

Victoria Government Gazette

By Authority of Victorian Government Printer

No. G 16 Thursday 21 April 2022

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The last Special Gazette was No. 200 dated 19 April 2022. The last Periodical Gazette was No. 1 dated 9 June 2021.

How To Submit Copy

- See our webpage www.gazette.vic.gov.au
- or contact our office on 8523 4601 between 8.30 am and 5.30 pm Monday to Friday

PUBLICATION OF THE VICTORIA GOVERNMENT GAZETTE (GENERAL) ANZAC DAY WEEK 2022 (Monday 25 April 2022)

Please Note New Deadlines for General Gazette G17/22:

The Victoria Government Gazette (General) for ANZAC DAY week (G17/22) will be published on **Thursday 28 April 2022**.

Copy deadlines:

Private Advertisements
Government and Outer
Budget Sector Agencies Notices

9.30 am on Friday 22 April 2022

9.30 am on Tuesday 26 April 2022

Office Hours:

The Victoria Government Gazette Office is open during normal office hours over the holiday period, i.e. 8.30 am to 5.30 pm Monday to Friday, excluding public holidays.

Where urgent gazettal is required after hours, arrangements should be made with the Government Gazette Officer on 0419 327 321.

KIM BURNESS Government Gazette Officer

PRIVATE ADVERTISEMENTS

Land Act 1958

Notice is hereby given that the Sea Lake Golf & Bowls Club Incorporated has applied to lease, pursuant to section 134 of the Land Act 1958, for a term of ten (10) years, Crown land being Allotment 27A Parish of Burupga containing 25.10 ha (more or less) as a site for 'golfing purposes and community use and activities to raise funds for this purpose'.

Re: Estate of RODERICK ALLEN RYAN, late of 75–85 Orr Street, Yarrawonga, Victoria, deceased.

Creditors, next-of-kin or others having claims in respect of the estate of the deceased, who died on 9 August 2021, are required by the trustees, Peter Roderick Ryan and Annette Maree Carter, to send particulars of their claims to the trustees, care of the undermentioned legal practitioners, by a date not later than two months from the date of publication of this advertisement, after which date the trustees may convey or distribute the assets, having regard only to the claims of which they then have notice.

BRENDAN HOLLAND & MICHAEL CAHIR, legal practitioners,

130 Balcombe Road, Mentone 3194.

ANGELA SALVAGGIO, late of 970 Plenty Road, South Morang, Victoria, home duties, deceased.

Creditors, next-of-kin and others having claims in respect of the estate of the abovenamed deceased, who died on 10 September 2021, are required by the executors, Mario Salvaggio and Bernadette Cali, care of Suite 2, 261–265 Blackburn Road, Doncaster East, Victoria 3109, to send particulars of their claims to them, within 60 days of the date of this notice, after which date the executors may convey or distribute the assets of the estate, having regard only to the claims of which they then have notice. Probate was granted in Victoria on 10 December 2021.

COSTANZO LAWYERS, Suite 2, 261–265 Blackburn Road, Doncaster East, Victoria 3109. Ph: 03 9894 5888. Re: Estate of MAURICE IAN JARMAN, late of 224 South Beach Road, Bittern, Victoria 3918, teacher, deceased.

Creditors, next-of-kin and others having claims in respect of the estate of the deceased, who died on 17 January 2021, are required by the trustee, David Gerrard Gibbs, to send particulars of their claims to the trustee, care of the undermentioned lawyers, by 21 June 2022, after which date the trustee may convey or distribute the assets, having regards only to the claims of which he then has notice.

DAVID GIBBS & ASSOCIATES, lawyers, 2 High Street, Hastings, Victoria 3915.

Re: Estate of VHONDA DENISE MURDISON, late of 14 Cairns Avenue, Rosebud, Victoria 3939, case worker, deceased.

Creditors, next-of-kin and others having claims in respect of the estate of the deceased, who died on 8 November 2021, are required by the trustee, David Gerrard Gibbs, to send particulars of their claims to the trustee, care of the undermentioned lawyers, by 21 June 2022, after which date the trustee may convey or distribute the assets, having regards only to the claims of which he then has notice.

DAVID GIBBS & ASSOCIATES, lawyers, 2 High Street, Hastings, Victoria 3915.

Re: VINCENT VELLA, late of 38 Fairhaven Boulevard, Melton West, Victoria, deceased.

Creditors, next-of-kin and others having claims in respect of the estate of the deceased, who died on 24 November 2021, are required by the trustee, Josephine Carmen Gatt, to send particulars to the trustee, care of the undermentioned solicitors, within 60 days from the publication hereof, after which date the trustee may convey or distribute the assets, having regard only to the claims of which the trustee has notice.

DE MARCO LAWYERS, 794A Pascoe Vale Road, Glenroy 3046.

Re: WILLIAM HENRY GARDINER, deceased.

Creditors, next-of-kin and others having claims in respect of the estate of the deceased,

who died on 5 August 2021, are required by the trustee, Margaret Eva Gardiner, care of Featherbys Lawyers, of 14 Ninth Avenue, Rosebud, Victoria, to send particulars to the trustee by 24 June 2022, after which date the trustee may convey or distribute the assets, having regard only to the claims of which the trustee has notice.

FEATHERBYS LAWYERS, solicitors, 14 Ninth Avenue, Rosebud 3939.

WESLEY LEONARD ASKEW, late of 35 Deakin Street, Essendon West, retired, deceased.

Creditors, next-of-kin and others having claims in respect of the estate of the deceased, who died on 5 October 2021, are required by the executor, Andrew Davey, to send particulars of such claims to him, care of the undermentioned solicitors, within 60 days from the date of publication of this notice, after which date the executor may convey or distribute the assets, having regard only to the claims of which he then has notice.

GARLAND HAWTHORN BRAHE LAWYERS, Level 4, 114 William Street, Melbourne 3000.

ERIC ALBERT UEBERGANG, late of Unit 21, 29 Fitzsimons Lane, Templestowe, orchardist, deceased.

Creditors, next-of-kin and others having claims in respect of the estate of the deceased, who died on 3 May 2020, are required by the executors, Karen Willersdorf and Bruce Uebergang, to send particulars of such claims to them, care of the undermentioned solicitors, within 60 days from the date of publication of this notice, after which date the executors may convey or distribute the assets, having regard only to the claims of which they then have notice.

GARLAND HAWTHORN BRAHE LAWYERS, Level 4, 114 William Street, Melbourne 3000.

RICHARD FRANCIS WARD, late of Unit 12, 43–47 Riverside Avenue, Werribee, maintenance worker, deceased.

Creditors, next-of-kin and others having claims in respect of the estate of the deceased, who died on 13 December 2020, are required

by the executor, Daniel Shaun Ward, to send particulars of such claims to him, care of the undermentioned solicitors, within 60 days from the date of publication of this notice, after which date the executor may convey or distribute the assets, having regard only to the claims of which he then has notice.

GARLAND HAWTHORN BRAHE LAWYERS, Level 4, 114 William Street, Melbourne 3000.

Re: JORGEN DAN ELSTOFT, late of Unit 204, 1259 Malvern Road, Malvern, Victoria, retired, deceased.

Creditors, next-of-kin and others having claims in respect of the estate of the deceased, who died on 31 January 2022, are required by the executor, Jennifer Jane Elstoft, care of James Higgins & Co., Level 4, 90 William Street, Melbourne, to send particulars of their claims to the executor, care of the undermentioned solicitors, by 20 July 2022, after which date the executor will convey or distribute the assets, having regard only to the claims of which she then has notice.

JAMES HIGGINS & CO., solicitors.

Estate of LUIGI BERNARDI SGAMBARO.

Creditors, next-of-kin and others having claims in respect of the estate of LUIGI BERNARDI SGAMBARO, late of 51 Cottrell Street, Werribee, Victoria, carpenter, deceased, who died on 28 October 2021, are required by the executors, Theresa Ann Sgambaro and Angela Marjorie Sgambaro, to send particulars of their claims to the executors, care of the undersigned lawyers, by 22 June 2022, after which date the executors will convey or distribute the assets, having regard only to the claims of which the executors then have notice.

LAWSON HUGHES PETER WALSH, lawyers, Level 2, 533 Little Lonsdale Street, Melbourne 3000.

susan@lhpw.com.au

PATRICIA ELIZABETH JORDAN, late of 317A O'Hea Street, Pascoe Vale, in the State of Victoria, home duties, deceased.

Creditors, next-of-kin and others having claims in respect of the estate of the abovenamed

deceased, who died at Pascoe Vale South, Victoria, on 18 December 2021, are required by Douglas Joseph Jordan and Suzanne Maree Jordan, the executors and trustees of the estate of the said named deceased, to send particulars of their claims to them, care of McNab McNab & Starke, 21 Keilor Road, Essendon, Victoria 3040, by 1 July 2022, after which date they may convey or distribute the assets of the estate, having regard only to the claims of which they then have notice.

Dated 11 April 2022

McNAB McNAB & STARKE, 21 Keilor Road, Essendon, Victoria 3040. Ph: 9379 2819. Fax: 9374 1041.

Ref: MCS:220109.

Estate of DARREN HARVEY FRAZER, late of 32 College Street, Wangaratta, Victoria 3677.

Creditors, next-of-kin and others having claims in respect of the estate of the deceased, who died on 13 December 2021, are required by the personal representative, Simon Edward Frazer, to send particulars to him by 21 June 2022, at the office of his solicitors, Morgan Couzens Legal, PO Box 255, Myrtleford, Victoria 3737, after which date the personal representative may convey or distribute the assets, having regard only to the claims of which he then has notice.

Dated 21 April 2022

Creditors, next-of-kin and others having claims against the estate of DEREK JOHN FAIRLEY, late of 6 Clifford Drive, Wonga Park, in the State of Victoria, veterinary surgeon, deceased, who died on 20 July 2021, are required to send particulars of the claims to the executors, Kerry Lorraine Fairley and Hilary Iona Davidson, care of the undermentioned solicitor, by 28 June 2022, after which date they will distribute the estate of the deceased, having regard only to the claims of which they then have notice.

PETER GARDINER, solicitor, Office 1, 2 Colin Avenue, Warrandyte 3113.

Re: EDWARD MAREK, late of 6 Mitchells Outlook, Hazelwood South, Victoria, deceased.

Creditors, next-of-kin and others having claims in respect of the estate of the abovenamed

deceased, who died on 11 November 2021, are required by the executor, Donna Marie Higgins, to send particulars of their claims to her, care of the undermentioned solicitors, by 22 June 2022, after which date she may convey or distribute the assets, having regard only to the claims of which she then has notice.

RENNICK & GAYNOR, solicitors, 431 Riversdale Road, Hawthorn East, Victoria 3123.

Ref: AE: 212665. Tel: 03 9861 7779.

Re: HENRY GEORGE PAGE, late of Hillview Bunyip Aged Care, 22 A'Beckett Street, Bunyip, Victoria, deceased.

Creditors, next-of-kin and others having claims in respect of the estate of the abovenamed deceased, who died on 17 December 2021, are required by the executor, Daniel Leslie Minogue, to send particulars of their claims to him, care of the undermentioned solicitors, by 22 June 2022, after which date he may convey or distribute the assets, having regard only to the claims of which he then has notice.

RENNICK & GAYNOR, solicitors, 431 Riversdale Road, Hawthorn East, Victoria 3123. Ref: NMN: 212749.

Re: WILLIAM ROBERT VAN VALZAH, late of Unit 82, Fountain Court, 100 Station Street, Burwood, Victoria 3125, retired, deceased.

Creditors, next-of-kin and others having claims in respect of the estate of the abovenamed deceased, who died on 29 November 2021, are required by the executor, Daniel Leslie Minogue, to send particulars of their claims to him, care of the undermentioned solicitors, by 22 June 2022, after which date he may convey or distribute the assets, having regard only to the claims of which he then has notice.

RENNICK & GAYNOR, solicitors, 431 Riversdale Road, Hawthorn East, Victoria 3123. Ref: NMN: 212705.

GOVERNMENT AND OUTER BUDGET SECTOR AGENCIES NOTICES



GOVERNANCE LOCAL LAW NO. 2 (2022)

Making of Local Law

Notice is given, pursuant to section 74(4) of the **Local Government Act 2020**, that at its meeting on 11 April 2022, Banyule City Council (Council) resolved to make the Governance Local Law No. 2 (2022) (Local Law).

The Local Law commenced operation on 11 April 2022.

Objectives of the Local Law

The objectives of the Local Law are to:

- regulate the use of the Common Seal of Council;
- prohibit unauthorised use of the Common Seal of Council;
- regulate conduct at Council Meetings; and
- revoke Council's Governance Local Law No. 2 (2015).

Effect of the Local Law

The Local Law:

- provides for the proper use of the Common Seal of Council;
- creates an offence for using of the Common Seal of Council without the authority of Council; and
- creates offences relating to conduct at Council Meetings, including:
 - when called on by the Chairperson twice to do so, failing to satisfactorily apologise for not withdrawing an expression which is defamatory, indecent, abusive, offensive, disorderly or objectionable;
 - failing to leave a meeting when directed by the Chairperson to do so after engaging in any improper or disorderly conduct; and
 - failing to obey a direction of the Chairperson relating to conduct of a meeting;
 - failing to leave a meeting on suspension; and
 - fraudulently signing a petition or joint letter which is presented to Council.

Inspection

Copies of the Local Law may be inspected at any time on Council's website at banyule.vic.gov.au/ LocalLaws and during office hours at Council's Customer Service Centre at 1 Flintoff Street, Greensborough.

> ALLISON BECKWITH Chief Executive Officer

Planning and Environment Act 1987

GREATER DANDENONG PLANNING SCHEME

Notice of the Preparation of an Amendment Amendment C228gdan

The Greater Dandenong City Council has prepared Amendment C228gdan to the Greater Dandenong Planning Scheme.

The Amendment proposes to change the public open space contribution rates for new subdivisions of non-exempt land and buildings intended to be used for residential and commercial purposes.

The Amendment will:

- amend Clause 21.06 (Open Space and Natural Environment) of the Local Planning Policy Framework to reference the Greater Dandenong Open Space Strategy 2020–2030 (City of Greater Dandenong, 2020);
- replace the Schedule to Clause 53.01 (Public Open Space Contributions and Subdivision) with a revised schedule that clarifies the wording and specifies the following public open space contribution rates:
 - non-exempt residential subdivisions will be required to pay 6.3 per cent of the site value of the land in the subdivision;
 - o non-exempt commercial subdivisions will be required to pay 2 per cent of the site value of the land in the subdivision;
 - o non-exempt mixed-use subdivisions will be required to pay a combination of the above percentage rates of the site value of the land in the subdivision in accordance with the calculation method included in the Greater Dandenong Public Open Space Contributions and Subdivision Calculations Plan 2021 (City of Greater Dandenong, 2021);
- amend the Schedule to Clause 72.08
 Background Documents to include the Greater Dandenong Open Space Strategy 2020–2030 (City of Greater Dandenong, 2020) and the Greater Dandenong Open Space Strategy Open Space Contributions Assessment (Urban Enterprise, December 2020).

You may inspect the Amendment, any documents that support the Amendment and the explanatory report about the Amendment, free of charge, during office hours, at the

following City of Greater Dandenong Customer Service centres; 225 Lonsdale Street, Dandenong; 5 Hillcrest Grove, Springvale; Shop A7, Parkmore Shopping Centre, Cheltenham Road, Keysborough; and at the City of Greater Dandenong website, www.greaterdandenong.vic. gov.au and the Department of Environment, Land, Water and Planning website, www.planning.vic. gov.au/public-inspection

Any person who may be affected by the Amendment may make a submission to the planning authority about the Amendment. Submissions must be made in writing, giving the submitter's name and contact address, clearly stating the grounds on which the Amendment is supported or opposed and indicating what changes (if any) the submitter wishes to make.

Name and contact details of submitters are required for Council to consider submissions and to notify such persons of the opportunity to attend Council meetings and any public hearing held to consider submissions.

The closing date for submissions is Friday 20 May 2022. A submission can be sent to Council by email to council@cgd.vic. gov.au or by post to Strategic Planning – Amendment C228, City of Greater Dandenong, PO Box 200, Dandenong, Victoria 3175.

The planning authority must make a copy of every submission available at its office for any person to inspect, free of charge, for two months after the Amendment comes into operation or lapses.

MR JODY BOSMAN

Director City Planning, Design and Amenity Greater Dandenong City Council

Planning and Environment Act 1987 GLEN EIRA PLANNING SCHEME

Notice of the Preparation of an Amendment to a Planning Scheme and Notice of an Application for a Planning Permit Given Under Section 96C of the

Planning and Environment Act 1987

Amendment C233glen

Planning Permit Application GE/DP-34762/2021

The land affected by the Amendment and the application is 113 Balaclava Road, Caulfield North (Lot 1 TP552163C).

The Amendment proposes to include the land at 113 Balaclava Road, Caulfield North, in the Schedule to Clause 52.02 to enable the variation of the Restrictive Covenant contained in Instruments of Transfer 0857033 and 0896633 to allow up to six dwellings on the land in combination with Application for Planning Permit GE/DP-34762/2021 for the construction of a building comprising six dwellings and a basement car park and alteration of access to a road in a Transport Zone 2, to be considered concurrently in accordance with section 96A of the **Planning and Environment Act 1987**.

The applicant for the permit is Retrew Pty Ltd.

You may inspect the Amendment, the Explanatory Report about the Amendment, the application, and any documents that support the Amendment and the application, including the proposed permit, free of charge, at: the Glen Eira City Council website; www.gleneira.vic. gov.au/advertplans; during office hours, at the office of the planning authority, Glen Eira City Council, corner Glen Eira and Hawthorn Roads, Caulfield, Victoria 3162; or at the Department of Environment, Land, Water and Planning website, www.delwp.vic.gov.au/public-inspection

Any person who may be affected by the Amendment or by the granting of the permit may make a submission to the planning authority about the Amendment and the application. Submissions must be made in writing giving the submitter's name and contact address, clearly stating the grounds on which the Amendment is supported or opposed and indicating what changes (if any) the submitter wishes to make.

Name and contact details of submitters are required for Council to consider submissions and to notify such persons of the opportunity to attend Council meetings and any public hearing held to consider submissions.

The closing date for submissions is 19 May 2022. A submission must be lodged on the Council website or sent to: Urban Planning Department, Glen Eira City Council, PO Box 42, Caulfield South, Victoria 3162; or mail@gleneira.vic.gov.au

The planning authority must make a copy of every submission available at its office and/ or its website for any person to inspect, free of charge, until the end of the of two months after the Amendment comes into operation or lapses.

PAUL WOOD

Manager Urban Planning
on behalf of Glen Eira City Council

Planning and Environment Act 1987

WARRNAMBOOL PLANNING SCHEME

Notice of the Preparation of an Amendment
Amendment C210warr

The Warrnambool City Council has prepared Amendment C210warr to the Warrnambool Planning Scheme.

The land affected by the Amendment is:

- 44–52 Balmoral Road, Warrnambool;
- nos. 1–22 Royal Court, Warrnambool;
- part of Crown Allotment 2021 Parish of Wangoom;
- RES 1 on Plan of Subdivision 719889;
- R1 on Plan of Subdivision 719889;
- part of RES1 on Plan of Subdivision 728613. The Amendment proposes to:
- rezone 44–52 Balmoral Road, Warrnambool (Kings College school campus) from Public Use Zone – 2 (Education) to General Residential Zone – Schedule 1;
- rezone 1–22 Royal Court, Warrnambool and the Royal Court road reserve R-1 on Plan of Subdivision 719889N from Public Use Zone – 2 to General Residential Zone – Schedule 1;
- rezone Part Crown Allotment 2102 Parish of Wangoom, from Public Use Zone – 2 (Education) to Public Park and Recreation Zone:
- rezone RES1 on Plan of Subdivision 719889N and part of RES1 on Plan of Subdivision 728613, from Public Use Zone – 2 (Education) to Public Park and Recreation Zone.

You may inspect the Amendment, any documents that support the Amendment and the explanatory report about the Amendment, free of charge, at: the Warrnambool City Council website at www.warrnambool.vic.gov.au; and/or during office hours, at the office of the planning authority, Warrnambool City Council, 25 Liebig Street, Warrnambool; or at

the Department of Environment, Land, Water and Planning website, www.delwp.vic.gov.au/public-inspection

Any person who may be affected by the Amendment may make a submission to the planning authority about the Amendment. Submissions must be made in writing giving the submitter's name and contact address, clearly stating the grounds on which the Amendment is supported or opposed and indicating what changes (if any) the submitter wishes to make.

Name and contact details of submitters are required for Council to consider submissions and to notify such persons of the opportunity to attend Council meetings and any public hearing held to consider submissions. The closing date for submissions is Monday 23 May 2022. A submission must be sent to: Ms Julie McLean, Coordinator City Strategy, Warrnambool City Council, 25 Liebig Street, Warrnambool, Victoria 3280; or by email: jmclean@warrnambool.vic. gov.au

The planning authority must make a copy of every submission available at its office and/or on its website for any person to inspect, free of charge, for two months after the Amendment comes into operation or lapses.

PETER B. SCHNEIDER
Chief Executive Officer

EXEMPTION

Application No. H135/2021

The Victorian Civil and Administrative Tribunal has considered an application pursuant to section 89 of the **Equal Opportunity Act 2010** (the Act) by A. T. Kearney Australia Pty Ltd (the Applicant). The Applicant has amended its initial application and now seeks an exemption to enable it to advertise for and select four female undergraduate or postgraduate university students to be awarded a scholarship of up to \$15,000 each to support the recipients' studies, and to undertake a paid internship at one of the Applicant's Australian offices, and to be mentored by a senior female consultant (the exempt conduct).

Upon reading the material filed in support of this application, including the affidavit of Rachelle O'Keefe, and the oral evidence of Rachelle O'Keefe at the hearing on 31 March 2022, the Tribunal is satisfied that it is appropriate to grant an exemption from sections 16, 44, 107 and 182 of the Act to enable the Applicant to engage in the exempt conduct.

In granting this exemption, the Tribunal noted:

- The Applicant is a global management consulting firm with offices in more than 40 countries. Its Australian offices are located in Melbourne and Sydney. The Applicant's recruitment objective is to ensure that it hires the best diverse talent which supports the Applicant's overall strategy and contributes to their Gender Equality Strategy and Diversity Policy.
- Statistics provided by the Applicant indicate that only 30% of the Kearney ANZ consultant workforce is female. The broader management consulting industry continues to record disparity between male and female employees, which becomes even more apparent in management and leadership roles¹.
- The Applicant wishes to increase the proportion of females working as consultants and in leadership roles within the Applicant's business and the wider industry. The Applicant believes that offering female-only scholarships is an effective way to market to female students and to support ambitious and driven women to build successful careers in management consulting.
- The Victorian Equal Opportunity and Human Rights Commission was provided notice of the application and informed the Tribunal that it would not seek to intervene or be joined as a party to the proceeding.
- In 2016, the Applicant was granted an exemption for similar exempt. That exemption has now expired. The application before the Tribunal is to increase the number of scholarships and broaden the pool of potential recipients to female undergraduate and postgraduate university students.
- According to the Applicant, there has been some improvement in the number of female applicants for consultant positions since they introduced a women's scholarship.
 It has not yet been sufficient to achieve

¹ Australia's gender equality scorecard February 2022 by Workplace Gender Equality Agency.

a sustained increase in the female consultant workforce. Statistics from recent overall graduate recruitment campaigns indicate female applicants comprised only 31% in 2019, 37% in 2020, and 35% in 2021. The Applicant considers an increase in the number of women's scholarships will accelerate the affect.

- The scholarships will be open to all female undergraduates in their second year or later, as well as to postgraduate students. The scholarships are intended to assist with the costs of study and professional development. The recipients will receive up to \$15,000 each to be used to support either their next year of study or other educational related activities. In addition, the scholars will have the opportunity to do a paid internship at one of the Applicant's Australian offices, and receive mentorship from a senior female consultant.
- The Applicant continues to undertake a number of other strategies to encourage more female students to consider a career with the Applicant as a consultant and in the broader industry. The Applicant actively works with and financially supports a number of student societies and networks including Women in Science and Engineering at Melbourne University, University of Queensland Women's Network, University of Sydney Women's Network, Women in Engineering University NSW, Capital W at University of NSW, and University of Western Australia Women in Business. The Applicant completed an Employer of Choice for Gender Equality submission to the Workplace Gender Equality Association, and its Gender Equality Strategy has been endorsed by its global CEO. The Applicant also actively recruits senior females to leadership roles. Nevertheless, these strategies have not been sufficient to affect a permanent improvement in the percentage of females working as consultants and in leadership roles with the Applicant and in the wider management consulting industry.
- The Applicant considers the scholarships will not only provide an opportunity for the successful recipients but will also bring the Applicant and the roles it offers to the attention of more female students. While that will assist the Applicant in meeting its

- diversity goals, it will also encourage greater participation in the management consulting industry. An exemption for similar conduct has been granted in New South Wales.
- At the direction of the Tribunal, a notice of the exemption application including information about how to make written submissions for or against the application and how to attend the hearing was advertised in *The Age* newspaper and on the Applicant's website. No submissions were received by the Applicant or the Tribunal, and no one other than representatives of the Applicant attended the hearing.
- No exception or exemption under the Act already applies to the exempt conduct, and in the absence of an exemption the exempt conduct would amount to prohibited discrimination.
- When making decisions about exemptions, the Tribunal is required to give proper consideration to relevant human rights as set out in the Charter of Human Rights and Responsibilities Act 2006 (the Charter). I have considered the nature of the right, the importance of the purpose of the limitation, the nature and extent of the limitation, and the relationship between the limitation and its purpose, and any less restrictive means reasonably available to achieve the purpose the limitation seeks to achieve.
- I accept the exempt conduct limits the right to equality and in particular the right to equal and effective protection against discrimination on the basis of sex. This exemption will allow discrimination on the basis of sex in relation to students who are not female who may wish to undertake a scholarship and paid internship with mentoring support with the Applicant. The reasons provided in support of the exemption note the low participation rate of females in Applicant's and the broader management consulting industry consultant workforce.
- The Tribunal has granted an exemption for similar conduct in the past. While I note the exemption will allow the Applicant to discriminate on the basis of sex in relation to choosing successful candidates for the scholarships, I also note the scholarships do not replace existing scholarships, and do not displace anyone from current opportunities.

The scholarships add to the opportunities offered by the Applicant. I also note the scholarship program will not prevent anyone one from seeking internships or graduate and ongoing employment opportunities with the Applicant. I am satisfied the exempt conduct is specific and focused on its purpose, and that the Applicant continues to pursue less restrictive strategies as noted above.

- It is also important to note that the limitation the exemption proposes is temporary, as the Act limits an exemption to no more than five years. If a further exemption application is made at that time, it would be considered at that time against the requirements of the Act.
- I am satisfied that in all the circumstances, the limits imposed by this exemption on the right to equality are reasonable and justified under the Charter.

The Tribunal hereby grants an exemption from the operation of sections 16, 44, 107 and 182 of the Act to enable the Applicant to engage in the exempt conduct.

This exemption is to remain in force from the day on which notice of the exemption is published in the Government Gazette until 21 April 2027.

Dated 21 April 2022

C. THWAITES Member

Associations Incorporation Reform Act 2012

SECTION 134

I, David Joyner, under delegation provided by the Registrar; hereby give notice that, pursuant to section 134(1) of the Act, the registration of the incorporated association mentioned below will be cancelled at the date of this notice.

Warrina Counselling Incorporated Dated 21 April 2022

DAVID JOYNER
Deputy Registrar of
Incorporated Associations
PO Box 4567
Melbourne, Victoria 3001

Cemeteries and Crematoria Act 2003

SECTION 41(1)

Notice of Approval of Cemetery Trust Fees and Charges

I, Bryan Crampton as Delegate of the Secretary to the Department of Health for the purposes of section 40(2) of the Cemeteries and Crematoria Act 2003, give notice that I have approved the scales of fees and charges fixed by the following cemetery trusts.

The approved scales of fees and charges will take effect from the date of publication of this notice in the Victoria Government Gazette and will be published on the internet.

The fees will be published on the internet at http://www.health.vic.gov.au/cemeteries

The Dowling Forest Cemetery Trust
The Kilmore Cemetery Trust
The Upper Yarra Cemetery Trust

Dated 13 April 2022

BRYAN CRAMPTON
Manager
Cemetery Sector Governance Support

Health Complaints Act 2016

Section 90

INTERIM PROHIBITION ORDER

This Interim Prohibition Order is made pursuant to section 90 of the Health Complaints Act 2016.

The Health Complaints Commissioner (Commissioner) has made this Interim Prohibition Order because the Commissioner reasonably believes that the general health service provider named below has contravened a code of conduct applying to the general health service being provided and is satisfied that it is necessary to make this order to avoid a serious risk to the health, safety or welfare of the public.

| Name of the general health service provider on whom the Interim Prohibition Order is imposed: | Matthew William Nettleton operating in Melbourne in the State of Victoria. | | |
|--|---|--|--|
| Date of this Interim Prohibition Order: | 8 April 2022 | | |
| Date on which this Interim Prohibition Order expires: | An Interim Prohibition Order can remain in force for up to 12 weeks. This Interim Prohibition Order will remain in force until 30 June 2022 while an investigation is conducted unless it is revoked before that date. | | |
| Effect of this Interim Prohibition Order: | 1. The general health service provider named above must not, directly or indirectly: | | |
| | a) advertise or cause to be advertised, | | |
| | b) offer or cause to be offered, | | |
| | c) provide or cause to be provided, or | | |
| | d) establish, direct or otherwise operate any business that either advertises, offers or provides (or causes to be advertised, offered or provided) any general health service, paid or otherwise, in a clinical or non-clinical capacity. | | |
| | 2. The general health service provider named above must prominently display a copy of this Interim Prohibition Order at any premises where they provide any general health service and must ensure that it is easily visible to the public. | | |
| | 3. The general health service provider named above must prominently publish a copy of this Interim Prohibition Order on the homepage of any website or social media platform he uses to offer or promote any general health service. | | |

In this Interim Prohibition Order 'general health service' and 'general health service provider' have the same meaning as in section 3 of the **Health Complaints Act 2016**.

This Interim Prohibition Order takes effect on the service of the order on the general health service provider to whom it applies.

This Order will be published in the Victoria Government Gazette and on the internet site of the Health Complaints Commissioner, www.hcc.vic.gov.au

DOROTA SIARKIEWICZ Acting Health Complaints Commissioner

Health Complaints Act 2016

Section 90

INTERIM PROHIBITION ORDER

This Interim Prohibition Order is made pursuant to section 90 of the **Health Complaints** Act 2016.

