



3 March 2010

A number of logistics industry safety codes are administered by the Australian Logistics Council (ALC), the peak national body for the Australian transport and logistics freight industry.

The Codes are designed to cover the entire supply chain including consignors, carriers and customers: "Customers" (eg Coles and BlueScope); "Carriers" (eg Toll and Linfox); and "Consignors" (eg suppliers).

This statement has been drafted and endorsed by the Customer members of the Steel and Retail Codes.

Safe Payment Systems

Statement by Steel and Retail Companies

Coles, Woolworths, Metcash, OneSteel and BlueScope, the Customer signatories to the Retail Logistics Supply Chain Code of Conduct and the Australian Steel Industry Chain of Responsibility Code of Practice, have committed to improve the safety performance of a number of key Supply Chains operating in Australia.

Background

The Australian Steel Industry Chain of Responsibility Code of Practice launched in 2005 was the first initiative developed in response to the introduction of Chain of Responsibility legislation, closely followed by the Retail Logistics Supply Chain Code of Conduct in 2006. Both Codes are focused on meeting the key obligations of Chain of Responsibility legislation across all States. Since the implementation of these Codes, key participants from the two industry bodies have increased their commitment and participation within their Supply Chains to improve safety.

In February 2009 the Australian Logistics Council, (ALC) as the key sponsor to this process, announced the development of the National Logistics Safety Code (NLSC). This draws on safety management best practice established by the two original Codes, and makes it readily available to help all participants in the broader Australian Supply Chain industry improve their safety performance.

Progress

While there are still many challenges facing the transport industry, recently published accident vehicle data from the National Transport Commission indicates there has been improvement in safety performance since the development of these Codes, particularly for articulated vehicles.

Through the ALC, the steel, retail, transport and logistics industries continue to support State and Federal government departments to ensure our roads stay safe by lobbying for improved rest areas and greater compliance regarding road usage and regulation. As ALC members, we also fully support the various Federal and State laws that exist to ensure that participants across our Supply Chains are paid correctly, recognising State and Federal awards and industrial instruments with the power to enforce conformance.

Safe Payment Principles

As safety advocates, the Customer signatories of the Codes will not condone any practice which puts the wellbeing of employees or the wider public at risk. To this end a set of standards and accountabilities has been developed to complement existing labour and contract laws, and ensure commercial arrangements with participants within our Supply Chains do not promote unsafe practices.

The standards and accountabilities are listed below.

Standards

- When determining tenders, we will take into account tenderers' submissions as to their compliance with a valid industrial instrument or agreement relating to transport workers.
- We will ensure that all lead times are adequate to perform the task safely and will not impose financial penalties for non-adherence to booking times when reasonable delay notification is communicated.
- We will incorporate fuel surcharge mechanisms and index linked price adjustments into our commercial arrangements.

Accountabilities

- We will ensure all our contractual arrangements include a requirement that Carriers and Consignors agree to comply with the Codes.
- We will require our distribution centre /operations to comply with the Codes, and will check compliance through the audit process.
- Where preferred carriers do not operate under an approved industrial instrument we will request they apply relevant award wage rates and conditions as a minimum.
- We will require that all new operators within our Supply Chain receive an induction covering site specific safety procedures and standard operating guidelines.
- We will require all contracted carriers to have safe driving plan mechanisms in place.
- We acknowledge and will comply with the obligations and standards established within existing federal and state laws, regulations and guidelines to promote Health and Safety in the Transport and Logistics Industry.

The Customer signatories agree that these principles and standards will form the basis of improvements in their own internal procedures in the use of transport contractors across both Retail and Steel Supply Chains with the sole endeavour to improve safety standards.

It is possible that collectively these standards and principles will be looked at for improvement and refinement to the existing Retail and Steel Code of Practice/Conduct with potential then to update the National Code at a future time.



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This Statement by our Customers is welcomed by

