



The case for TruckSafe



TruckSafe

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TruckSafe

The trucking industry's business risk management solution

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What is TruckSafe accreditation?

TruckSafe Pty Ltd is a wholly owned subsidiary company of the Australian Trucking Association. TruckSafe is a business and risk management system that is aimed at improving the safety and professionalism of trucking operators nationwide.

It is an industry initiative, which delivers competitive advantages to accredited operators. TruckSafe accreditation is based on four key standards:

Management - Aimed at ensuring that a trucking operator has a documented business system which covers each of the standards.

Maintenance - Aimed at ensuring vehicles and trailers are kept in a safe and roadworthy condition. This standard covers the requirements for daily checks, fault reporting and recording, fault repair, scheduled maintenance, maintenance records and documentation, maintenance responsibilities, internal review, and maintenance training and education. TruckSafe maintenance also complies with NHVAS maintenance standards.

Workplace and Driver Health - Aimed at ensuring that drivers are fit and healthy and Occupational Health and Safety requirements are met. This standard covers requirements for Workplace Health and Safety, Driver Health Screening (including medicals), the role of the medical practitioner, rehabilitation and fatigue management.

Training - Aimed at ensuring that drivers are licensed, authorised and trained for the tasks they are undertaking.

These are the minimum standards a trucking business should meet for it to be a safe, responsible operation. For operators, accreditation shows that they are meeting their due diligence and duty of care.

For customers, TruckSafe provides confidence that contractors have responsible work practices, well maintained vehicles, healthy and trained drivers and management systems to meet their transport needs. This also helps customers to meet their due diligence requirements.

For more information on TruckSafe contact the secretariat on (02) 6253 6900 or via email at trucksafe@truck.net.au.



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How do I become accredited in TruckSafe?

1. The Application Process

Request an information pack from TruckSafe (if you have not received one already) by calling 02 6253 6900 or email trucksafe@truck.net.au

Complete the member application documents (and review the TruckSafe business rules and code of conduct) and fax to TruckSafe on 02 62536999 or by email to trucksafe@truck.net.au. Alternately, you can mail your application to the address below:

TruckSafe Pty Ltd
Ground Floor, Minter Ellison Building
25 National Circuit
FORREST ACT 2603

Once your membership application documents are received, TruckSafe will send you an invoice for your initial membership fee, which needs to be paid prior to your entry audit being organised.

Prior to your entry, you must have at least four weeks of TruckSafe records and 50 percent of your driver medicals, and 100 percent of your vehicle road worthy inspections completed.

When you are ready, complete the audit application (last page on your membership application documents) and send it to TruckSafe.

TruckSafe will schedule your audit upon receipt of the application form. Your auditor will contact you to confirm an appropriate date and time to conduct the audit.

As TruckSafe select the auditor, let us know what other accreditation programs you are in, and when the audits are due, so that we may synchronise dates.

We will have the auditor complete as many of the audits as possible in the one visit.



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2. The Accreditation Process

Once your audit report is received by TruckSafe, it will be assessed by the secretariat staff before being forwarded to the TruckSafe Industry Accreditation Council (TIAC) for consideration on being accredited. Once accreditation is granted by TIAC, you will be issued with the following:

- a letter of accreditation
- a certificate of accreditation and
- a merchandise order form

Accreditation identification labels for display on your vehicles are available by completing the merchandise order form or contacting TruckSafe.

3. What are the costs?

TruckSafe fee schedule 1 July 2012 - 30 June 2013

Level	Powered Units	Fee type	Fee (\$)	Frequency
1	1	Initial Membership Annual Fees	1790 570	One off Annually
2	2-4	Initial Membership Annual Fees	1930 780	One off Annually
3	5-9	Initial Membership Annual Fees	2540 1100	One off Annually
4	10-19	Initial Membership Annual Fees	3340 1530	One off Annually
5	20-39	Initial Membership Annual Fees	4560 1950	One off Annually
6	40-89	Initial Membership Annual Fees	5230 2590	One off Annually
7	90-249	Initial Membership Annual Fees	7880 3660	One off Annually
8	> 249	Initial Membership Annual Fees	9920 5470	One off Annually
Workshop		Initial Membership Annual Fees	0 1630	Annually



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The initial membership fee includes:

- first year's membership
- administration fee
- entry audit, and
- first compliance audit.

These costs apply to a single site audits, extra fees will apply for extra audits.

Annual membership fees after first year include:

- annual membership to TruckSafe; and
- your single site two-yearly compliance audits (extra fees will apply for extra audits).

