

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 Section 42 of the *Workplace Health and Safety Act 1995*

by

SANDVIK MINING AND CONSTRUCTION PTY LTD

ACN 003 771 382

Background

1. Sandvik Mining and Construction Pty Ltd is a business area within the Sandvik Group of companies. Sandvik is a global industrial group with advanced products supplying equipment and solutions for mineral exploration, underground mining in hard and soft formations, surface mining and bulk materials handling. Our range of products include rock tools, drilling, excavation, crushing and screening machinery and bulk materials handling systems.
2. Sandvik Mining and Construction Pty Ltd ('Sandvik') is an Australian Company. The nature of the work conducted at the premises situated at 100 Grindle Road Rocklea is the manufacture of purpose built exploration drilling rigs and equipment used in the mining industry.
3. In June 2006, Sandvik took over an existing business operated by the UDR Group Pty Ltd at 100 Grindle Road Rocklea. As part of the take-over of the business, all workers employed by the previous business on site were re-employed by Sandvik.
4. The injured worker was an employee of Labour Force Solutions. He was originally contracted by the UDR Group in April 2006 to provide contract labour services under a labour hire agreement with Labour Force Solutions. This worker's labour hire contract was continued by Sandvik as part of the business take over. Sandvik employs approximately 50 workers at this site.

5. In the months after the take-over of the site, Sandvik carried out a number of measures intended to improve the overall health and safety on site. These measures were implemented as part of Sandviks' Safety Management System. These measures included:
 - (i) A site health, safety and environment audit conducted by the Australian Industry Group;
 - (ii) Site induction of all workers (Sandvik Safety Management Systems);
 - (iii) The delivery of specialist risk assessment and hazard identification training (RATS and WASPS) to all supervisors and managers;
 - (iv) The ongoing rectification of safety hazards identified in the external audit and the development of several capex proposals to rectify those issues that required significant investment.

Incident

6. On 17 March 2007, a worker was using a machine specifically developed for fitting and removing screw in hose fittings from hydraulic hoses. The worker was holding the rotating hose in gloved hands to remove the hose from the fitting. The gloves became entangled in the hose. The worker sustained injuries to his right forearm.

Acknowledgment

7. It is acknowledged that Workplace Health and Safety Queensland have alleged Sandvik Mining and Construction Perth Pty Ltd contravened the provisions of the *Workplace Health and Safety Act 1995*. These allegations are considered very serious and Sandvik has conducted its own investigations into both the incident and the necessary remedial measures required to ensure there is no repetition of the incident.

Alleged contravention

8. The Department of Industrial Relations has lodged a Complaint and Summons with the Industrial Magistrates Court of Queensland alleging that Sandvik breached section 24 of the *Workplace Health and Safety Act 1995* by failing to discharge the workplace health and safety obligations imposed pursuant to section 28(1) of the Act.
9. The Particulars of the Complaint are:

Business or undertaking: Manufacture of purpose built exploration drilling rigs

Workplace: 100 Grindle Road, Rocklea, Brisbane

Risk: The risk is the risk of injury, including the risk of right wrist fracture and dislocation injury, to the worker.

The source of the risk emanates from;

- The work method adopted for the use of plant namely a vice and hydraulic hose assembling machine at the place of work, including the work method adopted for the removal of hydraulic hose fittings from hydraulic hoses.

It is alleged that as a result of the failure to discharge the workplace health and safety obligation. The worker sustained injuries amounting to grievous bodily harm.

Statement of regret

10. Sandvik Mining and Construction Perth Pty Ltd sincerely regret the circumstances of the incident that occurred at its Rocklea workshop. Sandvik and its management are committed to the safety of its employees and others at the workplace. As part of Sandvik's ongoing commitment to safety, Sandvik now seeks to embody various actions and activities within this Enforceable Undertaking which will significantly improve safety at the workplace and provide a range of benefits to workers, industry and the community.

Assurance about future behaviour

11. Sandvik and its management are committed to ensuring the safety of workers and others at the workplace. Sandvik gives an assurance that they will endeavour to ensure that an incident of this nature does not happen again and that appropriate safety systems are put in place.

