

Safe Rates and Economic Employer Responsibility

In Road Transport

Transfair Final Conference, 31 March – 1 April, 2022

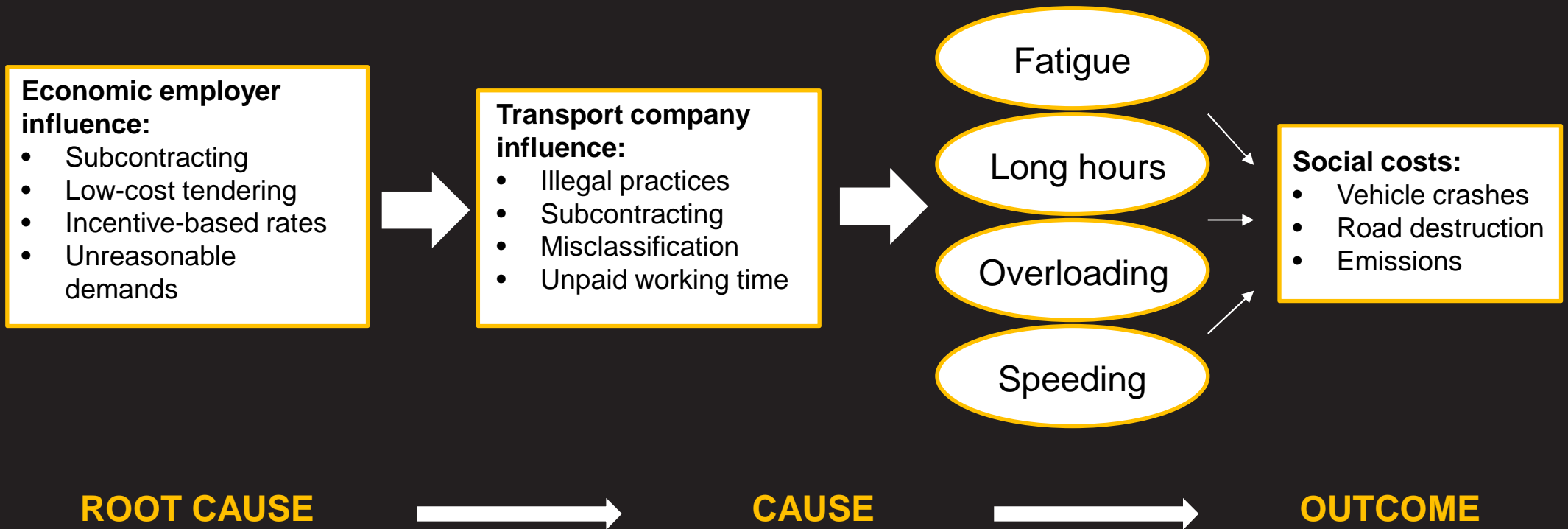


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1. Why Safe Rates?

SAFETY IMPACT OF SUBCONTRACTING AND LOW RATES



* Reconfiguration of *Quinlan and Wright (2008)*.

1. Why Safe Rates?

BUSINESS ARGUMENT FOR **SAFE RATES**

- Minimises incentives to work illegal hours and reduces accident rates
 - 1% higher hourly wages = 3.16% fewer crashes
- Higher retention rates
 - Low search, training and hiring costs
 - Safer fleets
- Better return on investment
 - E(NPV) for higher paid experienced drivers USD 10,474 greater than for lower paid inexperienced drivers
- Business predictability

2. Safe Rates Systems

ECONOMIC EMPLOYERS RESPONSIBLE FOR FAIR PAY, CONDITIONS AND SAFETY



*Guidelines on the Promotion of
Decent Work and Road Safety in
the Transport Sector (2019)*

2. Safe Rates Systems

SAFE RATES GLOBAL EXPANSION



[Safe Rates systems]

- **Canada** Port Metro Rates Licensing System
- **Brazil** Minimum Freight Rate Floors
- **South Korea** Road Safety Freight Rates System
- **Australia** NSW Industrial Relations Act, Chapter 6 GCCD

[Gig application]

- **US** Seattle Fare Share Plan
- **US** NYC High-Volume For-Hire Minimum Driver Pay Standard

[Guideline rates]

- **France** CNR Guideline costs
- **Japan** Standard Freight Rate Notification System

2. Safe Rates Systems

ITF SAFE RATES CAMPAIGN



- **30 June – 1 July**
International Safe Rates Summit - *Regulating for Safety, Sustainability and Decent Work*
- **21-28 October**
ITF Week of Action for Decent Work and Safety in the Road Transport Industry

