



SEPTEMBER 2006

Welcome

This is the first of what the Council hopes to be a regular News Bulletin to Members to keep you informed of what is happening in relation to all aspects of the air and sea-freight logistic chains into and out of Tasmania.

Tasmanian Freight Equalisation Scheme Update

Earlier this year the Council wrote to all Members advising them of the Tasmanian Freight Equalisation Scheme (TFES) review by the Productivity Commission, urging you of the need to take action and offering assistance and facilitation of submissions by individual Members or groups of Members. The Council in turn lodged its own submission to the Productivity Commission urging the continued support and access to the TFES.

The recently released Productivity Commission draft report recommends phasing out the TFES, which subsidises about 40 per cent of container trade across Bass Strait, because it costs Australia more than it benefits Tasmania. The Productivity Commission proposes phasing out the scheme over five years, beginning next July, and introducing a flat rate of \$400 per eligible twenty-foot equivalent unit.

The Prime Minister has since promised, despite this, that the TFES will remain in force.

Members are invited to examine the draft report and comment on it in writing and/or by attending public hearings which will be held in Hobart on 17 October 2006 and Launceston on 18 October 2006. Submissions to be presented at a public hearing should be received by the Productivity Commission by 11 October 2006. All other submissions should be received by 27 October 2006. The final report is due for completion by 21 December 2006 and will be prepared after the public hearings have been completed and final submissions have been received.

Copies of the draft report are available from the Productivity Commission's website www.pc.gov.au/inquiry/tasfreight/draftreport/index.html Printed copies of the report are available by contacting Jill Irvine on (02) 6240 3223.

Chain of Responsibility Legislation

Members are advised that pioneering 'chain of responsibility' laws are currently being progressed by the National Transport Commission (NTC) in conjunction with the road transport industry and all State Governments.

The aim of the new laws is to ensure that legal liability is imposed on all those in the transport chain who have responsibility for certain tasks where their actions result in an offence. The laws target speeding, illegal driving and working hours, overloading, exceeding vehicle dimensions and poorly restrained loads. Improved compliance with these and other laws will provide a safer industry for workers in the road transport industry and other road users.

Chain of responsibility is a key initiative targeting those who, by their actions, inactions or demands, put drivers' lives and other lives at risk, and gain an unfair competitive advantage by breaking the law. The chain of responsibility means that all parties in the transport chain are responsible for unlawful practices. In other words, if you use road transport as part of your business, you share responsibility for ensuring safety breaches do not occur.

The traditional approach in road transport law in Australia has been to apply legal liability for not operating safely on drivers only, or in some cases owners or operators. Where other parties could be held accountable, this was generally through legally cumbersome 'cause or permit' or 'aid and abet' laws. Prosecution of other parties in the transport chain was rare, and tended to occur only for serious offences. The major weakness of this approach is that it ignores the actions of many other parties (including consignors, manufacturers and loaders). The actions (or failure to act) of these parties in the chain can have a major effect on drivers' fatigue, speeding, overloading and load restraint behaviour. Hence, former road transport laws tended to have little, if any, deterrent effect on these parties.

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National Packaging Covenant

Members may be interested to know more about recent developments in the National Packaging Covenant.

The National Packaging Covenant has been the leading instrument for managing the environmental impacts of consumer packaging in Australia since 1999. It is the voluntary component of a co-regulatory arrangement based on the principles of shared responsibility through product stewardship, between key stakeholders and industry participants in the packaging supply chain and all spheres of government - Australian, State, Territory and Local.

The regulatory underpinning is provided by the National Environment Protection Measure on Used Packaging Materials (NEPM), designed to deal with free riders and non-signatories and applied at the jurisdictional level.

The Covenant was extensively reviewed throughout 2004 and revised in response to the findings of the evaluation of the National Packaging Covenant and consultation process and a general agreement by all stakeholders that the model needed to be significantly strengthened if it was to continue.

The Environment Protection and Heritage Council agreed to the proposal for a strengthened Covenant for a term of five years to commence when the current Covenant expired in July 2005. The revised Covenant commits signatories to a national recycling target of 65% for packaging and no further increases in packaging waste disposed to landfill by the end of 2010.

The Covenant is designed to minimise the environmental impacts arising from the disposal of used packaging, conserve resources through better design and production processes and facilitate the re-use and recycling of used packaging materials.

The Covenant establishes a framework for the effective life cycle management of consumer packaging and paper products that will be delivered through a collaborative approach between all sectors of the packaging supply chain, consumers, collectors, reprocessors and government.

All signatories to the Covenant recognise that a co-operative approach between industry and all spheres of government is essential to achieving national consistency in the lifecycle management of packaging and paper and the implementation of sustainable kerbside collection systems.

Please note the due date for re-signing the Covenant has been extended to 30 September 2006.

All organisations are welcome to participate in the National Packaging Covenant. Existing and potential signatories should read the Covenant to fully understand the obligations expected of signatories. These include:

- Prepare and submit Action Plans;
- Adopt product stewardship policies, key performance indicators and contribute to the effective environmental management of packaging throughout its life cycle;
- Apply the principles of the Covenant in their own operations;
- Report annually against Action Plan commitments and individual targets and timelines;
- Seek greater recognition of packaging as a resource to be re-used where practical and feasible;
- Encourage broader adoption and implementation of the Environmental Code of Practice for Packaging; and
- Make the appropriate contributions to the Covenant funding arrangements where relevant.

For further information on the National Packaging Covenant, please check out the Council's website www.freightlogistics.com.au

Chain of Responsibility (cont...)

