

The Sharing Economy

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An ethical overview of the sharing economy

What's the sharing economy?

The sharing economy is a relatively new concept that helps us think about how we can use all of our resources more efficiently. It's often associated with technology and online marketplaces because they can help us connect with more people than, say, the community noticeboard. But the sharing economy starts with your interactions with family, friends and people at work. Technology is just an enabler to broaden the circle of people you

can share things with – whether it's your car, your tools or even your house! When it comes down to it, we have a finite amount of resources on the planet and it makes sense – both for the environment and your back pocket – to get the most out of things that are sitting idle. If we think about it, most of us have something of value that we haven't used in a long time – and in a nutshell, that's what the sharing economy is all about!

Projections by *PriceWaterhouseCoopers* show the sharing sector has the potential to increase its global revenues from \$15 billion today to \$335 billion by 2025.

Why is it important?

Our planet has an ever-growing population with finite resources and a seemingly insatiable appetite for buying things. The United Nations predicts that if the global population reaches 9.6 billion by 2050, the equivalent of almost three planets could be required to provide

the natural resources needed to sustain our current lifestyles. The sharing economy could be one way to help combat the impacts of overconsumption while also saving money and increasing our opportunities for social connection.

“Sharing rather than owning helps people - and increasingly organisations as well - save money, earn income, lower carbon footprints, increase social capital, boost community, meet new people, build trust (including “stranger trust”), and even enhance choice and convenience.”

APRIL RINNE, SHARING ECONOMY ADVISOR

A snapshot of the sharing economy in Australia



Australia's sharing economy is worth around \$15.1 billion (February 2017).



Research conducted by The Sharing Hub found that 1 in 10 Australians are significantly boosting their income through the sharing economy by supplying services.



On average, people are using their extra cash to help pay bills and even pay off the mortgage.



Comparison site Finder estimated that 1 in 5 Australian adults are turning to the sharing economy for at least some additional income.



People with full-time employment are more likely to be earning income via the sharing economy.

Ethical issues to be mindful of

The rise of the sharing economy has not been without criticism. As profits and complaints against some operators increase, it's worth asking: What are the responsibilities of these types of platforms? Are these sharing economy platforms truly just intermediaries facilitating transactions for individuals or are they companies with the same responsibilities as other service providers? Are car sharing platforms leading to more cars on the road, for example – and do short-term accommodation platforms undermine the rental market and circumvent safety regulations?

INCOME EQUALITY

Platforms like Uber and Airbnb are now consulting with the Federal Government about new reporting regimes to ensure that income is being declared correctly. From July to December 2017, around 10.8 million Australians are estimated to have earned extra money from sharing economy services. However, many studies have shown that workers are not always paid minimum wage or superannuation. There are also concerns that the sharing economy can lead to insecure work where people who are desperate for employment participate in a race to the bottom for work at rates that do not provide a living wage. With something as swiftly evolving as the sharing economy, the law is often one step behind. It's also worth remembering that the price consumers pay has a commission removed by the platform before the worker is paid.

Privacy

Whenever you share personal information with a platform, make sure you read their privacy policy. Be wary of those that don't have one!

CONSUMER RIGHTS

According to the Australian Competition and Consumer Commission, "when you buy from someone you connected with through a sharing economy platform, you generally have the same rights as you have when you buy in a store". Consumers have the right to expect the truth and that goods and services are of acceptable quality and safety. However, these rights may not apply if you buy from a person who is undertaking a one-off transaction.

TRUST

Collaborative consumption expert Rachel Botsman defines the term reputation capital as "the sum value of your online and offline behaviours across communities and marketplaces." Trust is integral to the sharing economy. Consumers are usually dealing with strangers, or just a piece of technology, so there needs to be a way to build trust. A sharing platform's peer-to-peer rating or comments system is how a user's reputation is measured. It's a way of rewarding good behaviour in the marketplace. Rachel believes that your online reputation will be more powerful than your credit history in the 21st century.

CONSUMPTION AND SAVINGS

Saving money is often the primary motivator for using the sharing economy, but these savings can help you do something good for the environment. Some critics suggest that any savings are simply spent on other carbon-intensive products and services, for example, money saved on buying a car being spent on flights for a holiday. Of course, a person's carbon footprint is not the only indicator of environmental impact - think waste, water use and habitat destruction. Ultimately, the decision to spend any sharing economy savings on low impact products, services or experiences is up to the individual.