4. What Are The Benefits?

Commercial

TruckSafe enables you to verify to customers that you are reducing their risks through safe work practices, safe and well maintained trucks, healthy drivers and sound management systems thereby meeting your duties under the Chain Of Responsibility. Additional benefits include:

- reduced maintenance costs;
- improved truck insurance benefits; and
- reduced workers compensation costs.

Internal

- standardisation;
- eliminate duplication;
- reduced down time and re-work;
- competency based training;
- external evaluations;
- improved employee health; and

5. Other Benefits

- satisfies an increasing trend of customers requiring their suppliers to have risk management systems in place and included in tenders;
- increased business viability; and
- continuous improvement of Business Systems through process development.



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Seven facts about TruckSafe

1. A demonstrated record of better safety

TruckSafe accredited vehicles have half the crash rate of non-accredited vehicles, independent research shows.

The research, carried out by Austroads in 2008, examined heavy vehicle crash rates for the three year period from 1 January 2003 to 31 December 2005.¹

Table 1 summarises the outcomes of the research.

Table 1: Crash rates of TruckSafe and non-NHVAS accredited vehicles, 2003-2005

	Crashes	Vehicle years ¹	Crash rate (crashes/ vehicle-year)
Non-NHVAS accredited	6,278	94,753	0.066
TruckSafe accredited	408	12,249	0.033

¹Vehicle years are a measure of accident exposure. A vehicle accredited for the whole three years was assigned a vehicle year value of 3.

Austroads also examined the safety benefits of TruckSafe accreditation using insurance data provided by National Transport Insurance (NTI).

NTI is the largest truck insurer in Australia.

Table 2 summarises the results of the analysis, which examined the five year period from 2001 to 2005.

Table 2: Claims made to NTI insurance per vehicle, 2001-2005

	Claims per vehicle over five years
Non-TruckSafe accredited	0.061
TruckSafe accredited	0.041

¹ Austroads (2008). *Analysis of the Safety Benefits of Heavy Vehicle Accreditation Schemes*. Research report AP-R319/08. Austroads is a strategic research body funded by the Australian, New Zealand, and state and territory road transport agencies.



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In other words, NTI operators accredited with TruckSafe lodged 33 per cent fewer claims than non-TruckSafe accredited operators.

Using the NTI data, the study also demonstrated that the operators improved their safety after joining the TruckSafe program.

The total cost of operators' claims during the two years after operators became accredited was 57 per cent lower than during the two years before accreditation.

For operators with 10 or fewer powered units, the reduction was 38 per cent.

2. The TruckSafe model has been proven in other industries

The TruckSafe model has been proven to work in major industries overseas, including the US chemical and inland shipping industries.

Chemical industry: Responsible Care Program

The chemical industry's Responsible Care program is a management system that covers community awareness and emergency response, security, distribution, employee health and safety, pollution prevention, process safety and product stewardship.

More than 200 of the United States' leading chemical companies – including BASF, Dow Corning and 3M – are members of the program.

Like TruckSafe member companies, they have to undergo regular audits by an independent, accredited auditor.

Companies in the US Responsible Care program are twice as safe as the chemical industry as a whole. The program has delivered a 72 per cent reduction in the recordable injury and illness incidence rates of Responsible Care companies since 1990.²

American Waterways Operators: Responsible Carrier Program

The American Waterways Operators (AWO) represents more than 230 tugboat, towboat and barge operators in the United States. The industry transports more than 726 million tonnes of freight per year.³

² www.americanchemistry.com. Accessed 16 June 2010.

³ www.americanwaterways.com. Accessed 17 June 2010. The US barge industry carries more freight each year than the entire Australian trucking industry.



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All members of the AWO are required to undergo third party audits of their compliance with the organisation's Responsible Carrier Program. The program incorporates best industry practice in three areas: company management policies, vessel equipment and human factors.

The number of crew fatalities in the industry fell from an average of 19 per year (1994-1999) to 11 per year (2000-2009) after the AWO required all its members to join the Responsible Carrier Program.⁴

3. TruckSafe can help companies meet their chain of responsibility obligations, including with respect to subcontractors

The introduction of chain of responsibility means that all parties in the supply chain now have safety and other obligations. Consignors, consignees, loaders and schedulers are all required to take reasonable steps to prevent breaches of the road transport laws by their actions, inactions or demands.

