

# The \$52b side hustle economy offers a shot at getting rich

*The ATO estimates there are around 1 million side hustlers, including a fast-growing group of white-collar workers seeking new careers, extra cash and fun.*

**Duncan Hughes** [/by/duncan-hughes-j7gc6] Reporter

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Pete Williams combines running a telecom company with his role as a professor of practice at Deakin University. **Arsineh Houspian**

**P**ete Williams is the boss of a multimillion-dollar telecoms company with a side hustle teaching other young entrepreneurs to create their own successful businesses.

“The Aussie dream is not just about owning a home any more,” he says. “It’s about owning a home business too. It used to be putting food on the table, now it’s about adding dessert and maybe a glass of wine.”

Williams is the founder of a number of companies including Simply Headsets, which sells office headsets. His second job as a “professor of practice” at Deakin Business School is more about passion than paycheck.

And he’s not alone. The Australian Taxation Office (ATO) estimates there are around 1 million side hustlers, including a fast-growing group of whitecollar workers [<https://www.afr.com/work-and-careers/workplace/how-these->

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[professionals-earn-more-than-10-000-a-month-on-the-side-20230502-p5d4ve](https://www.afr.com/work-and-careers/workplace/how-these-professionals-earn-more-than-10-000-a-month-on-the-side-20230502-p5d4ve)] **who**

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pursue extra jobs on the side to find new career opportunities, learn new skills, indulge in passion projects, earn extra cash or have just some fun.

Many establish start-ups in the hope they will parlay a fledgling business idea into life-changing sums of money [<https://www.afr.com/rich-list/australia-s->

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[10-richest-people-revealed-20240521-p5jfe4](https://www.afr.com/rich-list/australia-s-10-richest-people-revealed-20240521-p5jfe4)] **or, at the very least, selfemployment.**

La Trobe University professor of entrepreneurship Alex Maritz calls these people “hybrid entrepreneurs” [<https://www.afr.com/work-andcareers/workplace/why-these-companies-want-staff-to-run-businesses-on-the-side20230619-p5dhog>] – **individuals who start a business venture while maintaining paid employment.**

“One might want to pursue hybrid entrepreneurship because selfemployment as a second job provides an enticing source of extra income together with flexibility,” Maritz wrote in a 2023 paper.

“At the same time, it is also a means to obtain certain non-monetary benefits such as autonomy and self-actualisation, which may not be available in a primary wage job.”

However you describe it, side hustling appears to be having a profound effect on the economy and society. The ATO does not have an estimate of how much side hustlers earn, but taxpayers with both a business and other employment income generated around \$52.5 billion in 2021-22. “That is an impactful number that demonstrates how pervasive hustles and side gigs have become,” Williams says.

“It covers everything from million-dollar-earning professionals through to weekend traders.”

During the past four years the number of secondary jobs has increased by around 25 per cent, which is almost double the growth of main jobs, according to Kate Lamb, head of labour statistics for the Australian Bureau of Statistics (ABS).

Professionals are the second-highest group to hold a second job behind community and personal services workers, according to the ABS.

“It’s not just about paying the bills, it’s also about pursuing thrills,” Williams says. “People are using side hustles to chase their passions. It sounds cooler than saying ‘I work overtime.’”

Of course, for some people taking on a second job is a matter of making ends meet as living costs soar. According to Finder research out this week, 40 per cent of home owners say they are struggling to pay their mortgage in September and two in five Australians have less than \$1000 in savings.

Evgenia Dechter, an associate professor of economics at the University of NSW Business School, says the number of professionals with hustles has increased by about 30 per cent to 8.5 per cent for men and remained around 7.8 per cent for women during the past five years.

Women have a higher proportion of multiple part-time jobs overall because they have historically been more likely to work part-time.

“Professionals are increasingly trying something else, maybe trying to become self-employed, or getting some new skills,” Dechter says, adding that hustlers typically work about five extra hours a week than single job holders. That’s a total of around 44 hours for men and 35 for women.

“The upward trend in multiple jobs can be attributed to technological changes that have led to structural shifts in the labor market, such as digital platforms and availability of jobs,” she says.

Other reasons include rising living costs and slow wage growth, the search for better job matches, and the desire to acquire new skills that could open up alternative career opportunities, including self-employment, she says. Growth of

digital platforms, which boomed during the COVID-19 lockdown, are also contributing to its growth.

Angela Knox, a professor of management at the University of Sydney, adds: “The skills shortage means the work is there. Alternatively, it’s an opportunity to dip a toe in the water, to test whether an alternative job works.”

The gig economy, which is dominated by short-term contracts or freelance workers, often with specialist digital skills such as social media influencers, is also providing an alternative career path from the traditional full-time job.



Maddison Flannigan has high hopes for her party hire business. **Lindsay Arthur.**

Maddison Flannigan is a full-time restaurant and hotel manager, spends her spare time building a party hire side hustle she hopes will grow into a hospitality and catering company. Flannigan, 30 – whose company is called 2 Sheilas 1 Barn – says the hospitality industry “is in my blood”. “I own all the furniture and props of my business and hope it just keeps growing. Currently, I just cover costs, but it is something I love doing.”

Sid Jain is hoping his side hustle might eventually evolve into a new career.

Jain is a director of a research and innovation precinct at La Trobe University, with a weekend hustle called Biomeg.

It is a consultancy he set up to turn smart agribusiness research and ideas into commercial operations across the Asia Pacific and Middle East.

“It’s still a start-up, but this is clearly a hot space,” Jain says. “There is a lot of interest in Australia and the consulting complements my work at LaTrobe University,” he says.

Jain says his hustle is a “long-term play” that will probably take around five or six years to mature because it is involved in nurturing early-stage technologies that require investment from governments and the private sector.



Sid Jain runs a side hustle looking to build Asian and Middle East investment links with Australia.

**Louis Trerise**

Rising tax revenues and large numbers of hustlers means the ATO is increasingly focused on whether income and claims are being correctly reported, according to tax specialists.

Dale Boccabella, an associate professor at the University of NSW Business School, says the ATO's extensive reporting requirements and high-tech scrutiny, such as data matching using information from a range of sources, means it is getting increasingly difficult to dodge tax liabilities.

"Some hustlers have seen this as a tax-free zone," he says.

That could possibly explain the 20 per cent gap between those claiming to have a hustle and those paying tax, according to tax specialists. Official statistics estimate there are around a million hustlers, of whom 800,000 pay tax.

Mark Chapman, a director of H&R Block, says all income is liable for tax. That includes money earned from all jobs, including full-time, part-time, casual, or odd jobs, self-employment and cash jobs.

"It also means every sale will count towards taxable turnover and will need to be declared on the income tax return," Chapman says.

"Cash payments also need to be declared. The ATO traps many businesses that – deliberately or otherwise – don't record cash sales."

Operations with turnover exceeding \$75,000 must register for goods and services tax (GST), which adds 10 per cent to all taxable sales.

An ATO spokesman warns that proper records must be kept to prove any claims you make. That can range from the cost of training courses through to buying stock, phone, internet, marketing or travelling to meet customers or clients.

"A bank or credit card statement on its own usually isn't enough evidence – there have to be receipts," the spokesman says.

Chapman says there is one opportunity for side hustlers to look out for. "Capital equipment for a business costing less than \$20,000, such as a car, a van, computer equipment, office furniture or plant to manufacture a product, can be claimed as an immediate deduction," he says. The incentive ends on June 30, 2025.

Derek Gascoigne, an adviser with UniSuper reminds hustlers to check that employers are paying the right amount into their super.

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