



Guidance Note – Chain of Responsibility (CoR) in Retail



Australian
Retailers
Association

► What is CoR?

Chain of Responsibility (CoR) relates to the obligations of all parties involved in the transport supply chain under the Heavy Vehicle National Law (HVNL).

CoR recognises that there may be many parties involved in the transport supply chain who can impact transport tasks.

All parties in the supply chain **consignor/dispatcher, packer, loader, scheduler, consignee/receiver, manager**, as well as the **driver** and **operator** are responsible for compliance with HVNL (transport laws) and preventing breaches. The aim of the CoR is to ensure that all parties have equal responsibility in complying with HVNL.

Corporate entities, directors, partners and managers are accountable for the actions of people under their control. This is the 'chain of responsibility' (CoR).

► Heavy Vehicle National Law

The objective of the HVNL is to establish a national scheme for facilitating and regulating the use of heavy vehicles on roads. Amongst other things, the HVNL aims to promote public safety and safe business practices.

IMPORTANT: You must be familiar with the HVNL, this is the first step to meeting your CoR obligations. [HVNL here](#)

► Who administers the HVNL?

The National Heavy Vehicle Regulator (NHVR) is the single regulator who looks after one rule book for heavy vehicles over 4.5 tonnes gross vehicle mass.

State and territory police, and authorised officers are appointed to enforce heavy vehicle offences under the HVNL.

► Is the HVNL applicable to all transport vehicles?

The HVNL applies to all **heavy vehicles over 4.5 tonnes**. The national laws commenced on 10 February 2014 in all jurisdictions with the exception of WA and NT. NOTE: ACT have partially implemented the legislation and WA and NT have decided not to be involved in the national reform at this time.

► What do the HVNL cover?

The HVNL covers the following matters:

- vehicle standards,
- mass dimensions & loadings,
- fatigue management,
- the Intelligent Access Program,
- heavy vehicle accreditation and
- on-road enforcement

Four regulations have been made under the national law.

IMPORTANT: You must be familiar with the each regulation relating to HVNL. The regulations can be viewed by accessing the following links:

- [Heavy Vehicle \(Fatigue Management\) National Regulation \(PDF, 374KB\)](#)
- [Heavy Vehicle \(General\) National Regulation \(PDF, 390KB\)](#)
- [Heavy Vehicle \(Mass, Dimension and Loading\) National Regulation \(PDF, 1.4MB\)](#)
- [Heavy Vehicle \(Vehicle Standards\) National Regulation \(PDF, 748KB\)](#)

► Does our retail business have CoR obligations?

In your retail business, if you consign, pack, load or receive goods (to which the HVNL is applicable), then you are a party in the chain of responsibility and have CoR obligations under HVNL.

As a party in CoR, you must take **reasonable steps** to prevent a breach of the HVNL.

Traditionally, drivers and operators have been the focus of road laws. Under CoR, complying with transport laws is a duty shared by all parties within the transport supply chain. All parties are responsible for ensuring that the law is complied with and breaches are prevented.

► What are the common CoR failures our retail business should be aware of?

Some examples of failure to meet CoR obligations include:

- applying business practices or demands that cause a driver to breach fatigue management requirements, or speed limits
- failing to weigh, measure or secure loads
- setting schedules with unrealistic timeframes
- causing delays in loading and unloading.
- packing goods incorrectly
- failing to consult or engage with other parties to ensure safe practices
- failing to assess driver fitness for duty
- including terms in contracts and arrangements to encourage, reward or give incentives to the driver or other parties in the supply chain to breach the law.

► Who is responsible if there is a breach in HVNL?

CoR means that anybody in the transport chain with influence and/or control over the transport task – not just the driver – can be held responsible for breaches of road laws and may be legally liable.

This may include but not limited to:

- corporations, partnerships, unincorporated associations or other bodies corporate
- employers and company directors
- exporters/importers
- primary producers
- drivers (including a bus driver and an owner-driver)

- prime contractors of drivers
- the operator of a vehicle
- schedulers of goods or passengers for transport in or on a vehicle, and the scheduler of its driver
- consignors/consignees/receivers of the goods for transport
- loaders/unloaders of goods
- loading managers (the person who supervises loading/unloading, or manages the premises where this occurs).

► How is liability determined?

CoR requires each party in the supply chain to take 'reasonable steps' to prevent breaches of the HVNL. The CoR principle is similar to the legal concept of 'duty of care' that underpins work health and safety law.

If it is determined that a 'party' has not taken reasonable steps to prevent breaches of the road transport mass, dimension, loading, speed compliance and work hours laws, then that party may be held responsible and legally liable.

► What should we have in place as a retail business with CoR obligations to demonstrate we have taken reasonable steps to prevent breaches of HVNL?

Similar to compliance with work health and safety law, you must develop and implement systems of work to demonstrate you have taken all reasonable steps to prevent a breach of HVNL.

Systems of work should be focus on:

- Scheduling and transit times
- Time slot management
- Safe loading practices including mass, dimension and load restraint
- Driver fatigue management including driver health and fitness for duty
- Speed compliance
- Vehicle safety

► 6 steps to meeting your CoR obligations

1. Obtain a copy and be familiar with the HVNL including the four regulations made under the national law;
2. Obtain a copy of the [Retail Logistics Supply Chain Code of Practice](#) and consider whether your retail business would like to participate in the voluntary RLSC scheme, where you will be audited on your CoR annually. Refer to the [brochure](#) for further information.
3. With reference to the [Retail Logistics Supply Chain Code of Practice Responsibility Matrix](#) determine your level of CoR obligations and consider these when developing your systems of work
4. Seek legal advice and training on your CoR obligations
5. Prepare for new CoR laws expected to commence in 2018. The new laws

will amend CoR laws so that they align closely with work health and safety laws. This means that Executive Officers of consignors (senders of freight) or consignees (receivers of freight) need to be aware of their current responsibilities under the HVNL, and start preparing for new laws.

6. Establish a risk management approach to comply with your CoR obligations:

Build systems that identify, assess and control risks

- Assess and identify clearly the responsibilities of all parties in your supply chain under CoR.
- Install systems to manage fatigue.
- Maintain your equipment.
- Check your vehicle dimensions and weights.
- Include compliance and assurance conditions in commercial arrangements.

Adopt better freight moving practices

- Establish and adhere to, safe policies, procedures and workplace practices.
- Ensure proper packing, placing and securing of loads.
- Adopt safer loading and unloading procedures.
- Ensure vehicles do not speed.
- Train staff and partners on their CoR obligations.

► **What happens if we are a party in the CoR found legally liable for breaches of HVNL?**

There may be multiple parties who are held responsible for offences committed by the drivers and operators of heavy vehicles, in this case, each party may be legally liable.

If you are a party in the transport supply chain who has been found in breach of the HVNL, you are exposed to a range of penalties and sanctions.

The consequences of a breach mean that you can be placed with a formal warning, or hit with fines and penalties imposed by the court. Actions may include:

- warnings/education
- improvement notices
- infringement/expiation notices
- court imposed fines
- Supervisory Intervention Orders
- Road Compensation Orders
- Commercial Benefits Orders
- Prohibition Orders
- licensing and registration sanctions

► **Where can I access further information relating to our CoR obligations?**

Further information regarding HVNL and CoR obligations can be accessed via the:

- [National Heavy Vehicle Regulator website](#)
- [Australian Logistics Council](#)