

Deliveroo pulls out of Australia

Deliveroo is leaving Australia, as the UK food delivery app's international expansion falters and it seeks profitability in each of its main markets.

The London-based company has stopped taking orders in the country via its app and will place its subsidiary there into voluntary administration.

It said the Australian market was "highly competitive with four global players" and said the pull-out came as it "not hold a broad base of strong local positions." The country generated about 3% of value of transactions at Deliveroo in the first half of the year, as it took on established local rivals including Uber Eats, Doordash and Menlo.

Deliveroo employed 150 people as staff members in the country and around 14,000 people carrying deliveries, who are classed as contractors.

It has faced criticism over rates of pay and conditions for the army of riders and drivers who deliver food from the restaurants with which the app partners to generate orders.

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The company its financial guidance for the year on hold after the announcement. It said in October that sales growth would be at the lower end of targets, with consumer spending under pressure from soaring inflation in its core UK business.

Founded in 2013 by Will Shu, who was surprised at the lack of food delivery options when he moved to London from New York, the Deliveroo has grown fast to cover cities in 12 countries including Ireland, France and Italy as well as in Singapore and Hong Kong.

Its founder chief operating officer, Eric French, said the closure was a “difficult decision and not one we have taken lightly,” adding: “Our focus is now on making sure our employees, riders and partners are supported throughout this process.”