

Undertaking to the Executive Director, SafeWork SA given for the purposes of part 11 of the *Work Health and Safety Act*.

by

Heavymech Pty Ltd

ABN 79 007 682 144

Section 1 - General information

GI(a) details of the person proposing the Undertaking

Nominated person	Stephen Young
Street address	717 Grand Junction Road Northfield SA 5085
Mailing address	As above
Telephone	08 8262 1420 Mobile: 0418 821 098
Email address	syoung@equityadvisory.com.au
Legal structure	Company
Type of business	Machining and General Engineering Services
Commencement date	28 August 1968
Workers	Full time: 40 Part time: 2 Casual : 3
Products and services	Machining and general engineering services including refurbishment and breakdown repair of mechanical plant and equipment
Comments	<p>Heavymech Introduction</p> <p>Heavymech Pty Ltd (Heavymech or Company) is an established supplier of machining and general engineering services to defence, exploration, mining, manufacturing, power, oil & gas and water industries. Established in 1968, Heavymech offers medium to large machining capability in South Australia and has a long history of versatility and demonstrated ability to adapt to customers' requirements, particularly in breakdown and shut down situations, being available 24 hours a day and 7 days a week. Heavymech services its customers from its two workshops based in Adelaide and Whyalla and provides onsite services to industrial clients. Heavymech is well regarded as a critical support supplier to many leading South Australian, national and international businesses.</p> <p>Many of Heavymech's employees are mature age workers, migrants and young Australian apprentices, who require the support of employment, training and development to sustain their families and build careers. Approximately half of Heavymech's Adelaide based workforce began their career at Heavymech as an apprentice.</p> <p>Heavymech has been operating for 47 years and throughout this time has had an acceptable safety record. Before the incident which resulted in this Undertaking (incident), the Company had never been prosecuted for any contraventions of the <i>Work Health and Safety Act 2012 (SA) (Act)</i> (or its predecessor legislation).</p> <p>At the time of the incident, Heavymech had in place safe operating procedures with respect to the operation of the vertical hydraulic press (Press) which was commonly used to undertake the Recoil Spring Assembly job (Recoil Spring Assembly) during which the incident relating to the worker's injury occurred. This system required workers to stand behind a mesh guard and keep hands, fingers and body clear when operating the machine. However, Heavymech did not have in place a safe system of work (or method) to repair the broken Recoil Spring Assembly and the system that it did use was inherently unsafe because it required a worker to access the spring whilst it was under pressure and unguarded. Heavymech did not have any other system of work in place which provided for the worker to undertake the task from behind a mesh guard. Accordingly the task performed was in breach of its system of work.</p> <p>The worker operating the vertical hydraulic press was an experienced and qualified supervisor, and held the role of the Heavymech safety representative and RTW Officer (Supervisor). In accordance with established practice he performed a test run prior to instructing his apprentice (the injured worker) to complete an aspect of the task. He believed that the work which he had undertaken on a number of previous occasions could be safely performed. However, on this occasion because Heavymech failed to</p>

undertake a specific hazard identification and risk assessment for the Recoil Spring Assembly task it failed to take into account the extremely high energy stored in the components placed under pressure and mistakenly assumed the risk of the parts failing was low. The Yoke shattered and the injured worker suffered a serious injury to his hand.

The incident occurred in circumstances where Heavymech was not aware that there was an alternative method of work available for undertaking the Recoil Spring Assembly job.

Heavymech now knows that this alternative method was developed by a third party to take account of the fact that the recoil springs are under a large amount of tension when compressed and if any component in the Recoil Spring Assembly fails when the spring is live, there will be a sudden and uncontrolled release of energy which is extremely dangerous if not properly controlled. Had this system of work been used by Heavymech and the component failure occurred, the injury suffered by the injured worker would have been minimised or prevented.

Heavymech took all immediate and reasonable steps to ensure that the injured worker received immediate medical attention, care and treatment and access to rehabilitation programs for the injury sustained. The injured worker made a successful return to work approximately 7 weeks after the incident.

Heavymech cooperated with SafeWork SA and responded to all issued statutory notices, undertaking a detailed review of its workplace health and safety systems and protocols and equipment in order to eradicate or significantly reduce the risk of a similar incident in the future. These improvements included employing a full-time WHS officer and recruiting a WHS & Quality Compliance Manager to improve WHS systems and procedures to a level required to obtain safety (AS/NZS4801) and quality (ISO9001) accreditation and national workers' compensation self-insurance standard accreditation. The safety and quality accreditation and self-insurance accreditation were granted on 27 June 2014 and 1 July 2014 respectively. In conjunction with SafeWork SA, Heavymech upgraded the safeguarding of machinery, worker protocols and control measures. As an essential element of the AS4801 accreditation process the entire workforce was retrained on the upgraded safe operating procedures. Together with the permanent safety staff the management of Heavymech has taken an increased leadership role in building a Zero Harm culture.

Since those improvements, the risk of a repeat of the injury that is the subject of this Undertaking has been eliminated and the risk of similar injuries has been significantly reduced.

