- While women only made up one in ten survey respondents, they experienced over twice the rate of sexual harassment as men – at 26 per cent compared to 12 per cent.
- 55 per cent of total respondents have experienced threatening or abusive behaviour, with 43 per cent noting the risk of being abused by a customer as a significant concern.

Workers want reform

- 95 per cent of respondents support government regulation of the gig economy.

THE VOICE OF GIG WORKERS

This research project involved one of the largest ever surveys of transport workers in the gig economy in Australia. The 1,036 respondents came from the food delivery, parcel delivery and rideshare sectors of the transport industry, where workers are engaged via apps and algorithms to perform transport work for which they are also required to cover their operating costs and equipment, such as vehicles, safety equipment like helmets, fuel, phones and phone bills, and other expenses. The survey examines pay, conditions, safety and flexibility associated with this work.

The survey was produced with input from the Insight Centre to ensure that it was accessible and clear for participants, particularly those from non-English speaking backgrounds. The survey was offered in nine different languages: English, Mandarin, Hindi, Indonesian, Malay, Portuguese, Spanish, Turkish, and Thai.

The above measures were taken to ensure that the survey reached a large number of workers with a diverse sample. The opt-in nature of the survey reflects common practice in surveys of the gig economy in Australia to date and means that there is a degree of selection bias present in the results.

The survey ran from December 2022 through to the end of February 2023, and it was designed to engage directly with transport workers in the gig economy to hear firsthand about their experience of the industry.

The survey responses were collected in a variety of ways including:

- Face to face conversations,
- Online participation calls driven by email engagement with self-identified workers in the industry,
- Organic dissemination by workers in the industry sharing into existing online social media groups, and
- Online via FB/Twitter posts & paid ad campaigns.





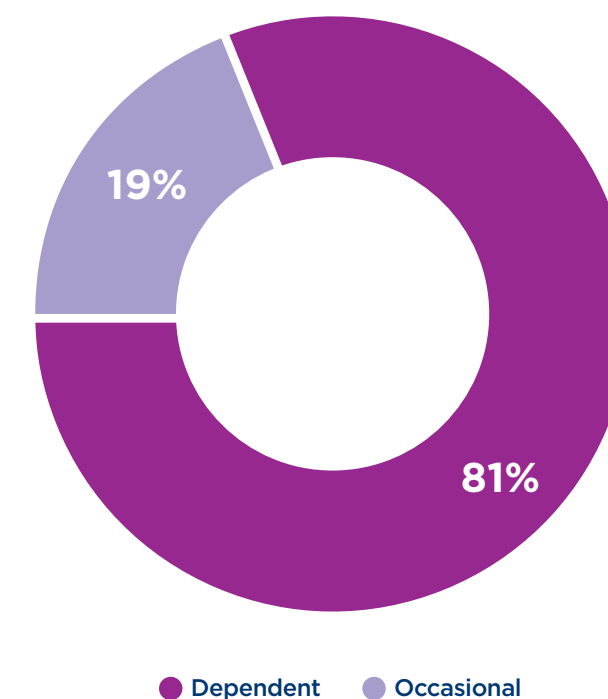
WORKERS ARE CALLING FOR REGULATION

The gig economy is like any other workplace

Most workers who engage in the transport gig economy rely on the work as a crucial source of income. The survey's respondents were asked whether they "depend on the money they earn from rideshare, food delivery or parcel delivery to pay bills and survive", with an overwhelming majority of participants answering in the affirmative. This cohort accounts for 81 per cent of respondents, hereafter referred to as 'dependent' workers as they have come to depend on the industry for their income.

A smaller group, comprising 19 per cent of respondents, reported they "work in rideshare, food delivery or parcel delivery for a bit of extra money and don't depend on the income." These workers are hereafter referred to as 'occasional'.

FIGURE 1 WORKERS IDENTIFYING AS DEPENDENT OR OCCASIONAL IN THE GIG ECONOMY



● Dependent ● Occasional

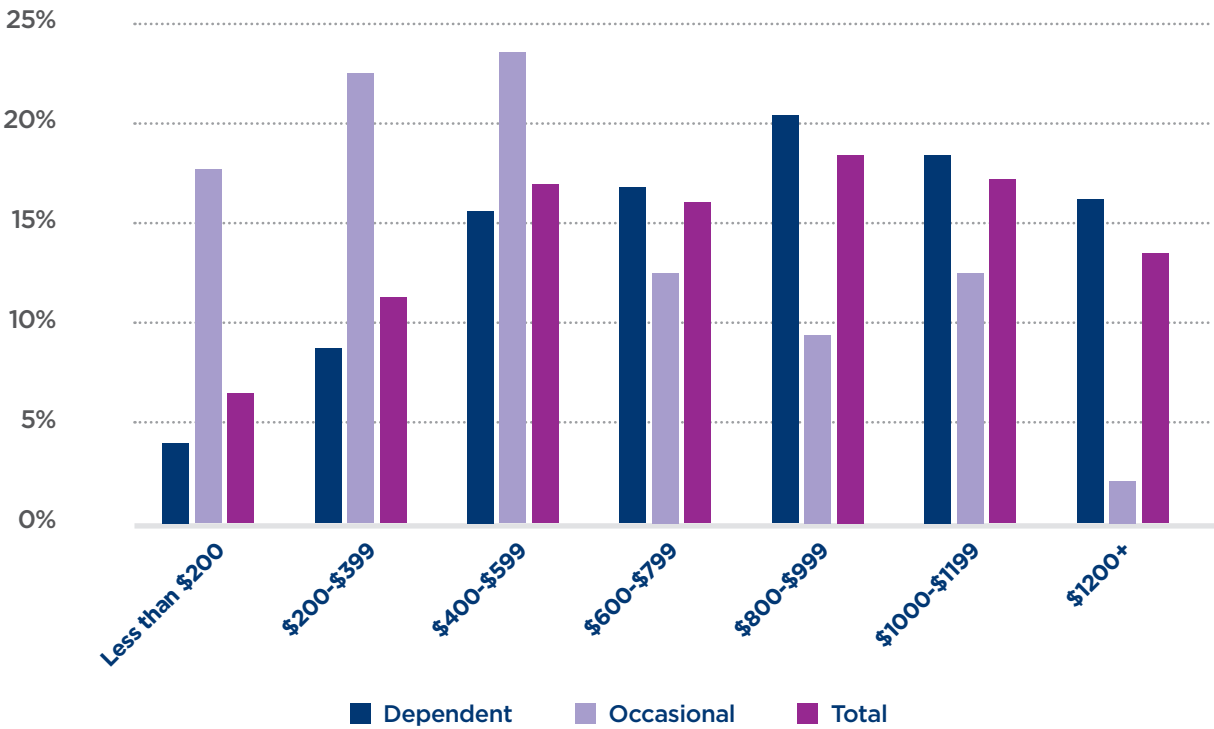
Overall, the survey suggests that most respondents worked significant hours, with 41 per cent working over 40 hours per week, although gig workers are not paid overtime rates like those in the rest of the transport industry working this many hours would receive. Of the survey’s dependent workers, 48 per cent reported working ‘overtime’, but 11 per cent of occasional workers also reported working ‘overtime’.

