

WORKPLACE HEALTH AND SAFETY UNDERTAKING

Workplace Health and Safety Act 1995

Undertaking to the Chief Executive, Department of Employment and Industrial Relations
given for the purposes of Part 5 of the *Workplace Health and Safety Act 1995*

By

CONSOLIDATED MEAT GROUP PTY LTD
ABN 65 065 093 709

Background

1. Consolidated Meat Group Pty Ltd ("CMG") owns and operates the Lakes Creek Meat Processing facility in Rockhampton, Central Queensland. CMG incorporated in 1994 for the purpose of conducting the operations of meat processing from the Lakes Creek facility. It conducts the business of meat processing for the export market from the plant.
2. CMG is now a member of the Teys Bros Group of Companies, having been acquired by the Teys Group of Companies in 2002. At the time CMG was acquired by the Teys' Bros Group, the Lakes Creek meat processing facility was not in operation.
3. The Teys Bros. Group re-opened the Lakes Creek meat processing facility in 2004. There are now in excess of 900 people employed at that facility.

Incident

4. CMG engaged a labour hire provider to supply labourers engaged to work as cleaners at the Lakes Creek facility.
5. A cleaner engaged by this labour hire organisation was required to undertake cleaning duties on the processing equipment at the Lakes Creek facility. The worker's shift was undertaken during evening hours, commencing at approximately 10:00 pm and concluding before commencement of the day shift, which commences at 6.00 am.
6. On 20 September 2006, this worker sustained injury comprising fractures to their arm when it became caught in the cog of a conveyor.
7. It is understood that the injury was sustained after the worker placed their hand or arm in or near the moving conveyor whilst it was operating.

Alleged contravention

8. It is acknowledged that Workplace Health and Safety Queensland has alleged that the company has contravened its obligation under Section 28(1) of the *Workplace Health and Safety Act 1995* (Qld) contrary to Section 24 of that Act in that it failed to ensure the workplace health and safety of "other persons" was not affected by the conduct of CMG's business or undertaking.

Statement of Regret

9. CMG sincerely and deeply regrets that the unfortunate incident occurred and that a person has suffered injuries, pain and suffering as a consequence.

Assurance about Future Behaviour

10. CMG undertakes to Workplace Health and Safety Queensland to discharge its obligations under the *Workplace Health and Safety Act*. It commits to a system of continuous improvement in its discharge of its workplace health and safety obligations under the Act including:-
- (a) Compliance & continual improvement with its detailed safety management system;
 - (b) Ongoing assessment of risks associated with its business and undertaking and taking appropriate action to guard against such risks;
 - (c) Prioritising and improving guarding of machinery and in particular conveyors;
 - (d) Ceasing the alleged contravention and not re-commencing that in the future;
 - (e) Taking all other steps reasonably available to it to improve safety at the Lakes Creek facility and prevent recurrence of entanglement incidents of this type
11. In particular, CMG has undertaken and is in the process of undertaking the following steps to prevent recurrence of this event:
- (a) the hazard created by the particular conveyor in which the entanglement occurred was eradicated by the total removal of the conveyor during the plant maintenance shut down in December 2006.
 - (b) a detailed review of the training and instruction provided to cleaners in respect of workplace health and safety issues and the need to avoid risk of contact with conveyors.
 - (c) a review of clothing options for workers undertaking cleaning duties at the workplace will be undertaken with a view to reducing risk of entanglement from loose clothing.

Terms of Undertaking

12. CMG undertakes to implement the following programs, which are designed to deliver tangible benefits to workers, the meat processing industry and the community of Rockhampton. It is intended that such undertakings will deliver benefits beyond compliance with CMG's legislative obligations.

