Why Safe Rates?

Globalisation has markedly increased pressure on professional drivers and operators to sacrifice safety. Whether it is the case of new markets expanding rapidly with few safeguards for driver standards and conditions, or deregulation ushering in substandard, non-union players who take the work from union operators, the result is the same: undercutting the ability of transport workers to win or maintain safe conditions and fuelling a race to the bottom.

Economically powerful industry clients, such as giant retail firms, have enormous control over their supply chains and the terms and conditions for the transport of goods. In many road transport markets, for example, mega-retailers operate as de facto employers for truck drivers, largely dictating rates and conditions for the work they contract out. Their drive to pay ever-lower transport rates leads to contracting and subcontracting schemes that threaten not only the wellbeing of truck drivers but the safety of all road users.

After more than a decade of campaigning, the Australian Transport Workers’ Union (TWU) was successful in passing landmark Safe Rates legislation as a key part of their Safe Rates campaign to address problems members face in the industry. While regulatory and legal frameworks may be different in other countries, the basic premise of Safe Rates can be an important tool for raising standards for road transport workers and strengthening unions in road transport worldwide.

The TWU Australia experience: campaigning for Safe Rates

Road safety

As in most countries, driving a truck in Australia is a dangerous job. Australian truck drivers are killed on the job at more than 15 times the rate of the average occupation. But the ‘workplace’ for truck drivers consists largely of public roadways, the same roads used by commuters, shoppers, school buses, other commercial vehicles and families on holiday. Over 330 people are killed each year on Australian roads in crashes involving trucks.

The link between pay and safety

Over the last 20 years of globalisation and deregulation, the cost of road transport has actually declined in Australia. Low rates paid to transport operators translate to lower rates of pay for drivers. This increases pressure on drivers by dictating unrealistic route times, long hours, and narrow delivery.

What do we mean by safe rates?

The Safe Rates campaign seeks to hold the customers at the top of the transport chain, who set rates and conditions, accountable for safety along their entire transport supply chain.

These mega-retailers and other major transport customers have the economic power to drive rates down, which puts transport operators and drivers under tremendous pressure and results in incentives to speed, drive while fatigued, and forego vehicle maintenance.

The Safe Rates campaign, through legislation and trade union action, demands that when rates are determined for road transport, driver safety and the safety of all road users is the starting point.
windows which together pressure drivers to speed, overload, forego vehicle maintenance, or drive fatigued.

In addition, low rates encourage the subcontracting of less profitable work, which can then again be subcontracted to ever smaller non-union firms and owner-drivers at even lower rates. (1)

Safe rates and the mega-retailers

The TWU’s primary campaign focus has been on mega-retailers because their large economic footprint gives them the market power to set rates and conditions that affect the wider transport industry. The retail industry as a whole accounts for nearly one in three trucks on Australian roads.

While engaging other retailers, the TWU’s initial focus is on one of Australia’s giants, Coles, where the union is seeking a charter agreement to raise standards and strengthen union organising rights along the entire transport supply chain.

The campaign

Presenting evidence

The TWU reviewed and summarised decades of evidence from judicial and coronial determinations, academic studies and government-commissioned inquiries to show that systems of remuneration resulting in low rates of pay cause unsafe practices in the road transport industry. (2) Two major symposia were held at Parliament House in Canberra to present testimony from industry representatives, academic experts, government bodies, and truck drivers. Some of the most compelling evidence throughout the campaign has come from drivers themselves, including stories and testimony of drivers active in the campaign. Surveys of over 1,000 truck drivers, conducted by the TWU in 2011 and 2012, detailed the pressures from major retailers that can lead to unsafe practices such as overloading, speeding, and driving while fatigued.

“The TWU’s most recent survey of truck drivers, released in April this year [2013], found that 73 percent of respondents carting freight for Coles pointed to major retailers as the major cause of dangerous pressures on the trucking industry.”

