



28 May 2021

Injury insurance arrangements for food delivery riders in the gig economy consultation  
SIRA

Level 14-15, 231 Elizabeth Street  
Sydney NSW 2000

To whom it may concern

R&CA appreciates the opportunity to put forward our views on Injury insurance arrangements for food delivery riders in the gig economy.

R&CA is the national industry association representing the interests of over 48,000 restaurants, cafés, and catering businesses across Australia. The café, restaurant and catering sector is vitally important to the national economy, generating over \$38 billion in retail turnover pre-covid each year as well as employing 580,000 people. Critically, over 93 per cent of businesses in the café, restaurant and catering sector are small businesses, employing 19 people or less.

R&CA delivers tangible outcomes to small businesses within the hospitality industry by influencing the policy decisions and regulations that impact the sector's operating environment. R&CA is committed to ensuring the industry is recognised as one of excellence, professionalism, profitability and sustainability. This includes advocating the broader social and economic contribution of the sector to industry and government stakeholders, as well as highlighting the value of the restaurant experience to the public.

R&CA's Benchmarking Report 2020 highlighted the increased role of takeaway and delivery to the restaurant industry resulting from the COVID-19 pandemic as the industry further expanded its aggregators into alternative options such as pick-up and delivery. Specifically, 54 percent of Australian restaurants pivoted in response to the pandemic to include home delivery as part of their renewed business model. It is anticipated that 55 percent of the post-COVID-19 revenue stream will be made up by deliveries through online platforms. More recently, UberEats and Deliveroo have been approved to deliver groceries and medicine during Melbourne Stage 4 restrictions.

The R&CA Benchmarking Report 2020 also highlighted the increased role of takeaway and delivery to the restaurant industry resulting from the COVID-19 pandemic as the industry further expanded its aggregators into alternative options such as pick-up and delivery.

While there is some argument that employers should move away from employing independent contractors altogether, R&CA submits that independent contracting arrangements should continue to exist on the following bases:

1. They are popular and an increasing trend, particularly providing contractors with the flexibility to perform work when they desire to do so;
2. Filling “gaps” in employment, particularly in positions and industries in demand, such as food delivery services;
3. Encourages mature age people to remain viable in the workforce; and
4. They are a desirable form of engagement to assist Australia in its recovery in the post-pandemic climate.

R&CA would like to make the following recommendations:

1. R&CA recommends that any changes to the personal injury insurance arrangements for gig economy riders in the food delivery industry should not materially affected their employment status as independent contractors.
2. Any changes to insurance arrangements do not occur in a way that causes riders who contract to multiple platforms to need to have a policy in place for each platform. There is a genuine risk of ‘over-insurance’ in this proposal. For example, a rider who contracts to 2 or more platforms may need a separate policy for each platform – leading to unnecessary rises in costs that is likely to be borne by platforms and then passed onto restaurants by way of price & commission increases.
3. R&CA recommends that further education and advice be given to existing food service businesses such as cafes and restaurants who currently use these platforms for self-delivery purposes (that is, delivering food themselves via an existing employee). The ongoing rise in delivery has left many operators confused as to how existing workers compensation policies effects employees who are now asked to deliver food for the business. Further education and training materials would assist these businesses understand their rights and obligations as well as clearly articulate the coverage of their existing policies.

If you have any questions or wish to discuss R&CA’s views in more detail, do not hesitate to contact R&CA’s Head of Policy, Government & Public Affairs, Tom Green on 0448 781 213.

Regards



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