

CSG Logistics safety code of practice

Tom Curtis, APLNG Logistics Manager - Origin

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Background

Commitment

- Origin committed to signing as a licensed participant to the Australian Logistics Councils (ALC) National Logistics Safety Code (NLSC) - 2011

Method

- Forms the CSG Logistics Safety Code of Practice working group (Origin, Santos, Arrow, QGC)

Purpose

- To support supply chain safety compliance - critical risk area

The Code

- Designed to ensure that all participants are aware of their responsibilities in the supply chain where they control or influence the safe and legal carriage of freight
- This will produce clear and equitable alignment of responsibilities for the carriage of goods within the supply chain against the relevant standards and regulations and induce higher standards of accountability and good practice within the CSG industry

Scope



- The CSG Logistics Safety Code of Practice will be implemented across the Origin-operated portion of the Australia Pacific LNG Project transport supply chain activities, as a primary means to mitigate the risk of serious transport related accidents
- The Code will assist Origin to comply with 'chain of responsibility' laws and future national heavy vehicle laws
- This Code applies to all Origin employees, contractors and sub contractors or their representatives who have direct or indirect involvement in the Supply Chain and all sites under Origin control
- The Code is not designed to replace any legal obligations and each person in the supply chain must understand and comply with their legal obligations (in addition to the Code)
- The Code audits all aspects of the various supply chains where there is control or influence by Origin, its people, contractors or sub-contractors
- All parties in the CSG supply chain/s are expected to fully comply with the Code

The CSG Logistics Safety Code of Practice

- Recognises the need for a safe and efficient transport function
- Prescribes minimum levels of operational behavior
- Independently audited by RABQSA accredited auditors



Leveraging the Code

Harmonised Code

National Logistics Safety Code (NLSC)

- 1. Guidelines
- 2. Structure
- 3. Responsibility Matrix
- 4. Audit Tool

NLSC Code Framework

= Legislative requirements

Industry Specific

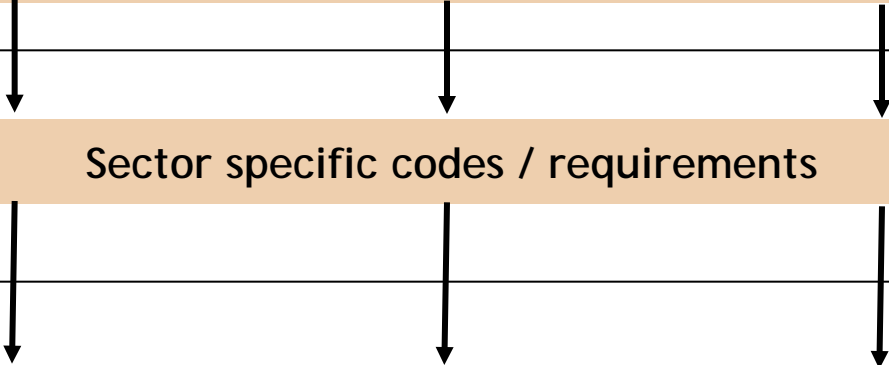
Sector specific codes / requirements

= CSG

Common Audit Tool

Our Code Audit Tool

= Optional elements



National compliance and enforcement laws



The introduction of the *Road Transport Reform (Compliance and Enforcement) Act 2003* paved the way for a nation-wide regime regulating all parties in the road transport supply chain - the consignor, consignee, packer, loader and scheduler, drivers, owner-drivers and operators as well as directors, partners and managers.

Under the new regime, all participants in the chain can be held responsible for their actions (or inactions) relating to breaches of the road transport, fatigue, speed, mass, dimension and load restraint laws.

A nation-wide, whole of chain regime:

- improves compliance outcomes for road safety, infrastructure and the environment
- minimises the adverse impacts of road transport on the community
- minimises unfair competitive advantage within the heavy vehicle industry.

Legal liability applies to all parties for their actions or inactions.

Who is responsible?



