

|  |
| --- |
| Tip Truck Owner Driver Policy -  Updated Minimum Rates |
| Stakeholder Update – October 2023 |

#### Tip Truck Owner Driver Policy

The Tip Truck Owner Driver Policy (the Policy), which commenced operation in August 2018, delivers on the Government’s commitment to introduce mandatory minimum rates of pay for tip truck owner drivers working on Victorian Government funded construction projects (building, infrastructure, civil engineering or other capital works projects).

The Policy must be applied to all publicly funded Victorian construction contracts awarded on or after 27 August 2018. The Policy applies to tip truck owner drivers that are engaged:

* directly by the principal contractor; or
* indirectly through a subcontractor or secondary subcontractor or freight broker.

Government agencies must ensure that their public construction contracts require the principal contractor to comply with the Policy and ensure that any tip truck owner driver engaged in connection with excavation work, directly or indirectly, through one or more subcontractors is paid according to the Policy.

Principal contractors have a contractual obligation to ensure through the sub-contracting supply chain that tip truck owner drivers are paid at least the applicable minimum rates of pay specified in the Policy, as updated from time to time

#### October 2023 update to minimum rates

The mandated rates are based on the per hour advisory rate identified in relevant rates and costs schedules developed under the *Owner Driver and Forestry Contractors Act 2005* (ODFC Act).   
These rates are reviewed periodically with input from the Transport Industry Council and approved by the relevant Minister.

Other than for tip truck drivers on Government construction projects, the ODFC Act rates are advisory only and not mandated.

**New rates for tip trucks will be published in the Victorian Government Gazette on 26 October 2023. From 26 October 2023 the rates and costs schedules will also be made available on the Business Victoria website** [**here**](https://business.vic.gov.au/business-information/transport-and-forestry/owner-drivers/tip-truck-owner-drivers)**.**

**The Rates and Costs schedules have been updated to account for variations in fuel, labour and other input costs for owner drivers, in accordance with the ODFC Act.**

The Policy requires that the rates set under the ODFC Act *from time to time* are applied as mandatory minimum rates of pay on Government projects. Tip truck owner drivers working on construction projects funded by the Victorian Government must be paid minimum rates of pay based on these rates and costs schedules from the date that the rates are published in the Gazette.

#### Updated rates must be paid on all public construction projects from 26 October 2023

Tip truck owner drivers working on construction projects funded by the Victorian Government must be paid the updated rates approved from time to time, from the date that the rates are published in the Victorian Government Gazette. This includes contracts entered into prior to this gazettal date (if contracts awarded on or after 27 August 2018).

This is to provide for increases in rates paid to owner drivers during the life of a project.

#### Minimum hourly rates on all public construction projects from 26 October 2023

The minimum hourly rates effective 26 October 2023 are:

|  |  |
| --- | --- |
| Vehicle type | Minimum hourly rate |
| Tandem GVM 22.5 | $106.81 |
| Truck and Tri-Axle Dog Trailer GCM 42.5 | $150.68 |
| Truck and Quad Axle Dog Trailer GCM 50 | $164.60 |

If the Tip Truck Owner Driver is to be paid on a per load rate then the per load rate must be arrived at based on a reasonable estimate of the time likely to be required to complete the specific job, multiplied by the relevant updated rate.

Government Departments and Agencies will be seeking assurance from principal contractors they are aware of the change and complying with their contractual obligations.

#### Financial impact of minimum rate increases

Contractors should contact the government delivery agency responsible for their project if they have further queries regarding the application of updated rates to existing contracts. Subject to individual contractual arrangements, contractors may be able to submit a variation claim for substantiated hours worked (or tip loads) where the updated minimum rates are applied.

Plant hirers (and other parties in the construction supply chain) should contact the party that has engaged them to deliver tip truck or earthmoving services to claim money owed in association with the updated rates for existing contracts.

#### Further Information

**Government Agencies**: further information regarding contractual application of the Policy to construction contracts please contact Construction Policy in the Department of Treasury and Finance on [construction.procurement@dtf.vic.gov.au](mailto:construction.procurement@dtf.vic.gov.au).

**Tip truck owner drivers and contractors**: further information and assistance about the application of the Policy please contact Industrial Relations Victoria on [irv.info@dpc.vic.gov.au](mailto:irv.info@dpc.vic.gov.au).