

## FactCheck: do better pay rates for truck drivers improve safety?

Written by The Conversation

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The evidence is that if you ensure that people travel safely in terms of safe rates you will get proper outcomes ... you will get improved safety. – Shadow Minister for Infrastructure and Transport, Anthony Albanese, [speaking on](#) RN Breakfast, April 11, 2016.

Australian Prime Minister Malcolm Turnbull has promised [to abolish the Road Transport Remuneration Tribunal if re-elected](#)

That announcement came after the tribunal issued a [Road Safety Remuneration Order](#) setting minimum pay rates for self-employed truck drivers consistent with the [2010 Road Transport and Distribution Award](#)

Turnbull [told reporters](#) that the tribunal is not effective in improving safety and that it undermines owner operator drivers and family businesses.

This FactCheck will not examine whether the Road Transport Remuneration Tribunal is the best way to improve road safety. It confines itself only to testing against the evidence a recent assertion by Shadow Minister for Infrastructure and Transport, Anthony Albanese, that better driver pay results in improved safety.

Is that assertion correct?

## Checking the source

When asked for evidence to support his statement, Albanese's spokesman referred The Conversation to Shadow Minister for Employment and Workplace Relations, Brendan O'Connor.

O'Connor's spokeswoman referred The Conversation to the 2016 [Review of the Road Safety](#)

### Remuneration System

conducted by PricewaterhouseCoopers for the Commonwealth government, which recommended the tribunal be [abolished](#).

On the question of pay and road transport safety, the Pricewaterhouse Coopers report said:

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directly comparing remuneration and safety does demonstrate statistically significant correlations. However, results vary substantially.

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the four most recent papers range in conclusion from a) a very [large effect](#) , b) a [U-shaped curve](#) , in which a large positive effect of initial remuneration rises eventually turns negative, through to [c\)](#) and [d\)](#) with a very small effect

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the literature is very limited in size and focuses on employee drivers

Drivers are likely to benefit the most [from tribunal orders] due to increased remuneration and fewer road accidents, followed by government and members of society who face costs following road crashes, and will therefore benefit from an improvement in safety.

You can read the full response from O'Connor's spokeswoman [here](#) .

If you just read that Pricewaterhouse Coopers report excerpt above, you might think that the evidence is fairly mixed. In fact, the overwhelming weight of evidence supports Albanese's claim: there is persuasive evidence of a connection between truck driver pay and safety.

### What do other Australian studies say?

Australian [studies](#) conducted since the 1990s [found](#) a significant link between scheduling pressures, unpaid waiting time, insecure rewards and access to work, and hazardous practices such as speeding, excessive hours and drug use by drivers. The researchers found that those on trip-based payment schemes (typical for owner drivers but also increasing amongst employee drivers) drove on average 15km per hour faster than those on fixed rate payments (like hourly wages).

A 2001 [study](#) found drivers who were paid in terms of the amount of work they did reported fatigue more often than drivers who were paid in terms of the time they were working (for example, hourly rates).

An Australian [study](#) published in the American Journal of Epidemiology in 2007 analysed drug use by drivers in both surveys and concluded that:

the strongest predictors of drug use were payment based on the amount of work completed and fatigue reported as a major problem ... The strong association of payment by results and low pay with drug use among Australian long-distance truck drivers is consistent with other research suggesting that economic factors are an important influence on health and safety in the workplace.

An Australian [survey](#) of 300 long haul drivers found owner-drivers experienced significantly worse health scores than employee drivers, especially when employed on the most competitive route (Melbourne - Sydney).

Owner-drivers and drivers working for small firms reported more injuries than those employed by larger firms and owner-drivers had a slightly [higher](#) crash rate.

Another [survey](#) of Australian heavy vehicle drivers published in 2014 found:

piece-rate compensation methods were associated with higher levels of fatigue-related driving than non-piece-rate methods. Follow-up analysis also revealed higher caffeine and amphetamines use among piece-rate drivers for the purpose of staying awake while driving.

In that [study](#), the authors found no association between compensation methods and sleepiness.

## What do US studies say?

A US [paper](#) published in 2002 found that driver pay has a strong effect on safety outcomes.

Similarly, a large [survey](#) of long haul truck drivers undertaken by the National Institute for Occupational Safety and Health in the US detailed scheduling pressure on drivers, widespread unsafe driving practices, regulatory non-compliance and failure to report injuries.

Safety outcomes should not be confined to crashes, although understandably these are the focus of policy and public debate. Safety outcomes include unsafe work practices (like excessive hours, speeding, poor maintenance of trucks and use of drugs).

Most of the research has relied on cross-sectional surveys of drivers, meaning they analyse a snapshot of data from a population at a given moment in time (as opposed to longitudinal studies, which follow the same people over time). Cross-sectional surveys can have limitations.

Comparing safety outcomes between employee and owner drivers is also difficult because owner drivers are much more sensitive to market ups and downs. There has been a convergence of conditions between employee and owner-drivers, especially in the small firms (for example, many employee drivers are paid on trip-based rates now and Award non-compliance has also grown due to competitive pressures). Most truck safety studies have not examined this.

Nonetheless, the research findings are clear and consistent.

## Verdict

Albanese was correct. There is persuasive evidence of a connection between truck driver pay and safety. – **Michael Quinlan**

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## Review

This is an excellent brief summary of the literature. Albanese is quite right that “safe rates” gets the public a safer outcome. The literature the expert cites is quite competent (Australians are way ahead of Americans on this) and is some of the same literature I would cite, and have cited, in my own work. I see that this expert has cited my work, which I modestly think is valid and has been peer reviewed.

[Studies](#) my team performed for the US Department of Transportation Federal Motor Carrier Administration in 2002 demonstrated that higher compensation led to significantly safer truck driver performance. For every 10% more in truck driver mileage pay rate, a very large American truckload carrier found that the probability that a driver would have a crash [declined 40%](#).

Research shows this effect is true across carriers. [A cross-sectional study](#) of 102 non-union truckload motor carriers found that for every 10% increase in truckie compensation, carriers' crash rates were 9.2% lower.

In sum, there is ample evidence that supports the relationship between compensation and safety in trucking and across other modes. In my own work, I see it in intercity buses. In others' work, I see it in airlines and even in rail. – **Michael H. Belzer**

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possible.

*Michael Quinlan has received government funding to conduct a NSW truck safety inquiry (2001) and also prepare report assessing evidence on safety and pay link in trucking for the federal government and National Transport Commission in 2008.*

*Michael Belzer received funding from the Federal Motor Carrier Safety Administration of the U.S. No current external funding, but funding for pay and safety study came from the Department of Transportation. Project completed in 2003. Funding for driver health and safety report on 2003 driver safety and health conference came from National Institute for Occupational Safety and Health, Centers for Disease Control and Prevention. Member of Transportation Research Board of the National Academies. President of Great Lakes Gateway, a Michigan Not for Profit Corporation. Member of NIOSH/NORA Sector Council. No other relevant memberships.*

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