INDUSTRIAL RELATIONS (CONTRACTS OF CARRIAGE) AMENDMENT ACT 1994 No. 40

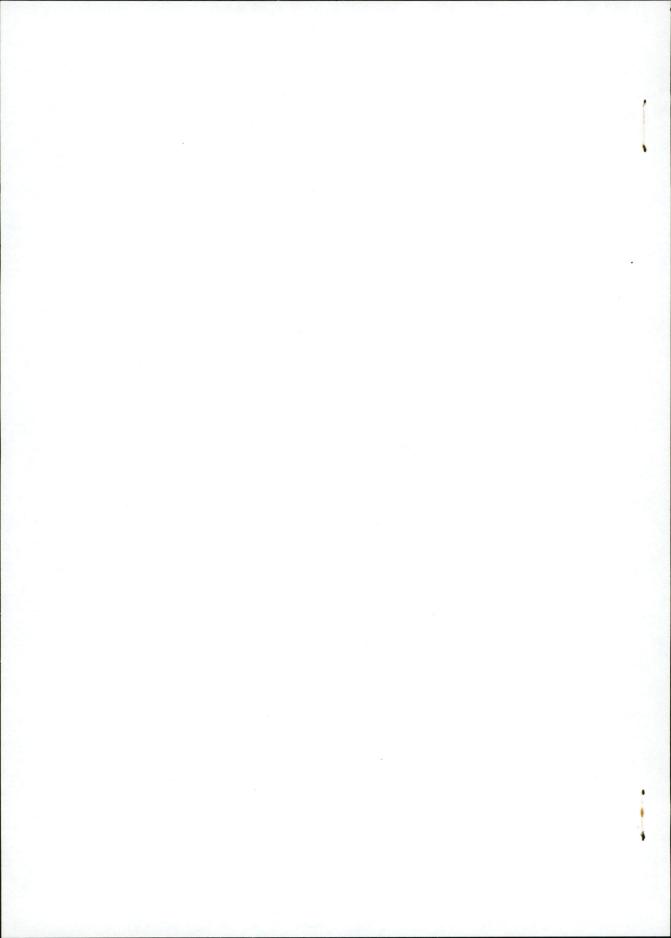
NEW SOUTH WALES



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SCHEDULE 1-AMENDMENTS



INDUSTRIAL RELATIONS (CONTRACTS OF CARRIAGE) AMENDMENT ACT 1994 No. 40

NEW SOUTH WALES



Act No. 40, 1994

An Act to amend the Industrial Relations Act 1991 to make provision for the payment of compensation in respect of the termination of certain contracts of carriage arrangements; and for other purposes. [Assented to 2 June 1994]

The Legislature of New South Wales enacts:

Short title

1. This Act may be cited as the Industrial Relations (Contracts of Carriage) Amendment Act 1994.

Commencement

2. This Act commences on a day or days to be appointed by proclamation.

Amendment of Industrial Relations Act 1991 No. 34

3. The Industrial Relations Act 1991 is amended as set out in Schedule 1.

SCHEDULE 1—AMENDMENTS

(Sec. 3)

(1) Chapter 6, Part 5A:

After section 697, insert:

PART 5A—COMPENSATION FOR TERMINATION OF CERTAIN CONTRACTS OF CARRIAGE

Definitions

697A. In this Part:

- "carrier" means a person, partnership or body corporate who or which supplies services;
- "contract of carriage" has the meaning given by section 663;
- "head contract of carriage" means an agreement, arrangement or practice under which a principal contractor and carrier agree that the carrier is to provide services exclusively and on an agreed regular basis for the principal contractor;
- "President" means the President of the Industrial Relations Commission;
- "previous carrier" means a previous carrier as referred to in section 697B (1) (a);

- "previous principal contractor", in relation to a previous carrier, means the principal contractor immediately preceding the principal contractor referred to in section 697B (1) (a) to whom the previous carrier provided services under the relevant head contract of carriage;
- "principal contractor" has the meaning given by section 660:
- "services" means services performed under a contract of carriage;
- "termination" has its ordinary common law meaning, and includes conduct by a principal contractor, being conduct resulting from factors within the control of the principal contractor, the effect of which is to alter the head contract of carriage in a manner which imposes serious financial disadvantage on the carrier;
- "Tribunal" means the Contract of Carriage Tribunal established by this Part.

Claim for compensation

- 697B. (1) A carrier whose head contract of carriage is terminated by a principal contractor may claim compensation from the principal contractor if:
 - (a) the carrier entered into the head contract of carriage by arrangement with a previous carrier whose provision of services to the principal contractor was replaced by the carrier; and
 - (b) under the terms of the arrangement between the previous carrier and the carrier, a sum of money was paid by the carrier to the previous carrier as a premium or fee in connection with the entry into the head contract of carriage by the carrier; and
 - (c) it is a custom and practice in the relevant section of the industry or business of the principal contractor that such a premium or fee be paid; and
 - (d) the principal contractor knew or ought reasonably to have known that such a premium or fee had been paid to the previous carrier; and

- (e) the principal contractor failed to take reasonable steps to advise the carrier that it was not a requirement of the principal contractor that such a payment be made or requested.
- (2) Where a carrier, working exclusively for a principal contractor, performs minor and or incidental work for another person, the carrier shall not be prohibited from making a claim under this section.

Tribunal

- 697C. (1) There is established by this Part a Contract of Carriage Tribunal.
- (2) Except as provided by subsection (3), the Tribunal is constituted by a Presidential Member sitting alone.
- (3) In the case of arbitration proceedings under this Part, the Tribunal is, for the purposes of the proceedings, constituted by a Presidential Member and two part-time members nominated by the Presidential Member, one from each of the arbitration panels.
- (4) There are to be 2 arbitration panels, one consisting of persons appointed by the Minister to represent principal contractors and the other appointed by the Minister to represent carriers.
- (5) The members of the panels are to be persons who, in the opinion of the Minister, are qualified to represent the interests of principal contractors and carriers respectively.
- (6) The Minister may invite any person or body to nominate persons for appointment to an arbitration panel.
- (7) The Minister may specify the period within which, and the manner in which, such a nomination may be made.
 - (8) A person is not to be nominated to the Tribunal until:
 - (a) each party to the arbitration proceedings concerned has been notified of the proposed nomination and of the period in which the party may veto the nomination; and
 - (b) either the period has ended without the nomination being vetoed or each party has notified the Presidential Member that the party has decided not to veto the proposed nomination.

(9) A part-time member is entitled to be paid such remuneration (including travelling and subsistence allowances) as the Minister may from time to time determine with respect to the part-time member.

Compulsory conference with respect to claims

- 697D. (1) When a head contract of carriage is terminated, the carrier may notify the Industrial Registrar of any claim for compensation in respect of the termination.
- (2) Notification may be given by any person who might take proceedings instead of a carrier under section 691 (2).
- (3) Notification must be made within 28 days or such further period of up to 3 months as the President may allow by special leave.
 - (4) On notification, the Registrar must notify the President.
- (5) The President is to deal with the matter personally or assign the matter to another Presidential Member.
- (6) A claim for compensation is to proceed by conciliation in the first instance.
- (7) The Tribunal, when attempting conciliation, is to do everything that to it seems proper to assist the parties to settle the claim. If a settlement is not achieved but further discussions are, in the opinion of the Tribunal, likely to produce a settlement, the Tribunal may arrange conferences of the parties or their representatives (whether or not presided over by the Tribunal).
- (8) If the parties reach an agreement, the Tribunal may make a determination in accordance with the agreement, which is to be in full settlement of the claim.
- (9) The Tribunal may summon a person to a compulsory conference:
 - (a) to confer; or
 - (b) to produce documents,

in an endeavour to bring the parties to a settlement which will determine the matter concerned.