Fashion

In the last 15 years global clothing production has approximately doubled while the number of times a garment is worn has decreased by 36%. In Australia the rise of fast fashion has led to 6,000 kg of clothing being sent to landfill every 10 minutes. In landfill, the decomposing clothing releases methane, a harmful greenhouse gas. And even before clothes reach stores, damaged products and rolls of branded or recognisable fabrics are slashed, landfilled and incinerated. Research by the *Bureau of International Recycling* shows that rescuing a single kilogram of used clothing from landfill can help save up to 3.6 kilograms of CO2 emissions and 6,000 litres of water consumption.

“6,000 kg of clothing is being sent to landfill every 10 minutes.”

CLOTHING RENTAL

As part of a growing shift away from fast fashion, clothing rental platforms have stepped up to help Australians reduce their fashion footprint while maximising access to quality clothing and accessories.

The Clothes Library allows you to rent fashion sourced from second-hand stores, op shops and garage sales. They also allow members to trade clothes from their wardrobe. **Outdress** connects you with lenders in your local community so that you can hire anything from luxury brands and wedding attire to snow-gear and kidswear. The extra bonus is that they don't charge you a commission. **Ekoluv** is Australia's first zero waste sustainable dress hire and consignment boutique. **GlamCorner** carries more than 9,000 dresses from over 200 top international and Australian designers. They're also a certified **B Corporation**, meaning they've met the highest standards of social and environmental performance.

“By sharing a designer item with 20-30 other women who would otherwise have purchased a single item to use once and dispose of, you can help to reduce the environmental impact of such a wear by up to 95%”

ANASTASIA PAPPAS,
GLAM CORNER



The Volte call themselves the Airbnb for fashion! This online marketplace enables members to both borrow and lend high end designer wear. If you're based in Perth or Melbourne, **Something Borrowed** operates as a shop where you go in and try on dresses in person. The cost of rental is per weekend, and you can either take the dress home the same

day, or book it for the future. **Designorex** is touted as the world's largest peer-to-peer designer dress sharing platform. They build trust by using security features such as real-time ID verification which scan driver's licences and passports. Australia's longest running rental platform is **Dressed Up**, which features garments for all body types.

ALSO CHECK OUT:

- Your Closet

- Her Wardrobe

- Dress for a Night

- Tumnus

CLOTHES SWAPS

Clothes swapping is another sustainable way to find a new outfit without spending a cent, and it's also a great opportunity to meet other fashionistas like yourself!

The Clothing Exchange hosts events in venues around Australia with guidelines to ensure everything is fair and fun. See our **Good Fashion Guide** to discover more ways to embrace ethical fashion!





Dog-sitting

When you're in need of a mood boost, there's nothing quite like snuggling with your pet! Science has shown that interacting with our furry friends is not only fun, but it's also good for our physical and mental wellbeing. Dogs benefit from our interactions with them as well, and dog-sitting services ensure they're actively cared for and walked regularly. For humans, interacting with dogs is associated with a lower risk of death from cardiovascular disease or other causes. Walking a dog gets you outdoors, exercising and potentially making new friends. If you're unable to own a dog, surely the next best thing would be to borrow one?

BorrowMyPooch matches local dog owners with local dog lovers they can trust, for walks, holiday care, playdates and sleepovers. Members can borrow a pooch for an hour, a day, a night or more! For dog owners, this means your pup

can have some exercise and company during those busy periods. Members pay a yearly subscription or a one-off payment for lifetime membership. BorrowMyPooch also donates 10% of profits to **The Black Dog Institute**.

Ready to meet fellow dog lovers in your neighbourhood? Free platform **Dogshare** is a great way to arrange playdates and find reciprocal walking partners.

ALSO CHECK OUT:

- Mad Paws
- Pawshake

Baby gear and toys

Much of the time, baby gear is that frustrating mix of purchasing something expensive that is quickly outgrown.

Kindershare helps by connecting owners of baby equipment with those who need items on a short term basis. Meet local families as you rent anything from foam playmats and baby joggers to specialised travel equipment for long-haul flights.

Toy Libraries Australia is the peak body for over 280 toy libraries in Australia and a non-profit incorporated association. Toy libraries allow parents to save money and reduce the amount of toy waste that goes to landfill by providing access to hundreds of quality toys.

Membership of *Toy Libraries Australia* is open to all not-for-profit toy libraries in Australia.





Tool libraries

A fantastic way to help your wallet and the environment is to reuse and repair! The sharing economy allows you to get cracking on a variety of projects without the price tag associated with owning all the latest gadgets.

ToolMates Hire is an Australian marketplace where people rent the tools they need or make money off their existing equipment.

Public tool libraries, otherwise known as 'libraries of things', have begun to spring up across the country. The **Brisbane Tool Library** offers flexible membership schemes for access to hundreds of tools for the price of one tool. In Melbourne you can visit the **Brunswick Tool Library** and in 2019 The **Inner West Tool Library** opened its doors in Sydney.



