

Insight aims to provide useful information, links and tips in the areas of Risk Management, Occupational Health and Safety, Business Continuity Management, and other areas relating to management systems and corporate governance.

This issue:

- Does your supply chain have its chain of responsibility requirements locked away?
- Simplifying Business Continuity
- Changes to Wiring Rules

Does your supply chain have its Chain of Responsibility requirements locked away?

Under the Heavy Vehicle National Law and, every party in the ‘heavy vehicle’ supply chain is responsible and may be held liable under the Chain of Responsibility (CoR). The governing principle is that all parties in the Chain are responsible for any breach if they did or could have exercised any control or influence to prevent the breach from occurring.

The forthcoming legislative updates will strengthen the requirements from within a revised framework very similar to that prescribed by the WHS Legislative framework.

Of particular note:

- **The standard of legal duty is changing –** Organisations were previously responsible for avoiding a negative outcome, whereas the new standard will require all parties in the Chain to take “*all reasonably practicable steps to ensure the safety of their transport activities*”. It is forward-looking, rather than incident-based (currently a business can only be prosecuted where a breach of a CoR component occurs). This means that businesses could be prosecuted for failing to put in place CoR control structures and practices, even if a

CoR accident/incident has not arisen.

- **Penalties are increasing –** Penalties will now align with those under existing WHS law, in order to ensure that businesses and their Executives give greater attention to CoR compliance management. Under this legislation, \$1million fines have already been imposed. (For example, the consignor firm, Remondis Australia, was fined \$732,206 and paid legal costs for allowing overloaded vehicles of contracted trucking firm Jet Group Australia to carry its mulch between September 2013 and October 2014.)



- Executive liability is changing** – Currently, a member of the Executive can only be prosecuted where a breach of a CoR component is committed by their business. The current test is whether an Executive exercised “reasonable diligence” to prevent that breach from occurring. The new standard will require Executives to exercise “due diligence” to ensure that their businesses comply with all duties under the CoR. This means that Executives could be prosecuted for failing to put in place CoR control structures and practices, even if a CoR accident/incident has not arisen.

The National Heavy Vehicle Regulator is recommending that once you have determined where your organisation sits in the supply chain, and therefore what CoR responsibilities you should be addressing, one of the best ways to achieve compliance is to embed CoR into your current safety management systems, as many aspects of existing safety management systems can be adapted as part of your CoR management.

For example, existing WHS risk assessments, safe work procedures, training needs analyses, incident registers and compliance reporting frameworks can be equally applied, or applied with minor adaptations, to CoR management.

The CoR and WHS management systems could be integrated, or at least run in parallel to streamline the way that businesses deal with CoR management.

It is important to note that under the CoR legislation, you have a greater responsibility for the conduct of other parties within the Chain and a responsibility for the conduct of persons off-site. CoR responsibility is not site-based or worker-based, it is supply chain-based, and based on the parties in that supply chain.

Please [contact QRMC](#) for more information or for assistance to review your CoR control structures and practices.

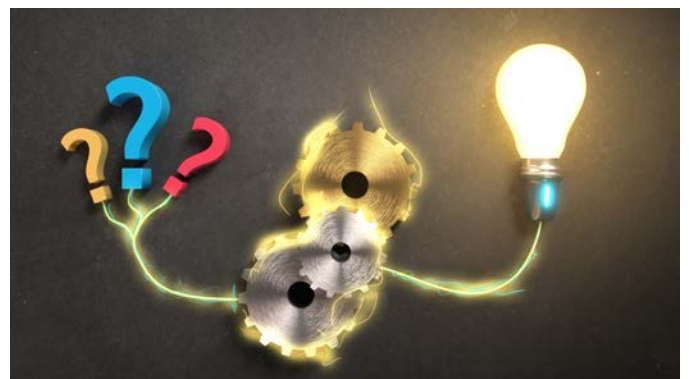
Simplifying Business Continuity

Business Continuity is often mistaken for some form or Emergency Management, with the responsibility for its implementation left to the Emergency Management team within an organisation. Whilst there are clear synergies between the two, they have two clearly different aims.

The primary aim of Emergency Management is the safety of people after an incident, followed by the securing of assets. This is usually documented in an Emergency Management plan with the requirements governed by legislation.

The focus of Business Continuity, on the other hand, is on the continued operations of the business. With clear linkages between this process and Emergency Management (especially for service orientated organisations) there needs to be an agreed delineation of responsibilities and accountabilities to ensure both disciplines achieve their required objectives, both during and after an incident or disruption.

A BCP should thus be a succinct, easily readable document that is able to guide the management team through the phases of the business disruption to a return



to service. All too often BCPs are overly complex, lengthy and contain a lot of background information that is not central to actually managing a business disruption, when in the midst of a crisis.

In most cases, the senior management team that coordinates activities during a business disruption is not made up of business continuity specialists; it comprises managers who are conversant with their areas of responsibility. Most BCPs use terminology and acronyms that are not part of day to day business and are thus are not familiar to the people that have to implement the BCP when in the midst of a crisis.

While an organisation may have a cycle of annual training, and managers may be competent, in reality the only time most senior managers will refer to a BCP is during or potentially immediately prior to a disruption event.

This fact increases the importance of setting out, in a concise and understandable manner, the requirements to continue business operations.

The language of business continuity has evolved to include terminology such as:

- maximum tolerable period of disruption (MTPD)
- Maximum Acceptable Outage (MAO)
- Recovery Time Objective (RTO)
- Recovery Point Objective (RPO), etc.

These terms (while part of the industry jargon and used within ISO 22301 *Societal security — Business continuity management systems — Requirements*) are not used in day-to-day business.

Instead of developing documents for the purposes of compliance, it makes more sense to develop them for practical understanding. Instead of using overly complex terminology and jargon, stating actual requirements simply will facilitate a better understanding and therefore

an easier uptake. To this end, the following vocabulary is suggested as a more practical alternative:

- What can't we do? (The critical function)
- What do we need to do? (The workaround)
- When does it need to be done by? (The Maximum Acceptable Outage)

Should you require assistance or information in developing a Business Continuity program, reviewing an existing one or testing its efficacy, please [contact QRMC](#) for more information.

Changes to Wiring Rules

The new Wiring Rules AS/NZS 3000:2018 *Electrical Installation* has been released reflecting a number of changes from the previous 2007 version:

- new requirements for safety switches
- enhanced requirements for MEN earthing systems, including bonding of pool structures and wet areas
- increased mechanical protection for cables installed within a ceiling space
- additional installation requirements for electrical appliances, accessories and equipment
- enhanced safety requirements for electrical equipment installed in locations exposed to water
- five new appendices:
 - continuity of supply for active assisted living
 - electrical conduits
 - installation of arc fault detection devices
 - guidance for the installation and location of electrical vehicle charging stations
 - DC circuit protection and switching devices.

A six-month transition period started on 26 June 2018. The enforcement date for AS/NZS 3000:2018 Wiring Rules will be 1 January 2019.

Please [contact QRMC](#) for more information.

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