(10) The Tribunal may direct that any person (including, but not limited to, a previous principal contractor) who or

which is not a party to the notification referred to in subsection (3) is to be a party to a compulsory conference held under this section.

- (11) If conciliation does not settle the claim, the Tribunal is to deal with it by arbitration in accordance with section 697E (subject to subsection (12)).
- (12) A Presidential Member who has exercised conciliation powers in respect of a claim under this section is not to arbitrate the claim if a party to the arbitration proceedings objects.
- (13) The Tribunal is not taken to have exercised conciliation powers in relation to a claim merely because:
 - (a) the Tribunal attempted conciliation after having begun to exercise arbitration powers; or
 - (b) the Tribunal arranged for a conference of the parties involved in the claim, or their representatives, to be presided over by the Tribunal but the conference did not take place or was not presided over by the Tribunal: or
 - (c) the Tribunal arranged for the parties or their representatives to confer among themselves at a conference at which the Tribunal was not present.
- (14) If a party objects to a Presidential Member arbitrating a claim under subsection (12), the matter is to be referred to the President who is to assign it to another Presidential Member. That Member is to constitute the Tribunal and proceed to arbitrate the claim.

Arbitration of claim

- 697E. (1) The Tribunal may determine that compensation is payable in relation to a claim only if it is satisfied that the termination of the head contract of carriage concerned was unfair, harsh or unconscionable.
- (2) The Tribunal may direct that any person (including, but not limited to, a previous principal contractor) who or which is not a party to a claim notified to the Industrial Registrar under section 697D (1), is to be a party to the arbitration proceedings.

- (3) Subject to subsection (4), the Tribunal may order that a carrier, previous carrier, principal contractor or previous principal contractor joined as such a party is liable to pay solely, or jointly with another party or parties, compensation under this Part.
- (4) In determining whether or not compensation is payable and, if so, the amount of compensation, the Tribunal is to have regard to the following matters:
 - (a) the amount of the premium or fee paid by the carrier as referred to in section 697B;
 - (b) any amount paid to the carrier by the principal contractor (including but not limited to redundancy payments) in respect of the termination of the head contract of carriage, whether or not such payment was made expressly on account of the payment of that premium or fee;
 - (c) the duration of the head contract of carriage;
 - (d) the likelihood of the carrier being able to use the motor vehicle required by the head contract of carriage for other types of work, and the availability of any such work;
 - (e) the re-sale value of the motor vehicle;
 - (f) the preparedness of the principal contractor to guarantee a flow of work to the carrier for a specified period in the future.
- (5) If the Tribunal determines that compensation is payable by more than one party, the Tribunal is to determine the respective proportions of the total sum to be paid by each.
- (6) Quantification of any compensation is to be approached as though in a claim for damages for breach of contract and compensation is payable only in respect of pecuniary loss resulting from termination of the head contract of carriage. Without limiting the amount of compensation that may be determined to be payable, compensation may include the whole or a part of the amount of premium or fee paid by the carrier.

- (7) A claim for compensation may not be dealt with by the Tribunal if the claim (however described) is the subject of an application before, or has been determined by, any court or other tribunal.
- (8) The Tribunal must not make a determination under this Part if the determination has the effect of altering or varying an agreement registered under Part 3, or a determination made under Part 4, of this Chapter.

Appeal from Tribunal

697F. There is a right of appeal from a determination of the Tribunal and for that purpose the provisions of Divisions 1 and 2 of Part 4 (Appeals etc.) of Chapter 4 apply to a decision, order or direction of a Tribunal under this Part in the same way as the provisions apply to a decision, order or direction of the Commission.

Reference to Industrial Court by Tribunal on question of

- 697G. (1) The Tribunal may, on its own initiative but not on the application of a party, refer a question of law arising in a matter before the Tribunal for the opinion of the Full Industrial Court.
- (2) Unless the question referred to the Full Industrial Court is whether the Tribunal may exercise powers in relation to the matter, the Tribunal may, despite the reference, make a decision, order or direction in relation to the matter.
- (3) On the determination of the question by the Full Industrial Court, the Tribunal:
 - (a) may, if it has not made a decision, order or direction in relation to the matter, make a decision, order or direction not inconsistent with the determination of the Full Industrial Court; or
 - (b) must, if it has made a decision, order or direction in relation to the matter, vary the decision, order or direction to make it consistent with the determination of the Full Industrial Court.
- (4) If a decision, order or direction is varied under subsection (3), an appeal does not lie on the question of law with which it has been made consistent.

(5) The Full Industrial Court may, on application, prohibit any proceedings pending before the Tribunal that the Tribunal does not have jurisdiction to entertain.

Costs

697H. The Tribunal may make an order for the payment of costs only if the Tribunal dismisses a claim on the ground that it is frivolous or vexatious, or was commenced without reasonable cause, or the Tribunal considers a party to have unreasonably refused to accept an offer of settlement of the claim.

Representation of parties

- 697I. (1) A party to proceedings before the Tribunal may appear personally or be represented by a legal practitioner or by an agent who is not a legal practitioner, by an employee or officer of an association of employing contractors, or by an employee or officer of an association of contract carriers.
- (2) However, a party is not entitled to be represented in conciliation proceedings by a person who is a legal practitioner without the leave of the Tribunal.
- (3) The leave of the Tribunal is not required if the legal practitioner represents a member of an association of employing contractors or an association of contract carriers and is an officer or employee of such an association.
- (4) The Tribunal may allow any party appearing before it the services of an interpreter.
 - (5) In this section:
 - "legal practitioner" means a practising barrister or practising solicitor.

Finality of decision

- 697J. Subject to the exercise of a right of appeal under this Part, and to section 697G, a determination of the Tribunal:
 - (a) is final; and
 - (b) may not be vitiated merely because of an informality or want of form; and

(c) may not be appealed against and may not be reviewed, quashed or called in question whether by a writ or order in nature of certiorari or prohibition or otherwise, by any court or tribunal.

Contracting out prohibited in certain circumstances

- 697K. (1) The provisions of this Part have effect despite any stipulation to the contrary.
- (2) No contract or agreement made or entered into before or after the commencement of this Part operates to annul, vary or exclude any of the provisions of this Part.

Application of Part

697L. This Part applies despite any other provisions of this Act.

General procedure of Tribunal

697M. (1) The Tribunal:

- (a) may, subject to this Part, determine its own procedure; and
- (b) is to act as quickly as is practicable; and
- (c) is not bound to act in a formal manner; and
- (d) is not bound by the rules of evidence and may inform itself on any matter in any way that it considers to be just; and
- (e) is to act according to equity, good conscience and the substantial merits of the case without regard to technicalities or legal forms; and
- (f) may, subject to section 697P, conduct its proceedings publicly or privately.
- (2) Each part-time member of a Tribunal has one vote.
- (3) If the part-time members both vote for or against a motion, the decision is the decision of the Tribunal.
- (4) If the part-time members do not both vote for or against a motion, the Presidential Member is to decide the question and the decision of the Presidential Member is the decision of the Tribunal.

