

THE AUSTRALIAN

TWU can bring nation to its knees with 'safe' truckies rates

GRACE COLLIER THE AUSTRALIAN MARCH 19, 2016 12:00AM

Keith is a truckie, a self-employed owner-driver. Every week, Keith drives cattle for farmers all around NSW. Right now, if a farmer wants Keith to pick up a few head along his way they pay him \$175. After April 4, for the same service, the farmer legally will be required to pay Keith \$784.

If the farmer does not pay this amount, they can be prosecuted by the Fair Work Ombudsman and might be fined up to \$54,000.

However, if the farmer thinks \$784 is too steep, they can forget about Keith and ring a trucking company instead. Providing the company has employed drivers and doesn't use an owner-driver such as Keith, the cost of the load will be agreed between the farmer and the trucking firm for the market rate, which presently is \$175.

You will forgive the farmer for choosing to pay a trucking company \$175 instead of paying Keith \$784. You will also understand why Keith may think he is on the cusp of going out of business.

Joe is a truckie, a self-employed owner-driver, too. Joe does a regular run from Adelaide to Brisbane to Perth, then back to Adelaide, for three clients. For Joe's clients, the last leg of the trip, the back run, is always cheaper than the first two legs.

Joe charges the market rate for this trip, which is \$2500. However, after April 4, Joe's clients will be required, by law, to pay him \$6000. If they don't, as per the previous example, prosecution and fines can occur.

However, if Joe's clients prefer, they can hire a trucking company with an employed driver to do the trip, at the market rate of \$2500 or, indeed, any rate agreed between them. You could not blame Joe's clients for choosing to pay a trucking company \$2500 instead of paying Joe \$6000, and you could also understand that Joe might be racked with despair, thinking that after April 4 he would lose everything.

This extraordinary scenario which affects Keith, Joe and 35,000 other owner-drivers is a result of an order made by the [Road Safety Remuneration Tribunal](#). This safety body was set up by the Gillard Labor government at the urging of the Transport Workers Union.

The order mandates that when people ask self-employed owner-drivers to carry goods for long-haul trips, trips that cross state borders or are part of a supermarket carry chain, they must pay "safe rates".

The safe rates are set out in an online calculator on a government website. These rates will apply only when hiring self-employed owner-drivers or their family members. People can ask trucking companies with employed drivers to carry their goods and the safe rates will not apply. Self-employed drivers will be forced to charge what the online calculator says they must charge, whereas a company with an employed driver will be able to undercut them and charge whatever they like.

It is said that 76 per cent of all road transport operators use the owner-driver model. Once the order comes into place, the sector is set for radical change. Self-employment will die a quick death. Drivers will become one of two types: employers or employees.

This week, a hearing about the order was held. Various parties are challenging and seeking to have the implementation date delayed until next January. No one knows the outcome yet. The tribunal is reviewing the order and seeking submissions, and all the owner-drivers can do is ponder their future and wait.

How can a government body force certain businesses to set prices? How on earth in a free country can something such as this occur and who has the most to gain? The safety argument is nonsense; if higher charges equal higher safety, then trucking companies that can undercut the safe rates are going to be more unsafe. So, then, who may benefit from an industry that consists entirely of employers and employees?

Imagine a country where every truck driver on the road is an employee, working for wages. Who would bargain for their enterprise agreements? Where would their superannuation and income protection insurance go, and what might their employers pay by way of union fees and for union relationships?

Finally, imagine a union having organised control over all of our road transport activity. Imagine how the costs will spiral out of control, and consider the chaos and disruption from, say, a three- day strike.

Imagine how easily the TWU will be able to bring our country to its knees.