

Master Builders Australia

Submission to the Department of Employment

on

The Road Safety Remuneration System

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1 Introduction

- 1.1 This submission is made on behalf of Master Builders Australia Ltd.
- 1.2 Master Builders Australia (Master Builders) is the nation's peak building and construction industry association which was federated on a national basis in 1890. Master Builders Australia's members are the Master Builder State and Territory Associations. Over 126 years the movement has grown to over 32,000 businesses nationwide, including the top 100 construction companies. Master Builders is the only industry association that represents all three sectors, residential, commercial and engineering construction.

2 Purpose of Submission

- 2.1 The Road Safety Remuneration Act 2012 (RSR Act) required a review of its operation be conducted in the second half of 2015. The review was conducted by PricewaterhouseCoopers (PwC) and completed in January 2016 to account for the Road Safety Remuneration Tribunal's most recent order issued on 18 December 2015.
- 2.2 The review examined the extent to which the Tribunal has fulfilled its functions and the objects under the RSR Act. This involved assessing the current and future impacts of the Tribunal's first two road safety remuneration orders, considering the effectiveness of the Tribunal's processes, and undertaking a cost benefit analysis of the Road Safety Remuneration System.
- 2.3 The Department of Employment has released a Discussion Paper with options for reform and will be undertaking consultations during April 2016 on these options with industry stakeholders. This submission is in response to the Discussion Paper.

3 Observations

- 3.1 Master Builders has a direct interest in the role and functions of the Road Safety Remuneration Tribunal ('Tribunal') as the building and construction industry is reliant on the transport of building materials. As such, many of Master Builders' member companies are caught by the Road Safety Remuneration System as 'participants in the supply chain'.

- 3.2 Master Builders is committed to the concept of continual improvement in work health and safety. That improvement can occur only within a policy framework that provides an environment that is conducive to the advancement of WHS and one which is structured to engage the participants.
- 3.3 The Road Safety Remuneration System was established on the basis of limited evidence that suggests there is a correlation between rates of pay and safety within the road transport industry. Master Builders submits that this theory is flawed and that the entire structure serves no useful purpose.
- 3.4 Master Builders believes that the Road Safety Remuneration System is superfluous as there is overlapping regulation that is better suited to regulating safety within the road transport industry.

4 Position of Master Builders

- 4.1 As such, Master Builders submits that the Road Safety Remuneration System should be abolished. We therefore support Option 4(b) set out in the relevant Discussion Paper as circulated by the Department.
- 4.2 Further, Master Builders does not support any other option set out in the relevant Discussion Paper. Were any of these options to be entertained by the Government, it would have the consequence of (directly or indirectly) legitimising the role and/or effect of a Tribunal that was established on flawed grounds that is extremely unlikely to have any positive material or measureable effect on road safety.

5 Conclusion

- 5.1 We thank the Department for the opportunity to make this submission. Please contact Mr Shaun Schmitke, National Director Industrial Relations, should any further information be required.
