

Menulog responses to Questions taken on notice -

IMPACT OF TECHNOLOGICAL AND OTHER CHANGE ON THE FUTURE OF WORK AND WORKERS IN NEW SOUTH WALES (Monday 17 May 2021)

1. Number of couriers

The CHAIR: How many people whom you have engaged as couriers or food deliverers—or whom you would engage in a typical week—are delivering food through the gig side of your operations?

Mr BELLING: This is not how I wanted to start the session. I would like to take it on notice without putting it on the public record because the number of couriers is an indication of the size of our business and we are a listed business, so I would like to avoid—

The Hon. MARK PEARSON: Can you give us a ballpark figure?

The CHAIR: Or a range?

Mr BELLING: Yes. We are talking thousands.

The Hon. MARK PEARSON: A bit better than that?

Mr BELLING: Pardon?

The Hon. MARK PEARSON: Can you be a bit better than that?

The Hon. WES FANG: Point of order—

The CHAIR: Let us let the witness complete the answer before we do the follow-up.

The Hon. ADAM SEARLE: Yes, I think that is a good idea.

Mr BELLING: It is thousands of couriers in New South Wales. Maybe it helps with a high-level overview of where we are sitting in the market. We believe that Uber Eats is number one in the market. We believe that we are sitting as a clear number two with a distance down to numbers three and four, which we believe are Deliveroo and DoorDash. I hope that gives you an overview of the size of the business.

Mr DAVID SHOEBRIDGE: That is useful.

Mr BELLING: We are happy to provide numbers. We just want to indicate—

The CHAIR: Sure. If you wish to provide that on notice, potentially confidentially, I am sure we are happy to entertain the request. How many restaurants do you have on your platform? Did you say that?

ANSWER:

Menulog is owned by Just Eat Takeaway.com, a leading food delivery marketplace listed in London and Amsterdam. The Australian and New Zealand market is not reported separately in periodic results and as such, various data points pertaining to the business are commercially sensitive, as not disclosed.

The number of couriers has a direct correlation with delivery orders and as such, cannot be shared publicly. Menulog would be pleased to provide these figures to the Committee, with the assurance that this number will not be published.

2. Employment model – other jurisdictions where Just Eat Takeaway is rolling out

what you think is happening in theory may not be the same that happens in practice. And then I have to say at a global level, as I mentioned, we also went through a big merger last year where our former parent company merged with another company. That other company has been doing an employee model since 2016. Obviously through that transition you also learn what it means to operate that model, which is at the moment not existing here.

The CHAIR: On notice, will you provide us the jurisdictions in which those parent companies are providing that employee model?

Mr BELLING: Yes, happy to.

ANSWER:

Just Eat Takeaway.com employs couriers in 13 markets globally, including:

Netherlands
Germany
Switzerland
Austria
Belgium
Bulgaria
Poland
Romania
France -p;/
Italy
UK
Israel
Portugal

3. Courier earnings

Mr DAVID SHOEBRIDGE: This is my final question before I hand over, and I am more than happy for you to take this on notice, just to pre-empt where we get to. Deliveroo were asked what the typical earnings for delivery riders under their app would be and their answer was that their data shows that in March the national average earning was \$23.40 per hour including time spent waiting for orders, and that the hourly rate—or piece rate—for March was \$34.02 excluding waiting time for orders. That is only earnings on their platform, obviously. On notice, could you provide a similar analysis for Menulog?

Mr BELLING: We would be happy to cooperate and give what we can. This is where it is hard, because if you want to talk about hourly rates you almost need to know—they work across different platforms and we only see what we see. We know what we are paying per order and we know from our employee models that we have in other countries roughly how many orders you can do in an hour. So that could give us a proxy of what we think the hourly rate is going to look like, but it is a proxy and you do not really know until you get into this exclusive arrangement.

Mr DAVID SHOEBRIDGE: If you could give us an answer with as many caveats and as much explanation as possible, that would be really useful.

Mr BELLING: Yes, absolutely. I would be happy to.

ANSWER:

As noted in Menulog's testimony to the committee hearing, we don't believe it is meaningful to calculate that for contracted couriers, because they are paid a job

payment for each delivery opportunity that they accept. We do know that couriers can safely complete [on average approximately] two deliveries per hour and our couriers earn \$11-12 per delivery.

4. Personal injury and accident insurance – broker approach to sourcing insurance:

The CHAIR: Let us be clear: You went to a broker who approached the international markets?

Mr BELLING: We went to a broker with our ask: We need to find an insurance that gets as close to the same cover as you get under an employment relationship. Our broker sourced the market—

The CHAIR: Worldwide?

Mr BELLING: For Australia.

The CHAIR: Did they have to go to Lloyd's in London? Did they have to go to an international broker?

Mr BELLING: I am not sure what their approach was. I can definitely come back to you if you want.

The Hon. ADAM SEARLE: Please.

The CHAIR: Could you? Because we are interested in how available this insurance is, both in Australia and worldwide.

ANSWER:

We can confirm our current insurance broker, Aon, reviewed products currently available for the Australian market only.

Placement with Lloyds or a UFI was not considered a viable option for Menulog given the speed in which the policy was intended to take place.

Locally Aon approached three alternative insurers for an anonymous expression of interest in underwriting the risk.

One underwriter declined to explore the opportunity and two underwriters showed initial interest to assess the opportunity in more detail but each acknowledged that they had either no or very limited experience with insuring personal accident risk for the sector and therefore both presented considerable reservations.

These discussions would have taken considerable time to reach a quotation, whereas Chubb Insurance Australia Limited had experience in underwriting the risk for online food and beverage platforms and presented indicative terms relatively quickly.

The program is approaching renewal in Q4 this year, and Aon will be re-approaching the above markets to gauge appetite for this risk.

5. Personal injury and accident insurance – benefits schedule

Mr DAVID SHOEBRIDGE: If you have got the benefits schedule, would you be able to share that with us?

Mr BELLING: Absolutely.

ANSWER:

Menulog's personal injury and accident insurance policy for couriers, includes:

- Accidental Death - \$530k-585k including funeral and dependant benefits
- Bodily Injury - \$2k/wk (85%) for 104 weeks, 10 day excess
- Permanent Impairment - \$400k
- Bones - \$2.5k
- Dental - \$5k, limit \$250/tooth
- Chauffeur - \$900
- Reconstructions - \$5.5k
- Modifications - \$10k
- Return to Work Assistance - \$10k
- Workplace Assault - \$5k
- Out of Pocket - \$2k

6. Comparative insurance costs – premiums

Mr DAVID SHOEBRIDGE: Have you compared the cost of getting that policy that you have got to what it would cost you for statutory workers compensation?

Mr BELLING: No, we have not made that direct comparison. We have not. I would like to take on notice again, and in confidentiality, the premiums that we are paying onto this policy, if that helps.

ANSWER:

We are more than happy to provide this information confidentially. Due to the fact that Menulog is part of a listed business and this information could be an indication of orders, we are unable to share without an assurance this will be kept in confidence.

7. Couriers – international students

The Hon. ADAM SEARLE: Amongst your city couriers, are they predominately overseas students?

Mr TEOH: I am not sure.

The Hon. ADAM SEARLE: If you have those statistics, that would be useful. My final question, and

ANSWER:

Menulog does not collect data on whether couriers are studying,