3. Safe Rates Main Principles

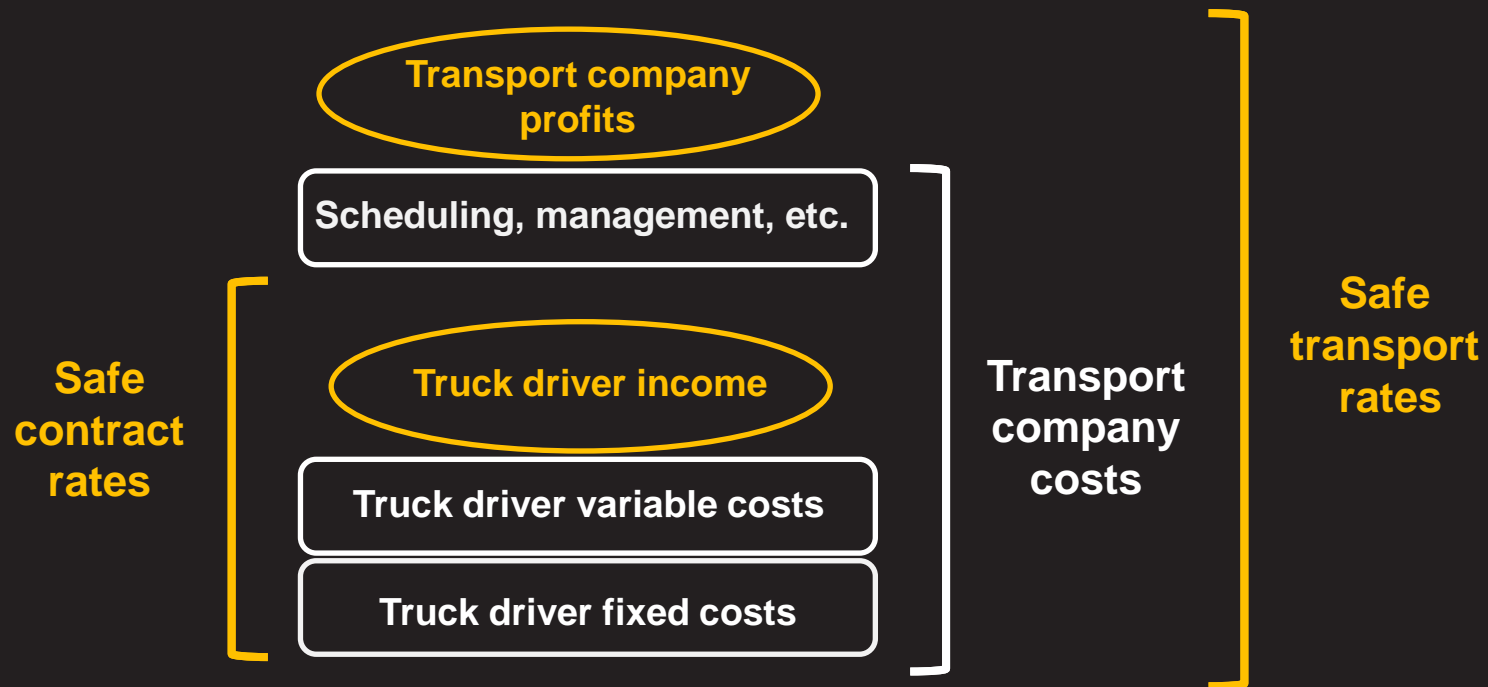
SAFE RATES MAIN PRINCIPLES

1. Predictable cost recovery, payment for all time worked
2. Multi-stakeholder social dialogue
3. Economic employer responsibility
4. Monitoring and enforcement



3-1. Cost recovery, payment for all time worked

SOUTH KOREAN RATES MODEL



3-1. Cost recovery, payment for all time worked

EMPLOYER COST RECOVERY GUIDELINES

1. Victoria/Queensland Guideline Rates
2. France, CNR Guideline Costs
3. Japan, Standard Freight Rate Notification System
4. South Korea, Safe Transport Costs (steel, general freight)

SIMULATEUR DE COÛT DE REVIENT D'UN VEHICULE DE TRANSPORT ROUTIER

Les cellules en jaune sont à documenter. L'unité s'affiche automatiquement.
Les cellules en vert donnent des résultats de calculs. Elles sont protégées en écriture.