Heavymech is committed to the challenges of protecting the health and safety of its employees and everyone it works with, improving the environment and enhancing the communities in which we live and work. Heavymech has determined that it will no longer perform the task of assembling Recoil Spring Assemblies because it does not have a safe method of work to undertake the task. Accordingly the risk of a repeat of the injury that is the subject of this Undertaking has been eliminated.

GI(b) the details of the alleged contravention

1. SafeWork SA has alleged that Heavymech has committed a category 2 offence pursuant to section 32 of the Act by allegedly breaching the duty it owed to workers pursuant to section 19(1) of the Act.
2. SafeWork SA has alleged that:
 - Heavymech failed to provide and maintain, so far as was reasonably practicable, safe systems of work, in that it failed to conduct an adequate hazard identification and risk assessment in relation to the task of disassembling and assembling a Recoil Spring Assembly; and failed to develop or implement a safe system of work for disassembling and assembling a Recoil Spring Assembly;
 - Heavymech failed to provide such information, instruction, training and supervision as was reasonably necessary to ensure that the worker was safe from injury and risks to health in that it failed to adequately warn and advise the worker of the risks and hazards associated with working in close proximity to a Recoil Spring Assembly whilst it is under pressure; and
 - Heavymech failed to ensure, so far as was reasonably practicable, the safe use of plant in that it operated the Press in an unsafe manner, namely using the Press to disassemble and assemble a

Recoil Spring Assembly.

GI(c) details of the events surrounding the alleged contravention, e.g., incident details

1. On 9 January 2013, the injured worker was working at the premises of Heavymech at Northfield. Heavymech took delivery of a Recoil Spring Assembly that required the spring to be replaced.
2. The purpose of the Recoil Spring Assembly is to maintain tension on the track of an excavator and act as a shock absorber. The Recoil Spring Assembly consists of a heavy gauge coiled spring, a rod, a yoke and a locking nut. The rod runs through the centre of the spring and the spring is held in a compressed state between a base plate attached to the rod at one end, and the yoke at the other end. The nut secures the yoke onto the rod and is tightened to achieve the required amount of tension on the spring.
3. The broken Recoil Spring Assembly had been sent to Heavymech for repair by the Field Service Department of another corporation, with a request for Heavymech to remove the spring (which was broken) and replace it with a new spring and locking nut, which that corporation supplied. The corporation did not provide Heavymech with any documentation or work instructions in relation to the job and the Field Service Supervisor at the corporation, who organised the repair, did not discuss the method of repair with Heavymech. Heavymech had previously performed this task for the corporation, approximately two to three times per year.
4. At the time of the incident, the method used by Heavymech to repair the broken Recoil Spring Assembly was to cut out the old spring using an oxyacetylene torch, then use the Press to compress the new spring onto the rod. This involved placing the new spring over the rod and base plate, with the yoke on top, and compressing the spring by pressing down on the yoke to expose a threaded section on the end of the rod. (Because the yoke has extended legs on either side of it, a metal bar was placed on top of the yoke, extending across the two legs, to ensure the ram of the press was central over the spring for pressing). The yoke was then secured onto the rod with the locking nut, to keep the spring under tension. Tightening of the nut was done by hand, which required the injured worker to work in close proximity to the Recoil Spring Assembly whilst it was under pressure in the Press.
5. The incident occurred whilst the new spring was being reassembled. The spring had been compressed and the injured worker was fixing the locking nut onto the rod, whilst the Supervisor was operating the press. The injured worker put his right hand in a gap between the yoke and the metal bar to tighten the nut. The injured worker proceeded to tighten the nut onto the rod and just prior to the completion of the task the worn cast iron legs on the yoke broke off, releasing the tension on the spring and causing the spring and broken pieces of the yoke to be ejected from the Press under pressure.
6. The incident resulted in a serious injury to the injured worker's right hand, requiring immediate treatment at the Royal Adelaide Hospital for the amputation of his right index finger and tip of his right thumb. The injured worker suffered a serious injury (but not very serious injury as defined in the Guidelines).

GI(d) an acknowledgement that an alleged contravention has occurred

1. Heavymech acknowledges that SafeWork SA has alleged that it has contravened section 32 of the *Work Health and Safety Act 2012 (SA)*.

GI(e) the details of any injury that arose from the alleged contravention

1. The injured worker suffered a minor cut to his forehead and a crush injury to his right hand. His index finger and the tip of his thumb were amputated.

GI(f) the details of any enforcement notices issued that relate to the alleged contravention

Notices received:

No

Yes (provide details)

Date issued	Notice type	Notice number	Contravention	Action taken to respond to notice
11/01/13	Prohibition	301702	Section 19 of the Act and Regulation 213.	Engaged a competent person to inspect and repair the 100 tonne vertical press and provided evidence of the same in the nature of copies of tax invoices issued by the competent person. This prohibition notice has been lifted.
11/01/13	Prohibition	301703	Section 19 of the Act and Regulations 34 and 35	A decision has been made that work of this type will not be performed again.
14/01/13	Prohibition	301704	Section 19 of the Act and Regulations 34 and 35	Further guarding was installed on the press (please see GI(m) for details) and an updated Safe Operating Procedure (SOP 025) was developed, communicated to all employees and placed both in the safety procedures and on display on the 100 tonne vertical press. This prohibition notice has been lifted.
14/01/13	Prohibition	301705	Section 19 of the Act and Regulations 34 and 35	Further guarding was installed on the press (please see GI(m) for details) and an updated Safe Operating Procedure (SOP 026) was developed, communicated to all employees and placed both in the safety procedures and placed on display on the 50 tonne vertical press. This prohibition notice has been lifted.
14/01/13	Prohibition	301706	Section 19 of the Act and Regulations 34 and 35	Further guarding was installed on the press (please see GI(m) for details) and an updated Safe Operating Procedure (SOP 027) was developed, communicated to all employees and placed both in the safety procedures and placed on display on the 90 tonne horizontal press.