Training Guide

- 13.1 CMG will engage an OHS specialist consultant to assist CMG Staff to develop a detailed written Training Guide for workers performing cleaning duties at the Lakes Creek plant.
- 13.2 The Training Guide will address the following issues relevant to cleaning operations undertaken in meat processing plants:
- workplace health and safety issues;
 - operational requirements for cleaning;
 - food safety and quality control issues;
- 13.3 The process of developing this Training Guide will involve a thorough process of risk assessment of all cleaning tasks and associated hazards, researching of industry best practice and available tools, PPE and equipment to improve safety while performing cleaning tasks.
- 13.4 The Training guide will be prepared in booklet form containing written instructions, diagrammatic representations demonstrating appropriate practice to be adopted by cleaners to ensure effective and safe performance of their cleaning tasks.
- 13.5 CMG will ensure that the Training Guide is implemented at it Lakes Creek plant and that all workers who perform cleaning duties at the Lakes Creek plant:
- (a) receive training and instruction in accordance with the Training Guide, delivered by a trainer and/or Workplace Health and Safety Officer engaged by CMG;
 - (b) receive their own copy of the Training Guide.
- 13.6 CMG, its directors and officers, will use their role as directors of associated companies in the Teys group of companies to ensure that the Training Guide is also implemented at other work sites involving abattoir or associated operations in Queensland operated by other companies within the Teys Group.
- 13.7 The completed Training Guide will be submitted to the Executive Director - Workplace Health & Safety Queensland.
- 13.8 CMG will also make the completed Training Guide available to other employers in the meat processing industry by submitting the Training Guide to the Meat Industry Advisory Group ("MIAG").
- 13.9 MIAG is a representative OHS body for the Queensland meat industry which includes nominees from the Australasian Meat Industry Employees Union ("AMIEU"), being the union with coverage in the meat industry.
- 13.10 The document will be intended to form the basis for a discussion within MIAG as to adoption of industry best practice for cleaning work in the meat industry.

13.11 CMG cannot ensure the adoption of such a document. It however considers the development of a standardised Training Guide will provide tangible benefit both to workers and to the industry as it will:

- Focus industry attention on the need to improve practices in this area;
- Develop an industry standard best practice;
- improve awareness of occupational health and safety risks;
- Facilitate a pooling of resources and perspectives to improve the prospect of obtaining optimum solutions to food safety and workplace health and safety issues arising from these activities.

13.12 CMG will use its membership on MIAG to table the document for discussion and, so far as is possible, advance discussion by MIAG of the document.

13.13 Once this document is implemented at Lakes Creek, CMG will engage translators to translate the cleaning training program into both Vietnamese and Portuguese, being the 2 most common native languages of non-English speaking workers employed by CMG, the Teys Group and the meat processing industry generally.

13.14 CMG will make the translated Training Guide available to other employers in the meat processing industry in Queensland, resulting in a detailed cleaning program in three languages (English, Vietnamese & Portuguese) being available for the industry as a whole.

13.15 The predicted timetable for completion of this undertaking is:

- Draw terms of reference and allocate internal resources within 2 months of acceptance of this undertaking;
- Engage OHS specialist consultant within 4 months of acceptance of this undertaking;
- Completion of discussion document/draft guide within 9 months of acceptance of this undertaking
- Submission of the draft discussion document/draft guide to MIAG within 12 months of acceptance of this undertaking.
- Publication and implementation of the training program at the CMG site within 18 months of acceptance of this undertaking.
- Translated training programs available to the industry within 21 months of acceptance of this undertaking.

The anticipated costs of complying with this section of the undertaking are:

- \$2,000.00 for developing terms of reference, undertaking enquiries and tendering for services of OHS specialist consultant

- \$15,000 fees paid to external OHS specialist consultant for consultation on development of the Training Guide
- \$10,000.00 allocated to time of CMG's operational and Workplace Health and Safety Officer resources to consult with OHS specialist consultant in developing the Training Guide
- \$5,000.00 for the publication of the finalised Training Guide
- \$8,000.00 for allocation of training resources to implement use of the Training Guide at CMG's workplace
- \$2,500 for preparation of final submission to MIAAG and attendance at relevant meetings
- \$12,500.00 to enquire, locate and engage a translator, translation and publication cost