On the road

A photograph showing two women in the front seats of a car. The woman on the right is driving, wearing a red top and a seatbelt, looking forward. The woman on the left is in the passenger seat, wearing a white top with a black pattern, looking towards the driver. The car's interior, including the steering wheel and dashboard, is visible in the background.

Car sharing

Australians love their cars. For many, it's part of who they are. On some estimates the distance travelled by car in Australian cities is growing by a billion kilometres per year! Yet the time we spend commuting between work and home can have a serious impact on our physical and mental health, not to mention the financial and environmental costs.

- The average two-car household spends up to around \$16,000 per year, even though most cars are parked for 85% of their lifetime!
- Overall, transport makes up approximately 14% of Australia's total greenhouse gas emissions.
- On top of that, the societal cost of traffic congestion is predicted to increase by more than 5 per cent each year up to 2030.

Car sharing initially had a slow start in Australia being a nation attached to the independence of owning your own car. In addition, specialised car parking spaces for vehicle sharing was very limited. Now it is an established option for transport in most cities (though some platforms only operate in Melbourne and Sydney). There are 4 types of car sharing in Australia:

- 1. Car pooling**
- 2. Car loaning**
- 3. Car hailing**
- 4. Car park sharing**

CAR POOLING

This is a service where you're matched with drivers or passengers who are travelling in the same direction as you. **Coseats**, **LifeSocial** and **Share Your Ride** are examples of these platforms. Some services like LifeSocial and Coseats also have sections for car and campervan relocation. Taxi-like services are beginning to provide options to pick up other riders who can share part or all of the journey such as **UberPOOL**. **Bridj** is another platform providing sharing-commutes using its own fleet of mini-buses.

CAR LOANING

This is where you can borrow cars or vans from the platform's fleet of vehicles or an individual. **GoGet**, **Flexicar** and **GreenShareCar** for instance offer a fleet of fuel efficient cars, vans and SUVs.



Whereas **Car Next Door** (who offset the CO2 of every kilometer you drive) and **DriveMyCar** offer vehicles from their community of local car owners. You might even like to list your car to make a bit of extra cash. Similarly, those who drive to airports and pay for parking can share their vehicle via **Carhood** to make money while you're away.

CAR HAILING

This is a taxi-like service where someone drives you from A to B in their own car. **Shebah** is an all-female ride sharing service. It's also the only legal rideshare for children to ride in alone as every driver has a Working With Children check. And they donate 1% of every ride to a charity that supports women. **GoCatch** is basically the 100% Australian version of **Uber** and **Taxify**.



CAR PARK SHARING

So you may not have a need to car share but what about car park sharing? The benefits are that you might save money, reduce stress and have a better chance of being on time with a booked place to park. You're using spare space whilst providers are making money from their driveway or garage. **DIVVY**, **ParkingMadeEasy**, **ShareWithOscar** and **Parkhound** are four of those platforms, whilst **Spacer** which acquired Parkhound in 2017, claims to be Australia's largest marketplace for storage and parking.



For electric vehicles, **Everty** is a platform to share charging stations.

ARE THERE ENVIRONMENTAL BENEFITS WITH CAR SHARING?

There is evidence to show that car sharing does reduce car ownership. Research by the European Federation for Transport and Environment found that 5-15 cars are replaced for each shared car added to a fleet.



The potential benefits of car sharing compared to car ownership include:

- Reduced use of the energy and resources that go into making new cars
- Generally, lower levels of car use leading to
 - Lower carbon footprint
 - Reduced air pollution
 - Less congestion (while travelling and when parking)
 - Better health
 - Increased household savings
 - Less storage space required.

In terms of car fleet loaning:

- Vehicles are typically newer and more fuel-efficient than the average vehicle
- GoGet found that 23.5% of members say they walk more and 24.2% say they drive less since joining.

Car pooling vs car hailing:

- A University of California study suggested car pooling would reduce more CO2 emissions than car hailing platforms like Uber.

Bike sharing



Proponents say bike sharing reduces car use which is of course, good for the environment. There are two types - those that are dockless and those with docking stations. The idea of dockless bike sharing is that users don't need to find dedicated stations and can leave the bikes in a public place for the next user. Convenience is the key motivator, in addition to health and fitness, travel time savings, enjoyment and financial savings.

Lime, oBike, EarthBike, Mobike and **Airbike** are some of the dockless variety.

Melbourne Bike Share, CityCycle in Brisbane and **SpinWayWA** in Perth have docking stations.

HAS THE BIKE SHARING EXPERIMENT WORKED?

Over 22,000 share bike trips are made across Sydney each week, which is the equivalent of 350 buses packed with passengers. However, city-dwellers across Australia will likely have seen damaged dockless bikes littering the streets and in strange places like in rivers and up trees.