14/01/13	Improvement	303155	Section 19 of the Act and Regulation 210	<p>This prohibition notice has been lifted.</p> <p>Heavymech limits access to its hydraulic presses to experienced and trained personnel. Some of the operational controls had faded. These operational controls were updated and placed on the on the 3 hydraulic presses.</p> <p>This improvement notice has been lifted.</p>
14/01/13	Improvement	303156	Section 19 of the Act and Regulations 34 and 39	<p>Previously Heavymech relied upon its client if they had the relevant expertise to determine the suitability of a worn component to be used in a repair.</p> <p>Heavymech has now developed a job hazard analysis and a 'Take 5' process in consultation with workers. The workers were trained to this JHA.</p> <p>This improvement notice has been lifted.</p>
15/02/15	Improvement	65795	Section 19 of the Act and Regulation 39	<p>The documentation of training and competence has been improved.</p> <p>Safe operating procedures (SOP) for all pressing equipment were updated and workers were trained in accordance with the updated SOPs.</p> <p>This improvement notice has been lifted.</p>

GI(g) a statement of assurance about future work health and safety behaviour

1. Heavymech gives its commitment to SafeWork SA that it will discharge its obligation under the Work Health and Safety Act 2012 (SA) now and in the future. Heavymech's commitment is reinforced by:
 - the rectifications referred to in section GI(m) below; and
 - the Undertakings set out in this document.

When an alleged contravention is associated with an injury/illness

GI(h) The details of the type of workers compensation provided (if the injured person is a worker of the person)

1. The injured worker received payments of income maintenance and medical expenses from WorkCover SA and has also received a lump sum payment for permanent impairment.

GI(i) details of the support provided to the injured person to overcome the injury/illness

1. Heavymech and the injured worker participated in a graduated return to work plan and Heavymech facilitated access to medical providers and rehabilitation professionals.

The injured person is:

- an employee of the entity
- a self-employed person
- other (please specify)
- not applicable

1. Support provided to the injured person/s or injured person/s family:

Date	Description of support	Comment
9/1/2013	Heavymech's General Manager and RTW Officer accompanied the injured worker to the hospital and remained there until the injured worker was admitted into surgery to attend to his hand injury.	This provided support and reassurance to the injured worker that he had the full support of Heavymech in times of need.
9/1/2013	Upon learning of the incident, Heavymech's General Manager immediately contacted EAL's Executive Chairman to advise him of the injury according to Heavymech's safety notification procedure. The Executive Chairman acted immediately by contacting Adelaide's pre-eminent hand surgeon, Dr Sach, to consult him on the matter. The expert hand surgeon advised that the procedure that Heavymech was following was the most appropriate one in the circumstances and that he remained available to assist if required post-surgery at the Royal Adelaide Hospital. Dr Sach did not ultimately have any involvement in the injured worker's care.	Heavymech ensured that the injured worker was getting the best medical treatment possible and engaged leading hand surgeon to provide advice in relation to the injury.
10/1/2013	Heavymech General Manager addressed Heavymech's workforce regarding the incident that occurred and thereafter visited the injured worker in the hospital to ensure that the injured worker was afforded the best possible medical care and received the support he required. Heavymech's General Manager visited the injured worker twice and Supervisor visited on the day of the incident during the five day admission to hospital. The injured worker was discharged on Monday, 14 January 2013.	This provided support and reassurance to the injured worker that he had the full support of Heavymech in times of need.
11/1/2013	The injured worker was also visited by the Executive Chairman at the hospital ensuring him that he has the Company's full support and that he personally remained on call for any assistance that is required.	This provided further commitment by Heavymech to the injured worker and provided comfort to the injured worker's family that their son was appropriately cared for.
13/1/2013 to 1/3/2013	After hospital discharge, the injured worker spent the following six weeks recuperating at home and received rehabilitation twice per week. Heavymech's RTW Officer assisted the injured worker with the implementation of all RTW activities including attending medical and rehabilitation appointments and preparing a RTW plan.	Contact with a familiar colleague from Heavymech facilitated the management of the numerous medical and rehabilitation activities and provided a piece of mind to the injured worker by having a dedicated and trained person in RTW matters to accompany him to every appointment.

