

**Senate Standing Committee on Education Employment and Workplace  
Relations**

**QUESTIONS ON NOTICE  
Additional Estimates 2012-2013**

**Agency - Fair Work Commission**

**DEEWR Question No.** EW0764\_13

**Senator Abetz provided in writing.**

**Question**

**Road accident/death statistics**

As a result of the RSRT, how many less road accidents or deaths are we expecting over the next four years?

**Answer**

*The Road Safety Remuneration Tribunal has provided the following response:*

The intended effect and purpose of the work of the RSRT is stated in the section 3 object of the *Road Safety Remuneration Act 2012* as follows:

“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.”

Under section 18 of the Act the RSRT must prepare an annual work program. The requirements of the annual work program are as follows:

“(2) The work program must identify the matters the Tribunal proposes to inquire into in the next year of its operation, with a view to making a road safety remuneration order in relation to any or all of those matters. The matters identified may be any or all of the following:

- a) a sector or sectors of the road transport industry;
- b) issues for the road transport industry or a sector of the industry;
- c) practices affecting the road transport industry or a sector of the industry.”

The RSRT issued its first annual work plan in a decision issued on 10 December 2012.<sup>1</sup> In its first annual work program the Tribunal is inquiring into the following sectors of the road transport industry:

- retail sector,
- livestock sector,
- bulk grain sector,
- interstate long distance sector, and
- intrastate long distance sector.

This inquiry work of the Tribunal is in its formative stages. However, several interested parties have made applications to the Tribunal for specific road safety remuneration orders. A road safety remuneration order made by the Tribunal must have an expiry date which is not later than four years after its commencement. An order ceases to have effect at the end of the expiry date. However, the Tribunal must review an order at some time during the 12 months before its expiry with a view to replacing it or deciding not to replace it.

The RSRT also has the functions of approving collective agreements involving contractor road transport drivers, dealing with certain disputes involving employee and contractor drivers and conducting relevant research.

The Regulatory Impact Statement for the RSRT (footnotes omitted) stated:

“The NTC report found there was a link between driver remuneration and safety outcomes in the heavy vehicle industry. The NTC Report, which was based on commissioned research and other findings, concluded that economic factors, including pressure applied throughout the supply chain, create an incentive for truck drivers to speed, work long hours and use illicit substances. For example, Williamson et al (2001) found that drivers compensated through a ‘payment-by-results’ method were twice as likely to report being fatigued on at least half of their trips than drivers who are paid by an hourly rate. They also found that, while there was no statistically significant difference between employee characteristics in the incidence of breaking working hours regulations, 46.6 per cent of owner drivers reported the need to do enough trips to earn a living as the reason for breaking these regulations, while only 25.6 per cent of employee drivers reported that they were likely to do the same.

Research carried out by Rodriguez *et al* (2006) found a strong correlation between driver pay rates and crash risk. The report notes that at low pay levels, the net effect of a higher pay rate is lower crash risk, but this occurs at a declining rate as pay rises continue and as high pay levels reverse. In summary this study found that there is a significant probability that there is a

---

<sup>1</sup> [2012] RSRTFB 3

correlation between remuneration and safety performance, particularly where very low levels of remuneration are concerned.

Other research directly comparing remuneration and safety also demonstrated statistically significant correlations between pay and safety performance, albeit different findings. These reports found:

- a) a very small effect (Nafuko et al 2007)
- b) a very large effect (Belzer et al 2002).<sup>2</sup>

---

<sup>2</sup> DEEWR, Road Safety Remuneration Tribunal regulatory impact statement, October 2011 pp 21–22.