Post Incident Measures

12. As a result of the incident Sandvik has carried out a number of measures intended to eliminate any further risk of harm to workers and others at the workplace. These measures include:

- Completing risk assessments on all items of plant (machinery) at the premises to identify any hazards associated with the machinery and applicable Australian Standards with respect to guarding.
- Creation and implementation of documented Safe Work Instructions for at-risk work practices,

- Commencement of a program and process that objectively compares worker capabilities to their job demands to assist with the reduction of manual handling injuries.
- The manufacture of improved guarding for several items of plant including the hydraulic hose fitting machine.
- The realisation that guarding was a significant risk at several Sandvik sites within Queensland and other areas of Australia has increased our focus and activity on risk assessments and guarding controls. Specialist guarding consultants have been working with Sandvik for the last six months assisting in this work.
- Implementation of mandatory pre-employment medicals and drug screening for all workers.
- Certification of the site, by an external agency to AS/NZ 4801:2001 safety standard
- The appointment of a full time health and safety officer for the site.

Terms of undertaking

Occupational Health and Safety Management System

13. Sandvik undertakes to maintain its certification to AS/NZ 4801:2001. Within 6 months of acceptance of this undertaking, an audit in accordance with AS/NZ 4801:2001 will occur at the Rocklea premises. This audit will be conducted by a suitably qualified external auditor.
14. Sandvik will, within 30 days of receiving the auditor's report, provide a copy of the audit report to the Executive Director, Workplace Health and Safety Queensland and advise the actions that are intended to be taken in relation to the recommendations contained in the audit report.
15. Sandvik will within six months, fully implement the recommendations resulting from the OHS management systems audits, unless exempted by the chief executive of the Department of Employment and Industrial Relations as being unreasonable.
16. The audit and reporting processes specified in paragraph 13 above will be repeated 12 months after the initial audit report has been provided. This will ensure that any improvement measures identified in the initial audit are completed.
17. Sandvik estimates that the costs associated with carrying out the initial audit (paragraph 13) and report will be approximately \$2,500. The cost of the follow up

audit specified in paragraph 16 is approximately \$2,500. (Approx Total cost \$5,000)

18. Sandvik is unable to estimate the costs associated with implementing any recommendations arising out of the abovementioned audits until such recommendations, if any, are known and considered.

Benefits to Workers

19. Sandvik will deliver information (through open access to the full Enforceable Undertaking document) to its Workplace Health and Safety Committee and/or Workplace Health and Safety Representatives and/or staff setting out the details of the terms of the Enforceable Undertaking.
20. Within 6 months of acceptance of this Enforceable Undertaking, Sandvik will engage the services of specialist guarding consultants to identify any further areas of risk and make recommendations for any further machine guarding on site. Costs are estimated at approximately \$2000. These costs are exclusive of any further costs associated with implementing guarding recommendations.
21. Within 12 months of acceptance of this Enforceable Undertaking, Sandvik will provide Supervisory WH&S training for all its (5) Managers / Supervisors and potential supervisors. This 3 day nationally recognised training course will be conducted by an appropriately qualified trainer (Approx cost \$1,925 + 240 man hours).
22. Within 6 months of acceptance of this Enforceable Undertaking, Sandvik will provide Incident Investigation training by an external qualified provider for all its 10 Managers / Supervisors and potential supervisors (Approx cost \$2,000 + 80 man hours).
23. Within 12 months of acceptance of this Enforceable Undertaking Sandvik will provide Safety Committee Training for all WH&S Committee members (5) and an ongoing commitment that all future Safety Committee members will receive Safety Committee Training This training course will be conducted by the National Safety Council in Brisbane. (Approx cost \$1,700 + 80 man hours).
24. Within 6 months of acceptance of this Enforceable Undertaking, Sandvik will implement a worker health and fitness program designed to improve the general health and well-being of all staff to reduce the likelihood of injury due to fatigue or poor health.
25. This program will be conducted by consultants and consists of an introductory information session on health & lifestyle, an initial health assessment, followed by a guided program on health and exercise and a further health assessment to gauge progress. (Approx cost of this program is \$13,000)

