

Queensland Council of Unions

Honorary President: **Rohan Webb** General Secretary: **Ros McLennan** Assistant General Secretary: **Michael Clifford**

28 September 2018

Deborah Jeffrey
Committee Secretary
Transport and Public Works Committee
Parliament House
George Street
Brisbane Qld 4000

By email tpwc@parliament.qld.gov.au

Dear Ms Jefferey

Re: Transport Technology

This submission is made on behalf of the Queensland Council of Unions (QCU), Queensland's peak union council.

The following submission is made in relation to the Transport Technology Inquiry in relation to the various terms of reference.

- (a) identifying trends and changes in fuel type usage in the sectors of personal transport, freight transport and public transport, such as the increasing uptake of hybrid and electric vehicles.*

This issue is not a major concern of the QCU or its affiliates.

- (b) examining the readiness of the transport network for increasing electrification of vehicles in coming years.*

This issue is not a major concern of the QCU or its affiliates.

- (c) *identifying other emerging technological factors which will impact on transport networks into the future, such as driver aid technology and 'driverless car' technologies.*

The QCU and its affiliates have grave concerns for public safety with the prospects of driverless vehicles. In particular, the use of driverless technology in heavy vehicles is of tremendous concern. We are aware of a range of circumstances where this is being contemplated. It is apparent that larger data-bases that are able to rely upon past experience enable the performance of non-routine task by way of automation¹. It is obvious that there will need to be substantial investment in equipment and infrastructure before there would be any public confidence in the use of such technology.

Moreover, the QCU is concerned with the employment impact of further technological change and its impact on the earning capacity of workers. Unemployment follows dislocation from existing jobs and industries can persist for long periods and transition to another occupation is often difficult. Income loss associated with this type of dislocation will often be substantial and long-lasting². If there is to be further displacement of workers due to technological change consideration needs to be given as to how to transition workers from their current jobs to new employment.

- (d) *examining how technology is affecting employment arrangements in the transport industry, particularly in the food delivery area.*

The major trends that have been identified in relation to the transport industry are automation; privatisation; shared mobility and the gig economy³. These trends provide the same concerns for the union movement that were outlined above in relation to driverless transport technology. Public safety has to be a primary consideration when dealing with transport. In addition, these trends have a deleterious impact on workers in terms of employment, remuneration and workplace health and safety. Whilst the work for the gig economy is organised on line, it is important to remember that work is performed by workers in the real world⁴.

¹ Stanford, J and M Grudnoff (2018) *The Future of Transportation Work: Technology, Work Organisation and the Quality of Jobs* The Australian Institute

² *Ib id*

³ RTBU (2018) *Submission to Senate Select Committee on the Future of Work and Workers* February 2018

⁴ Barratt, T, C Goods and A Veen (2018) *Submission to the Select Committee on the Future of Work and Workers*

Jim Stanford provides a very good historical explanation of the “gig” economy by comparing the rise of Uber with practices such as “putting out” that was associated with mercantile capitalism in the 19th century⁵. The “gig” economy involves the on-call use of labour; piece-based compensation; and workers using their own capital. Stanford argues that these practices are as old as capitalism itself (if not older). In addition, the gig economy separates the organiser of the work to be performed and some form of digital intermediation. Stanford argues it is only digital intermediation that separates the modern gig economy from those of the 19th century and that there is nothing inevitable about the “gig” economy being associated with this technology. To the contrary the reintroduction of the “gig” economy is more associated with the breakdown of standard employment relationships than technology per se.

There is a considerable amount of literature that identifies the intensification of work and the growth in insecure employment across industry and throughout society. The trends in relation to food delivery are merely a reflection of those broader societal trends. The ability to use technology to obtain the lowest price from the workers who would deliver has obvious implications for incomes in this sector of the community. The gig economy in the transport sector is associated with long periods of unpaid waiting time that brings the hourly rate of the purported contractor well below the minimum hourly wage. Furthermore, those hours when work is available would ordinarily attract the payment of a penalty rate for an employee under a modern award. The start-up costs are low to enter the gig economy and it generally requires no qualification. The factors associated with the gig economy make it an obvious location for vulnerable workers, including guest workers on various forms of work visas⁶.

Further, the ambiguous status of drivers, who have an appearance of being independent contractors, is not only related to their hourly rate of pay. Rates of pay within the gig economy will fall below minimum rates, as mentioned above and the purported contractor will not be entitled to the protections of the National Employment Standards nor will they be protected by workers’ compensation⁷. The net result is a shifting of obligations and risk to the worker and/or the community.

In a separate inquiry being undertaken by the Queensland Parliament, the QCU is compiling stories from members of the public in relation to wage theft⁸. The use of purported contractors has implications for workers compensation; government revenue and retirement incomes, given the absence of any consideration of these factors in an hourly rate that is often below the award or even minimum wage. Moreover, the work performed by workers within the gig economy does not lend itself to the development of skills that would lead to employment elsewhere in the economy, thereby further entrenching these workers further in the gig economy⁹. In addition, the absence of regulation within ride sharing (by contrast to the taxi industry) must have the ultimate result of providing an over-supply of providers. Left unchecked, such an

⁵ Stanford, J (2017) “The resurgence of gig work: Historical and theoretical perspectives” *The Economic and Labour Relations Review* Vol 28 (3)

⁶ *Ib id*

⁷ *Ib id*

⁸ Queensland Council of Unions (2018) Submission Inquiry into wage theft in Queensland

⁹ *Op cit* Barratt et al

over-supply will lead to even further downward pressure on the income of the workers providing these services.

Perhaps one of the most perverse suggestions in relation to transport technology is a New South Wales Government proposal to use telematics technologies in relation to driver safety¹⁰. This proposal ignores the broader reasons behind road safety issues, in particular the low rates of pay associated with owner drivers in road transport. Using technology to attempt to keep fatigued drivers in unsafe vehicles awake is contrary to modern health and safety practices.

In our submission it is not so much how technology "is affecting employment arrangements in the transport industry" but rather it is "how technology is being used to adversely impact upon employment arrangements". The QCU opposes the use of independent contractors for employers to avoid their legal obligations. To dress up obvious price takers as entrepreneurs is an absurdity and workers in the gig economy should be entitled to the minimum conditions that workers elsewhere in the community are able to enjoy.

The growing use of independent contractors contributes to the growing trend of precarious employment throughout the workforce. Precarious employment is having a deleterious effect on the working life and spending ability of a growing number of workers. This in turn is contributing to the low wage growth that is now considered to be at a crisis level in Australia.

The QCU would urge the committee to take into consideration the impact of technology on workers within the transport industry. The impact on workers is an important but often neglected consideration.

Please contact Policy and Research Officer John Martin [REDACTED]
[REDACTED] in relation to this submission.

Yours sincerely



Ros McLennan
General Secretary

¹⁰ TWU (2018) *Submission of the Transport Workers' Union of New south Wales to the Inquiry into heavy vehicle safety and the use of technology to improve road safety*