



# AUSTRALIAN LOGISTICS COUNCIL

## ALC Response to *Safe Rates Safe Roads Directions Paper*

The Australian Logistics Council has expressed concern about the proposal by the Department of Education, Employment and Workplace Relations *Safe Rates Safe Roads Directions Paper* to institute yet another layer of regulation upon the industry.

“The ALC submission calls for a clearer statement on why further statutory intervention is required and how it will introduce benefits not already likely to be achieved by other national and comprehensive laws dealing with safety issues”, said ALC Chief Executive Michael Kilgariff.

“ALC vehemently opposes the imposition of statutory provisions duplicating other obligations imposed by law that do not tangibly add to industry participant safety.

“The industry is currently subjected to an extremely complex regulatory environment under Federal, state/ territory and local governments.

“For this reason the industry supported a National Heavy Vehicle Regulator, (which will include national Chain of Responsibility legislation) and the National Work Health & Safety (WHS) Act, which will impose a duty on transport and logistics participants to eliminate or minimise, so far as is reasonably practicable, health and safety risks.

“In this context, ALC believes there is no case for an entirely new layer of regulation, as the Directions Paper proposes, in the name of safety, in a circumstance where other regulatory and non-regulatory mechanisms have been introduced to deal with the issue of safety and which appear to be working.

“As acknowledged by the Directions Paper, a number of safety risks are beyond the scope of industry, such as road conditions and the behaviour of other road users. However, for those risks that do fall within the scope of industry control, numerous initiatives have been identified and introduced to ensure safety is a key consideration in decision making, in addition to commercial and industrial objectives.

“For example, ALC has worked closely with its members to develop the National Logistics Safety Code ALC and the Safe Payments Systems Statement. ALC is committed to further developing the Code with industry and the appropriate regulating bodies to increase its scope, as well as broaden its application.

“Codes that focus on measurement and outcomes enable individual organisations to operate under their own business model while adopting a ‘reasonable steps’ approach to safety.

“Results to date of these initiatives, as well as significant investment in roads and new vehicles and technology, have been significant and should not be underestimated. Equally as important is that they have been broadly adopted and accepted as ‘part of doing business’.

“ALC has recommended that a new tribunal should not be created nor should a new tribunal or existing tribunal have powers conferred on it to determine matters relating to owner drivers (however defined).

“A Regulatory Impact Statement and Cost Benefit Analysis must be provided that articulates the cost to industry involved in implementing the new scheme, why current statutory schemes are insufficient to protect worker safety, and the additional safety outcomes the proposed new mechanisms are expected to achieve over and above the safety improvements recognised in the paper”, said the Council Chief Executive Michael Kilgariff.

Ends. 17 February 2011.

For further information contact Michael Kilgariff of ALC on 0418 627 995.

*The Australian Logistics Council is the peak national body representing the major and national companies participating in the Australian freight transport and logistics supply chain. The ALC Response can be accessed at <http://www.austlogistics.com.au/>*

# Summary of Recommendations

1. A clear statement is needed as to why further statutory intervention is required and how it will introduce benefits not already likely to be achieved; given:
  - a. the improvement in safety levels recognised in the paper;
  - b. the development and adoption of Chain of Responsibility concepts across the entire supply chain;
  - c. the development of national and comprehensive laws dealing with safety issues to be contained in the National Heavy Vehicle Laws Consolidation and workplace health and safety legislation;
  - d. the provisions of independent contractors legislation; and
  - e. the current regime of workplace health and safety laws.
2. Freight chain participants should be encouraged to work to develop further safety outcomes through the Chain of Responsibility concepts that are becoming embedded and accepted within the industry. This includes adoption of initiatives such as the attached ALC Safe Payments Systems Statement.
3. The scope, authority and resourcing of the National Heavy Vehicle Regulator (NHVR) – to be operating from 2013 – must be finalised, recognising its role as the administrator of a new body of National Heavy Vehicle Laws that will apply across Australia.
4. A new tribunal should not be created nor should a new tribunal or existing tribunal have powers conferred on it to determine matters relating to owner drivers (however defined).
5. A Regulatory Impact Statement and Cost Benefit Analysis must be provided that articulates:
  - a. the cost to industry involved in implementing the new scheme, particularly the small regional and local operators who make up the majority of the organisations in the sector. This includes additional costs involved in having to comply with obligations that may be imposed under the proposed safe rates system that are similar to obligations imposed by other statutory schemes (such as, for example, Chain of Responsibility obligations);
  - b. why current statutory schemes are insufficient to protect worker safety; and
  - c. the additional safety outcomes the proposed new mechanisms are expected to achieve over and above the safety improvements recognised in paragraph 14 of the paper.

The Chain of Responsibility concept, and NHVR, should be given time to develop before introducing another statutory based system designed to encourage safety.