VIC/TAS BRANCH
TWU
EVERY TRANSPORT WORKER COUNTS

The TWU and Driver's Committee put together an example of the real costs for owner drivers to present to plant hires in support of minimum rate demands. As you can see they responded with a different view about the costs you face and the money you should make...

Actual Costs 2003 Volvo

Payments	$ 28,404.00
Rego	$ 1,850.00
Truck Insurance	$ 1,500.00
Public Liability	$ 360.00
Risk Assessment	$ 150.00
Fuel	$ 18,450.00
WorkCover	$ 1,800.00
Book keeper	$ 720.00
Accountant	$ 2,600.00
Tyres (1 set per year)	$ 3,500.00
Services (4 per year)	$ 6,400.00
Break downs	$ 7,000.00
Tolls	$ 2,000.00
Phone	$ 1,200.00
Truck parking	$ 1,800.00
Total	**$ 77,734.00**

TWU

Supplied plant hires with this example of costs faced by owner drivers

LANTRACK

Responded with what the company believes your legitimate costs are

	Hours	Rate	
Paid hours on the job	1667.5	$25.84 (award casual plus super)	$ 43,088.20
Travel to the job and pre-trip inspection	410	$28.32 (award overtime)	$ 11,611.20
Greasing	50	$28.32 (award overtime)	$ 1,416.00
Total			**$ 56,115.40**

Truck costs	$ 77,734.00
Labour	$ 56,115.40
Total	**$ 133,849.40**
Paid Hours	1667.5
Rate per hour	$ 80.27

Opposed Argument

Actual costs 2003 Volvo	$ 80,000.00	Better model of that year and make. Still overpriced, but ready to roll out with a Bisalloy tippper body, RWC, 500 Horse power.	http://www.trucksales.com.au/buy/private/SSE-AD-803050/2003-Volvo-FH12?cr=17&psq=%28Year%3Drange%5B2003..2003%5D%26%28%28%28SaleStatus%3D%5BFor%20Sale%5D%26Make%3DVolvo%29%26%28%28%28SiloType%3DDealer%20Used%7CSiloType%3DDealer%20New%29%

Payments	$ 11,580.00	Business loan of $65,000 with a balloon payment of $15,000 over 7 years with a current interest rate of 6.5% (non Competitive research just a straight off the shelf loan)	http://www.nab.com.au/business/calculators-and-tools/business-loan-repayment-calculator
Rego	$ 1,061.00	Rigid Truck over 16.5Tonne GVM	https://www.vicroads.vic.gov.au/registration/registration-fees/heavy-vehicle-fees
Truck Insurance	$ 1,500.00	Varies based on how much you want to insure your vehicle for.	
Public Liability	$ 360.00	Varies based on how much you want to insure your company for.	
Risk Assessment	$ 100.00	Only a must have requirement for major projects. Can get them at $100. Many projects will accept them if they are within the last 24 months.	
Fuel	$ 18,450.00	Fuel cost is a tax deductible amount and can be fully reimbursed based on how much the company made that year. The exact amount subsidised is subject to how the company model is based.	
WorkCover	$ 1,800.00	Workcover is only required by Pty Ltd companies. Sole traders cannot file for workcover insurance.	
Book Keeper	~~$ 720.00~~	From what we have been advised most drivers do not utilise book keepers. They keep all their receipts and provide them to their accountants.	
Accountant	$ 1,200.00	I would recommend your client finds another accountant. Drivers that we asked advised us that the annual costs of their accountants are around the $1200/annum mark.	
Tyres (1 Set Per Year)	$ 3,500.00	What kind of tyres for what type of work? How did you come to that amount.	
Services (4 Per Year)	$ 6,400.00	What types of services is this cost made up of? Standard oil and filter changes or major services such as timing chains etc?	
Break Downs	$ 1,000.00	No one can put a cost on break downs, as proper maintenance will ensure there isnt any break downs. There are drivers that may not have had any breakdowns at all. Yes this may occur as they are machines and from time to time they may break down but that's why they have insurance. Insurance can cover these items should there be a requirement.	
Tolls	~~$ 2,000.00~~	Case by case scenario. Tolls not only are used on every project, but are also something owner drivers decide whethere they would like to undertake at the time of accepting the job. Each business owner makes the decision whether that job is suitable to their business model.	
Phone	~~$ 1,200.00~~	Phone is not strictly business. If it is only for business then it can be a tax write off.	
Truck Parking	~~$ 1,800.00~~	Not everyone utilises truck parking that is chargable to them. Each scenario is different.	
	$ 46,951.00		

	Hours	Rate		
Pair Hours on the Job	1667.5	**$25.84** (award casual plus super)		$ 43,088.20
Travel to the job and pre trip inspection	~~410~~	~~$28.32 (award overtime)~~	**Not Applicable.** When you engage a courier and/or their company, you are charged from time of pickup not from the time they left the yard. Noone gets paid for getting to work and going home. Pre trip maintenance is also a licence requirement so charging for it is not something chargable to a customer.	~~$ 11,611.20~~
Greasing	~~50~~	~~$28.32 (award overtime)~~	**Not Applicable.** This is for maintenance of their own equipment. If we are under the presumption that the equipment is not already greased prior to arriving to the job then the contractor is providing equipment which is not properly maintained in the first place.	~~$ 1,416.00~~
Total				**$ 43,088.20**

Truck Costs	$ 46,951.00
Labour	$ 43,088.20
Total	**$ 90,039.20**
Paid Hours	$ 1,667.50
Rate per Hour	**$ 54.00**