Chain of responsibility is not an academic concept. The state road agencies are actively pursuing companies for chain of responsibility breaches. For example, the NSW RTA has now laid 2,086 chain of responsibility charges against 162 people, including 7 consignees, 25 consignors and 13 company directors.⁵

Some high profile convictions include:

- Bartter Enterprises – Steggles – was required to pay more than \$54,000 in fines and costs after being convicted of inducing or rewarding breaches of the road transport law after it negligently accepted substantially and severely overloaded trucks on 31 occasions.⁶
- Sims Group Holdings, which pleaded guilty in Victoria to a charge of failing to secure a load of steel as a consignor.⁷
- A NSW coal mine, LakeCoal, was required to pay more than \$238,000 in fines and costs after pleading guilty to multiple breaches as a consignor.⁸

⁴ US Coast Guard-American Waterways Operators Safety Partnership, *Towing Industry Safety Statistics 1994-2009*, page 2. Available from www.americanwaterways.com. Accessed 21 June 2010.

⁵ www.rta.nsw.gov.au/heavyvehicles/complianceenforcement/cor/enforcement_statistics/index.html. Accessed 22 June 2010.

⁶ Daley, M. "Heavy vehicle operators learn from tough prosecutions." NSW Minister for Roads media release, 12 July 2009.

⁷ Freestone, S. "Driver, operator and consignor done for CoR breach," www.fullyloaded.com.au, 20 April 2010.

⁸ Gardner, B. "LakeCoal done for CoR breach; RTA to remain vigilant," www.fullyloaded.com.au, 28 May 2010.



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Chain of responsibility has important implications for both trucking companies and their customers.

Trucking companies must now have systems in place to guarantee their compliance with the road transport laws.

Companies also need to make sure their subcontractors have systems in place, because they must take reasonable steps to ensure their subcontractors are compliant.

The industry's customers also have chain of responsibility obligations. They are increasingly demanding that trucking companies prove they have compliance systems in place.

TruckSafe is part of the answer for both the industry and its customers.

For trucking companies

Trucking companies that implement the TruckSafe system have a strong defence against chain of responsibility breaches. They can assure their customers they have strong safety management systems.

Trucking companies can also use TruckSafe to help manage their obligation to take reasonable steps to ensure their subcontractors are compliant. Subcontractors have emerged as major concern for the industry, because:

- trucking companies typically do not have enough compliance staff or the administrative systems to assess their subcontractors' compliance;
- they have difficulty offering their subcontractors a pre-packaged safety management system they can reasonably be expected to implement; and
- they often encounter resistance when they attempt to impose higher standards. Subcontractors may consider the company is asking them to meet standards it does not meet itself, or that the standards are too specific to the contract.

The TruckSafe system can help address all these concerns.

TruckSafe is administered externally, so companies can focus on making sure their subcontractors meet a small number of company-specific compliance requirements. This can greatly reduce the scope of the compliance management task.

TruckSafe is designed so it can be implemented by owner drivers and small fleet operators, as well as by larger companies.



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There is ample support available from TruckSafe consultants.

Finally, companies who are members of TruckSafe themselves are in a powerful position to demand their subcontractors meet the same requirements.

TruckSafe is consistent across the industry, so subcontractors who become TruckSafe accredited can be confident their accreditation will be valid even after their contract ends.

4. TruckSafe includes voluntary modules to cover the requirements of other schemes

In 2008, TruckSafe released the first of a series of voluntary modules to enable member companies to meet their obligations under these schemes within the TruckSafe framework. Table 4 sets out the voluntary modules released to date.

Table 4: Voluntary TruckSafe modules

1	NHVAS Mass Management
2	Retail Logistics Supply Chain Code of Conduct
3	NHVAS Basic Fatigue Management

TruckSafe companies that implement these modules will meet the requirements of the other schemes, although it is still necessary to join them. TruckSafe can also reduce the number of audits that companies need, as fact 5, below, shows.

5. TruckSafe can reduce the number of audits needed to manage multiple accreditations

Many leading trucking companies are now members of a series of audit-based schemes, such as the NHVAS permit scheme, the Retail Logistics Supply Chain Code of Conduct, WA heavy vehicle accreditation, OHSE and HACCP. Companies may also need to conduct audits under their internal safety management systems.

As a result, some companies are audited as many as twelve times per year, which is expensive, intrusive, and a wasteful duplication of effort.

When TruckSafe schedules an audit of a member company, we check the other audits that need to be done, too. We then assign an auditor who can do them all in one visit. TruckSafe has auditors who are qualified to conduct audits under every



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audit scheme used in Australia – including internal company schemes – not just the ones covered by the voluntary TruckSafe modules.

