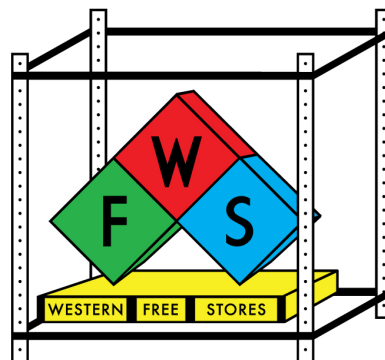


Western Free Stores Chain of Responsibility Commitment Policy

Western Free Stores acknowledges our “duties” as “Parties” in the chain of Responsibility in line with Heavy Vehicle National law.

We also acknowledge our “duties” for the Road Safety Remuneration orders.

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Purpose of Chain of Responsibility (COR) Commitment Statement

The purpose of this document is to provide a clear commitment from the organisations executive for:

- Putting in place systems to achieve COR compliance
- Minimising or eliminating injuries or environmental incidents
- Providing the guidelines for what we will do to achieve transport compliance and safety in our business

The organisation is committed to minimising the risk from all transport and logistics activities we have responsibilities for.

The commitment is to our supply chain partners, staff, contractors, government agencies and the general public.

This document shall provide the basis for the organisation's transport and logistics compliance system, including policies, procedures and records.

It is our organisations commitment to research, develop and implement systems to ensure compliance and safety. We will then use the processes of continual improvement to monitor, review and improve.

The organisation shall refer to Australian Quality Standards as guidelines for developing and implementing systems.

Background to COR

In 2003 the Australian Transport Council introduced the *Road Transport (Compliance and Enforcement) Bill* ("the national model Bill"). The various then regulated that bill.

In 2008 National Fatigue Laws were introduced and these have been regulated in most states.

From February 2014 the National Heavy Vehicle Regulator enforced the National Heavy Vehicle Law (NHVL) and supporting regulations. This was the first attempt to nationalise law and the CoR concept.

A definition of Chain of Responsibility (COR) is:

"The chain of responsibility is a legal principle used in Australian heavy vehicle laws to put obligations for safety on all parties in the transport supply chain. The chain of responsibility concept currently applies to speeding, fatigue and mass and loading heavy vehicle regulations." (Reference Wikipedia January 2011)

The concept of COR is described by the NTC as *“All those with responsibility for activities that affect compliance with the road transport laws should be held legally accountable if they don’t meet their responsibility.”* (NTC web site January 2011)

Responsibilities for each party in the supply chain are detailed in the HVNL and clearly defined as “Duties”. In general terms a party must take ***all reasonable steps*** to ensure that the parties’ business practices will not cause, by act or omission, the driver to breach a road law.

The outcome of COR can be described as:

“All those that use road transport as part of their business can be held liable if their actions, inactions or demands cause or contribute to road safety breaches unless all reasonable steps have been taken to prevent a breach.” (Rigbycooke lawyers December 2010)

It is important to note that

Chain of Responsibility (COR) has particular relevance to activities that control or influence:

- Fatigue (HVNL chapter 6 and 104)
- Speed (HVNL chapter 5 and 10.4)
- Mass and Dimension (HVNL chapter 4)
- Load restraint (HVNL chapter 4)

COR requires parties within the logistic supply chain to take responsibility for the transport activities they ***control or influence***. Participation of any of the relevant functions is sufficient to attract a COR involvement.

These parties are:

- the ***employer*** of the driver of the vehicle; and
- the ***prime contractor*** of the driver; and
- the ***operator*** of the vehicle; and
- the ***scheduler*** of goods for transport by the vehicle
- and the scheduler of its drivers work and rest; and
- the ***consignor*** of goods for transport by the vehicle; and
- the ***consignee*** of goods for transport by the vehicle; and
- the ***loading manager*** of goods for transport by the vehicle; and
- the ***loader*** of goods on to the vehicle; and
- the ***unloader*** of goods from the vehicle

- the *packer* of goods

Note It is the *performance of any these functions*, whether ***exclusively or occasionally***, (not position description) that determines whether a person or entity falls within these definitions.

A person may be more than one party within the supply chain.

It is an offence to contract out your responsibilities. Our organisation shall not contract out any responsibilities, nor encourage or condone any supply chain partner that attempts to do so.

Pertinent legislation and laws can be located at:

<https://www.nhvr.gov.au/law-policies>

<http://www.rsrt.gov.au/index.cfm/remuneration-orders/>

Disclaimer: This document has been produced with the best intent. All the organisations policies, procedures and work method statements cannot be covered in this document. There are also overlapping regulations and slight changes between state laws. Laws also change. Therefore no assurance is expressed or implied by this document.

