

Memorandum of Understanding – National Road Freighters Association and the Transport Workers' Union of Australia

1 Background

The Australian road transport sector is in a state of crisis. Economic and contractual practices are placing unsustainable pressures on transport operators and workers and contributing to thousands of transport operators going bankrupt not to mention the injuries and deaths of thousands of transport workers and users every year. The Australian Government and existing regulatory models have failed to respond to this crisis and the need for regulatory intervention has never been stronger.

Outlined below are a set of six principles which we, the National Road Freighters Association (NRFA) and the Transport Workers Union (TWU), have formulated to address this crisis. We agree that these principles should form the framework for future regulation of the road transport sector.

The TWU & NRFA enter this partnership as two independent organisations who, while recognising the crisis in the transport sector, the need for joint action and exploring all opportunities to work together to address these issues, will continue independently represent the interests of their respective members.

2 Core Principles

- (1) **Universal application of a system of binding, enforceable, safe and sustainable rates and standards:** Road transport workers and transport operators should be able to perform their work safely and sustainably. Contractual practices continue to force many transport operators below such standards and make risk-taking behaviour the only competitive model. Transport operators and workers deserve access to a fair & safe payment system which allows them to cover their costs and earn a decent living. Such standards must be provided to all stakeholders regardless of their employment or business status.
- (2) **Independent tribunal to determine and enforce binding standards in conjunction with industry stakeholders:** Industry standards can only be effectively determined and enforced when determined in conjunction with transport workers and transport operators. To ensure this, an independent tribunal with the power to set binding minimum standards across supply chains and resolve supply chain disputes must be established across the road transport sector, and ensure that unions and transport operators play a central role in determining such standards.
- (3) **Client accountability throughout transport supply chains:** The road transport sector is one where large clients ultimately hold the power to effectively set safety and working standards. Outsourcing transport work should not absolve these clients from the responsibility of ensuring such standards are maintained throughout their supply chains. Clients must be accountable for setting sustainable standards for safety and remuneration through their tendering practices and must work with unions, transport operators and other industry stakeholders to ensure such standards are effectively enforced.
- (4) **Transport workers and transport operators must have the opportunity to contribute to a collective voice:** The road transport sector is characterised by long supply chains and fragmented contracting practices which inhibits the ability of transport workers and transport operators to address more systemic issues in the

sector. Collective representation is the central means by which such issues can be identified and resolved. Workers in the road transport sector must have the opportunity to access the fundamental and universally acknowledged means of raising and maintaining standards of safety and fairness by collective organising with other workers through their union. Equally, transport operators must not be precluded from collectively representing their interests in relation to safety and fair and sustainable standards in the industry.

- (5) **Enforcement mechanisms must be fit for purpose to ensure standards are effectively realised.** Too often laws seeking to regulate road transport standards fail transport workers and transport operators due to weak or ineffective enforcement mechanisms. Setting laws are not good enough – standards must be effectively enforced and binding. Ensuring that industry stakeholders, including unions and other industry associations representing transport operators, have a central part to play in oversight and enforcement is key to addressing this issue.
- (6) **Adequate training and education through an industry scheme and fund:** The industry urgently needs a nationally accredited and compulsory formal training system (including around issues of work health and safety and industrial rights), which must all be adequately resourced to ensure a level playing field for companies, to provide for the professional development of drivers, and to provide access to a safe, fair and engaging work environment.