January 2013	<p>The Executive Chairman addressed the Heavymech employees to convey a personal apology that he permitted a work environment where one of Heavymech's staff had been injured. He addressed the employees about the organisation's requirement that we work together on improving our joint attitude to safety and our need to look after each other. He advised the employees of the acceleration of the group wide safety initiatives including the requirement that every employee signs a Safety Agreement.</p>	<p>The injured worker signed the Safety Agreement on 16/7/2013.</p>
March 2013	<p>Following the RTW plan which was agreed to in consultation with an accredited occupational therapist, Heavymech arranged for the injured worker to receive a pair of custom-made gloves which enabled him to use his hand for a longer period of time. Heavymech also purchased a special cutlery set for the injured worker's private use to improve the level of grip.</p>	<p>The customised gloves provided the injured worker with an opportunity to use his injured hand for a longer period of time that he otherwise would have been able to and encouraged a quicker RTW outcome. The specialised cutlery made for persons with finger amputations helped greatly with the handling and grip the injured worker was able to achieve.</p>
March 2013	<p>Heavymech paid for the family members' costs relating to the care of the injured worker including petrol, parking fees and other associated travel costs until successful RTW outcome was achieved.</p>	<p>Heavymech ensured that the injured worker's family was fully informed in regards to the RTW plan and progress and that it was fully reimbursed for any costs associated with the injury.</p>
May 2013	<p>Heavymech built a back bar for the injured worker's 4 Wheel Drive vehicle and covered all expenses in this regard. On return to workshop work, the injured worker participated in this job as this is one of his favourite hobbies which also allowed him to build up confidence with resuming machining work.</p>	<p>Heavymech used this job to allow the injured worker to return to machining work on a project that he was passionate about and would provide him with a sense of achievement and good personal use.</p>
May 2014	<p>At the time that the injured worker lodged his worker's compensation claim, the Company was a registered employer. A dispute arose between the compensating authority and the injured worker regarding the injured worker's average weekly earnings including overtime. The Company intervened and proposed a special base rate to the injured worker which resulted in his hourly rate being increased in excess of 23% of what an equivalent apprentice at Heavymech would have been earning and 30% above the applicable award rate.</p> <p>The Company did not seek to reduce this rate when his workers' compensation claim was closed.</p>	<p>The result of this is that the injured worker receives wages rates in excess of those received prior to his injury.</p>

May/June 2014	To ensure the injured worker was coping with his injuries Heavymech arranged at its cost for the injured worker to attend sessions with a psychologist specialising in work injuries.	The provision of psychologist therapy allowed the injured worker to conquer fears of returning to working in a machine shop environment.
Jun 2014 to Dec 2014	<p>Heavymech has provided training for amended duties including upskilling the injured worker to an accredited level of testing and tagging of electrical equipment.</p> <p>Furthermore, the Company has committed to provide further training as desired by the injured worker should he decide to pursue an alternative career path with Heavymech, a related company of Heavymech or otherwise.</p>	Heavymech is committed to ensuring the injured worker can maximise his potential in his career and is prepared insofar possible to provide the work opportunities to promote new skills development as well as fund training activities should the injured worker wish to pursue an alternative pathway outside of the services offered by Heavymech.
Feb 2015	The injured worker received a lump sum payment pursuant to section 43A – Schedule 4 of the Workers Rehabilitation and Compensation Act for lump sum payment for permanent impairment.	This has resulted in the injured worker receiving a statutory payment for permanent injury.
Apr 2015	Heavymech made arrangements for the injured worker to see a hand therapist to address hand pain that he was experiencing and provided him with specialised gel gloves to absorb shock vibrations when working.	The treatment alleviated the pain symptoms experienced and the injured worker has learnt new stretching and massaging techniques to manage hand fatigue.
Sep 2015	The injured employee is on track to complete his mechanical engineering tradesperson apprenticeship in September 2015 and will be offered employment by Heavymech as a fully qualified tradesperson	Secure full-time employment as a fully qualified tradesperson.

GI(j) if the matter involves a fatality or very serious injury¹, a claim to demonstrate that exceptional circumstances exist so the WHS Undertaking can be considered

Does the contravention involve a fatality or very serious injury?

Yes

No

GI(k) the details of any existing occupational health and safety management systems at the workplace including the level of auditing currently undertaken

1. At the time of the incident Heavymech had a non-accredited WHS management system.
2. Following the incident Heavymech upgraded its WHS personnel processes and procedures. Since 27 June 2014 it has had a Quality Management System that complies with AS/NZS ISO 9001:2008 and WHS System that complies with AS/NZS4801:2001. It is audited semi-annually by the external auditor Quality Control Services (Environmental) Pty Ltd, which is an independent JAS-ANZ Accredited Certification Body. The audits were last conducted on 28 May 2015.
3. Since 1 July 2014, Heavymech, along with other South Australian based related companies, has been self-insured for workers' compensation. ReturnToWork SA (formerly WorkCover SA) audits compliance with self-insurance performance standards twice per year. The audits for the 2015 financial year were completed on 1 October 2014 and 14 May 2015. The next audit will be conducted in the first half of 2016 with the auditor yet to provide exact date.

4. Heavymech self-audits its safety performance by reference to its own internal audit schedule.
5. The cost of this auditing is \$5,733 per annum.