The Health Complaints Commissioner (Commissioner) has made this Interim Prohibition Order because the Commissioner reasonably believes that the general health service provider named below has contravened a code of conduct applying to the general health service being provided and is satisfied that it is necessary to make this order to avoid a serious risk to the health, safety or welfare of the public.

| Name of the general health service provider on whom the Interim Prohibition Order is imposed: | Ms Teana Barry of Melbourne in the State of Victoria, who previously traded as Teana L. Barry (ABN 80 056 263 475) | | |
|--|--|--|--|
| Date of this Interim Prohibition Order: | 12 April 2022 | | |
| Date on which this Interim Prohibition Order expires: | An Interim Prohibition Order can remain in force for up to 12 weeks. This Interim Prohibition Order will remain in force until 4 July 2022 while an investigation is conducted unless it is revoked before that date. | | |
| Effect of this Interim Prohibition Order: | 1. The general health service provider named above must not directly or indirectly: | | |
| | a) advertise or cause to be advertised, or | | |
| | b) offer or cause to be offered, or | | |
| | c) provide or cause to be provided, | | |
| | d) establish, direct or otherwise operate any business that either advertises, offers or provides (or causes to be advertised, offered or provided) | | |
| | any general health service, including counselling or psychotherapy services, paid or otherwise, in a clinical or nonclinical capacity. | | |
| | 2. The general health service provider named above must prominently display a copy of this Interim Prohibition Order at any business premises at which they provide services and ensure that it is easily visible to the public until such time as the Interim Prohibition Order expires or is revoked. | | |
| | 3. The general health service provider named above must publish a copy of this Interim Prohibition Order, in a manner that is easily visible to the public, on the homepage of any website or social media platform used by the provider or any business operated by the provider to offer or promote any general health services including counselling or psychotherapy services. | | |
| | 4. The published IPO must remain in a prominent position on the home page of all websites at all times until the IPO expires or is revoked. | | |

In this Interim Prohibition Order 'general health service' and 'general health service provider' have the same meaning as in section 3 of the **Health Complaints Act 2016**.

This Interim Prohibition Order takes effect on the service of the order on the general health service provider to whom it applies.

This Order will be published in the Victoria Government Gazette and on the internet site of the Health Complaints Commissioner, www.hcc.vic.gov.au

DOROTA SIARKIEWICZ Acting Health Complaints Commissioner



Heritage Act 2017

NOTICE OF REGISTRATION

As Executive Director for the purpose of the **Heritage Act 2017**, I give notice under section 53 that the Victorian Heritage Register is amended by including a place in the Heritage Register:

Number: H2411

Category: Registered Object

Place: O'Dell's Hut

Location: Odells Track, Brookville Municipality: East Gippsland Shire

All of the object known as O'Dell's Hut currently located on Odells Track near the junction with Bayliss Spur Road, Brookville, Victoria.

Dated 21 April 2022

STEVEN AVERY Executive Director

FORM 7

Regulation 16

Land Acquisition and Compensation Act 1986

Notice of Acquisition

Compulsory Acquisition of Interest in Land

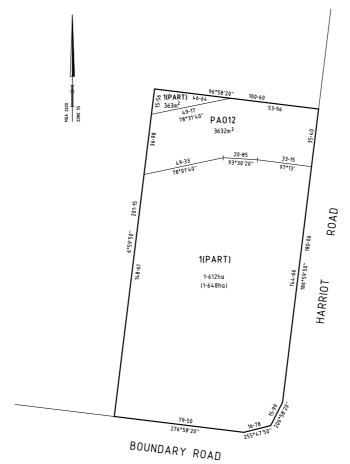
The Greater Geelong City Council declares that by this notice it acquires the following interest in the land described as part Lot 1 on Title Plan 089227H, comprising 0.363 hectares and being part of the land described in Certificate of Title Volume 10241 Folio 271. The portion acquired is shown as PAO12 on the plan hereunder.

Interests acquired: That of Armbound Pty Ltd and all other interests.

The acquisition is made pursuant to section 112 of the Local Government Act 2020 for the purpose of a stormwater drainage connection to the Sparrovale Wetlands.

A notice of intention to acquire the interest in the land was served on 22 October 2021.

Published with the authority of the Greater Geelong City Council.



For and on behalf of the Greater Geelong City Council

Signed: TRAVIS KIRWOOD Name: Travis Kirwood

Manager – Property, Procurement and Assets

Date 21 April 2022

FORM 7

Regulation 16

Land Acquisition and Compensation Act 1986

Notice of Acquisition

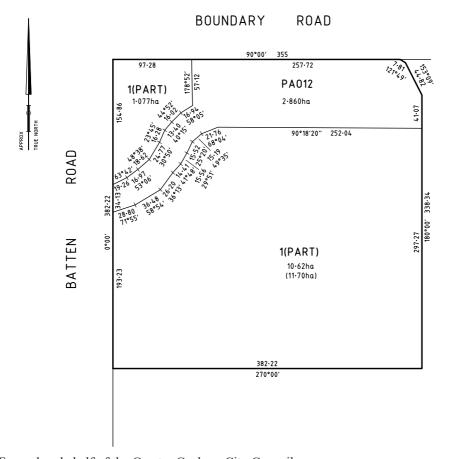
Compulsory Acquisition of Interest in Land

The Greater Geelong City Council declares that by this notice it acquires the following interest in the land described as part of Lot 1 on Title Plan 825483N, comprising 2.86 hectares and being part of the land described in Certificate of Title Volume 10717 Folio 818. The portion acquired is shown as PAO12 on the plan hereunder.

Interests acquired: That of Maxwell William Winter and all other interests.

The acquisition is made pursuant to section 112 of the Local Government Act 2020 for the purpose of construction of a stormwater retarding basin and drainage connection to the Sparrovale Wetlands.

A notice of intention to acquire the interest in the land was served on 22 October 2021. Published with the authority of the Greater Geelong City Council.



For and on behalf of the Greater Geelong City Council

Signed: TRAVIS KIRWOOD Name: Travis Kirwood

Manager – Property, Procurement and Assets

Date 21 April 2022

FORM 7

Regulation 16

Land Acquisition and Compensation Act 1986

Notice of Acquisition

Compulsory Acquisition of Interest in Land

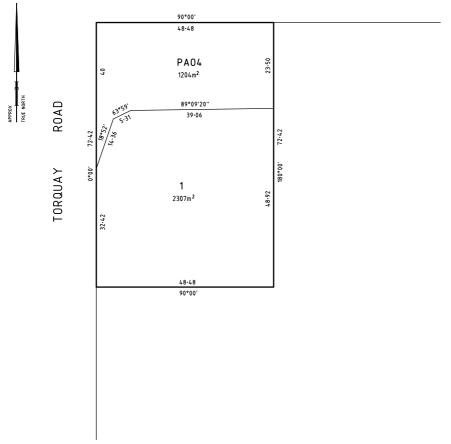
The Greater Geelong City Council declares that by this notice it acquires the following interest in the land described as part of Lot 1 on Title Plan 001651P, comprising 0.120 hectares and being part of the land described in Certificate of Title Volume 10158 Folio 499. The portion acquired is shown as PAO4 on the plan hereunder.

Interests acquired: That of Creek 412 Pty Ltd and Armstrong Creek Property Development Pty Ltd and all other interests.

The acquisition is made pursuant to section 112 of the Local Government Act 2020 for the purpose of widening the Torquay Road and Boundary Road intersection.

A notice of intention to acquire the interest in the land was served on 22 October 2021.

Published with the authority of the Greater Geelong City Council.



For and on behalf of the Greater Geelong City Council

Signed: TRAVIS KIRWOOD Name: Travis Kirwood

Manager – Property, Procurement and Assets

Date 21 April 2022

FORM 7

Regulation 16

Land Acquisition and Compensation Act 1986

Notice of Acquisition

Compulsory Acquisition of Interest in Land

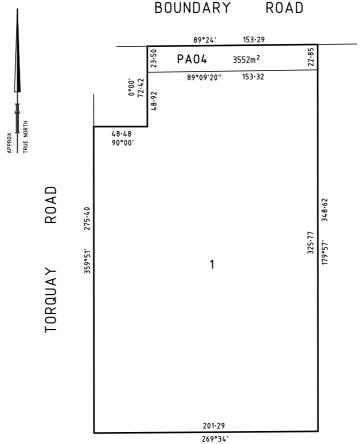
The Greater Geelong City Council declares that by this notice it acquires the following interest in the land described as part of Lot 1 on Title Plan 958813A, comprising 0.355 hectares and being part of the land described in Certificate of Title Volume 11818 Folio 490. The portion acquired is shown as PAO4 on the plan hereunder.

Interests acquired: That of SPG Armstrong Creek Landowner Pty Ltd and all other interests.

The acquisition is made pursuant to section 112 of the **Local Government Act 2020** for the purpose of widening the Torquay Road and Boundary Road intersection.

A notice of intention to acquire the interest in the land was served on 22 October 2021.

Published with the authority of the Greater Geelong City Council.



For and on behalf of the Greater Geelong City Council

Signed: TRAVIS KIRWOOD Name: Travis Kirwood

Manager – Property, Procurement and Assets

Date 21 April 2022

FORM 7

Regulation 16

Land Acquisition and Compensation Act 1986

Notice of Acquisition

Compulsory Acquisition of Interest in Land

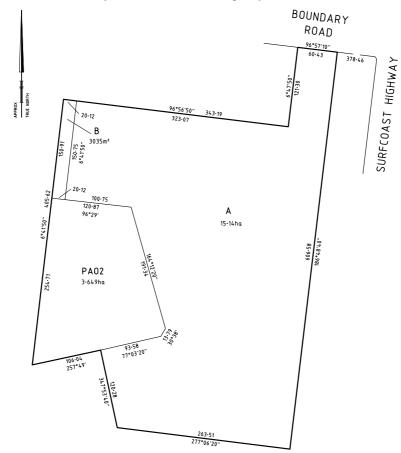
The Greater Geelong City Council declares that by this notice it acquires the following interest in the land described as part of Lot A and part of Lot B on Plan of Subdivision 749785G, comprising 3.6 hectares and being part of the land described in Certificates of Title Volume 9643 Folio 741 and Volume 08426 Folio 149. The portion acquired is shown as PAO2 on the plan hereunder.

Interests acquired: That of William John Collins and Nicole Joy Collins and all other interests.

The acquisition is made pursuant to section 112 of the **Local Government Act 2020** for the purpose of future active open space.

A notice of intention to acquire the interest in the land was served on 22 October 2021.

Published with the authority of the Greater Geelong City Council



For and on behalf of the Greater Geelong City Council

Signed: TRAVIS KIRWOOD Name: Travis Kirwood

Manager – Property, Procurement and Assets

Date 21 April 2022

FORM 7

Regulation 16

Land Acquisition and Compensation Act 1986

Notice of Acquisition

Compulsory Acquisition of Interest in Land

The Minister for Energy, Environment and Climate Change (Minister) declares that by this notice it acquires the following interests in the land described as Lot 2 on Plan of Subdivision PS081077 and contained in Certificate of Title Volume 08731 Folio 026:

Interests Acquired: That of Peter Andrew Watson and Joanne Marie Watson (registered proprietors) and all other interests.

The acquisition is made pursuant to section 5(4) of the Crown Land (Reserves) Act 1978 for the purpose of the Clyde Regional Park.

A notice of intention to acquire the interest in the land was served on 15 February 2022.

Published with the authority of the Minister.

For and on behalf of the Minister

Signed: JEREMY REIGER Name: Jeremy Reiger

Acting Director, Suburban Parks Program

Department of Environment, Land, Water and Planning

Date 21 April 2022

Monetary Units Act 2004

NOTICE UNDER SECTION 6

Fixing the Value of a Fee Unit and a Penalty Unit

- I, Tim Pallas, Treasurer of the State of Victoria, under section 6 of the **Monetary Units Act 2004**, by notice fix the value of a fee unit and a penalty unit for the financial year commencing 1 July 2022 as follows:
- a) the value of a fee unit is \$15.29; and
- b) the value of a penalty unit is \$184.92.

Dated 22 March 2022

TIM PALLAS MP Treasurer

Owner Drivers and Forestry Contractors Act 2005

TRANSPORT INDUSTRY COUNCIL RATES AND COSTS SCHEDULE 2021–22

Interim Rates and Cost Schedule – April 2022

1 Tonne Van, Courier/Messenger

Road Transport and Distribution Award 2010

Category 2

INTRODUCTION

This short-term update to rates and costs schedules has been developed in response to rising fuel prices and will be updated not later than within three months from 21 April 2022 or earlier as needed to account for the impact of fluctuations in fuel prices.

This vehicle operating Rates and Costs Schedule is based on the Transport Industry Council's evaluation of the cost recovery recommended for an owner driver to take into consideration based on being able to operate a business on a sustainable basis.

This Schedule is a general guide only. Owner drivers² are strongly advised to seek independent professional accounting advice for their own situation and discuss all issues with their hirer or potential hirer to ensure that there is no misunderstanding concerning payment structures.

This Rates and Costs Schedule is published under section 14 of the **Owner Drivers and Forestry Contractors Act 2005** (the Act). Under the Act, this Schedule must be given at least three business days before the owner driver is engaged, if the owner driver will be engaged for a period of at least 30 days; or on the thirtieth day, if the owner driver is engaged for a total period of at least 30 days in any three-month period.

These requirements also apply to freight brokers and to tender situations.

This Schedule will be revised at least annually, and under section 18 of the Act, hirers are required to give owner drivers a copy of any such revised Schedule as soon as practicable after it is published.

The Schedule is intended to assist owner drivers and their hirers to better understand the typical operating costs of an owner driver business and to inform their negotiations.

THE SCHEDULE DOES NOT SET MINIMUM RATES THAT MUST BE PAID.

The Schedule sets out a worked example of typical overhead costs for an owner driver supplying a 1 Tonne Van, Courier/Messenger. The worked example is based on certain assumptions about the business, for example, that the vehicle is 3 years old, is in operation for 7.6 hours a day and uses a certain number of tyres.

The aim of the Schedule is to assist owner drivers to:

- better understand their business cost structures and how increases and decreases in different cost items affect overall profitability; and
- calculate their own unique cost model.

This Schedule applies to owner drivers who supply a 1 Tonne Van, Courier/Messenger (1 tonne being the total cargo capacity of the vehicle) or similar vehicle³.

The Schedule is structured as follows:

Part 1: Fixed costs

Describes typical fixed (or annual) business costs. These are the costs that the business must pay each year regardless of how many kilometres the vehicle travels.

Owner Driver is defined in the Owner Drivers and Forestry Contractors Act 2005. The definition is also affected by the Owner Drivers and Forestry Contractors Regulations 2017 made under the Act

Rates and Costs Schedules have been published for 1 tonne Van Courier Messenger, 1 tonne GVM – General Freight, 4.5 tonne GVM, 8 tonne GVM, 12 tonne GVM (2-axle), Prime Mover (Bogie Drive), Semi-Trailer (Bogie Drive, 6-axle), Truck and Quad Axle Dog Trailer GCM up to 50 tonnes, Tip Truck Tri axle Super Dog – GCM 42.5 tonnes and Tandem Tip Truck – GVM 22.5 tonnes. Hirers are required to provide owner drivers with the Schedule that most closely relates to the owner driver's vehicle.

Part 2: Variable costs

Describes typical variable business costs. These are the costs (such as fuel and tyres) that vary with how many kilometres are travelled. These are calculated on an hourly basis.

Part 3: Payment for labour

Describes the range of rates that are typically paid to employee drivers for performing similar kinds of work, to assist the owner driver to determine what may be a reasonable payment for their own labour.

Part 4: Totals

This section allows the owner driver to prepare total hourly rates for ordinary hours (up to 1,672 a year) and excess hours.

THE SCHEDULE DOES NOT DEAL WITH THE ISSUE OF RETURN ON INVESTMENT, AND THIS WOULD NEED TO BE FACTORED IN WHERE APPROPRIATE. THE ISSUE OF RETURN ON INVESTMENT IS DEALT WITH IN SECTION 11 OF THE OWNER DRIVERS AND FORESTRY CONTRACTORS CODE OF PRACTICE.

KEY ASSUMPTIONS

The model set out in this Schedule is based on certain assumptions about the vehicle used, hours of work and the type of business. The assumptions used that have the greatest impact on the figures given are:

| Subject | Costing assumptions | | | |
|---|---|--|--|--|
| Vehicle and finance | The fixed costs are based on: | | | |
| | • a vehicle with a current capital value of \$32,317 (being the current average retail value of a 3-year-old vehicle). | | | |
| | • a vehicle subject to a lease arrangement, over a 4-year term with a 25% residual, a 10% deposit of \$3,232 and interest at a comparison interest rate of 7.5% per annum. | | | |
| | Note that if the business owns the vehicle outright, or has a loan, the cost structure will be different with depreciation as the relevant cost rather than lease payments. | | | |
| | All costs exclude GST. | | | |
| Driving hours per year (kilometres travelled) | The calculation of the fixed costs assumes the vehicle is in operation for 7.6 driving hours per day for 220 working days a year. This equals 1,672 hours of operation a year. | | | |
| | The model spreads fixed operating costs over those 1,672 hours. | | | |
| | In Part 4, a separate hourly rate for hours over and above the base hours of 1,672 a year is provided. To avoid double counting of fixed costs, this rate only includes variable costs and a return for labour, based on an overtime labour rate. | | | |

The cost structure of the individual business will be significantly different if, for example:

- the age, current capital value (or both) of the vehicle is less or more than the above figures
- other finance arrangements apply (for example, the vehicle is fully owned or is subject to a loan)
- more or fewer hours are worked each year

BECAUSE OF THESE POTENTIAL VARIATIONS, GREAT CARE SHOULD BE TAKEN IN USING THE INDICATIVE FIGURES SET OUT IN THE COST MODEL, AS THE COSTS OF THE INDIVIDUAL BUSINESS MAY VARY SIGNIFICANTLY.

To assist owner drivers to calculate their own unique cost model, a blank column is included to calculate the business's own unique costs.

Rate structures

This model calculates the cost of running a typical owner driver business, described as an hourly rate, made up of fixed and variable costs and a payment for the owner driver's labour. The Schedule does not calculate or suggest any particular rate calculation or payment method.

Arrangements for payment for owner drivers in the transport industry vary enormously. They can be paid an hourly rate, a load rate, parcel rate, on the basis of tasks performed, or even kilometres travelled. If an owner driver is paid on such an arrangement, the Schedule set out below can be used as a base to calculate the cost to the business of travelling per kilometre, or delivering a particular load. Unions, industry associations or accountants and other professional advisers can assist in this task.

PART 1 – FIXED ANNUAL COSTS – PER YEAR AND PER HOUR

Note: The Schedule is based on a 75:25 split between business and private use of the vehicle (except where indicated otherwise). Where the vehicle is used 100 per cent for business use, the 75:25 split between business and private use of the vehicle does not apply.

Note: All costs exclude GST

| Cost items assumptions used in the example | Example: Typical cost per year | Your costs: | Variations in this cost item |
|---|---|-------------|---|
| Vehicle lease costs This model is based on a vehicle with a current capital value of \$32,317 (based on typical retail value of a 3 year old vehicle), and is based on a lease arrangement over a 4 year term with a 25% residual, a 10% deposit of \$3,232 at 7.5% interest per annum. | \$3,474 | | Finance arrangements will vary widely depending on: • if the arrangement is a lease or hire purchase, or purchase of the vehicle through a loan; or • if the arrangement is a loan, then the purchase price, the amount borrowed and the loan terms will affect cash-flow, and depreciation needs to be allowed for. |
| Registration, permits and TAC fees Based on vehicle registration fee of \$307 and TAC charge of \$540 which is net of GST. Assumes payment is made on an annual basis. TAC charge assumes vehicle is garaged in a high-risk area (e.g. metropolitan Melbourne). | \$635 | | These fees are current as at 1 July 2021 but may change. Additional licences may be payable for certain types of operations (e.g. interstate registration, oversize, port security permit, dangerous goods). Additional administration charges may apply to registration fees if they are paid in instalments. TAC charges may be lower if the vehicle is garaged in a medium or low risk area. |
| Superannuation Self-funded, based on 10% of own labour assumed at \$34,610. | \$3,461 | | |

| Cost items assumptions used in the example | Example: Typical cost per year | Your costs: | Variations in this cost item |
|--|---|-------------|--|
| Insurance comprehensive vehicle Based on rate of 3.15% per annum. Based on operator who is over the age of 25, has at least 5 years' experience and no claims history. Assumes vehicle is not carrying dangerous goods. Assumes vehicle is travelling intrastate only. | \$763 | | Rates may be higher for interstate trucks. Additional insurance charges may apply to certain kinds of goods carried (e.g. refrigerated goods or livestock). Comprehensive vehicle insurance costs may vary depending upon the age and value of the equipment insured, the insurance provider, the amount of any excess payable, the individual's claims history, the age and experience level of the driver and whether the vehicle is carrying dangerous goods. |
| Insurance goods in transit Based on an insured sum of \$20,000 at an insurance rate of 0.8%. Assumes vehicle is not carrying dangerous goods. These fixed costs have been calculated at 100%. | \$120 | | The cost of goods in transit insurance may vary depending on the type of goods being transported. |
| Insurance personal sickness and accident/income Basic policy, based on 80% of income for 52 weeks, 30 day waiting period. Assumes driver is travelling intrastate only. Assumes driver has no preexisting conditions. Maximum age limit of 60 years. These fixed costs have been calculated at 100%. | \$1,395 | | The cost of personal income and accident insurance (also called income protection insurance) will vary depending on the individual's health history, the amount of income insured, the period of time after an accident before benefits are payable and the maximum period over which benefits are paid. |
| Insurance public liability | \$450 | | |
| Assumes policy for public liability claims up to \$10 million. These fixed costs have been calculated at 100%. | | | |

| Cost items assumptions used in the example | Example: Typical cost per year | Your costs: | Variations in this cost item |
|---|---|-------------|---|
| Insurance workers' compensation Assumed at the rate of 4.73% for the assumed labour rate of the business owner of \$34,610. Assumes vehicle is primarily travelling intrastate. | \$1,638 | | The rate is current as at 2021–2022 and is subject to change. The rate charged for workers' compensation insurance may vary depending on whether the vehicle is travelling short or long distances and whether the vehicle is travelling interstate. The rate may also vary depending on the driver's claims history. Note: It is not uncommon for hirers of this type of vehicle to pay workers' compensation premiums on behalf of the owner driver. Drivers are advised to consult their hirer about this cost. |
| Business administration costs Includes maintenance of records, preparation of tax returns, mobile phone charges, consumer price index and sundry business expenses. These fixed costs have been calculated at 100%. | \$2,164 | | Accounting/bookkeeping fees may be lower if the business prepares its own BAS and accounts. Mobile phone charges will vary depending on level of use. Other costs: Professional association fees, accommodation costs, parking fees, bank charges, and other costs should be allowed for where relevant. This example is based on a business that is already up and running, and does not take into account the costs of starting a business (e.g. registering a company). This figure may also vary depending on contractual conditions. |
| Total annual fixed costs | \$14,101 | | |
| Total hourly fixed costs Assuming 1,672 vehicle operation hours. | \$8.43 | | Assumes that the annual fixed costs of the business are spread over 1,672 vehicle operation hours per year. |

PART 2 – VARIABLE COSTS – PER KILOMETRE AND PER HOUR

Note: All costs exclude GST (unless otherwise specified)

| Cost items assumptions assumes 44,000 km travelled per year | Typical cost per km | Your cost per km | Variations in this cost item |
|--|---------------------------|---------------------------|---|
| Fuel Based on a fuel price of 184.7 cents per litre (206.8 cents per | 21 cents | | Fuel is the single biggest variable cost and will significantly affect your business. |
| litre national average retail diesel pump price for the 4 weeks to 27 March 2022 | | | Fuel costs will also vary depending on the age, features and condition of the vehicle. |
| less the 22.1 cents per litre reduction to the fuel excise announced in the Federal budget on 29 March 2022). | | | The price of fuel at the time of negotiating with the hirer should be used to assess the base rate fuel cost to be applied. |
| Assumes 18.20 litres consumed per 100 km. | | | In addition to the base rate, a fuel surcharge needs to be applied to account for weekly, fortnightly or monthly fluctuation in fuel costs over the term of the contract. |
| Tyres Assumes cost of \$320 per tyre (4 tyres) based on vehicle specific average performance and replaced after 60,000 km. | 2 cents | | Consumption of tyres will vary with the age of vehicle, off-road use, geographic and road conditions, braking frequency and driving techniques and the quality of the tyres used. |
| , | | | Cost of tyres will also vary depending on the manufacturer, type of tyres and any discount arrangements. |
| Servicing, repairs and maintenance Based on rate of 5 cents per | 5 cents | | Repair and maintenance costs will vary significantly with the age and condition of the vehicle. Major repairs may be a |
| km. | | | one-off major cost in any given year. Significant savings can be made if the business does its own servicing and repairs. |
| Total variable costs per km | 27 cents | | _ |

| Total variable costs per driving hour | Typical cost per hour | Your cost per hour | Variations in this cost item |
|--|-----------------------------|-----------------------------|--|
| Assumes 25 km travelled per hour. | \$6.87 | | These rates are typical for city driving only. The number of kilometres travelled per hour will vary significantly depending on the routes travelled, whether the work is metropolitan or regional, how often the vehicle stops to load or unload and the nature of the work. |
| | | | Drivers who travel long distance or in the country will need to take this into account for their own calculations. |

Citylink and Eastlink Tolls

Your hirer is responsible for reimbursing you for toll costs incurred if they direct you to take a toll road, or if you need to take a toll road to complete your trip.

If the hirer does not reimburse the toll costs you will need to include these costs as part of your cost calculation. The price of your trip will depend on the following factors: how far you travel, the type of vehicle you use, whether you travel in peak or off-peak times and the account or pass you choose. There are trip toll caps on both Citylink and Eastlink for heavy commercial vehicles. To check the current costs, use the following toll calculators:

- linkt.com.au/melbourne/using-toll-roads/toll-calculator
- eastlink.com.au/toll-calculator

PART 3 – PAYMENT FOR THE OWNER DRIVER'S OWN LABOUR

The next factor to include in a business cost model is an amount for the business owner's own work (labour) in driving the vehicle and in work such as loading and unloading and tasks necessary in running the business. This Part will provide information to assist owner drivers to determine the amount they can aim to receive as a payment for that labour.

Because an owner driver is a small business (not an employee) the hirer is not legally obliged to pay a minimum wage or rate of pay. However, the wages that are paid to employee drivers are a useful guide to the market for the labour services of driving a vehicle.

Set out below are rates that would typically be paid for driving a vehicle if this work was performed by an employee rather than an owner driver.

These rates will vary over time, and should be used as a general guide only. Unions, industry associations, newspaper job advertisements and other drivers are sources of advice about the going rates in your industry sector.

| Casual base hourly rate ¹ | Casual overtime rate 150% ² For the first two hours, over 7.6 per day or 38 per week | Casual overtime rate 200% ² For work extending beyond the first two hours of overtime and until the completion of work | | |
|--|---|---|--|--|
| \$27.60 | \$33.64 | \$44.86 | | |
| Range of rates typically paid in Victoria ³ | | | | |
| \$27.60 to \$33.12 | \$33.64 to \$40.37 | \$44.86 to \$53.83 | | |

Notes:

- 1. Casual base hourly rate: The base rate is calculated on the Road Transport and Distribution Award 2010⁴ (the award) for a casual employee driver of a semi-trailer ('the Award rate') and assumes 38 ordinary hours of work completed in five shifts of 7.6 hours between 5.30 am and 6.30 pm, Monday through Friday. The base hourly rate for casual employees includes an additional 25% loading. This is compensation for not receiving the paid annual leave, personal/carer's leave and public holidays that ongoing employees receive.
- 2. Casual overtime rates: Casual employee drivers in Victoria receive payment at the rate of time and a half for the first two hours of overtime and double time thereafter for work continuing after the completion of an employee's ordinary hours of work. For each hour of overtime worked a casual must also be paid 10% of 1/38th of the minimum wage specified in the Award for their classification.
- 3. The range of rates in Victoria: This part of the table sets out a range of rates typically paid in Victoria to employee drivers in the transport industry. A range is supplied because the rate paid will vary depending on whether a company is party to an enterprise agreement, the particular industry sector, the skill and efficiency of the particular driver and market factors such as whether there is a shortage of drivers in the area. The top rate in each range is calculated by adding 20% to the bottom rate.

The Award also provides for the following payments, which may need to be factored into your cost calculation, where they apply:

- **Shift allowances:** Shift allowances will apply for casual employee drivers at the rate of 117.5% for a shift where ordinary hours of work are completed after 6.30 pm but before 12.30 am (afternoon shift) and at the rate of 130% where ordinary hours of work are completed after 12.30 am but before 8.30 am (night shift).
- Work on a Saturday: For all ordinary hours worked on a Saturday a casual employee driver would receive payment at the rate of 150% for hours worked. Work undertaken on a Saturday as Overtime would receive payment at the rate of 150% for the first two hours and 200% for all hours thereafter.
- Work on a Sunday: For all ordinary hours and overtime hours worked on a Sunday a casual employee driver would receive payment at the rate of 200% for hours worked.

PART 4 – HOURLY TOTALS

Hourly total for hours up to 7.6 hours a day, 1,672 hours a year.

Totals

| Totals per driving hour | Fixed costs | Your figures | Notes |
|--|-------------|-----------------|---|
| Fixed costs | \$8.43 | | Assuming fixed costs spread over 1,672 hours. |
| Variable costs | \$6.87 | | Assuming 25 km travelled per hour. |
| Labour | 27.60 | | This worked example is based on a labour rate of \$27.60 per hour. See discussion on rates for labour in Part 3. |
| Total per hour (up to 1,672 hours) | \$42.91 | | Note that this is not a prescribed or recommended rate. Owner drivers are strongly recommended to |
| , | | | consider their own circumstances and obtain advice. |

³ The Award rate was accurate as at 1 July 2021, but is varied from time to time by the Fair Work Commission. You can find information about the most recently published minimum employee rates by visiting www.fwc.gov.au or contacting your association or union.

Total per hour – for hours in excess of 7.6 hours per day / 1,672 hours a year

This model assumes that the owner driver will recover fixed annual costs over 1,672 driving hours a year. Many owner drivers work longer than these hours, either extra days each week or longer hours each day. This table calculates an hourly rate for those extra hours, using variable and labour costs only, and using an overtime rate of pay.

| Totals per driving hour | Typical costs | Your figures | Notes |
|-------------------------|---------------|--------------|---|
| Variable costs | \$6.87 | | Assuming 25 km travelled per hour. |
| Labour (overtime rates) | \$33.64 | | This worked example is based on a nominal penalty labour rate of \$33.64 per hour. See discussion on rates for labour in Part 3. |
| Total per hour | \$40.51 | | Note that this is not a prescribed or recommended rate. |
| | | | Owner drivers are strongly recommended to consider their own circumstances and obtain advice. |

In addition to the figures above, owner drivers should, where relevant, include any amount that they seek as a return on their capital investment. This issue is dealt with in section 11 of the Owner Drivers and Forestry Contractors Code of Practice, available from business.vic.gov.au/odfc

Note that this is not a prescribed or recommended rate. It is strongly recommended that owner drivers obtain advice on their own individual circumstances and discuss all issues with their hirer or potential hirer to ensure that there is no misunderstanding concerning payment structures.

