Welcome to the third edition of Strengthening the Supply Chain; an information bulletin on Chain of Responsibility from the Australian Logistics Council (ALC).

ALC is the peak industry body for Australia’s logistics industry, representing the major Australian logistics supply chain customers, providers, infrastructure owners and suppliers.

As part of its commitment to improve supply chain safety and compliance across the supply chain, ALC has established Strengthening the Supply Chain to provide you with up to date and accurate information on Chain of Responsibility (CoR).

If you control or influence the movement of freight, CoR legislation applies to you. Chain of Responsibility is All Our Responsibility. You cannot contract out your CoR obligations and in 2016 Executive Officer Liability will be tightened.

This bulletin outlines some important changes to CoR legislation, and how your business can meet its legal obligations. It also includes outcomes from the 2015 ALC Supply Chain & Safety Compliance Summit and information on ALC’s Codes of Practice.

Please send any questions and comments to StrengtheningtheChain@austlogistics.com.au or contact ALC on (02) 6273 0755.

Michael Kilgariff
ALC Managing Director

The November 2015 meeting of Transport and Infrastructure Ministers progressed a number of Chain of Responsibility matters that will impact on all parties involved in the movement of freight along the supply chain.

Firstly, the Transport and Infrastructure Council agreed that Australia’s Chain of Responsibility obligations in the Heavy Vehicle National Law (HVNL) should be restructured.

The reforms introduces a ‘primary duty of care’ into the current Chain of Responsibility to ensure the safety of road transport operations – a duty that will be similar in nature to those contained in workplace health and safety legislation.

The changes for the law will:

› create a ‘primary duty of care’ on operators, prime contractors and employers to ensure the safety of their road transport operations;

› create a power for the National Heavy Vehicle Regulator (NHVR) to enter into an enforceable undertaking with a road transport operator to take specified steps to improve managing the roadworthiness of their fleet; and

› expand the use of formal warnings by authorised officers.

Some of these obligations will extend to the executive officers of these duty holders.

It is anticipated the legislation amending the HVNL will be prepared during 2016.

ALC has consistently advocated that plenty of time should be allowed for:

› people to comment on the amended legislation;

› regulators to develop the procedures for enforcement officers to ensure a national rule book is enforced in a nationally consistent manner as well as the guidance to industry that will assist in informing both operators and industry associations as to what constitutes lawful behaviour;

› industry associations to prepare the advice and codes to assist operators to comply with their new obligations; and

› operators to understand what they need to do to be compliant.

We therefore believe that the new laws should not commence operation before 1 July 2017, at the earliest.

Transport ministers also agreed they would consider criteria underpinning a new risk-based approach to heavy vehicle inspections at a future meeting of the Council, which will be developed over the next 12-18 months. The intention is that the proposed risk-based inspection framework and system will be administered by the NHVR and will be connected to the national heavy vehicle registration scheme, which is due to commence on 1 July 2018.
STRENGTHENING THE SUPPLY CHAIN

ALC Supply Chain Safety & Compliance Summit 2015

ALC hosted its own Supply Chain Safety & Compliance Summit in August 2015, attracting more than 300 transporters, customers, suppliers and government officials. Based on the success of the 2014 Summit, we expanded the event to two days to include a very valuable workshop day.

The aim of the Summit is to share ideas, benchmark best practice and to identify areas where improvements can be made to improve safety and compliance outcomes. The Chain of Responsibility (CoR) laws embedded in the Heavy Vehicle National Law affect all parties in the supply chain, and through the Summit, ALC is demonstrating its commitment to take a leadership role to inform, educate and assist all industries to meet their CoR obligations.

It was pleasing to see a groundswell of support across industry to step up our efforts to improve supply chain safety and compliance.

As Ingilby Dickson, Chair of the ALC Safety Committee said in his opening address, we have come a long way since last year’s Summit to address a range of areas that needed attention, including strengthening and streamlining the ALC Codes of Practice. And whilst government figures show that safety is improving in our industry, it is clear that there is much more to be done.

ALC has committed to a range of actions emanating from the Summit. They include:

› Working more closely with national/state industry bodies and the National Heavy Vehicle Regulator to identify where resources can be shared to improve safety and compliance outcomes on common CoR issues, particularly in regards to compliance and enforcement

› Working with the National Heavy Vehicle Regulator to explore how CoR can be more deeply embedded into organisations’ standard operating procedures.

› Exploring how the ALC National Logistics Safety Code of Practice may be more closely aligned and potentially integrated into a Safe Work Australia code framework.

› Engagement and collaboration with relevant regulators and industry members to communicate new obligations imposed by amendments to the International Convention for the Safety of Life at Sea (SOLAS)

› Increasing advocacy for the mandatory introduction of telematics for heavy vehicles

› Continuing to build the Retail Logistics Safety Code of Practice (RLSC) brand, and reviewing the increasing education of the ALC Codes’ Partnership Audit Review (PAR) process

Work has already commenced on some of the actions flowing from the Summit on issues such as container movements and executive officer liability.

