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Select Committee on Job Security
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Dear Committee members,

Menulog thanks the Committee for its Interim Report (**Report**).

We would like to correct and clarify some matters in relation to Menulog's evidence as cited in the Report. These may have a bearing on the conclusions drawn. We kindly ask that this letter is published on the Committee website.

Current active Menulog customers and local restaurants served

3.60 of the Report indicates numbers of current customer and local restaurants that Menulog connects those customers with. We understand that information was drawn from our website at the time the Report was drafted. That information has since been updated. Menulog now connects more than 3.8 million active customers with over 30,000 local restaurants via our application and website.

Number of safe deliveries per hour

5.96 and 5.176 of the Report cite Menulog's response to a Question on Notice regarding average hourly pay as an indication that Menulog couriers in Australia can only safely make two deliveries per hour. **This was not Menulog's evidence nor is it accurate as far as a "safe" delivery rate in Australia.** Some further explanation may assist:

1. The response to QON at 4(a) was in the context of estimating average hourly rates of pay and was not in any way a comment on safe deliveries per hour in Australia. Menulog indicated: *"We do know that couriers can (in Europe) safely complete (on average approximately) two deliveries per hour and our couriers earn \$11-12 per delivery"*. However, this was further to, and should be read in conjunction with Mr Belling's evidence in the next paragraph on the same point (average hourly pay rates). This makes clear the only reason the European two per hour delivery rate was quoted was that, in the absence of data on deliveries per hour in Australia, an estimated delivery rate had to be gleaned from somewhere to arrive at an estimated hourly rate of pay in Australia. **The average approximate European figure was in no way cited in relation to safe delivery rates, much less safe deliveries rates in Australia.**
2. Mr Belling's evidence at p57 Hansard, and summarised at 3.62 of the Report, includes no reference to "safe" deliveries per hour: *"In reaching an estimation of the hourly rate of remuneration, Menulog stated that, based on its European operations where employees are exclusively employed, workers fulfil approximately two orders per hour. Combined with an average pay per order of \$11 to \$12 in Australia, Menulog estimated that the average pay ranges from \$22 to \$24 per hour."*
3. **Quite apart from the use of European figures out of context, two per hour as an average approximate safe delivery rate in Australia is not accurate:**

- In terms of safe deliveries per hour no figure can be reliably arrived at because there are very different considerations depending on:
 - length of trips between restaurant and customer. These vary greatly within a locality, between different metro locations and also between metro and regional e.g. several per hour deliveries per hour in the one city block may be quite safe in some circumstances, but only a couple per hour in other circumstances
 - transport type (speed of delivery is very different for bicycle, motorbike and car but not always in the way you would assume)
 - topography (especially for bikes)
 - road conditions/traffic
 - availability of parking (which is not a consideration for bikes in the same way as cars and why bikes can sometimes safely deliver many more deliveries per hour than cars in urban areas with low parking)

Many of these factors additionally change from day to day, even in the one locality.

- Where the Just Eat Takeaway.com European business has an approximate average of two deliveries per hour, couriers work exclusively for our business. This means courier time is intentionally under-utilised in order to allow for additional capacity/ availability to manage fluctuations in demand. Where couriers can work for multiple businesses concurrently, there is no constraint to how their time can be utilised, meaning higher levels of orders per hour can be achieved without detriment to safety.
- If a question on safe deliveries per hour had been asked then Menulog would have answered that this varies depending on the above factors and that European information cannot reliably be used in Australia, nor can fixed numbers be used within Australia or even the same locality in Australia
- Although our main concern remains that two per hour is simply not an accurate representation on 'safe' deliveries per hour, the Report has additionally not referenced the "European" "average" and "approximate" points in referencing evidence on 2 per hour. For example, 5.96 of the Report says "Menulog submitted that its riders 'can safely complete...' rather than "Menulog submitted its riders in Europe can on average approximately complete..."

Motivation for multi-apping

In relation to the motivation for multi-apping referenced at 5.96 and 5.176, Mr Belling's evidence was not that unsafe multi-apping was the only way that a courier could currently earn a reasonable/minimum wage. Mr Belling gave evidence (at p55 Hansard) that multi-apping is most likely happening to optimise hourly rates of pay (rather than sitting around and waiting for a particular platform's order to come in) and because remuneration is based on deliveries vs hourly rates.

His evidence was that: *"If you move to an employee model, where you are going to pay an hourly rate, I think you eliminate the need for couriers to be multi-apping to the extent you see today"* (p55) and that to a certain extent you would limit, if not eliminate, the incentive for courier to do as many orders as possible (p58).

The conclusion that unsafe multi-apping is the only way that a courier can currently earn a reasonable/minimum wage is not supported by this evidence and is related in part to the above issue of using two per hour deliveries as the "safe" number.

Employment model will give greater direct control but cannot be directly correlated with fewer accidents or casualties at this time

5.135 of the Report states that Menulog's view is that moving to an employee model "would allow it have 'direct control over safety'" and lead to few accidents and casualties. Mr Teoh's evidence at p59 Hansard was that Menulog would have "**so much more**" or "**increased**" direct control or "**more ability for**" direct supervision over employee (vs contractor) actions. The point here is that an employment relationship is not an absolute guarantee of full direct control in the way use of "**would** allow it to have direct control" as 5.135 suggests.

More importantly Mr Teoh's evidence at p59 was that this greater level of direct control would lead to "**a greater ability to**" ensure safety not that the greater control would (absolutely) lead to fewer accidents and casualties. Menulog certainly hopes that greater direct control would in turn lead to fewer accidents and casualties but this is unfortunately not guaranteed. There are many other factors which will affect whether greater control and an increased ability to ensure safety lead to fewer accidents and casualties including road conditions, other road user behaviour and individual courier behaviour and compliance.

We are more than happy to discuss any aspect of the above further with the Committee.

Morten Belling
Menulog Managing Director