Owner Drivers and Forestry Contractors Act 2005

TRANSPORT INDUSTRY COUNCIL RATES AND COSTS SCHEDULE 2021–22

Interim Rates and Cost Schedule – April 2022 1 Tonne Vehicle – General Freight Road Transport and Distribution Award 2010

Category 2

INTRODUCTION

This short-term update to rates and costs schedules has been developed in response to rising fuel prices and will be updated not later than within three months from 21 April 2022 or earlier as needed to account for the impact of fluctuations in fuel prices.

This vehicle operating Rates and Costs Schedule is based on the Transport Industry Council's evaluation of the cost recovery recommended for an owner driver to take into consideration based on being able to operate a business on a sustainable basis.

This Schedule is a general guide only. Owner drivers¹ are strongly advised to seek independent professional accounting advice for their own situation and discuss all issues with their hirer or potential hirer to ensure that there is no misunderstanding concerning payment structures.

This Rates and Costs Schedule is published under section 14 of the **Owner Drivers and Forestry Contractors Act 2005** (the Act). Under the Act, this Schedule must be given at least three business days before the owner driver is engaged, if the owner driver will be engaged for a period of at least 30 days; or on the thirtieth day, if the owner driver is engaged for a total period of at least 30 days in any three-month period.

These requirements also apply to freight brokers and to tender situations.

This Schedule will be revised at least annually, and under section 18 of the Act, hirers are required to give owner drivers a copy of any such revised Schedule as soon as practicable after it is published.

The Schedule is intended to assist owner drivers and their hirers to better understand the typical operating costs of an owner driver business and to inform their negotiations.

THE SCHEDULE DOES NOT SET MINIMUM RATES THAT MUST BE PAID.

The Schedule sets out a worked example of typical overhead costs for an owner driver supplying a 1 Tonne Vehicle (GVM) – General Freight. The worked example is based on certain assumptions about the business, for example, that the vehicle is 3 years old, is in operation for 7.6 hours a day and uses a certain number of tyres.

The aim of the Schedule is to assist owner drivers to:

- better understand their business cost structures and how increases and decreases in different cost items affect overall profitability; and
- calculate their own unique cost model.

This Schedule applies to owner drivers who supply a 1 Tonne Vehicle (GVM) – General Freight (1 tonne being the maximum cargo capacity of the vehicle) or similar vehicle².

The Schedule is structured as follows:

Part 1: Fixed costs

Describes typical fixed (or annual) business costs. These are the costs that the business must pay each year regardless of how many kilometres the vehicle travels.

Owner Driver is defined in the Owner Drivers and Forestry Contractors Act 2005. The definition is also affected by the Owner Drivers and Forestry Contractors Regulations 2006 made under the Act.

Rates and Costs Schedules have been published for 1 tonne Van Courier Messenger, 1 tonne GVM – General Freight, 4.5 tonne GVM, 8 tonne GVM, 12 tonne GVM (2-axle), Prime Mover (Bogie Drive), Semi-Trailer (Bogie Drive, 6-axle), Truck and Quad Axle Dog Trailer GCM up to 50 tonnes, Tip Truck Tri axle Super Dog – GCM 42.5 tonnes and Tandem Tip Truck – GVM 22.5 tonnes. Hirers are required to provide owner drivers with the Schedule that most closely relates to the owner driver's vehicle.

Part 2: Variable costs

Describes typical variable business costs. These are the costs (such as fuel and tyres) that vary with how many kilometres are travelled. These are calculated on an hourly basis.

Part 3: Payment for labour

Describes the range of rates that are typically paid to employee drivers for performing similar kinds of work, to assist the owner driver to determine what may be a reasonable payment for their own labour.

Part 4: Totals

This section allows the owner driver to prepare total hourly rates for ordinary hours (up to 1,672 a year) and excess hours.

THE SCHEDULE DOES NOT DEAL WITH THE ISSUE OF RETURN ON INVESTMENT, AND THIS WOULD NEED TO BE FACTORED IN WHERE APPROPRIATE. THE ISSUE OF RETURN ON INVESTMENT IS DEALT WITH IN SECTION 11 OF THE *OWNER DRIVERS AND FORESTRY CONTRACTORS CODE OF PRACTICE*.

KEY ASSUMPTIONS

The model set out in this Schedule is based on certain assumptions about the vehicle used, hours of work and the type of business. The assumptions used that have the greatest impact on the figures given are:

| Subject | Costing assumptions | | | |
|---|---|--|--|--|
| Vehicle and finance | The fixed costs are based on: | | | |
| | • a vehicle with a current capital value of \$32,317 (being the current average retail value of a 3-year-old vehicle). | | | |
| | • a vehicle subject to a lease arrangement, over a 4-year term with a 25% residual, a 10% deposit of \$3,232 with interest at a comparison interest rate of 7.5% per annum. | | | |
| | Note that if the business owns the vehicle outright, or has a loan, the cost structure will be different with depreciation as the relevant cost rather than lease payments. | | | |
| | All costs exclude GST. | | | |
| Driving hours per year (kilometres travelled) | The calculation of the fixed costs assumes the vehicle is in operation for 7.6 driving hours per day for 220 working days a year. This equals 1,672 hours of operation a year. | | | |
| | The model spreads fixed operating costs over those 1,672 hours. | | | |
| | In Part 4, a separate hourly rate for hours over and above the base hours of 1,672 a year is provided. To avoid double counting of fixed costs, this rate only includes variable costs and a return for labour, based on an overtime labour rate. | | | |

The cost structure of the individual business will be significantly different if, for example:

- the age, current capital value (or both) of the vehicle is less or more than the above figures
- other finance arrangements apply (for example, the vehicle is fully owned or is subject to a loan)
- more or fewer hours are worked each year

BECAUSE OF THESE POTENTIAL VARIATIONS, GREAT CARE SHOULD BE TAKEN IN USING THE INDICATIVE FIGURES SET OUT IN THE COST MODEL, AS THE COSTS OF THE INDIVIDUAL BUSINESS MAY VARY SIGNIFICANTLY.

To assist owner drivers to calculate their own unique cost model, a blank column is included to calculate the business's own unique costs.

Rate structures

This model calculates the cost of running a typical owner driver business, described as an hourly rate, made up of fixed and variable costs and a payment for the owner driver's labour. The Schedule does not calculate or suggest any particular rate calculation or payment method.

Arrangements for payment for owner drivers in the transport industry vary enormously. They can be paid an hourly rate, a load rate, parcel rate, on the basis of tasks performed, or even kilometres travelled. If an owner driver is paid on such an arrangement, the Schedule set out below can be used as a base to calculate the cost to the business of travelling per kilometre, or delivering a particular load. Unions, industry associations or accountants and other professional advisers can assist in this task.

PART 1 – FIXED ANNUAL COSTS – PER YEAR AND PER HOUR

Note: All costs exclude GST

| Cost items assumptions used in the example | Example: Typical cost per year | Your costs: | Variations in this cost item |
|---|---|-------------|---|
| Vehicle lease costs This model is based on a vehicle with a current capital value of \$32,317 (based on typical retail value of a 3-year-old vehicle), and is based on a lease arrangement over a 4 year term with a 25% residual, a 10% deposit of \$3,232 at 7.5% interest per annum. | \$4,632 | | Finance arrangements will vary widely depending on: • if the arrangement is a lease or hire purchase, or purchase of the vehicle through a loan; or • if the arrangement is a loan, then the purchase price, the amount borrowed and the loan terms will affect cash-flow, and depreciation needs to be allowed for. |
| Registration, permits and TAC fees Based on vehicle registration fee of \$307 and TAC charge of \$540 which is net of GST. Assumes payment is made on an annual basis. TAC charge assumes vehicle is garaged in a high-risk area (e.g. metropolitan Melbourne). | \$847 | | These fees are current as at 1 July 2021 but may change. Additional licences may be payable for certain types of operations (e.g. interstate registration, oversize, port security permit, dangerous goods). Additional administration charges may apply to registration fees if they are paid in instalments. TAC charges may be lower if the vehicle is garaged in a medium or low risk area. |
| Superannuation Self-funded, based on 10% of own labour assumed at \$46,147. | \$4,615 | | |

| Cost items assumptions used in the example | Example: Typical cost per year | Your costs: | Variations in this cost item |
|--|---|-------------|--|
| Insurance comprehensive vehicle Based on rate of 3.15% per annum. Based on operator who is over the age of 25, has at least 5 years' experience and no claims history. Assumes vehicle is not carrying dangerous goods. Assumes vehicle is travelling intrastate only. | \$1,018 | | Rates may be higher for interstate trucks. Additional insurance charges may apply to certain kinds of goods carried (e.g. refrigerated goods or livestock). Comprehensive vehicle insurance costs may vary depending upon the age and value of the equipment insured, the insurance provider, the amount of any excess payable, the individual's claims history, the age and experience level of the driver and whether the vehicle is carrying dangerous goods. |
| Insurance goods in transit Based on an insured sum of \$20,000 at an insurance rate of 0.8%. Assumes vehicle is not carrying dangerous goods. | \$160 | | The cost of goods in transit insurance may vary depending on the type of goods being transported. |
| Insurance personal sickness and accident/income Basic policy, based on 80% of income for 52 weeks, 30 day waiting period. Assumes driver is travelling intrastate only. Assumes driver has no pre-existing conditions. Maximum age limit of 60 years. | \$1,860 | | The cost of personal income and accident insurance (also called income protection insurance) will vary depending on the individual's health history, the amount of income insured, the period of time after an accident before benefits are payable and the maximum period over which benefits are paid. |
| Insurance public liability Assumes policy for public liability claims up to \$10 million. | \$600 | | |
| Insurance workers' compensation Assumed at the rate of 4.73% for the assumed labour rate of the business owner of \$46,147. Assumes vehicle is primarily travelling intrastate. | \$2,185 | | The rate is current as at 2021–2022 and is subject to change. The rate charged for workers' compensation insurance may vary depending on whether the vehicle is travelling short or long distances and whether the vehicle is travelling interstate. The rate may also vary depending on the driver's claims history. Note: It is not uncommon for hirers of this type of vehicle to pay workers' compensation premiums on behalf of the owner driver. Drivers are advised to consult their hirer about this cost. |

| Cost items assumptions used in the example | Example: Typical cost per year | Your costs: | Variations in this cost item |
|---|---|-------------|--|
| Business administration costs Includes maintenance of records, preparation of tax returns, mobile phone charges, consumer price index and sundry business expenses. | \$2,885 | | Accounting/bookkeeping fees may be lower if the business prepares its own BAS and accounts. Mobile phone charges will vary depending on level of use. Other costs: Professional association fees, accommodation costs, parking fees, bank charges, and other costs should be allowed for where relevant. This example is based on a business that is already up and running, and does not take into account the costs of starting a business (e.g. registering a |
| | #10.00 2 | | company). This figure may also vary depending on contractual conditions. |
| Total annual fixed costs | \$18,802 | | |
| Assuming 1,672 vehicle operation hours. | \$11.25 | | Assumes that the annual fixed costs of the business are spread over 1,672 vehicle operation hours per year. |

PART 2 – VARIABLE COSTS – PER KILOMETRE AND PER HOUR

Note: All costs exclude GST (unless otherwise specified)

| Cost items assumptions assumes 44,000 km travelled per year | Typical cost per km | Your cost per km | Variations in this cost item |
|---|---------------------------|---------------------------|---|
| Fuel Based on a fuel price of 184.7 cents per litre (206.8 cents per | 21 cents | | Fuel is the single biggest variable cost and will significantly affect your business. |
| litre national average retail diesel pump price for the 4 weeks to 27 March 2022 | | | Fuel costs will also vary depending on the age, features and condition of the vehicle. |
| less the 22.1 cents per litre reduction to the fuel excise announced in the Federal budget on 29 March 2022). | | | The price of fuel at the time of negotiating with the hirer should be used to assess the base rate fuel cost to be applied. |
| Assumes 18.20 litres consumed per 100 km. | | | In addition to the base rate, a fuel surcharge needs to be applied to account for weekly, fortnightly or monthly fluctuation in fuel costs over the term of the contract. |

| Cost items assumptions assumes 44,000 km travelled per year | Typical cost per km | Your cost per km | Variations in this cost item |
|--|---------------------------|---------------------------|---|
| Tyres Assumes cost of \$320 per tyre (4 tyres) based on vehicle specific average performance and replaced after 60,000 km. | 2 cents | | Consumption of tyres will vary with the age of vehicle, off-road use, geographic and road conditions, braking frequency and driving techniques and the quality of the tyres used. Cost of tyres will also vary depending on the manufacturer, type of tyres and any discount arrangements. |
| Servicing, repairs and maintenance Based on rate of 5 cents per km. | 5 cents | | Repair and maintenance costs will vary significantly with the age and condition of the vehicle. Major repairs may be a one-off major cost in any given year. Significant savings can be made if the business does its own servicing and repairs. |
| Total variable costs per km | 27 cents | | |

| Total variable costs per driving hour | Typical cost per hour | Your cost per hour | Variations in this cost item |
|--|-----------------------------|-----------------------------|---|
| Assumes 25 km travelled per \$6.87 hour. | \$6.87 | | These rates are typical for city driving only. The number of kilometres travelled per hour will vary significantly depending on the routes travelled, whether the work is metropolitan or regional, how often the vehicle stops to load or |
| | | | unload and the nature of the work. Drivers who travel long distance or in the country will need to take this into account for their own calculations. |

Citylink and Eastlink Tolls

Your hirer is responsible for reimbursing you for toll costs incurred if they direct you to take a toll road, or if you need to take a toll road to complete your trip.

If the hirer does not reimburse the toll costs you will need to include these costs as part of your cost calculation. The price of your trip will depend on the following factors: how far you travel, the type of vehicle you use, whether you travel in peak or off-peak times and the account or pass you choose. There are trip toll caps on both Citylink and Eastlink for heavy commercial vehicles. To check the current costs, use the following toll calculators:

- linkt.com.au/melbourne/using-toll-roads/toll-calculator
- eastlink.com.au/toll-calculator

PART 3 – PAYMENT FOR THE OWNER DRIVER'S OWN LABOUR

The next factor to include in a business cost model is an amount for the business owner's own work (labour) in driving the vehicle and in work such as loading and unloading and tasks necessary in running the business. This Part will provide information to assist owner drivers to determine the amount they can aim to receive as a payment for that labour.

Because an owner driver is a small business (not an employee) the hirer is not legally obliged to pay a minimum wage or rate of pay. However, the wages that are paid to employee drivers are a useful guide to the market for the labour services of driving a vehicle.

Set out below are rates that would typically be paid for driving a vehicle if this work was performed by an employee rather than an owner driver.

These rates will vary over time, and should be used as a general guide only. Unions, industry associations, newspaper job advertisements and other drivers are sources of advice about the going rates in your industry sector.

| Casual base hourly rate ¹ | Casual overtime rate 150% ² | Casual overtime rate 200% ² | | |
|--|--|---|--|--|
| | For the first two hours, over 7.6 per day or 38 per week | For work extending beyond the first two hours of overtime and until the completion of work | | |
| \$27.60 | \$33.64 | \$44.86 | | |
| Range of rates typically paid in Victoria ³ | | | | |
| \$27.60 to \$33.12 | \$33.64 to \$40.37 | \$44.86 to \$53.83 | | |

Notes:

- 1. Casual base hourly rate: The base rate is calculated on the Road Transport and Distribution Award 2010³ (the award) for a casual employee driver of a semi-trailer ('the Award rate') and assumes 38 ordinary hours of work completed in five shifts of 7.6 hours between 5.30 am and 6.30 pm, Monday through Friday. The base hourly rate for casual employees includes an additional 25% loading. This is compensation for not receiving the paid annual leave, personal/carer's leave and public holidays that ongoing employees receive.
- 2. Casual overtime rates: Casual employee drivers in Victoria receive payment at the rate of time and a half for the first two hours of overtime and double time thereafter for work continuing after the completion of an employee's ordinary hours of work. For each hour of overtime worked a casual must also be paid 10% of 1/38th of the minimum wage specified in the Award for their classification.
- 3. The range of rates in Victoria: This part of the table sets out a range of rates typically paid in Victoria to employee drivers in the transport industry. A range is supplied because the rate paid will vary depending on whether a company is party to an enterprise agreement, the particular industry sector, the skill and efficiency of the particular driver and market factors such as whether there is a shortage of drivers in the area. The top rate in each range is calculated by adding 20% to the bottom rate.

The Award also provides for the following payments, which may need to be factored into your cost calculation, where they apply:

• **Shift allowances:** Shift allowances will apply for casual employee drivers at the rate of 117.5% for a shift where ordinary hours of work are completed after 6.30 pm but before 12.30 am (afternoon shift) and at the rate of 130% where ordinary hours of work are completed after 12.30 am but before 8.30 am (night shift).

³ The Award rate was accurate as at 1 July 2021, but is varied from time to time by the Fair Work Commission. You can find information about the most recently published minimum employee rates by visiting fwc.gov.au or contacting your association or union.

- Work on a Saturday: For all ordinary hours worked on a Saturday a casual employee driver
 would receive payment at the rate of 150% for hours worked. Work undertaken on a Saturday
 as Overtime would receive payment at the rate of 150% for the first two hours and 200% for all
 hours thereafter.
- Work on a Sunday: For all ordinary hours and overtime hours worked on a Sunday a casual employee driver would receive payment at the rate of 200% for hours worked.

PART 4 – HOURLY TOTALS

Hourly total for hours up to 7.6 hours a day, 1,672 hours a year.

Totals

| Totals per driving hour | Fixed costs | Your figures | Notes |
|-------------------------|-------------|-----------------|---|
| Fixed costs | \$11.25 | | Assuming fixed costs spread over 1,672 hours. |
| Variable costs | \$6.87 | | Assuming 25 km travelled per hour. |
| Labour | \$27.60 | | This worked example is based on a labour rate of \$27.60 per hour. |
| | | | See discussion on rates for labour in Part 3. |
| Total per hour | \$45.72 | | Note that this is not a prescribed or |
| (up to 1,672 | | | recommended rate. |
| hours) | | | Owner drivers are strongly recommended to consider their own circumstances and obtain advice. |

Total per hour – for hours in excess of 7.6 hours per day / 1,672 hours a year

This model assumes that the owner driver will recover fixed annual costs over 1,672 driving hours a year. Many owner drivers work longer than these hours, either extra days each week or longer hours each day. This table calculates an hourly rate for those extra hours, using variable and labour costs only, and using an overtime rate of pay.

| Totals per driving hour | Typical costs | Your figures | Notes |
|-------------------------|---------------|--------------|--|
| Variable costs | \$6.87 | | Assuming 25 km travelled per hour. |
| Labour (overtime rates) | \$33.64 | | This worked example is based on a nominal penalty labour rate of \$33.64 per hour. See discussion on rates for labour in Part 3. |
| Total per hour | \$40.51 | | Note that this is not a prescribed or recommended rate. Owner drivers are strongly recommended to consider their own circumstances and obtain advice. |

In addition to the figures above, owner drivers should, where relevant, include any amount that they seek as a return on their capital investment. This issue is dealt with in section 11 of the Owner Drivers and Forestry Contractors Code of Practice, available from business.vic.gov.au/odfc

Note that this is not a prescribed or recommended rate. It is strongly recommended that owner drivers obtain advice on their own individual circumstances and discuss all issues with their hirer or potential hirer to ensure that there is no misunderstanding concerning payment structures.

Owner Drivers and Forestry Contractors Act 2005

TRANSPORT INDUSTRY COUNCIL RATES AND COSTS SCHEDULE 2021–22

Interim Rates and Cost Schedule – April 2022 4.5 Tonne Rigid Vehicle (GVM) Road Transport and Distribution Award 2010

Category 3

INTRODUCTION

This short-term update to rates and costs schedules has been developed in response to rising fuel prices and will be updated not later than within three months from 21 April 2022 or earlier as needed to account for the impact of fluctuations in fuel prices.

This vehicle operating Rates and Costs Schedule is based on the Transport Industry Council's evaluation of the cost recovery recommended for an owner driver to take into consideration based on being able to operate a business on a sustainable basis.

This Schedule is a general guide only. Owner drivers¹ are strongly advised to seek independent professional accounting advice for their own situation and discuss all issues with their hirer or potential hirer to ensure that there is no misunderstanding concerning payment structures.

This Rates and Costs Schedule is published under section 14 of the **Owner Drivers and Forestry Contractors Act 2005** (the Act). Under the Act, this Schedule must be given at least three business days before the owner driver is engaged, if the owner driver will be engaged for a period of at least 30 days; or on the thirtieth day, if the owner driver is engaged for a total period of at least 30 days in any three-month period.

These requirements also apply to freight brokers and to tender situations.

This Schedule will be revised at least annually, and under section 18 of the Act, hirers are required to give owner drivers a copy of any such revised Schedule as soon as practicable after it is published.

The Schedule is intended to assist owner drivers and their hirers to better understand the typical operating costs of an owner driver business and to inform their negotiations.

THE SCHEDULE DOES NOT SET MINIMUM RATES THAT MUST BE PAID.

The Schedule sets out a worked example of typical overhead costs for an owner driver supplying a 4.5 Tonne Rigid Vehicle (GVM). The worked example is based on certain assumptions about the business, for example, that the vehicle is 5 years old, is in operation for 7.6 hours a day and uses a certain number of tyres.

The aim of the Schedule is to assist owner drivers to:

- better understand their business cost structures and how increases and decreases in different cost items affect overall profitability; and
- calculate their own unique cost model.

This Schedule applies to owner drivers who supply a 4.5 Tonne Rigid Vehicle (GVM) (4.5 tonnes being the weight of the vehicle fully loaded) or similar vehicle².

The Schedule is structured as follows:

Part 1: Fixed costs

Describes typical fixed (or annual) business costs. These are the costs that the business must pay each year regardless of how many kilometres the vehicle travels.

Owner Driver is defined in the Owner Drivers and Forestry Contractors Act 2005. The definition is also affected by the Owner Drivers and Forestry Contractors Regulations 2006 made under the Act.

Rates and Costs Schedules have been published for 1 tonne Van Courier Messenger, 1 tonne GVM – General Freight, 4.5 tonne GVM, 8 tonne GVM, 12 tonne GVM (2-axle), Prime Mover (Bogie Drive), Semi-Trailer (Bogie Drive, 6-axle), Truck and Quad Axle Dog Trailer GCM up to 50 tonnes, Tip Truck Tri axle Super Dog – GCM 42.5 tonnes and Tandem Tip Truck – GVM 22.5 tonnes. Hirers are required to provide owner drivers with the Schedule that most closely relates to the owner driver's vehicle.

Part 2: Variable costs

Describes typical variable business costs. These are the costs (such as fuel and tyres) that vary with how many kilometres are travelled. These are calculated on an hourly basis.

Part 3: Payment for labour

Describes the range of rates that are typically paid to employee drivers for performing similar kinds of work, to assist the owner driver to determine what may be a reasonable payment for their own labour.

Part 4: Totals

This section allows the owner driver to prepare total hourly rates for ordinary hours (up to 1,672 a year) and excess hours.

THE SCHEDULE DOES NOT DEAL WITH THE ISSUE OF RETURN ON INVESTMENT, AND THIS WOULD NEED TO BE FACTORED IN WHERE APPROPRIATE. THE ISSUE OF RETURN ON INVESTMENT IS DEALT WITH IN SECTION 11 OF THE OWNER DRIVERS AND FORESTRY CONTRACTORS CODE OF PRACTICE.

KEY ASSUMPTIONS

The model set out in this Schedule is based on certain assumptions about the vehicle used, hours of work and the type of business. The assumptions used that have the greatest impact on the figures given are:

| Subject | Costing assumptions |
|--|---|
| Vehicle and | The fixed costs are based on: |
| finance | • a vehicle with a current capital value of \$37,742 (being the current average retail value of a 5-year-old vehicle). |
| | • a vehicle subject to a lease arrangement, over a 4-year term with a 25% residual, a 10% deposit of \$3,774 with interest at a comparison interest rate of 7.5% per annum. |
| | Note that if the business owns the vehicle outright, or has a loan, the cost structure will be different with depreciation as the relevant cost rather than lease payments. |
| | All costs exclude GST. |
| Driving hours per year (kilometres | The calculation of the fixed costs assumes the vehicle is in operation for 7.6 driving hours per day for 220 working days a year. This equals 1,672 hours of operation a year. |
| travelled) | The model spreads fixed operating costs over those 1,672 hours. |
| | In Part 4, a separate hourly rate for hours over and above the base hours of 1,672 a year is provided. To avoid double counting of fixed costs, this rate only includes variable costs and a return for labour, based on an overtime labour rate. |

The cost structure of the individual business will be significantly different if, for example:

- the age, current capital value (or both) of the vehicle is less or more than the above figures
- other finance arrangements apply (for example, the vehicle is fully owned or is subject to a loan)
- more or fewer hours are worked each year

BECAUSE OF THESE POTENTIAL VARIATIONS, GREAT CARE SHOULD BE TAKEN IN USING THE INDICATIVE FIGURES SET OUT IN THE COST MODEL, AS THE COSTS OF THE INDIVIDUAL BUSINESS MAY VARY SIGNIFICANTLY.

To assist owner drivers to calculate their own unique cost model, a blank column is included to calculate the business's own unique costs.

Rate structures

This model calculates the cost of running a typical owner driver business, described as an hourly rate, made up of fixed and variable costs and a payment for the owner driver's labour. The Schedule does not calculate or suggest any particular rate calculation or payment method.

Arrangements for payment for owner drivers in the transport industry vary enormously. They can be paid an hourly rate, a load rate, parcel rate, on the basis of tasks performed, or even kilometres travelled. If an owner driver is paid on such an arrangement, the Schedule set out below can be used as a base to calculate the cost to the business of travelling per kilometre, or delivering a particular load. Unions, industry associations or accountants and other professional advisers can assist in this task.

PART 1 – FIXED ANNUAL COSTS – PER YEAR AND PER HOUR

Note: All costs exclude GST

| Cost items assumptions used in the example | Example: Typical cost per year | Your costs: | Variations in this cost item |
|---|--------------------------------------|-------------|---|
| Vehicle lease costs This model is based on a vehicle with a current capital value of \$37,742 (based on typical retail value of a 5 year old vehicle), and is based on a lease arrangement over a 4 year term with a 25% residual, a 10% deposit of \$3,774 at 7.5% interest per annum. | \$4,882 | | Finance arrangements will vary widely depending on: • if the arrangement is a lease or hire purchase, or purchase of the vehicle through a loan; or • if the arrangement is a loan, then the purchase price, the amount borrowed and the loan terms will affect cash-flow, and depreciation needs to be allowed for. |
| Registration, permits and TAC fees Based on vehicle registration fee of \$621 and TAC charge of \$786 which is net of GST. Assumes payment is made on an annual basis. TAC charge assumes vehicle is garaged in a high-risk area (e.g. metropolitan Melbourne). | \$1,407 | | These fees are current as at 1 July 2021 but may change. Additional licences may be payable for certain types of operations (e.g. interstate registration, oversize, port security permit, dangerous goods). Additional administration charges may apply to registration fees if they are paid in instalments. TAC charges may be lower if the vehicle is garaged in a medium or low risk area. |
| Superannuation Self-funded, based on 10% of own labour assumed at \$46,690. | \$4,669 | | |

| Cost items assumptions used in the example | Example: Typical cost per year | Your costs: | Variations in this cost item |
|--|--------------------------------------|-------------|--|
| Insurance comprehensive vehicle Based on rate of 3.15% per annum. Based on operator who is over the age of 25, has at least 5 years' experience and no claims history. Assumes vehicle is not carrying dangerous goods. Assumes vehicle is travelling intrastate only. | \$1,189 | | Rates may be higher for interstate trucks. Additional insurance charges may apply to certain kinds of goods carried (e.g. refrigerated goods or livestock). Comprehensive vehicle insurance costs may vary depending upon the age and value of the equipment insured, the insurance provider, the amount of any excess payable, the individual's claims history, the age and experience level of the driver and whether the vehicle is carrying dangerous goods. |
| Insurance goods in transit Based on an insured sum of \$30,000 at an insurance rate of 0.8%. Assumes vehicle is not carrying dangerous goods. | \$240 | | The cost of goods in transit insurance may vary depending on the type of goods being transported. |
| Insurance personal sickness and accident/income Basic policy, based on 80% of income for 52 weeks, 30 day waiting period. Assumes driver is travelling intrastate only. Assumes driver has no pre-existing conditions. Maximum age limit of 60 years. | \$1,860 | | The cost of personal income and accident insurance (also called income protection insurance) will vary depending on the individual's health history, the amount of income insured, the period of time after an accident before benefits are payable and the maximum period over which benefits are paid. |
| Insurance public liability Assumes policy for public liability claims up to \$10 million. | \$600 | | |

| Cost items assumptions used in the example | Example: Typical cost per year | Your costs: | Variations in this cost item |
|---|--------------------------------------|-------------|---|
| Insurance workers' compensation | \$2,210 | | The rate is current as at 2021–2022 and is subject to change. |
| Assumed at the rate of 4.73% for the assumed labour rate of the business owner of \$46,690. | | | The rate charged for workers' compensation insurance may vary depending on whether the vehicle is travelling short or long distances and whether the vehicle is travelling interstate. The rate may also vary |
| Assumes vehicle is primarily travelling intrastate. | | | depending on the driver's claims history. |
| Business administration costs | \$2,885 | | Accounting/bookkeeping fees may be lower if the business prepares its own BAS and accounts. |
| Includes maintenance of records, preparation of tax returns, mobile | | | Mobile phone charges will vary depending on level of use. |
| phone charges, consumer price index and sundry business expenses. | | | Other costs: Professional association fees, accommodation costs, parking fees, bank charges, and other costs should be allowed for where relevant. This example is based on a business that is already up and running, and does not take into account the costs of starting a business (e.g. registering a company). This figure may also vary depending on contractual conditions. |
| Total annual fixed costs | \$19,944 | | |
| Total hourly fixed costs Assuming 1,672 vehicle operation hours. | \$11.93 | | Assumes that the annual fixed costs of the business are spread over 1,672 vehicle operation hours per year. |

PART 2 – VARIABLE COSTS – PER KILOMETRE AND PER HOUR

Note: All costs exclude GST (unless otherwise specified)

| Cost items assumptions assumes 39,600 km | Typical cost per km | Your | Variations in this cost item |
|---|------------------------|-----------|---|
| travelled per year | | per km | |
| Fuel Based on a fuel price of 184.7 cents per litre (206.8 cents per litre national average retail diesel pump price for the 4 weeks to 27 March 2022 less the 22.1 cents per litre reduction to the fuel excise announced in the Federal budget on 29 March 2022). Assumes 20.20 litres consumed per 100 km. | 32 cents | | Fuel is the single biggest variable cost and will significantly affect your business. Fuel costs will also vary depending on the age, features and condition of the vehicle. The price of fuel at the time of negotiating with the hirer should be used to assess the base rate fuel cost to be applied. In addition to the base rate, a fuel surcharge needs to be applied to account for weekly, fortnightly or monthly fluctuation in fuel costs over the term of the contract. |
| Tyres Assumes cost of \$320 per tyre (6 tyres) based on vehicle specific average performance and replaced after 60,000 km. | 3 cents | | Consumption of tyres will vary with the age of vehicle, off-road use, geographic and road conditions, braking frequency and driving techniques and the quality of the tyres used. Cost of tyres will also vary depending on the manufacturer, type of tyres and any discount arrangements. |
| Servicing, repairs and maintenance Based on rate of 8 cents per km. | 8 cents | | Repair and maintenance costs will vary significantly with the age and condition of the vehicle. Major repairs may be a one-off major cost in any given year. Significant savings can be made if the business does its own servicing and repairs. |
| Total variable costs per km | 43 cents | | |

| Total variable costs per driving hour | Typical cost per hour | Your cost per hour | Variations in this cost item |
|---------------------------------------|--------------------------|-----------------------------|--|
| Assumes 25 km travelled per hour. | \$10.82 | | These rates are typical for city driving only. The number of kilometres travelled per hour will vary significantly depending on the routes travelled, whether the work is metropolitan or regional, how often the vehicle stops to load or unload and the nature of the work. |
| | | | Drivers who travel long distance or in the country will need to take this into account for their own calculations. |

Citylink and Eastlink Tolls

Your hirer is responsible for reimbursing you for toll costs incurred if they direct you to take a toll road, or if you need to take a toll road to complete your trip.