TABLE 1 HOURS WORKED BY LEVEL OF DEPENDENCY

Hours worked	1-20	21-40	40+
Dependent (%)	12	40	48
Occasional (%)	48	41	11
Overall(%)	19	40	41

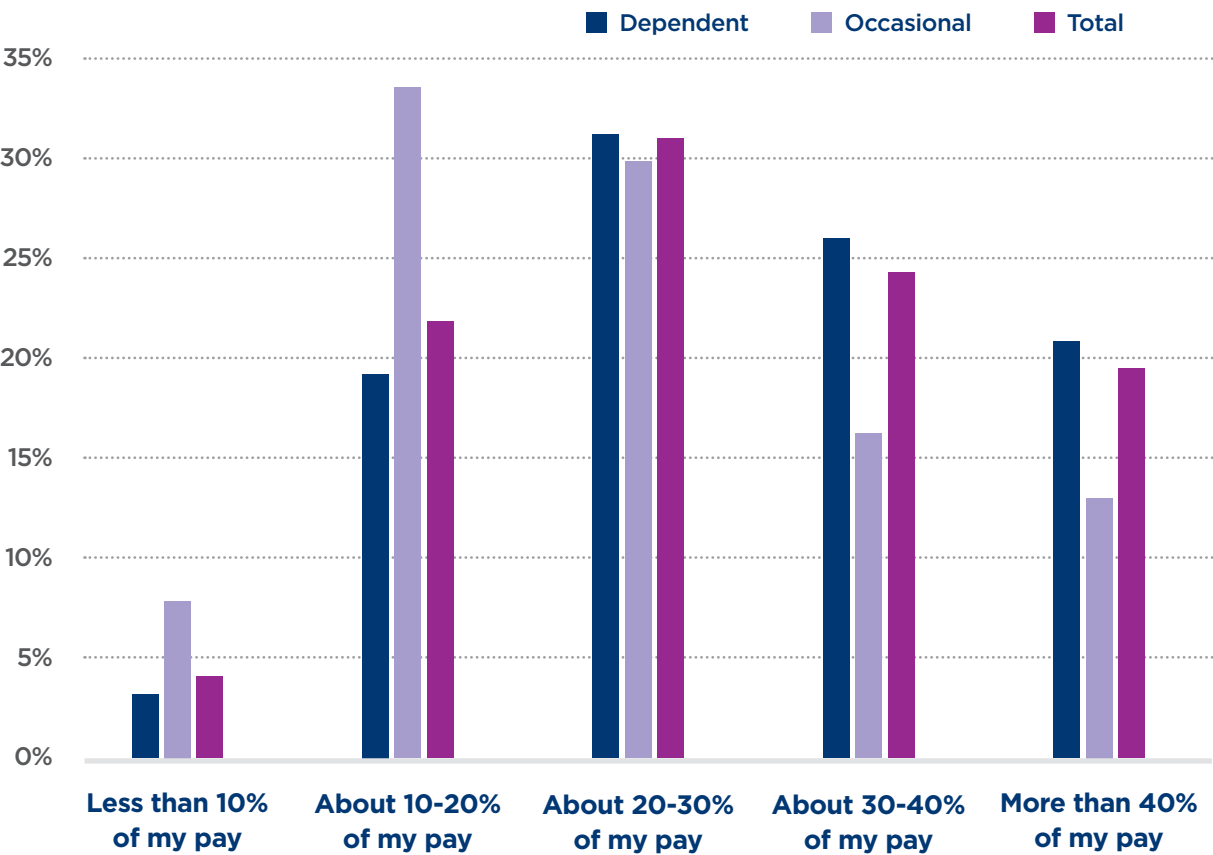
Figure 2 outlines weekly income as reported in the survey for dependent and occasional workers. The distribution of income is flatter than hours, suggesting workers tend to have smaller take home pay per hour worked, if they work more hours.

FIGURE 2 WEEKLY INCOME RANGES BY LEVEL OF DEPENDENCY



What is not considered in headline reported income is that workers must also pay for vehicle maintenance expenses such as fuel, insurance, and vehicle depreciation, as well as other costs like phones and phone bills. We see that dependent workers report higher expenses as a percentage of their income. 44 per cent of respondents reported spending more than 30 per cent of their income on expenses.

FIGURE 3 WEEKLY EXPENSES AS A SHARE OF INCOME



Earning less than minimum wage is commonplace

The minimum wage in Australia is \$21.38 per hour or \$812.60 per week. At least 45 per cent of transport workers in the gig economy reported earning less than minimum wage. Drivers working longer hours are even worse off. Of those working over 40 hours, at least 66 per cent earn less than minimum wage.

Food delivery workers were the most likely to report earning less than minimum wage (57 per cent of workers). While at least 44 per cent of rideshare workers reported earning less than minimum wage.

