

## Introduction

- 1.1 On 24 November 2011, the Selection Committee referred two bills to the House Standing Committee on Infrastructure and Communications for inquiry and advisory report:
- the Road Safety Remuneration Bill 2011 (the bill); and
  - the Road Safety Remuneration (Consequential Amendments and Related Provisions) Bill 2011 (the consequential amendments bill).<sup>1</sup>
- 1.2 The bills had been introduced into the House of Representatives by the Federal Government the day before.<sup>2</sup> As a package, they implement a Road Safety Remuneration System for drivers, by establishing a new Road Safety Remuneration Tribunal with the objective of promoting safety and fairness in the road transport industry.<sup>3</sup> The Committee understands that ‘Australia is the first country to seek to legislate in respect of dealing with safety and remuneration issues in the road transport industry.’<sup>4</sup>
- 1.3 The Road Safety Remuneration System is the Federal Government’s response to the 2008 National Transport Commission (NTC) report on safe payments in the road transport industry (*Safe Payments* report)<sup>5</sup> and the

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1 House of Representatives, *Votes and Proceedings*, No.83 – 24 November 2011, p. 1149.

2 The Hon. Mr Anthony Albanese MP, Minister for Infrastructure and Transport, *House of Representatives Hansard*, 23 November 2011, p. 13535.

3 Road Safety Remuneration (RSR) Bill 2011, Explanatory Memorandum (EM), p. b.

4 Mr John Kovacic, Deputy Secretary, Workplace Relations, Department of Education, Employment and Workplace Relations (DEEWR), *Committee Hansard*, Canberra, 15 February 2012, p. 24.

5 National Transport Commission (NTC), *Safe Payments: Addressing the Underlying Causes of Unsafe Practices in the Road Transport Industry* (*Safe Payments* report), October 2008, <<http://www.ntc.gov.au/filemedia/Reports/SafePaymentsFinalReportNov08.pdf>> viewed 1 December 2011.

2010 Department of Education, Employment and Workplace Relations' (DEEWR) *Safe Rates, Safe Roads* Directions Paper.<sup>6</sup>

- 1.4 This chapter will provide an introduction to the bill and its purpose and background information on the inquiry and its conduct. Later chapters will outline certain issues which were raised during the inquiry. Five appendices contain lists of submissions and exhibits, a list of witnesses who appeared at a public hearing on 15 February 2012, and copies of the bills.

## Purpose of the bill

- 1.5 The Explanatory Memorandum (EM) and the second reading speech indicate that the bill is fundamentally about improving the way pay and conditions for truck drivers are derived.<sup>7</sup> The safety aspects of the bill relate to removing the incentives for drivers to work excessive hours by improving their pay and also providing, in some cases, compensation for delays in unloading cargoes.<sup>8</sup> It is proposed that this will reduce their chances of having an accident.
- 1.6 The bill will establish a new Road Safety Remuneration Tribunal (Tribunal) and is designed to complement the *Fair Work Act 2009* (Cth), the *Independent Contractors Act 2006* (Cth), current State-based schemes dealing with owner-driver contracts and the forthcoming National Heavy Vehicle Regulator (NHVR) laws.<sup>9</sup> According to the EM, The Tribunal will be empowered to inquire into sectors, issues and practices within the road transport industry and, where appropriate, determine mandatory minimum rates of pay and related conditions for employed and self-employed drivers by making Road Safety Remuneration Orders (RSROs).<sup>10</sup> Prior to making any RSRO, the Tribunal will have regard to the

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6 DEEWR, *Safe Rates, Safe Roads* Directions Paper, 2010, <<http://www.deewr.gov.au/WorkplaceRelations/Policies/SafeRatesSafeRoads/Documents/DirectionsPaper.pdf>> viewed 1 December 2011; DEEWR, 'Road Safety Remuneration System' <<http://www.deewr.gov.au/WorkplaceRelations/Policies/SafeRatesSafeRoads/Pages/default.aspx>> viewed 1 December 2011.

7 RSR Bill 2011, EM, p. b; The Hon. Mr Anthony Albanese MP, Minister for Infrastructure and Transport, *House of Representatives Hansard*, 23 November 2011, p. 13535.

8 The Hon. Mr Anthony Albanese MP, Minister for Infrastructure and Transport, *House of Representatives Hansard*, 23 November 2011, p. 13537.

9 The Hon. Mr Anthony Albanese MP, Minister for Infrastructure and Transport, *House of Representatives Hansard*, 23 November 2011, p. 13537.

10 RSR Bill 2011, EM, p. b.

impacts it may have on the industry, the economy and the movement of freight.<sup>11</sup> The Tribunal will also be empowered to grant Safe Remuneration Approvals and facilitate dispute resolution between drivers, their hirers or employers, and participants in the road transport industry supply chain, about remuneration and related conditions.<sup>12</sup>

- 1.7 The Tribunal will be made up of a mixture of Fair Work Australia members and expert members with qualifications relevant to the road transport industry.<sup>13</sup> The bill also establishes a compliance regime, to be administered by the Fair Work Ombudsman, for the enforcement of decisions made by the Tribunal.<sup>14</sup>

## Conduct of the inquiry

- 1.8 Federal, state and territory government departments, and organisations from the road transport and workplace relations industries across Australia were invited to prepare submissions to provide to the inquiry. Media releases were issued on 15 December 2011 and 9 February 2012, and details of the inquiry were also made available on the Committee's website.
- 1.9 The Committee received 29 submissions, 6 supplementary submissions and 19 exhibits to the inquiry. These are listed at Appendices A and B.
- 1.10 The Committee considered that a relatively short timeframe for the inquiry was in order, taking into account the possibility that the bills could be debated in the House before the end of the 2012 autumn sittings, and the fact that the bills are scheduled to commence on 1 July 2012.
- 1.11 A public hearing was held on 15 February 2012. The witnesses who appeared at the public hearing are listed at Appendix C.
- 1.12 Copies of the bills are attached at Appendices D and E.

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11 The Hon. Mr Anthony Albanese MP, Minister for Infrastructure and Transport, *House of Representatives Hansard*, 23 November 2011, pp. 13537–13538.

12 RSR Bill 2011, EM, p. b.

13 RSR Bill 2011, EM, p. b.

14 The Hon. Mr Anthony Albanese MP, Minister for Infrastructure and Transport, *House of Representatives Hansard*, 23 November 2011, p. 13538.

