



Labour Hire v Gig Work

Know the Difference

As it becomes harder to find work and hire great workers, some businesses and workers are tempted to use online gig work platforms.

What most people don't know is that there is a huge difference between 'labour hire' and 'gig work'. They definitely are not the same and you should know the difference so you can make the right decisions.

Online gig work platforms typically promote the use of workers as independent contractors, rather than employees, and only match a worker with an end-user, rather than taking responsibility for those gig workers. This means that the protections for workers are significantly lower for gig workers than labour hire workers.

Online gig work platforms rarely cover workers for Fair Work, award wage rates/allowances/loadings, workers compensation or superannuation. Labour hire agencies, on the other hand, employ their workers, which means they get all the protections of employment law.

This guide has been prepared by RCSA, the peak industry body for recruitment and staffing industry in Australia and New Zealand, to ensure you know the significant difference between labour hire work and gig work.

Labour Hire	Gig Work
✓ Labour hire employees receive employment entitlements	✗ Gig workers receive no employment entitlements because they are engaged as independent contractors
✓ Labour hire employees receive pay that is underpinned by the National Employment Standard, Awards and Enterprise Agreements	✗ Gig workers receive 'fees' for which there is no minimum
✓ Labour hire employees receive penalty rates, shift loadings and weekend loadings under awards and Enterprise Agreements	✗ Gig workers do not receive penalty rates, shift loadings or award entitlements
✓ Labour hire agencies take legal responsibility for workers and how they work on an assignment	✗ Online Gig Work Platforms simply 'introduce' workers and pass on any responsibilities
✓ Labour hire agencies pay superannuation	✗ Gig workers are not paid superannuation by the platforms
✓ Labour hire employees are covered by workers compensation insurance	✗ Gig workers are not covered by workers compensation insurance
✓ Labour hire agencies are responsible for work safety and employment law compliance	✗ Online Gig Work Platforms are not responsible for work safety or employment law compliance
✓ Labour hire employees are protected by unfair dismissal laws	✗ Gig workers are not employees and not protected by unfair dismissal laws
✓ Labour hire agencies pay the worker's income tax	✗ Gig workers are responsible for paying their own tax