ALC was also honoured to partner with the Australian Steel Institute at the event, which held its annual Steel Awards as part of the Summit Dinner. The highlight of the evening was a speech by John West, Managing Director of DGL, about the need for cancer awareness.

To read the full list of actions from the Summit, visit www.alcsafety.com.au

Supply Chain Safety & Compliance Summit 2015
Duncan Gay, Minister for Roads, Maritime and Freight
John West, Managing Director, DGL
Strengthening the Supply Chain

Operator Licensing

ALC Managing Director, Michael Kilgariff, recently met with the CEO and Deputy CEO of the United Kingdom’s Freight Transport Association to discuss areas where our respective bodies could learn from each other’s work programs to strengthen safety and compliance in our two countries.

One of the topics ALC and FTA discussed was Operator Licensing. The concept of Operator Licensing is well established in the UK, and aims to maintain high standards of safety by ensuring licence holders are professionally competent, or that they employ someone who is professionally competent. Licensees have to demonstrate compliance with technical, safety or financial fitness requirements specified by the regulator.

An operator’s licence (or O licence) is the legal authority needed to operate goods vehicles in Great Britain. A licence is issued by the Traffic Commissioner – the independent regulator of the commercial road transport industry.

The Traffic Commissioner also has powers to take regulatory action against a licence holder where they fail to meet the expected standards of operation. This action includes curtailment (limiting or reducing the number of vehicles an operator is able to operate), suspension (temporarily stopping operations) or revocation (permanently removing an operator’s licence to operate commercial vehicles).

In 2016, ALC will investigate how the safety and compliance benefits from an operator licensing scheme could possibly be applied in Australia.

Container Weight Verification

In a few months, significant changes will occur regarding container weight verification.

From 1 July 2016, revisions to the ‘Safety of Life At Sea’ (SOLAS) Convention, adopted by the International Maritime Organization (IMO) will come into effect.

The changes, which will be applied as law under the Navigation Act 2012, and subordinate Marine Orders, will require the weighing of packed containers, or weighing of cargo and other materials by using calibrated and certified equipment to obtain accurate measurements.

What the international standards have not done is to specify the accuracy standards to be applied. This is left to the government of the country of shipment to determine.

The Australian Maritime Safety Authority (AMSA) is currently liaising with industry to ensure supply chain participants are aware of the changes, and prepared to meet their obligations. Key issues for discussion include:

- Clarifying ‘who is the shipper’ and what ‘verified gross mass’ means
- Understanding how a shipper can verify weights and what shipping documentation for verification of the gross mass will be required
- Determining how AMSA will check accuracy

Weighing of packed containers, or weighing of cargo and other materials if method 2 is used, is to be carried out using calibrated and certified equipment (such as weighbridges, platform scales, pallet or industrial scales) to obtain accurate measurements.
Road Safety Remuneration Tribunal (RSRT)

The RSRT has issued a Road Safety Remuneration Order on minimum payments for contractor drivers.

The Contractor Driver Minimum Payments Road Safety Remuneration Order 2016 (2016 RSRO) will take effect from 4 April 2016 and will, for the first time, set national minimum payments for certain contractor drivers in the road transport industry, specifically drivers involved in:

- the distribution of goods destined for sale or hire by a supermarket chain, or
- long distance operations in the private road transport industry.

The 2016 RSRO includes clauses regarding:

- minimum payments for a distribution operation
- minimum payments for a long distance operation
- unpaid leave
- supply chain contracts
- facilitative provisions
- promotion of orders, and
- dispute resolution.

The Tribunal will publish an online payments calculator on its website in early 2016.

Board Reporting

One of the outcomes of the 2015 ALC Safety & Compliance Summit was to develop and roll out a standard set of industry metrics and reporting on CoR board reporting.

ALC has developed a preliminary questionnaire, in order to obtain an overview of the present state of board reporting amongst members.

The purpose of this survey is to collect responses that will help the ALC provide guidance to companies on what information should be gathered and reported to Boards and other Executive Officers to help them properly discharge their legal and Chain of Responsibility obligations.

The results from the questionnaire will be synthesised and combined with guidance obtained during the Summit workshop, to help develop a guidance note to members on the metrics that can be collected and should be reported to the board.

Preliminary data to date has found only 55% of respondents report to the Board in relation to CoR compliance.

Executive Officers (directors and anyone concerned in or taking a part in management) have an obligation to exercise reasonable diligence to ensure that the corporation does not breach the HVNL.

Board reporting on CoR is an important factor in ensuring Boards are cognisant of their CoR performance, and this survey will help ALC to construct an overview of the present state of board reporting among companies.

Heavy Vehicle Stats

Heavy vehicle fatality rate statistics from the Bureau of Infrastructure, Transport and Regional Economics (BITRE) shows fatal crashes involving articulated trucks: decreased by 15.2 per cent compared with the corresponding period one year earlier and decreased by an average of 8.3 per cent per year over the three years to September 2015.