



Franchise Council of Australia Media Release

A win for restaurants and food franchises

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The Franchise Council of Australia is pleased that dominant food home delivery platform, Uber Eats has taken steps to reduce some fees it charges struggling local restaurants, to help during the COVID-19 crisis.

After social distancing rules forced restaurants and cafes to shut their doors to dine-in customers in March, business surged for delivery companies like Uber Eats, Deliveroo and Menulog.

However, the companies rejected calls to reduce their delivery charges, despite the perilous state of the restaurant sector and strong criticism from the Franchise Council of Australia.

In a company blog post, Uber Eats says it is permanently decreasing its commission by five percentage points from 35% to 30%.

From 18 May, restaurants also will be able to use their own staff to deliver Uber Eats orders received via the app and Uber Eats will temporarily waive its commission for customer self pick up orders until July before reverting to the usual 13 per cent.

Last month, FCA CEO Mary Aldred singled out Uber Eats, which has an 80 per cent market share: "Of all the delivery networks, UberEats in particular will be experiencing a huge lift in volumes should share in some of the sacrifices being made by the food retail and hospitality groups".

The FCA CEO argued that the unless the delivery platforms reduced commissions to help sustain restaurants and food franchises, there was a risk that many would not be able to continue operation, with the threat of further major job losses.

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The Franchise Council of Australia is the peak body for the \$184billion franchise business segment, which includes 1,344 networks, with 90,000+ individual franchised outlets, employing 598,500 Australians across the nation.

www.franchise.org.au