- (5) Section 362 applies to an arbitration under this Part.
- (6) Rules may be made relating to the practice and procedure of (and other matters relating to) the Tribunal.

Adjournment of proceedings

- 697N. (1) The Tribunal may adjourn proceedings to any time and place.
- (2) The Tribunal may, at any stage, adjourn a matter before it to enable the parties to negotiate an amicable settlement of the matter.
- (3) If proceedings are not able to proceed because of the absence of a member of the Tribunal, the Industrial Registrar is to adjourn the proceedings to a time that the Industrial Registrar considers to be convenient.

Parties to negotiate in good faith

- 697O. (1) Persons who engage in negotiations with respect to claims for compensation under this Part are required to act in good faith.
- (2) The Tribunal is to take into account the extent to which the requirement to act in good faith has been observed by the persons concerned when the Tribunal decides:
 - (a) whether or not to exercise any of its functions; or
 - (b) which of any alternative functions the Tribunal will exercise in that regard; or
 - (c) how any such function should be exercised.
- (3) This section is not intended to create an offence or to render any award, order or other decision void or voidable.

Trade secrets etc. tendered as evidence

- 697P. (1) In arbitration proceedings before the Tribunal:
- (a) the person entitled to a trade secret may object that information tendered as evidence relates to the trade secret; or
- (b) a witness or party may object that information tendered as evidence relates to the profits or financial position of the witness or party.

- (2) If an objection is made under subsection (1) to information tendered as evidence, the information may be given as evidence only under a direction of the Tribunal.
- (3) If information is given as evidence under subsection (2), it must not be published in any newspaper, or otherwise.
- (4) If the Tribunal directs that information relating to a trade secret or to the profits or financial position of a witness or party is to be given in evidence, the evidence must be taken in private if the person entitled to the trade secret, or the witness or party, so requests.
- (5) The Tribunal may direct that evidence given in a proceeding before it, or the contents of a document produced for inspection, not be published.
- (6) A person who contravenes this section or a direction under this section is guilty of an offence.

Maximum penalty: 100 penalty units.

Enforcement

697Q. Any compensation payable under this Part may be recovered by the carrier concerned as a debt in any court of competent jurisdiction.

(2) Schedule 2 (Savings, transitional and other provisions):

- (a) Omit clause 2 (1) and (2), insert:
 - 2. (1) The regulations may make provision of a savings or transitional nature consequent on the enactment of the following Acts:

this Act

the Industrial Relations (Contracts of Carriage)
Amendment Act 1994

(2) A provision referred to in subclause (1) may, if the regulations so provide, take effect from the date of assent to the Act concerned or a later date.

(b) After Part 3, insert:

PART 4—PROVISIONS CONSEQUENT ON ENACTMENT OF INDUSTRIAL RELATIONS (CONTRACTS OF CARRIAGE) AMENDMENT ACT 1994

Transitional provision

19. An amendment to this Act made by the Industrial Relations (Contracts of Carriage) Amendment Act 1994 applies to the termination of a head contract of carriage that occurs on or after the commencement of that amendment, and so applies whether the head contract of carriage was entered into before or after that commencement.

[Member's second reading speech made in— Legislative Assembly on 14 April 1994

Minister's second reading speech made in— Legislative Council on 12 May 1994]

INDUSTRIAL RELATIONS (CONTRACTS OF CARRIAGE) AMENDMENT BILL 1994

NEW SOUTH WALES



EXPLANATORY NOTE

(This Explanatory Note relates to this Bill as introduced into Parliament)

The object of this Bill is to amend the Industrial Relations Act 1991:

- (a) to allow certain contract carriers to claim compensation from principal contractors on the termination of contract of carriage arrangements for the loss suffered, or the loss that may be suffered, by the carriers as a result of the termination of the contract of carriage arrangements; and
- (b) to provide for the arbitration of disputes arising out of such claims for compensation.

A new Part is to be inserted into Chapter 6 of the Industrial Relations Act 1991 (proposed Part 5A).

The Part provides that a claim for compensation may be made by a contract carrier if the carrier paid goodwill (explained in proposed section 697A) in respect of the contract of carriage arrangement (also explained in proposed section 697A) and the arrangement is terminated by a principal contractor or by the contract carrier primarily for reasons beyond the control of the carrier.

A contract carrier whose contract of carriage arrangement has been terminated in such circumstances may claim compensation even though the contract carrier has not paid goodwill if, because of custom or general practice in the relevant transport business of the principal contractor, compensation is payable to the contract carrier as a result of the termination.

The Part also provides for the following:

- (a) the time within which claims are to be referred to arbitration;
- (b) the conditions to be met before the dispute can be arbitrated (e.g. the dispute has been referred to mediation but the mediation has been unsuccessful);
- (c) the constitution and functions of the arbitration panel;
- (d) procedural matters relating to the conduct of the arbitration;

- (e) matters to be taken into account by the arbitration panel in determining the amount of compensation to be paid;
- (f) determination of the amount of compensation to be awarded if the arbitration panel cannot reach agreement;
- (g) the right of appeal to the Full Industrial Court on questions of law arising out of the arbitration;
- (h) the payment of the arbitration panel's fees and expenses;
- (i) prohibiting "contracting out" provisions in any contract or agreement except in certain circumstances;
- (j) the disputes arising out of matters occurring before the commencement of the proposed Act that may be referred to arbitration.

Clause 1 specifies the short title of the proposed Act.

Clause 2 provides for the commencement of the proposed Act on the date of assent.

Clause 3 is a formal provision that gives effect to Schedule 1 which contains the amendments described above.

