

# It's even worse than you think.

## SNAPSHOT: ON-DEMAND FOOD DELIVERY RIDERS

The Young Workers Centre surveyed more than 240 on demand food delivery riders about their experiences working in the gig economy. Here's what they told us about the impact of technology on work.



### 1. Riders have up to \$322.15 in wages and super stolen from them each week

Bike couriers are entitled to minimum pay rates under the Road Transport and Distribution Award, however on-demand food bike couriers are paid well below these rates. The calculations below show the wage theft bill for a typical on demand food bike courier making 53 deliveries working 24 hours per week<sup>1</sup>:

#### BIKE COURIER ENTITLEMENTS UNDER THE AWARD<sup>2</sup>

= 18 hours at Weekday rate (\$25.81) + 6 hours at Saturday rate (\$36.14)

= \$681.42 + \$64.73 super

#### DELIVEROO RIDER ON FLAT RATE PER DELIVERY

53 deliveries per week at \$10 per delivery

= \$530 + \$0 super

**WAGE THEFT BILL**  
\$151.42 + \$64.73 super  
= \$216.15 every week

#### DELIVEROO RIDER ON NEW "DYNAMIC" PAY<sup>3</sup>

53 deliveries per week at \$8 average per delivery

= \$424 + \$0 super

**WAGE THEFT BILL**  
\$257.42 + \$64.73 super  
= \$322.15 every week

<sup>1</sup> This wage theft bill does not include other work-related expenses riders incur to do their job including phone & data allowance, bike purchase and maintenance or insurance costs.

<sup>2</sup> Road Transport and Distribution Award Transport worker grade 1 casual

<sup>3</sup> \$3.50 per pick-up + \$1.80 per delivery + variable fee based on a combination of distance and time





## 2. No riders have successfully negotiated a pay rise

Riders told us companies provided 'take or leave it' contracts and cannot negotiate pay rates despite being engaged as independent contractors. We asked riders how they would negotiate a pay rise:

- 3 in 5 riders said it is not possible to negotiate a pay rise.
- 1 in 5 said they did not know how they would negotiate a pay rise.
- Just 1 in 10 said they would contact the company directly if they wanted to negotiate a pay rise. However, those who had attempted to do this were unsuccessful.
- Only 2% of riders surveyed said they would not negotiate for a pay rise as they were happy with current pay rates.

**"We are just told how much we are paid per job, there is no negotiation."**

**"You can give rider feedback to the company through the app. I have done this to request a pay rise and the request was declined, they did not provide a reason."**

**"You couldn't [negotiate a pay rise in your contract], there's no provision for delivery partners to interact with the company in this way."**

## 3. Companies can cut riders' rates of pay unilaterally

Riders report companies unilaterally change contracts that result in pay cuts for workers.

Riders report when companies roll out new contracts with reduced pay rates, riders who refuse to agree to new contracts are penalised. Riders described coercive tactics including:

- implicit threats their account will be terminated
- being assigned fewer or no jobs
- being assigned jobs with long riding distances (>5km)

## HOW ARE RIDERS' PAY RATES DETERMINED?

Riders are given a 'take it or leave it' contract by the company they work for. Almost all current riders report being paid per delivery. Some companies pay a flat rate per delivery, while others are paid a 'dynamic' rate per delivery based on distance and time travelled. Contracts that provide a minimum hourly pay have largely been phased out. Riders often do not have information on how dynamic rates are calculated, and they are unable to negotiate contracts and pay rates with companies: they are simply provided whatever the current 'standard' contract is at their time of engagement.

**"It was kind of mandatory to sign the [new] contract.... It's a dirty trick. You can change [to the new contract] or we can terminate your contract. They don't say that explicitly but you know that it's implied. Then they give long trips to the people who didn't change contracts. I tried to keep [my contract], but on a bike it was impossible because I had to do long trips and was earning less than \$15 per hour because I spent a lot of time doing the orders."**

Hourly rate (+\$2.50  
delivery commission)  
\$18.50

Hourly rate (+\$2.50  
delivery commission)  
\$16.50

Flat rate/delivery  
\$10

Dynamic rates  
introduced. Min. \$9  
per delivery

Dynamic rates drop  
as low as \$5.90  
per delivery

Nov 2015

Feb 2016

Mar 2016

Nov 2018

Nov 2019

## PAY RATES: DELIVERY WORKERS

*Riders' pay rates are in constant decline*



***“I am scared of some customers. people in the inner city area after dark can be drunk and abusive.”***

#### **4. 1 in 4 riders have been in an accident while working. They have little to no support for recourse on the roads.**

Riders report physical and personal safety risks including being ‘car doored’, navigating dangerous traffic, riding in wet weather, slipping on tram tracks, and abuse from other drivers and alcohol affected customers.