Official data on the number of gig workers is unavailable but current estimates range from 200,000 to 250,000. If the findings in this survey are reflected across the gig economy, 90,000-112,000 Australian workers are earning less than minimum wage. This represents the largest case of mass-underpayment in Australian history.



Income, hours, expenses, and underpayment diverge by app type

While gig work has its similarities, different dynamics exist between those working in rideshare, food delivery, and parcel delivery. When segmenting survey data by those working exclusively in one sector, these dynamics become clearer. The rideshare segment accounts for 58 per cent of respondents while food delivery and parcel delivery account for 29 and 12 per cent respectively.

Food delivery workers report lower income relative to the hours they work compared to rideshare workers. However, work related expenses work against this trend. The higher income from rideshare is eroded with higher work expenses (56 per cent of workers report expenses at more than 30 per cent of income).

FIGURE 4 WEEKLY HOURS BY APP TYPE

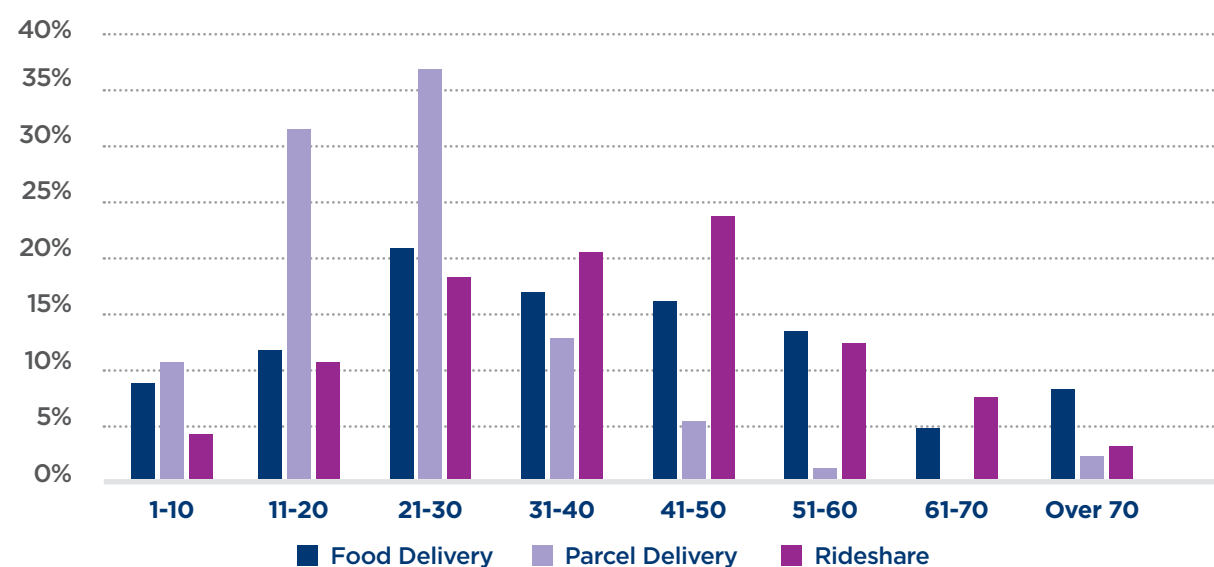


FIGURE 5 WEEKLY INCOME BY APP TYPE

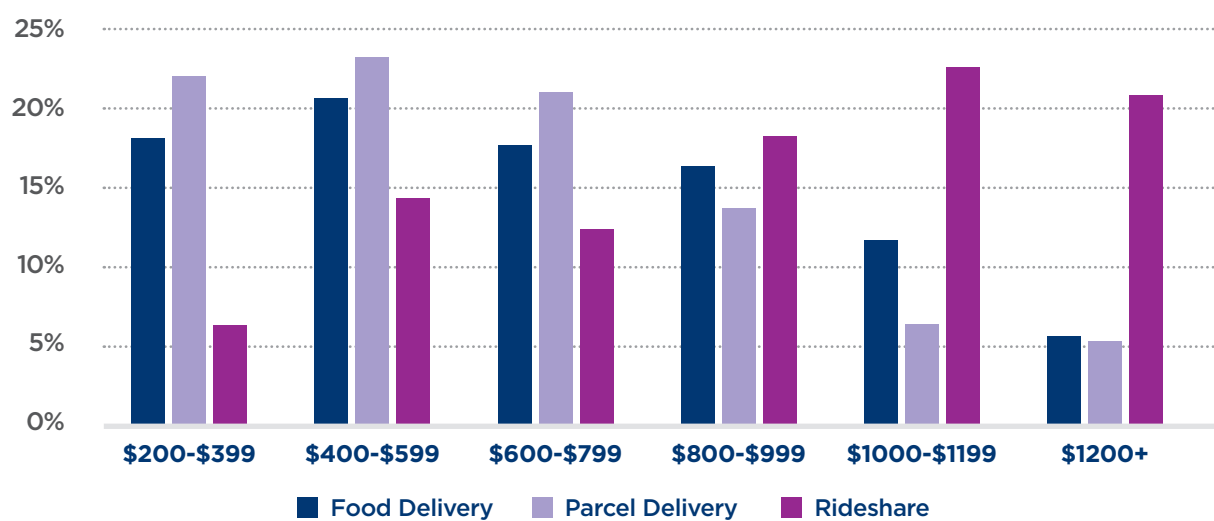


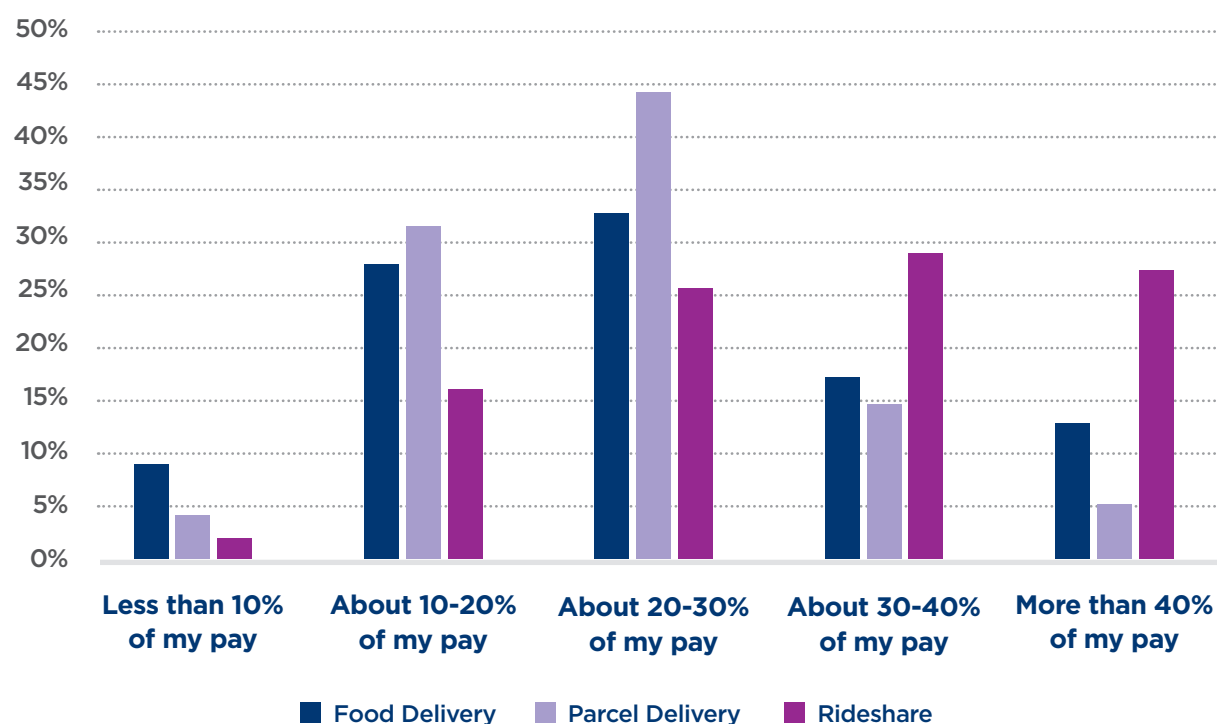
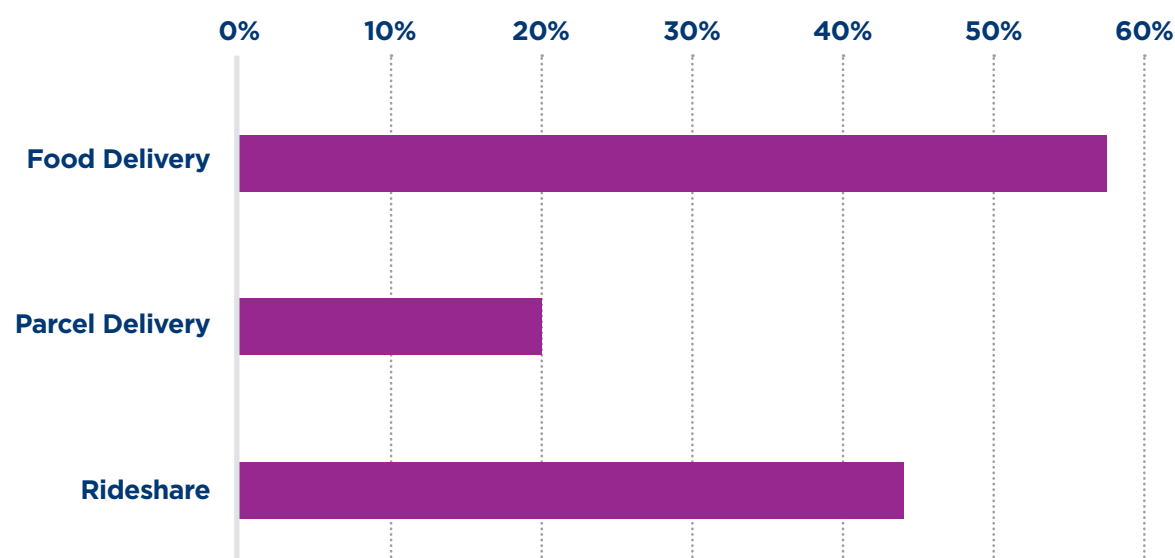
FIGURE 6 WEEKLY COSTS BY APP TYPE

Figure 7 shows that the high hours-to-income ratio in the food delivery sector results in a larger proportion of workers receiving less than minimum wage, at 57 per cent.

FIGURE 7

THE PROPORTION OF WORKERS REPORTING INCOME BELOW MINIMUM WAGE, BY APP SECTOR



Workers with greater dependence on 'gig work' have lower take-home pay

The weekly income and work expenses outlined in Figures 2 and 3 above suggest declining marginal hourly pay rates. It is likely that occasional workers engage only at peak times when rates are higher while others experience longer periods between 'jobs' at times of lower demand.

At the same time, marginal expenses are also greater for the cohort that work greater hours. The result is the phenomenon that the more hours worked, the less you are paid per hour. This is likely because workers who engage in fewer hours did not include or consider the full costs of vehicles, insurance and other equipment in their estimates.

This phenomenon can be observed when we examine only those workers who work full time hours or 'overtime' (40+ hours per week). At least 66 per cent of workers who work more than 40 hours report earnings less than minimum wage after costs.

A principal challenge facing the longevity of

the 'gig economy' is that it does not reward the people that undertake most of the work and who are most dependent on the sector.

'Gig work' cannot provide flexibility without minimum standards on pay and conditions

The survey results highlighted that workers are engaging with more than one app at a time because it is not possible to rely on only one for the income or job security required to survive.

79 per cent of all respondents use multiple apps, as highlighted in Figure 8. Of those multiple app users, 74 per cent stated that the need to receive enough jobs and enough money was the principal reason for doing so, while a third said they used multiple apps through fear of deactivation.

