

# CHAIN OF RESPONSIBILITY: KNOW YOUR OBLIGATIONS

The chain of responsibility (CoR) laws which will come into effect on 1 July 2018 aim to ensure that everyone involved in the supply chain is responsible for compliance with the Heavy Vehicle National Law. Employers and customers involved in supply chain logistics will be held accountable for dangerous work schedules, which are known to be major causes of fatigue.

Breaches of the CoR could result in fines of up to \$300,000 and 5 years' imprisonment for individuals and fines of up to \$3 million for companies.

Executives and decision makers of companies involved in the supply chain can be held personally liable.

Businesses that are in any way connected with a heavy vehicle that moves freight must comply with the CoR laws. A heavy vehicle is a vehicle that has a gross vehicle mass or aggregate trailer mass of more than 4.5 tonnes and includes:

1. Semi-trailers;
2. B Double freight trucks;
3. Passenger busses;
4. Vehicle carriers; and
5. Mobile cranes and other special purpose vehicles.

Parties in the supply chain include:

1. An employer of a driver;
2. Contractor driver;
3. A prime contractor for a vehicle if the vehicle driver is self-employed;
4. An operator of the vehicle;
5. A loader and unloader of a vehicle; and
6. People who arrange to deliver or receive freight.

## Human resources

Those with responsibility for human resources for businesses in the heavy vehicle supply chain must consider whether their employment contracts are sufficient to comply with the changes.

Employment contracts should make it clear what is required in order to comply with company policies and procedures. Acknowledgment from the employee that they are aware of their obligations under CoR legislation and regulation is essential.

Safety management systems and controls will go a long way to protect your business and ensure compliance. These should include training, procedures, best business practices and review processes that:

1. identify, evaluate and control risk;
2. manage compliance;
3. require regular reporting to executive officers; and
4. record all actions to manage safety.

If you would like assistance with a review of your employment agreements, policies or workplace practices in order to ensure compliance, please contact [Heather Richardson](#) or [Isabella Royce](#).

*For over 20 years Kalus Kenny Intelex have been providing expert legal and proactive strategic advice for some of Melbourne's most successful property developers, entrepreneurs and business people. Underpinning this success, and what really sets us apart from other firms, is the way we work with our clients. What exactly does this mean for you? It means providing clarity. It means understanding strategy and risk. It means being a different kind of lawyer.*