If the hirer does not reimburse the toll costs you will need to include these costs as part of your cost calculation. The price of your trip will depend on the following factors: how far you travel, the type of vehicle you use, whether you travel in peak or off-peak times and the account or pass you choose. There are trip toll caps on both Citylink and Eastlink for heavy commercial vehicles. To check the current costs, use the following toll calculators:

- linkt.com.au/melbourne/using-toll-roads/toll-calculator
- eastlink.com.au/toll-calculator

PART 3 – PAYMENT FOR THE OWNER DRIVER'S OWN LABOUR

The next factor to include in a business cost model is an amount for the business owner's own work (labour) in driving the vehicle and in work such as loading and unloading and tasks necessary in running the business. This Part will provide information to assist owner drivers to determine the amount they can aim to receive as a payment for that labour.

Because an owner driver is a small business (not an employee) the hirer is not legally obliged to pay a minimum wage or rate of pay. However, the wages that are paid to employee drivers are a useful guide to the market for the labour services of driving a vehicle.

Set out below are rates that would typically be paid for driving a vehicle if this work was performed by an employee rather than an owner driver.

These rates will vary over time, and should be used as a general guide only. Unions, industry associations, newspaper job advertisements and other drivers are sources of advice about the going rates in your industry sector.

| Casual base hourly rate ¹ | Casual overtime rate 150% ² For the first two hours, over 7.6 per day or 38 per week | Casual overtime rate 200% ² For work extending beyond the first two hours of overtime and until the completion of work | | |
|--|---|---|--|--|
| \$27.93 | \$34.05 | \$45.40 | | |
| Range of rates typically paid in Victoria ³ | | | | |
| \$27.93 to \$33.52 | \$34.05 to \$40.86 | \$45.40 to \$54.48 | | |

Notes:

- 1. Casual base hourly rate: The base rate is calculated on the Road Transport and Distribution Award 2010³ (the award) for a casual employee driver of a semi-trailer ('the Award rate') and assumes 38 ordinary hours of work completed in five shifts of 7.6 hours between 5.30 am and 6.30 pm, Monday through Friday. The base hourly rate for casual employees includes an additional 25% loading. This is compensation for not receiving the paid annual leave, personal/carer's leave and public holidays that ongoing employees receive.
- 2. Casual overtime rates: Casual employee drivers in Victoria receive payment at the rate of time and a half for the first two hours of overtime and double time thereafter for work continuing after the completion of an employee's ordinary hours of work. For each hour of overtime worked a casual must also be paid 10% of 1/38th of the minimum wage specified in the Award for their classification.

³ The Award rate was accurate as at 1 July 2021, but is varied from time to time by the Fair Work Commission. You can find information about the most recently published minimum employee rates by visiting www.fwc.gov.au or contacting your association or union.

3. The range of rates in Victoria: This part of the table sets out a range of rates typically paid in Victoria to employee drivers in the transport industry. A range is supplied because the rate paid will vary depending on whether a company is party to an enterprise agreement, the particular industry sector, the skill and efficiency of the particular driver and market factors such as whether there is a shortage of drivers in the area. The top rate in each range is calculated by adding 20% to the bottom rate.

The Award also provides for the following payments, which may need to be factored into your cost calculation, where they apply:

- **Shift allowances:** Shift allowances will apply for casual employee drivers at the rate of 117.5% for a shift where ordinary hours of work are completed after 6.30 pm but before 12.30 am (afternoon shift) and at the rate of 130% where ordinary hours of work are completed after 12.30 am but before 8.30 am (night shift).
- Work on a Saturday: For all ordinary hours worked on a Saturday a casual employee driver would receive payment at the rate of 150% for hours worked. Work undertaken on a Saturday as Overtime would receive payment at the rate of 150% for the first two hours and 200% for all hours thereafter.
- Work on a Sunday: For all ordinary hours and overtime hours worked on a Sunday a casual employee driver would receive payment at the rate of 200% for hours worked.

PART 4 - HOURLY TOTALS

Hourly total for hours up to 7.6 hours a day, 1,672 hours a year.

Totals

| Totals per driving hour | Fixed costs | Your figures | Notes |
|--|-------------|--------------|--|
| Fixed costs | \$11.93 | | Assuming fixed costs spread over 1,672 hours. |
| Variable costs | \$10.82 | | Assuming 25 km travelled per hour. |
| Labour | \$27.93 | | This worked example is based on a labour rate of \$27.93 per hour. See discussion on rates for labour in Part 3. |
| Total per hour (up to 1,672 hours) | \$50.68 | | Note that this is not a prescribed or recommended rate. Owner drivers are strongly recommended to consider their own circumstances and obtain advice. |

Total per hour – for hours in excess of 7.6 hours per day / 1,672 hours a year

This model assumes that the owner driver will recover fixed annual costs over 1,672 driving hours a year. Many owner drivers work longer than these hours, either extra days each week or longer hours each day. This table calculates an hourly rate for those extra hours, using variable and labour costs only, and using an overtime rate of pay.

| Totals per driving hour | Typical costs | Your figures | Notes |
|----------------------------|---------------|-----------------|--|
| Variable costs | \$10.82 | | Assuming 25 km travelled per hour. |
| Labour (overtime rates) | \$34.05 | | This worked example is based on a nominal penalty labour rate of \$32.71 per hour. See discussion on rates for labour in Part 3. |
| Total per hour | \$44.87 | | Note that this is not a prescribed or recommended rate. Owner drivers are strongly recommended to consider their own circumstances and obtain |
| | | | advice. |

In addition to the figures above, owner drivers should, where relevant, include any amount that they seek as a return on their capital investment. This issue is dealt with in section 11 of the *Owner Drivers and Forestry Contractors Code of Practice*, available from business.vic.gov.au/odfc

Note that this is not a prescribed or recommended rate. It is strongly recommended that owner drivers obtain advice on their own individual circumstances and discuss all issues with their hirer or potential hirer to ensure that there is no misunderstanding concerning payment structures.

Owner Drivers and Forestry Contractors Act 2005

TRANSPORT INDUSTRY COUNCIL RATES AND COSTS SCHEDULE 2021–22

Interim Rates and Cost Schedule – April 2022 8 Tonne Rigid Vehicle (GVM)

Road Transport and Distribution Award 2010 Category 3

INTRODUCTION

This short-term update to rates and costs schedules has been developed in response to rising fuel prices and will be updated not later than within three months from 21 April 2022 or earlier as needed to account for the impact of fluctuations in fuel prices.

This vehicle operating Rates and Costs Schedule is based on the Transport Industry Council's evaluation of the cost recovery recommended for an owner driver to take into consideration based on being able to operate a business on a sustainable basis.

This Schedule is a general guide only. Owner drivers¹ are strongly advised to seek independent professional accounting advice for their own situation and discuss all issues with their hirer or potential hirer to ensure that there is no misunderstanding concerning payment structures.

This Rates and Costs Schedule is published under section 14 of the **Owner Drivers and Forestry Contractors Act 2005** (the Act). Under the Act, this Schedule must be given at least three business days before the owner driver is engaged, if the owner driver will be engaged for a period of at least 30 days; or on the thirtieth day, if the owner driver is engaged for a total period of at least 30 days in any three-month period.

These requirements also apply to freight brokers and to tender situations.

This Schedule will be revised at least annually, and under section 18 of the Act, hirers are required to give owner drivers a copy of any such revised Schedule as soon as practicable after it is published.

The Schedule is intended to assist owner drivers and their hirers to better understand the typical operating costs of an owner driver business and to inform their negotiations.

THE SCHEDULE DOES NOT SET MINIMUM RATES THAT MUST BE PAID.

The Schedule sets out a worked example of typical overhead costs for an owner driver supplying an 8 Tonne Rigid Vehicle (GVM). The worked example is based on certain assumptions about the business, for example, that the vehicle is 6 years old, is in operation for 7.6 hours a day and uses a certain number of tyres.

The aim of the Schedule is to assist owner drivers to:

- better understand their business cost structures and how increases and decreases in different cost items affect overall profitability; and
- calculate their own unique cost model.

This Schedule applies to owner drivers who supply an 8 Tonne Rigid Vehicle (GVM) (8 tonnes being the weight of the vehicle fully loaded) or similar vehicle².

The Schedule is structured as follows:

Part 1: Fixed costs

Describes typical fixed (or annual) business costs. These are the costs that the business must pay each year regardless of how many kilometres the vehicle travels.

Owner Driver is defined in the Owner Drivers and Forestry Contractors Act 2005. The definition is also affected by the Owner Drivers and Forestry Contractors Regulations 2006 made under the Act.

Rates and Costs Schedules have been published for 1 tonne Van Courier Messenger, 1 tonne GVM – General Freight, 4.5 tonne GVM, 8 tonne GVM, 12 tonne GVM (2-axle), Prime Mover (Bogie Drive), Semi-Trailer (Bogie Drive, 6-axle), Truck and Quad Axle Dog Trailer GCM up to 50 tonnes, Tip Truck Tri axle Super Dog – GCM 42.5 tonnes and Tandem Tip Truck – GVM 22.5 tonnes (greater than five years old). Hirers are required to provide owner drivers with the Schedule that most closely relates to the owner driver's vehicle

Part 2: Variable costs

Describes typical variable business costs. These are the costs (such as fuel and tyres) that vary with how many kilometres are travelled. These are calculated on an hourly basis.

Part 3: Payment for labour

Describes the range of rates that are typically paid to employee drivers for performing similar kinds of work, to assist the owner driver to determine what may be a reasonable payment for their own labour.

Part 4: Totals

This section allows the owner driver to prepare total hourly rates for ordinary hours (up to 1,672 a year) and excess hours.

THE SCHEDULE DOES NOT DEAL WITH THE ISSUE OF RETURN ON INVESTMENT, AND THIS WOULD NEED TO BE FACTORED IN WHERE APPROPRIATE. THE ISSUE OF RETURN ON INVESTMENT IS DEALT WITH IN SECTION 11 OF THE OWNER DRIVERS AND FORESTRY CONTRACTORS CODE OF PRACTICE.

KEY ASSUMPTIONS

The model set out in this Schedule is based on certain assumptions about the vehicle used, hours of work and the type of business. The assumptions used that have the greatest impact on the figures given are:

| Subject | Costing assumptions |
|--|---|
| Vehicle and | The fixed costs are based on: |
| finance | • a vehicle with a current capital value of \$48,500 (being the current average retail value of a 6-year-old vehicle). |
| | • a vehicle subject to a lease arrangement, over a 4-year term with a 25% residual, a 10% deposit of \$4,850 with interest at a comparison interest rate of 7.5% per annum. |
| | Note that if the business owns the vehicle outright, or has a loan, the cost structure will be different with depreciation as the relevant cost rather than lease payments. |
| | All costs exclude GST. |
| Driving hours per year (kilometres | The calculation of the fixed costs assumes the vehicle is in operation for 7.6 driving hours per day for 220 working days a year. This equals 1,672 hours of operation a year. |
| travelled) | The model spreads fixed operating costs over those 1,672 hours. |
| | In Part 4, a separate hourly rate for hours over and above the base hours of 1,672 a year is provided. To avoid double counting of fixed costs, this rate only includes variable costs and a return for labour, based on an overtime labour rate. |

The cost structure of the individual business will be significantly different if, for example:

- the age, current capital value (or both) of the vehicle is less or more than the above figures
- other finance arrangements apply (for example, the vehicle is fully owned or is subject to a loan)
- more or fewer hours are worked each year.

BECAUSE OF THESE POTENTIAL VARIATIONS, GREAT CARE SHOULD BE TAKEN IN USING THE INDICATIVE FIGURES SET OUT IN THE COST MODEL, AS THE COSTS OF THE INDIVIDUAL BUSINESS MAY VARY SIGNIFICANTLY.

To assist owner drivers to calculate their own unique cost model, a blank column is included to calculate the business's own unique costs.

Rate structures

This model calculates the cost of running a typical owner driver business, described as an hourly rate, made up of fixed and variable costs and a payment for the owner driver's labour. The Schedule does not calculate or suggest any particular rate calculation or payment method.

Arrangements for payment for owner drivers in the transport industry vary enormously. They can be paid an hourly rate, a load rate, parcel rate, on the basis of tasks performed, or even kilometres travelled. If an owner driver is paid on such an arrangement, the Schedule set out below can be used as a base to calculate the cost to the business of travelling per kilometre, or delivering a particular load. Unions, industry associations or accountants and other professional advisers can assist in this task.

PART 1 – FIXED ANNUAL COSTS – PER YEAR AND PER HOUR

Note: All costs exclude GST

| Cost items assumptions used in the example | Example: Typical cost per year | Your costs: | Variations in this cost item |
|--|--------------------------------------|-------------|---|
| Vehicle lease costs This model is based on a vehicle with a current capital value of \$48,500 (based on typical retail value of a 10-year-old vehicle and trailer), and is based on a lease arrangement over a 4 year term with a 25% residual, a 10% deposit of \$4,850 at 7.5% interest per annum. | \$7,291 | | Finance arrangements will vary widely depending on: • if the arrangement is a lease or hire purchase, or purchase of the vehicle through a loan; or • if the arrangement is a loan, then the purchase price, the amount borrowed and the loan terms will affect cashflow, and depreciation needs to be allowed for. |
| Registration, permits and TAC fees Based on vehicle registration fee of \$621 and TAC charge of \$786 which is net of GST. Assumes payment is made on an annual basis. TAC charge assumes vehicle is garaged in a high-risk area (e.g. metropolitan Melbourne). | \$1,407 | | These fees are current as at 1 July 2021 but may change. Additional licences may be payable for certain types of operations (e.g. interstate registration, oversize, port security permit, dangerous goods). Additional administration charges may apply to registration fees if they are paid in instalments. TAC charges may be lower if the vehicle is garaged in a medium or low risk area. |
| Superannuation Self-funded, based on 10% of own labour assumed at \$46,691. | \$4,669 | | |

| Cost items assumptions used in the example | Example: Typical cost per year | Your costs: | Variations in this cost item |
|--|--------------------------------------|-------------|--|
| Insurance comprehensive vehicle Based on rate of 3.15% per annum. Based on operator who is over the age of 25, has at least 5 years' experience and no claims history. Assumes vehicle is not carrying dangerous goods. Assumes vehicle is travelling intrastate only. | \$1,528 | | Rates may be higher for interstate trucks. Additional insurance charges may apply to certain kinds of goods carried (e.g. refrigerated goods or livestock). Comprehensive vehicle insurance costs may vary depending upon the age and value of the equipment insured, the insurance provider, the amount of any excess payable, the individual's claims history, the age and experience level of the driver and whether the vehicle is carrying dangerous goods. |
| Insurance goods in transit Based on an insured sum of \$50,000 at an insurance rate of 0.8%. Assumes vehicle is not carrying dangerous goods. | \$400 | | The cost of goods in transit insurance may vary depending on the type of goods being transported. |
| Insurance personal sickness and accident/income Basic policy, based on 80% of income for 52 weeks, 30 day waiting period. Assumes driver is travelling intrastate only. Assumes driver has no pre-existing conditions. Maximum age limit of 60 years. | \$1,860 | | The cost of personal income and accident insurance (also called income protection insurance) will vary depending on the individual's health history, the amount of income insured, the period of time after an accident before benefits are payable and the maximum period over which benefits are paid. |
| Insurance public liability Assumes policy for public liability claims up to \$10 million. | \$600 | | |

| Cost items assumptions used in the example | Example: Typical cost per year | Your costs: | Variations in this cost item |
|---|--------------------------------------|-------------|---|
| Insurance workers' compensation | \$2,210 | | The rate is current as at 2021–2022 and is subject to change. |
| Assumed at the rate of 4.73% for the assumed labour rate of the business owner of \$46,691. Assumes vehicle is primarily travelling intrastate. | | | The rate charged for workers' compensation insurance may vary depending on whether the vehicle is travelling short or long distances and whether the vehicle is travelling interstate. The rate may also vary depending on the driver's claims history. |
| Business administration costs Includes maintenance of records, preparation of tax returns, mobile phone charges, consumer price index and sundry business expenses. | \$2,885 | | Accounting/bookkeeping fees may be lower if the business prepares its own BAS and accounts. Mobile phone charges will vary depending on level of use. Other costs: Professional association fees, accommodation costs, parking fees, bank charges, and other costs should be allowed for where relevant. This example is based on a business that is already up and running, and does not take into account the costs of starting a business (e.g. registering a company). This figure may also vary depending on contractual conditions. |
| Total annual fixed costs | \$22,851 | | |
| Total hourly fixed costs Assuming 1,672 vehicle operation hours. | \$13.67 | | Assumes that the annual fixed costs of the business are spread over 1,672 vehicle operation hours per year. |

PART 2 – VARIABLE COSTS – PER KILOMETRE AND PER HOUR

Note: All costs exclude GST (unless otherwise specified)

| Cost items assumptions assumes 39,600 km travelled per year | Typical cost per km | Your cost per km | Variations in this cost item |
|--|---------------------------|---------------------------|---|
| Fuel Based on a fuel price of 184.7 cents per litre (206.8 cents per litre national average retail diesel pump price for the 4 weeks to 27 March 2022 less the 22.1 cents per litre reduction to the fuel excise announced in the Federal budget on 29 March 2022). Assuming 24.57 litres consumed per 100 km. | 32 cents | | Fuel is the single biggest variable cost and will significantly affect your business. Fuel costs will also vary depending on the age, features and condition of the vehicle. The price of fuel at the time of negotiating with the hirer should be used to assess the base rate fuel cost to be applied. In addition to the base rate, a fuel surcharge needs to be applied to account for weekly, fortnightly or monthly fluctuation in fuel costs over the term of the contract. |
| Tyres Assumes cost of \$320 per tyre (8 tyres) based on vehicle specific average performance and replaced after 80,000 km. | 3 cents | | Consumption of tyres will vary with the age of vehicle, off-road use, geographic and road conditions, braking frequency and driving techniques and the quality of the tyres used. Cost of tyres will also vary depending on the manufacturer, type of tyres and any discount arrangements. |
| Servicing, repairs and maintenance Based on rate of 10 cents per km. | 10 cents | | Repair and maintenance costs will vary significantly with the age and condition of the vehicle. Major repairs may be a one-off major cost in any given year. Significant savings can be made if the business does its own servicing and repairs. |
| Total variable costs per km | 46 cents | | |

| Total variable costs per driving hour | Typical cost per hour | Your cost per hour | Variations in this cost item |
|--|-----------------------|-----------------------------|--|
| Assumes 25 km travelled per hour. | \$11.40 | | These rates are typical for city driving only. The number of kilometres travelled per hour will vary significantly depending on the routes travelled, whether the work is metropolitan or regional, how often the vehicle stops to load or unload and the nature of the work. Drivers who travel long distance or in the country will need to take this into account for their own calculations. |

Citylink and Eastlink Tolls

Your hirer is responsible for reimbursing you for toll costs incurred if they direct you to take a toll road, or if you need to take a toll road to complete your trip.

If the hirer does not reimburse the toll costs you will need to include these costs as part of your cost calculation. The price of your trip will depend on the following factors: how far you travel, the type of vehicle you use, whether you travel in peak or off-peak times and the account or pass you choose. There are trip toll caps on both Citylink and Eastlink for heavy commercial vehicles. To check the current costs, use the following toll calculators:

- linkt.com.au/melbourne/using-toll-roads/toll-calculator
- eastlink.com.au/toll-calculator

PART 3 – PAYMENT FOR THE OWNER DRIVER'S OWN LABOUR

The next factor to include in a business cost model is an amount for the business owner's own work (labour) in driving the vehicle and in work such as loading and unloading and tasks necessary in running the business. This Part will provide information to assist owner drivers to determine the amount they can aim to receive as a payment for that labour.

Because an owner driver is a small business (not an employee) the hirer is not legally obliged to pay a minimum wage or rate of pay. However, the wages that are paid to employee drivers are a useful guide to the market for the labour services of driving a vehicle.

Set out below are rates that would typically be paid for driving a vehicle if this work was performed by an employee rather than an owner driver.

These rates will vary over time, and should be used as a general guide only. Unions, industry associations, newspaper job advertisements and other drivers are sources of advice about the going rates in your industry sector.

| Casual base hourly rate ¹ | Casual overtime rate 150% ² | Casual overtime rate 200% ² | | | | |
|--|--|--|--|--|--|--|
| | For the first two hours, over 7.6 per day or 38 per week | For work extending beyond the first two hours of overtime and until the completion of work | | | | |
| \$27.93 | \$34.05 | \$45.40 | | | | |
| Range of rates typically paid in Victoria ³ | | | | | | |
| \$27.93 to \$33.52 | \$34.05 to \$40.86 | \$45.40 to \$54.48 | | | | |

Notes:

- 1. Casual base hourly rate: The base rate is calculated on the Road Transport and Distribution Award 2010³ (the award) for a casual employee driver of a semi-trailer ('the Award rate) and assumes 38 ordinary hours of work completed in five shifts of 7.6 hours between 5.30 am and 6.30 pm, Monday through Friday. The base hourly rate for casual employees includes an additional 25% loading. This is compensation for not receiving the paid annual leave, personal/carer's leave and public holidays that ongoing employees receive.
- 2. Casual overtime rates: Casual employee drivers in Victoria receive payment at the rate of time and a half for the first two hours of overtime and double time thereafter for work continuing after the completion of an employee's ordinary hours of work. For each hour of overtime worked a casual must also be paid 10% of 1/38th of the minimum wage specified in the Award for their classification.

³ The Award rate was accurate as at 1 July 2021, but is varied from time to time by the Fair Work Commission. You can find information about the most recently published minimum employee rates by visiting www.fwc.gov.au or contacting your association or union.

3. The range of rates in Victoria: This part of the table sets out a range of rates typically paid in Victoria to employee drivers in the transport industry. A range is supplied because the rate paid will vary depending on whether a company is party to an enterprise agreement, the particular industry sector, the skill and efficiency of the particular driver and market factors such as whether there is a shortage of drivers in the area. The top rate in each range is calculated by adding 20% to the bottom rate.

The Award also provides for the following payments, which may need to be factored into your cost calculation, where they apply:

- **Shift allowances:** Shift allowances will apply for casual employee drivers at the rate of 117.5% for a shift where ordinary hours of work are completed after 6.30 pm but before 12.30 am (afternoon shift) and at the rate of 130% where ordinary hours of work are completed after 12.30 am but before 8.30 am (night shift).
- Work on a Saturday: For all ordinary hours worked on a Saturday a casual employee driver would receive payment at the rate of 150% for hours worked. Work undertaken on a Saturday as Overtime would receive payment at the rate of 150% for the first two hours and 200% for all hours thereafter.
- Work on a Sunday: For all ordinary hours and overtime hours worked on a Sunday a casual employee driver would receive payment at the rate of 200% for hours worked.

PART 4 – HOURLY TOTALS

Hourly total for hours up to 7.6 hours a day, 1,672 hours a year.

Totals

| Totals per driving hour | Fixed costs | Your figures | Notes |
|-----------------------------|-------------|-----------------|---|
| Fixed costs | \$13.67 | | Assuming fixed costs spread over 1,672 hours. |
| Variable costs | \$11.40 | | Assuming 20 km travelled per hour. |
| Labour | \$27.93 | | This worked example is based on a labour rate of \$27.93 per hour. |
| | | | See discussion on rates for labour in Part 3. |
| Total per hour (up to 1,672 | \$52.99 | | Note that this is not a prescribed or recommended rate. |
| hours) | | | Owner drivers are strongly recommended to consider their own circumstances and obtain advice. |

Total per hour – for hours in excess of 7.6 hours per day / 1,672 hours a year

This model assumes that the owner driver will recover fixed annual costs over 1,672 driving hours a year. Many owner drivers work longer than these hours, either extra days each week or longer hours each day. This table calculates an hourly rate for those extra hours, using variable and labour costs only, and using an overtime rate of pay.

| Totals per driving hour | Typical costs | Your figures | Notes |
|----------------------------|---------------|-----------------|---|
| Variable costs | \$11.40 | | Assuming 20 km travelled per hour. |
| Labour (overtime rates) | \$34.05 | | This worked example is based on a nominal penalty labour rate of \$34.05 per hour. |
| | | | See discussion on rates for labour in Part 3. |
| Total per hour | \$45.45 | | Note that this is not a prescribed or recommended rate. |
| | | | Owner drivers are strongly recommended to consider their own circumstances and obtain advice. |

In addition to the figures above, owner drivers should, where relevant, include any amount that they seek as a return on their capital investment. This issue is dealt with in section 11 of the *Owner Drivers and Forestry Contractors Code of Practice*, available from business.vic.gov.au/odfc

Note that this is not a prescribed or recommended rate. It is strongly recommended that owner drivers obtain advice on their own individual circumstances and discuss all issues with their hirer or potential hirer to ensure that there is no misunderstanding concerning payment structures.

Owner Drivers and Forestry Contractors Act 2005

TRANSPORT INDUSTRY COUNCIL
RATES AND COSTS SCHEDULE 2021–22
Interim Rates and Cost Schedule – April 2022
12 Tonne Rigid Vehicle (GVM) (2-axle)
Road Transport and Distribution Award 2010

Category 3

INTRODUCTION

This short-term update to rates and costs schedules has been developed in response to rising fuel prices and will be updated not later than within three months from 21 April 2022 or earlier as needed to account for the impact of fluctuations in fuel prices.

This vehicle operating Rates and Costs Schedule is based on the Transport Industry Council's evaluation of the cost recovery recommended for an owner driver to take into consideration based on being able to operate a business on a sustainable basis.

This Schedule is a general guide only. Owner drivers¹ are strongly advised to seek independent professional accounting advice for their own situation and discuss all issues with their hirer or potential hirer to ensure that there is no misunderstanding concerning payment structures.

This Rates and Costs Schedule is published under section 14 of the **Owner Drivers and Forestry Contractors Act 2005** (the Act). Under the Act, this Schedule must be given at least three business days before the owner driver is engaged, if the owner driver will be engaged for a period of at least 30 days; or on the thirtieth day, if the owner driver is engaged for a total period of at least 30 days in any three-month period.

These requirements also apply to freight brokers and to tender situations.

This Schedule will be revised at least annually, and under section 18 of the Act, hirers are required to give owner drivers a copy of any such revised Schedule as soon as practicable after it is published.

The Schedule is intended to assist owner drivers and their hirers to better understand the typical operating costs of an owner driver business and to inform their negotiations.

THE SCHEDULE DOES NOT SET MINIMUM RATES THAT MUST BE PAID.

The Schedule sets out a worked example of typical overhead costs for an owner driver supplying a 12 Tonne Rigid Vehicle (GVM) (2-axle). The worked example is based on certain assumptions about the business, for example, that the vehicle is 10 years old, is in operation for 7.6 hours a day and uses a certain number of tyres.

The aim of the Schedule is to assist owner drivers to:

- better understand their business cost structures and how increases and decreases in different cost items affect overall profitability; and
- calculate their own unique cost model.

This Schedule applies to owner drivers who supply a 12 Tonne Rigid Vehicle (GVM) (2-axle) (12 tonnes being the weight of the vehicle fully loaded) or similar vehicle².

The Schedule is structured as follows:

Part 1: Fixed costs

Describes typical fixed (or annual) business costs. These are the costs that the business must pay each year regardless of how many kilometres the vehicle travels.

Owner Driver is defined in the Owner Drivers and Forestry Contractors Act 2005. The definition is also affected by the Owner Drivers and Forestry Contractors Regulations 2006 made under the Act.

Rates and Costs Schedules have been published for 1 tonne Van Courier Messenger, 1 tonne GVM – General Freight, 4.5 tonne GVM, 8 tonne GVM, 12 tonne GVM (2-axle), Prime Mover (Bogie Drive), Semi-Trailer (Bogie Drive, 6-axle), Truck and Quad Axle Dog Trailer GCM up to 50 tonnes, Tip Truck Tri axle Super Dog – GCM 42.5 tonnes and Tandem Tip Truck – GVM 22.5 tonnes. Hirers are required to provide owner drivers with the Schedule that most closely relates to the owner driver's vehicle.

Part 2: Variable costs

Describes typical variable business costs. These are the costs (such as fuel and tyres) that vary with how many kilometres are travelled. These are calculated on an hourly basis.

Part 3: Payment for labour

Describes the range of rates that are typically paid to employee drivers for performing similar kinds of work, to assist the owner driver to determine what may be a reasonable payment for their own labour.

Part 4: Totals

This section allows the owner driver to prepare total hourly rates for ordinary hours (up to 1,672 a year) and excess hours.