The survey respondents also clearly rejected the false choice between flexibility and fair pay and conditions. When asked directly 54 per cent chose 'good pay and safe conditions are my biggest priority when it comes to work' while 46 per cent chose 'flexibility over my hours and schedule is my biggest priority when it comes to work'.

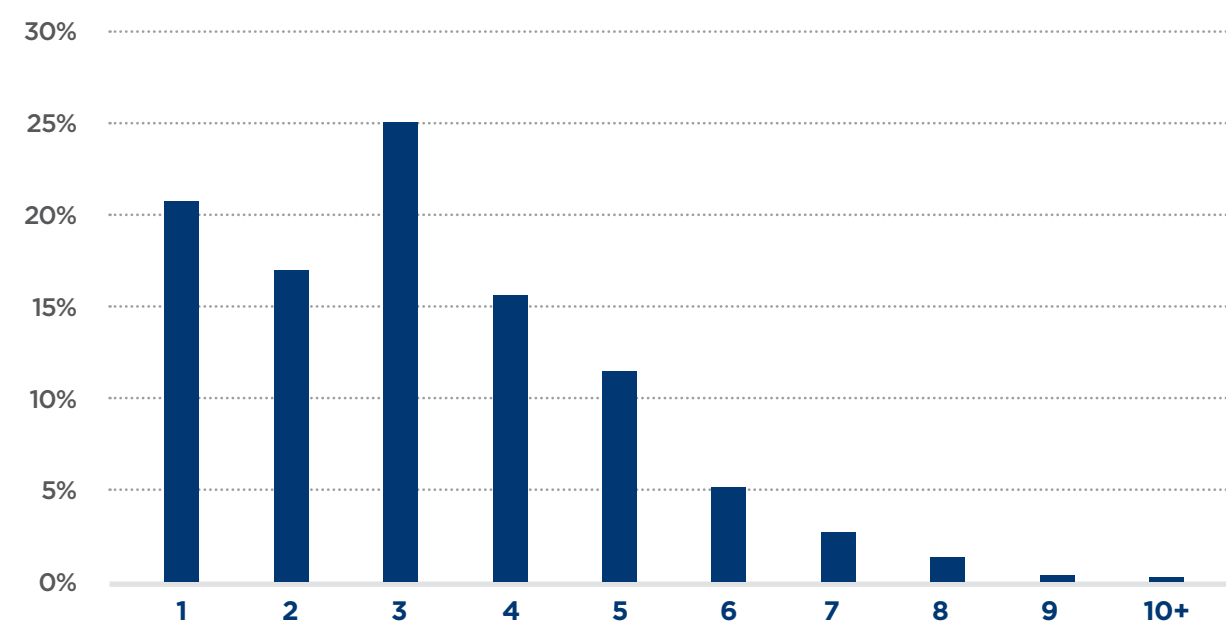
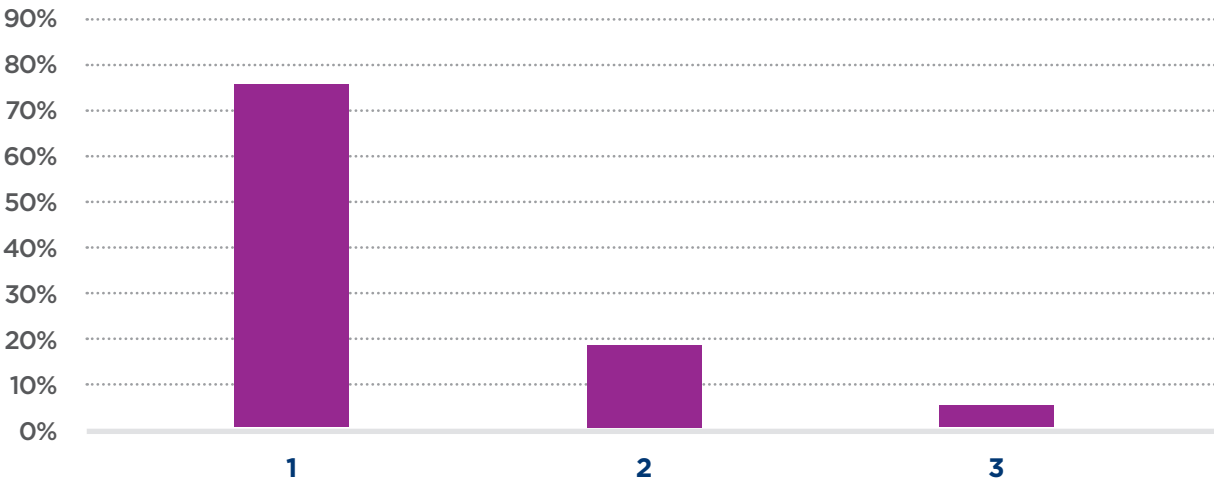
FIGURE 8 NUMBER OF APPS USED BY GIG WORKERS

TABLE 2
REASON CITED FOR USE OF MULTIPLE APPS AMONG THOSE THAT USE MORE THAN ONE APP

	Different apps have more jobs at different times or in different areas	I need to use multiple apps to get enough jobs/ enough money	I use multiple apps in case one account gets deactivated
Workers (using multiple apps)	42%	74%	33%

Gig work apps can also be categorised into separate sector types: rideshare, food delivery, and parcel delivery with multiple apps operating in each sector. Around a quarter of respondents reported that they work in multiple sectors.