Consignee

Loaders

Scheduler

Operators

Consignor

Loading Manager

Employers

Unloader

Drivers

Prime Contractor

Road Transport Legislation



Chain of responsibility

Under the Chain of Responsibility legislation all parties in the road transport supply chain must take proactive steps to prevent a breach of the road transport, fatigue, speed, mass, dimension and load restraint laws

These steps can be as simple as:

- Assessing contractual arrangements with customers
- Communicating with customers regarding the new legislation
- Assessing the training requirements of staff
- Implementing and documenting appropriate policies, procedures and workplace practices

Chain of Responsibility (CoR) is similar to the legal concept of 'duty of care' that underpins Workplace Health Safety law.

Road Transport Legislation (continued)



Key features of the legislation

- Ensure parties who (by their actions, inactions or demands) control or influence conduct on the road are held legally liable
- Provide nationally consistent enforcement powers and extensive enforcement capabilities
- Introduce a 'reasonable steps' defence

What is a reasonable steps defence?

If you can show that you did not know and could not have been reasonably expected to know that a breach in the road law had occurred, and that either:

- you had taken all reasonable steps to prevent the breach,

OR

- there was nothing that you could reasonably have done to prevent the breach

Then you will not be liable for any offence in the chain of responsibility

The Code is intended to assist all parties in the supply chain



- To identify issues related to the “Chain of Responsibility” and to manage that compliance
- To manage their legal obligations (Road and Traffic Laws and WHS Legislation).
- To understand their responsibilities in the supply chain when they control or influence the safe and legal carriage of freight
- To produce clear and equitable alignment of responsibilities for the carriage of goods against the relevant standards and regulations.
- To induce higher standards of accountability and good practice within the industry

Consigners

- Suppliers
- Manufactures
- Warehousing
- Schedulers

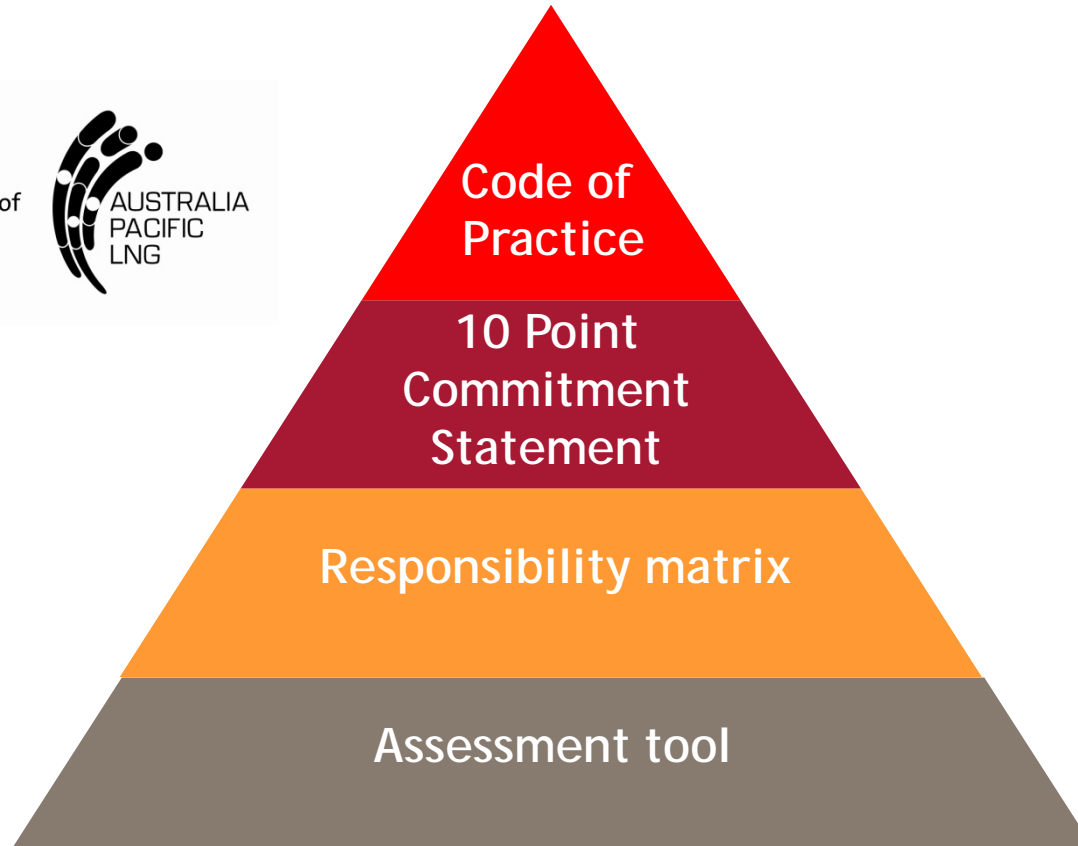
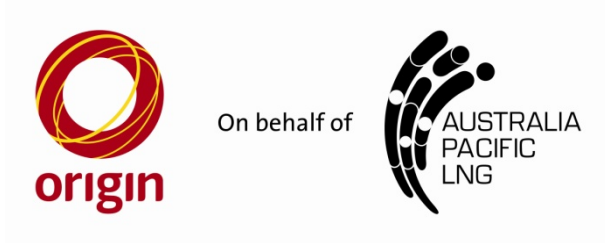
Carriers

