

SAFE RATES

The much talked about 'Safe Rates' promoted by the Unions, Bureaucrats and all State and Federal Governments is the result of an abuse of market power by their friends in the multi-national freight companies.

In all other freight tasks around Australia where the multi-national carriers are not involved the market freight rates are competitive and sustainable, however the multi-national carriers are screwing their sub-contractors and owner drivers to work for nothing so the shareholders will receive a healthy dividend, but the people doing the work are starving to death and killing themselves for a handful of silver, I for one would not want to have shares in a company with the blood of their subbies on its hands.

Call an apple an orange if you like but the taste will always be that of an apple, Safe Rates will never change the culture that has taken over this industry, sheer greed will always over ride any attempt to rectify the problem, a predetermined 'safe rate' will only introduce another set of problems and the apple still won't taste like an orange.

The bulk of the freight task is controlled by a handful of multi-national carriers who indulge in paying starvation rates, add to that major downstream sub-contractors palming off unprofitable freight to owner drivers and you see the problem compounding, no Union or Government will pull them on, and until they do, forget about the 'feel good' safe rates dream.

There are two sides to this equation, I believe that the market should find its own level without being manipulated by the market power of the multi-national carriers, and I also believe that any control over freight rates should not be adjudicated on by people outside the transport industry.

I do believe that the attempt by the Unions and Government is a step in the right direction to remove the control that the multi-national carriers have over the freight market, however I am fearful that the whole issue will detract from the free market system and all modes of transport will be caught up in the 'safe rates' trap.

The freight carriers remote from the multi-national carriers are doing okay and are adjusting freight rates to reflect rising cost, although increased Government charges are now making it harder to convince the market that the increases are warranted, 'safe rates' will set the benchmark for future rates and those getting a better rate will be dragged back down to that level, most customers will view that as the maximum they will have to pay.

It was disturbing to hear Michael Quinlan state that it is not the aim of 'Safe Rates' to ensure that owner operators make a profit, if that is so why would anyone want a career in road transport.

Lately there has been talk of a shift from 'Safe Rates' to 'Fixed Rates or Mandatory Rates' and that alone is a new worry, the NRFA will be watching this one very closely to see how it develops.

The NRFA will be seeking input when the topic is approaching public consultation, while the intention of getting equity back into the industry is desirably, I think the Unions and the champions of the 'Safe Rate' campaign should start with their friends in the multi-national carrier's camp first, but as we all know money talks and Governments love money.

Until next time enjoy your Christmas break, stay safe, happy and healthy.

And may God bless you all

Mick Pattel