1 in 8 riders have sustained injuries at work including concussions, knee injuries, broken collarbones, back injuries, fractured jaws and noses, dislocations and associated mental trauma.

***“I can choose not to accept orders. But I only know the pickup location, I don’t know the drop off location until after picking up food. I wouldn’t accept some jobs if I knew beforehand I would be going to have to use dangerous roads to deliver.”***

***“Yes, [I was] hit by a car. Uber won’t cover insurance for it.”***

## **WHO WORKS AS AN ON-DEMAND FOOD DELIVERY RIDER?**

Riders are predominantly young temporary migrants, which increases their vulnerability to exploitation at work.

- The average age of riders surveyed is 26. Two-thirds of riders are aged under 30.
- 9 in 10 riders identify as male.
- The majority of riders (3 in 4) are temporary visa holders, including international student visas, working holiday visas, bridging visas, protection visas and other temporary work visas<sup>4</sup>.
- Just 1 in 10 riders are Australian citizens<sup>5</sup>.
- The 5 most common preferred languages after English are Mandarin, Spanish, Hindi, Malay, and Chinese (dialect not specified).

## **RIDERS DESCRIBED THEIR LIMITED JOB OPPORTUNITIES IN AUSTRALIA:**

***“They say “why don’t you find a job that pays you more’. I say this is the best job I can get.”***

***“As an international student it is hard to find work in Australia”***

***“I guess with this type of job, there is at least no boss, no one to yell at you and [it] is one of the jobs I can get with my language.”***

<sup>4</sup> 75% of food delivery workers surveyed are temporary visa holders (n=234).

<sup>5</sup> 9% of food delivery workers surveyed are Australian citizens (n=234)



## WHAT DO WORKERS WANT?

Riders have come together about the issues that affect them and are using this as a way to collectivize and take their demands public. They already know the solutions which will improve their working lives. Together the Delivery Riders Alliance has created a 'Charter of Rights' to demand a fairer, safer industry for workers.

### WHAT WORKERS WANT TO SEE

"[I want] work cover for accidents"

"I would like insurance for injuries"

"I would ask to be paid for the trip to the restaurant to [pick up the food]"

"Hourly rates is the fundamental thing I would change. I also need to be able to communicate with the company more, without the assumption that if something goes wrong, then I have done something wrong, which is what the app is currently biased towards."

"I would want to be able to appeal customer feedback, sometimes there is bad traffic and customers complain and give us bad reviews which affects our ratings and job ability."

"Get rid of the ranking system."

"More pay, smaller distances to travel between pick-ups and drop-offs. Previously the available delivery distance was much smaller."

"More stable income and working hours."

### ON-DEMAND FOOD DELIVERY RIDERS'

# Charter of rights

#### 1. MINIMUM WAGE AND PAY FOR WAITING TIMES

- Waiting times are work time and must be paid for.
- All riders must be provided a basic minimum wage guarantee. This may be calculated flexibly (e.g. an average over a few hours as opposed to rate per hour).
- Rider's pay must account for total distance travelled.

#### 2. TRANSPARENCY

- Order distances and the delivery fee must be shown on all orders prior to a rider accepting an order.
- Riders have at least 30 seconds to decide whether they accept or reject an order.
- Companies must disclose how they assign orders.
- Copies of rider contracts must be provided to all riders.

#### 3. PENALTY RATES

- Riders must receive higher rates of pay on weekend, nights and public holidays.

#### 4. BAD WEATHER ALLOWANCE

- Allowance for working in dangerous weather (rain/wind).
- Riders must be allowed to cancel shifts in dangerous weather without it affecting the rating or statistics.

#### 5. WORK HEALTH AND SAFETY

- Fully funded workers compensation insurance must be provided for riders and cover all lost income and medical costs if a rider is injured at work.
- Poor pay and conditions can push riders to work unsafely in order to survive (working fatigued, speeding, etc). Riders should be paid enough to earn a living and work safely.
- Adequate and continuous training must be provided covering safety, road rules and relevant skills.

#### 6. COLLECTIVE VOICE & CONSULTATION

- Riders must have the opportunity to contribute to a collective voice to maintain and raise standards of safety and fairness.
- Companies must recognise the Delivery Riders Alliance (DRA) and consult with the DRA regularly.