The contents of this commitment statement

This commitment statement shall provide the policy bases and expectations of the responsible parties in the following order

1. Consignor page 6 to 8

- Training and knowledge
- Commercial arrangements
- Communication and consultation

2. Load site management page 8

- Site facilities and operations
- Load restraint
- Mass management

3. As a Prime contractor our minimum requirements shall be page 10

4. Our and Subcontractor Drivers minimum requirements shall be page 11

1. Consignor commitments

The organisation considers itself as a consignor as loads are consigned from the warehouse

Training and knowledge

The organisation shall have a responsible person for:

- Having procedures developed to research, store and disperse information on the COR.
- Enrolling on association and agency web-sites to receive COR, regulatory and WHS alerts
- Tracking road changes and conditions that could alter transit times with agreed safe schedules and consulting with the Prime Contractor on contingencies.

The organisation shall manage training by:

- Researching regulations, guidelines and codes of practice for responsibilities and actions
- Take the researched responsibilities and ensure they correspond in the appropriate persons responsibilities
- Aligning responsibilities with knowledge and training requirements by developing a Training Needs Analysis and in particular;
- Implement as a minimum TLIF 3063A fatigue and COR training for all people who:
 - Negotiate contracts
 - Have control or influence for transit and or delivery times
 - Manage loading or unloading sites
- Implement mass training for all people with control or influence of:
 - Loading and unloading sites
 - Load configuration
 - Transport contracts
- Implement Load restraint training for all people who:
 - Manage loading and unloading sites
 - Inspect loads before departing
 - Conduct subcontractor reasonable enquiry
- Implement speed compliance training for all people who:
 - Manage loading and unloading sites
 - Schedule or operate a heavy vehicle
 - Conduct subcontractor reasonable enquiry
 - Manage commercial requirements

Commercial arrangements

The organisation performs warehousing and transport services for various clients.

The organisation should have in place commercial arrangements up the supply chain with consignors (customers) to warehouse and transport goods.

The organisation may use transport subcontractors.

It is the organisations intent to have contracts and/or Service Level Agreements in place with supply chain partners.

The organisation shall only enter contractual/commercial arrangements that include conditions for:

- Demonstrating driver, scheduler, and sub-contractor training for:
 - Fatigue and speed compliance
 - Mass compliance
 - Load restraint
 - Fault recording and reporting
 - Communication and consultation
 - WHS
 - Company policies, vehicle induction and Drug and alcohol compliance
 - RSRO requirements

- Demonstrating the following systems and records for drivers and sub contractors:
 - Compliant Austroad medicals and/or fitness for duty systems
 - Fitness for duty assessments declarations and contingencies compliant with fatigue laws
 - Driver responsibilities and authorities including the right to stop and rest if impaired by fatigue.
 - Consultation with drivers on achievability of schedules
 - Fatigue management
 - Speed management

Demonstrating vehicle and compliance including

- Maintenance and fault management
 - Driver licensing, assessments, and inductions
 - Appropriate insurances
 - Nominated vehicles including registration with mass and dimension details.
 - Acceptable sub-contractor arrangements that include all conditions of the prime contractor.
-
- The Prime Contractor recording and supplying the consignor with any incidents or on road breaches while transporting the consignor's product.

The organisation shall consult with sub-Contractors to devise estimates of work, rest and transit times. Ultimately the organisations schedules goods while the subcontractors schedule their drivers' work and rest.

To satisfy customer demands agreements with sub-contractors may contain requirements for:

- Minimum accreditations or compliance audits
- Specialised reports
- On board weighing systems
- Electronic monitoring
- Specialist configurations and/or load restraint systems

Communication and Consultation

Within the organisation there shall be communication for:

- Incident reporting
- Concerns
- Changes in laws
- Changes in accreditation standards
- Changes in codes of conducts
- Training and development options
- Changes or contract conditions
- *Time on site* performance measures
- Compliance reports

Within the organisation there shall be consultation:

- Between manufacturing/packaging, contract managers, sales and load managers about dispatch and receival capacity, product forecasts, prime contractors capacities, capacity planning, times of opening, mass verification systems, performance KPI's and incidents. Records shall be kept for all consultation.
- Load managers, loaders and traffic managers on performance, training, and concerns.

Consultation along the supply chain may include:

- Safe transit times which are a component of the drivers work and rest schedules
- Time on site and opening times
- Mass compliance
- Load restraint compliance
- Speed compliance
- Time slotting if applicable
- Forecasts for work and freight task
- Incidents and breaches
- Possible combined training
- Changes to roads, traffic, or laws etc.
- New technologies

Load Site Management

The organisation is a load manager at the Villawood warehouse site.

The organisation's transport services load and unload customers who are Load Managers.