FIGURE 9 NUMBER OF APP SECTORS USED BY GIG WORKERS

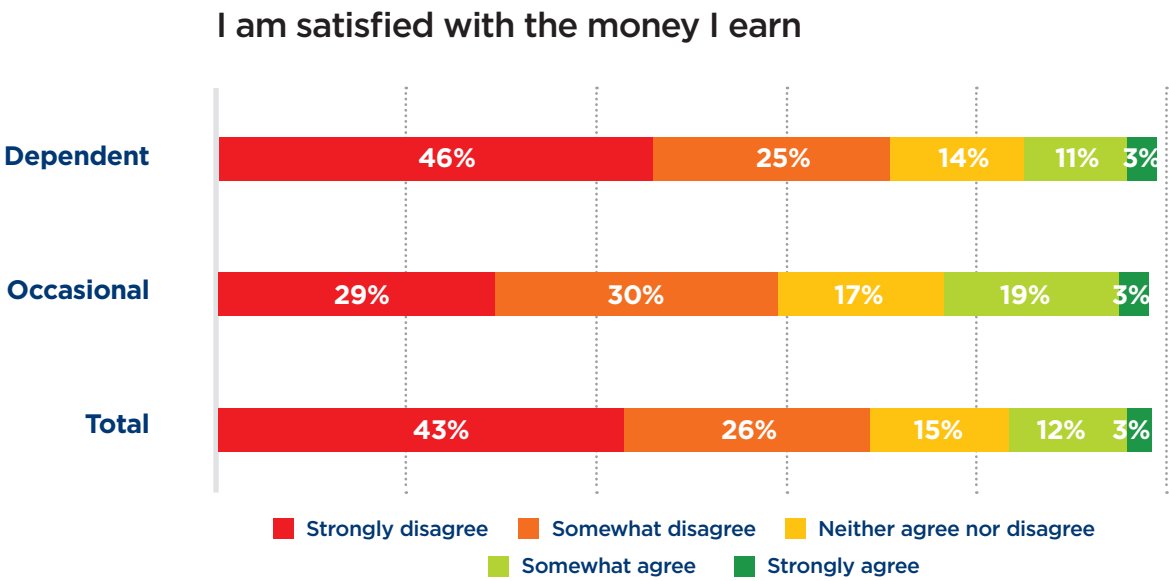
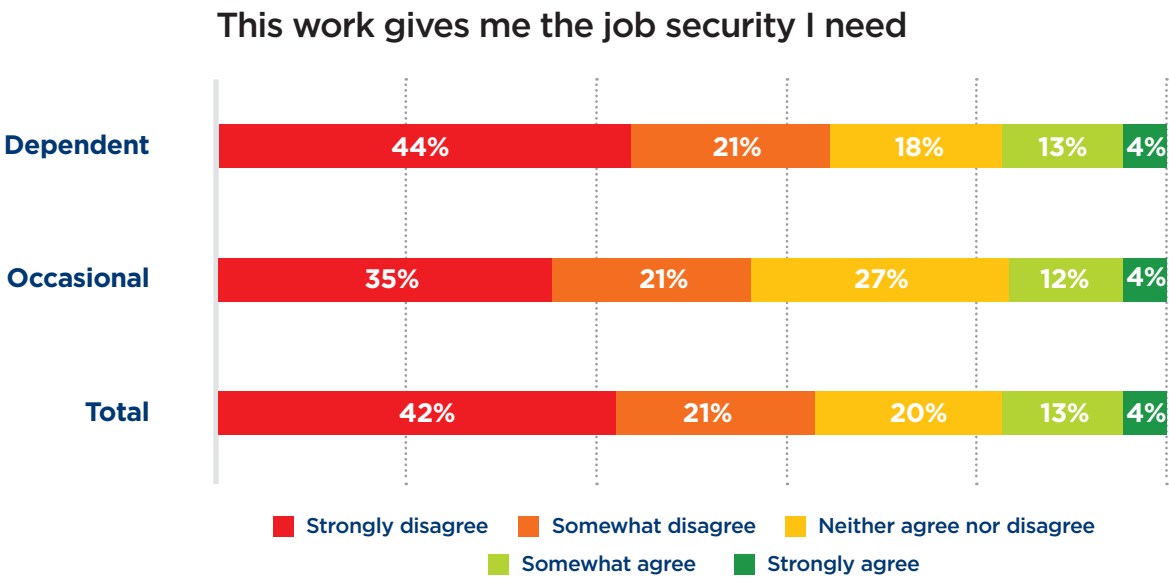


Workers are concerned about low pay, job insecurity and poor conditions

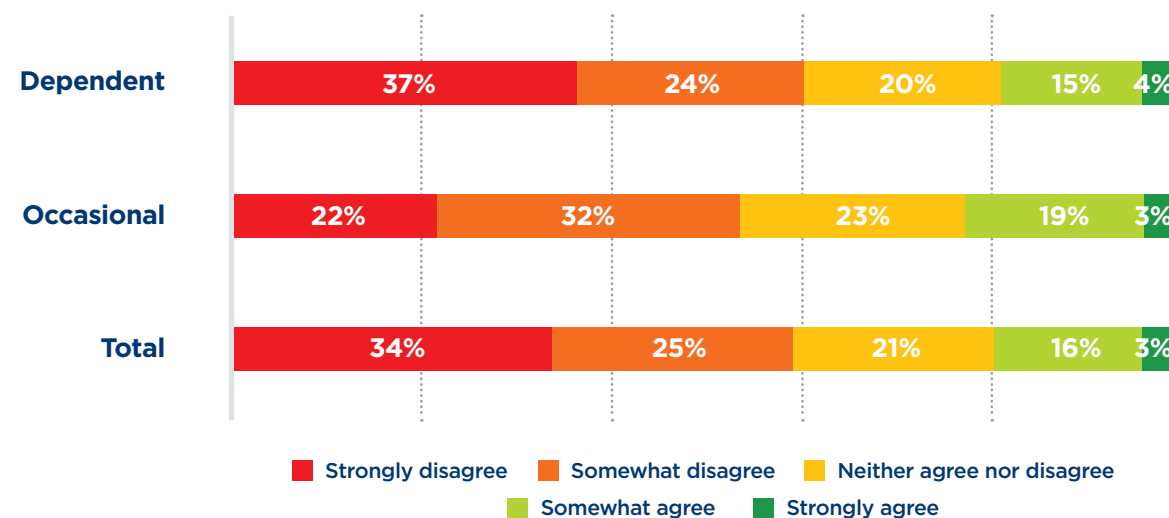
Respondents to the survey were also questioned on the extent to which they agree with statements regarding their job security, pay, working conditions, and flexibility. These responses are shown in Figure 10 below.