26. Within 12 months of acceptance of this Enforceable Undertaking, Sandvik will implement a worker fitness training program aimed at reducing musculoskeletal injuries, both at work and at home.
27. This program will be conducted by consultants and consists of having an exercise physiologist attend the worksite and assess work related activities that are associated with higher injury rates. A stretching and exercise programs will be designed to specifically minimise risk of injury. (Approx cost of this program is \$5,000)
28. Within 9 months of acceptance of this Enforceable Undertaking, Sandvik will provide additional workers at the Rocklea site Senior First Aid Training. There are currently 10 trained First Aiders and it is estimated that approximately 17 more workers will accept this offer and undertake the training.
29. It is intended that this training course will be conducted by St. John Ambulance. (Approx cost \$1,500 + 250 man hours).
30. Within 6 months of acceptance of this Enforceable Undertaking, Sandvik will provide a Workplace Spinal Injury Prevention Presentation to all of its workers at the Rocklea site at no cost to them.
31. This presentation (paragraph 30) will be conducted by the Paraplegic Benefit Fund (PBF) Australia. (Approx cost \$3,000).
32. Within 6 months of acceptance of this Enforceable Undertaking, Sandvik will develop an in-house training package regarding machine guarding. This training package will provide all participants with in-depth knowledge with respect to the Australian Standards for machine guarding. The cost of developing this training package is estimated at \$5000.
33. Within 12 months of acceptance of this Enforceable Undertaking, Sandvik will deliver machine guarding training (mentioned in paragraph 32) to all supervisors and managers at the Rocklea and Eagle Farm sites. The costs of delivering the machine guarding training is estimated at \$3000 + 120 Man hours
34. Within 3 months of acceptance of this Enforceable Undertaking, Sandvik will provide and install an Automatic External Defibrillator into the Rocklea facility. Furthermore all First Aid personnel on site at Rocklea will receive certified training in the use of the defibrillator. (Approx cost \$3,800 plus training \$1,660 = \$5,460).
35. Within 6 months of acceptance of this enforceable undertaking Sandvik will construct a purpose built 'first aid room' for use by the workers on the premises. (Approximate costs are \$10,000)

Benefits to Industry

36. Sandvik are a major supplier of plant to the mining industry. It is considered that there are significant benefits in sharing learning's from this incident with other industry representatives. Accordingly, within 12 months of acceptance of this Enforceable Undertaking Sandvik will sponsor an Industry Forum in conjunction with the Australian Industry Group. The Department of Employment and Industrial Relations would also be invited to participate in this forum. The focus of this forum will be the delivery of information to attendees regarding occupational health and safety issues relevant to industry, including information regarding DEIR Target strategies for the manufacturing industry.
37. Sandvik will also deliver a case report to industry stake holders at the Industry Forum (paragraph 36). This case report will discuss the OHS learnings from the incident at Rocklea and provide attendees with an industry insight into the process and benefits of Enforceable Undertakings within Queensland.
38. The case report is also intended to provide the participants with the ability to better understand and hazards at the workplace and the causes of workplace incidents. The costs associated with delivering the abovementioned case report are approximately \$4,000.
39. Sandvik will sponsor the Industry Forum in the amount of \$10,000. These costs will be paid by Sandvik with confirmation of the conference/seminar details and date provided within 12 months after the date of acceptance of this undertaking.

Benefits to the General Community

40. Within 12 months of acceptance of this Enforceable Undertaking, Sandvik will provide Spinal Injury Prevention Presentations (similar to those in paragraph 30 but with a road safety theme targeted at the communities future drivers) to all Year 11 & 12 students at a High School within the Rocklea region. The presentations will be provided to smaller groups to encourage interactive participation by the pupils. These presentations will be conducted by the Paraplegic Benefit Fund (PBF) Australia. The cost associated with the delivery of these presentations is estimated at \$6,000.

Monitoring and Reporting Results of Monitoring to the Department

41. Sandvik acknowledges that the department will conduct a series of audits to ensure that Sandvik complies with the terms of this undertaking. The following compliance audit schedule is agreed.

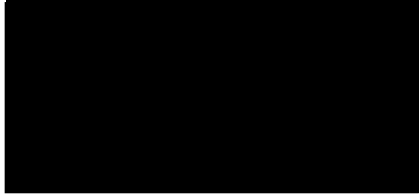
- First compliance audit is to be conducted during May 2009;
 - Second compliance audit is to be conducted during Nov 2009;
 - Third (Final) compliance audit is to be conducted during May 2010.
42. Sandvik acknowledges its responsibilities to cooperate with the department's compliance auditors and will ensure relevant material (evidence of compliance) will be available. Sandvik understands that the cost of these compliance audits will be met by Sandvik and are included in the cost details at clause 45 (c).
43. Sandvik acknowledges that the department may initiate additional compliance audits as considered necessary, at the department's expense.

Costs.