INDUSTRIAL RELATIONS (CONTRACTS OF CARRIAGE) AMENDMENT BILL 1994

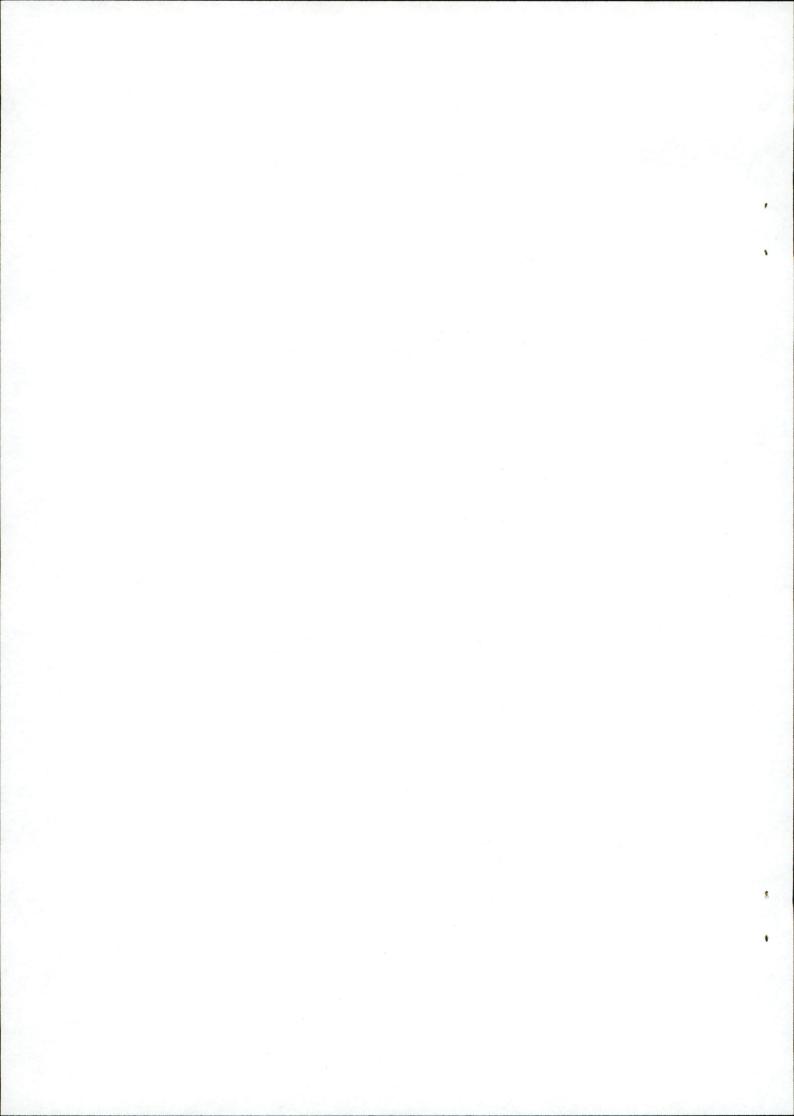
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SCHEDULE 1—AMENDMENTS



INDUSTRIAL RELATIONS (CONTRACTS OF CARRIAGE) AMENDMENT BILL 1994

NEW SOUTH WALES



No. , 1994

A BILL FOR

An Act to amend the Industrial Relations Act 1991 to make provision for the payment of compensation in respect of the termination of certain contracts of carriagearrangements; and for other purposes.

The Legislature of New South Wales enacts:

Short title

1. This Act may be cited as the Industrial Relations (Contracts of Carriage) Amendment Act 1994.

5 Commencement

2. This Act commences on the date of assent.

Amendment of Industrial Relations Act 1991 No. 34

3. The Industrial Relations Act 1991 is amended as set out in Schedule 1.

SCHEDULE 1—AMENDMENTS

(Sec. 3)

(1) Chapter 6, Part 5A (sections 697A-697O): After section 697, insert:

PART 5A—COMPENSATION FOR TERMINATION OF CERTAIN CONTRACT OF CARRIAGE ARRANGEMENTS

Definitions

697A. (1) General. In this Part:

"arbitration panel" means an arbitration panel constituted under this Part;

"contract carrier" means a person who is a party to a contract of carriage arrangement with a principal contractor;

"contract of carriage arrangement" includes:

(a) a contract of carriage; or

(b) an arrangement, understanding, custom or general practice, in the industry concerned, under which a contract carrier or group of contract carriers is led to believe that the carrier or carriers will receive a flow of work, under a contract of carriage or contracts of carriage or otherwise, from a principal contractor;

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disadvantage of the carrier concerned.

SCHEDULE 1—AMENDMENTS—continued

contract carrier enters into a contract of carriage arrangement;

"termination", in relation to a contract of carriage arrangement, includes a variation, or other change, of a contract of carriage arrangement made by a principal contractor that results in a change in the flow of work available under the arrangement to the financial

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"principal contractor" includes a person with whom a

- (2) Goodwill. For the purposes of this Part, "goodwill", in relation to a contract of carriage arrangement, exists if a contract for the sale of a vehicle to be used under a contract of carriage arrangement makes express or implied provision for the payment of a price for goodwill by the contract carrier who purchases the vehicle.
- (3) Parties to a contract of carriage arrangement. For the purposes of this Part, a contract carrier is taken to be a party to a contract of carriage arrangement with a principal contractor if the contract carrier has become a contract carrier under a contract of carriage arrangement by way of succession or as a result of:
 - (a) the contract carrier's rights under the arrangement having been assigned to the contract carrier by a previous contract carrier; or
 - (b) the principal contractor's rights under the arrangement having been assigned to the principal contractor by a previous principal contractor,

in addition to any other way in which such an arrangement may be entered into or rights under such an arrangement may arise.

Entitlement to compensation from principal contractor

697B. (1) A contract carrier:

- (a) whose contract of carriage arrangement is terminated by a principal contractor; or
- (b) who terminates his or her contract of carriage arrangement primarily for reasons beyond the control of the contract carrier,

is entitled to claim compensation from the principal contractor in accordance with this Part if the contract carrier has paid goodwill. (2) However, even if a contract carrier has not paid 5 goodwill, the contract carrier may claim compensation from a principal contractor if, because of custom or general practice in the relevant transport business of the principal contractor, compensation is payable to the contract carrier as a result of the termination of the contract of carriage arrangement. 10 Entitlement to compensation from principal contractor or previous principal contractor 697C. (1) In this section: "current arrangement" means a contract of carriage arrangement between a principal contractor and a 15 contract carrier: "previous principal contractor" means a person by whom a contract carrier had been employed or contracted to perform the work or work of a kind to 20 which a current arrangement relates; "principal contractor" means a principal contractor with whom a contract carrier is to perform work under a current arrangement. (2) If a current arrangement is terminated because a previous principal contractor has terminated any contract or 25 other arrangement between the previous principal contractor and the principal contractor for the performance of the whole or part of the work to which a current arrangement relates, the contract carrier concerned is entitled to claim 30 compensation from either the previous principal contractor or the principal contractor, or both. (3) A reference in this Part (other than this section) to a principal contractor includes a reference to a previous principal contractor for the purposes of enabling a claim to be made against a previous principal contractor when this 35 section applies.

(4) Nothing in this section affects any rights of contribution as between a previous principal contractor and a principal contractor in relation to compensation paid to a

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contract carrier.

Arbitration of claim

697D. (1) Any dispute concerning a contract carrier's entitlement to compensation under this Part may be referred to arbitration under the Commercial Arbitration Act 1984, by either party to the contract of carriage arrangement, within 1 year after the arrangement is terminated.

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- (2) Such a dispute may not be referred to arbitration unless:
 - (a) a claim for compensation has been lodged with the principal contractor setting out the loss suffered, or likely to be suffered, by the contract carrier as a result of the termination of the arrangement; and
 - (b) an attempt has been made to mediate the dispute under the Community Justice Centres Act 1983 or by some other means but the mediation has been unsuccessful; and
 - (c) if other legal proceedings are pending for compensation in respect of the same termination—a written undertaking is provided, by the party or parties who commenced those proceedings, that those proceedings will be withdrawn or discontinued before the arbitration commences.
- (3) Any dispute concerning the apportionment of compensation payable by both a previous principal contractor and a principal contractor in the circumstances referred to in section 697C may be referred to arbitration in accordance with this section by the contract carrier concerned, the previous principal contractor or the principal contractor.
- (4) Section 24 (Specific performance) of the Commercial Arbitration Act 1984 does not apply to the arbitration.