Money appears to be the principal concern for many workers, with 69 per cent not satisfied (strongly disagreed or somewhat disagreed) with the money they earn, compared to 15 per cent who are satisfied (strongly agreed or somewhat agreed). Job security is the second greatest concern with 65 per cent disagreeing that this work provides job security compared to 17 per cent who feel the job security meets their expectations.

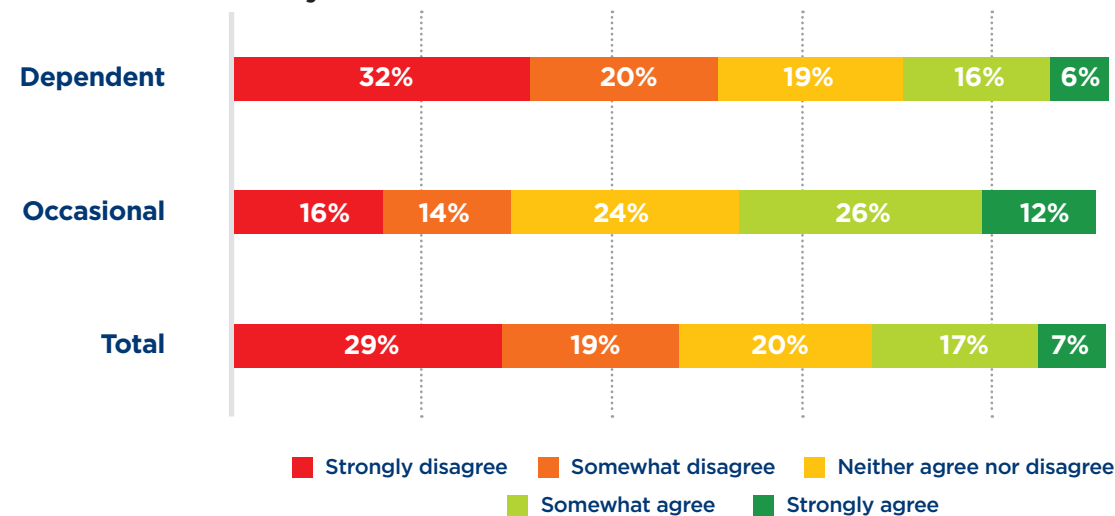
FIGURE 10 GIG WORKER SATISFACTION WITH EMPLOYMENT



I am satisfied with the working conditions



I have lots of free time for leisure, friends and family outside of work



There is little flexibility over when or for how long to work

The survey also asked respondents to report their experiences (shown in Figures 11 and 12) and concerns at work. The highest reported experience by respondents was having to work long hours to make enough money, at 74 per cent, while the highest reported concern was low pay, at 76 per cent.

The existence of low marginal returns to working long hours is also reflected by 69 per cent of workers stating they have to work during peak times to earn enough money, showing that work outside of these hours is far less lucrative.

Low pay and job insecurity make this work dangerous for health and safety

The responses shown in figures 11 and 12 also highlighted a number of concerning health and

safety issues associated with transport gig work. Over half of the respondents have experienced work-related stress, anxiety, and mental health issues. One in seven experienced sexual harassment, while over a third have been physically injured while working. Workers in the gig economy do not receive sick leave or workers' compensation, with 62 per cent saying they've lost income while sick or injured. While women only made up 104 of the 1036 survey respondents, they experienced over twice the rate of sexual harassment as men – at 26 per cent compared to 12 per cent.

55 per cent of total respondents have experienced threatening or abusive behaviour, with 43 per cent noting the risk of being abused by a customer as a significant concern. 51 per cent of all respondents have felt pressured to rush or take risks to make enough money or protect their job, which puts both worker safety and customer safety at risk. This figure was higher within the food delivery sector (56 per cent), which is a particular concern considering 11 food delivery riders have been killed while working in Australia since 2017.