44. A schedule of estimated costs is attached to this proposal (**Attachment 1**)
45. The following costs shall be payable to the Department of Employment and Industrial Relations:
- a. Investigation costs in the amount of \$3,000, (THREE THOUSAND DOLLARS) representing the reasonable investigation costs arising out of the incident.
 - b. Consideration costs of \$800.00 (EIGHT HUNDRED DOLLARS).
 - c. Monitoring costs of \$2,136.00 (TWO THOUSAND ONE HUNDRED AND THIRTY SIX DOLLARS) representing costs to the department in monitoring this undertaking.
 - d. Costs of \$2000.00 (TWO THOUSAND DOLLARS) being the costs to the department in publishing the "Notice of Acceptance."
46. The total amount of \$7,936 representing all costs payable to the government under paragraph 45 will be paid by Sandvik 30 days after receipt of the department's invoice.
47. The total estimated value of this undertaking is \$121,371 Sandvik is committed to investing a minimum of \$121,000 on this Enforceable Undertaking which will significantly enhance Sandvik's safety systems and provide benefits to industry and the community. Accordingly, if the 'actual' total expenditure associated with the delivery of the undertaking is less than \$121,000, the cost difference will be donated to the Central Queensland Helicopter Rescue Service. Payment of any donation will be payable prior to the undertaking being formally concluded.

48. This Enforceable Undertaking will be deemed to be formally concluded when the Chief Executive, Department of Employment and Industrial Relations confirms in writing that the undertaking has been satisfactorily executed.

THE TOTAL VALUE OF THE UNDERTAKING IS \$121,371



(INSERT)

Managing Director Sandvik Mining and Construction Pty Ltd

Dated at .. [redacted] ...this [redacted] day of [redacted] 2008

**ACCEPTED BY THE CHIEF EXECUTIVE, DEPARTMENT OF
EMPLOYMENT AND INDUSTRIAL RELATIONS PURSUANT TO
SECTION 42E OF THE *WORKPLACE HEALTH AND SAFETY ACT*
1995.**

A handwritten signature in cursive script, appearing to read "Peter Henneken". Below the signature is a dotted line.

Peter Henneken

Director-General, Department of Employment and Industrial Relations

Dated at Brisbane this 9th day of Sept 2008

Attachment 1

Clause	Description	Detail	Item Cost	Person	Manhours Each	Sub Total	Total
17	Certified OHSMS	Auditing cost based on 2 audits	\$4,000	-	-	\$4,000	\$5,000
20	Gaurding Consultant	Review of current gaurding on site	\$2,000			\$2,000	\$2,000
21	Supervisory WH&S Training	S1, S2, S3 Training for 5 Managers / Supervisors <i>Manhours</i>	\$1,925 \$50	5	24	\$1,925 \$6,000	\$7,925
22	Investigation Training	Course costs <i>Manhours</i>	\$2,000 \$50	10	8	\$2,000 \$4,000	\$6,000
23	Safety Committee Training	NSCA WHS Committee Training for 5 people <i>Manhours</i>	\$1,700 \$50	5	16	\$1,700 \$4,000	\$5,700
24	Worker Health & Fitness Program		\$11,900			\$11,900	
		<i>Manhours</i>	\$50	80	1	\$4,000	\$15,900
26	Worker Musco skeletal program	Assessment	\$6,000			\$3,000	\$3,000
		Develop training	\$600			\$600	\$600
		Deliver training	\$1,600			\$1,600	\$1,600
		<i>Manhours</i>	\$50	80	1	\$4,000	\$4,000
28	Senior First Aid Training	Course Costs for 17 people <i>Manhours</i>	\$1,500 \$50	17	15	\$1,500 \$12,750	\$1,500 \$12,750
30	Spinal Injury Presentations	Workers Approx 5 Presentations	\$3,000			\$3,000	\$3,000
32	Machine Gaurding training package	develop in house	\$5,000			\$5,000	\$5,000
33	Machine Gaurding training package	Machine guarding training to all managers and supervisors <i>Manhours</i>	\$50	10	8	\$4,000	\$4,000
34	Defibrillator	Defibrillator and Training	\$5,460			\$5,460	\$5,460
35	First aid room	Build first aid room	\$10,000				\$10,000
36	Industry forum	Present industry forum and case	\$14,000				\$14,000
40	Rocklea High School Presentations	Presentations by PBF Australia. Approx. 10 presentations to cover 310 pupils	\$600			\$6,000	\$6,000
45	Costs payable to DEIR		\$7,936				\$7,936
						Total	\$121,371