THE SCHEDULE DOES NOT DEAL WITH THE ISSUE OF RETURN ON INVESTMENT, AND THIS WOULD NEED TO BE FACTORED IN WHERE APPROPRIATE. THE ISSUE OF RETURN ON INVESTMENT IS DEALT WITH IN SECTION 11 OF THE OWNER DRIVERS AND FORESTRY CONTRACTORS CODE OF PRACTICE.

KEY ASSUMPTIONS

The model set out in this Schedule is based on certain assumptions about the vehicle used, hours of work and the type of business. The assumptions used that have the greatest impact on the figures given are:

| Subject | Costing assumptions | | | |
|--|---|--|--|--|
| Vehicle and | The fixed costs are based on: | | | |
| finance | • a vehicle with a current capital value of \$39,750 (being the current average retail value of a 10-year-old vehicle). | | | |
| | • a vehicle subject to a lease arrangement, over a 4-year term with a 25% residual, a 10% deposit of \$3,975 with interest at a comparison interest rate of 7.5% per annum. | | | |
| | Note that if the business owns the vehicle outright, or has a loan, the cost structure will be different with depreciation as the relevant cost rather than lease payments. | | | |
| | All costs exclude GST. | | | |
| Driving hours per year (kilometres | The calculation of the fixed costs assumes the vehicle is in operation for 7.6 driving hours per day for 220 working days a year. This equals 1,672 hours of operation a year. | | | |
| travelled) | The model spreads fixed operating costs over those 1,672 hours. | | | |
| | In Part 4, a separate hourly rate for hours over and above the base hours of 1,672 a year is provided. To avoid double counting of fixed costs, this rate only includes variable costs and a return for labour, based on an overtime labour rate. | | | |

The cost structure of the individual business will be significantly different if, for example:

- the age, current capital value (or both) of the vehicle is less or more than the above figures
- other finance arrangements apply (for example, the vehicle is fully owned or is subject to a loan)
- more or fewer hours are worked each year

BECAUSE OF THESE POTENTIAL VARIATIONS, GREAT CARE SHOULD BE TAKEN IN USING THE INDICATIVE FIGURES SET OUT IN THE COST MODEL, AS THE COSTS OF THE INDIVIDUAL BUSINESS MAY VARY SIGNIFICANTLY.

To assist owner drivers to calculate their own unique cost model, a blank column is included to calculate the business's own unique costs.

Rate structures

This model calculates the cost of running a typical owner driver business, described as an hourly rate, made up of fixed and variable costs and a payment for the owner driver's labour. The Schedule does not calculate or suggest any particular rate calculation or payment method.

Arrangements for payment for owner drivers in the transport industry vary enormously. They can be paid an hourly rate, a load rate, parcel rate, on the basis of tasks performed, or even kilometres travelled. If an owner driver is paid on such an arrangement, the Schedule set out below can be used as a base to calculate the cost to the business of travelling per kilometre, or delivering a particular load. Unions, industry associations or accountants and other professional advisers can assist in this task.

PART 1 – FIXED ANNUAL COSTS – PER YEAR AND PER HOUR

Note: All costs exclude GST

| Cost items assumptions used in the example | Example: Typical cost per year | Your costs: | Variations in this cost item |
|--|--------------------------------------|-------------|---|
| Vehicle lease costs This model is based on a vehicle with a current capital value of \$39,750 (based on typical retail value of a 10 year old vehicle), and is based on a lease arrangement over a 4 year term with a 25% residual, a 10% deposit of \$3,975 at 7.5% interest per annum. | \$7,881 | | Finance arrangements will vary widely depending on: • if the arrangement is a lease or hire purchase, or purchase of the vehicle through a loan; or • if the arrangement is a loan, then the purchase price, the amount borrowed and the loan terms will affect cash-flow, and depreciation needs to be allowed for. |
| Registration, permits and TAC fees Based on vehicle registration fee of \$621 and TAC charge of \$786 which is net of GST. Assumes payment is made on an annual basis. TAC charge assumes vehicle is garaged in a high-risk area (e.g. metropolitan Melbourne). | \$1,407 | | These fees are current as at 1 July 2021 but may change. Additional licences may be payable for certain types of operations (e.g. interstate registration, oversize, port security permit, dangerous goods). Additional administration charges may apply to registration fees if they are paid in instalments. TAC charges may be lower if the vehicle is garaged in a medium or low risk area. |
| Superannuation Self-funded, based on 10% of own labour assumed at \$47,568. | \$4,757 | | |

| Cost items assumptions used in the example | Example: Typical cost per year | Your costs: | Variations in this cost item |
|--|--------------------------------------|-------------|--|
| Insurance comprehensive vehicle Based on rate of 3.15% per annum. Based on operator who is over the age of 25, has at least 5 years' experience and no claims history. Assumes vehicle is not carrying dangerous goods. Assumes vehicle is travelling intrastate only. | \$1,252 | | Rates may be higher for interstate trucks. Additional insurance charges may apply to certain kinds of goods carried (e.g. refrigerated goods or livestock). Comprehensive vehicle insurance costs may vary depending upon the age and value of the equipment insured, the insurance provider, the amount of any excess payable, the individual's claims history, the age and experience level of the driver and whether the vehicle is carrying dangerous goods. |
| Insurance goods in transit Based on an insured sum of \$50,000 at an insurance rate of 0.8%. Assumes vehicle is not carrying dangerous goods. | \$400 | | The cost of goods in transit insurance may vary depending on the type of goods being transported. |
| Insurance personal sickness and accident/income Basic policy, based on 80% of income for 52 weeks, 30 day waiting period. Assumes driver is travelling intrastate only. Assumes driver has no pre-existing conditions. Maximum age limit of 60 years. | \$1,860 | | The cost of personal income and accident insurance (also called income protection insurance) will vary depending on the individual's health history, the amount of income insured, the period of time after an accident before benefits are payable and the maximum period over which benefits are paid. |
| Insurance public liability Assumes policy for public liability claims up to \$10 million. | \$600 | | |

| Cost items assumptions used in the example | Example: Typical cost per year | Your costs: | Variations in this cost item |
|---|--------------------------------------|-------------|---|
| Insurance workers' compensation | \$2,251 | | The rate is current as at 2019–2020 and is subject to change. |
| Assumed at the rate of 4.73% for the assumed labour rate of the business owner of \$47,568. | | | The rate charged for workers' compensation insurance may vary depending on whether the vehicle is travelling short or long distances and whether the vehicle is travelling interstate. The rate may also vary depending on the driver's claims history. |
| Assumes vehicle is primarily travelling intrastate. | | | depending on the driver's claims history. |
| Business administration costs | \$2,885 | | Accounting/bookkeeping fees may be lower if the business prepares its own BAS and accounts. |
| Includes maintenance of records, preparation of tax returns, mobile | | | Mobile phone charges will vary depending on level of use. |
| phone charges, consumer price index and sundry business expenses. | | | Other costs: Professional association fees, accommodation costs, parking fees, bank charges, and other costs should be allowed for where relevant. This example is based on a business that is already up and running, and does not take into account the costs of starting a business (e.g. registering a company). This figure may also vary depending on contractual conditions. |
| Total annual fixed costs | \$23,295 | | |
| Total hourly fixed costs Assuming 1,672 vehicle operation hours. | \$13.93 | | Assumes that the annual fixed costs of the business are spread over 1,672 vehicle operation hours per year. |

PART 2 – VARIABLE COSTS – PER KILOMETRE AND PER HOUR

Note: All costs exclude GST (unless otherwise specified)

| Cost items assumptions assumes 33,000 km travelled per year | Typical cost per km | Your cost per km | Variations in this cost item |
|--|---------------------------|---------------------------|---|
| Fuel Based on a fuel price of 184.7 cents per litre (206.8 cents per litre national average retail diesel pump price for the 4 weeks to 27 March 2022 less the 22.1 cents per litre reduction to the fuel excise announced in the Federal budget on 29 March 2022). Assuming 25.71 litres consumed per 100 km. | 30 cents | | Fuel is the single biggest variable cost and will significantly affect your business. Fuel costs will also vary depending on the age, features and condition of the vehicle. |
| Assumes cost of \$633 per tyre (10 tyres) based on vehicle specific average performance and replaced after 80,000 km. | 8 cents | | Consumption of tyres will vary with the age of vehicle, off-road use, geographic and road conditions, braking frequency and driving techniques and the quality of the tyres used. Cost of tyres will also vary depending on the manufacturer, type of tyres and any discount arrangements. |
| Servicing, repairs and maintenance Based on rate of 27 cents per km. | 27 cents | | Repair and maintenance costs will vary significantly with the age and condition of the vehicle. Major repairs may be a one-off major cost in any given year. Significant savings can be made if the business does its own servicing and repairs. |
| Total variable costs per km | 65 cents | | |

| Total variable costs per driving hour | Typical cost per hour | Your cost per hour | Variations in this cost item |
|--|-----------------------------|-----------------------------|--|
| Assumes 18 km travelled per hour. | \$11.63 | | These rates are typical for city driving only. The number of kilometres travelled per hour will vary significantly depending on the routes travelled, whether the work is metropolitan or regional, how often the vehicle stops to load or unload and the nature of the work. |
| | | | Drivers who travel long distance or in the country will need to take this into account for their own calculations. |

Citylink and Eastlink Tolls

Your hirer is responsible for reimbursing you for toll costs incurred if they direct you to take a toll road, or if you need to take a toll road to complete your trip.

If the hirer does not reimburse the toll costs you will need to include these costs as part of your cost calculation. The price of your trip will depend on the following factors: how far you travel, the type of vehicle you use, whether you travel in peak or off-peak times and the account or pass you choose. There are trip toll caps on both Citylink and Eastlink for heavy commercial vehicles. To check the current costs, use the following toll calculators:

- linkt.com.au/melbourne/using-toll-roads/toll-calculator
- eastlink.com.au/toll-calculator

PART 3 – PAYMENT FOR THE OWNER DRIVER'S OWN LABOUR

The next factor to include in a business cost model is an amount for the business owner's own work (labour) in driving the vehicle and in work such as loading and unloading and tasks necessary in running the business. This Part will provide information to assist owner drivers to determine the amount they can aim to receive as a payment for that labour.

Because an owner driver is a small business (not an employee) the hirer is not legally obliged to pay a minimum wage or rate of pay. However, the wages that are paid to employee drivers are a useful guide to the market for the labour services of driving a vehicle.

Set out below are rates that would typically be paid for driving a vehicle if this work was performed by an employee rather than an owner driver.

These rates will vary over time, and should be used as a general guide only. Unions, industry associations, newspaper job advertisements and other drivers are sources of advice about the going rates in your industry sector.

| Casual base hourly rate ¹ | Casual overtime rate 150% ² For the first two hours, over 7.6 per day or 38 per week | Casual overtime rate 200% ² For work extending beyond the first two hours of overtime and until the completion of work | | | |
|--|---|---|--|--|--|
| \$27.93 | \$34.05 | \$45.40 | | | |
| Range of rates typically paid in Victoria ³ | | | | | |
| \$27.93 to \$33.52 | \$34.05 to \$40.86 | \$45.40 to \$54.48 | | | |

Notes:

- 1. Casual base hourly rate: The base rate is calculated on the Road Transport and Distribution Award 2010³ (the award) for a casual employee driver of a semi-trailer ('the Award rate') and assumes 38 ordinary hours of work completed in five shifts of 7.6 hours between 5.30 am and 6.30 pm, Monday through Friday. The base hourly rate for casual employees includes an additional 25% loading. This is compensation for not receiving the paid annual leave, personal/carer's leave and public holidays that ongoing employees receive.
- 2. Casual overtime rates: Casual employee drivers in Victoria receive payment at the rate of time and a half for the first two hours of overtime and double time thereafter for work continuing after the completion of an employee's ordinary hours of work. For each hour of overtime worked a casual must also be paid 10% of 1/38th of the minimum wage specified in the Award for their classification.

³ The Award rate was accurate as at 1 July 2021, but is varied from time to time by the Fair Work Commission. You can find information about the most recently published minimum employee rates by visiting www.fwc.gov.au or contacting your association or union.

3. The range of rates in Victoria: This part of the table sets out a range of rates typically paid in Victoria to employee drivers in the transport industry. A range is supplied because the rate paid will vary depending on whether a company is party to an enterprise agreement, the particular industry sector, the skill and efficiency of the particular driver and market factors such as whether there is a shortage of drivers in the area. The top rate in each range is calculated by adding 20% to the bottom rate.

The Award also provides for the following payments, which may need to be factored into your cost calculation, where they apply:

- **Shift allowances:** Shift allowances will apply for casual employee drivers at the rate of 117.5% for a shift where ordinary hours of work are completed after 6.30 pm but before 12.30 am (afternoon shift) and at the rate of 130% where ordinary hours of work are completed after 12.30 am but before 8.30 am (night shift).
- Work on a Saturday: For all ordinary hours worked on a Saturday a casual employee driver would receive payment at the rate of 150% for hours worked. Work undertaken on a Saturday as Overtime would receive payment at the rate of 150% for the first two hours and 200% for all hours thereafter.
- Work on a Sunday: For all ordinary hours and overtime hours worked on a Sunday a casual employee driver would receive payment at the rate of 200% for hours worked.

PART 4 – HOURLY TOTALS

Hourly total for hours up to 7.6 hours a day, 1,672 hours a year.

Totals

| Totals per driving hour | Fixed costs | Your figures | Notes |
|-----------------------------|-------------|-----------------|---|
| Fixed costs | \$13.93 | | Assuming fixed costs spread over 1,672 hours. |
| Variable costs | \$11.63 | | Assuming 18 km travelled per hour. |
| Labour | \$28.45 | | This worked example is based on a labour rate of \$28.45 per hour. |
| | | | See discussion on rates for labour in Part 3. |
| Total per hour (up to 1,672 | \$54.01 | | Note that this is not a prescribed or recommended rate. |
| hours) | | | Owner drivers are strongly recommended to consider their own circumstances and obtain advice. |

Total per hour – for hours in excess of 7.6 hours per day / 1,672 hours a year

This model assumes that the owner driver will recover fixed annual costs over 1,672 driving hours a year. Many owner drivers work longer than these hours, either extra days each week or longer hours each day. This table calculates an hourly rate for those extra hours, using variable and labour costs only, and using an overtime rate of pay.

| Totals per driving hour | Typical costs | Your figures | Notes |
|--|---------------|-----------------|--|
| Variable costs | \$11.63 | | Assuming 18 km travelled per hour. |
| Labour (overtime rates) | \$34.05 | | This worked example is based on a nominal penalty labour rate of \$32.71 per hour. See discussion on rates for labour in Part 3. |
| Total per hour (up to 1,672 hours) | \$45.68 | | Note that this is not a prescribed or recommended rate. Owner drivers are strongly recommended to consider their own circumstances and obtain advice. |

In addition to the figures above, owner drivers should, where relevant, include any amount that they seek as a return on their capital investment. This issue is dealt with in section 11 of the Owner Drivers and Forestry Contractors Code of Practice, available from business.vic.gov.au/odfc

Note that this is not a prescribed or recommended rate. It is strongly recommended that owner drivers obtain advice on their own individual circumstances and discuss all issues with their hirer or potential hirer to ensure that there is no misunderstanding concerning payment structures.

Owner Drivers and Forestry Contractors Act 2005

TRANSPORT INDUSTRY COUNCIL RATES AND COSTS SCHEDULE 2021–22

Interim Rates and Cost Schedule - April 2022

Prime Mover (Bogie Drive)

Road Transport and Distribution Award 2010

Category 6

INTRODUCTION

This short-term update to rates and costs schedules has been developed in response to rising fuel prices and will be updated not later than within three months from 21 April 2022 or earlier as needed to account for the impact of fluctuations in fuel prices.

This vehicle operating Rates and Costs Schedule is based on the Transport Industry Council's evaluation of the cost recovery recommended for an owner driver to take into consideration based on being able to operate a business on a sustainable basis.

This Schedule is a general guide only. Owner drivers¹ are strongly advised to seek independent professional accounting advice for their own situation and discuss all issues with their hirer or potential hirer to ensure that there is no misunderstanding concerning payment structures.

This Rates and Costs Schedule is published under section 14 of the **Owner Drivers and Forestry Contractors Act 2005** (the Act). Under the Act, this Schedule must be given at least three business days before the owner driver is engaged, if the owner driver will be engaged for a period of at least 30 days; or on the thirtieth day, if the owner driver is engaged for a total period of at least 30 days in any three-month period.

These requirements also apply to freight brokers and to tender situations.

This Schedule will be revised at least annually, and under section 18 of the Act, hirers are required to give owner drivers a copy of any such revised Schedule as soon as practicable after it is published.

The Schedule is intended to assist owner drivers and their hirers to better understand the typical operating costs of an owner driver business and to inform their negotiations.

THE SCHEDULE DOES NOT SET MINIMUM RATES THAT MUST BE PAID.

The Schedule sets out a worked example of typical overhead costs for an owner driver supplying a Prime Mover (Bogie Drive). The worked example is based on certain assumptions about the business, for example, that the vehicle is 10 years old, is in operation for 7.6 hours a day and uses a certain number of tyres.

The aim of the Schedule is to assist owner drivers to:

- better understand their business cost structures and how increases and decreases in different cost items affect overall profitability; and
- calculate their own unique cost model.

This Schedule applies to owner drivers who supply a Prime Mover (Bogie Drive) or similar vehicle².

The Schedule is structured as follows:

Part 1: Fixed costs

Describes typical fixed (or annual) business costs. These are the costs that the business must pay each year regardless of how many kilometres the vehicle travels.

Owner Driver is defined in the Owner Drivers and Forestry Contractors Act 2005. The definition is also affected by the Owner Drivers and Forestry Contractors Regulations 2006 made under the Act.

² Rates and Costs Schedules have been published for 1 tonne Van Courier Messenger, 1 tonne GVM – General Freight, 4.5 tonne GVM, 8 tonne GVM, 12 tonne GVM (2-axle), Prime Mover (Bogie Drive), Semi-Trailer (Bogie Drive, 6-axle), Truck and Quad Axle Dog Trailer GCM up to 50 tonnes, Tip Truck Tri axle Super Dog – GCM 42.5 tonnes and Tandem Tip Truck – GVM 22.5 tonnes Hirers are required to provide owner drivers with the Schedule that most closely relates to the owner driver's vehicle.

Part 2: Variable costs

Describes typical variable business costs. These are the costs (such as fuel and tyres) that vary with how many kilometres are travelled. These are calculated on an hourly basis.

Part 3: Payment for labour

Describes the range of rates that are typically paid to employee drivers for performing similar kinds of work, to assist the owner driver to determine what may be a reasonable payment for their own labour.

Part 4: Totals

This section allows the owner driver to prepare total hourly rates for ordinary hours (up to 1,672 a year) and excess hours.

THE SCHEDULE DOES NOT DEAL WITH THE ISSUE OF RETURN ON INVESTMENT, AND THIS WOULD NEED TO BE FACTORED IN WHERE APPROPRIATE. THE ISSUE OF RETURN ON INVESTMENT IS DEALT WITH IN SECTION 11 OF THE OWNER DRIVERS AND FORESTRY CONTRACTORS CODE OF PRACTICE.

KEY ASSUMPTIONS

The model set out in this Schedule is based on certain assumptions about the vehicle used, hours of work and the type of business. The assumptions used that have the greatest impact on the figures given are:

| Subject | Costing assumptions |
|--|---|
| Vehicle and | The fixed costs are based on: |
| finance | • a vehicle with a current capital value of \$88,017 (being the current average retail value of a 10-year-old vehicle). |
| | • a vehicle subject to a lease arrangement, over a 4-year term with a 25% residual, a 10% deposit of \$8,802 with interest at a comparison rate of 7.5% per annum. |
| | Note that if the business owns the vehicle outright, or has a loan, the cost structure will be different with depreciation as the relevant cost rather than lease payments. |
| | All costs exclude GST. |
| Driving hours per year (kilometres | The calculation of the fixed costs assumes the vehicle is in operation for 7.6 driving hours per day for 220 working days a year. This equals 1,672 hours of operation a year. |
| travelled) | The model spreads fixed operating costs over those 1,672 hours. |
| | In Part 4, a separate hourly rate for hours over and above the base hours of 1,672 a year is provided. To avoid double counting of fixed costs, this rate only includes variable costs and a return for labour, based on an overtime labour rate. |

The cost structure of the individual business will be significantly different if, for example:

- the age, current capital value (or both) of the vehicle is less or more than the above figures
- other finance arrangements apply (for example, the vehicle is fully owned or is subject to a loan)
- more or fewer hours are worked each year

BECAUSE OF THESE POTENTIAL VARIATIONS, GREAT CARE SHOULD BE TAKEN IN USING THE INDICATIVE FIGURES SET OUT IN THE COST MODEL, AS THE COSTS OF THE INDIVIDUAL BUSINESS MAY VARY SIGNIFICANTLY.

To assist owner drivers to calculate their own unique cost model, a blank column is included to calculate the business's own unique costs.

Rate structures

This model calculates the cost of running a typical owner driver business, described as an hourly rate, made up of fixed and variable costs and a payment for the owner driver's labour. The Schedule does not calculate or suggest any particular rate calculation or payment method.

Arrangements for payment for owner drivers in the transport industry vary enormously. They can be paid an hourly rate, a load rate, parcel rate, on the basis of tasks performed, or even kilometres travelled. If an owner driver is paid on such an arrangement, the Schedule set out below can be used as a base to calculate the cost to the business of travelling per kilometre, or delivering a particular load. Unions, industry associations or accountants and other professional advisers can assist in this task.

PART 1 – FIXED ANNUAL COSTS – PER YEAR AND PER HOUR

Note: All costs exclude GST

| Cost items assumptions used in the example | Example: Typical cost per year | Your costs: | Variations in this cost item |
|--|--------------------------------------|-------------|---|
| Vehicle lease costs This model is based on a vehicle with a current capital value of \$88,017 (based on typical retail value of a 10 year old vehicle), and is based on a lease arrangement over a 4 year term with a 25% residual, a 10% deposit of \$8,802 at 7.5% interest per annum. | \$15,780 | | Finance arrangements will vary widely depending on: • if the arrangement is a lease or hire purchase, or purchase of the vehicle through a loan; or • if the arrangement is a loan, then the purchase price, the amount borrowed and the loan terms will affect cash-flow, and depreciation needs to be allowed for. |
| Registration, permits and TAC fees Based on vehicle registration fee of \$4,625 and TAC charge of \$2,182 which is net of GST. Assumes payment is made on an annual basis. TAC charge assumes vehicle is garaged in a high-risk area (e.g. metropolitan Melbourne). | \$6,807 | | These fees are current as at 1 July 2021 but may change. Additional licences may be payable for certain types of operations (e.g. interstate registration, oversize, port security permit, dangerous goods). Additional administration charges may apply to registration fees if they are paid in instalments. TAC charges may be lower if the vehicle is garaged in a medium or low risk area. |
| Superannuation Self-funded, based on 10% of own labour assumed at \$48,718. | \$4,872 | | |

| Cost items assumptions used in the example | Example: Typical cost per year | Your costs: | Variations in this cost item |
|---|--------------------------------------|-------------|--|
| Insurance comprehensive vehicle Based on rate of 4.5% per annum. Based on operator who is over the age of 25, has at least 5 years' experience and no claims history. Assumes vehicle is not carrying dangerous goods. Assumes vehicle is travelling intrastate only. | \$2,773 | | Rates may be higher for interstate trucks. Additional insurance charges may apply to certain kinds of goods carried (e.g. refrigerated goods or livestock). Comprehensive vehicle insurance costs may vary depending upon the age and value of the equipment insured, the insurance provider, the amount of any excess payable, the individual's claims history, the age and experience level of the driver and whether the vehicle is carrying dangerous goods. |
| Insurance goods in transit Based on an insured sum of \$50,000 at an insurance rate of 0.8%. Assumes vehicle is not carrying dangerous goods. | \$400 | | The cost of goods in transit insurance may vary depending on the type of goods being transported. |
| Insurance personal sickness and accident/income Basic policy, based on 80% of income for 52 weeks, 30 day waiting period. Assumes driver is travelling intrastate only. Assumes driver has no pre-existing conditions. Maximum age limit of 60 years. | \$1,860 | | The cost of personal income and accident insurance (also called income protection insurance) will vary depending on the individual's health history, the amount of income insured, the period of time after an accident before benefits are payable and the maximum period over which benefits are paid. |
| Insurance public liability Assumes policy for public liability claims up to \$10 million. | \$600 | | |

| Cost items assumptions used in the example | Example: Typical cost per year | Your costs: | Variations in this cost item |
|---|--------------------------------------|-------------|---|
| Insurance workers' compensation Assumed at the rate of 4.73% for the assumed labour rate of the business owner of \$48,717. Assumes vehicle is primarily travelling intrastate. | \$2,306 | | The rate is current as at 2021–2022 and is subject to change. The rate charged for workers' compensation insurance may vary depending on whether the vehicle is travelling short or long distances and whether the vehicle is travelling interstate. The rate may also vary depending on the driver's claims history. |
| Business administration costs Includes maintenance of records, preparation of tax returns, mobile phone charges, consumer price index and sundry business expenses. | \$2,885 | | Accounting/bookkeeping fees may be lower if the business prepares its own BAS and accounts. Mobile phone charges will vary depending on level of use. Other costs: Professional association fees, accommodation costs, parking fees, bank charges, and other costs should be allowed for where relevant. This example is based on a business that is already up and running, and does not take into account the costs of starting a business (e.g. registering a company). This figure may also vary depending on contractual conditions. |
| Total annual fixed costs | \$38,283 | | |
| Total hourly fixed costs Assuming 1,672 vehicle operation hours. | \$22.90 | | Assumes that the annual fixed costs of the business are spread over 1,672 vehicle operation hours per year. |

PART 2 – VARIABLE COSTS – PER KILOMETRE AND PER HOUR

Note: All costs exclude GST (unless otherwise specified)

| Cost items assumptions assumes 28,600 km travelled per year | Typical cost per km | Your cost per km | Variations in this cost item |
|---|---------------------------|---------------------------|---|
| Fuel Based on a fuel price of 184.7 cents per litre (206.8 cents per litre national average retail diesel pump price for the 4 weeks to 27 March 2022 less the 22.1 cents per litre reduction to the fuel excise announced in the Federal budget on 29 March 2022). Assuming 47 litres consumed per 100 km. | 87 cents | | Fuel is the single biggest variable cost and will significantly affect your business. Fuel costs will also vary depending on the age, features and condition of the vehicle. The price of fuel at the time of negotiating with the hirer should be used to assess the base rate fuel cost to be applied. In addition to the base rate, a fuel surcharge needs to be applied to account for weekly, fortnightly or monthly fluctuation in fuel costs over the term of the contract. |
| Tyres Assumes cost of \$633 per tyre (10 tyres) based on vehicle specific average performance and replaced after 80,000 km. | 8 cents | | Consumption of tyres will vary with the age of vehicle, off-road use, geographic and road conditions, braking frequency and driving techniques and the quality of the tyres used. Cost of tyres will also vary depending on the manufacturer, type of tyres and any discount arrangements. |
| Servicing, repairs and maintenance Based on rate of 44 cents per km. | 44 cents | | Repair and maintenance costs will vary significantly with the age and condition of the vehicle. Major repairs may be a one-off major cost in any given year. Significant savings can be made if the business does its own servicing and repairs. |
| Total variable costs per km | 138 cents | | |

| Total variable costs per driving hour | Typical cost per hour | Your cost per hour | Variations in this cost item |
|--|-----------------------|-----------------------------|--|
| Assumes 18 km travelled per hour. | \$24.91 | | These rates are typical for city driving only. The number of kilometres travelled per hour will vary significantly depending on the routes travelled, whether the work is metropolitan or regional, how often the vehicle stops to load or unload and the nature of the work. Drivers who travel long distance or in the country will need to take this into account for their own calculations. |

Citylink and Eastlink Tolls

Your hirer is responsible for reimbursing you for toll costs incurred if they direct you to take a toll road, or if you need to take a toll road to complete your trip.

If the hirer does not reimburse the toll costs you will need to include these costs as part of your cost calculation. The price of your trip will depend on the following factors: how far you travel, the type of vehicle you use, whether you travel in peak or off-peak times and the account or pass you choose. There are trip toll caps on both Citylink and Eastlink for heavy commercial vehicles. To check the current costs, use the following toll calculators:

- linkt.com.au/melbourne/using-toll-roads/toll-calculator
- eastlink.com.au/toll-calculator

PART 3 – PAYMENT FOR THE OWNER DRIVER'S OWN LABOUR

The next factor to include in a business cost model is an amount for the business owner's own work (labour) in driving the vehicle and in work such as loading and unloading and tasks necessary in running the business. This Part will provide information to assist owner drivers to determine the amount they can aim to receive as a payment for that labour.

Because an owner driver is a small business (not an employee) the hirer is not legally obliged to pay a minimum wage or rate of pay. However, the wages that are paid to employee drivers are a useful guide to the market for the labour services of driving a vehicle.

Set out below are rates that would typically be paid for driving a vehicle if this work was performed by an employee rather than an owner driver.

These rates will vary over time, and should be used as a general guide only. Unions, industry associations, newspaper job advertisements and other drivers are sources of advice about the going rates in your industry sector.

| Casual base hourly rate ¹ | Casual overtime rate 150% ² For the first two hours, over 7.6 per day or 38 per week | Casual overtime rate 200% ² For work extending beyond the first two hours of overtime and until the completion of work |
|--|---|---|
| \$29.14 | \$35.52 | \$47.36 |
| Range of rates typically paid in Victoria ³ | | |
| \$29.14 to \$34.97 | \$35.52 to \$42.62 | \$47.36 to \$56.83 |

Notes:

- 1. Casual base hourly rate: The base rate is calculated on the Road Transport and Distribution Award 2010³ (the award) for a casual employee driver of a semi-trailer ('the Award rate') and assumes 38 ordinary hours of work completed in five shifts of 7.6 hours between 5.30 am and 6.30 pm, Monday through Friday. The base hourly rate for casual employees includes an additional 25% loading. This is compensation for not receiving the paid annual leave, personal/carer's leave and public holidays that ongoing employees receive.
- 2. Casual overtime rates: Casual employee drivers in Victoria receive payment at the rate of time and a half for the first two hours of overtime and double time thereafter for work continuing after the completion of an employee's ordinary hours of work. For each hour of overtime worked a casual must also be paid 10% of 1/38th of the minimum wage specified in the Award for their classification.

³ The Award rate was accurate as at 1 July 2021, but is varied from time to time by the Fair Work Commission. You can find information about the most recently published minimum employee rates by visiting www.fwc.gov.au or contacting your association or union.

