

June 2013

Busselton Freight Services

*Road safety, compliance key
drivers in company growth*

Fleet Size:
100

Vehicle Type:
Prime movers, rigids, vans,
trailers, school bus

CASE STUDY

BUSSELTON
ADVANCED
DRIVER
TRAINING
HR HC MC
FORKLIFT
9752 4255

metro
9752 4255
regional

logistics

PM4



NRSP
NATIONAL ROAD SAFETY

PARTNERSHIP
PROGRAM

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Organisation: Busselton Freight Services
Fleet Size: 100
No. of Staff: 50, plus 42 contractors



logistics

Case Study: ***Safety and compliance culture creates commercial success***

Key Outcomes:

- Managerial support is crucial.
- Fostering a culture of compliance is worth the financial impost.
- Compliance and thorough inductions reduce incidents and therefore costs.
- Buddy training for new drivers significantly reduces accidents.
- Safety initiatives provide financial benefits, including reducing insurance and workers compensation costs.
- A zero tolerance drug and alcohol policy creates a safer fleet and reduces incidents.

Synopsis:

Implementing a comprehensive road safety and driver compliance package has been a cornerstone of Busselton Freight Services' growth from one truck to a successful distribution business. Fostering a strong safety culture has decreased operating costs, including reducing crash rates and insurance costs.

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Company Overview

Busselton Freight Services (BFS) is the transport arm of a company that provides distribution services within metropolitan Perth and regional areas of Western Australia for Metcash (IGA) and various clients in WA.

It began as a family business in the late 1960s with a small truck carting the grocery load to the family supermarket in West Busselton, about 250km south of Perth. Significant business expansion resulted in Busselton Freight Services being formed in 1984. The purchase of the first prime mover in 1992 and building of a freight depot in the local light industrial area signalled further expansion.

In line with business needs, the company has added new and different divisions. Freight depots in both Busselton and in the metropolitan area at Maddington occupy about 5000sqm each. The depot in Maddington also has a 600 pallet wine store and cold store facility. Implementation of the IGA contract resulted in a third depot based at IGA Warehouse in nearby Canning Vale. The company also owns West Busselton Shopping Centre, which includes a newsagency, post office, café, travel agency and an IGA Supermarket (leasehold).

BFS has grown to employ about 50 staff, plus 42 subcontractors, and its vehicle fleet includes 30 prime movers, 9 rigid trucks, 3 vans, 48 trailers and 3 dollies, a Scania hi-ab, a school bus, and prime movers, trailers and a forklift for the driver training arm of the business.

BFS also operates Busselton Advanced Driver Training (BADT), a registered training organisation that exists inside and runs parallel to its freight operations but also extends into providing driver training to the public.

BFS has always aimed to position itself into niche markets, a move which has paid dividends both for the transport arm but also within the training, compliance and operational components of the business.

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The Major Lessons

Busselton Freight Services' strong focus on safety and compliance has been a cornerstone of its continuing growth, and helped the company build a reputation as a professional and industry-leading operator. Drivers don't apply to BFS if they are not willing to undergo the compliance, induction and drug testing regime that has become well-known throughout the WA transport industry. That reputation reassures clients and results in only the most professional drivers working at BFS.

While the company employs technology platforms to monitor driver behaviour for compliance with safety procedures, a key part of its approach to building a safety culture has been to use the data collected to educate drivers about required practices. Positive behaviours are acknowledged and reinforced, and where drivers are found to be lacking surveillance or monitoring data is used to highlight where improvements are required.

Other major lessons the company has learnt along the way include:

- Safety initiatives provide financial benefits;
- Fostering a culture of compliance is worth the financial cost;
- Compliance and thorough inductions reduce incidents and therefore costs;
- Giving buddy training for the first week or two for new drivers is worthwhile as this significantly reduces the number of accidents/incidents;
- Having a zero tolerance drug and alcohol policy creates a safer fleet and reduces incidents; and
- Introducing technology platforms that provide monitoring or live data feedback in a meaningful format assists in improving drivers' on-road habits.

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Driver Training

Busselton Freight's driver training initiatives were borne out of grass roots thinking, and an internal desire to insert a training regime into the business.

'Buddy training', where new drivers are paired with experienced drivers for their first two weeks, is one of BFS' key safety initiatives and has helped reduce vehicle accidents and driver injury. Buddy training reinforces safety and company procedures to new drivers and mitigates unnecessary risk by exposing new drivers to the particular characteristics of delivery points, such as entry and exit points, which is even more important considering BFS completes thousands of deliveries a week.

Busselton Freight also utilises Busselton Advanced Driver Training (BADT) driving instructors to regularly assess each of its drivers and subcontractors. The company estimates that the internal cost of providing training is relatively minimal, about \$330 a driver, particularly when the benefits are considered – these include risk management, safety processes, professional image projection and avoidance of associated 'on-costs' when things go wrong.

BADT also provides training for clients in the competencies of HR (Heavy Rigid), HC (Heavy Combination), MC (Multi Combination), and High Risk: Forklift LF, as well as high risk forklift training to IGA staff within the IGA>DC.