A saisir
Résultats

Description, texte libre Commentaires facilitant la saisie Commentaires

Les conditions d'exploitation du véhicule étudié

Kilométrage annuel moyen du véhicule moteur (km)	65,000 km
Dont kilométrage en charge (km)	30,000 km
Nombre de véhicules tractés pour un véhicule moteur	1.0
Nombre de jours d'exploitation du véhicule moteur par an	200.0 jour(s)
Unité de chargement (texte libre)	tonnes
Capacité de chargement (correspondant à l'unité ci-dessus)	26.0
Coefficient d'utilisation de cette capacité (%)	100.0 %

3-2. Multi-stakeholder Social Dialogue

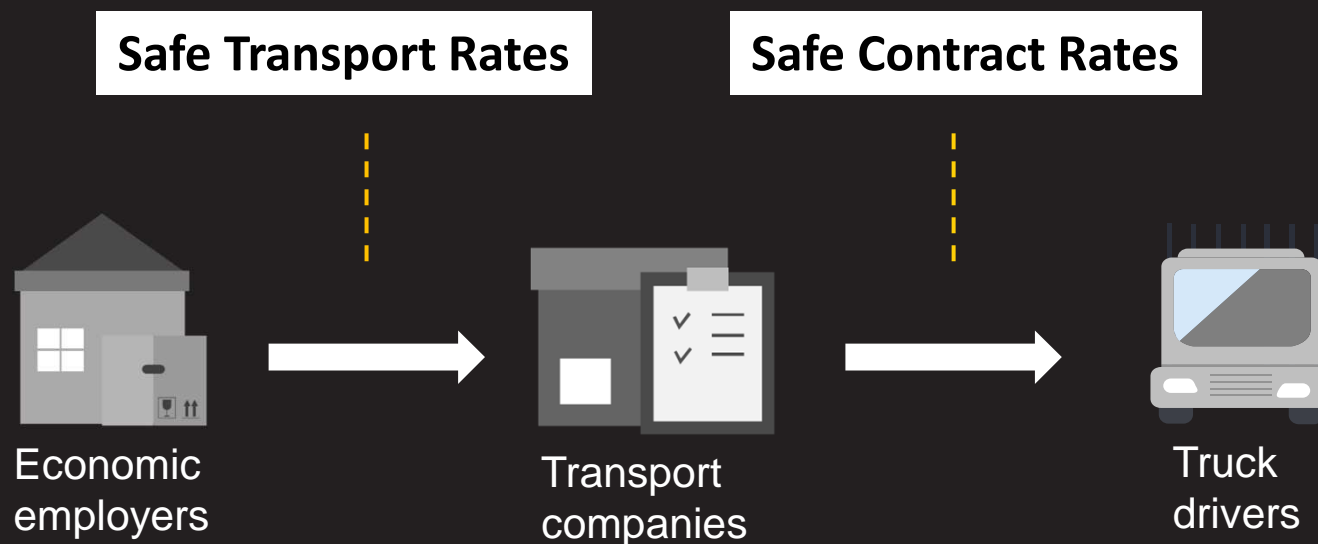
SOUTH KOREAN SAFE RATES COMMITTEE

- 4 public interest representatives
- 3 Economic employer association representatives
- 3 Transport company representatives
- 3 representatives of drivers' union



3-2. Economic Employer Responsibility

SOUTH KOREAN RATES MODEL



3-3. Economic Employer Responsibility

CHAIN OF RESPONSIBILITY



“Each party in the road transport chain should comply with their individual responsibilities and in so doing increase safety” including through “contractual practices, policies, and procedures, that deter unsafe driving practices” (para 178)

AUSTRALIA

“Each party must ensure that the terms of consignment or work contracts do not result in, encourage, reward, or incentivise drivers or other chain parties to violate the law.” (NHVL)

3-3. Economic Employer Responsibility

ECONOMIC EMPLOYER RESPONSIBILITY - OTHER FORMS

- **Chain/co-liability**
 - Directive 2014/67/EU (posting drivers)
 - Regulation (EC) 561/2006 (driving and rest times)
 - Netherlands Civil Code, Labour Market Fraud Act
 - California Labour Code Section 2810.4

- **Mandatory Human Rights Due Diligence**
 - French Corporate Duty of Vigilance Law
 - German Act on Corporate Due Diligence in Supply Chains

- **Road Transport Due Diligence**
 - ITF/IUF/FNV

4. Road Transport Due Diligence



ROAD TRANSPORT DUE DILIGENCE

1. Minimum standards
2. Monitoring
3. Remediation



4. Road Transport Due Diligence

1. MINIMUM STANDARDS



Compliance with laws

Equality and respect

Employment relations

Health and safety

Fair wages

Labour and union rights

Working and resting time

4. Road Transport Due Diligence

2. MONITORING & REPORTING

RTDD Foundation

Bottom-up monitoring network

Training and capacity-building

Evidence and data gathering

Anonymised reporting



4. Road Transport Due Diligence

3. REMEDIATION



1. Notification
2. Consultation
3. Restitution
4. Training
5. Corrective plans
6. Assistance
7. Evaluation
8. Final measures



4. Road Transport Due Diligence

RTDD FOUNDATION



THANK YOU

