

Gig economy

The gig economy uses mobile apps or websites to connect individuals providing services with consumers. You may also know the gig economy as the platform or app economy, the sharing economy or the on-demand workforce.

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About the Australian gig economy

In the gig economy, individuals provide services to consumers for a fee via digital platforms or marketplaces. These platforms can provide consumers with greater choice and flexibility in their daily lives.

Common gig economy services in Australia include:

- ride sharing services – for example, where consumers book an individual to drive them somewhere.
- delivery services for a fee – for example, where consumers engage an individual to deliver food or other items to them.
- personal services for a fee – for example, where consumers engage an individual to provide creative or professional services like graphic design and web development, or odd jobs like assembling furniture and house painting.

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Working in the gig economy

As a work option, the gig economy can offer individuals flexibility and convenience. It may give them the opportunity to work when and how often they want and to balance work with personal commitments such as study, family responsibilities or hobbies.

People work in the gig economy for a variety of reasons and in a variety of ways. For example, some people work in the gig economy as their main source of income. Others work occasionally in the gig economy to supplement their main source of income, when moving between jobs or careers, or as a transition into retirement.

Individuals working in the gig economy often perform work as independent contractors. This means they may have a commercial relationship with the company that hosts the digital platform or the consumers who receive their services.

Example: Gig economy independent contractor

Gab uses her bike to deliver flowers for a company called Super Sunflower Deliveries. She has her own ABN and also works for 2 other flower delivery companies. Sometimes she gets work from multiple delivery apps on the same day.

Gab uses the Super Sunflower Deliveries app to choose which deliveries she wants to make and when she wants to make them. Some weeks she makes 2 deliveries a week, other weeks she makes 10. The Super Sunflower Deliveries app keeps a record of the deliveries she makes and pays her after every delivery.

When she's riding for Super Sunflower Deliveries, Gab wears her own clothes and doesn't have a uniform. If she gets busy, she can get her sister to make a delivery for her.

One day, Gab twists her ankle playing netball. Her doctor tells her she can't ride a bike for 2 weeks. A friend tells her she could be entitled to sick leave.

Gab looks at the Fair Work Ombudsman (FWO) website and notices most indicators point towards her being an independent contractor, not an employee. This is because she has control over the hours she works and can work for different flower delivery companies. She uses her own bike to make deliveries and can subcontract the deliveries to her sister.

As an independent contractor, Gab isn't entitled to sick leave. This is because independent contractors aren't covered by the National Employment Standards.

Gab decides to take out insurance to cover her if she loses income because of illness or injury again. Now that she understands she's a contractor, she also looks into other financial arrangements, including paying her own superannuation and tax.

Independent contractors are different to employees and have different rights and responsibilities. Unlike employees, independent contractors aren't entitled to employee entitlements such as a minimum wage or paid leave. Find out more about their rights and responsibilities on our [Independent contractors page \(www.fairwork.gov.au/find-help-for/independent-contractors\)](http://www.fairwork.gov.au/find-help-for/independent-contractors) .

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Misclassifying employees as independent contractors

Independent contracting arrangements in the gig economy are very common and can be genuine. However, each individual arrangement is different and sometimes gig economy platforms engage individuals as independent contractors when they are actually employees.

It's against the law for employers to misrepresent to an individual that they're engaged as independent contractors when they're really engaged as an employee. Where this happens, the business might have to backpay the person all the entitlements they should have received as an employee.

They could also be liable for penalties under the Fair Work Act.

Example: Possible sham contracting in the gig economy

Bridie works for a food delivery company. Bridie had to provide an ABN to sign up for the company's app.

The company tells Bridie that she's an independent contractor. She can't choose when she works and needs to work at least 4 hours each shift. If she wants to finish early, she has to find somebody else who works for the company to cover the rest of her shift.

Bridie uses a company-owned bike to make the deliveries and wears a uniform with the company's logo. She needs to complete all the deliveries herself and is paid per delivery. She doesn't get paid penalty rates for weekend work.

Bridie has heard a rumour that the company hires everyone as contractors so they don't have to pay weekend penalty rates. She raises her concerns with us.

We say it sounds like she might be an employee, even though the company told her she's an independent contractor. This is because Bridie:

- has an obligation to accept work
- wears a company uniform
- uses a company bike
- has to do the work herself
- has fixed shifts.

We investigate the food delivery company for possible sham contracting.

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More information for gig economy workers

If you're working in the gig economy, visit our [Independent contractors page \(www.fairwork.gov.au/find-help-for/independent-contractors\)](http://www.fairwork.gov.au/find-help-for/independent-contractors) to:

- find out the differences between independent contractors and employees
- understand whether you've been misclassified as an independent contractor
- work out what to do if you believe you've been misclassified as an independent contractor.

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Contact us

Fair Work Online: www.fairwork.gov.au

Fair Work Infoline: 13 13 94

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Contact the Translating and Interpreting Service (TIS) on 13 14 50

Hearing & speech assistance

Call through the National Relay Service (NRS):

For TTY: 13 36 77. Ask for the Fair Work Infoline 13 13 94

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