Constitution of arbitration panel

697E. (1) An arbitration is to be carried out by an arbitration panel constituted under this Part.

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whom:

(a) 1 is to be a person nominated by the registered association of employing contractors for the class of contract of carriage arrangement concerned or, if there is no such association, by the principal contractor concerned; and

(2) The arbitration panel is to consist of 3 members, of

- (b) 1 is to be a person nominated by the Secretary of the Transport Workers' Union of Australia (NSW Branch);
- (c) 1 is to be a Presidential Member of the Commission nominated by the President of the Commission.
- (3) The member referred to in subsection (2) (c) is to be the presiding member.

Arbitration panel-functions and procedural matters

697F. (1) An arbitration panel to which a dispute is referred under section 697D (1) is to determine:

- (a) in the case of a contract carrier who has paid goodwill—whether in all the circumstances, it is fair and equitable that compensation be paid to the contract carrier; or
- (b) in the case of a contract carrier who has not paid goodwill—whether, because of custom or general practice in the relevant transport business of the principal contractor, it is fair and equitable that the contract carrier be paid compensation despite the fact that the contract carrier has not paid goodwill.
- (2) If the arbitration panel makes a determination referred to in subsection (1), the panel is then to determine the amount of compensation to be paid to the contract carrier concerned.
- (3) An arbitration panel to which a dispute is referred under section 697D (3) is to determine the apportionment of compensation payable by the previous principal contractor and the principal contractor concerned if the panel determines that compensation is payable by both.

 (4) An arbitration panel may decline to deal with a dispute if the matters proposed to be determined by the panel have been previously determined by a court or tribunal. (5) The question of whether, in all the circumstances, it is fair and equitable for compensation to be paid in a particular dispute is to be determined by an arbitration panel after hearing all the evidence on the merits of the dispute. 	5
Matters to be taken into account by arbitration panel in	10
determining compensation 697G. In determining the amount of compensation (if any) to be paid, an arbitration panel is to have regard to the following matters:	10
 (a) the amount paid by the contract carrier for goodwill, if appropriate; 	15
 (b) the loss suffered or likely to be suffered by the contract carrier as a consequence of the termination of the contract of carriage arrangement; 	
(c) any previous decision of a court or tribunal in respect of that loss;	20
 (d) any amount that has been paid to the contract carrier, or to which the contract carrier is otherwise entitled, as compensation for that loss; 	
(e) any amount that has been paid to the contract carrier, or to which the contract carrier is otherwise entitled, in the nature of a redundancy payment (however described) or other payment on termination under the contract of carriage arrangement;	25
 (f) the type of contract of carriage arrangement the contract carrier had with the principal contractor and the duration of the arrangement; 	30
 (g) the preparedness of the principal contractor to guarantee a flow of work to the contract carrier for a specified period in the future and the conditions of that guarantee; 	35
(h) the relationship between the contract carrier and the principal contractor;	

- (i) the conduct of the contract carrier and the principal contractor;
- (j) the likelihood of the contract carrier being able to use the vehicle concerned for other types of work and the availability of any such work;
- (k) the resale value of the vehicle;

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- (l) whether the contract of carriage arrangement was terminated by the principal contractor on the ground that the contract carrier had been dishonest, grossly negligent or reckless in the manner in which the contract carrier performed the work under the arrangement or had been guilty of serious and wilful misconduct;
- (m) any other matters the panel considers relevant.

Determination of amount of compensation if no agreement by arbitration panel

697H. (1) If an arbitration panel determines that compensation is to be paid to a contract carrier, the amount of compensation agreed on by at least 2 members of the panel is the amount to be paid.

(2) If at least 2 members of the arbitration panel are unable to agree on the amount of compensation to be paid, the amount to be paid is the amount specified by the presiding member.

Arbitration panel not to make certain determinations

697I. (1) An arbitration panel must not make a determination under this Part if the determination has the effect of altering or varying an agreement between the principal contractor concerned (or an association of employing contractors of which the principal contractor is a member) and the Transport Workers' Union of Australia (NSW Branch) that has been registered under Part 3 or was registered under section 91H of the Industrial Arbitration Act 1940.

(2) A determination made contrary to this section has no effect.

Appeal on question of law

697J. (1) A party to an arbitration under this Part may appeal to the Full Industrial Court on a question of law arising out of the arbitration.

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- (2) An appeal may only be made within 28 days after the date on which the party making the appeal is served with notice of the arbitration panel's determination.
- (3) Sections 38 to 41 of the Commercial Arbitration Act 1984 do not apply to an arbitration under this Part.

Fees and expenses of arbitration panel

- 697K. (1) Despite section 34 of the Commercial Arbitration Act 1984, the fees and expenses of an arbitration panel in respect of an arbitration under this Part are, subject to this section, to be met by the principal contractor concerned in the arbitration.
- (2) If an arbitration panel believes that a referral to it was frivolous or vexatious, the panel may direct the party who referred the matter to it to pay all costs, or such part of the costs, of the arbitration as the panel thinks appropriate.

Nothing in Part to affect rights of estate of deceased contract carrier

697L. Nothing in this Part affects any law that entitles a legal personal representative of a deceased contract carrier to deal with the deceased's interest in the contract of carriage arrangement.

Contracting out prohibited in certain circumstances

- 697M. (1) The provisions of this Part have effect despite 30 any stipulation to the contrary.
- (2) No contract or agreement made or entered into before or after the commencement of this Part operates to annul, vary or exclude any of the provisions of this Part.

- (3) However, this section does not apply to a contract or agreement made or entered into after the commencement of this Part that operates to annul, vary or exclude any of the provisions of this Part if the contract or agreement is referred by a party to an arbitration panel and the panel determines that the contract or agreement is fair and reasonable in all the circumstances.
- (4) Sections 697I and 697K apply to a determination under subsection (3).

Application of Part

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697N. This Part applies despite any other provision of this Act.

Transitional provisions

- 6970. (1) This Part applies to the termination of a contract of carriage arrangement that occurred on or after 1 December 1990.
- (2) Despite subsection (1), an arbitration panel may determine that this Part applies to the termination of a contract of carriage arrangement that occurred before 1 December 1990 but after 1 December 1989, if the panel is of the opinion that it is just and equitable in all the circumstances for this Part to apply to the termination.
 - (3) This Part applies:
 - (a) to a termination of a contract of carriage arrangement referred to in subsection (2); or
 - (b) to a termination of a contract of carriage arrangement that occurred on or after 1 December 1990 and before the date of commencement of the Industrial Relations (Contracts of Carriage) Amendment Act 1994,

as if the termination had occurred on the date of commencement of the Industrial Relations (Contracts of Carriage) Amendment Act 1994.

