

Senate Standing Committee on Education and Employment

QUESTIONS ON NOTICE Budget Estimates 2016 - 2017

Agency - Fair Work Commission

Department of Employment Question No. EMSQ16-000804

Senator Williams asked on 06 May 2016 on proof Hansard page 75

Question

FWC - RSRT - Contracted services

Senator WILLIAMS: Could you please provide a list of any contracted services entered into that exceed \$2,000, excluding GST. Could you please explain how those goods and services deliver on the stated legislative objectives of the RSRT. That is it from me, Chair.

Answer

The Road Safety Remuneration Tribunal (RSRT) was supported through an integrated model where staff of the Fair Work Commission provided services to both tribunals, including information technology, human resources, property and finance, communications, media, research, library, legal services and administrative support. Accordingly, it is not possible to determine all expenditure incurred whilst supporting the RSRT.

The object of the repealed *Road Safety Remuneration Act 2012* (Cth) (RSR Act) was set out in s.3:

“3 Object

The object of this Act is to promote safety and fairness in the road transport industry by doing the following:

- (a) ensuring that road transport drivers do not have remuneration-related incentives to work in an unsafe manner;
- (b) removing remuneration-related incentives, pressures and practices that contribute to unsafe work practices;
- (c) ensuring that road transport drivers are paid for their work, including loading or unloading their vehicles or waiting for someone else to load or unload their vehicles;
- (d) developing and applying reasonable and enforceable standards throughout the road transport industry supply chain to ensure the safety of road transport drivers;
- (e) ensuring that hirers of road transport drivers and participants in the supply chain take responsibility for implementing and maintaining those standards;

- (f) facilitating access to dispute resolution procedures relating to remuneration and related conditions for road transport drivers.”

KPMG research on minimum payments for contractor drivers

Section 86 of the RSR Act enabled the Tribunal to inform itself by undertaking or commissioning research (s86(2)(f)).

KPMG researched the operating costs of road transport contractor drivers in distribution and long distance operations to develop a cost model that calculated the minimum payments needed to compensate drivers for these costs.

The rates calculated by the KPMG cost model were intended to cover what it costs drivers to supply their labour and operate their businesses including the supply and operation of vehicles.

The cost of the research was \$163,636.36 (excl. GST). This expenditure was incurred during FY 2014–15 whereas all expenditure detailed below was incurred during FY 2015–16.

Parties were invited to ask questions to KPMG about the research. Consequently, additional services for a 78 page document providing answers to parties’ questions on the research were procured from KPMG for \$31,962 (excl. GST).

Online calculator

The RSRT published an online payments calculator reflecting the payments contents of the draft and subsequent operational *Contractor Driver Minimum Payments Road Safety Remuneration Order* (Payments RSRO). The calculator provided contractor drivers, hirers and other participants in the supply chain with the capacity to calculate minimum payments prescribed by the draft and operational Payments RSRO.

The online calculator was developed, published and hosted by external providers at the cost of \$66,598.91 (excl. GST).

Advertising and Publication of the Order

Advertisements were placed in leading newspapers and industry publications nationally about the publishing of the Payments RSRO and to inform interested parties of proceedings and invite submissions. The cost associated with these activities was \$50,628.58 (excl. GST).

Cleaning and Security Services

Cleaning and security services engaged for the Easter hearings on the Payments RSRO cost \$27,036.38 (excl. GST).

Drafting Services

Drafting services for the preparation of explanatory materials and plain language drafting, including brochures and articles, cost \$15,834.73 (excl. GST).

Agency Staff

Contractor staff were engaged to provide administrative assistance, including reviewing materials for publication, cost \$10,216.36 (excl. GST).

Annual Report

Services associated with the design and production of the RSRT's 2014–15 Annual Report cost \$7,313 (excl. GST).