Digital labour platforms in Australia’s publicly-funded aged care and disability support systems leave essential care workers without access to paid leave, minimum employment standards, or effective collective bargaining rights. Platforms can also undermine employment and care standards across entire care sectors through unfair competition with other service providers.

CARE WORK IN AUSTRALIA

Care jobs provide a large and growing share of employment in Australia. The Health Care and Social Assistance sector has the biggest workforce of any industry in Australia, employing more than one in seven Australian workers, many of whom are frontline care workers (see table). Almost four in five of these workers are female. This means that improving the quality and security of care jobs is critical for achieving gender equality.

Unions and women’s groups have fought for decades to address poor working conditions and low pay in care jobs. Underfunding of services and undervaluing of essential care work create long-standing problems for gender equality and for the quality of care delivered to the Australians who depend on these services.

Some progress has been made to win recognition of the complexity and skill requirements of care work. In 2012, a successful Social and Community Services Equal Pay Case (led by the Australian Services Union) won large pay rises for many social and community services workers – including disability care and support workers. More recently, in 2022 aged care workers won pay rises in a work value case led by the Health Services Union and the Australian Nursing & Midwifery Federation.

However, a new threat to the quality of care jobs is now being posed by the rise of gig-type employment practices. Mimicking the same practices used by companies like Uber to deliver passengers or fast food, digital platform businesses are now engaging workers in insecure, poorly-paid, intermittent work to deliver aged care, disability care, and other human services. But these workers are caring for human beings, not delivering pizza.

The spread of gig practices into care work will undermine the long-run struggle to win increases in award rates and strengthen collective bargaining.

CARE ON THE MARKET

Australia’s aged care and disability support systems are designed as individualised, market-based services. Public funds for care are allocated directly to eligible care ‘consumers’. Individuals then purchase care from their preferred service provider. Traditional service providers and digital labour platforms now compete to attract the custom of individuals seeking care.

The Growth of Care Work in Australia:

<table>
<thead>
<tr>
<th>Health Care and Social Assistance Industry</th>
<th>end 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Employment: 2.1 million</td>
<td>New Jobs, Last 5 Yrs. 407,000</td>
</tr>
</tbody>
</table>

Rank: 1st Rank: 1st Rank: 1st Rank: 14th (out of 18)

Source: Calculations from ABS Labour Force and Average Weekly Earnings data (Table 10i).

WHAT DO DIGITAL LABOUR PLATFORMS DO?

Digital labour or ‘gig’ care platforms are businesses that connect care clients and care workers, often through online ‘marketplaces’ (somewhat like a dating app). Through these digital platforms, workers theoretically work for individual clients, as independent contractors. But in practice they are controlled by the platforms, which process all work payments and collect fees from both workers and clients on an ongoing basis.
Platforms claim they are not employers, but ‘market-places’, and they say they exert no control over workers. Yet, there is plenty of evidence to show platforms can and do exert considerable control over workers and their pay and conditions.

Platforms control workers’ behaviour and their access to jobs using personal information provided by workers and client ratings. Platforms use computer algorithms to filter and rank worker profiles on their platforms, determining who has a better chance of being selected for a job. Workers put up with unfair, poor and exploitative treatment out of fear any complaints might lead to a low rating and damage their chances of future work.

Like labour hire, sub-contracting and outsourcing, digital labour platforms allow business owners to reduce business costs and risks by avoiding the normal responsibilities of employing workers (like minimum wages, workers compensation, penalty rates, and super). Platforms maintain control over workers, while distancing themselves from any responsibility for either workers or the clients.

### RISKS FOR WORKERS

Care work through digital platforms is highly precarious. As ‘independent contractors’, workers have no access to paid leave, minimum employment standards, or collective bargaining rights. Workers have no income security, do not get superannuation payments, and are not covered by workers compensation. They are highly vulnerable to exploitation and unfair treatment, performing their work in isolation (often in their clients’ homes), with high work health and safety risks. They are responsible for their own training. Pay rates on platforms often fall below award minimum rates, especially when superannuation (which is not paid by the gig platforms) is considered (see chart).

### RE-SHAPING PUBLIC CARE MARKETS?

The growth of digital platforms in care markets was actively supported by the previous Coalition government, including by providing workforce funding to platforms. Continued growth of gig care work now threatens the viability of not-for-profit service providers, potentially undermining the quality of care services. Digital platforms compete directly with traditional disability and homecare providers (which usually employ their staff as waged workers, not independent contractors). The platforms claim their services offer better value for money, and that their ‘administrative’ fees are lower than regular service providers. Yet, they can only undercut other providers on price because they avoid the normal costs of employing workers and evade direct accountability for the quality of care.

### ADDRESSING GIG WORK THROUGH INDUSTRIAL RELATIONS REFORMS

To control the spread of gig business models in care and support work, the government should attach minimum labour standards to care work – regardless of a worker’s employment status. The Fair Work Commission should have the power to regulate conditions and standards for care workers who are engaged as independent contractors, including those working through digital platforms. This would include the power to establish minimum wages, entitlements, and open collective bargaining rights for these workers. Mandatory codes of conduct should also be applied to platforms.

### TACKLING PLATFORM WORK THROUGH SOCIAL CARE POLICY AND REGULATION

The existing market-based models of care provision create too many incentives for cost-cutting and exploitation by private providers, undermining the quality of both jobs and care. Stopping the spread of gig work is only part of the solution, as incentives remain for other forms of profit-seeking, cost cutting, and insecure work. Removing unfair competition by preventing providers, platforms, or labour hire firms from profiting by undermining labour standards and avoiding responsibility for quality of care is necessary to address these bigger problems in the growing care and support sectors.

For more information on the spread of gig work practices into care work, and the risks to both workers and clients, please see: Fiona Macdonald (2023) Unacceptable Risks: Why Care and Support Work Should not be in the Gig Economy, Centre for Future Work, Canberra (https://futurework.org.au/).

---

**FOR MORE INFORMATION**

To download more factsheets visit carmichaelcentre.org.au/explainers_kit

Hardcopy versions of the kit are available on request at info@futurework.org.au