(2) Schedule 2 (Savings, transitional and other provisions):

Omit clause 2 (1) and (2), insert:

2. (1) The regulations may make provision of a savings or transitional nature consequent on the enactment of the following Acts:

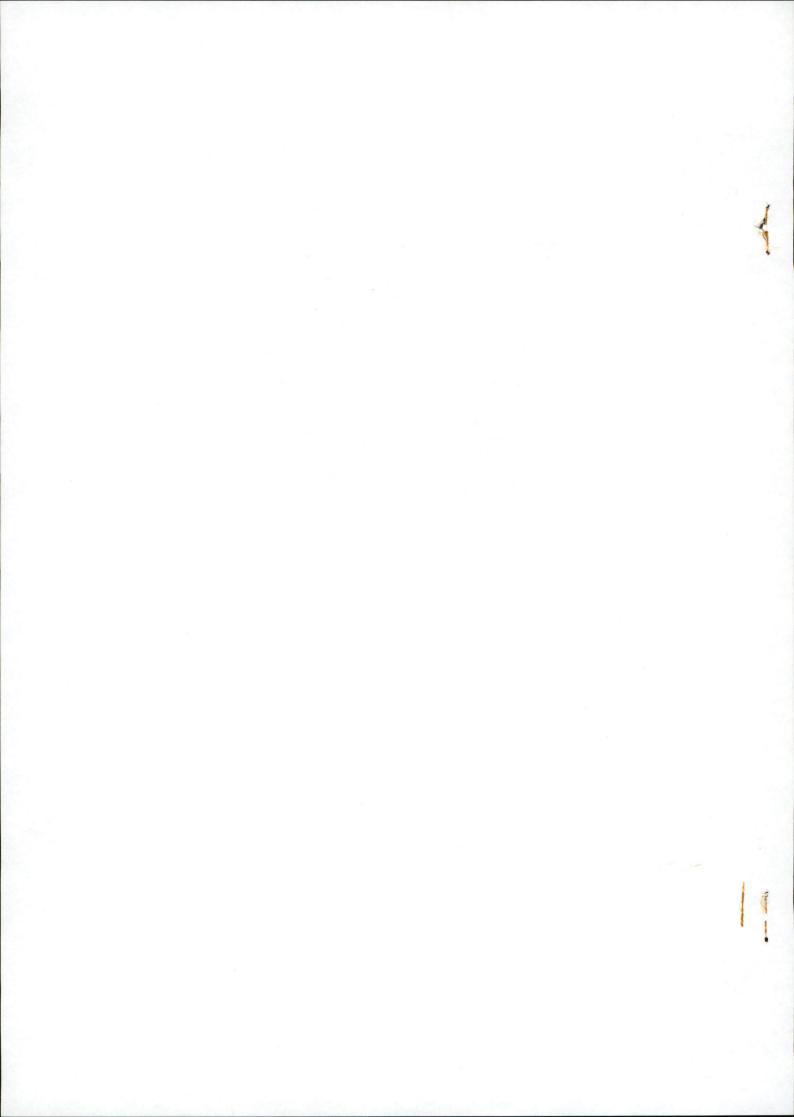
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this Act

the Industrial Relations (Contracts of Carriage)
Amendment Act 1994

(2) A provision referred to in subclause (1) may, if the regulations so provide, take effect from the date of assent to the Act concerned or a later date.

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INDUSTRIAL RELATIONS (CONTRACTS OF CARRIAGE) AMENDMENT BILL 1994

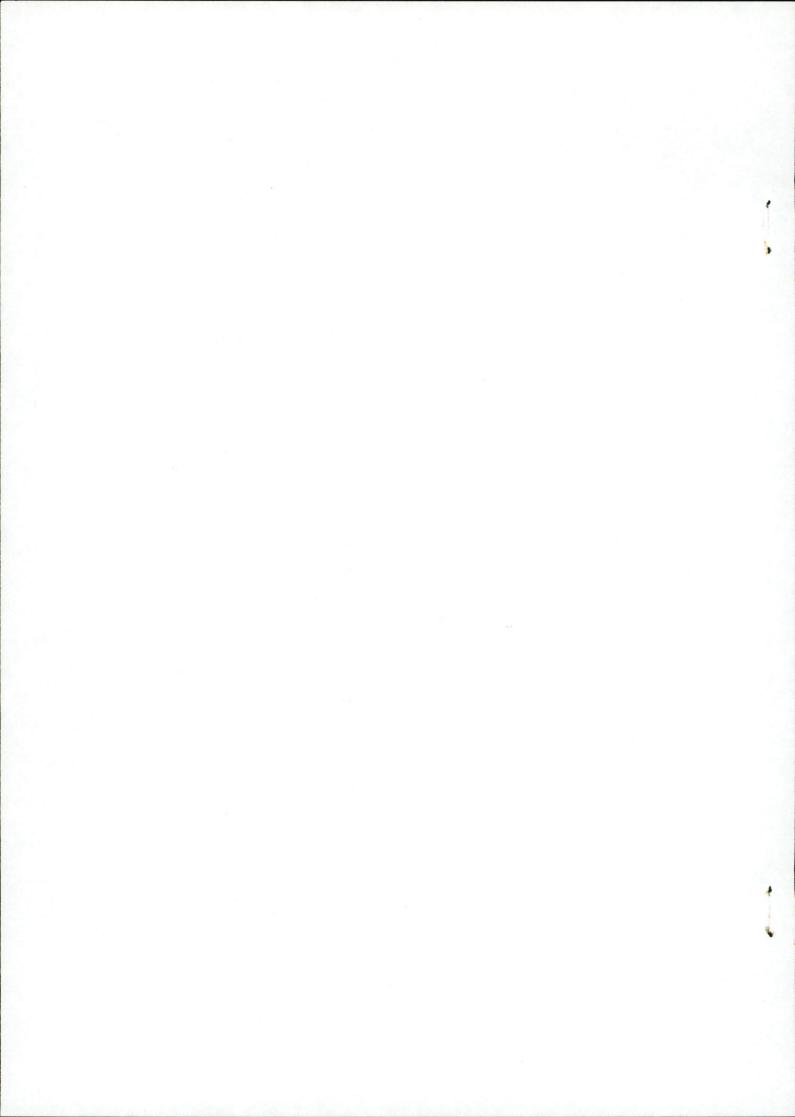
NEW SOUTH WALES



TABLE OF PROVISIONS

- 1. Short title
- 2. Commencement
- 3. Amendment of Industrial Relations Act 1991 No. 34

SCHEDULE 1—AMENDMENTS



This Public Bill, originated in the Legislative Assembly and, having this day passed, is now ready for presentation to the Legislative Council for its concurrence.

Clerk of the Legislative Assembly.

Legislative Assembly

NEW SOUTH WALES



Act No. , 1994

An Act to amend the Industrial Relations Act 1991 to make provision for the payment of compensation in respect of the termination of certain contracts of carriage arrangements; and for other purposes.

The Legislature of New South Wales enacts:

Short title

1. This Act may be cited as the Industrial Relations (Contracts of Carriage) Amendment Act 1994.

5 Commencement

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2. This Act commences on a day or days to be appointed by proclamation.