Gl(l) a statement of regret (i.e. not an admission of guilt)

1. Heavymech sincerely regrets that the incident occurred and that the injured worker was injured. Heavymech has taken and is continuing to take all steps to ensure that such an incident does not occur again. All workers of Heavymech, including the injured worker are valued employees of Heavymech and the injured worker remains an employee.

Gl(m) any rectifications made as a result of the contravention

1. Heavymech has undertaken the following improvements in regards to its safety compliance and has implemented the rectifications to its work processes as a result of the alleged contravention detailed below:

Item	(Approx) Cost	FY
<p>1. Cessation of Recoil Spring Assembly work As a result of the incident and after having determined that there was an alternative means available to do the work which eliminated the risk to workers which was not cost effective (given the number of times in a year Heavymech was engaged to do the task) it has ceased all Recoil Spring Assembly work and undertakes not to do that work again using the Press.</p>	Nil	Ongoing
<p>2. Safe Guarding Heavymech has installed safe guarding on its vertical and horizontal borers, presses and lathes that have been assessed, in collaboration with SafeWork SA, as having the potential to expose workers to 'in line of fire' situations. In particular this also included the vertical press on which the incident occurred. Heavymech continues to monitor the safety measures of all its equipment and is committed to continuous improvement.</p> <p>In regards to the equipment that was subject to prohibition notices the following was undertaken:</p> <p>100 Tonne Vertical Press Improved guarding was installed on the press. The original front and rear guarding was upgraded to a stronger mesh and extended to a higher level. Hinged and lockable mesh doors were installed on both sides of the press allowing for work-pieces to be placed in the press and the doors closed and locked prior to operation. This surrounding mesh guarding enables visibility of the pressing process and serves to protect workers from injury both through them being unable to come into physical contact with the moving parts and also by preventing any items from being ejected from the press. The controls were upgraded to a two-hand operational system, ensuring there is no accidental or unintentional operation of the press. Upper and lower limit switches were installed to prevent the reliance on visual indicators for identifying stroke limits.</p> <p>50 Tonne Vertical Press Improved guarding was installed on the press. The open sides of the press were fitted with fixed mesh guarding. Hinged and lockable steel mesh doors were installed on the front of the press allowing for work-pieces to be placed in the press and the doors closed and locked prior to operation. This surrounding mesh guarding enables visibility of the pressing process and serves to protect workers from injury both through them being unable to come into physical contact with the moving parts</p>	\$197,575	FY13 - FY15

and also by preventing any items from being ejected from the press. The existing hold to run system was upgraded to clearly identify directional control.

90 Tonne Horizontal Press

Improved guarding was installed on the press. The front of the press was fitted with fixed mesh guarding. Removable combination solid steel/mesh panels were installed on both sides of the press allowing for work-pieces to be placed in the press and the panels fixed into position prior to operation. This combination solid steel/mesh guarding enables visibility of the pressing process and serves to protect workers from injury both through them being unable to come into physical contact with the moving parts and also by preventing any items from being ejected from the press. The existing hold to run system was upgraded to clearly identify directional control.

3. Safety Personnel – WHS Officer

Following the incident Heavymech created a full-time position for a WHS officer in its organisational structure in order to improve safety performance and compliance. The person who was the Supervisor in this incident, was removed from the factory floor and became a dedicated resource for implementing and managing safety improvements at Heavymech. The WHS officer has been appropriately trained and is supported by senior management of Heavymech's related companies. Heavymech made this appointment in January 2013. Annual employment cost is approximately \$85,000. The role that was held by the former Supervisor was that of leading hand, safety representative and return to work co-ordinator. His role as leading hand was replaced by an internal worker who was promoted to cover this position. This appointment occurred immediately following the incident and was formalised in 2014 in the lead up to Heavymech's accreditation for AS:4801. Staff from the factory floor then covered the role held by the person who replaced the former Supervisor and another apprentice was employed in late January 2013 to cover the staff shortage. This apprentice role was an additional role and was unplanned as an earlier apprentice had been hired in September 2012.

The WHS Officer has the following specific responsibilities:

- Identification of safety hazards, risk assessment and appropriate controls;
- Issuance of non-conformance notices and reporting;
- Maintenance of Safety Management Schedule including contribution towards setting KPI targets relating to safety improvements and management of risk;
- Prevention of unsafe work practices;
- Review and audit safe methods of work by Undertaking spot audits and safety walks;
- Inspection of workplace conditions and work procedures including compliance with WHS legislation and codes of practice;
- Maintenance of risk register and control of risk to an acceptable level in consultation with staff;
- Monitoring of condition and compliance of fixed and mobile plant and equipment in conjunction with asset maintenance personnel;
- Monitoring of condition and compliance of first aid and safety equipment;
- Review of Safe Operating Procedure compliance and arranging safety training requirements;
- Audit of subcontractor safety compliance; and
- Investigation, documentation and analysis of root causes of any workplace incidents.

\$210,411 FY13 -
FY15

4. Safety Personnel – WHS & Quality Compliance Manager

An experienced WHS & Quality Compliance Manager has been recruited and newly employed in order to prepare and monitor all safety policies and procedures and specifically to enable Heavymech to acquire AS4801, ISO9001 and Self-Insurance accreditation. This task has been achieved. Heavymech made this appointment in April 2014. Annual employment cost is \$143,000. This resource has dedicated 100% of his time to WHS & Quality duties for the first 3 months of his employment and has since spent 50% of his time on these tasks.

