

All care and no responsibility: why Airtasker can't guarantee a minimum wage

Written by The Conversation

[The agreement](#) between Unions NSW and gig economy platform Airtasker doesn't go far enough to ensure minimum wages or working conditions.

Airtasker isn't setting a minimum wage or working conditions on its platform. Rather, it is "recommending" them to users. Airtasker's business model makes it unlikely this will happen. And the lack of a union base in the gig economy will make it hard to monitor or improve these conditions.

Airtasker is an online marketplace where users post tasks - like building Ikea shelves or handing out leaflets, and other users bid to do the work.

Under the agreement, all recommended rates of pay on Airtasker will be above the comparative [award rates](#) . In response to our questions, Airtasker CEO Tim Fung said:

"We've updated our price guide to reflect award wages (or higher) as advised by Unions NSW. The Airtasker price guide is visible in multiple touch points, including when posting a task.

We don't enforce or restrict the price of tasks. In any case, given the diversity of jobs on the platform and the fact that the vast majority of jobs created are new categories (not just traditional jobs) this would not be possible. That said, education in relation to what's a "fair amount" to pay is great for our community."

You can read Tim Fung's full response [here](#) .

Airtasker will also introduce a dispute resolution process that is overseen by the Fair Work Commission, a personal insurance policy for those accepting work through the platform, and will work with Unions NSW to ensure "best practice workplace health and safety standards in place to protect workers and consumers using the platform".

Implementation challenges

Airtasker's business model is based on workers "bidding" for work. As they can only "win" a job by submitting the lowest bid, workers are pitted against each other in a reverse auction. This system seems directly opposed to creating a minimum wage.

Tellingly, the headline on the [Task Price Guide](#) on Airtasker's website states: "Wondering what it will cost to get your task done? There's no right or wrong answer". The strongest wording on rates says: "As a guide, we've listed out below approximate hourly rates for a range of task types".

This could be viewed as an example of "all care but no responsibility", and may in fact explain why it was prepared to agree to the Unions NSW deal.

In the ongoing Senate Inquiry into Corporate Avoidance of the Fair Work Act, Airtasker's CEO Tim Fung [explained](#) that the platform operated on the basis that those who accept work through its platform ("bidders") engage in "independent contracting" for the person who posted the job through Airtasker.

[As in many other places in the gig economy](#) it is in the classification of "independent contractor" that the devil lies. Independent contractors aren't employees, and so do not have a minimum wage or many of the other benefits of being an employee.

So it is not Airtasker that is "paying" the wages, or providing the workplace, to those that find work through its platform. It might "recommend" pay rates that are above the award wage in its price guide, but Airtasker's very model means it cannot ensure those rates are paid.

The voluntary nature of the agreement will make it hard to enforce, perhaps undermining the efforts of Unions NSW to improve conditions for those working in non-standard employment.

Work standards for a new economy

How to respond to work in the new economy is a question that the labour movement is yet to resolve, though the Unions NSW/Airtasker deal at least marks an interesting attempt.

Information from the actual workers [is often key](#) to detecting non-compliance with labour standards. That highlights a significant question for unions – in a regulatory system which has not kept pace with changes in the labour market, and at a time of [declining membership](#), how do they improve or simply maintain fair labour standards?

While Unions NSW has been proactive in pursuing an agreement, in an effort to maintain relevance in the digital economy, the lack of union members in sectors such as the gig economy is an impediment as information from the “shop floor” is often key to detecting non-compliance with labour standards and the basis for pursuing improvements.

Another issue is determining desired outcomes. Similar attempts to lift conditions in the gig economy have failed elsewhere. In the US, the Service Employees International Union (SEIU) attempted a similar arrangement with Airbnb. [The deal](#) would have seen Airbnb hosts encouraged, but not mandated, to pay cleaners a minimum rate.

The SEIU deal [fell apart](#) after other unions opposed it. They were worried about legitimising the Airbnb business model and making housing more unaffordable.

But in the end it comes back to the platforms themselves. The question for Airtasker, Airbnb or any other platform is; if they are serious about improving the wages and conditions of the workers who use their platforms (and who are the source of their revenue), why don't they monitor users/hosts/consumers and exclude those who refuse to offer at least the minimum rates or conditions?

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