However, under the national approach to road transport laws being progressed by the NTC and now being implemented by States, Territories and the Commonwealth, anyone who exercise control over conduct that affects compliance will have responsibility, and may be made accountable for failure to discharge that responsibility. This includes primary producers, miners, manufacturers, retailers, importers, exporters, tourism operators and all other parties involved in road freight and passenger transport. This is achieved by the clear identification of the responsibilities of various parties and holding them legally accountable for breaching them. The new approach is far more direct and effective in securing accountability for non-compliance than the previous laws, and enables all parties to know their legal obligations from the outset.

The principle behind the Commission's 'chain of responsibility' concept is simple:

Any party who has control in the transport chain can be held responsible and may be made legally liable.

Under chain of responsibility:

Control = responsibility = legal liability.

There are many different activities and parties involved in transport operations. Different parties have sole or shared control of each of these activities and could be held responsible for breaches of road transport laws. All parties in the supply chain – consignor/dispatcher, packer, loader, consignee/receiver, manager, as well as the driver and operator – must take positive steps to prevent a breach of the road transport mass, dimension and loading and driving hours laws.

Liability for an offence will apply even if persons only receive goods (i.e. the consignee), provided they knew, or ought to have known, that they could only have been supplied with those goods by breaching a road transport law. Chain of responsibility laws apply in addition to, but complement, other

duties required by occupational health and safety, environment, corporations and other laws.

Wider recognition and enforcement of chain of responsibility is potentially the single most important factor in improving the safety of the freight transport and bus passenger industries.

These chain of responsibility provisions will oblige all parties in the chain, for the first time, to take positive steps to prevent a breach of the road transport mass, dimension and loading laws, thereby reducing pressures on on-road parties and ultimately leading to improved compliance and safer roads.

The new legislation is already in place in all States in Australia except Western Australia, South Australia and Tasmania - although the legislation has been passed in South Australia, but it is not yet in force. The Department of Infrastructure Energy and Resources (DIER) has not yet started work on implementation of the legislation in Tasmania. As it will impact on other Tasmanian legislation, the project will take DIER 12 to 18 months to complete once it has been commenced and the legislation will be the last phase of the project. Accordingly it is unlikely that this legislation will be enacted in Tasmania before the middle of 2008.

If you or your organisation has a role in the transport chain, it is in your best interests to become familiar with your obligations under the proposed new road transport laws and comply with them – particularly if you move goods interstate where the legislation is already in place. You may need to change the way you do business, and review policies and procedures related to your use and/or operation of road transport services. This could include things such as reviewing freight loading and unloading times and systems, implementing fatigue management training, reviewing contracts with service providers and customers and adopting risk management standards.

For further information on the chain of responsibility legislation, please check out the Council's website www.freightlogistics.com.au or check the National Transport Commission's website www.ntc.gov.au

Thanks Jim McCormack

The Council would like to thank its former Chief Executive Officer, Jim McCormack, for his efforts with the Council and its predecessor, the Tasmanian Export Council, over the last six and a half years. Jim has decided to move on to other work, but hopes to have an ongoing association with the Council in the future by undertaking project work for the Council. There is no doubt that much of the success of the Council is due to the work of Jim and the Council wishes him all the best for the future.

Seafood Logistics Study

The Council recently received a report from Rural Development Services Pty Ltd which investigated the freight logistics associated with movement of live and fresh, chilled seafood around the State as well as to markets interstate and overseas. The report identifies actions that can be realistically undertaken to improve logistics efficiencies among these industries. The Council is currently discussing potential outcomes of the report with the Tasmanian Fishing Industry Council, after which an Executive Summary of the report will be provided to all Members with a full copy of the report being available on request from the Council.

West Coast / Circular Head Freight Study

The Council has appointed Davey & Maynard to conduct a freight study on the West Coast and Circular Head areas. The study aims to collect reliable data about freight flows to and from Tasmania's West Coast communities, to analyse the data objectively and to propose actions to increase efficiency and capacity utilisation of available freight infrastructure and equipment to the West Coast and Circular Head areas. The report is due for completion in December 2006 and will be made available to Members soon after that.

New Website

The Council has just launched its new website – check it out on www.freightlogistics.com.au In addition to providing information about the Council and its past and present activities, the website will be regularly updated with any freight logistics issues and news that may be of interest to members. It also contains links to many relevant websites. All Members are listed on the website – with a link to your website if it is known. If you would like your website link posted on the Council's website, or alternatively if you would prefer your name not to be shown on the website, please contact Rob McGuire by ringing him on (03) 6236 3663 or by email on freightlogistics@tcci.com.au

Strategic Plan

The Council recently approved its Strategic Plan for 2006-07 and 2007-08. The Strategic Plan outlines the Council's objectives for the next two years, identifies key issues facing the industry, identifies strategies to be undertaken and also details proposed project activities proposed to be undertaken in the coming two years. A copy of the Strategic Plan can be obtained from the Council's website www.freightlogistics.com.au

New CEO

Rob McGuire recently commenced work as the new CEO of the Council. Rob has a background in accounting and business management with the last six years being in sports marketing running Targa Tasmania. Rob is looking forward to the new challenge of being an integral part of the freight community to help improve the way freight moves to and from Tasmania.

The Council wants to ensure that it is relevant to the needs of its Members and wants to know about significant logistic issues that are impacting on your businesses. Accordingly, Rob will contact all Members in the coming weeks to introduce himself and to learn more about your businesses and any freight logistic issues that you may currently have. Should you wish to speak to Rob about any freight logistic issues, please contact him on (03) 6236 3663 or by email on freightlogistics@tcci.com.au

