

## Fact Sheet - Minimum rates of pay for tip truck owner drivers

The Tip Truck Policy delivers on the Government's commitment to introduce minimum rates of pay for tip truck owner drivers working on Victorian Government funded construction projects (building, infrastructure, civil engineering or other capital works projects).

The policy applies to tip truck owner drivers engaged in the removal of soil or rock from excavation work on Victorian Government funded construction projects.

The policy was introduced to improve economic certainty for tip truck owner drivers and remove the economic factors that can act as an incentive for drivers to engage in unsafe practices to secure work, such as not maintaining their vehicles.

It is expected that tip truck owner drivers working on Victorian Government funded construction projects will be paid a rate that will at least cover their operating costs, provide a return for their own labour and a return on their business investment. The Tip Truck Policy will result in better safety outcomes for all road users.

### Mandatory application of the Tip Truck Policy

The Tip Truck Policy must be applied to all publicly funded construction contracts awarded on or after 27 August 2018.

The Tip Truck Policy applies to tip truck owner drivers that are engaged:

- directly by the principal contractor; or
- indirectly through one or more subcontractors.

Principal contractors have a contractual obligation to ensure through the sub-contracting supply chain that tip truck owner drivers are paid at least the applicable minimum rates of pay specified in the Tip Truck Policy.

### Calculating minimum rates of pay for tip truck owner drivers

To maintain flexibility in contracting arrangements tip truck owner drivers can be paid either a minimum hourly rate or minimum per load daily rates.

The minimum hourly rates set out below are based on the advisory [Rates and Cost Schedules for Tip Truck Owner Drivers](#) for tip trucks, developed by the Transport Industry Council.

The Tip Truck Schedules can be accessed from the following link:

[www.business.vic.gov.au/setting-up-a-business/owner-drivers-and-forestry-contractors/owner-drivers-and-hirers/rates-and-cost-schedules](http://www.business.vic.gov.au/setting-up-a-business/owner-drivers-and-forestry-contractors/owner-drivers-and-hirers/rates-and-cost-schedules)

Tip truck owner drivers are generally engaged through a hiring firm, where the hiring firm adds an agency fee to the tip truck charge. It is important that this agency fee is not deducted from the required minimum payment to tip truck owner drivers.

## How to calculate minimum hourly rates

Where an owner driver is paid an hourly rate, the owner driver must be paid in accordance with the applicable rate listed in the [Rates and Cost Schedules for Tip Truck Owner Drivers](#), plus any freight broker fees and road tolls reasonably incurred.

The minimum hourly rates published in the Schedule (as Gazetted in October 2018) are:

Vehicle type	Minimum hourly rate
Tandem GVM 22.5	\$88.38
Truck and Quad Axle Dog Trailer GCM 42.5	\$121.69
Truck and Quad Axle Dog Trailer GCM 50	\$133.54

## How to calculate minimum per load daily rates

The minimum per load daily rate is calculated by:

- the hirer estimating the time it is likely to take to complete the job, multiplied by the applicable minimum rate in the [Rates and Cost Schedules for Tip Truck Owner Drivers](#). This will create a daily rate; and
- the tip truck owner driver and hirer then agreeing on a daily incentive payment that will be paid if the tip truck owner driver delivers the agreed number of loads per day. The hirer can reduce the incentive payment proportionately if the tip truck owner driver does not meet the agreed number of loads per day.

When estimating the time it is likely to take to complete the job, principal contractors need to consider a range of factors including:

- the volume or weight of the load;
- distance to be travelled;
- local traffic conditions and time of day; and
- site specific conditions.

Example – to determine a per load daily rate:

Rates	Calculations	Values	Comment
Minimum hourly rate		\$121.69	Truck and Quad Axle Dog Trailer GCM 42.5, over five years old, determined from <a href="#">Rates and Cost Schedules for Tip Truck Owner Drivers</a>
Per load hourly rate	\$121.69 x 1.20	\$146.03	Adjust the hourly rate to determine per load hourly rate, in this example by increasing the hourly rate by an incentive component of 20 per cent
Per load daily rate	\$146.03 x 9.0	\$1,314.27	Multiply the load hourly rate by the number of work hours per day, in this example 9 hours
Payment including hiring agency fee	\$1,314.27x 1.10	\$1,445.70	Increase the per load daily rate by the value of the hiring agency fee, in this example 10 per cent

## Managerial responsibility and compliance

Agencies must ensure that their contracts require the contractor to ensure that any tip truck owner driver engaged in connection with excavation work, directly or indirectly, through one or more subcontractors is paid according to the Tip Truck Policy.

The Victorian Government reserves the right to inspect contractors' records to verify and manage compliance with the Tip Truck Policy. Failure to comply with the requirements of the Tip Truck Policy will constitute a breach of contract.

