

## **1.0 INTRODUCTION**

BHP is a major user of the road transport industry in Australia, moving over six million tonnes of product by road per annum and travel in excess of 80 million loaded kilometres per year. We undertake this task predominantly through the sub-contracting of major transport companies and small operators, and we use some BHP Transport and Logistics company-owned vehicles.

As part of our safety initiatives we commenced the development of a Driver Fatigue Management Programme involving the total supply chain. Although there were other Driver FMP trials in place under the auspices of the Alternative Compliance Legislation that addressed the transport component of the supply chain, we recognised that the consignor and receiver of product also have the potential to impact on driver fatigue.

Our FMP Logistics Management Model is a different approach to that of the other Driver Fatigue Management Phase I/Phase II programmes currently under trial by the Queensland Department of Transport.

These trials only address the actual transport component of the supply chain, from the time the load is on the truck to delivery at the end customer.

The uniqueness of our FMP programme is that it involves the total supply chain from consigner via transporter to end customer. The proposal was to implement this programme in a number of stages including development of the model trials and evaluation.

## **2.0 OBJECTIVE**

The objective was to develop and implement a Driver Fatigue Management System for all road transport deliveries managed by BHP Transport and Logistics, to minimise the risks of heavy vehicle accidents and contribute to ensuring a safe, quality service.

## **3.0 GOALS**

We are trying to achieve the following:

- Prevent fatigue related incidents.
- Bring our sub-contractors into alignment with BHP Transport and Logistics safety objectives.
- Encourage all our BHP businesses, customers and transport suppliers to apply Fatigue Management Programmes.
- Address due diligence requirements.
- Improve business performance.

The intention is to work with and encourage the positive involvement of all participants in our proposed FMP Logistics Management Pilot. We are rolling out a number of “customer” and “supplier” risk management standards. We are also including truck driver fatigue and other safety management requirements in all tenders issued for transport contract work.

#### 4.0 ELEMENTS

Key elements of the programme are:

- Culture change.
- Involvement of the total supply chain:
  - Customer requirements
  - Work procedures
  - Delivery windows
  - Market offers and lead times
  - Loading/unloading facilities
  - Truck queues.

#### 5.0 SCOPE OF THE FMP LOGISTICS MANAGEMENT MODEL

- Three modules:
  - “**Supplier**” has product that requires despatch and delivery to customers.
  - “**Transporter**” picks up product from suppliers and delivers to customers.
  - “**Customers**” receipt of product.
- The existing FMP Phase I/Phase II standards and procedures will be part of the “transporter” section of the supply chain.

**NB: The “transporter” component requires ministerial approval under the umbrella of the Australian Transport Minister’s National Framework for Alternative Compliance Legislation.**

- Standards and guidance for the “supplier” and “customer” have been developed along a similar format. Both require assessment and approval prior to the Pilot’s commencement and testing for their effectiveness and integration with the “transporter” model during the Pilot.

The “consignor” and “customer” component of the model has been endorsed by the Queensland Transport FMP Project Team but does not require ministerial approval.

#### 6.0 STAGE I PILOT

- Stage I Pilot participants are issued with the appropriate manual which contains instructions on:
  - FMP Logistics Management Standard and Guidance.
  - Conduct of the Pilot.
  - Audits.
  - Training.
  - Communications.
- Each participant will be required to operate in accordance with the instructions contained in the manual.

## **7.0 RISK ANALYSIS**

A driver fatigue risk analysis was conducted and remedial action agreed upon between suppliers, transporters and customers in an endeavour to reduce fatigue related problems.

These risk factors included:

- Ordering and purchasing processes
- Delivery arrangements
- Loading and unloading facilities
- Reduction in queues and delays
- Special arrangements to handle urgent deliveries
- Driver rest facilities at loading/unloading points
- Planning of loads and scheduling of deliveries in order to minimise fatigue related issues
- System to recognise fatigue symptoms and corrective actions.

## **8.0 AUDITS**

External audits will be conducted involving all participants, to confirm that an FMP is in place and meets the requirements of the FMP Logistics Management Standards Guidance Manual.

## **9.0 PROGRESS TO DATE**

- Steering Committee formed in 1996 incorporating all stakeholders:
  - Transport companies
  - BHP Transport and Logistics
  - Sub-contractors
  - Truck drivers
  - Customers
  - Production mills.
- Workshops conducted throughout 1996 - 1998.
- FMP Logistics Management Procedures Manual developed in June 1998.
- Number of presentations to Queensland Transport in 1998.
- Queensland Transport FMP Project Team endorsement of the Programme in November 1998.

- Formation of the FMP Committee in May 1999. The scope of this Committee is to monitor the FMP Logistics Management Model Trial and report back to the Queensland Transport FMP Project Team.

Committee members are:

- BHP Transport and Logistics
  - Queensland Transport
  - NSW Roads and Traffic Authority
  - Australian Trucking Association
  - Transport Operators Management
  - BHP Steel
  - Customers.
- Transport company development of the FMP Proposals for ministerial approval for operation under the FMP Phase II Pilot in May 1999.
  - Risk analysis workshops with customers and consignors conducted March to September 1999.
  - Development and integration of FMP Standards into customers' ISO 9000 Management Systems - to be completed.

## **10.0 NEXT STEPS**

Commencement date of trial January 2000. Subject to Ministerial approval of the carrier component of the Model.

Monitor and evaluate over a twelve month period - January 2000 to January 2001.