There have been many articles written by researchers looking at why this has occurred. They've identified a lack of bike parking space, Australian culture, lack of an education campaign and an imperfect business model.

Some Australian cities have seen operators like China's ofo pack up shop, and it remains to be seen whether the bike sharing experiment will work in Australia.

Accommodation

Most people have heard of or used Airbnb. Sydney became the world's 5th largest Airbnb market following 106% growth in inbound guests between 2014/15 and 2015/16. Comparison site Finder found that renting out rooms or apartments on platforms like Airbnb was earning property owners \$8,140 on average. But there are other platforms that allow users to participate in the accommodation sharing economy.

The Room Xchange is an online platform that connects busy, time poor hosts with guests who provide two hours of help around the house each day in exchange for food and accommodation. The value to the host is the personal time they gain back. The value to the guest is the reduced cost of living.

Couchsurfing is another platform where guests stay with hosts for free. It's promoted as a community where you meet people in other cities or your own.

THE AIRBNB EFFECT

Globally, Airbnb has been blamed for driving up rental prices, accelerating gentrification and displacing local residents by reducing available housing.

They acknowledge that professional hosts with multiple listings have been exploiting the sharing economy. Reportedly, Airbnb has been used to convert apartments into illegal hotel rooms for tourists. Airbnb may also bring benefits, however, such as helping to increase the number of people (i.e. tourists) who spend money in an area, without new hotels needing to be built.

According to Inside Airbnb, around 63% of Melbourne and Sydney listings are entire homes or apartments, rather than space or room sharing locations where the owner resides. Renting out residential properties permanently as hotels, as opposed to sharing the primary residence in which they live "occasionally", is not what the sharing economy was meant to be about.

In terms of environmental benefits, Airbnb released data they believe supports environmentally-friendly travel. Their analysis across Europe and North America found that choosing Airbnb instead of hotels:

- Improves energy savings (less 24-hour hallway lighting, air conditioning and elevator use)
- Reduces greenhouse gas emissions (less heating/cooling)
- Reduces waste (less single-use shampoo and soap packaging, more recycling available)
- Reduces water use (more water efficient features).





Caravan and camping

Caravans, motorhomes and camping trailers often sit idle on streets and properties for long periods. More and more owners though are catching on to the idea of these assets actually being investments.

According to Camplify, there are over 500,000 registered recreational vehicles (RVs) in Australia, used on average for only six weeks a year. They suggest a \$45,000 caravan rented out for 80 days a year could provide an annual return after costs of 30%.

For the hirers, they get to experience the joy of camping (if that's your thing) without having to buy a recreational vehicle. Various platforms currently operate in Australia such as **Camplify**, **MyCaravan**, **Outdoorsy** and **SHAREaCAMPER**.

Adventure gear

If you have adventure equipment like a surfboard, bike or skis that sit around unused, or you want to go on holidays without the hassle of taking (or buying) gear, then **Quipmo** or **Spinlister** is for you. These platforms allow you to rent equipment off someone with local knowledge. For lovers of water sports, **GetMyBoat** gives you the chance to rent anything from a houseboat and jet-skis to kayaks and paddle boards in 184 countries.





In Your Community

Research shows that it's belonging to groups that's most important for your physical and mental health. There are a number of platforms that help people connect with others in the community in a range of ways. From support workers to educators to community food and gardening, there are options to share skills and fun!

Skillshare and education

ClassBento connects teachers with students in a creative community marketplace for fun workshops about art, craft, food and drink, pottery and more.

Amikumu is an app to connect and meet others nearby to speak any language. It's a great way to practice a language you're learning to speak.

SydneyLETS is a way to buy, sell and provide services like cooking, pet sitting, decluttering, designing, growing food, and even support

for a small business. However, money is not exchanged. The platform has its own currency called "Operas" and shares ideas and tips on how to support each other and the environment.

Street Library Australia provide homes for books in your front yard. They invite your neighbours to share the joys of reading and provides a map to find your nearest street library.

Food and gardening

Australian City Farms and Community Gardens Network is a community-based organisation that links people interested in city farming, community gardening and community food systems around Australia. The platform allows users to find a community garden or provides guidance to start a garden. **Crop Swap Australia** is an organisation which facilitates cashless markets for sharing and exchanging homegrown produce and other gardening resources. Crop Swap have groups in numerous local communities.

ShareCity is an ongoing research project into sustainable food economies in cities globally. Their website acts as a great educational resource on the subject of food sharing and also contains a global database of food sharing initiatives.

ShareWaste is a free app connecting people who would like to recycle their organic waste (but lack access to necessary space and facilities) with those in their community who compost, worm-farm or keep chickens.





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