The WHS & Quality Compliance Manager has the following specific responsibilities:

\$105,909 FY14 & FY15

- Undertaking of WHS system audits;
- conducting of the annual management review on safety;
- review of all system related audits;
- oversee the duties of the WHS Officer;
- oversee all incident investigations;
- issue corrective actions to rectify issues identified through reviews, audits and hazard observations (along with WHS Officer); and
- provide audit and systems training to management, supervisors and leading hands.

5. Safety & Quality Accreditations

AS/NZS4801 & ISO9001 Accreditation by Quality Control Services

\$10,749 FY14 & FY15

6. Self-Insurance Accreditations

Workers' Compensation Self-Insurance Accreditation under the national self-insurance standards by Return To Work SA

\$36,031 FY14 & FY15

7. Hazard Identification, Risk Assessment and Safe Operating Procedures Training

Heavymech's WHS Officer and WHS & Quality Compliance Manager in cooperation with the General Manager and staff have undertaken:

- Hazard Identification and Risk Assessments for all Heavymech plant & equipment;
- Review of Safe Operating Procedures for Press Operation which led to the discontinuance of Undertaking the Recoil Spring Assembly task;
- More frequent spot audits and safety walks;
- Implemented 'Systems Planning', an electronic planning system which automates necessary safety tasks to be undertaken by Heavymech's staff and sends automatic reminders on set intervals as the due date for completion approaches. For example, audit dates and service maintenance.

\$51,716 FY13, FY14 & FY15

Toolbox meetings have been held with the entire operational Heavymech staff to ensure they are trained by the WHS Officer in regards to effective Hazard Identification & Observation and Safe Operating Procedures.

The cost of retraining the workforce was approximately \$16,000 per annum.

8. Being in the Line of Fire Training

Being in the Line of Fire training delivered by Heavymech's WHS Officer to all Heavymech staff in September 2013 in order to educate personnel on the hierarchy of controls and ensuring they remain out of harm's way.

\$1,773 FY14

9. Diploma of Occupational Health & Safety Training

Investment into WHS education by upskilling Heavymech's WHS officer through courses delivered by the Australian Institute of Management. Heavymech's WHS Officer gained the Diploma of Occupational Health & Safety in April 2014.

\$1,571 FY14

10. Upskilling of Injured Worker

Upskilling the injured worker to conduct in-service safety testing of electrical equipment, cord connect equipment and cord assemblies through a course delivered at TAFE SA. The injured worker attained test & tag of electrical equipment certification in April 2014.

\$350 FY14

11. Manual Handling Training

Investment into manual handling training course delivered by Heavymech's related company senior WHS officer and attended by Heavymech's WHS officer. The learnings from this course were shared by Heavymech's WHS Officer holding a training session in October 2014 with all Heavymech employees to ensure that manual handling risks are well understood and best practice manual handling techniques are employed.

\$2,482 FY14

12. Incident Investigation Training

Investment into incident investigation training course delivered in October 2014 by Heavymech's related company senior WHS officer who attended an ICAM lead investigator course. The training was attended by Heavymech's WHS officer, who now possesses best practice incident investigation skills which help with root cause identification of WHS risks and better risk management and injury prevention for the future.

- FY14

Costs of these tasks are included in the salary costs above.

13. Corrective Actions Training

Investment into Corrective Actions training course delivered in February 2015 by Heavymech's related company senior WHS officer. The training was attended by Heavymech's WHS officer, who now possesses improved knowledge on the effective management of corrective actions and maintenance of a Corrective Actions Registers.

- FY15

Costs of these tasks are included in the salary costs above.

14. Heavymech Safety Agreement & Reinduction Initiative

Introduction of the Heavymech Safety Agreement and education of all staff of the rights and responsibilities in regards to safety at work. This initiative has been driven by Heavymech's Executive Chariman, General Manager and WHS Officer and has strengthened Heavymech's policy that safety is everyone's responsibility promoting a positive and empowering safety culture amongst its workforce.

\$6,027 FY14 & FY15

15. Increased Participation of Executive Management in WHS Matters

The Executive Chairman of Heavymech takes an active role in the management of safety and wellbeing of Heavymech's workforce. He holds fortnightly management meetings with the General Manager of Heavymech and the first item on the agenda are work health and safety matters.

- FY14 & FY15

The Executive Chairman has, since the incident, and intends to continue attending toolbox meetings to address the workers directly about safety at the workplace. The Executive Chairman promotes the 'safety first in everything we do' ideology and urges everyone to take care of themselves and their colleagues.

All workers of Heavymech are required to sign a Safety Agreement which empowers them to stop work if they feel that they are not trained and qualified in relation to the allocated task or perceive any given task to be unsafe.

The Executive Chairman has published a video which is shown to workers as part of their induction program and has ensured that all existing workers have also seen the video, which is also available on You Tube at <http://youtu.be/sOicKwQ88yA>.