All Load Manager should comply with the duties for Load Managers and Loaders as per Heavy Vehicle National Law (HVNL) chapters 4,5 and 6.

The organisation's Load managers and those given responsibility for inspection shall be trained in load restraint, mass compliance, identifying fatigue and implementing contingencies.

It shall not be enough to rely on a driver declaration for proof of load restraint or mass compliance.

Load restraint procedures shall be established in consultation drivers and supply chain partners using the Load Restraint Guide and ALC guides as the minimum standards and Dangerous Goods code if applicable.

If there is no weighbridge on site and mass is managed by manifest weight or some other system then there shall be a verification systems that records the physical verification of declared weights. This may mean but not be limited to recording pallet weights, devising load plans, verifying volumes.

If no weighbridge is present for axle mass checks then a plan for a weighbridge or other compliant system is to be developed. This may mean but not be limited to installing an axle weigh pad, calibrated and verified volume flow metres, verifying known and regular load plans.

All weigh devices shall have a verification register maintained by the Load Manager.

At the organisations sites there shall be systems in place that:

- Provides on-site communication between Load Managers and drivers
- Record arrival and departure times for Prime Contractors vehicles
- Records time on site
- Records if a driver has compliance rest on site
- Notifies drivers every 30 minutes of their progress to be loaded or unloaded
- Identifies, reports and acts on drivers with obvious fatigue symptoms
- Manages exclusion zones during loading and unloading
- Provide mobile platforms or other system for drivers and loaders who may need to access trailers or loads
- Monitor traffic flow plans
- Marshalling plans shall minimise or eliminate more than one truck movement after entering the site
- Ensures clean ablution and rest facilities are available for drivers
- Allows Load Managers to send a blanket fax or email to Prime Contractors if there is identified delay

All drivers shall be inducted to sites as agreed to and recorded in the agreement.

All drivers shall be treated and spoken to with respect while on site. They are critical for our operations.

As a Prime Contractor our minimum requirements shall be

- Meet all service level and or contractual arrangements
- Have approved maintenance systems in place
- Maintain driver and vehicle registers
- Rosters and schedules do not require drivers to exceed work hour's regulations or speed limits
- Vehicle speed limiters are functioning and compliant with ADR65
- Average speeds for routes are established and checks performed and recorded by work diary checks, engine downloads or satellite tracking tools if available
- Ensure vehicles do not exceed mass or dimensional limits and meet the contracted configuration
- Ensure appropriate restraint equipment is provided and that loads are correctly restrained
- Ensure accurate records are kept of drivers activities, including work and rest times
- Ensure records are kept for all training as required by legislation, accreditation and agreement with the consignor
- Ensure records are kept for drivers inductions, training, medicals, schedule consultation and fitness for duty
- Ensure all incidents and road breaches are reported to the consignor
- Ensure reasonable inquiry is conducted on all sub contractors and all inductions, training, Verifications of Competency, compliance systems are conducted and verified
- Ensure vehicles are registered maintained and road worthy
- Ensure copies of schedules and/or safe driving plans are developed and supplied to the contract manager on request
- Drivers are not rewarded in any manner that can encourage speeding or driving while impaired by fatigue
- Ensure drivers are appropriately licensed, monitored and inducted
- Ensure all drivers (including subcontractors) and schedulers are trained and competent in but not limited to:
 - Heavy Vehicle fatigue
 - Heavy vehicle Speed
 - Mass and dimension
 - Load Restraint
 - Pre-start checks and fault recording
 - Road side repairs
 - Vehicle operation
 - Company operating procedures
 - Alcohol and other drug policies and procedures
 - WHS
 - Hazard identification and Incident reporting
- Participate in open consultation and communication
- Comply with Road Safety Remuneration Orders

Our and Subcontractor Drivers' minimum requirements shall be

- Comply with Load Managers and site rules
- Communicate with Load Managers if you think there is a problem
- Ensure work and rest times comply with legislation
- Ensure required rest breaks are taken
- Ensure all work and rest hours are recorded as required
- Ensure the vehicle you are operating does not exceed mass or dimension limits
- Your load is appropriately restrained
- You do not exceed the speed limit and drive to the conditions
- You do not tamper with monitoring / recording or speed control devices fitted to the vehicle
- You stop, communicate and rest if you feel impaired by fatigue or illness
- Pre-start checks and fault reporting and recording is conducted
- Report hazards and concerns
- Comply with your' employment conditions
- Attend and participate in all training and consultation
- Comply with accreditation standards
- Report any incident of pressure being applied or rewards offered to speed or drive while impaired by fatigue

Frank Panucci

Managing Director

Or for any enquiries please liaise with other members of our Executive Team