Technology Platforms

Busselton Freight Services incorporates a range of technology platforms, including some the company has developed, into its road safety package to monitor driver behaviour and reinforce safe practices on the road, in the warehouse and when delivering to clients.

On-road video and unloading surveillance demonstrates to drivers areas where improvements are required or reinforces positive behaviour when safety procedures are followed. In-vehicle monitoring technologies are embraced, including use of PDAs that provide instant data back to base, and GPS monitoring of delivery point entry and departure.

Busselton Freight has also developed a concept trailer that incorporates an infrared video camera and geo fence system to reinforce correct procedures and address issues.

Internally, BFS uses this information to reinforce safe driving habits, and externally it helps maintain the integrity of the IGA brand. The client embraces this approach due the potential of risk exposure, or indeed 'damage', to their brand as all trailers are cloaked in the customer branding. For example, if there was a serious crash or fatality, the IGA brand would be impacted in a major way.



I personally recommended NTI insure BFS as I have confidence in the way the business is managed. I do sometimes use BFS as an example of a well managed company when discussing general safety with others because the organisation is good at what it does.

- Steve Post, NTI Risk Surveyor

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Monitoring and Surveillance

Forward-facing remote control video cameras are mounted on the windscreen of Busselton Freight Services' vehicles. BFS driver trainers will follow a vehicle, using the remote control to stop and start filming, to monitor driving practices. Drivers are informed that they will be monitored.

That footage is put on a PowerPoint display at the main despatch desk so drivers can see their own driving behaviour. Captions are added to highlight areas that need improvement, for example changing lanes without indicating or incorrectly negotiating corners when accessing supermarkets, or to acknowledge and reinforce positive practices.

A long-range stills camera is used to monitor driver unloading practices at supermarkets. BFS takes photographs from the carpark of how drivers are unloading vehicles to ensure safety requirements and company procedures are being followed.

In-vehicle monitoring is driven by the PDA that each driver has. The PDA generates real-time GPS data so in the event of an on-road incident the company can easily track what that vehicle was doing immediately before and after the incident. This allows BFS to accurately determine any factors that contributed to or caused the incident. While the GPS feed also allows the company to track each vehicle, BFS predominantly uses the data to 'drill down' in the event of an incident.

As the company operates mostly in metropolitan Perth it has found that vehicle speed is not an issue that it needs to constantly monitor. However, if a member of the public complains about unsafe driver practices, in-vehicle monitoring will be employed to verify the complaint and determine if, and what, action is required to improve road safety.

Concept Trailer

Busselton Freight developed, tested and implemented a concept trailer utilising technology platforms to provide live data feedback to assist in improving drivers' on-road and delivery practices.

BFS installed infrared and motion detection cameras in the trailer to capture footage of drivers out on the road, allowing the company to reinforce correct procedures to drivers.

The trailer has three temperature zones and incorporates a 'door open, door closed' alarm system that generates an SMS or email message if temperatures are not maintained. If, for example, drivers aren't erecting false walls to segregate off a chilling freezer or not closing a door, that triggers the alarm. Combined with GPS data, the temperature snapshot captured shows whether procedures were followed, and the video footage reinforces that message.

A geo fence delivery point entry and departure system was also developed for the concept trailer and has been rolled out across the fleet. When the vehicle leaves the distribution centre, it travels through a geo fence point that calculates arrivals at each delivery point and generates an SMS or email to stores outlining the estimated time of arrival.

Like all technology platforms BFS utilises, the concept trailer is not focussed on capturing masses of data and constantly watching drivers, it is part of a comprehensive strategy to highlight and address daily challenges that drivers face and to communicate the correct safety and other procedures to maximise safety and compliance.



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Compliance

Busselton Freight Services recognises that although a high level of scrutiny does come at a financial cost, the benefit is that this compliance influences all other areas of the business, and contributes to an overall culture of compliance.

BFS embraces and encourages compliance. As part of this process BFS engages in several third party audits each year, including Main Roads WA accreditation (fatigue and maintenance); Health Department accreditation; Public Transport Authority (school buses); Retail Logistics Safety Code of Conduct; and a WA Department of Planning and Infrastructure audit.

Fatigue, for example, is managed through the supply of trip plans for known set runs, so the driver is aware of designated rest or sleep points. These trip plans are a guide for the driver with actual results recorded on fatigue records and compared. BFS has found the crucial element is to ensure departure times are not impacted on.

BFS also has a zero-tolerance drug and alcohol policy and requires all subcontractor vehicles to undergo annual vehicle roadworthy inspections, including checking tampering with speed limiters.

Drivers For Change

One of the crucial factors in driving a strong road safety culture was that as a family-owned business, support was already in place and initiatives were driven from the top.

Another key driver was the impending introduction of Chain of Responsibility legislation. BFS took proactive steps and introduced policies and procedures to address the required duty of care created by the new legislation. While preparing the company if the legislation was introduced in Western Australia, it also became an opportunity to implement good systems and processes in its line of service and secured a strong niche for the company.