- Logistics Provider/s
- Transport
- Truck Pushers

Consignee

- Suppliers
- Company Sites
- Laydown Areas
- WSR
- Rig Managers

What is the Code?



National Logistics Safety Code Commitments



1. Recognise and accept our obligations
2. Comply with all road transport laws
3. We will not knowingly make any demand or requirement that would cause us to breach
4. Actively support the development the Code of Practice
5. Have adequate processes, programs, policies and training to demonstrate compliance
6. Recognise and accept our 'Chain of Responsibility' obligations
7. All new contracts or arrangements require compliance with this Code
8. We accept that cost alone should not be the determining factor in meeting our obligations
9. Actively support the development of nationally consistent road transport regulations



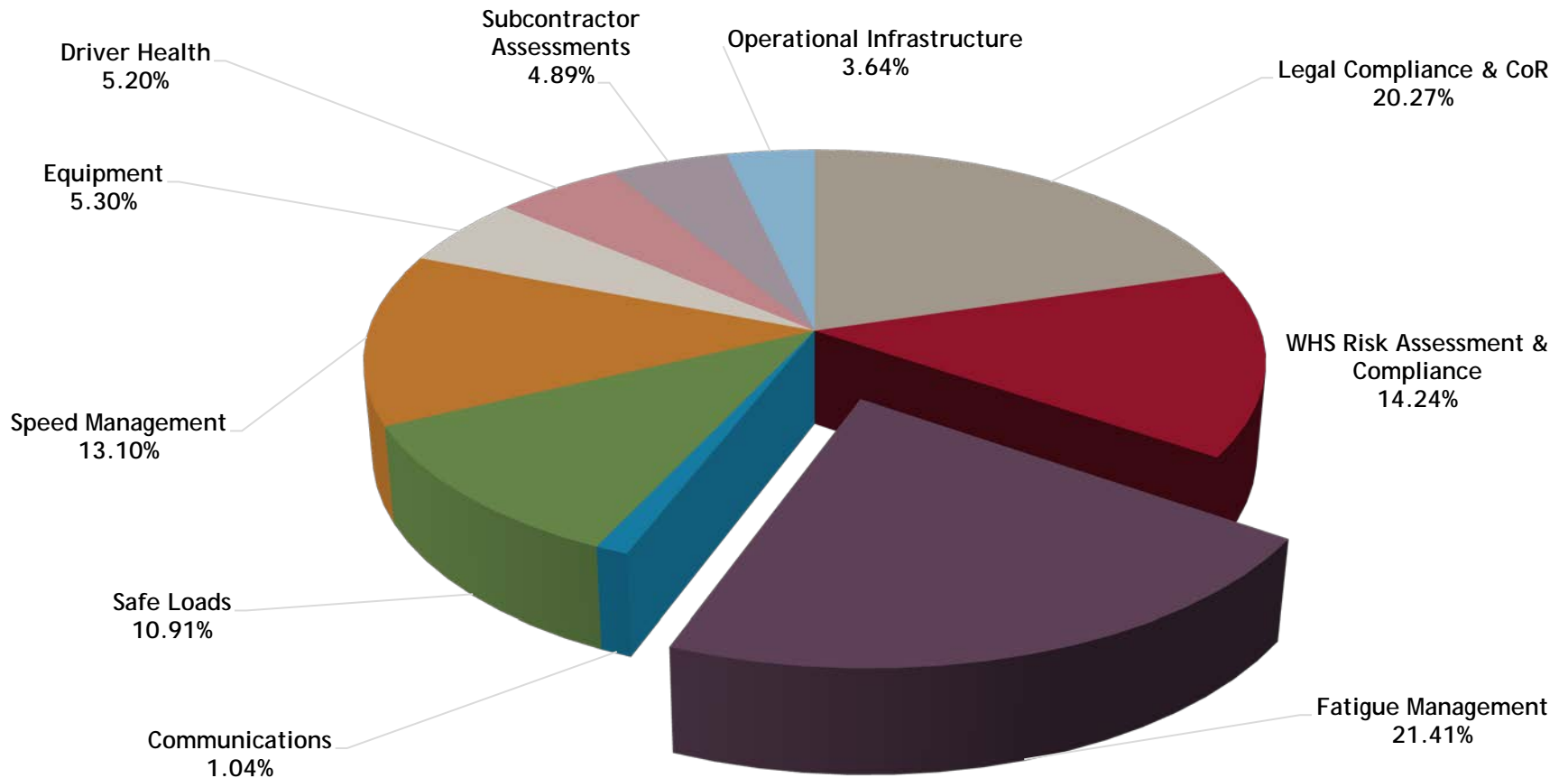
Assurance Assessment Tool Elements

1. Legal Compliance and CoR
2. WHS Risk Assessment & Compliance
3. Fatigue Management (scheduling, time slot flexibility, waiting time, queuing, loading and unloading)
4. Communication
5. Safe Load (preparation, restraint, containment, mass, CWDs, dangerous goods)
6. Speed Management
7. Equipment
8. Driver Health / Drug & Alcohol free workplace
9. Subcontractor Assessment
10. Operational Infrastructure

Code audit reporting



National CAR Count by Element for Reporting Period - to date



Origin's approach to compliance



Our approach

- Identify each project
- Conduct supply chain discovery sessions to identify all relevant supply chain partners
- Plan Schedule consultatively
- Liaise with parties to be assessed
- Conduct assurance assessments
- Provide guidance and assistance to supply chain partners to meet the required level of compliance to the CSG Code
 - Links to information