3. The range of rates in Victoria: This part of the table sets out a range of rates typically paid in Victoria to employee drivers in the transport industry. A range is supplied because the rate paid will vary depending on whether a company is party to an enterprise agreement, the particular industry sector, the skill and efficiency of the particular driver and market factors such as whether there is a shortage of drivers in the area. The top rate in each range is calculated by adding 20% to the bottom rate.

The Award also provides for the following payments, which may need to be factored into your cost calculation, where they apply:

- **Shift allowances:** Shift allowances will apply for casual employee drivers at the rate of 117.5% for a shift where ordinary hours of work are completed after 6.30 pm but before 12.30 am (afternoon shift) and at the rate of 130% where ordinary hours of work are completed after 12.30 am but before 8.30 am (night shift).
- Work on a Saturday: For all ordinary hours worked on a Saturday a casual employee driver would receive payment at the rate of 150% for hours worked. Work undertaken on a Saturday as Overtime would receive payment at the rate of 150% for the first two hours and 200% for all hours thereafter.
- Work on a Sunday: For all ordinary hours and overtime hours worked on a Sunday a casual employee driver would receive payment at the rate of 200% for hours worked.

PART 4 – HOURLY TOTALS

Hourly total for hours up to 7.6 hours a day, 1,672 hours a year.

Totals

| Totals per driving hour | Fixed costs | Your figures | Notes |
|------------------------------------|-------------|--------------|---|
| Fixed costs | \$22.90 | | Assuming fixed costs spread over 1,672 hours. |
| Variable costs | \$24.91 | | Assuming 18 km travelled per hour. |
| Labour | \$29.14 | | This worked example is based on a labour rate of \$28.43 per hour. |
| | | | See discussion on rates for labour in Part 3. |
| Total per hour (up to 1,672 | \$76.94 | | Note that this is not a prescribed or recommended rate. |
| hours) | | | Owner drivers are strongly recommended to consider their own circumstances and obtain advice. |

Total per hour – for hours in excess of 7.6 hours per day / 1,672 hours a year

This model assumes that the owner driver will recover fixed annual costs over 1,672 driving hours a year. Many owner drivers work longer than these hours, either extra days each week or longer hours each day. This table calculates an hourly rate for those extra hours, using variable and labour costs only, and using an overtime rate of pay.

| Totals per driving hour | Typical costs | Your figures | Notes |
|----------------------------|---------------|-----------------|---|
| Variable costs | \$24.91 | | Assuming 18 km travelled per hour. |
| Labour (overtime rates) | \$35.52 | | This worked example is based on a nominal penalty labour rate of \$35.52 per hour. See discussion on rates for labour in Part 3. |
| Total per hour | \$60.43 | | Note that this is not a prescribed or recommended rate. |
| | | | Owner drivers are strongly recommended to consider their own circumstances and obtain advice. |

In addition to the figures above, owner drivers should, where relevant, include any amount that they seek as a return on their capital investment. This issue is dealt with in section 11 of the Owner Drivers and Forestry Contractors Code of Practice, available from business.vic.gov.au/odfc

Note that this is not a prescribed or recommended rate. It is strongly recommended that owner drivers obtain advice on their own individual circumstances and discuss all issues with their hirer or potential hirer to ensure that there is no misunderstanding concerning payment structures.

Owner Drivers and Forestry Contractors Act 2005

TRANSPORT INDUSTRY COUNCIL RATES AND COSTS SCHEDULE 2021–22

Interim Rates and Cost Schedule – April 2022 Semi-Trailer (Bogie Drive, 6-axle) Road Transport and Distribution Award 2010 Category 6

INTRODUCTION

This short-term update to rates and costs schedules has been developed in response to rising fuel prices and will be updated not later than within three months from 21 April 2022 or earlier as needed to account for the impact of fluctuations in fuel prices.

This vehicle operating Rates and Costs Schedule is based on the Transport Industry Council's evaluation of the cost recovery recommended for an owner driver to take into consideration based on being able to operate a business on a sustainable basis.

This Schedule is a general guide only. Owner drivers¹ are strongly advised to seek independent professional accounting advice for their own situation and discuss all issues with their hirer or potential hirer to ensure that there is no misunderstanding concerning payment structures.

This Rates and Costs Schedule is published under section 14 of the **Owner Drivers and Forestry Contractors Act 2005** (the Act). Under the Act, this Schedule must be given at least three business days before the owner driver is engaged, if the owner driver will be engaged for a period of at least 30 days; or on the thirtieth day, if the owner driver is engaged for a total period of at least 30 days in any three-month period.

These requirements also apply to freight brokers and to tender situations.

This Schedule will be revised at least annually, and under section 18 of the Act, hirers are required to give owner drivers a copy of any such revised Schedule as soon as practicable after it is published.

The Schedule is intended to assist owner drivers and their hirers to better understand the typical operating costs of an owner driver business and to inform their negotiations.

THE SCHEDULE DOES NOT SET MINIMUM RATES THAT MUST BE PAID.

The Schedule sets out a worked example of typical overhead costs for an owner driver supplying a Semi-Trailer (Bogie Drive, 6-axle). The worked example is based on certain assumptions about the business, for example, that the vehicle is 10 years old, is in operation for 7.6 hours a day and uses a certain number of tyres.

The aim of the Schedule is to assist owner drivers to:

- better understand their business cost structures and how increases and decreases in different cost items affect overall profitability; and
- calculate their own unique cost model.

This Schedule applies to owner drivers who supply a Semi-Trailer (Bogie Drive, 6-axle) or similar vehicle².

The Schedule is structured as follows:

Part 1: Fixed costs

Describes typical fixed (or annual) business costs. These are the costs that the business must pay each year regardless of how many kilometres the vehicle travels.

Owner Driver is defined in the Owner Drivers and Forestry Contractors Act 2005. The definition is also affected by the Owner Drivers and Forestry Contractors Regulations 2006 made under the Act.

Rates and Costs Schedules have been published for 1 tonne Van Courier Messenger, 1 tonne GVM – General Freight, 4.5 tonne GVM, 8 tonne GVM, 12 tonne GVM (2-axle), Prime Mover (Bogie Drive), Semi-Trailer (Bogie Drive, 6-axle), Truck and Quad Axle Dog Trailer GCM up to 50 tonnes, Tip Truck Tri axle Super Dog – GCM 42.5 tonnes, Tandem Tip Truck – GVM 22.5 tonnes Hirers are required to provide owner drivers with the Schedule that most closely relates to the owner driver's vehicle.

Part 2: Variable costs

Describes typical variable business costs. These are the costs (such as fuel and tyres) that vary with how many kilometres are travelled. These are calculated on an hourly basis.

Part 3: Payment for labour

Describes the range of rates that are typically paid to employee drivers for performing similar kinds of work, to assist the owner driver to determine what may be a reasonable payment for their own labour.

Part 4: Totals

This section allows the owner driver to prepare total hourly rates for ordinary hours (up to 1,672 a year) and excess hours.

THE SCHEDULE DOES NOT DEAL WITH THE ISSUE OF RETURN ON INVESTMENT, AND THIS WOULD NEED TO BE FACTORED IN WHERE APPROPRIATE. THE ISSUE OF RETURN ON INVESTMENT IS DEALT WITH IN SECTION 11 OF THE OWNER DRIVERS AND FORESTRY CONTRACTORS CODE OF PRACTICE.

KEY ASSUMPTIONS

The model set out in this Schedule is based on certain assumptions about the vehicle used, hours of work and the type of business. The assumptions used that have the greatest impact on the figures given are:

| Subject | Costing assumptions | | | | |
|--|---|--|--|--|--|
| Vehicle and | The fixed costs are based on: | | | | |
| finance | • a vehicle with a current capital value of \$137,844 (being the current average retail value of a 10-year-old vehicle and trailer). | | | | |
| | • a vehicle subject to a lease arrangement, over a 4-year term with a 25% residual, a 10% deposit of \$13,785 with interest at a comparison interest rate of 7.5% per annum. | | | | |
| | Note that if the business owns the vehicle outright, or has a loan, the cost structure will be different with depreciation as the relevant cost rather than lease payments. | | | | |
| | All costs exclude GST. | | | | |
| Driving hours per year (kilometres | The calculation of the fixed costs assumes the vehicle is in operation for 7.6 driving hours per day for 220 working days a year. This equals 1,672 hours of operation a year. | | | | |
| travelled) | The model spreads fixed operating costs over those 1,672 hours. | | | | |
| | In Part 4, a separate hourly rate for hours over and above the base hours of 1,672 a year is provided. To avoid double counting of fixed costs, this rate only includes variable costs and a return for labour, based on an overtime labour rate. | | | | |

The cost structure of the individual business will be significantly different if, for example:

- The age, current capital value (or both) of the vehicle is less or more than the above figures;
- Other finance arrangements apply (for example, the vehicle is fully owned or is subject to a loan);
- More or fewer hours are worked each year.

BECAUSE OF THESE POTENTIAL VARIATIONS, GREAT CARE SHOULD BE TAKEN IN USING THE INDICATIVE FIGURES SET OUT IN THE COST MODEL, AS THE COSTS OF THE INDIVIDUAL BUSINESS MAY VARY SIGNIFICANTLY.

To assist owner drivers to calculate their own unique cost model, a blank column is included to calculate the business's own unique costs.

Rate structures

This model calculates the cost of running a typical owner driver business, described as an hourly rate, made up of fixed and variable costs and a payment for the owner driver's labour. The Schedule does not calculate or suggest any particular rate calculation or payment method.

Arrangements for payment for owner drivers in the transport industry vary enormously. They can be paid an hourly rate, a load rate, parcel rate, on the basis of tasks performed, or even kilometres travelled. If an owner driver is paid on such an arrangement, the Schedule set out below can be used as a base to calculate the cost to the business of travelling per kilometre, or delivering a particular load. Unions, industry associations or accountants and other professional advisers can assist in this task.

PART 1 – FIXED ANNUAL COSTS – PER YEAR AND PER HOUR

Note: All costs exclude GST

| Cost items assumptions used in the example | Example: Typical cost per year | Your costs: | Variations in this cost item |
|--|--------------------------------------|-------------|---|
| Vehicle lease costs This model is based on a vehicle with a current capital value of \$137,844 (based on typical retail value of a 10-year-old vehicle and trailer), and is based on a lease arrangement over a 4 year term with a 25% residual, a 10% deposit of \$13,785 at 7.5% interest per annum. | \$24,713 | | Finance arrangements will vary widely depending on: • if the arrangement is a lease or hire purchase, or purchase of the vehicle through a loan; or • if the arrangement is a loan, then the purchase price, the amount borrowed and the loan terms will affect cash-flow, and depreciation needs to be allowed for. |
| Registration, permits and TAC fees Based on vehicle registration fee of \$6,380 and TAC charge of \$2,182 which is net of GST. Assumes payment is made on an annual basis. TAC charge assumes vehicle is garaged in a high-risk area (e.g. metropolitan Melbourne). | \$8,562 | | These fees are current as at 1 July 2021 but may change. Additional licences may be payable for certain types of operations (e.g. interstate registration, oversize, port security permit, dangerous goods). Additional administration charges may apply to registration fees if they are paid in instalments. TAC charges may be lower if the vehicle is garaged in a medium or low risk area. |
| Superannuation Self-funded, based on 10% of own labour assumed at \$48,718. | \$4,871 | | |

| Cost items assumptions used in the example | Example: Typical cost per year | Your costs: | Variations in this cost item |
|--|--------------------------------------|-------------|--|
| Insurance comprehensive vehicle Based on rate of 3.15% per annum. Based on operator who is over the age of 25, has at least 5 years' experience and no claims history. Assumes vehicle is not carrying dangerous goods. Assumes vehicle is travelling intrastate only. | \$4,342 | | Rates may be higher for interstate trucks. Additional insurance charges may apply to certain kinds of goods carried (e.g. refrigerated goods or livestock). Comprehensive vehicle insurance costs may vary depending upon the age and value of the equipment insured, the insurance provider, the amount of any excess payable, the individual's claims history, the age and experience level of the driver and whether the vehicle is carrying dangerous goods. |
| Insurance goods in transit Based on an insured sum of \$50,000 at an insurance rate of 0.8%. Assumes vehicle is not carrying dangerous goods. | \$400 | | The cost of goods in transit insurance may vary depending on the type of goods being transported. |
| Insurance personal sickness and accident/income Basic policy, based on 80% of income for 52 weeks, 30 day waiting period. Assumes driver is travelling intrastate only. Assumes driver has no pre-existing conditions. Maximum age limit of 60 years. | \$1,860 | | The cost of personal income and accident insurance (also called income protection insurance) will vary depending on the individual's health history, the amount of income insured, the period of time after an accident before benefits are payable and the maximum period over which benefits are paid. |
| Insurance public liability Assumes policy for public liability claims up to \$10 million. | \$600 | | |

| Cost items assumptions used in the example | Example: Typical cost per year | Your costs: | Variations in this cost item |
|---|--------------------------------------|-------------|---|
| Insurance workers' compensation | \$2,306 | | The rate is current as at 2021–2022 and is subject to change. |
| Assumed at the rate of 4.73% for the assumed labour rate of the business owner of \$48,717. | | | The rate charged for workers' compensation insurance may vary depending on whether the vehicle is travelling short or long distances and whether the vehicle is travelling interstate. The rate may also vary |
| Assumes vehicle is primarily travelling intrastate. | | | depending on the driver's claims history. |
| Business administration costs Includes maintenance of records, preparation | \$2,885 | | Accounting/bookkeeping fees may be lower if the business prepares its own BAS and accounts. Mobile phone charges will vary depending |
| of tax returns, mobile phone charges, consumer price index and sundry business expenses. | | | on level of use. Other costs: Professional association fees, accommodation costs, parking fees, bank charges, and other costs should be allowed for where relevant. This example is based on a business that is already up and running, and does not take into account the costs of starting a business (e.g. registering a company). This figure may also vary depending on contractual conditions. |
| Total annual fixed costs | \$50,541 | | |
| Total hourly fixed costs Assuming 1,672 vehicle | \$30.23 | | Assumes that the annual fixed costs of the business are spread over 1,672 vehicle |
| operation hours. | | | operation hours per year. |

PART 2 – VARIABLE COSTS – PER KILOMETRE AND PER HOUR

Note: All costs exclude GST (unless otherwise specified)

| Cost items assumptions assumes 28,600 km travelled per year | Typical cost per km | Your cost per km | Variations in this cost item |
|---|---------------------------|---------------------------|---|
| Fuel Based on a fuel price of 184.7 cents per litre (206.8 cents per litre national average retail diesel pump price for the 4 weeks to 27 March 2022 less the 22.1 cents per litre reduction to the fuel excise announced in the Federal budget on 29 March 2022). Assuming 47 litres consumed per 100 km. | 87 cents | | Fuel is the single biggest variable cost and will significantly affect your business. Fuel costs will also vary depending on the age, features and condition of the vehicle. The price of fuel at the time of negotiating with the hirer should be used to assess the base rate fuel cost to be applied. In addition to the base rate, a fuel surcharge needs to be applied to account for weekly, fortnightly or monthly fluctuation in fuel costs over the term of the contract. |
| Tyres Assumes cost of \$633 per tyre (10 tyres) based on vehicle specific average performance and replaced after 80,000 km. | 17 cents | | Consumption of tyres will vary with the age of vehicle, off-road use, geographic and road conditions, braking frequency and driving techniques and the quality of the tyres used. Cost of tyres will also vary depending on the manufacturer, type of tyres and any discount arrangements. |
| Servicing, repairs and maintenance Based on rate of 58 cents per km. | 58 cents | | Repair and maintenance costs will vary significantly with the age and condition of the vehicle. Major repairs may be a one-off major cost in any given year. Significant savings can be made if the business does its own servicing and repairs. |
| Total variable costs per km | 162 cents | | |

| Total variable costs per driving hour | Typical cost per hour | Your cost per hour | Variations in this cost item |
|--|-----------------------|-----------------------------|--|
| Assumes 18 km travelled per hour. | \$29.11 | | These rates are typical for city driving only. The number of kilometres travelled per hour will vary significantly depending on the routes travelled, whether the work is metropolitan or regional, how often the vehicle stops to load or unload and the nature of the work. |
| | | | Drivers who travel long distance or in the country will need to take this into account for their own calculations. |

Citylink and Eastlink Tolls

Your hirer is responsible for reimbursing you for toll costs incurred if they direct you to take a toll road, or if you need to take a toll road to complete your trip.

If the hirer does not reimburse the toll costs you will need to include these costs as part of your cost calculation. The price of your trip will depend on the following factors: how far you travel, the type of vehicle you use, whether you travel in peak or off-peak times and the account or pass you choose. There are trip toll caps on both Citylink and Eastlink for heavy commercial vehicles. To check the current costs, use the following toll calculators:

- linkt.com.au/melbourne/using-toll-roads/toll-calculator
- eastlink.com.au/toll-calculator

PART 3 – PAYMENT FOR THE OWNER DRIVER'S OWN LABOUR

The next factor to include in a business cost model is an amount for the business owner's own work (labour) in driving the vehicle and in work such as loading and unloading and tasks necessary in running the business. This Part will provide information to assist owner drivers to determine the amount they can aim to receive as a payment for that labour.

Because an owner driver is a small business (not an employee) the hirer is not legally obliged to pay a minimum wage or rate of pay. However, the wages that are paid to employee drivers are a useful guide to the market for the labour services of driving a vehicle.

Set out below are rates that would typically be paid for driving a vehicle if this work was performed by an employee rather than an owner driver.

These rates will vary over time, and should be used as a general guide only. Unions, industry associations, newspaper job advertisements and other drivers are sources of advice about the going rates in your industry sector.

| Casual base hourly rate ¹ | Casual overtime rate 150% ² For the first two hours, over 7.6 per day or 38 per week | Casual overtime rate 200% ² For work extending beyond the first two hours of overtime and until the completion of work | | |
|--|---|---|--|--|
| \$29.14 | \$35.52 | \$47.36 | | |
| Range of rates typically paid in Victoria ³ | | | | |
| \$29.14 to \$34.97 | \$35.52 to \$42.62 | \$47.36 to \$56.83 | | |

Notes:

- 1. Casual base hourly rate: The base rate is calculated on the Road Transport and Distribution Award 2010³ (the award) for a casual employee driver of a semi-trailer ('the Award rate') and assumes 38 ordinary hours of work completed in five shifts of 7.6 hours between 5.30 am and 6.30 pm, Monday through Friday. The base hourly rate for casual employees includes an additional 25% loading. This is compensation for not receiving the paid annual leave, personal/carer's leave and public holidays that ongoing employees receive.
- 2. Casual overtime rates: Casual employee drivers in Victoria receive payment at the rate of time and a half for the first two hours of overtime and double time thereafter for work continuing after the completion of an employee's ordinary hours of work. For each hour of overtime worked a casual must also be paid 10% of 1/38th of the minimum wage specified in the Award for their classification.

³ The Award rate was accurate as at 1 July 2021, but is varied from time to time by the Fair Work Commission. You can find information about the most recently published minimum employee rates by visiting www.fwc.gov.au or contacting your association or union.

- 3. The range of rates in Victoria: This part of the table sets out a range of rates typically paid in Victoria to employee drivers in the transport industry. A range is supplied because the rate paid will vary depending on whether a company is party to an enterprise agreement, the particular industry sector, the skill and efficiency of the particular driver and market factors such as whether there is a shortage of drivers in the area. The top rate in each range is calculated by adding 20% to the bottom rate.
 - The Award also provides for the following payments, which may need to be factored into your cost calculation, where they apply:
- **Shift allowances:** Shift allowances will apply for casual employee drivers at the rate of 117.5% for a shift where ordinary hours of work are completed after 6.30 pm but before 12.30 am (afternoon shift) and at the rate of 130% where ordinary hours of work are completed after 2.30 am but before 8.30 am (night shift).
- Work on a Saturday: For all ordinary hours worked on a Saturday a casual employee driver would receive payment at the rate of 150% for hours worked. Work undertaken on a Saturday as Overtime would receive payment at the rate of 150% for the first two hours and 200% for all hours thereafter.
- Work on a Sunday: For all ordinary hours and overtime hours worked on a Sunday a casual employee driver would receive payment at the rate of 200% for hours worked.

PART 4 – HOURLY TOTALS

Hourly total for hours up to 7.6 hours a day, 1,672 hours a year.

Totals

| Totals per driving hour | Fixed costs | Your figures | Notes |
|----------------------------|-------------|-----------------|---|
| Fixed costs | \$30.23 | | Assuming fixed costs spread over 1,672 hours. |
| Variable costs | \$29.11 | | Assuming 18 km travelled per hour. |
| Labour | \$29.14 | | This worked example is based on a labour rate of \$28.43 per hour. |
| | | | See discussion on rates for labour in Part 3. |
| Total per hour | \$88.48 | | Note that this is not a prescribed or recommended rate. |
| (up to 1,672 hours) | | | Owner drivers are strongly recommended to consider their own circumstances and obtain advice. |

Total per hour – for hours in excess of 7.6 hours per day / 1,672 hours a year

This model assumes that the owner driver will recover fixed annual costs over 1,672 driving hours a year. Many owner drivers work longer than these hours, either extra days each week or longer hours each day. This table calculates an hourly rate for those extra hours, using variable and labour costs only, and using an overtime rate of pay.

| Totals per driving hour | Typical costs | Your figures | Notes |
|----------------------------|---------------|-----------------|---|
| Variable costs | \$29.11 | | Assuming 18 km travelled per hour. |
| Labour (overtime rates) | \$35.52 | | This worked example is based on a nominal penalty labour rate of \$35.52 per hour. See discussion on rates for labour in Part 3. |
| Total per hour | \$64.63 | | Note that this is not a prescribed or recommended rate. |
| | | | Owner drivers are strongly recommended to consider their own circumstances and obtain advice. |

In addition to the figures above, owner drivers should, where relevant, include any amount that they seek as a return on their capital investment. This issue is dealt with in section 11 of the Owner Drivers and Forestry Contractors Code of Practice, available from business.vic.gov.au/odfc

Note that this is not a prescribed or recommended rate. It is strongly recommended that owner drivers obtain advice on their own individual circumstances and discuss all issues with their hirer or potential hirer to ensure that there is no misunderstanding concerning payment structures.

Owner Drivers and Forestry Contractors Act 2005

TRANSPORT INDUSTRY COUNCIL TIP TRUCK RATES AND COSTS SCHEDULE 2021–22

Interim Rates and Cost Schedule – April 2022
Tandem GVM 22.5 tonnes
Road Transport and Distribution Award 2010

Category 6

INTRODUCTION

This short-term update to rates and costs schedules has been developed in response to rising fuel prices and will be updated not later than within three months from 21 April 2022 or earlier as needed to account for the impact of fluctuations in fuel prices.

This Schedule sets out an example of typical overhead costs for an owner driver¹ supplying a Tandem GVM 22.5 tonnes².

The example is based on certain assumptions about the business, for example, that the vehicle is 5 years old, is in operation for 7.6 hours a day, and uses a certain number of tyres, and operates within the excavation sector of the building and construction industry.

This Schedule aims to help owner drivers to:

- better understand how increases and decreases in different cost items affect overall profitability
- calculate their own unique cost model.

The Schedule aims to help both owner drivers and their hirers to better understand the typical operating costs of an owner driver business and to inform their negotiations.

THE SCHEDULE DOES NOT SET MINIMUM RATES THAT MUST BE PAID.

This Schedule is based on the Transport Industry Council's evaluation of the costs that an owner driver is recommended to consider in order to operate their business sustainably.

This Schedule is only a general guide. Owner drivers are strongly advised to seek independent professional accounting advice for their own situation. They should discuss all issues with their hirer or potential hirer to ensure that there is no misunderstanding concerning payment structures.

This Schedule is published under section 14 of the **Owner Drivers and Forestry Contractors Act 2005** (the Act). Under the Act, hirers and freight brokers must provide this Schedule to an owner driver:

- at least 3 business days before the owner driver is engaged, if the owner driver will be engaged for a period of at least 30 days
- or on the 30th day, if the owner driver is engaged for a total period of at least 30 days in any 3-month period.

These requirements also apply to tender situations.

This Schedule will be revised at least annually. Under section 18 of the Act, hirers and freight brokers are required to give owner drivers a copy of any such revised Schedule as soon as possible after it is published.

This Schedule is structured as follows:

Part 1: Fixed costs

This part describes typical fixed (or annual) business costs. These are the costs that the business must pay each year regardless of how many kilometres the vehicle travels.

Owner Driver is defined in the Owner Drivers and Forestry Contractors Act 2005. The definition is also affected by the Owner Drivers and Forestry Contractors Regulations 2017 made under the Act.

² Rates and Costs Schedules have been published for 1 tonne Van Courier Messenger, 1 tonne GVM – General Freight, 4.5 tonne GVM, 8 tonne GVM, 12 tonne GVM (2-axle), Prime Mover (Bogie Drive), Semi-Trailer (Bogie Drive, 6-axle), Truck and Quad Axle Dog Trailer – GCM up to 50 tonnes and Truck and Tri-axle Super Dog Trailer GCM up to 42.5 tonnes. Hirers are required to provide owner drivers with the Schedule that most closely relates to the owner driver's vehicle.

Part 2: Variable costs

This part describes typical variable business costs. These are the costs (such as fuel and tyres) that vary with how many kilometres are travelled.

Part 3: Payment for labour

This part describes the range of rates that are typically paid to drivers for performing similar kinds of work as a casual employee rather than as a contractor. This information is given to help the owner driver to determine what may be a reasonable payment for their own labour.

Part 4: Totals

This part allows the owner driver to prepare total hourly rates for ordinary hours (up to 1,672 a year) and excess hours.

RETURN ON INVESTMENT NEEDS TO BE FACTORED IN WHERE APPROPRIATE. AS A GUIDE, THE SCHEDULE PROVIDES FOR A 5 PER CENT RETURN ON INVESTMENT.

NOTE THAT THIS IS NOT A PRESCRIBED OR RECOMMENDED RATE. OWNER DRIVERS ARE STRONGLY RECOMMENDED TO CONSIDER THEIR OWN CIRCUMSTANCES AND OBTAIN ADVICE.

THE ISSUE OF RETURN ON INVESTMENT IS DEALT WITH IN SECTION 11 OF THE OWNER DRIVERS AND FORESTRY CONTRACTORS CODE OF PRACTICE.

KEY ASSUMPTIONS

The example set out in this Schedule is based on certain assumptions about the vehicle used, hours of work and the type of business. The assumptions used that have the greatest impact on the figures given are:

| Subject | Costing assumptions |
|--|---|
| Vehicle and | The fixed costs are based on: |
| finance | • a 2015 manufactured base model vehicle with a capital value of \$186,402.3 |
| | • a vehicle subject to a lease arrangement, over a 5-year term with a 45.3% residual, with interest at a comparison interest rate of 7.5% per annum. |
| | Note that if the business owns the vehicle outright, or has a loan, the cost structure will be different with depreciation as the relevant cost rather than lease payments. |
| | All costs exclude GST. |
| Driving hours per year (kilometres | The calculation of the fixed costs assumes the vehicle is in operation for 7.6 driving hours per day for 220 working days a year. This equals 1,672 hours of operation a year. |
| travelled) | The example spreads fixed operating costs over those 1,672 hours. |
| | In Part 4, a separate hourly rate for hours over and above the base hours of 1,672 a year is provided. To avoid double counting of fixed costs, this rate only includes variable costs and a return for labour, based on an overtime labour rate. |

The cost structure of an individual business will be different if, for example:

- the age or current capital value (or both) of the vehicle differs from the above figures
- other finance arrangements apply, for example, if the vehicle is fully owned or is subject to a
- more or fewer hours are worked each year
- the vehicle is fitted with additional features
- 3 Cost based on the average price of a 2015 manufactured three-axle Japanese vehicle of \$186,402. This price is based on a vehicle with standard features, additional features will incur additional cost.

BECAUSE OF THESE POTENTIAL VARIATIONS, GREAT CARE SHOULD BE TAKEN IN USING THE INDICATIVE FIGURES SET OUT IN THIS SCHEDULE, AS THE COSTS OF THE INDIVIDUAL BUSINESS MAY VARY SIGNIFICANTLY.

To help owner drivers to calculate their own unique cost model, a blank column is included in the tables of this Schedule to calculate the business's own unique costs.

Rate structures

This example calculates the cost of running a typical owner driver business, described as an hourly rate, made up of fixed and variable costs, and a payment for the owner driver's labour. The Schedule does not calculate or suggest any particular rate calculation or payment method.

Arrangements for payment of owner drivers in the transport industry vary enormously. They can be paid an hourly rate, a load rate or even kilometres travelled. If an owner driver is paid on such an arrangement, the Schedule set out below can be used as a base to calculate the cost to the business of travelling per kilometre. Unions, industry associations, or accountants and other professional advisers can assist in this task.