6. TruckSafe is registered as a Code Of Practice in Victoria

The Victorian Government has recognised that compliance with the TruckSafe standards, and with the spirit of the standards, is evidence that operators have taken reasonable steps to prevent safety breaches in the areas covered by those standards.

This makes it easier for TruckSafe accredited companies in Victoria to show they have taken reasonable steps to prevent breaches of the road safety laws

7. TruckSafe helps companies keep the focus on safety over time

By imposing external checks, the TruckSafe system helps companies achieve better safety outcomes over time than internal safety management systems.

Without external reinforcement, company safety management systems tend to decay over time:

- the staff and managers who originally championed the SMS move on to other things;
- new staff may not have the same level of formal training and commitment and may not understand the details of the company's unique system; and
- informal short cuts tend to replace documented processes.

There are countless examples of this problem occurring in high-profile organisations around the world, including companies with an exemplary safety record like Qantas (see case study).

By joining TruckSafe, companies whose brands depend on safety can ensure they achieve better safety outcomes over time. TruckSafe requires companies to undertake regular external audits.

These audits may result in the issue of corrective action requests, which must be addressed. This approach ensures that TruckSafe companies maintain a strong safety culture: an enduring achievement for the staff who signed those companies up to the scheme.



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Case study: Qantas flight QF1, 23 September 1999

On 23 September 1999, a Qantas 747-438 overran the runway at Bangkok International Airport, Thailand, following very heavy rain. The aircraft came to a stop on a golf course, and was substantially damaged. Miraculously, none of the crew or 391 passengers on board sustained serious injuries.

The Australian Transport Safety Bureau (ATSB) launched one of the most comprehensive and exhaustive investigations in its history. It found that:

- the flight crew did not use an adequate risk management strategy for the approach and landing. In particular, they did not consider the potential for the runway to be contaminated by water, primarily due to the absence of appropriate company procedures and training.
- there were significant deficiencies in the way the company implemented and evaluated its landing procedures.
- the management culture within Qantas was over-reliant on personal experience and did not place adequate emphasis on structured processes, management training and research and development when making strategic decisions.

Australia's air safety regulator, the Civil Aviation Safety Authority (CASA) should have identified these problems and required Qantas to correct them. But the ATSB concluded that CASA's surveillance of airline flight operations was deficient.

It is clear from the investigation that Qantas had allowed its internal safety management systems to decay, following decades of safe operation. CASA did not carry out the external audits necessary to keep the airline focused on safety.



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TruckSafe Code of Conduct

Roadworthiness

1. All vehicles operated by the accredited operator must be maintained in a safe and roadworthy condition, as outlined in the TruckSafe standards and vehicle standards regulations.

Regulations

2. All vehicles are to be maintained in compliance with the appropriate Australian Design Rules (ADR).
3. No driver shall be required to drive an unsafe vehicle at any time.

Driver Health

4. All drivers are to participate in the health screening program, as detailed in the standards.
5. Drivers identified as 'Not Fit to Drive' must not be allowed to continue driving.
6. Drivers identified as 'Not Fit to Drive' should be given, where possible, alternative duties and afforded support and assistance with their rehabilitation.

Training

7. The accredited operator must maintain a commitment to ongoing training, as outlined in the standards.

Management

8. The accredited operator must conduct all business in a safe, professional and legal manner.

9. The accredited operator must ensure its relevant state's occupational health and safety requirements are met and maintained as required by law.
10. Drivers must be afforded sufficient time to conduct trips in a legal, compliant and safe manner.
11. Vehicle speed limiters shall be maintained to the legal requirement as specified by the ADR and must in no way be tampered with.
12. Vehicles shall not, in any manner, be knowingly overloaded.
13. Prime contractors must not, by their actions or requirements, force or in any way induce subcontractors to break the law.

Driver Specific

14. Drivers must at all times obey road transport laws.
15. Drivers must obey the applicable 'driving hours' legislation specific to their state/s of operation and take all reasonable steps to manage their fatigue. They should not drive with high levels of fatigue.
16. Drivers must practice and maintain safe load restraint practices.
17. As the ambassadors of the road transport industry, drivers shall operate their vehicles in a safe and professional manner, with consideration for all other road users.
18. Drivers agree to notify their employer or operator immediately should the status or conditions of their driver's license change in any way.
19. Drivers must notify their employer if they are not fit for duty prior to commencing their shift.



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