 - Online training
 - Establish corrective action plans

Online Training

- TLIF2092A Demonstrate awareness of chain of responsibility regulations - Available
- TLIF3093A Implement chain of responsibility regulations (Supervisors) - Q4 2013
- TLIF4094A Ensure compliance with chain of responsibility (Managers) - Q4 2013
- TLID2004A_Load and Unload goods/Cargo - March 2013
- TLIF2010A Apply fatigue management strategies(Drivers) - March 2013
- TLIF3063A Administer the implementation of fatigue management strategies (Schedulers) - WIP

Origin's approach to compliance (continued)



CSG Code is recognised by other CSG proponents

- Santos - GLNG
- Arrow Energy
- QGC - QCLNG

CSG Code recognition of other accreditations schemes

- National Heavy Vehicle Accreditation Scheme (NHVAS)
- Western Australian Heavy Vehicle Accreditation (WAHVA)
- TruckSafe
- AS 4801 Certification - Safety Systems
- ISO 9001 Certification - Quality Management Systems
- Retail Logistics Supply Chain Code
- Australian Steel Industry Code
- Other externally audited and accredited schemes may also be acceptable

Benefits

- Robust, industry-wide mitigation of heavy road vehicle safety risks across the CSG supply chain
- Standardised tool improves understanding of risk and clarity on legal obligations
- Independent audits help identify/avoid high-risk contractors

Origin conducted 40 audits during 2012 and have 220 planned for 2013. Our supply chain partners have been very positively responding to the approach Origin has been following with the implementation of the CSG Logistics Safety Code



For any questions, please contact
The Origin Supply Chain Team:
ian.ross@originenergy.com.au



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Thank you
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