PART 1 – FIXED ANNUAL COSTS – PER YEAR AND PER HOUR

Note: All costs exclude GST

| Cost items assumptions used in the example | Example: Typical cost per year | Your costs | Variations in this cost item |
|--|--------------------------------------|------------|---|
| Vehicle lease costs This example is based on: a vehicle with a current capital value of \$186,402 and a lease arrangement over a 5-year term with a 45.3% residual, at 7.5% interest per annum. | \$31,534 | | Finance arrangements will vary widely depending on: • if the arrangement is a lease or hire purchase, or purchase of the vehicle through a loan; or • if the arrangement is a loan, then the purchase price, the amount borrowed and the loan terms will affect cash-flow, and depreciation needs to be allowed for. Based on a vehicle with standard features. Additional features will incur additional costs. |
| Registration, permits and TAC fees Based on vehicle registration fee of \$1,170 and TAC charge of \$2,182 which is net of GST. Assumes payment is made on an annual basis. TAC charge assumes vehicle is garaged in a high-risk area (e.g. metropolitan Melbourne). | \$3,352 | | These fees are current as at 1 July 2021 but may change. Additional licences may be payable for certain types of operations (e.g. interstate registration). Additional administration charges may apply to registration fees if they are paid in instalments. TAC charges may be lower if the vehicle is garaged in a medium or low risk area. |
| Superannuation Self-funded, based on 10.0% of own labour assumed at \$58,461. | \$5,846 | | |

| Cost items assumptions used in the example | Example: Typical cost per year | Your | Variations in this cost item |
|---|--------------------------------------|------|--|
| Insurance comprehensive vehicle Based on rate of 3.15% per annum. Based on operator who is over the age of 25, has at least 5 years' experience and no claims history. Assumes vehicle is not carrying dangerous goods. Assumes vehicle is travelling intrastate only. | \$5,872 | | Rates may be higher for interstate trucks. Comprehensive vehicle insurance costs may vary depending upon the age and value of the equipment insured, the insurance provider, the amount of any excess payable, the individual's claims history, the age and experience level of the driver. |
| Insurance personal sickness and accident/income Basic policy, based on 80% of income for 52 weeks, 30-day waiting period. Assumes driver is travelling intrastate only. Assumes driver has no pre-existing conditions. Maximum age limit of 60 years. These fixed costs have been calculated at 100%. | \$1,860 | | The cost of personal income and accident insurance (also called income protection insurance) will vary depending on the individual's health history, the amount of income insured, the period of time after an accident before benefits are payable and the maximum period over which benefits are paid. |
| Insurance public liability Assumes policy for public liability claims up to \$10 million. These fixed costs have been calculated at 100%. | \$600 | | |
| Insurance workers' compensation Assumed at the rate of 4.73% for the assumed labour rate of the business owner of \$58,461. Assumes vehicle is primarily travelling intrastate. | \$2,767 | | The rate is current as at 2021–2022 and is subject to change. The rate charged for workers' compensation insurance may vary depending on whether the vehicle is travelling short or long distances and whether the vehicle is travelling interstate. The rate may also vary depending on the driver's claims history. |

| Cost items assumptions used in the example | Example: Typical cost per year | Your costs | Variations in this cost item |
|--|--------------------------------------|------------|---|
| Yard and parking | \$2,440 | | The rate is based on \$203 per month for a truck and trailer. |
| Business administration costs Includes maintenance of records, preparation of tax returns, mobile phone charges, consumer price index and sundry business expenses. These fixed costs have been calculated at 100% | \$2,885 | | Accounting/bookkeeping fees may be lower if the business prepares its own Business Activity Statement (BAS) and accounts. Mobile phone charges will vary significantly depending on level of use. Other costs: Professional association fees, accommodation costs, parking fees, bank charges, and other costs should be allowed for where relevant. This example is based on a business that is already up and running, and does not take into account the costs of starting a business (e.g. registering a company). This figure may also vary depending on contractual conditions. |
| Total annual fixed costs | \$57,158 | | |
| Total hourly fixed costs Assuming 1,672 vehicle operation hours. | \$34.19 | | Assumes that the annual fixed costs of the business are spread over 1,672 vehicle operation hours per year. |

PART 2 – VARIABLE COSTS – PER KILOMETRE AND PER HOUR

Note: All costs exclude GST (unless otherwise specified)

| Cost items assumptions assumes 44,000 km travelled per year | Typical variable cost per km | Your variable costs per km | Variations in this cost item |
|--|---------------------------------------|-------------------------------------|---|
| Fuel | 57 cents | | Fuel is the single biggest variable cost and will significantly affect your business. |
| Based on a fuel price of 184.7 cents per litre (206.8 cents per litre national average retail diesel pump price for the 4 weeks to 27 March 2022 less the 22.1 cents | | | Fuel costs will also vary depending on the age, features and condition of the vehicle. The price of fuel at the time of negotiating with the hirer should be used to assess the base rate fuel cost to be applied. |
| per litre reduction to the fuel excise announced in the Federal budget on 29 March 2022). Assuming 30.80 litres consumed per 100 km. | | | In addition to the base rate, a fuel surcharge can be applied to account for weekly, fortnightly or monthly fluctuation in fuel costs over the term of the contract. |

| Cost items assumptions assumes 44,000 km travelled per year | Typical variable cost per km | Your variable costs per km | Variations in this cost item |
|---|---------------------------------------|-------------------------------------|--|
| Tyres Assumes cost of \$633 per tyre (10 tyres) based on vehicle specific average performance | 10 cents | | Consumption of tyres will vary with the age of vehicle, off-road use, geographic and road conditions, braking frequency and driving techniques and the quality of the tyres used. Cost of tyres will also vary depending on the |
| and replaced annually or after 44,000 km. | | | manufacturer, type of tyres and any discount arrangements. |
| Servicing, repairs and maintenance Based on rate of | 21 cents | | Repair and maintenance costs will vary significantly with the age and condition of the vehicle. |
| 20 cents per km. | | | This cost is based on one major service and three minor services annually. |
| | | | Major repairs may also be required and will be an additional cost in any given year. |
| Total variable costs per km | 87 cents | | |

| Total variable costs per driving hour | Typical cost per hour | Your costs per hour | Variations in this cost item |
|--|-----------------------|---------------------------|---|
| Assumes 26.32 km travelled per hour. | \$23.02 | | These rates are typical for city driving only. The number of kilometres travelled per hour will vary significantly depending on the routes travelled, whether the work is metropolitan or regional, how often the vehicle stops to load or unload. |
| | | | Drivers who travel long distance or in regional areas will need to take this into account for their own calculations. |

Citylink and Eastlink tolls

Your hirer is responsible for reimbursing you for toll costs incurred if they direct you to take a toll road, or if you need to take a toll road to complete your trip.

If the hirer does not reimburse the toll costs you will need to include these costs as part of your cost calculation. The price of your trip will depend on the following factors: how far you travel, the type of vehicle you use, whether you travel in peak or off-peak times and the account or pass you choose. There are trip toll caps on both Citylink and Eastlink for heavy commercial vehicles. To check the current costs, use the following toll calculators:

- linkt.com.au
- eastlink.com.au/toll-calculator

PART 3 – PAYMENT FOR THE OWNER DRIVER'S OWN LABOUR

The next factor to include in a business cost model is an amount for the business owner's own work (labour) in driving the vehicle and in work such as loading and unloading and tasks necessary in running the business. This Part will provide information to help owner drivers to determine the amount they can aim to receive as a payment for that labour.

Because an owner driver is a small business (not an employee) the hirer is not legally obliged to pay a minimum wage or rate of pay. However, the wages that are paid to casual employee drivers are a useful guide to the market for the labour services of driving a vehicle.

Set out below are rates that would typically be paid for driving a vehicle if this work was performed by a casual employee rather than an owner driver.

These rates will vary over timeand should be used as a general guide only. Unions, industry associations, job advertisements and other drivers are sources of advice about the going rates in your industry sector.

| Casual base hourly rate ¹ | Casual overtime rate 150% ² For the first two hours, over 7.6 per day or 38 per week | Casual overtime rate 200% ² For work extending beyond the first two hours of overtime and until the completion of work |
|--|---|---|
| \$29.14 | \$35.52 | \$47.36 |
| Range of rates typically paid in Victoria ³ | | |
| \$29.14 to \$34.97 | \$35.52 to \$42.62 | \$47.36 to \$56.83 |

Notes:

- 1. **Casual base hourly rate:** The base rate is calculated on the *Road Transport and Distribution Award 2010*⁴ (the Award) for a casual employee driver of a Tandem GVM 22.5 and assumes 38 ordinary hours of work completed in five shifts of 7.6 hours between 5.30 am and 6.30 pm, Monday through Friday. The base hourly rate for casual employees includes an additional 25% loading. This is compensation for not receiving the paid annual leave, personal/carer's leave and public holidays that ongoing employees receive.
- 2. **Casual overtime rate:** Casual employee drivers in Victoria receive payment at the rate of time and a half for the first two hours of overtime and double time thereafter for work continuing after an employee's ordinary hours of work. For each hour of overtime worked a casual must also be paid 10% of 1/38th of the minimum wage specified in the Award for their classification.
- 3. **The range of rates in Victoria:** This part of the table sets out a range of rates typically paid in Victoria to employee drivers in the transport industry. A range is supplied because the rate paid will vary depending on whether a company is party to an enterprise agreement, the particular industry sector, the skill and efficiency of the particular driver and market factors such as whether there is a shortage of drivers in the area. The top rate in each range is calculated by adding 20% to the bottom rate.

The Award also provides for the following payments, which may need to be factored into your cost calculation, where they apply:

• **Shift Allowances:** Shift allowances will apply for casual employee drivers at the rate of 117.5% for a shift where ordinary hours of work are completed after 6.30 pm but before 12.30 am (afternoon shift) and at the rate of 130% where ordinary hours of work are completed after 12.30 am but before 8.30 am (night shift).

⁴ The Award rate is accurate as at 1 July 2021, but is varied from time to time by the Fair Work Commission. You can find information about the most recently published minimum employee rates by visiting www.fwc.goy.au or contacting your association or union.

- Work on a Saturday: For all ordinary hours worked on a Saturday a casual employee driver would receive payment at the rate of 150% for hours worked. Work undertaken on a Saturday as Overtime would receive payment at the rate of 150% for the first two hours and 200% for all hours after that.
- Work on a Sunday: For all ordinary hours and overtime hours worked on a Sunday a casual employee driver would receive payment at the rate of 200% for hours worked.

PART 4 – HOURLY TOTALS

Hourly total for hours up to 7.6 hours a day, 1,672 hours a year⁵

| Totals per driving hour | Typical costs | Your figures | Notes |
|----------------------------|---------------|-----------------|---|
| Fixed costs | \$34.19 | | Assuming fixed costs spread over 1,672 hours. |
| Variable costs | \$23.02 | | Assuming 26.31 km travelled per hour. |
| Labour | \$34.97 | | This example is based on a casual labour rate of \$34.97 per hour. |
| | | | See discussion on rates for labour in Part 3. |
| Return on investment | \$4.61 | | This example is based on a five per cent return on investment. |
| | | | Owner drivers are strongly recommended to consider their own circumstances and obtain advice. |
| Total per hour | \$96.78 | | Note that this is not a prescribed or recommended |
| (up to 1,672 | | | rate. |
| hours) | | | Owner drivers are strongly recommended to consider their own circumstances and obtain advice. |

This example assumes that the owner driver will recover fixed annual costs over 1,672 driving hours a year. Many owner drivers work longer than these hours, either extra days each week or longer hours each day.

⁵ Assumes 38 ordinary hours of work completed in five shifts of 7.6 hours between 5.30 am and 6.30 pm, Monday through Friday

The table below calculates an hourly rate for those extra hours, using variable and labour costs only, and using overtime rates of pay.

Total per hour – for hours in excess of 7.6 hours per day / 1,672 hours a year⁶

| Totals per driving hour | Typical costs | Your figures | Notes |
|--|----------------------|-----------------|--|
| Variable costs | \$23.02 | | Assuming 26.32 km travelled per hour. |
| Labour (overtime rates) | \$42.62 - \$56.83 | | This worked example is based on overtime penalty labour rates of between 150% and 200% See discussion on rates for labour in Part 3. |
| Total per hour (up to 1,672 hours) | \$65.64 – \$79.85 | | Note that this is not a prescribed or recommended rate. Owner drivers are strongly recommended to consider their own circumstances and obtain advice. |

In addition to the figures above, owner drivers should, where relevant, include any amount that they seek as a return on their capital investment. This issue is dealt with in section 11 of the *Owner Drivers and Forestry Contractors Code of Practice*, available from business.vic.gov.au/odfc

Note that this is not a prescribed or recommended rate. It is strongly recommended that owner drivers obtain advice on their own individual circumstances and discuss all issues with their hirer or potential hirer to ensure that there is no misunderstanding concerning payment structures.

⁶ Assumes overtime completed by employee working 38 ordinary hours of work between 5.30 am and 6.30 pm, Monday through Friday

Owner Drivers and Forestry Contractors Act 2005

TRANSPORT INDUSTRY COUNCIL
TIP TRUCK RATES AND COSTS SCHEDULE 2021–22

Interim Rates and Cost Schedule – April 2022
Truck and Quad Axle Dog GCM up to 50 tonnes
Road Transport and Distribution Award 2010
Category 7

INTRODUCTION

This short-term update to rates and costs schedules has been developed in response to rising fuel prices and will be updated not later than within three months from 21 April 2022 or earlier as needed to account for the impact of fluctuations in diesel prices.

This Schedule sets out an example of typical overhead costs for an owner driver¹ Truck and Quad Axle Dog GCM up to 50 tonnes ².

The example is based on certain assumptions about the business, for example, that the vehicle is in operation for 7.6 hours a day, uses a certain number of tyres, and operates within the excavation sector of the building and construction industry.

This Schedule aims to help owner drivers to:

- better understand how increases and decreases in different cost items affect overall profitability
- calculate their own unique cost model.

The Schedule aims to help both owner drivers and their hirers to better understand the typical operating costs of an owner driver business and to inform their negotiations.

THE SCHEDULE DOES NOT SET MINIMUM RATES THAT MUST BE PAID.

This Schedule is based on the Transport Industry Council's evaluation of the costs that an owner driver is recommended to consider in order to operate their business sustainably.

This Schedule is only a general guide. Owner drivers are strongly advised to seek independent professional accounting advice for their own situation. They should discuss all issues with their hirer or potential hirer to ensure that there is no misunderstanding concerning payment structures.

This Schedule is published under section 14 of the **Owner Drivers and Forestry Contractors Act 2005** (the Act). Under the Act, hirers and freight brokers must provide this Schedule to an owner driver:

- at least 3 business days before the owner driver is engaged, if the owner driver will be engaged for a period of at least 30 days
- or on the 30th day, if the owner driver is engaged for a total period of at least 30 days in any 3-month period.

These requirements also apply to tender situations.

This Schedule will be revised at least annually. Under section 18 of the Act, hirers and freight brokers are required to give owner drivers a copy of any such revised Schedule as soon as possible after it is published.

This Schedule is structured as follows:

Part 1: Fixed costs

This part describes typical fixed (or annual) business costs. These are the costs that the business must pay each year regardless of how many kilometres the vehicle travels.

Owner Driver is defined in the Owner Drivers and Forestry Contractors Act 2005. The definition is also affected by the Owner Drivers and Forestry Contractors Regulations 2017 made under the Act.

² Rates and Costs Schedules have been published for 1 tonne Van Courier Messenger, 1 tonne GVM – General Freight, 4.5 tonne GVM, 8 tonne GVM, 12 tonne GVM (2-axle), Prime Mover (Bogie Drive), Semi-Trailer (Bogie Drive, 6-axle), Truck and Tri-axle Super Dog Trailer GCM up to 42.5 tonnes and Tandem – GVM up to 22.5. Hirers are required to provide owner drivers with the Schedule that most closely relates to the owner driver's vehicle.

Part 2: Variable costs

This part describes typical variable business costs. These are the costs (such as fuel and tyres) that vary with how many kilometres are travelled.

Part 3: Payment for labour

This part describes the range of rates that are typically paid to drivers for performing similar kinds of work as a casual employee rather than as a contractor. This information is given to help the owner driver to determine what may be a reasonable payment for their own labour.

Part 4: Totals

This part allows the owner driver to prepare total hourly rates for ordinary hours (up to 1,672 a year) and excess hours.

RETURN ON INVESTMENT NEEDS TO BE FACTORED IN WHERE APPROPRIATE. AS A GUIDE, THE SCHEDULE PROVIDES FOR A 5 PER CENT RETURN ON INVESTMENT.

NOTE THAT THIS IS NOT A PRESCRIBED OR RECOMMENDED RATE. OWNER DRIVERS ARE STRONGLY RECOMMENDED TO CONSIDER THEIR OWN CIRCUMSTANCES AND OBTAIN ADVICE.

THE ISSUE OF RETURN ON INVESTMENT IS DEALT WITH IN SECTION 11 OF THE OWNER DRIVERS AND FORESTRY CONTRACTORS CODE OF PRACTICE.

KEY ASSUMPTIONS

The example set out in this Schedule is based on certain assumptions about the vehicle used, hours of work and the type of business. The assumptions used that have the greatest impact on the figures given are:

| Subject | Costing assumptions |
|--|---|
| Vehicle and finance | The fixed costs are based on: a vehicle with a capital value of \$269,561³ a vehicle subject to a lease arrangement, over a 5-year term with a 42.95% residual, with interest at a comparison interest rate of 7.5% per annum. Note that if the business owns the vehicle outright, or has a loan, the cost |
| | structure will be different with depreciation as the relevant cost rather than lease payments. All costs exclude GST. |
| Driving hours per year (kilometres | The calculation of the fixed costs assumes the vehicle is in operation for 7.6 driving hours per day for 220 working days a year. This equals 1,672 hours of operation a year. |
| travelled) | The example spreads fixed operating costs over those 1,672 hours. |
| | In Part 4, a separate hourly rate for hours over and above the base hours of 1,672 a year is provided. To avoid double counting of fixed costs, this rate only includes variable costs and a return for labour, based on an overtime labour rate. |

The cost structure of an individual business will be different if, for example:

- the age or current capital value (or both) of the vehicle differs from the above figures
- other finance arrangements apply, for example, if the vehicle is fully owned or is subject to a loan
- more or fewer hours are worked each year
- the vehicle is fitted with additional features

³ Cost based on a 2015 model three axle Japanese vehicle with a capital value of \$186,402, and a Quad axle dog trailer with a capital value of \$83,159. This price is based on a vehicle with standard features, additional features or modifications will incur additional costs.

BECAUSE OF THESE POTENTIAL VARIATIONS, GREAT CARE SHOULD BE TAKEN IN USING THE INDICATIVE FIGURES SET OUT IN THIS SCHEDULE, AS THE COSTS OF THE INDIVIDUAL BUSINESS MAY VARY SIGNIFICANTLY.

To help owner drivers to calculate their own unique cost model, a blank column is included in the tables of this Schedule to calculate the business's own unique costs.

Rate structures

This example calculates the cost of running a typical owner driver business, described as an hourly rate, made up of fixed and variable costs, and a payment for the owner driver's labour. The Schedule does not calculate or suggest any particular rate calculation or payment method.

Arrangements for payment of owner drivers in the transport industry vary enormously. They can be paid an hourly rate, a load rate or even kilometres travelled. If an owner driver is paid on such an arrangement, the Schedule set out below can be used as a base to calculate the cost to the business of travelling per kilometre. Unions, industry associations, or accountants and other professional advisers can assist in this task.

PART 1 – FIXED ANNUAL COSTS – PER YEAR AND PER HOUR

Note: All costs exclude GST

| Cost items assumptions used in the example | Example: Typical cost per year | Your costs | Variations in this cost item |
|---|--------------------------------------|------------|---|
| Vehicle lease costs This example is based on: a vehicle with a current capital value of \$186,402 and a lease arrangement over a 5-year term with a 42.95% residual, at 7.5% interest per annum. | \$31,534 | | Finance arrangements will vary widely depending on: • if the arrangement is a lease or hire purchase, or purchase of the vehicle through a loan; or • if the arrangement is a loan, then the purchase price, the amount borrowed and the loan terms will affect cash-flow, and depreciation needs to be allowed for. Based on a vehicle with standard features. Additional features will incur additional costs. |
| Trailer lease costs This example is based on a Quad Axle Dog Trailer with a capital value of \$83,159, based on a lease arrangement over a 5-year term with a 42.95% residual at 7.5% interest per annum. | \$14,068 | | Finance arrangements will vary widely depending on: • if the arrangement is a lease or hire purchase, or purchase of the vehicle through a loan; or • if the arrangement is a loan, then the purchase price, the amount borrowed and the loan terms will affect cash-flow, and depreciation needs to be allowed for. Based on a trailer with standard features. Additional features will incur additional costs. |

| Cost items assumptions used in the example | Example: Typical cost per year | Your | Variations in this cost item |
|--|--------------------------------------|------|--|
| Registration, permits and TAC fees Based on vehicle registration fee of \$12,447 and a TAC charge of \$2,182 which is net of GST. Assumes payment is made on an annual basis. TAC charge assumes vehicle is garaged in a high-risk area (e.g. metropolitan Melbourne). | \$14,629 | | These fees are current as at 1 July 2021 but may change. Additional licences may be payable for certain types of operations (e.g. interstate registration). Additional administration charges may apply to registration fees if they are paid in instalments. TAC charges may be lower if the vehicle is garaged in a medium or low risk area. |
| Superannuation Self-funded, based on 10% of own labour assumed at \$59,314. | \$5,931 | | |
| Insurance comprehensive vehicle Based on rate of 3.15% per annum. Based on operator who is over the age of 25, has at least 5 years' experience and no claims history. Assumes vehicle is not carrying dangerous goods. Assumes vehicle is travelling intrastate only. | \$5,872 | | Rates may be higher for interstate trucks. Comprehensive vehicle insurance costs may vary depending upon the age and value of the equipment insured, the insurance provider, the amount of any excess payable, the individual's claims history, the age and experience level of the driver. |
| Insurance trailer-incontrol Based on a Quad Axle Dog Trailer with a capital value of \$83,159 and an annual rate of 3.15%. Based on operator who is over the age of 25, has at least 5 years' experience and no claims history. Assumes vehicle is not carrying dangerous goods. Assumes vehicle is travelling intrastate only. | \$2,620 | | |

| Cost items assumptions used in the example | Example: Typical cost per year | Your costs | Variations in this cost item |
|---|--------------------------------------|------------|--|
| Insurance personal sickness and accident/income Basic policy, based on 80% of income for 52 weeks, 30 day waiting period. Assumes driver is travelling intrastate only. Assumes driver has no pre-existing conditions. Maximum age limit of 60 years. These fixed costs have been calculated at 100%. | \$1,860 | | The cost of personal income and accident insurance (also called income protection insurance) will vary depending on the individual's health history, the amount of income insured, the period of time after an accident before benefits are payable and the maximum period over which benefits are paid. |
| Insurance public liability Assumes policy for public liability claims up to \$10 million. These fixed costs have been calculated at 100%. | \$600 | | |
| Insurance workers' compensation Assumed at the rate of 4.59% for the assumed labour rate of the business owner of \$59,314. Assumes vehicle is primarily travelling intrastate. | \$2,807 | | The rate is current as at 2020–2021 and is subject to change. The rate charged for workers' compensation insurance may vary depending on whether the vehicle is travelling short or long distances and whether the vehicle is travelling interstate. The rate may also vary depending on the driver's claims history. |
| Yard and parking | \$3,050 | | The rate is based on \$253 per month for a truck and trailer. |

| Cost items assumptions used in the example | Example: Typical cost per year | Your costs | Variations in this cost item |
|--|--------------------------------------|------------|---|
| Business administration costs Includes maintenance of records, preparation of tax returns, mobile phone charges, consumer price index and sundry business expenses. These fixed costs have been calculated at 100% | \$2,885 | | Accounting/bookkeeping fees may be lower if the business prepares its own Business Activity Statement (BAS) and accounts. Mobile phone charges will vary significantly depending on level of use. Other costs: Professional association fees, accommodation costs, parking fees, bank charges, and other costs should be allowed for where relevant. This example is based on a business that is already up and running, and does not take into account the costs of starting a business (e.g. registering a company). This figure may also vary depending on contractual conditions. |
| Total annual fixed costs | \$85,858 | | |
| Total hourly fixed costs Assuming 1,672 vehicle operation hours. | \$51.35 | | Assumes that the annual fixed costs of the business are spread over 1,672 vehicle operation hours per year. |

PART 2 – VARIABLE COSTS – PER KILOMETRE AND PER HOUR

Note: All costs exclude GST (unless otherwise specified)

| Cost items assumptions assumes 63,800 km travelled per year | Typical variable cost per km | Your variable costs per km | Variations in this cost item |
|--|---------------------------------------|-------------------------------------|--|
| Fuel | 104 cents | | Fuel is the single biggest variable cost and will significantly affect your business. |
| Based on a fuel price of 184.7 cents per litre (206.8 cents per litre national average retail diesel pump price for the 4 weeks to 27 March 2022 less the 22.1 cents per litre reduction to the fuel excise announced in the Federal budget on 29 March 2022). Assumes 56.10 litres | cents | | Fuel costs will also vary depending on the age, features and condition of the vehicle. A fuel surcharge applied to this percentage operating cost accounts for weekly, fortnightly or monthly fluctuations in fuel costs over the term of the contract. The price of fuel at the time of quotation should therefore be used to assess the base rate fuel cost to be applied. |

| Cost items assumptions assumes 63,800 km travelled per year | Typical variable cost per km | Your variable costs per km | Variations in this cost item |
|---|---------------------------------------|-------------------------------------|---|
| Tyres Assumes cost of \$633 per tyre (26 tyres) based on vehicle specific average performance and replaced annually or after 63,800 km. | 26 cents | | Consumption of tyres will vary with the age of vehicle, off-road use, geographic and road conditions, braking frequency and driving techniques and the quality of the tyres used. Cost of tyres will also vary depending on the manufacturer, type of tyres and any discount arrangements. |
| Servicing, repairs and maintenance Based on rate of 17 cents per km. | 17 cents | | Repair and maintenance costs will vary significantly with the age and condition of the vehicle. This cost is based on one major service and three minor services annually. Major repairs may also be required and will be an additional cost in any given year. |
| Total variable costs per km | \$1.47 | | |

| Total variable costs per driving hour | Typical cost per hour | Your costs per hour | Variations in this cost item |
|---------------------------------------|-----------------------|---------------------------|---|
| Assumes 38.16 km travelled per hour. | \$56.00 | | These rates are typical for city driving only. The number of kilometres travelled per hour will vary significantly depending on the routes travelled, whether the work is metropolitan or regional, how often the vehicle stops to load or unload. |
| | | | Drivers who travel long distance or in regional areas will need to take this into account for their own calculations. |

Citylink and Eastlink tolls

Your hirer is responsible for reimbursing you for toll costs incurred if they direct you to take a toll road, or if you need to take a toll road to complete your trip.

If the hirer does not reimburse the toll costs you will need to include these costs as part of your cost calculation. The price of your trip will depend on the following factors: how far you travel, the type of vehicle you use, whether you travel in peak or off-peak times and the account or pass you choose. There are trip toll caps on both Citylink and Eastlink for heavy commercial vehicles. To check the current costs, use the following toll calculators:

- linkt.com.au
- eastlink.com.au/toll-calculator

PART 3 – PAYMENT FOR THE OWNER DRIVER'S OWN LABOUR

The next factor to include in a business cost model is an amount for the business owner's own work (labour) in driving the vehicle and in work such as loading and unloading and tasks necessary in running the business. This Part will provide information to help owner drivers to determine the amount they can aim to receive as a payment for that labour.

Because an owner driver is a small business (not an employee) the hirer is not legally obliged to pay a minimum wage or rate of pay. However, the wages that are paid to casual employee drivers are a useful guide to the market for the labour services of driving a vehicle.

Set out below are rates that would typically be paid for driving a vehicle if this work was performed by a casual employee rather than an owner driver.

These rates will vary over time and should be used as a general guide only. Unions, industry associations, job advertisements and other drivers are sources of advice about the going rates in your industry sector.

| Casual base hourly rate ¹ | Casual overtime rate 150% ² For the first two hours, over 7.6 per day or 38 per week | Casual overtime rate 200% ² For work extending beyond the first two hours of overtime and until the completion of work | | | |
|--|---|---|--|--|--|
| \$29.56 | \$35.48 | \$47.30 | | | |
| Range of rates typically paid in Victoria ³ | | | | | |
| \$29.56 to \$35.47 | \$35.48 to \$42.58 | \$47.30 to \$56.76 | | | |

Notes:

- 1. **Casual base hourly rate:** The base rate is calculated on the *Road Transport and Distribution Award 2010*⁴ (the Award) for a casual employee driver of a Vehicle and Quad Axle Dog trailer GCM up to 50 tonnes and assumes 38 ordinary hours of work completed in five shifts of 7.6 hours between 5.30 am and 6.30 pm, Monday through Friday. The base hourly rate for casual employees includes an additional 25% loading. This is compensation for not receiving the paid annual leave, personal/carer's leave and public holidays that ongoing employees receive.
- 2. **Casual overtime rate:** Casual employee drivers in Victoria receive payment at the rate of time and a half for the first two hours of overtime and double time thereafter for work continuing after an employee's ordinary hours of work. For each hour of overtime worked a casual must also be paid 10% of 1/38th of the minimum wage specified in the Award for their classification.

⁴ The Award rate is accurate as at 1 July 2021, but is varied from time to time by the Fair Work Commission. You can find information about the most recently published minimum employee rates by visiting www.fwc.gov.au or contacting your association or union.

3. **The range of rates in Victoria:** This part of the table sets out a range of rates typically paid in Victoria to employee drivers in the transport industry. A range is supplied because the rate paid will vary depending on whether a company is party to an enterprise agreement, the particular industry sector, the skill and efficiency of the particular driver and market factors such as whether there is a shortage of drivers in the area. The top rate in each range is calculated by adding 20% to the bottom rate.

The Award also provides for the following payments, which may need to be factored into your cost calculation, where they apply:

- **Shift Allowances:** Shift allowances will apply for casual employee drivers at the rate of 117.5% for a shift where ordinary hours of work are completed after 6.30 pm but before 12.30 am (afternoon shift) and at the rate of 130% where ordinary hours of work are completed after 12.30 am but before 8.30 am (night shift).
- Work on a Saturday: For all ordinary hours worked on a Saturday a casual employee driver would receive payment at the rate of 150% for hours worked. Work undertaken on a Saturday as Overtime would receive payment at the rate of 150% for the first two hours and 200% for all hours after that.
- Work on a Sunday: For all ordinary hours and overtime hours worked on a Sunday a casual employee driver would receive payment at the rate of 200% for hours worked.

PART 4 – HOURLY TOTALS

Hourly total for hours up to 7.6 hours a day, 1,672 hours a year⁵

| Totals per driving hour | Typical costs | Your figures | Notes |
|----------------------------|---------------|-----------------|---|
| Fixed costs | \$51.35 | | Assuming fixed costs spread over 1,672 hours. |
| Variable costs | \$56.00 | | Assuming 38.16 km travelled per hour. |
| Labour | \$35.48 | | This example is based on a casual labour rate of \$35.48 per hour. |
| | | | See discussion on rates for labour in Part 3. |
| Return on investment | \$7.14 | | This example is based on a five per cent return on investment. |
| | | | Owner drivers are strongly recommended to consider their own circumstances and obtain advice. |
| Total per hour | \$149.97 | | Note that this is not a prescribed or recommended |
| (up to 1,672 | | | rate. |
| hours) | | | Owner drivers are strongly recommended to consider their own circumstances and obtain advice. |

This example assumes that the owner driver will recover fixed annual costs over 1,672 driving hours a year. Many owner drivers work longer than these hours, either extra days each week or longer hours each day.

⁵ Assumes 38 ordinary hours of work completed in five shifts of 7.6 hours between 5.30 am and 6.30 pm, Monday through Friday

The table below calculates an hourly rate for those extra hours, using variable and labour costs only, and using overtime rates of pay.