## Application to contracts awarded before 27 August 2018

The Tip Truck Policy does not apply to Victorian Government contracts awarded before 27 August 2018, but principal contractors can voluntarily increase rates paid to owner drivers engaged under existing contracts.

Principal contractors awarded contracts before 27 August 2018 are encouraged to review payments made to tip truck owner drivers to ensure owner drivers are receiving at least the applicable minimum rates. This will ensure owner drivers are paid rates that will cover their operating costs and provide a return for their labour and their business investment.

Principal contractors currently paying above the Tip Truck Policy rates, should not reduce the owner driver's rates to mirror the minimum rates. This is inconsistent with the intent of the Victorian Government commitment set out in the Tip Truck Policy.

## Tip trucks performing work in the private sector

The Victorian Government encourages all contractors and plant hirers engaging tip truck owner drivers in the construction sector to adopt and adhere to the Tip Truck Policy as an industry benchmark.

## Review of the Tip Truck Policy

The Tip Truck Policy will be reviewed after 12 months of operation.

## Help and support

**Tip truck owner drivers and contractors:** further information and assistance about the application of the Tip Truck Policy, including compliance matters, contact:

Industrial Relations Victoria: Contact email: [irv.info@ecodev.vic.gov.au](mailto:irv.info@ecodev.vic.gov.au)

Transport Workers Union – Vic Branch: Contact email: [info@twu.asn.au](mailto:info@twu.asn.au)

Victorian Transport Association: Contact email: [reception@vta.com.au](mailto:reception@vta.com.au)

**Agencies:** contact the Construction Policy Team for information about the application of the Tip Truck Policy.

Contact email: [construction.procurement@dtf.vic.gov.au](mailto:construction.procurement@dtf.vic.gov.au)

Phone: 03 7005 9533

Revision	Date	Reference	Details	Endorsed by
	26/09/2018		First release	
1	18/10/2018	Minimum rates of pay for tip truck owner drivers	For vehicles over 5 years old, the minimum hourly rates published in the Schedule updated to reflect the rates gazetted in October 2018  Example to determine a per load daily rate updated to reflect the minimum hourly rate gazetted in October 2018.	DTF

## Deaths associated with tip trucks in Victoria

26<sup>th</sup> July 2020: Tipper driver killed whilst working on his tip truck in Lilydale

[https://www.worksafe.vic.gov.au/news/2020-07/workplace-incidents-claim-two-lives?fbclid=IwAR3-x4MIBC75gqDb6iO9RyWuJJJ00h2\\_2eKvkV86QXJBdn9tdhOObxTxnj8](https://www.worksafe.vic.gov.au/news/2020-07/workplace-incidents-claim-two-lives?fbclid=IwAR3-x4MIBC75gqDb6iO9RyWuJJJ00h2_2eKvkV86QXJBdn9tdhOObxTxnj8)

1<sup>st</sup> July 2020: Tipper driver killed in bushfire clean up

<https://www.abc.net.au/news/2020-07-01/worker-on-bushfire-clean-up-dies-in-truck-crash-in-gippsland/12409028>



29<sup>th</sup> January 2020: Tipper driver Killed in Ballarat

[https://www.9news.com.au/national/worksafe-investigates-after-truck-driver-dies-in-workplace-accident-at-ballarat/682e9404-073f-4ead-8b1d-6efcdf83d5d?fbclid=IwAR3L7atDbZZC1TtP5k\\_3cRgRDgLq6NmgNCI9tLLDz3-XXVPeXNTucTLZlGo](https://www.9news.com.au/national/worksafe-investigates-after-truck-driver-dies-in-workplace-accident-at-ballarat/682e9404-073f-4ead-8b1d-6efcdf83d5d?fbclid=IwAR3L7atDbZZC1TtP5k_3cRgRDgLq6NmgNCI9tLLDz3-XXVPeXNTucTLZlGo)



28<sup>th</sup> June 2019: Pedestrian killed in accident at Queen Vic Market

<https://www.abc.net.au/news/2019-06-28/victoria-market-pedestrian-hit-by-truck-dies-in-hospital/11261978?fbclid=IwAR2hb8isbCKvPntgkBuUN17IDaB9mLdeuX9ewJzTPny6p0ct8t47gAljbRg>



12<sup>th</sup> April 2019 Driver killed in accident in Glenroy

[https://m.bigrigs.com.au/news/police-seek-truck-driver-after-horror-glenroy-smas/3697319/?fbclid=IwAR0\\_r3xic528ugDkLd6usKkSR-WZvWfgickX7nj0Bp0mlp9MOF4N7TjKAEM](https://m.bigrigs.com.au/news/police-seek-truck-driver-after-horror-glenroy-smas/3697319/?fbclid=IwAR0_r3xic528ugDkLd6usKkSR-WZvWfgickX7nj0Bp0mlp9MOF4N7TjKAEM)

25<sup>th</sup> March 2019: Tipper driver killed in Parwan (between geelong and bacchus Marsh)