The total anticipated costs of complying with this section of the undertaking is \$55,000.00

Donation

- 14.1 CMG will commit the value of \$3,000.00 to either assist in the recruitment of a Portuguese or Vietnamese speaking Doctor, or the purchase of identified medical equipment for the Rockhampton Base Hospital.
- 14.2 CMG will meet this commitment within 6 months of acceptance of this undertaking.
- 14.3 If the 'actual' total expenditure associated with delivery of the undertakings at Clause 34 (b) – (f) is less than \$83,000.00 the cost difference will be added to the above commitment of \$3,000.00 to either assist funding for the recruitment of a Portuguese or Vietnamese speaking doctor or for the purchase of equipment identified as being required by the Rockhampton Base Public Hospital.

The total anticipated costs of complying with this section of the undertaking is \$3,000.00

Audit of Boning Room Conveyors

- 15.1 CMG will develop a specific audit tool for the purpose of undertaking an audit of all boning room belt conveyors at CMG.
- 15.2 The Audit Tool will measure the compliance of the boning room belt conveyors with the requirements outlined in AS 1755 - Conveyors - Safety Requirements.
- 15.3 CMG will conduct an internal audit of all boning room belt conveyors against that Audit Tool.

15.4 Where the Audit identifies that boning room belt conveyors do not comply with AS 1755, CMG will:

- Assess the degree of non-compliance and risk;
- If unacceptable risk is identified, take immediate remedial action to control that risk on a temporary basis until definitive controls can be implemented;
- Identify any engineering solutions required to achieve compliance or otherwise permanently reduce the risk to acceptable level;
- Establish time frames for completion of any rectification work;
- Prioritise allocation of capital expenditure budget to perform such work.

15.5 The time frame for completion of this audit is within 3 months of acceptance of this undertaking.

The anticipated costs of complying with this section of the undertaking is \$7,000.00

Boning Room Belt Conveyor Replacement Program

16. A process of gradual improvement of old belt conveyor equipment in the boning room of the plant including expenditure for removal and replacement of prioritised conveying systems to an estimated value of \$500,000.00 over the period of three (3) years from November 2008.

OHS Management System Audits

17. CMG already has in place a formal OHS Management System. CMG undertakes to submit that OHS Management System to independent third party auditing by an accredited Risk Consultant of the Lakes Creek facility against AS/NZ 4801:2001 Occupational Health & Safety Management System.
18. The initial audit will be undertaken within 6 months of acceptance of this undertaking with a further two (2) audits of the workplace against the above standard undertaken within 12 months of acceptance of this undertaking and 24 months after acceptance of this undertaking.
19. CMG will advise the Executive Director, Workplace Health and Safety Queensland, within 30 days of receiving the auditor's written report of CMG's intended action to address each of the reports recommendations.
20. CMG will, within 12 months, implement the recommendations resulting from the OHS audit unless it obtains exemption from doing so by the Chief Executive of the Department of Employment and Industrial Relations on the basis that such recommendations are unreasonable.
21. The auditor will be required to report the results of such audit to CMG, and CMG will report thereafter to the Executive Director, Workplace Health and Safety within 30 days of both audits. It is anticipated that the independent third party audit will require one (1) initial audit and two (2) twelve monthly audits, at an audit cost of **\$12,000 (\$4,000.00 per audit)**.

Benefits to Workers

22. All of the undertakings proposed by CMG are considered to provide benefit to the company's workers. The costs of those undertakings are set out in clauses 13, 14 and 15.

Benefits to Relevant Industry

23. The undertakings set out in paragraph 13 and 15 are considered to provide benefit to the meat processing industry. The cost of those undertakings is set out in those clauses.