The Executive Chairman has directed the General Manager to immediately report to him any incident that is serious and may result in a Lost Time Injury. Heavymech's policy is that any injured worker must be accompanied to hospital by the most senior manager on site that the time. The Executive Chairman takes steps to ensure that any injured workers receive the best possible health care and personally oversees their recovery and return to work.

16. Group Safety Steering Committee Participation

Heavymech has joined the Safety Steering Committee formed by its parent company in April 2013. Together with eight other related companies, Heavymech participates in monthly forums which aims to develop, implement, monitor and review safety programs and safety management processes, ensure WHS and injury management objectives are being met and all members are implementing and supervising each entity's operational risk assessment framework. Heavymech is represented on its parent company's Safety Steering Committee by Heavymech's General Manager and WHS officer. The Safety Steering Committee is chaired by the Executive Chairman.

- Ongoing

Total amount spent on safety improvements

\$624,594

GI(n) an acknowledgement that the WHS Undertaking may be published

1. Heavymech acknowledges that the Undertaking may be published on the departmental internet site, referenced in departmental material and may be published in newspapers.

GI(o) a statement of ability to comply with the terms of the Undertaking

1. Heavymech declares that it has the financial ability to comply with the terms of this Undertaking.

GI(p) The person may be required to provide a statutory declaration

1. SafeWork SA has requested a statutory declaration outlining details of any prior WHS convictions² or findings of guilt under WHS legislation or WHS-related legislation?
 Yes No
2. The statutory declaration is attached (if applicable)
 Yes No

(q) Acknowledgment of WHS Undertaking overview and guidelines

1. Heavymech has read and understood:

Enforceable Undertakings—overview version Final dated December 2012, and

Enforceable Undertakings—guidelines with respect to the acceptance of a WHS Undertaking version Version 1 dated 1 December 2012.

² Subject to any local legal constraints such as spent conviction legislation.

Section 2 – Mandatory Terms

MT(a) A commitment that the behaviour that led to the alleged contravention has ceased and will not reoccur

1. Immediately following the incident, Heavymech took steps to comply with all Improvement and Prohibition Notices. It made an immediate decision to cease performing any assembly or disassembly works to Recoil Spring Assemblies.
2. It has taken steps to ensure that all press equipment is appropriately guarded and that all SOPs are displayed on the equipment and that it complies with its legal obligations with respect to the Work Health and Safety Act 2012 (SA).
3. Heavymech has completely overhauled and upgraded its safety management personnel, procedures and practices and is now accredited and audited under AS4801 and national self-insurance standards.
4. Heavymech considers it has taken all reasonable steps to ensure that the behaviour that led to the alleged contravention has ceased and will not occur again and it is committed to complying with its obligations under the Act.

MT(b) A commitment to the ongoing effective management of WHS risks

1. Heavymech is committed to the ongoing management of WHS risks, as evidenced by:
 - the actions and Undertakings set out in this document; and
 - the actions taken to prevent any recurrences of incidents of a similar nature.

MT(c) A commitment to disseminate information about the Undertaking to workers, and other relevant parties, and in the annual report (if applicable)

1. All Heavymech employees will be required to read this Undertaking and sign a document stating that he/she has done so.
2. Dissemination will occur in relation to each employee reading this Undertaking within one month after this Undertaking is accepted by SafeWork SA.

MT(d) A commitment to participate constructively in all compliance monitoring activities of the Undertaking

1. It is acknowledged that SafeWork SA will conduct compliance monitoring to ensure compliance with the terms of this Undertaking.
2. It is acknowledged that compliance inspections will be conducted by an officer of SafeWork SA at approximately six monthly intervals, with the final inspection to be conducted once all aspects of the Undertaking have been implemented and are complete.
3. Cooperation will be given to allow SafeWork SA's officers to assess compliance including giving access to relevant material (evidence of compliance). Heavymech will ensure that it keeps a record of all steps taken to comply with the Undertaking.
4. It is acknowledged that SafeWork SA may initiate additional compliance inspections as considered necessary at SafeWork SA's expense.

MT(e) Strategies that will deliver worker benefits

Heavymech will implement the following initiatives to deliver worker benefits:

1. Heavymech has and will continue to employ a WHS officer referred to in section GI(m) (sub-paragraph 2) above. The annual employment cost of the WHS officer is approximately \$85,000. Heavymech undertakes to maintain this position for a minimum of two years after the date of this Undertaking.
2. Heavymech has and will continue to employ the WHS & Quality Compliance Manager referred to in

section GI(m) (sub-paragraph 3) above. The allocated employment and travel cost of the WHS & Quality Compliance Manager is approximately \$40,500 per annum. Heavymech undertakes to maintain this position for a minimum of two years after the date of this Undertaking.

3. The WHS Officer and WHS & Quality Compliance Manager are jointly responsible to ensure that Heavymech continues to meet the requirements of its AS4801 and self-insurance accreditations.
4. Within 3 months of acceptance of this Undertaking, Heavymech will introduce the 'Swear by Safety' initiative which has been developed and championed by one of Heavymech's major customers, Arrium Limited. This program encourages all staff and their families to consciously live and work safely and make a pledge to this cause. Heavymech will hold a consultation session with its entire workforce to introduce the 'Swear by Safety' campaign where the staff will be addressed by Heavymech's General Manager. Each staff member will be provided with the 'Swear by Safety' pledge sheet and asked to discuss this with his/her family and nominate and sign pledges they are willing to swear by. Heavymech will then collect copies of these pledges and arrange a pledge ceremony which will be led by Heavymech's Executive Chairman to officially adopt these safety initiatives. This program will build on the Safety Agreements Heavymech has in place with its workforce. Please see Attachment A in relation to the contents of this program. The estimated cost of this initiative is approximately \$7,000.

