



## **Caterpillar Incorporated – Submission**

Annual review of the regulatory burdens on business.

April 17<sup>th</sup> 2008

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Bill Henderson  
Productivity Commission.

Caterpillar Inc, the world's largest manufacturer of earthmoving and construction equipment, diesel and natural gas engines and industrial gas turbines, are pleased to provide a submission to the Productivity Commission for its review of Regulatory Burdens on Business.

While only addressing a small sector of the overall issue of regulatory burdens to industry, we feel that this submission will fall in line with the ideals of the April 4<sup>th</sup> 2008 Media release by the Hon Julia Gillard MP titled 'Gillard Launches National OHS Review'.

This submission will focus on the impediments encountered when manufacturing earthmoving and construction machinery for the Australian mining and construction market, and the way that regulators in different states and industries legislate inconsistent requirements, even though they all aim at providing a safer workplace.

As an employer of some 102,000 people in 500 locations throughout 50 different countries, we make available to various industries over 500 different products in every country. Due to the diverse nature of these industries and products, it is always in our interests to manufacture to internationally recognised harmonised standards.

While in this country Standards Australia have formulated a number of standards related to earthmoving machinery, the way in which these standards are either applied, ignored or partially adopted by various state regulators varies significantly.

When one of Caterpillar's dealerships place a machine on the market and depending on which state or industry the machine is destined for, it could come under the umbrella of one or more of some 13 State or Federal OH&S Acts, 18 State or Federal OH&S Regulations, and numerous 'Codes of Practice', 'Design Guides', and guidance documents published on regulatory websites.

Whilst this results in our dealerships configuring machines various different ways, and adds significant cost to end users, it provides little, if no perceivable benefit regards workplace safety, and often results in the restriction of movement of machines from state to state, and between various industries.

Often the biggest impediment to correcting this systemic problem is in trying to get the regulators to agree on a common cause, and the acceptance that the way things are done in their state or industry may not necessarily be in the best interests of industry and workers nationally. This is highlighted by the way that different states have not fully adopted the 1994 National Standard for Plant (NOHSC 1010), and also in the way that the revision of this standard initiated in 2004 has stalled. This may be primarily due to indifferences between regulators. Surely consensus could be gained when we are all interested in improvements to workplace safety, but it is all too common an occurrence for regulators to demand certain requirements in their jurisdiction, while berating the ability of regulators in other states or industries for accepting what they conceive as a lesser requirement. All formulated without industry consultation.

While it was encouraging to see in the 2002 National Occupational Health & Safety Commission's (NOHSC) 2002-20012 strategy to implement a national framework for OH&S in Australia, 6 years later we have seen little progress with regards to workplace safety. Whilst OH&S now comes under the jurisdiction of the Australian Safety and Compensation Council (ASCC), the only alignment regarding our industries has been with the formation of common rules and practices dealing with workers compensation.

Similarly the National Mine Safety Framework that has been suggested in various workshops throughout Australia last year only seems concerned with the consistent reporting of statistics, so that the performance of individual states can be gauged against each other. Once again, the emphasis would appear poorly directed and should be focused on improvements in workplace safety.

Australia is seen at the forefront when it comes to occupational health and safety related to earthmoving and construction machinery. This may be attributed to Australia's less prescriptive, risk assessment based process of assessing hazards and control measures in our industries, but to achieve consistency of approach across different jurisdictions we need a baseline set of standards that detail the minimum requirements for equipment manufacturers to meet. This was realised in the European Union decades ago with the formation of a number of directives and normatives, all related to the safety of earthmoving machinery.

The International Standards Organisation (ISO) have also recognised this need and have formulated an international version of the EU requirements for safety for earthmoving machinery. This series of standards (ISO 20474-1 thru ISO 20474-14) will set a minimum baseline for the safety of earthmoving machinery, and will allow purchasers to easily compare different brands of machine while assuring that they all meet these minimum safety requirements. These should be ready for publication late this year.

These standards could in effect take the place of the requirements listed in the 1994 National Standard for Plant (NOHSC 1010), and allow regulators to easily assess that machinery meets these minimum requirements. Australia needs to consider the adoption of the standards on a national basis.

This could also help industry avoid some of the unnecessary costs associated with a multitude of issues, three of which are listed below, and allow manufacturers to concentrate on developing meaningful improvements regarding equipment safety, and not just designing different options to suit the variations in legislation.

Multiple variations on machinery access systems.

Replacement of pressure vessels manufactured to internationally recognised standards, with those manufactured to Australian standards.

Fitment of hose burst protection valves to meet the Workplace Health and Safety Queensland - Mobile Crane Code of Practice 2006.

Irrespective of whether the regulators were to adopt this stance, greater involvement of effected parties need to be adopted when regulations are drafted so as to determine just what is 'reasonably practicable' to industry.