<https://m.bigrigs.com.au/news/truckie-dies-after-crashing-shed-fence/3681293/?fbclid=IwAR3bLy2LxenMMgijhGA1lykQhRi9XpfeRCqfBDuk1qfgi8TAYiAXeJQ-oks>

1<sup>st</sup> October 2018: Pedestrian killed in accident in Kew

[https://www.theage.com.au/melbourne-news/pedestrian-struck-and-killed-by-truck-in-kew-20181001-p50760.html?fbclid=IwAR0fK8hrJ-fbZ-8AmTyqvzNyqQO\\_BOOKEeRv7F7yncJKMU-09UfoLHzsCPA](https://www.theage.com.au/melbourne-news/pedestrian-struck-and-killed-by-truck-in-kew-20181001-p50760.html?fbclid=IwAR0fK8hrJ-fbZ-8AmTyqvzNyqQO_BOOKEeRv7F7yncJKMU-09UfoLHzsCPA)

**3<sup>rd</sup> July 2017:** Cyclist killed when hit by a tipper in Brighton



<http://www.abc.net.au/news/2017-07-03/brighton-cyclist-killed-after-being-hit-by-truck/8672916>

**23<sup>rd</sup> June 2017:** Tipper accident Epping Rd Wollert between Craigeburn rd. and Bridge rd.



**22<sup>nd</sup> May 2017:** 14 people hospitalized following an accident between a tipper and a tram in Parkville



<http://www.abc.net.au/news/2017-05-22/truck-tram-collision-at-royal-park-in-melbourne/8546158>

**24<sup>th</sup> March 2017:** One killed in accident in Beaufort involving a tipper

<http://www.thecourier.com.au/story/4552054/fatal-collision-after-car-and-truck-collide/>





**17<sup>th</sup> March 2017:** One killed two hospitalized on Calder freeway in accident involving a Tipper



<http://www.theage.com.au/victoria/one-dead-and-two-people-taken-to-hospital-after-multicar-smash-on-calder-freeway-20170316-gv03db.html>

**February 2017:** Poorly maintained tipper catches fire on Melbourne rd



**26<sup>th</sup> November 2016 (approx.):** Tipper involved in head on collision with a B-double on Calder freeway on the way home from the Bayswater level crossing job



**16<sup>th</sup> November 2016:** Cyclist Killed in accident involving tipper in Geelong



<http://www.theage.com.au/victoria/cyclist-dies-after-being-hit-by-a-truck-in-geelong-20161115-gsq8fc.html>

**18<sup>th</sup> October 2016:** Four people are injured when a Tipper hit a bus in Templestowe



<http://www.theage.com.au/victoria/three-injured-in-collision-between-bus-and-truck-in-templestowe-20161018-gs4r8u.html>

**13<sup>th</sup> October 2016:** Tipper on St Albans level crossing loses control and drives into oncoming traffic on western ring rd. before rolling

<https://www.facebook.com/7NewsMelbourne/videos/10154690281819301/>

<http://www.gold1043.com.au/newsroom/truck-roller-over-set-to-cause-traffic-chaos-in-melbourne>

**10<sup>th</sup> March 2016:** Two killed and one hospitalized in an accident involving a Tipper in Truganina



<http://www.theage.com.au/victoria/two-trucks-two-cars-two-die-in-truganina-crash-20160309-gnf212.html>

**20<sup>th</sup> June 2016:** Tipper roll over Sunbury, driver hospitalized



**28<sup>th</sup> April 2016:** One killed in an accident in Thomastown involving a tipper

<http://www.heraldsun.com.au/leader/news/man-dead-following-collision-with-tipper-truck-on-edgars-rd-thomastown/news-story/f8c26993a8c5ab44cfef717834de2cb0>

**October 2015:** One dead in accident in point cook involving tipper

## Examples of poor rates being paid by plant hire companies

The VTU gave evidence to the inquiry about the poor rates being paid in the industry and provided examples. Below you will see text messages from 1. Mad Brothers Earthmoving offering to pay \$68 per hour to Tandems, \$20 per hour below the rate recommended by the Transport industry council for Tandem tippers. 2. Kingston Plant Hire offering a contract job for \$6.80 a meter or \$149.60 for a truck and trailer for a return trip of almost 2 hours. That equates to \$75 per hour which is \$46 per hour below the rate recommended by the Transport industry council for truck and trailers.

1.

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FROM:
CLIENT: Civ2con
PROJECT: Savana STG 11 - End of Brightvale Rd,
Wyndham Vale **park at Compound Area
START TIME: 7:00:00 AM
Steel body trucks, UHF 02 *please be onsite at
6.50am for foremans prestart instructions

ONSITE WORKS - Working as directed of Site
Foremans instructions.
MATERIAL: Clean Fill
RATE $68.00/Hourly
Reply REGO to accept job
```

2.