Benefits to the General Community

24. It is considered that the undertaking set out in section 14 will be of benefit to the general community.

Other Terms

25. CMG will inform its Workplace Health and Safety Committee and all Workplace Health and Safety representatives by:
- (a) providing access to a copy of this enforceable undertaking document;
 - (b) providing a circular memo to all such members detailing and explaining the terms of the enforceable undertaking;
 - (c) Displaying a notice of the enforceable undertaking in the amenities areas at the Lakes Creek plant;
 - (d) making a copy of the enforceable undertaking available to the site representatives of the AMIEU at the Lakes Creek facility.
26. The applicant is not a publicly listed company.

Monitoring and Reporting Results of Monitoring to the Department

27. CMG acknowledges that the department will conduct a series of audits against submitted audit reports, recommendations and agreed action plans to ensure that CMG complies with the terms of this undertaking. The following compliance audit schedule is agreed.
- First compliance audit is to be conducted during March 2009;
 - Second compliance audit is to be conducted during March 2010,
 - Third (Final) compliance audit is to be conducted during March 2011,
28. CMG proposes that the first audit be undertaken in March 2009 due to the seasonal nature of its operations. CMG has an annual shutdown over the Christmas period during which substantial maintenance and engineering works are undertaken. Deferring the first audit until after this shutdown will permit greater progress on the undertakings to have been achieved

while ensuring that all operational personnel required to provide input to the audit are available.

29. CMG acknowledges its responsibilities to cooperate with the department's compliance auditors and will ensure relevant material (evidence of compliance) will be available on request. CMG understands that the cost of these compliance audits will be met by CMG and are included in the cost details at clause 32(c).

Self Insurer

30. CMG is a self-insurer under the *Workers' Compensation and Rehabilitation Act*.
31. However, as the worker was not an employee of CMG, CMG does not have access to any details in relation to the workers' compensation claim made by the worker, which is being managed by Work Cover Queensland.

Costs

32. CMG agrees that the following costs are payable to the Department:
- (a) Investigation costs in the amount of \$1,270.00 representing the reasonable investigation costs arising out of the incident;
 - (b) Consideration costs of \$800.00;
 - (c) Monitoring costs of \$2,136.00 representing costs to the Department in monitoring this undertaking;
 - (d) Costs of \$2,600.00 being the costs to the Department in publishing the Notice of Acceptance.
33. CMG agrees that the total amount of \$6,806.00 will be due for payment by CMG to the Department, 30 days after receipt of the Department's invoice.
34. The anticipated costs of complying with this undertaking are:
- (a) Estimated expenditure for removal and replacement of prioritised conveying systems - \$500,000.00
 - (b) Industry training guide, published in three (3) languages - \$55,000.00
 - (c) Donation - \$3,000.00
 - (d) Internal audit of CMG's boning room belt conveyors - \$7,000.00
 - (e) Third party systems audits - \$12,000.00
 - (f) Workplace Health and Safety Queensland's costs - \$6,806.00
35. CMG is committed to investing a minimum of \$83,000.00 (on Clause 34 (b) – (f)) of this undertaking which will significantly enhance the company's safety systems and provide benefits to workers, industry and the community. In addition, it is estimated that CMG will

spend an estimated \$500,000 on conveyor replacement program at clause 16.

36. EU Cost Summary Table

Estimated value of Workplace and Industry Benefits	\$574,000
Estimated value of Community Benefits	\$3,000
DEIR Recoverable Costs	\$6,806
Sub Total	\$583,806
Total estimated value of enforceable undertakings rounded down to nearest \$1,000	\$583,000
Minimum Agreed Spend (Based on clause 34 (b-f) rounded down)	\$83,000

ESTIMATED VALUE OF THE UNDERTAKING IS \$583,000.00

Dated at Brisbane this [REDACTED] 2008.


.....
Signature

Name: Bradley Teys
Chief Executive Officer

Dated at Brisbane this 21st day of Jan 2008

Accepted by the Chief Executive, Department of Employment and Industrial Relations pursuant to Section 42E of the *Workplace Health and Safety Act 1995*

.....
Signature

Name:  Peter Henneken
Director General
Department of Employment and Industrial Relations