Amendment of Industrial Relations Act 1991 No. 34

3. The Industrial Relations Act 1991 is amended as set out in 10 Schedule 1.

SCHEDULE 1—AMENDMENTS

(Sec. 3)

(1) Chapter 6, Part 5A:

After section 697, insert:

PART 5A—COMPENSATION FOR TERMINATION OF CERTAIN CONTRACTS OF CARRIAGE

Definitions

697A. In this Part:

- "carrier" means a person, partnership or body corporate who or which supplies services;
- "contract of carriage" has the meaning given by section 663:
- "head contract of carriage" means an agreement, arrangement or practice under which a principal contractor and carrier agree that the carrier is to provide services exclusively and on an agreed regular basis for the principal contractor;
- "President" means the President of the Industrial Relations Commission;
- "previous carrier" means a previous carrier as referred to in section 697B (1) (a);

"previous principal contractor", in relation to a previous carrier, means the principal contractor immediately preceding the principal contractor referred to in section 697B (1) (a) to whom the previous carrier provided services under the relevant head contract of carriage; "principal contractor" has the meaning given by section	5
660;	
"services" means services performed under a contract of carriage;	10
"termination" has its ordinary common law meaning, and includes conduct by a principal contractor, being conduct resulting from factors within the control of the principal contractor, the effect of which is to alter the head contract of carriage in a manner which imposes serious financial disadvantage on the carrier;	15
"Tribunal" means the Contract of Carriage Tribunal established by this Part.	
Claim for compensation	
697B. (1) A carrier whose head contract of carriage is terminated by a principal contractor may claim compensation from the principal contractor if:	20
 (a) the carrier entered into the head contract of carriage by arrangement with a previous carrier whose provision of services to the principal contractor was replaced by the carrier; and 	25
(b) under the terms of the arrangement between the previous carrier and the carrier, a sum of money was paid by the carrier to the previous carrier as a premium or fee in connection with the entry into the head contract of carriage by the carrier; and	30
(c) it is a custom and practice in the relevant section of the industry or business of the principal contractor that such a premium or fee be paid; and	
(d) the principal contractor knew or ought reasonably to have known that such a premium or fee had been paid to the previous carrier; and	35

- (e) the principal contractor failed to take reasonable steps to advise the carrier that it was not a requirement of the principal contractor that such a payment be made or requested.
- (2) Where a carrier, working exclusively for a principal contractor, performs minor and or incidental work for another person, the carrier shall not be prohibited from making a claim under this section.

Tribunal

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- 697C. (1) There is established by this Part a Contract of Carriage Tribunal.
- (2) Except as provided by subsection (3), the Tribunal is constituted by a Presidential Member sitting alone.
- (3) In the case of arbitration proceedings under this Part, the Tribunal is, for the purposes of the proceedings, constituted by a Presidential Member and two part-time members nominated by the Presidential Member, one from each of the arbitration panels.
- (4) There are to be 2 arbitration panels, one consisting of persons appointed by the Minister to represent principal contractors and the other appointed by the Minister to represent carriers.
- (5) The members of the panels are to be persons who, in the opinion of the Minister, are qualified to represent the interests of principal contractors and carriers respectively.
- (6) The Minister may invite any person or body to nominate persons for appointment to an arbitration panel.
- (7) The Minister may specify the period within which, and the manner in which, such a nomination may be made.
 - (8) A person is not to be nominated to a panel until:
 - (a) each party to the arbitration proceedings concerned has been notified of the proposed nomination and of the period in which the party may veto the nomination; and
 - (b) either the period has ended without the nomination being vetoed or each party has notified the Presidential Member that the party has decided not to veto the proposed nomination.

(9) A part-time member is entitled to be paid such subsistence (including travelling and remuneration allowances) as the Minister may from time to time determine 5 with respect to the part-time member. Compulsory conference with respect to claims 697D. (1) When a head contract of carriage is terminated, the carrier may notify the Industrial Registrar of any claim for compensation in respect of the termination. 10 (2) Notification may be given by any person who might take proceedings instead of a carrier under section 691 (2). (3) Notification must be made within 28 days or such further period of up to 3 months as the President may allow by special leave. 15 (4) On notification, the Registrar must notify the President. (5) The President is to deal with the matter personally or assign the matter to another Presidential Member. (6) A claim for compensation is to proceed by conciliation in the first instance. (7) The Tribunal, when attempting conciliation, is to do 20 everything that to it seems proper to assist the parties to settle the claim. If a settlement is not achieved but further discussions are, in the opinion of the Tribunal, likely to produce a settlement, the Tribunal may arrange conferences of the parties or their representatives (whether or not presided 25 over by the Tribunal). (8) If the parties reach an agreement, the Tribunal may make a determination in accordance with the agreement, which is to be in full settlement of the claim. (9) The Tribunal may summon a person to a compulsory 30 conference: (a) to confer; or (b) to produce documents, in an endeavour to bring the parties to a settlement which will determine the matter concerned. 35

(10) The Tribunal may direct that any person (including, but not limited to, a previous principal contractor) who or

which is not a party to the notification referred to in subsection (3) is to be a party to a compulsory conference held under this section.

(11) If conciliation does not settle the claim, the Tribunal is to deal with it by arbitration in accordance with section 697E (subject to subsection (12)).

(12) A Presidential Member who has exercised conciliation powers in respect of a claim under this section is not to arbitrate the claim if a party to the arbitration proceedings objects.

(13) The Tribunal is not taken to have exercised conciliation powers in relation to a claim merely because:

- (a) the Tribunal attempted conciliation after having begun to exercise arbitration powers; or
- (b) the Tribunal arranged for a conference of the parties involved in the claim, or their representatives, to be presided over by the Tribunal but the conference did not take place or was not presided over by the Tribunal; or
- (c) the Tribunal arranged for the parties or their representatives to confer among themselves at a conference at which the Tribunal was not present.

(14) If a party objects to a Presidential Member arbitrating a claim under subsection (12), the matter is to be referred to the President who is to assign it to another Presidential Member. That Member is to constitute the Tribunal and proceed to arbitrate the claim.

Arbitration of claim

697E. (1) The Tribunal may determine that compensation is payable in relation to a claim only if it is satisfied that the termination of the head contract of carriage concerned was unfair, harsh or unconscionable.

(2) The Tribunal may direct that any person (including, but not limited to, a previous principal contractor) who or which is not a party to a claim notified to the Industrial Registrar under section 697D (1), is to be a party to the arbitration proceedings.

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- (3) Subject to subsection (4), the Tribunal may order that a carrier, previous carrier, principal contractor or previous principal contractor joined as such a party is liable to pay solely, or jointly with another party or parties, compensation 5 under this Part. (4) In determining whether or not compensation is payable and, if so, the amount of compensation, the Tribunal is to have regard to the following matters: (a) the amount of the premium or fee paid by the carrier as 10 referred to in section 697B; (b) any amount paid to the carrier by the principal contractor (including but not limited to redundancy payments) in respect of the termination of the head contract of carriage, whether or not such payment was 15 made expressly on account of the payment of that premium or fee; (c) the duration of the head contract of carriage; (d) the likelihood of the carrier being able to use the motor vehicle required by the head contract of carriage for 20 other types of work, and the availability of any such work; (e) the re-sale value of the motor vehicle; (f) the preparedness of the principal contractor to guarantee a flow of work to the carrier for a specified 25 period in the future. (5) If the Tribunal determines that compensation is payable
 - (5) If the Tribunal determines that compensation is payable by more than one party, the Tribunal is to determine the respective proportions of the total sum to be paid by each.

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(6) Quantification of any compensation is to be approached as though in a claim for damages for breach of contract and compensation is payable only in respect of pecuniary loss resulting from termination of the head contract of carriage. Without limiting the amount of compensation that may be determined to be payable, compensation may include the whole or a part of the amount of premium or fee paid by the carrier.

