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Fatigue legislation and Chain of Responsibility

April 20th 2009

The introduction of fatigue management laws on September 29th 2008 with revised work and rest limits for drivers has been the impetus for Latin Transport to change their procedures accordingly. Today I would like to introduce these changes to you.

At Latin Transport we have introduced systems and documentation which will make us compliant with the new legislation and provide security to our customers in their dealings with us. We are aware that the onus of responsibility for managing fatigue has passed from the driver alone to everybody in the chain of responsibility from managing director to loader. Should an incident occur which confirms that a driver has transgressed outside the laws the consequences for all in the chain of responsibility can be very damaging. More information can be found on the Vic Roads website:

<http://www.vicroads.vic.gov.au/Home/RoadSafety/Fatigue/>

Vic Roads have established a special task force to administer the new laws and to perform load restraint checks. Our concern is that together with the police this force will not understand or accept our system of payment to our sub-contractors on a load basis even if the time taken to complete the job is less. The consequences of this could be the impounding of the vehicle for at least 24 hours and a possible court appearance by the driver to explain the situation.

In order to avoid this and other potentially damaging situations Latin Transport has put the following procedures in place:

- All sub-contractors will complete a work diary entry for each day of work. Although not required by law under the Standard Hours option unless the distance of the job exceeds 100km, we believe it will defuse situations such as the above when they occur.
- New versions of the Booking Reference form and the Drivers Runsheet have been created. These will not indicate times. In this way we hope to prevent the driver and all in the chain of responsibility from delay and/or possible prosecution. Under the new legislation drivers must indicate that they have had enough rest in the preceding 12 hours and these changes have been incorporated into the new Runsheet. Copies of these documents are attached for your consideration.
- Latin Transport will only use sub-contractors who are exclusive to our company. In this way we will be able to monitor the driving hours of our sub-contractors.



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- We have software developed which will continually inform our schedulers when a driver is due for a rest under the Fatigue laws. The scheduler will then inform the driver of how long he must rest for. No driver will be allowed to exceed his driving limit under the laws.
- Latin Transport will also embrace the recently announced National Logistics Safety Code. This was announced on April 1st and includes the components of Chain of Responsibility, Occupational Health & Safety, Scheduling & Transit Times, Time Slot Management, Safe Loading Practices including Mass, Dimension and Load Restraint, Driver Fatigue Management, Speed Compliance and Vehicle Safety. We intend to enter into an agreement with Latus Business Solutions to train our sub-contractors in the above modules and to assist us in the accreditation process.

Latin Transport has successfully completed the process of accreditation for the National Heavy Vehicle Accreditation Scheme in Basic Fatigue Management and has been accredited by Vic Roads until November 2010. A number of our sub-contractors have successfully completed course TLIF1007C and we are therefore also able to operate under the Basic Fatigue Management Option with these sub-contractors. The accreditation is important to us and the procedural changes we are making are designed to assist us in retaining our accreditation when we are audited.

Latin Transport is committed to providing security and long term support to our customers. We understand that a dramatic shift in perception of heavy vehicle compliance has occurred and that this shift is more likely to intensify in the coming years. We are implementing these changes to safeguard the future of our customer, sub-contractors and our company. We are also in the process of expanding our fleet of trailers to enable us to fully meet the requirements of our customers. We look forward to servicing your needs in the future.

Regards

Michael Sergi & Lana Popovic
Managing Directors