FIGURE 11 GIG WORKER EXPERIENCES

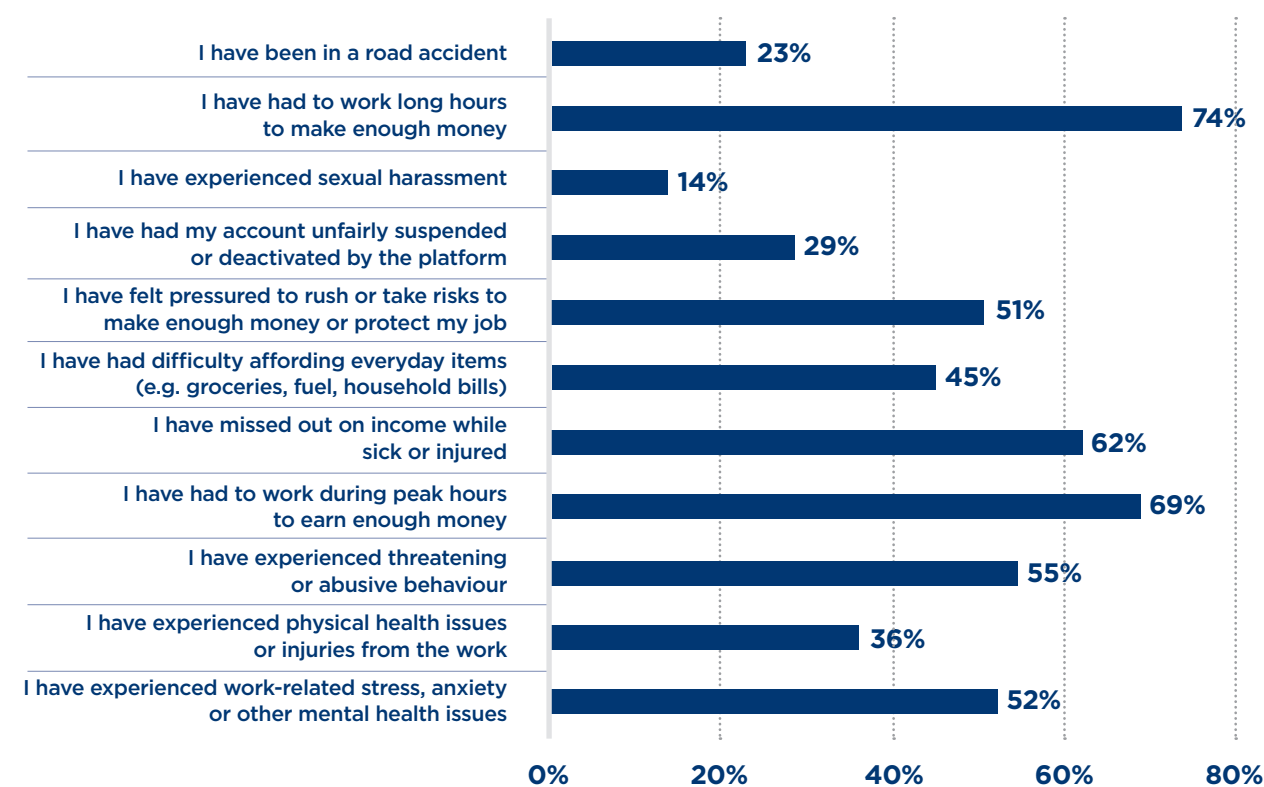
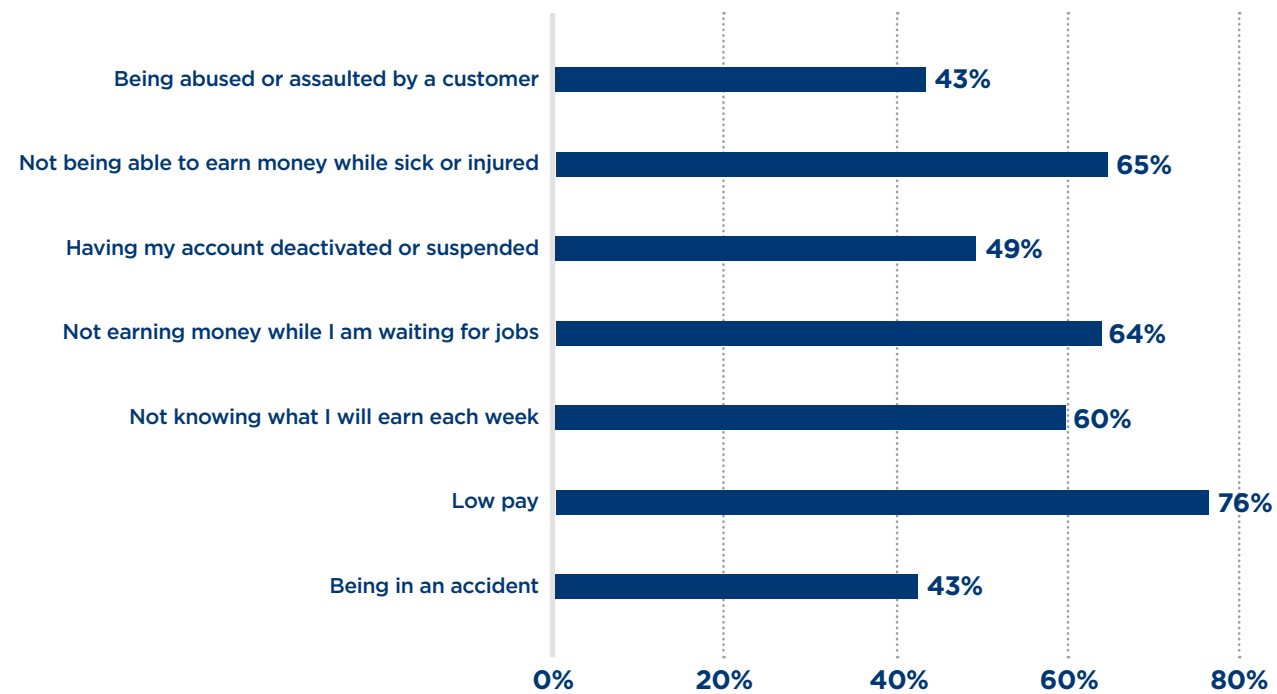
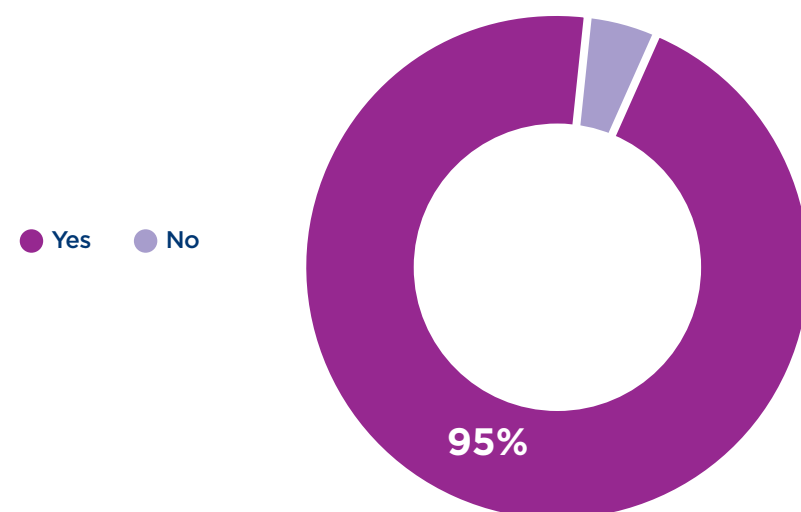


FIGURE 12 GIG WORKER CONCERNS



Most industry bodies, academics, policymakers, and workers agree on the need for regulation. The results of our survey echo this call to action, with 95 per cent of respondents supporting government regulation. With the regulatory commitments already made by the Federal Government to give scope to the Fair Work Commission to set enforceable standards in transport to make the industry fairer, safer and more sustainable, there is hope the regulation required for transport gig workers will be delivered.

FIGURE 13 DO YOU SUPPORT GOVERNMENT REGULATION?





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