All BFS trailers carry customer branding so there is also a commercial imperative to protect the client's brand. Busselton Freight's major client, IGA, embraces the company's safety focus to limit the potential risk exposure and any possible damage to its brand.

I identified Busselton Freight Services as one of the outstanding national transport companies that I have audited in the past fifteen years. Your developing innovation, technology and support to IGA as a transport provider most certainly will reduce their risk and increase their reasonable steps defence under Chain of Responsibility.

- Richard Cleaver, Road Transport Accreditation Services



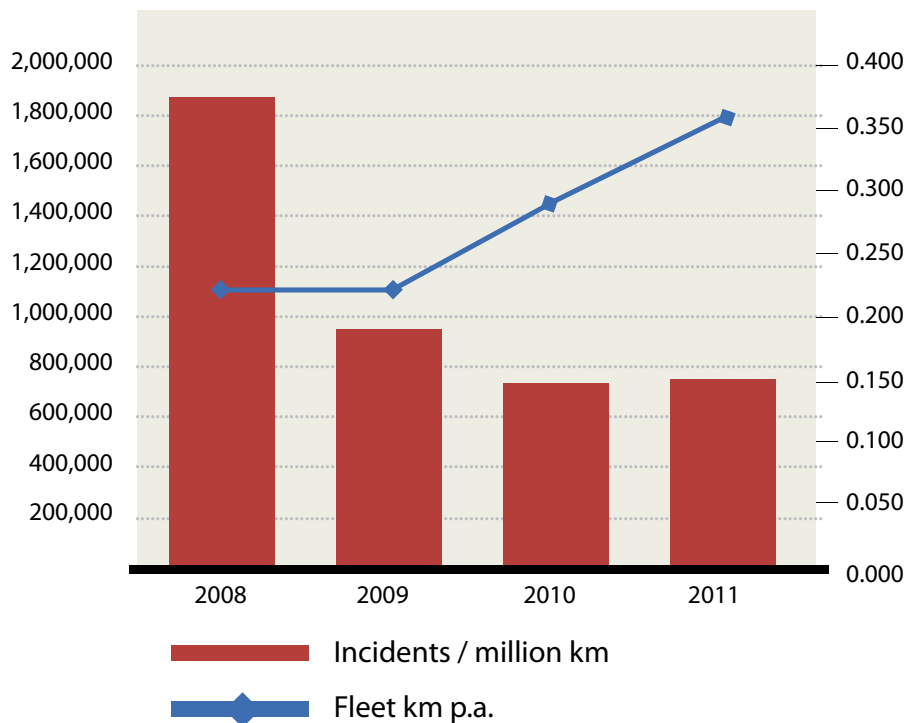
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Results

The bottom-line benefits of Busselton Freight Services' training, safety and compliance culture have been seen across the business, particularly through reductions in crash frequency, workers compensation costs and insurance premiums:

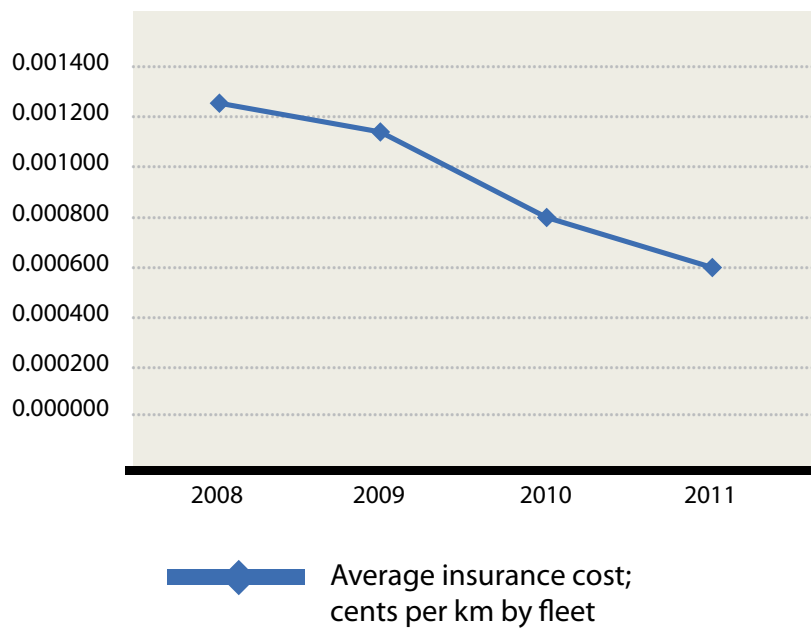
- Real wins for BFS are evident in incident frequency and fatigue management;
- Results from BFS initiatives have been positive with reductions in overall insurance costs per kilometre travelled;
- BFS Compliance Department costs have continued to taper as systems adherence with personnel takes hold – even as the business continues to expand; and
- Workers compensation claims are relatively flat, despite subcontractor numbers increasing substantially.

Incidents by kilometre 2008-2011



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Average insurance cost by kilometre travelled



Fatigue breaches