- (7) A claim for compensation may not be dealt with by the Tribunal if the claim (however described) is the subject of an application before, or has been determined by, any court or other tribunal.
- (8) The Tribunal must not make a determination under this Part if the determination has the effect of altering or varying an agreement registered under Part 3, or a determination made under Part 4, of this Chapter.

Appeal from Tribunal

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697F. There is a right of appeal from a determination of the Tribunal and for that purpose the provisions of Divisions 1 and 2 of Part 4 (Appeals etc.) of Chapter 4 apply to a decision, order or direction of a Tribunal under this Part in the same way as the provisions apply to a decision, order or direction of the Commission.

Reference to Industrial Court by Tribunal on question of

- 697G. (1) The Tribunal may, on its own initiative but not on the application of a party, refer a question of law arising in a matter before the Tribunal for the opinion of the Full Industrial Court.
- (2) Unless the question referred to the Full Industrial Court is whether the Tribunal may exercise powers in relation to the matter, the Tribunal may, despite the reference, make a decision, order or direction in relation to the matter.
- (3) On the determination of the question by the Full Industrial Court, the Tribunal:
 - (a) may, if it has not made a decision, order or direction in relation to the matter, make a decision, order or direction not inconsistent with the determination of the Full Industrial Court; or
 - (b) must, if it has made a decision, order or direction in relation to the matter, vary the decision, order or direction to make it consistent with the determination of the Full Industrial Court.
- (4) If a decision, order or direction is varied under subsection (3), an appeal does not lie on the question of law with which it has been made consistent.

(5) The Full Industrial Court may, on application, prohibit any proceedings pending before the Tribunal that the Tribunal does not have jurisdiction to entertain.

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Costs 697H. The Tribunal may make an order for the payment of costs only if the Tribunal dismisses a claim on the ground that it is frivolous or vexatious, or was commenced without reasonable cause, or the Tribunal considers a party to have unreasonably refused to accept an offer of settlement of the claim.

Representation of parties

- 697I. (1) A party to proceedings before the Tribunal may appear personally or be represented by a legal practitioner or by an agent who is not a legal practitioner, by an employee or officer of an association of employing contractors, or by an employee or officer of an association of contract carriers.
- (2) However, a party is not entitled to be represented in conciliation proceedings by a person who is a legal practitioner without the leave of the Tribunal.
- (3) The leave of the Tribunal is not required if the legal practitioner represents a member of an association of employing contractors or an association of contract carriers and is an officer or employee of such an association.
- (4) The Tribunal may allow any party appearing before it the services of an interpreter.
 - (5) In this section:
 - "legal practitioner" means a practising barrister or practising solicitor.

Finality of decision

697J. Subject to the exercise of a right of appeal under this Part, and to section 697G, a determination of the Tribunal:

- (a) is final; and
- (b) may not be vitiated merely because of an informality or want of form; and

(c) may not be appealed against and may not be reviewed, quashed or called in question whether by a writ or order in nature of certiorari or prohibition or otherwise, by any court or tribunal.

Contracting out prohibited in certain circumstances

697K. (1) The provisions of this Part have effect despite any stipulation to the contrary.

(2) No contract or agreement made or entered into before or after the commencement of this Part operates to annul, vary or exclude any of the provisions of this Part.

Application of Part

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697L. This Part applies despite any other provisions of this Act.

General procedure of Tribunal

697M. (1) The Tribunal:

- (a) may, subject to this Part, determine its own procedure; and
- (b) is to act as quickly as is practicable; and
- (c) is not bound to act in a formal manner; and
- (d) is not bound by the rules of evidence and may inform itself on any matter in any way that it considers to be just; and
- (e) is to act according to equity, good conscience and the substantial merits of the case without regard to technicalities or legal forms; and
- (f) may, subject to section 697P, conduct its proceedings publicly or privately.
- (2) Each part-time member of a Tribunal has one vote.
- (3) If the part-time members both vote for or against a motion, the decision is the decision of the Tribunal.
- (4) If the part-time members do not both vote for or against a motion, the Presidential Member is to decide the question and the decision of the Presidential Member is the decision of the Tribunal.

(5) Section 362 applies to an arbitration under this Part.(6) Rules may be made relating to the practice and procedure of (and other matters relating to) the Tribunal.	
Adjournment of proceedings	5
697N. (1) The Tribunal may adjourn proceedings to any	
time and place.	
(2) The Tribunal may, at any stage, adjourn a matter before it to enable the parties to negotiate an amicable settlement of	10
the matter.	10
(3) If proceedings are not able to proceed because of the absence of a member of the Tribunal, the Industrial Registrar is to adjourn the proceedings to a time that the Industrial Registrar considers to be convenient.	
Parties to negotiate in good faith	15
6970. (1) Persons who engage in negotiations with respect to claims for compensation under this Part are required to act in good faith.	
(2) The Tribunal is to take into account the extent to which the requirement to act in good faith has been observed by the persons concerned when the Tribunal decides:	20
(a) whether or not to exercise any of its functions; or	
(b) which of any alternative functions the Tribunal will exercise in that regard; or	
(c) how any such function should be exercised.	25
(3) This section is not intended to create an offence or to render any award, order or other decision void or voidable.	
Trade secrets etc. tendered as evidence	
697P. (1) In arbitration proceedings before the Tribunal:	
(a) the person entitled to a trade secret may object that information tendered as evidence relates to the trade secret; or	30
(b) a witness or party may object that information tendered as evidence relates to the profits or financial position of the witness or party.	35

- (2) If an objection is made under subsection (1) to information tendered as evidence, the information may be given as evidence only under a direction of the Tribunal.

 (3) If information is given as evidence under subsection
- (3) If information is given as evidence under subsection(2), it must not be published in any newspaper, or otherwise.(4) If the Tribunal directs that information relating to a
- (4) If the Tribunal directs that information relating to a trade secret or to the profits or financial position of a witness or party is to be given in evidence, the evidence must be taken in private if the person entitled to the trade secret, or the witness or party, so requests.
- (5) The Tribunal may direct that evidence given in a proceeding before it, or the contents of a document produced for inspection, not be published.
- (6) A person who contravenes this section or a direction under this section is guilty of an offence.

Maximum penalty: 100 penalty units.

Enforcement

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697Q. Any compensation payable under this Part may be recovered by the carrier concerned as a debt in any court of competent jurisdiction.

(2) Schedule 2 (Savings, transitional and other provisions):

- (a) Omit clause 2 (1) and (2), insert:
 - 2. (1) The regulations may make provision of a savings or transitional nature consequent on the enactment of the following Acts:

this Act

- the Industrial Relations (Contracts of Carriage)
 Amendment Act 1994
- (2) A provision referred to in subclause (1) may, if the regulations so provide, take effect from the date of assent to the Act concerned or a later date.

(b) After Part 3, insert:

PART 4—PROVISIONS CONSEQUENT ON ENACTMENT OF INDUSTRIAL RELATIONS (CONTRACTS OF CARRIAGE) AMENDMENT ACT 1994

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Transitional provision

19. An amendment to this Act made by the Industrial Relations (Contracts of Carriage) Amendment Act 1994 applies to the termination of a head contract of carriage that occurs on or after the commencement of that amendment, and so applies whether the head contract of carriage was entered into before or after that commencement.