Total per hour – for hours in excess of 7.6 hours per day / 1,672 hours a year⁶

| Totals per driving hour | Typical costs | Your figures | Notes |
|--|-----------------------|-----------------|--|
| Variable costs | \$56.00 | | Assuming 38.16 km travelled per hour. |
| Labour (overtime rates) | \$42.58 – \$56.76 | | This worked example is based on overtime penalty labour rates of between 150% and 200% See discussion on rates for labour in Part 3. |
| Total per hour (up to 1,672 hours) | \$98.58 – \$112.76 | | Note that this is not a prescribed or recommended rate. Owner drivers are strongly recommended to consider their own circumstances and obtain advice. |

In addition to the figures above, owner drivers should, where relevant, include any amount that they seek as a return on their capital investment. This issue is dealt with in section 11 of the *Owner Drivers and Forestry Contractors Code of Practice*, available from business.vic.gov.au/odfc

Note that this is not a prescribed or recommended rate. It is strongly recommended that owner drivers obtain advice on their own individual circumstances and discuss all issues with their hirer or potential hirer to ensure that there is no misunderstanding concerning payment structures.

⁶ Assumes overtime completed by employee working 38 ordinary hours of work between 5.30 am and 6.30 pm, Monday through Friday

Owner Drivers and Forestry Contractors Act 2005

TRANSPORT INDUSTRY COUNCIL
TIP TRUCK RATES AND COSTS SCHEDULE 2021–22

Interim Rates and Cost Schedule – April 2022
Truck and Tri Axle Super Dog Trailer GCM up to 42.5 tonnes
Road Transport and Distribution Award 2010
Category 6

INTRODUCTION

This short-term update to rates and costs schedules has been developed in response to rising fuel prices and will be updated not later than within three months from 21 April 2022 or earlier as needed to account for the impact of fluctuations in fuel prices.

This Schedule sets out an example of typical overhead costs for an owner driver¹ Truck and Tri-Axle Super Dog Trailer GCM up to 42.5 tonnes².

The example is based on certain assumptions about the business, for example, that the vehicle is 5 years old, is in operation for 7.6 hours a day, uses a certain number of tyres, and operates within the excavation sector of the building and construction industry.

This Schedule aims to help owner drivers to:

- better understand how increases and decreases in different cost items affect overall profitability
- calculate their own unique cost model.

The Schedule aims to help both owner drivers and their hirers to better understand the typical operating costs of an owner driver business and to inform their negotiations.

THE SCHEDULE DOES NOT SET MINIMUM RATES THAT MUST BE PAID.

This Schedule is based on the Transport Industry Council's evaluation of the costs that an owner driver is recommended to consider in order to operate their business sustainably.

This Schedule is only a general guide. Owner drivers are strongly advised to seek independent professional accounting advice for their own situation. They should discuss all issues with their hirer or potential hirer to ensure that there is no misunderstanding concerning payment structures.

This Schedule is published under section 14 of the **Owner Drivers and Forestry Contractors Act 2005** (the Act). Under the Act, hirers and freight brokers must provide this Schedule to an owner driver:

- at least 3 business days before the owner driver is engaged, if the owner driver will be engaged for a period of at least 30 days
- or on the 30th day, if the owner driver is engaged for a total period of at least 30 days in any 3-month period.

These requirements also apply to tender situations.

This Schedule will be revised at least annually. Under section 18 of the Act, hirers and freight brokers are required to give owner drivers a copy of any such revised Schedule as soon as possible after it is published.

This Schedule is structured as follows:

Part 1: Fixed costs

This part describes typical fixed (or annual) business costs. These are the costs that the business must pay each year regardless of how many kilometres the vehicle travels.

Owner Driver is defined in the Owner Drivers and Forestry Contractors Act 2005. The definition is also affected by the Owner Drivers and Forestry Contractors Regulations 2017 made under the Act.

² Rates and Costs Schedules have been published for 1 tonne Van Courier Messenger, 1 tonne GVM – General Freight, 4.5 tonne GVM, 8 tonne GVM, 12 tonne GVM (2-axle), Prime Mover (Bogie Drive) and Semi-Trailer (Bogie Drive, 6-axle), Truck and Quad Axle Dog Trailer – GCM 50, and Tandem – GVM 22.5Hirers are required to provide owner drivers with the Schedule that most closely relates to the owner driver's vehicle.

Part 2: Variable costs

This part describes typical variable business costs. These are the costs (such as fuel and tyres) that vary with how many kilometres are travelled.

Part 3: Payment for labour

This part describes the range of rates that are typically paid to drivers for performing similar kinds of work as a casual employee rather than as a contractor. This information is given to help the owner driver to determine what may be a reasonable payment for their own labour.

Part 4: Totals

This part allows the owner driver to prepare total hourly rates for ordinary hours (up to 1,672 a year) and excess hours.

RETURN ON INVESTMENT NEEDS TO BE FACTORED IN WHERE APPROPRIATE. AS A GUIDE, THE SCHEDULE PROVIDES FOR A 5 PER CENT RETURN ON INVESTMENT.

NOTE THAT THIS IS NOT A PRESCRIBED OR RECOMMENDED RATE. OWNER DRIVERS ARE STRONGLY RECOMMENDED TO CONSIDER THEIR OWN CIRCUMSTANCES AND OBTAIN ADVICE.

THE ISSUE OF RETURN ON INVESTMENT IS DEALT WITH IN SECTION 11 OF THE OWNER DRIVERS AND FORESTRY CONTRACTORS CODE OF PRACTICE.

KEY ASSUMPTIONS

The example set out in this Schedule is based on certain assumptions about the vehicle used, hours of work and the type of business. The assumptions used that have the greatest impact on the figures given are:

| Subject | Costing assumptions |
|--|---|
| Vehicle and | The fixed costs are based on: |
| finance | • a 2015 manufacture base model vehicle and a tri-axel super dog trailer with a capital value of \$246,025 ³ . |
| | • a vehicle subject to a lease arrangement, over a 5-year term with a 45.3% residual, with interest at a comparison interest rate of 7.5% per annum. |
| | Note that if the business owns the vehicle outright, or has a loan, the cost structure will be different with depreciation as the relevant cost rather than lease payments. |
| | All costs exclude GST. |
| Driving hours per year (kilometres | The calculation of the fixed costs assumes the vehicle is in operation for 7.6 driving hours per day for 220 working days a year. This equals 1,672 hours of operation a year. |
| travelled) | The example spreads fixed operating costs over those 1,672 hours. |
| | In Part 4, a separate hourly rate for hours over and above the base hours of 1,672 a year is provided. To avoid double counting of fixed costs, this rate only includes variable costs and a return for labour, based on an overtime labour rate. |

The cost structure of an individual business will be different if, for example:

- the age or current capital value (or both) of the vehicle differs from the above figures
- other finance arrangements apply, for example, if the vehicle is fully owned or is subject to a loan
- more or fewer hours are worked each year
- the vehicle is fitted with additional features

³ Cost based on the average retail price of a 2015 model three axle Japanese vehicle of \$186,402, and the average retail price of a 5-year-old tri axle super dog trailer of \$59,624. This price is based on a vehicle with standard features, additional features or modifications will incur additional costs.

BECAUSE OF THESE POTENTIAL VARIATIONS, GREAT CARE SHOULD BE TAKEN IN USING THE INDICATIVE FIGURES SET OUT IN THIS SCHEDULE, AS THE COSTS OF THE INDIVIDUAL BUSINESS MAY VARY SIGNIFICANTLY.

To help owner drivers to calculate their own unique cost model, a blank column is included in the tables of this Schedule to calculate the business's own unique costs.

Rate structures

This example calculates the cost of running a typical owner driver business, described as an hourly rate, made up of fixed and variable costs, and a payment for the owner driver's labour. The Schedule does not calculate or suggest any particular rate calculation or payment method.

Arrangements for payment of owner drivers in the transport industry vary enormously. They can be paid an hourly rate, a load rate or even kilometres travelled. If an owner driver is paid on such an arrangement, the Schedule set out below can be used as a base to calculate the cost to the business of travelling per kilometre. Unions, industry associations, or accountants and other professional advisers can assist in this task.

PART 1 – FIXED ANNUAL COSTS – PER YEAR AND PER HOUR

Note: All costs exclude GST

| Cost items assumptions used in the example | Example: Typical cost per year | Your costs | Variations in this cost item |
|---|--------------------------------------|------------|---|
| Vehicle lease costs This example is based on: a vehicle with a current capital value of \$186,402 (based on typical retail value of a 5-year-old vehicle), and a lease arrangement over a 5-year term with a 45.3% residual, at 7.5% interest per annum. | \$31,534 | | Finance arrangements will vary widely depending on: • if the arrangement is a lease or hire purchase, or purchase of the vehicle through a loan; or • if the arrangement is a loan, then the purchase price, the amount borrowed and the loan terms will affect cash-flow, and depreciation needs to be allowed for. Based on a vehicle with standard features. Additional features will incur additional costs. |
| Trailer lease costs This example is based on a tri-axle super dog trailer with a capital value of \$59,624, based on a lease arrangement over a 5-year term with a 45.3% residual at 7.5% interest per annum. | \$10,087 | | Finance arrangements will vary widely depending on: • if the arrangement is a lease or hire purchase, or purchase of the vehicle through a loan; or • if the arrangement is a loan, then the purchase price, the amount borrowed and the loan terms will affect cash-flow, and depreciation needs to be allowed for. Based on a trailer with standard features. Additional features will incur additional costs. |

| Cost items assumptions used in the example | Example: Typical cost per year | Your costs | Variations in this cost item |
|--|--------------------------------------|------------|--|
| Registration, permits and TAC fees Based on vehicle and trailer registration fee of \$3,143 and TAC charge of \$2,182 which is net of GST. Assumes payment is made on an annual basis. TAC charge assumes vehicle is garaged in a high-risk area (e.g. metropolitan Melbourne). | \$5,325 | | These fees are current as at 1 July 2021 but may change. Additional licences may be payable for certain types of operations (e.g. interstate registration). Additional administration charges may apply to registration fees if they are paid in instalments. TAC charges may be lower if the vehicle is garaged in a medium or low risk area. |
| Superannuation Self-funded, based on 10% of own labour assumed at \$58,461. | \$5,846 | | |
| Insurance comprehensive vehicle Based on rate of 3.15% per annum. Based on operator who is over the age of 25, has at least 5 years' experience and no claims history. Assumes vehicle is not carrying dangerous goods. Assumes vehicle is travelling intrastate only. | \$5,872 | | Rates may be higher for interstate trucks. Comprehensive vehicle insurance costs may vary depending upon the age and value of the equipment insured, the insurance provider, the amount of any excess payable, the individual's claims history, the age and experience level of the driver. |
| Insurance trailer-incontrol Based on a 5-year-old Tri-Axle Super Dog Trailer with a capital value of \$59,624 and an annual rate of 3.15%. Based on operator who is over the age of 25, has at least 5 years' experience and no claims history. Assumes vehicle is not carrying dangerous goods. Assumes vehicle is travelling intrastate only. | \$1,878 | | |

| Cost items assumptions used in the example | Example: Typical cost per year | Your costs | Variations in this cost item |
|--|--------------------------------------|------------|---|
| Insurance personal sickness and accident/income | \$1,860 | | The cost of personal income and accident insurance (also called income protection insurance) will vary depending on the |
| Basic policy, based on 80% of income for 52 weeks, 30 day waiting period. Assumes driver is travelling intrastate only. | | | individual's health history, the amount of income insured, the period of time after an accident before benefits are payable and the maximum period over which benefits are paid. |
| Assumes driver has no pre-existing conditions. Maximum age limit of 60 years. These fixed costs have been calculated at 100%. | | | |
| Insurance public liability | \$600 | | |
| Assumes policy for public liability claims up to \$10 million. | | | |
| These fixed costs have been calculated at 100%. | | | |
| Insurance workers' compensation | \$2,767 | | The rate is current as at 2019–2020 and is subject to change. |
| Assumed at the rate of 4.73% for the assumed labour rate of the business owner of \$58,461. | | | The rate charged for workers' compensation insurance may vary depending on whether the vehicle is travelling short or long distances and whether the vehicle is travelling interstate. The rate may also vary |
| Assumes vehicle is primarily travelling intrastate | | | depending on the driver's claims history. |
| Yard and parking | \$3,050 | | The rate is based on \$253 per month for a truck and trailer. |

| Cost items assumptions used in the example | Example: Typical cost per year | Your costs | Variations in this cost item |
|--|--------------------------------------|------------|---|
| Business administration costs Includes maintenance of records, preparation of tax returns, mobile phone charges, consumer price index and sundry business expenses. These fixed costs have been calculated at 100% | \$2,885 | | Accounting/bookkeeping fees may be lower if the business prepares its own Business Activity Statement (BAS) and accounts. Mobile phone charges will vary significantly depending on level of use. Other costs: Professional association fees, accommodation costs, parking fees, bank charges, and other costs should be allowed for where relevant. This example is based on a business that is already up and running, and does not take into account the costs of starting a business (e.g. registering a company). This figure may also vary depending on contractual conditions. |
| Total annual fixed costs | \$71,007 | | |
| Total hourly fixed costs Assuming 1,672 vehicle operation hours. | \$42.47 | | Assumes that the annual fixed costs of the business are spread over 1,672 vehicle operation hours per year. |

PART 2 – VARIABLE COSTS – PER KILOMETRE AND PER HOUR

Note: All costs exclude GST (unless otherwise specified)

| Cost items assumptions assumes 63,800 km travelled per year | Typical variable cost per km | Your variable cost per km | Variations in this cost item |
|--|---------------------------------------|------------------------------------|--|
| Fuel Based on a fuel price of 184.7 cents per litre (206.8 cents per litre national average retail diesel pump price for the 4 weeks to 27 March 2022 less the 22.1 cents per litre reduction to the fuel excise announced in the Federal budget on 29 March 2022). Assumes 53.90 litres consumed per 100 km | 100 cents | | Fuel is the single biggest variable cost and will significantly affect your business. Fuel costs will also vary depending on the age, features and condition of the vehicle. The price of fuel at the time of negotiating with the hirer should be used to assess the base rate fuel cost to be applied. In addition to the base rate, a fuel surcharge can be applied to account for weekly, fortnightly or monthly fluctuation in fuel costs over the term of the contract. |
| Tyres Assumes cost of \$633 per tyre (22 tyres) based on vehicle specific average performance and replaced annually or after 63,800 km. | 22 cents | | Consumption of tyres will vary with the age of vehicle, off-road use, geographic and road conditions, braking frequency and driving techniques and the quality of the tyres used. Cost of tyres will also vary depending on the manufacturer, type of tyres and any discount arrangements. |

| Cost items assumptions assumes 63,800 km travelled per year | Typical variable cost per km | Your variable cost per km | Variations in this cost item |
|--|---------------------------------------|------------------------------------|---|
| Servicing, repairs and maintenance | 17 cents | | Repair and maintenance costs will vary significantly with the age and condition of the vehicle. |
| Based on rate of 17 cents per km. | | | This cost is based on one major service and three minor services annually. |
| | | | Major repairs may also be required and will be an additional cost in any given year. |
| Total variable costs per km | \$1.39 | | |

| Total variable costs per driving hour | Typical cost per hour | Your costs per hour | Variations in this cost item |
|--|-----------------------|------------------------------|---|
| Assumes 38.16 km travelled per hour. | \$52.94 | | These rates are typical for city driving only. The number of kilometres travelled per hour will vary significantly depending on the routes travelled, whether the work is metropolitan or regional, how often the vehicle stops to load or unload. |
| | | | Drivers who travel long distance or in regional areas will need to take this into account for their own calculations. |

Citylink and Eastlink tolls

Your hirer is responsible for reimbursing you for toll costs incurred if they direct you to take a toll road, or if you need to take a toll road to complete your trip.

If the hirer does not reimburse the toll costs you will need to include these costs as part of your cost calculation. The price of your trip will depend on the following factors: how far you travel, the type of vehicle you use, whether you travel in peak or off-peak times and the account or pass you choose. There are trip toll caps on both Citylink and Eastlink for heavy commercial vehicles. To check the current costs, use the following toll calculators:

- linkt.com.au
- eastlink.com.au/toll-calculator

PART 3 – PAYMENT FOR THE OWNER DRIVER'S OWN LABOUR

The next factor to include in a business cost model is an amount for the business owner's own work (labour) in driving the vehicle and in work such as loading and unloading and tasks necessary in running the business. This Part will provide information to help owner drivers to determine the amount they can aim to receive as a payment for that labour.

Because an owner driver is a small business (not an employee) the hirer is not legally obliged to pay a minimum wage or rate of pay. However, the wages that are paid to casual employee drivers are a useful guide to the market for the labour services of driving a vehicle.

Set out below are rates that would typically be paid for driving a vehicle if this work was performed by a casual employee rather than an owner driver.

These rates will vary over time, and should be used as a general guide only. Unions, industry associations, job advertisements and other drivers are sources of advice about the going rates in your industry sector.

| Casual base hourly rate ¹ | Casual overtime rate 150% ² For the first two hours, over 7.6 per day or 38 per week | Casual overtime rate 200% ² For work extending beyond the first two hours of overtime and until the completion of work | | |
|--|---|---|--|--|
| \$29.14 | \$35.52 | \$47.36 | | |
| Range of rates typically paid in Victoria ³ | | | | |
| \$29.14 to \$34.97 | \$35.52 to \$42.62 | \$47.36 to \$56.83 | | |

Notes:

- 1. **Casual base hourly rate:** The base rate is calculated on the *Road Transport and Distribution Award 2010*⁴ (the Award) for a casual employee driver a Truck and Tri-Axle Super Dog Trailer GCM 42.5 and assumes 38 ordinary hours of work completed in five shifts of 7.6 hours between 5.30 am and 6.30 pm, Monday through Friday. The base hourly rate for casual employees includes an additional 25% loading. This is compensation for not receiving the paid annual leave, personal/carer's leave and public holidays that ongoing employees receive.
- 2. **Casual overtime rate:** Casual employee drivers in Victoria receive payment at the rate of time and a half for the first two hours of overtime and double time thereafter for work continuing after an employee's ordinary hours of work. For each hour of overtime worked a casual must also be paid 10% of 1/38th of the minimum wage specified in the Award for their classification.
- 3. The range of rates in Victoria: This part of the table sets out a range of rates typically paid in Victoria to employee drivers in the transport industry. A range is supplied because the rate paid will vary depending on whether a company is party to an enterprise agreement, the particular industry sector, the skill and efficiency of the particular driver and market factors such as whether there is a shortage of drivers in the area. The top rate in each range is calculated by adding 20% to the bottom rate.

The Award also provides for the following payments, which may need to be factored into your cost calculation, where they apply:

- **Shift allowances:** Shift allowances will apply for casual employee drivers at the rate of 117.5% for a shift where ordinary hours of work are completed after 6.30 pm but before 12.30 am (afternoon shift) and at the rate of 130% where ordinary hours of work are completed after 12.30 am but before 8.30 am (night shift).
- Work on a Saturday: For all ordinary hours worked on a Saturday a casual employee driver would receive payment at the rate of 150% for hours worked. Work undertaken on a Saturday as Overtime would receive payment at the rate of 150% for the first two hours and 200% for all hours after that.
- Work on a Sunday: For all ordinary hours and overtime hours worked on a Sunday a casual employee driver would receive payment at the rate of 200% for hours worked.

⁴ The Award rate is accurate as at 1 July 2021, but is varied from time to time by the Fair Work Commission. You can find information about the most recently published minimum employee rates by visiting www.fwc.gov.au or contacting your association or union.

PART 4 – HOURLY TOTALS
Hourly total for hours up to 7.6 hours a day, 1,672 hours a year⁵

| Totals per driving hour | Typical costs | Your figures | Notes |
|----------------------------|---------------|-----------------|---|
| Fixed costs | \$42.89 | | Assuming fixed costs spread over 1,672 hours. |
| Variable costs | \$52.94 | | Assuming 38.16 km travelled per hour. |
| Labour | \$34.97 | | This example is based on a casual labour rate of \$34.97 per hour. |
| | | | See discussion on rates for labour in Part 3. |
| Return on investment | \$6.54 | | This example is based on a five per cent return on investment. |
| | | | Owner drivers are strongly recommended to consider their own circumstances and obtain advice. |
| Total per hour | \$137.34 | | Note that this is not a prescribed or recommended |
| (up to 1,672 | | | rate. |
| hours) | | | Owner drivers are strongly recommended to consider their own circumstances and obtain advice. |

This example assumes that the owner driver will recover fixed annual costs over 1,672 driving hours a year. Many owner drivers work longer than these hours, either extra days each week or longer hours each day.

The table below calculates an hourly rate for those extra hours, using variable and labour costs only, and using overtime rates of pay.

Total per hour – for hours in excess of 7.6 hours per day / 1,672 hours a year⁶

| Totals per driving hour | Typical costs | Your figures | Notes |
|--|-----------------------|-----------------|--|
| Variable costs | \$52.94 | | Assuming 38.16 km travelled per hour. |
| Labour (overtime rates) | \$42.62 - \$56.83 | | This example is based on overtime penalty labour rates of between 150% and 200% See discussion on rates for labour in Part 3. |
| Total per hour (up to 1,672 hours) | \$95.56 – \$109.77 | | Note that this is not a prescribed or recommended rate. Owner drivers are strongly recommended to consider their own circumstances and obtain advice. |

In addition to the figures above, owner drivers should, where relevant, include any amount that they seek as a return on their capital investment. This issue is dealt with in section 11 of the *Owner Drivers and Forestry Contractors Code of Practice*, available from business.vic.gov.au/odfc

Note that this is not a prescribed or recommended rate. It is strongly recommended that owner drivers obtain advice on their own individual circumstances and discuss all issues with their hirer or potential hirer to ensure that there is no misunderstanding concerning payment structures.

⁵ Assumes 38 ordinary hours of work completed in five shifts of 7.6 hours between 5.30 am and 6.30 pm, Monday through Friday

⁶ Assumes overtime completed by employee working 38 ordinary hours of work between 5.30 am and 6.30 pm, Monday through Friday

Water Act 1989

WANNON WATER

Multiple Services

Declaration of Properties Provided with Water or Sewerage Services

Notice is hereby given pursuant to section 144 of the **Water Act 1989** that each property listed below has been declared a Serviced Property. The services available, locality and date from which the service was made available is shown under the relevant heading for the listed property.

Water and Sewer Services

Lots 1–10, 32–43 PS 835461F Warrnambool 31 March 2022

Lots 1 and 2 PS 902624G Allansford 31 March 2022

Lots 1 and 2 PS 902665R Version 1 Warrnambool 22 March 2022

Lot 2 PS 902651D Cobden 21 March 2022

Lots 1 and 2 PS 901629B Camperdown 17 March 2022

Lots 2 PS 531020H Warrnambool 15 March 2022

Lots 1 and 2 PS 904522E Timboon 7 March 2022

Sewer Lots 28 and 30, 35–39 and 45 PS 831340Q Water Lots 28 and 30, 35–48 PS 831340Q Timboon 15 March 2022

ANDREW JEFFERS Managing Director

Water Act 1989

CENTRAL GIPPSLAND REGION WATER CORPORATION

Water Restriction By-law 17

Central Gippsland Region Water Corporation (Gippsland Water) revokes Water Restriction By-law 16.

In accordance with section 287ZC of the **Water Act 1989**, Gippsland Water hereby gives notice that it has made a by-law, titled Water Restriction By-law 17 pursuant to sections 160 and 171 of the **Water Act 1989**.

Water Restriction By-law 17 is made using a Model Water Restriction By-law issued by the Minister for Water on 3 March 2022. The Water Restriction By-law 17 is made in relation to restrictions and prohibitions on the use of water that may be imposed in the Water Supply District of Gippsland Water.

The purpose of the by-law is to:

- a. Promote the efficient use and conservation of water;
- b. Set out four stages of restrictions on the use of water;
- c. Specify things which must not be done while each stage of restriction persists;
- Specify principles for considering applications for exemptions from particular restrictions;
- e. Prescribe offences and penalties for the contravention of the By-law, including for which an infringement notice may be served; and
- f. Prescribe classes of persons for the purpose of issuing infringement notices.

A copy of the by-law is available for inspection, free of charge, at the Gippsland Water Office, 55 Hazelwood Road, Traralgon, Victoria 3844, during business hours or by visiting Gippsland Water's website at www.gippswater.com.au

ORDERS IN COUNCIL

Domestic Animals Act 1994

ORDER EXEMPTING CERTAIN RETIRED GOVERNMENT DOGS FROM THE OPERATION OF DANGEROUS DOGS PROVISIONS OF THE

DOMESTIC ANIMALS ACT 1994

Order in Council

The Governor in Council makes the following Order under section 5 of the **Domestic Animals Act 1994** (the Act):

1) Objectives

The objectives of this Order are –

- (a) to exempt certain retired government dogs from the operation of the dangerous dogs provisions of the Act in circumstances where the relevant dog has been retired from government service to reside with a dog handler; and
- (b) to impose conditions on the exemption.

2) Authorising provision

This Order is made under section 5 of the Act.

3) Commencement

This Order takes effect on and from the day that the Order is published in the Government Gazette and has effect until revoked.

4) Definitions

In this Order -

dog handler means –

- (a) a person who
 - (i) has completed the Victoria Police Dog Squad Handler course; and
 - (ii) is currently working, or has previously worked, as a part of the Victoria Police Dog Squad, or
- (b) a person who
 - (i) has completed a Corrections Victoria canine handlers course approved by the Secretary of the Department of Justice and Community Safety; and
 - (ii) currently uses, or has previously used, an approved dog as a prison officer in accordance with section 27(1) of the **Corrections Act 1986**.

retired government dog means a dog that was previously –

- (a) qualified for, and working as part of, the Victoria Police Dog Squad; or
- (b) an approved dog for the purposes of section 27 of the Corrections Act 1986;

and that no longer operates as part of the Victoria Police Dog Squad or is used as an approved dog under the **Corrections Act 1986**.

5) Exemption from operation of specified dangerous dogs provisions of the Act

Subject to the conditions specified in this Order, a retired government dog is exempt from the operation of the following provisions of the Act –

- (a) section 10A(4)(a) (Council must not register or renew the registration of a dangerous dog unless desexed);
- (b) section 37A (Offence not to advise person acquiring a dangerous dog that it is a dangerous dog);
- (c) section 38 (Restraint of dangerous dogs when on owner's premises);
- (d) section 39 (Warning signs);
- (e) section 40 (Identification of dangerous dogs); and
- (f) section 41 (Restraint of dangerous dogs off the owner's premises); and
- (g) section 96 (Offence to sell certain animals outside certain places).

6) Condition that retired government dogs be retired from service to a dog handler

The exemption under paragraph 5 applies only to a retired government dog which is retired from service to reside with a dog handler for the purposes of this Order.

7) Conditions regarding Victoria Police reporting of retired government dogs

The exemption set out in this Order is subject to the condition that the Chief Commissioner of Police must –

- (a) On or before 31 October in each year that this Order remains in force, provide to the Minister for Agriculture a report for the period 1 July to 30 June (being the previous financial year) ('reporting period'), that sets out
 - (i) in respect of retired government dogs that retired from the Victoria Police Dog Squad during the reporting period
 - i. the total number of dogs that retired;
 - ii. the total number of dogs that retired to a person who is a dog handler;
 - iii. the reason for the retirement of each dog; and
 - iv. the date of retirement of each dog.
- (b) On or before 31 October in each year that this Order remains in force, provide to the Minister for Agriculture a signed statement declaring that all retired government dogs that previously were part of the Victoria Police Dog Squad
 - (i) are microchipped, vaccinated and wormed;
 - (ii) will not be rehomed where they are aggressive, anti-social or display known vices, such as excessive barking or habitual escaping that cannot be effectively managed, and will be disposed of appropriately; and
- (c) On or before 31 October in each year that this Order remains in force, provide to the Minister for Agriculture a signed statement declaring that all retired government dogs that were previously part of the Victoria Police Dog Squad and that are retired to a dog handler are
 - (i) registered under section 10 of the Act (noting that they can be registered without being desexed due to the exemption outlined at 5(a) above);
 - (ii) the subject of the appropriate notification to the Council under section 37 of the Act; and
 - (iii) kept and housed in a Victoria Police Dog Squad approved kennel.
- (d) from the date of this Order, keep a record of the following details in respect of each retired government dog that previously operated as part of the Victoria Police Dog Squad
 - (i) the name of the dog;
 - (ii) the date of birth of the dog;
 - (iii) the breed of the dog;
 - (iv) the dog's microchip number; and
 - (v) the name, address and contact number of the dog handler to whom the dog is retired;
 - (vi) the address at which the dog is or is to be kept.
- (e) ensure that Victoria Police keeps a copy of the details provided under clause 7(d) above for a period of not less than 5 years.

8) Conditions regarding Corrections Victoria reporting of retired government dogs

The exemption set out in this Order is subject to the condition that the Commissioner, Corrections Victoria must –

(a) On or before 31 October in each year that this Order remains in force, provide to the Minister for Agriculture a report for the period 1 July to 30 June (that being the previous financial year) that sets out in respect of Corrections Victoria approved dogs –

- (i) the total number of dogs that retired;
- (ii) the total number of dogs that retired to a person that is a dog handler;
- (iii) the reason for the retirement of each dog; and
- (iv) the date of retirement of each dog.
- (b) On or before 31 October in each year that this Order remains in force, provide to the Minister for Agriculture a signed statement declaring that all retired government dogs that previously operated as Corrections Victoria approved dogs are
 - (i) are microchipped, vaccinated and wormed; and
 - (ii) will not be rehomed where they are aggressive, anti-social, or display known vices, such as excessive barking or habitual escaping that cannot be effectively managed, and will be disposed of appropriately; and
- (c) On or before 31 October in each year that this Order remains in force, provide to the Minister for Agriculture a signed statement declaring that all retired government dogs that previously operated as Corrections Victoria approved dogs and that are retired to a dog handler are
 - (i) registered under section 10 (noting that they can be registered without being desexed due to the exemption outlined at 5(a) above);
 - (ii) the subject of the appropriate notification to the Council under section 37 of the Act; and
 - (iii) kept and housed in accordance with the requirements specified in the Local Operating Procedure 1.13B Canine Teams
- (d) From the date of this Order, keep a record of the following details in respect of each retired government dog that previously operated as Corrections Victoria approved dogs
 - (i) the name of the dog;
 - (ii) the date of birth of the dog;
 - (iii) the breed of the dog;
 - (iv) the dog's microchip number;
 - (v) the name, address and contact number of the dog handler to whom the dog is retired; and
 - (vi) the address at which the dog is or is to be kept
- (e) Ensure that Corrections Victoria keeps a copy of the details provided under clause 8(d) above for a period of not less than 5 years.

9) Condition regarding owner of retired government dogs

- (a) The exemption set out in this Order is subject to the condition that the exemption will cease to apply if:
 - (i) the dog handler with whom a retired government dog resides is convicted of one or more offences under the Act in relation to the retired government dog, or
 - (ii) The retired government dog is involved in a section 28 or 29 offence under the Act.

Dated: 12 April 2022 Responsible Minister:

THE HON. MARY-ANNE THOMAS MP

Minister For Agriculture

ALEXANDRA DEBELJAKOVIC Clerk of the Executive Council

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