



National Sharing Economy Principles

The sharing economy is changing how Australians buy and sell goods and services. At the same time, it is changing how we think about work and the dividing line between our private goods and public assets.

Labor wants to see all Australians share the benefits of the sharing economy. We also want to get the rules right to protect workers, consumers and the community.

Labor's work on the sharing economy is part of our plan to build a more innovative and entrepreneurial Australia. We are stepping up to the new challenges and opportunities of the digital economy.

Labor's Principles

1. Primary property is yours to share

The sharing economy has come about through people making better use of their spare rooms, the empty seats in their cars and their unused tools. So when Australians use this primary personal property to deliver services, rules and regulations specific to the sharing economy should be applied. These should involve light-touch regulation which protects consumers without creating undue regulatory burden.

But when additional property is being used to deliver services, this does not fall within the scope of the sharing economy. Standard commercial regulations and requirements should apply when an apartment is being rented year-round or someone has a fleet of cars on the road.

When applying sharing economy-specific rules and regulation, compliance responsibility should rest with sharing economy platform operators wherever possible. This recognises that these platforms are better-equipped to understand and meet regulatory requirements than the individual Australians providing services through them.

2. New services must support good wages and working conditions

Sharing economy services must not undercut the wages and conditions of Australian workers. Companies that facilitate labour hire should ensure their pricing and contracting arrangements allow Australians to achieve work outcomes at least equivalent to the prevailing industry standard.

Australians delivering services through sharing economy apps are generally not employees. But it must be recognised that they are not entirely independent contractors either. This is because they do not have the bargaining power to meaningfully negotiate prices or conditions on individual jobs.

The Federal Government should look at ways the Fair Work Act, Independent Contractors Act and Competition and Consumer Act could allow collective bargaining by sharing economy workers over issues like pricing, service charges and network access.

Commonwealth and State governments should also investigate options for bringing sharing economy workers into insurance and workers' compensation schemes – as is currently the case for certain independent contractors in states such as New South Wales – and explore reforms to support compulsory superannuation saving through the tax system.

3. Everyone must pay their fair share of tax

Everyone doing business in the sharing economy must pay a fair share of tax.

Sharing economy companies must pay company tax at the standard corporate rate on all revenue generated in Australia.

Australians delivering services in the sharing economy must pay income tax at the standard marginal tax rate relevant to their annual income. They are also required to collect GST when their annual activity exceeds the current GST-exemption threshold.

Since all its transactions take place online, the sharing economy has the potential to improve tax collection and simplify taxpaying. To facilitate the payment of tax, sharing economy companies should collect Tax File Numbers or Australian Business Numbers from the Australians operating on their networks and report annual earnings data to the ATO for pre-filling in tax returns.

4. Proper protection for public safety

Sharing economy companies and those delivering services through them must have appropriate insurance policies to cover customer and third party risk.

Sharing economy companies should work with the insurance sector to develop products which accommodate mixed personal and sharing economy use of property such as cars and homes.

These companies should also act as an 'insurer of last resort', where doing so does not create unreasonable barriers to entry for new competitors.

Compliance responsibility for meeting insurance requirements should rest with the sharing economy companies. They should cite and hold on file relevant insurance documentation for the Australians delivering services through their platforms.

Sharing economy services should be subject to the provisions of Australian Consumer Law. This means that Australians are entitled to all standard protections relating to consumer rights, honest conduct and product safety when using these services.

State and local governments should develop licensing and inspection codes specific to sharing economy services. For example, in some international jurisdictions governments have opted to take a light-touch approach based on minimum standards and streamlined vetting. These codes should recognise the lower level of risk posed

by these services relative to commercial operations, rather than seeking to directly replicate existing regulatory structures.

In determining whether sharing economy-specific or standard commercial regulations should apply to a particular activity, the personal property rule should be applied.

5. Access for all

Sharing economy services should be required to meet agreed accessibility standards. Not every service will be fully accessible for people with disabilities, but sharing economy companies should negotiate appropriate service levels through binding accessibility agreements with disability advocates.

The Australian Human Rights Commission should have jurisdiction under the Disability Discrimination Act to intervene where agreement cannot be reached or negotiated standards are not observed.

Sharing economy services should be encouraged to offer platforms that cater specifically to people with disabilities. For example, Uber Assist offers disability-accessible cars and vans.

6. Playing by the rules

In a context where tailored, light-touch rules exist for the sharing economy, there should be zero tolerance for companies that continue to flout Australian laws.

Sharing economy companies should be subject to heavy penalties if they are found be operating in contravention of laws applying this flexible and responsive framework.

Where platform operators repeatedly violate Australian laws, governments should take action to disable their operations.

Where to from here?

A Shorten Labor Government will work with state and territory governments to deliver legislative and regulatory reforms which turn these principles into concrete laws. The Australian Competition and Consumer Commission and the Productivity Commission will be tasked with monitoring developments to determine how well this new regulatory approach is working and the impact on existing markets.



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