MT(f) Strategies that will deliver industry benefits

Heavymech will implement the following initiatives to deliver industry benefits:

1. Within 3 months of acceptance of this Undertaking, Heavymech will publish a 'Being In The Line of Fire' safety presentation (Attachment B) in particular focusing on dangers of working with stored energy. Heavymech undertakes to liaise with SafeWork SA in relation to the publication being disseminated through SafeWork SA (for example, the presentation will be published on SafeWork SA's website). The estimated cost of this publication is approximately \$3,500 (subject to the amount of editing required and publication requirements).
2. Within 3 month of acceptance of this Undertaking, Heavymech will publish a Safety Hazard Alert (Attachment C) for its industry in relation to the importance of having appropriate safety measures in place when working with stored energy. Heavymech has received commitments from the Australian Industry Group and the Self Insurers of South Australia that it will disseminate the SafeWork SA approved Safety Hazard Alert to its membership. (Attachment D). Heavymech undertakes to liaise with SafeWork SA in relation to the publication being disseminated through SafeWork SA (for example, the presentation will be published on SafeWork SA's website). The publication will focus on the importance of having appropriate physical guarding, safe operating/work procedures and risk assessments in place. The estimated cost of this publication is approximately \$4,000 (subject to the amount of editing required and publication requirements).
3. Heavymech also undertakes to participate in a forum conducted by SafeWork SA during the 'National Safe Work Month' by having a representative present for approximately 20 minutes in relation to 'Being In The Line of Fire' and Heavymech's experience in respect of agreeing an enforceable Undertaking with SafeWork SA. The estimated cost of this assistance is approximately \$1,000.

MT(g) Strategies that will deliver community benefits

Heavymech will implement the following initiatives to deliver community benefits:

1. Within 6 months of acceptance of this Undertaking, Heavymech will commit a contribution to the Port Adelaide & Enfield Council towards the joint upgrade of the Hartley Grove Reserve playground in Windsor Gardens (Attachment E). Heavymech will contribute towards the installation of a rubber soft fall surface in compliance with AS 4685:2014 Playground Equipment and Surfacing standard meeting all Australian playground safety and design requirements. The upgrade will take place in accordance with the Port Adelaide & Enfield's maintenance schedule. This Undertaking will provide a much needed upgrade of public facilities in underdeveloped communities and allow children and families to safely enjoy fun times at the playground. The cost of this initiative is \$10,000.

MT(h) Agreement to pay SafeWork SAs costs

1. Agreement is given to paying SafeWork SAs costs associated with the Undertaking, as itemised below, and acknowledgment that payment is due 30 days after receipt of SafeWork SA's invoice:

- investigation, legal and administrative costs associated with the alleged contravention and proposed Undertaking **\$2,500**

Total amount **\$2,500**

Where appropriate

MT(i) A commitment to establish and maintain (or maintain if a system already exists) an occupational health and safety management system (OHSMS)

NA

MT(j) A commitment to ensure the OHSMS is audited by third party auditors

1. Details of the auditors' qualifications against the stated requirements will be provided with audit reports submitted to SafeWork SA.

MT(k) A commitment to provide a copy of each finalised OHSMS audit report to SafeWork SA

1. It is acknowledged that audit reports received from the auditor will be sent to SafeWork SA, within 30 days of the audit along with a letter certifying that the report has not been altered from the copy provided to the person by the auditor.
2. It is acknowledged that within 30 days of receipt of the auditor's written report SafeWork SA, will be advised of the intended action in addressing each of the report's recommendations.

MT(l) A commitment to implement the recommendations from these audits (unless otherwise negotiated with SafeWork SA)

1. The recommendations resulting from the OHSMS audit will be fully implemented as quickly as practicable but no longer than six months of receiving the audit report, unless SafeWork SA offers a variation of the WHS Undertaking due to the actions being unreasonable.

Section 3 - Offer of Undertaking

I offer this Undertaking and commit to the terms herein.

Signed:
[Person]

.....
[Print name]

.....
[Position]

Dated at this
..... day of, 20.....

OR

As a duly authorised person of Heavymech, I offer this Undertaking and commit Heavymech to the terms herein.

Signed:


[Duly authorised person]

STEPHEN YOUNG

[Print name]

DIRECTOR

[Position]

Dated at Adelaide this
27 day of October, 2015.

Section 4 - Departmental acceptance of Undertaking

I accept this Undertaking as an enforceable Undertaking under section 216 of the *Work Health and Safety Act 2012 SA*.

Signed: *Marie Boland*

Executive Director, SafeWork SA

..... *MARIE BOUAND*

[Print name]

Dated at *KESWICK* this *22* day of *October* 20..... *15*