Member mobilisation

Union-trained delegates (shop stewards) led shop floor campaigns that won what they termed ‘power-building clauses’ in collective agreements – language that not only improved conditions in the short run, but gave workers more opportunity to understand and participate in campaigns that address broader problems in the industry. For example, these clauses increased time off for training and union work, lined up agreement expiration dates, and established rights for casual workers. They also established Safe Rates committees at the major trucking companies made up of steward and management representatives to discuss safety, including monitoring safety of contracted out work. Through these bargaining campaigns for ‘power-building clauses’, delegates developed an understanding of the necessity of building a campaign to target Coles and other major retailers – who are clearly acting as ‘indirect employers’ – to improve wages and conditions.

To put pressure on Coles to meet and negotiate a charter, the TWU and its delegates have led dozens of actions in and around Coles stores in every state and territory of Australia, brought delegations of truckers and crash victims to speak out at the company AGMs,
and joined community groups in opposing flawed store expansion plans where truck driver safety was at stake. Leading delegates in each state have been trained to speak at rallies, to the media and at public events.

The legislation

The TWU mobilised and trained members and delegates to fight for the passage of Safe Rates legislation, called the Road Safety Remuneration Act. Through member lobbying, bargaining pressure, go-slow, blockades, public protest and activity – and through a focused and comprehensive campaign over a number of years – in 2012 the TWU was able to win the necessary support to pass the legislation from major transport companies, industry associations, unions, members of government, and the broader community.

The Act creates a tribunal that will monitor pay and conditions in the trucking industry. The tribunal has the power to:

- Set fair rates of pay and related conditions for employees and owner-drivers;
- Resolve disputes and enquire into the industry;
- Make orders to remove commercial incentives that promote unsafe work including industry practices for loading and unloading vehicles, waiting times, working hours, load limits, and payment methods.

Critically, the tribunal can hold all supply chain participants accountable – such as mega-retailers and other client companies that control rates and conditions. (You can find a copy of the legislation here: http://saferates.org.au/about)

Organising and strengthening the union

The campaign to regulate the industry is also necessarily a campaign to organise and strengthen the union. Unionised workers are in the best position to define and monitor safety practices and outcomes, and report breaches and abuse.

The TWU’s comprehensive campaign strategy involves members in the political, public, and regulatory aspects of the campaign, and even more importantly members are trained to organise across trucking companies at major distribution centres. The TWU is committed to organising the majority of companies coming into each major distribution hub or market to prevent retail clients from moving work to non-union companies with lower standards. Getting a charter with major retailers that includes organising rights in their supply chains is key. The fragmentation of the industry, often with hundreds of companies competing for the work, makes organising at individual companies ineffective – the client company simply moves the work to lower-cost non-union operators.

The years of campaigning have led some retailers to begin negotiating with the TWU over such a charter – both to avoid the kind of campaign waged against Coles and to reduce their liability for road safety. The TWU has initiated pilot projects to organise at the majority of companies entering major distribution hubs and has won agreement from some retailers for union organisers to talk to drivers at their distribution centres with the goal of building cross-company organising committees.

While Australian law requires company by company agreements, the demands of the workers and the preference
of the client, along with enforcement mechanisms in the legislation, can serve to bring together workers at many companies with a common interest – taking wages out of competition and unionising the whole market. This increases union density and increases the power of workers and their unions to set and enforce safe rates, safe wages, and safe conditions.

Questions to consider for adapting the Australian experience

Since the ITF began sharing information on the Safe Rates campaign, a number of affiliates have expressed interest in how to use these principles in other regions and countries.

How does the Safe Rates concept – that retailers and other major clients should be accountable for rates and safety conditions along their whole supply chain – address the problems of the industry race to the bottom in other regions or countries?

What is the best role for the ITF in examining these issues and developing global campaigns to strengthen union organising in order to address industry fragmentation in road transport?

How can the ITF and its affiliates learn from this Australian initiative and its achievements in order to enhance the “Fatigue Kills!” campaign?

For more information on the evidence, the campaign and the legislation, see the TWU Safe Rates information packet here http://saferates.org.au/about

This factsheet was produced in conjunction with the ITF Executive Board meeting in April 2014, where Tony Sheldon, National Secretary TWU Australia made a presentation to the meeting on the safe rates campaign.

Endnotes:
