

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

By

**Edward John Morgan and Luke Laurence Morgan trading as Morgan Sawmill Jamestown
("Morgan Sawmill")**

ABN 95 597 417 453

Section 1 – General information

GI(a) details of the person proposing the undertaking

Street address Caltowie Road, Jamestown, South Australia 5491

Mailing address As above

Telephone: 0427104233 or 0427008276

Email address ed@morgansawmill.com.au or lmorgan@morgansawmill.com.au

Legal structure Partnership

Type of business Sawmill

Commencement date The original company, named J Morgan & Sons, commenced on 1 July 1963. When the business relocated to Jamestown in February 2002 the name of the company was changed to Morgan Sawmill Jamestown.

Workers Full time at Jamestown Sawmill: 63 (as at 27/9/2016 and subject to change)

Full time at Riverland Treated Pine (Loxton): 4

Full time at Sawmill Direct (Wingfield): 3

Products and services Morgan Sawmill processes timber to produce various products.

Comments Morgan Sawmill is the largest privately owned employer in the Mid North area of South Australia. It is a family business, which is owned and operated by three generations of the Morgan family.

Morgan Sawmill consists of a sawmill located at Jamestown and a pallet making facility at Wingfield. The partnership also has a retail yard and treatment plant at Loxton North and a log harvesting operation based at Jamestown SA. Its product range is extensive and includes posts, structural timber, pallets, bins/boxes and decking. Any waste products from the sawing process are converted into woodchips, shavings and sawdust.

The timber Morgan Sawmill uses is supplied from locally grown plantation forests maintained by Forestry SA. Plantation forests are very beneficial as they preserve native forests and allow access to a renewable resource. The plantation forests are managed in a way that ensures sustainability.

Morgan Sawmill uses various pieces of machinery at Jamestown to harvest and process

timber. This machinery includes: 1600mm breakdown twin saw, 1200 twin breakdown saw, two 1100mm sizing saws, two 450mm docking saws and two drum wood chippers. There are an additional two 400mm docking saws, approximately 6 timber transfer units and twenty-five rubber belt conveyors. There are nine counterbalanced diesel powered forklifts, and three 4WD articulated loaders (one for unloading logs, one for feeding logs to the sawmill and post peeling plant). There is a fully functional dry mill that has a six head computer drive moulder, twenty 40mm saw pack multi saw units, a fully functioning finger jointing machine, a post peeling plant with a 900mm cambio de-barker, and a log transfer unit with three conveying systems (one belt conveyor and two roller transfers).

Morgan Sawmill recognises the importance of workplace health and safety. Its general health and safety values and practices include regular communication with workers regarding new equipment, procedures and training, constant supervision of new and experienced workers, and a culture of reporting all problems, no matter the perceived level of importance. All matters of concern are documented and filed. The supervisor for each department asks all workers for their issues, which are listed and recorded for action to be taken. Workers are reminded at safety meetings of the procedures and the importance of reporting safety issues is reinforced at both safety and supervisor meetings.

GI(b) the details of the alleged contravention

The regulator has alleged that Morgan Sawmill committed two offences. Incident 1 is alleged to have occurred on 15 July 2015:

1. An offence contrary to sections 19(1) and 32 of the *Work Health and Safety Act 2012* (SA) (**the Act**), in that Morgan Sawmill:
 - a. Failed to provide and maintain, so far as was reasonably practicable, plant in safe condition in that it failed to ensure that there was guarding to the 'de-barking' machine conveyor (**plant conveyor**) which was:
 - i. a fixed physical barrier (such as is described in *AS 1755 Conveyors – Safety Requirements* at clause 3.2.5.3 – fixed distance guards) across the moving parts of the plant conveyor, to reduce or eliminate the risk of a person accessing the moving parts of the conveyor during operation of the plant.
 - b. Failed to provide and maintain, so far as was reasonably practicable, a safe system of work in the workplace in that it failed to ensure that there was a system of work which:
 - i. was based on an adequate risk assessment of the plant before it was used by workers at the workplace, in particular one which:
 1. identified the risk of injury to workers arising from the moving parts of the plant conveyor; and
 2. identified that a control measure, in particular guarding, was required to reduce or eliminate the risk of injury to workers arising from the moving parts of the plant conveyor.
 - ii. included the provision and maintenance of a Safe Operating Procedure for the use of the plant, in particular one which:
 1. addressed the contents of an adequate risk assessment in relation to the plan, particular, the injury risks arising from, and control measures to be implemented in relation to the moving parts of the conveyor;
 2. required that guarding to the plant conveyor was in place at all times that the plant was in operation and/or the plant was switched on (not isolated); and
 3. prohibited workers from working near or approaching the plant conveyor when it was unguarded and the plant was not turned off (isolated).
 - c. Failed to ensure, so far as was reasonably practicable, that it provided such information, training

and instruction as was necessary to protect the worker from risks to his health and safety arising from work carried out on or near the plant, as part of the conduct of the defendant's business or undertaking, namely which addressed:

- i. the contents of a risk assessment and, in particular, identified the risk of injury arising from, and the control measures required in relation to, the moving parts of the plant conveyor.
- ii. a Safe Operating Procedure and, in particular, that guarding to the plant conveyor must be in place at all times that the plant was in operation or switched on, and that workers were prohibited from working near or approaching the plant conveyor when it was unguarded and the plant was not turned off.

Incident 2 is alleged to have occurred on 9 September 2015:

1. An offence contrary to section 32 of the Act, in that Morgan Sawmill:
 - a. Failed to provide, so far as was reasonably practicable, plant in safe condition in that it:
 - i. failed to prevent or minimise access to the moving parts of the Grey Mark 4 Sizing Bench saw (**Grey Bench Saw**) conveyor by affixing permanent guarding (such as is described in *AS 1755 Conveyors - Safety Requirements* at clause 3.2.5.3 – fixed distance guards) across the moving parts of the Grey Bench Saw conveyor, such that no person was able to access these areas of the Grey Bench Saw whilst the conveyor was in operation.

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

Incident 1

On 15 July 2015 the injured worker was working as a stacker on the 'de-barking' machine. The de-barking machine is used to strip bark from logs. Logs are dropped into a still by a front end loader and they roll down a conveyor where they are fed through a mechanism that strips off the bark.

The injured worker and his co-worker were not operating the barker at the time of the incident; they were engaged in cleanup. The injured worker was manually cleaning the de-barking machine by removing excess bark. The injured worker grabbed the roller framework to lean on it while he stood up from a bent-over position; at this point, due to the machine still running, the roller jammed his hand between the roller and the frame.

Incident 2

On 9 September 2015 the injured worker was assisting a co-worker with the Grey Mark 4 Sizing Bench Saw (**the saw**), which is used to cut timber into finished planks. The saw is operated by feeding pieces of wood through the

saw blade and the planks then return to the operator on a conveyer belt. Sap from the wood very occasionally builds up on the idler rollers of the conveyor.

The co-worker was operating the saw and asked the injured worker to check the tracking of the return belt. The injured worker attempted to use a flat blade to chip the sap from the idle rollers. The injured worker asked the co-worker to turn on the roller to make this process easier. After the injured worker successfully removed the sap from the idle roller, he moved onto the drive at which point his left forearm became caught in the drive roller of the return belt. There was guarding in place on the side of the saw where the operator stands but not on the side where the injured worker accessed the belt to undertake cleaning.

GI(d) an acknowledgement that the regulator has alleged that a contravention has occurred

It is acknowledged that the regulator has alleged that Morgan Sawmill has contravened sections 19(1) and 32 of the Act on both 15 July and 9 September 2015.

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

Incident 1

The injured worker suffered severe lacerations, five broken bones and a broken tendon in the left hand. The injuries required pins to be inserted into three fingers.

Incident 2

The injured worker suffered de-gloving of the left forearm from the elbow to wrist. The injured worker also suffered three broken bones in the left arm.

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
Incident 1				
16/7/2015	Prohibition	99682	Section 19(3)(b) of the Act and Regulation 203 of the <i>Work Health and</i>	The de-barking machine was not operated from 16/7/2015 until adequate guarding was fitted on

			<i>Safety Regulations 2012 (SA) (the Regulations)</i>	17/7/2015.
17/7/2015	Improvement	99684	Section 19 of the Act and regulations 34-38 of the Regulations.	An initial hazard identification and risk control process was carried out on the de-barking machine on 15 July 2015, with a further assessment performed on 19 July 2015. Appropriate control measures were implemented for any risks identified, including the guarding that had already been fitted, further guarding, installation of rails and kick panel, and an updated safe operating procedure.
20/7/2015	Provide documents to Inspector	30126	-	Documents provided: <ul style="list-style-type: none"> • Internal incident investigation report • Deed of trust for the L Morgan family trust • Deed of trust for the E Morgan family trust • Maintenance records for de-barking machine • Training records for injured worker for use of de-barking machine
8/9/2015	Provide documents to Inspector	300903	-	Whilst the co-worker had been inducted and trained as standard protocol Morgan Sawmills could not provide evidence of same.

8/9/2015	Provide documents to Inspector	300902	-	Documents provided: <ul style="list-style-type: none"> • OH&S Manual • Manufacturer's manual for the de-barking machine • Payroll information for the injured worker for 15/7/2015 • Payroll information for the co-worker for 15/7/2015 • Sign in sheet for the safety meeting held on 22/4/2015
Incident 2				
11/9/2015	Provide documents to Inspector	300904	-	Documents provided: <ul style="list-style-type: none"> • Email explaining why blood test results could not be provided • Internal incident investigation reporting relating to incident on 9/9/2015 • Investigation and corrective action sheet for 9/9/2015 • Safety breach notifications for the injured worker • Safety breach notifications for the co-worker
11/9/2015	Provide documents to Inspector	300906	-	Documents provided: <ul style="list-style-type: none"> • Summary of injuries resulting from Bench Saw • Summary of injuries suffered

				<p>by the injured worker</p> <ul style="list-style-type: none"> • Risk assessment for Bench Saw • Summary of modifications and repairs made to Bench Saw
11/9/2015	Provide documents to Inspector	300905	-	<p>Documents provided:</p> <ul style="list-style-type: none"> • Payslip for the co-worker including the date 9/9/2015 • Payslip for the injured worker include the date 9/9/2015
11/9/2015	Improvement	101626	Section 19(3)(b) of the Act and Regulation 210 of the Regulations	The operator controls for the Bench Saw were clearly identified and marked to indicate their nature, function and direction.
11/9/2015	Improvement	101630	Section 19(3)(a) of the Act and Regulation 150 of the Regulations	All electrical equipment supplied with electricity via an electrical socket was inspected and tested by a competent person certified to carry out the inspections.
11/9/2015	Improvement	101624	Section 19(3)(b) of the Act and Regulation 208 of the Regulations	The orange conveyor belt near the Bench Saw was fitted with permanent fixed physical barriers to prevent workers accessing moving parts.

11/9/2015	Improvement	101632	Section 39 of the Act	The Occupational Health and Safety Management System (OHSMS) was modified to ensure that sites were not disturbed after a notifiable incident. All workers were trained in this procedure.
11/9/2015	Improvement	101627	Section 19(3)(b) of the Act and Regulation 201 of the Regulations	Both foot pedals on the Bench Saw were adequately guarded to prevent unintentional activation.
11/9/2015	Improvement	101623	Section 19(3)(b) of the Act and Regulation 208 of the Regulations	The conveyor belt of the Bench Saw was fitted with a permanent fixed physical barrier to prevent workers accessing moving parts. This barrier was fitted on 12 September 2015. The guarding is made of steel mesh within a steel frame and was welded and bolted into position. The guard cannot be removed without a tool.
11/9/2015	Improvement	101625	Section 19(3)(b) of the Act and Regulation 208 of the Regulations	The blue conveyor belt of the Bench Saw was fitted with a permanent fixed physical barrier to prevent workers accessing moving parts.
11/9/2015	Improvement	101628	Section 19(3)(b) of the Act and Regulation 211 of the Regulations	The emergency stop on the Bench Saw was clearly marked.

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

Morgan Sawmill is committed to discharging its obligations under the WHS Act and this commitment is reinforced by:

- the rectifications referred to in section GI(m) below; and

- the undertakings made within 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)

Incident 1

All workers compensation matters were coordinated and actioned by Gallagher Bassett. Compensation included income maintenance from 15 July 2015 to present, excluding periods of full return to work and worker consent. The injured worker is currently receiving income maintenance due to recent surgery.

Incident 2

All workers compensation matters were coordinated and actioned by Gallagher Bassett. Compensation included income maintenance from 9 September 2015 to present, excluding periods of full return to work and worker consent.

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

The injured persons are both:

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

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

Date	Description of support	Comment
Incident 1		
15/7/2015	Transport to hospital	The injured worker was immediately driven to Jamestown hospital by a co-worker as this was faster than waiting for an ambulance.
15/7/2015	Assistance at hospital	Management attended the hospital soon after the injured worker had been admitted to talk to the injured worker and their father. While the injured worker was in hospital, management called to check on their health.
16/7/2015	Consultation with the injured worker's father	The injured worker's father was consulted throughout the process of placing guarding on the de-barking machine because he wished to be involved in improving the safety of the workplace.
	Return to work	Morgan Sawmill cooperated and encouraged the injured worker's return to work by providing them with light duties, which included administrative duties.
Incident 2		
9/9/2015	Transport to hospital	The injured worker was immediately driven to Jamestown Hospital by two co-workers because an ambulance was going to take too long to arrive. The co-workers remained with the injured worker until they were attended to by a doctor and then remained for another 45 minutes in case they could provide any further assistance.
	Training	Following the injured worker's return to work, they were given additional training in the maintenance of

		circular saws. They are now performing minor sharpening and maintenance duties in order to provide duties within the parameters of the injured worker's capabilities.
	Financial assistance	Morgan Sawmill provided the injured worker with a brand new Mazda BT50 work car for use throughout his recovery, despite their absence from work. Morgan Sawmill also assisted with the running costs of the vehicle during this time and ongoing.
	Welfare checks	After the injured worker was transferred to a hospital in Adelaide, management made a personal visit to the injured worker to provide support and check on their health. Morgan Sawmill also checked on the injured worker's wellbeing when they returned to Jamestown from Adelaide and had regular meetings with them.

GI(j) if the matter involves a fatality or very serious injury², 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

² An injury that has caused nervous system damage liable to lead to mental incapacity or permanent restriction of mobility or involves a major amputation of a limb or parts of the body, for example, amputation above the knee or elbow.

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

When an employee begins working for Morgan Sawmill, they go through an induction process that involves reviewing all general workplace health and safety policies. These health and safety policies are compiled within the Morgan Sawmill Occupational Health and Safety Manual. They are then taken on a site walk to be shown all necessary elements of the workplace including emergency exits, first aid supplies, personal protective equipment, and all worker facilities. They can then be trained as competent for any specific duties they are required to perform. The induction into their specific role is not just theoretical, but involves a physical hazard identification procedure carried out by the relevant supervisor with the new employee. The employee is guided through safe operating procedures.

Morgan Sawmill's health and safety management system involves weekly maintenance of all plant and immediate reporting of all faults, maintenance items, injuries and near misses. Workers, including supervisors, are required to report all issues with plant that require maintenance to either their supervisor or Management. The record of maintenance required is provided to maintenance staff that work on weekends for the purpose of rectifying any problems. Maintenance staff 'lock-out' the machine with lockout tags to ensure it cannot be switched on whilst they are fixing it. All maintenance staff and all operators have a dedicated lockout kit which includes a personalised key to prevent unauthorised access. The maintenance of machines and equipment is reported to workers at safety meetings.

Morgan Sawmill holds safety meetings with all employees approximately once every two months. At these meetings, the supervisors review the standard operating procedure (SOP) for a particular machine (to either provide training on a newly acquired machine or refresher training on an old machine) and give all employees the opportunity to raise questions. The supervisors at the site also have meetings with management once a month. All safety meetings are minuted. SOP's are displayed on all machines and they list relevant procedures.

All operators and relevant personal are trained on the relevant machine and are required to read and understand the appropriate SOP prior to operating that machine. This training process is 'one-on-one' between the trainee and an experienced operator. The employee being trained is not able to operate a machine alone until they are deemed competent by the supervisor in their relevant section. Once the supervisor deems them competent, they report to management who makes the final decision on competency.

Six supervisors have undergone half-day training courses in WHS with Business SA.

Program included:

- *Work Health and Safety requirements as a supervisor – outlining their roles, responsibilities and the necessity of PPE;*
- *Hazardous manual tasks – common causes and preventative techniques*
- *Effective communication skills, providing guidance and direction to members of their team*

Strategies for positive leadership

– *Conflict resolution techniques*

– *Problem solving skills*

– *Due diligence reporting to management*

Total cost for the program **\$5,700**

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

Morgan Sawmill sincerely regrets that the two incidents occurred and has taken, and will continue to take, such steps as are necessary to ensure that such or similar incidents do not re-occur.

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

Incident 1

1. On the day of the incident a risk assessment of the de-barking machine was carried out by Shane Lewis, a supervisor trained in risk assessments and certified by Business SA. Following the risk assessment, control measures were implemented to address risks. Morgan Sawmill arranged for guarding to be placed on the de-barking machine. The guarding was made of aluminium mesh material and was attached to the end of the log deck of the de-barking machine and under the conveyor to prevent access to the moving chains. The injured worker's parent was consulted throughout the risk assessment process. Morgan Sawmill wished to involve the parent in the post-incident processes due to the parent's experience in trailer construction and the parent's obvious interest in ensuring the ongoing safety of the workplace. The parent has other children and family members who work at Morgan Sawmill. This task cost approximately **\$5,000** for materials and labour.
2. Kick boards and rails were installed on the left side of the de-barking machine operator platform (they were previously only on the right side). This task cost approximately **\$5,000** for materials and labour.
3. A chain and additional railing was added to the operator's platform on the de-barking machine to prevent more than one person from operating the machine at any one time. This task cost approximately \$1,200 for materials and labour.
4. The Safe Operating Procedure for the de-barking machine was altered so that it explicitly states that the machine must be shut down before cleaning. There are two copies of this SOP on the de-barking machine. All workers were trained on this new SOP.
5. Six remote isolators were designed and installed on the de-barking machine. This was a complex task because the machine is diesel powered and there are no 'off the shelf' installations available, therefore new isolators had to be developed. One was installed where the operator stands, one where the stacker stands, two at the diesel power source and two at the main maintenance points. These remote isolators shut down

the entire de-barking machine when they are activated; they act as an emergency stop. This task involved hardware costs of **\$8,000** and labour costs of **\$5,000**.

6. The risk assessments and SOP for all other machinery at Morgan Sawmill were reassessed and updated as required. These assessments included checking the guarding attached to all machines. This included the Grey Bench Saw, which was involved in Incident 2. The estimated cost of this task was **\$2,000**.
7. Morgan Sawmill engaged the regulator to assist them in holding a safety meeting with all workers. The topics addressed at this meeting included adhering to safety systems and obeying SOPs. The aim of this meeting was to reinvigorate the safety message through the use of the regulator. All workers were paid in full and the whole site was non-operational for this period, which placed a significant burden on Morgan Sawmill's productivity, given that they are a family business and the leading employer in the area. The estimated cost of this task was **\$20,000**.

Incident 2

1. Following the incident, a risk assessment of the Grey Bench Saw was carried out by Shane Lewis and all supervisors trained in risk assessments to determine what control measures were necessary. The risk assessment identified the need for guarding to be installed.
2. Morgan Sawmill constructed and installed guards to be installed on the Grey Bench Saw as detailed on page 8 – GI(f). The guards were constructed to comply with the regulator's improvement notices and Australian Standards. The estimated cost of this task was **\$10,500**.

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

Morgan Sawmill acknowledges that this undertaking document may be published on the regulator's internet site and may be referenced in the regulator's publications.

It is also acknowledged that a public notice of the undertaking may be published in newspapers and other media as determined by the regulator.

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

Morgan Sawmill declares that it has the ability to comply with the financial and other terms of this undertaking document.

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

The regulator has requested a statutory declaration outlining details of any prior WHS convictions³ or findings of guilt under WHS legislation or WHS-related legislation?

Yes ☐

No ☒

The statutory declaration is attached (if applicable)

Not Applicable

Yes ☐

No ☐

GI(q) Acknowledgment of WHS undertaking overview and guidelines

Morgan Sawmill has read and understood:

Enforceable undertakings – an overview version 1 dated December 2012; and

Enforceable undertakings-guidelines for proposing a WHS undertaking version 1 dated December 2012.

Section 2 – Mandatory Terms

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

Morgan Sawmill is committed to ensuring that the behaviour that led to the alleged contraventions has ceased and will not recommence.

Morgan Sawmill has already taken steps to prevent any recurrence of incidents of a similar nature (see section GI (m) above).

Morgan Sawmill is committed to complying with all its obligations under the WHS Act.

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

Morgan Sawmill is committed to the ongoing effective management of WHS risks. This commitment is evidenced by:

- The steps taken to prevent any recurrences of similar incidents (see section GI(m) above);
- The undertakings contained within this document; and
- The commitment to maintaining an OHSMS which satisfies the principles of AS/NZS 4804:2001 Occupational health and safety management systems – General guidelines on principles, systems and

³Subject to any local legal constraints such as spent conviction legislation.

supporting techniques.

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

Within 90 days of this undertaking coming into effect:

1. Dissemination will be achieved by provision of this undertaking to all staff, providing each staff member sufficient time to read and understand its contents, and obtaining signed confirmation from each staff member that this has occurred. A follow-up staff meeting will be conducted to ensure all employees are committed to the undertaking.
2. Morgan Sawmill commits to provide a copy of this undertaking to all contractors currently engaged by Morgan Sawmill or those engaged during the currency of the Enforceable Undertaking.
3. Morgan Sawmill will discuss the issues arising from the incident and the Enforceable Undertaking with senior managers across the business.

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

Morgan Sawmill acknowledges that the regulator will conduct compliance monitoring to ensure compliance with the terms of this undertaking.

It is acknowledged that compliance inspections will be conducted by an officer of the regulator at no greater than six monthly intervals, with the final inspection to be conducted once all aspects of the undertaking have been implemented and are complete.

Cooperation will be given to allow the regulator's officers to assess compliance including giving access to relevant material (evidence of compliance).

It is acknowledged that the regulator may initiate additional compliance inspections as considered necessary at the regulator's expense.

MT(e) Strategies that will deliver worker benefits

Morgan Sawmill has/will take the following initiatives and strategies to deliver worker benefits:

1. WHS training
 - a. Morgan Sawmill recognises that providing information and skills to its employees is an essential part of growing the knowledge of its workforce and meeting its obligations under the WHS Act. Morgan Sawmills seeks to grow the WHS knowledge of all its staff.
 - b. Scope: In order to provide all employees and all different levels of the business with up-to-date

WHS knowledge, Morgan Sawmill undertakes to utilise the following training programs:

- i. Business SA will be engaged to provide on-site training to all employees (including casuals, part-time workers and administrative employees) on WHS, incident investigations, risk assessments and hazardous manual tasks.
 - ii. All supervisors and members of management (including administrative managers) will attend 'WHS for Managers and Supervisors' training.
 - iii. 12 months after the training is delivered, all workers will attend refresher training.
 - iv. The Health and safety representatives, and the Return to Work representatives, will attend the 'Health and Safety Representative Training – Year 1'.
- c. Expected outcome: All employees will have up-to-date extensive safety knowledge.
- d. Safety benefit: Morgan Sawmill will be a safer workplace because it will endeavour to ensure that all potential risks are identified and controlled. There will be an improved atmosphere of safety and knowledge of safety matters. The training will also provide workers with exposure to the regulator, to assist with their understanding of how the regulator operates. This will reinforce their safety obligations and bring safety to the front of their mind.
- e. Delivery method: Business SA will be engaged directly to provide on-site training to all employees. Supervisors, managers and health and safety representatives will be sent to the applicable off-site training sessions run by Business SA. This will occur within 3 months of the acceptance of this undertaking document.

The estimated cost of this initiative is approximately **\$11,730**, which comprises:

- i. \$4,820 in training costs for all workers, including managers and supervisors;
- ii. \$4,380 in refresher training costs; and
- iii. \$2,530 in training costs for the Health and Safety Representative and the Return to Work representative.

2. External audit of risk management procedures and the work environment

- a. Scope: Morgan Sawmill will engage an external auditor to perform an external audit with the aim of assessing safety systems for compliance and to identify any deficiencies in the procedures.
- b. The external auditor will audit the systems and compliance of:
 - i. Policies and procedures, in particular plant risk assessments;
 - ii. Work environment;

iii. Working with chemicals; and

iv. Items of plant.

- c. At the conclusion of the audit, the auditor will provide a report and develop a plan for Morgan Sawmill to manage and eliminate any identified gaps in its systems. Morgan Sawmill will adopt all reasonably practicable recommendations made.
- d. Expected outcome: Risk assessment documents and safety procedures will be updated and be delivered in a detailed and easy to follow form. Re-assessment of maintenance procedures will ensure all problems with machinery are isolated and fixed as soon as practicable in a safe manner.
- e. Safety benefit: Re-assessing the work environment will always provide ongoing benefits. Worker safety will be enhanced by having a fresh audit of machinery, policies and procedure.
- f. Delivery method: Engage external auditor to carry out the audit at all four sites operated by the Morgan Sawmill partnership within 3 months of acceptance of this enforceable undertaking document. Once completed, management will implement all reasonably practicable recommendations and will train all employees in any new procedures. The auditor will provide Morgan Sawmills with a tool for ensuring ongoing compliance ranking priorities to address.

The estimated cost of this initiative is approximately **\$30,000**, which comprises:

- i. \$15,500 for external auditor's costs of carrying out the audit. They require payment for 5 days work (1 day for planning, 4 days to attend each of the 4 sites);
- ii. \$4,500 for the auditor to provide a report and developing a plan/tool for action;
- iii. \$5,000 for Morgan Sawmill to train all staff in the new plant risk assessment procedures.
- iv. \$5,000 to update the existing risk assessment documents, safety procedures and associated forms.

3. Safe Worker of the Month Initiative

- g. Scope: Once a month, a worker will be chosen as the 'Safe Worker of the Month' at Morgan Sawmill. Workers who not only demonstrate their understanding of hazard identification and risk assessments, and who conduct their daily work to an exemplary degree of safety, but also who go above and beyond what is expected of them and their colleagues, will be considered for the accolade. The worker may contribute more than others during a safety meeting, may identify an improvement to a system of work, or may think of a new and creative way to engage others in safety. The worker who wins the accolade each month will be recorded on a plaque in the workplace and will be given a dinner for two at a local pub or restaurant.
- h. Expected outcome: Workers will take extra care to engage in and comply with all Safe Operating Procedures and safety systems in place at Morgan Sawmill in order to take part in the initiative.

Furthermore, they will be encouraged to show initiative and demonstrate a genuine passion for safety at their workplace.

- i. Safety benefit: The initiative will provide an additional incentive to ensure workers are at all times complying with their safe operating procedures and risk assessments. The initiative will serve as a monthly reminder of safe work practices, as well as a method for encouraging development of safety systems.
- j. Delivery method: At the monthly supervisor meeting, all supervisors and management will submit to management the name of the worker they believe should be that month's Safe Worker of the Month. Management will consider the entries, and select a worker who has been suggested by multiple supervisors. The worker will be acknowledged during the next week at a suitable time when a large number of workers are present and management will outline the reasons why that worker was chosen.

The estimated cost of this initiative is approximately **\$2,500** for the two year duration of this enforceable undertaking, which comprises:

- i. \$100 For the cost of the plaque; and
- ii. \$2,400 for the dinner for two prizes, once a month for a period of 2 years. Noting that if this initiative is successful the intention is to keep this going beyond the life of the EU.

4. During the lifetime of this undertaking document, Morgan Sawmill undertakes to:

- have its WHS manager attend quarterly meetings at a mutually convenient date/time with the Chief Inspector and an Industry Team Manager at the regulator to discuss compliance with this undertaking. Discussions may also include other topics as agreed between Morgan Sawmill and the regulator from time to time;
- the cost for travel to and from Jamestown is assessed as \$200 per trip by 8 trips over the life of the EU, however it is the intention of Morgan Sawmill to continue this past the 2 year duration;
- provide the regulator with information about the status and progress of the strategies set out in MT (e) a day in advance of the quarterly meetings; and
- provide the regulator with information regarding the status and progress of the strategies set out in MT(e) a day in advance of the quarterly meetings.

The estimated cost of this initiative is approximately **\$1,600** for travel.

Total cost of MT(e) strategies is \$45,830.

MT(f) Strategies that will deliver industry benefits

Morgan Sawmill undertakes to:

1. Within 3 months from this undertaking document being accepted by the regulator, Morgan Sawmill will provide an 'Incident Summary' for each incident in an approved format for the regulator to publish on its website. The Incident Summaries will describe each incident and focus on the importance of appropriate guarding and isolation of moving parts during cleaning and maintenance.
2. Morgan Sawmill will undertake to attend Port Pirie to participate in a forum or presentation during Safe Work Month 2017 or to participate in a presentation at another time as agreed with the regulator. At the presentation, Morgan Sawmill will have a representative speak for about 15 minutes in relation to this enforceable undertaking, the improvements undertaken, and the benefits of risk assessments and of SOPs.
3. Morgan Sawmill will publish an article on 'machine guarding', to be published in the 'Latest News' section of Business SA's website and for inclusion in Business SA's newsletter to members within 3 months of the undertaking being accepted by the regulator.

Total cost of undertaking and providing industry benefits in the vicinity of **\$2,500**.

4. Morgan Sawmill will develop for industry consumption the product referenced at GI(m)(5), so that all relevant diesel powered de-barkers may be altered to include an emergency stop mechanism. Morgan Sawmill will forgo any proprietary rights to the design and manufacture of the guard, which, to the knowledge of Morgan Sawmill, is the first of its kind in the industry in the interest of safety. See **attached** summary document.
 - a. In order to make the industry aware of the availability of this product, Morgan Sawmill will actively promote the product in Business SA's newsletter to members within 3 months of the undertaking being accepted by the regulator.
5. Total cost of manufacturing \$13,000 (parts and labour). Cost of forgoing proprietary rights: Unable to estimate but significant.

Total cost: **\$15,500** + forgoing proprietary rights to new 'e stop' mechanism.

MT(g) Strategies that will deliver community benefits

1. Donation

- a. Morgan Sawmill will sponsor a number of WHS initiatives within local community organisations and events. This will include:
 - i. Jamestown Show Society (**\$1,000**) to train volunteers in WHS prior to the Show;
 - ii. Apex Christmas Pageant (**\$1,000**) to purchase/hire traffic and crowd control equipment;
 - iii. Jamestown Bowling Club (**\$200**) for annual testing and tagging of electrical equipment;

- iv. Jamestown Croquet Association (**\$200**) to purchase no smoking and other safety signage;
 - v. Jamestown Racing Club for the upcoming Jamestown Cup (**\$500**) to purchase/hire crowd control equipment; and
 - vi. Jamestown Lions Association (**\$400**) for annual testing and tagging of electrical equipment.
- b. Morgan Sawmill will donate soft-fall woodchips to the Jamestown Community School, Jamestown Community Children's Centre and St Marks Church for use around play equipment.
- i. The total value of the woodchips donated will be **\$6,000**.
 - ii. The WHS manager will keep a record of all payments made.
- c. These sponsorships and donations will be made within 12 months of the acceptance of this undertaking document.

2. Local Presentation

- a. It is imperative that young people entering the workforce are sufficiently educated in work health and safety. This is because they are at a greater risk of injury due to their inexperience and lack of confidence to ask questions. Complacency can also be a huge factor in workplace injuries.
- b. Within 12 months from this undertaking document being accepted by the regulator, Morgan Sawmill will, in conjunction with Business SA, give a presentation to new workers in the district. The presentation will focus on work health and safety, so as to increase the workers' overall awareness of safety in the workplace. Local schools and youth centres will be informed about the presentation and given the opportunity to attend.
- c. Morgan Sawmill will liaise with Business SA to determine an appropriate time and place to make this presentation. The presentation will run for approximately 2 hours and will be presented to at least 20 people. Morgan Sawmill will provide a barbecue and refreshments to the attendees. The regulator is welcome to be involved in this presentation.
- d. The cost of this presentation will be \$2,000 including the expert from Business SA and cost of food and drinks for the barbecue. Please note that the cost does not involve worker downtime.

Total cost: \$11,300

MT(h) Agreement to pay the regulator's costs

Agreement is given to paying the regulator's costs associated with the undertaking, as itemised below, and acknowledgment that payment is due 30 days after receipt of the regulator's invoice:

- investigation, legal and administrative costs associated with the alleged contravention and proposed

<p>undertaking</p> <p>Total amount: \$2,500</p>
<p>Where appropriate</p> <p>MT(i) A commitment to establish and maintain (or maintain if a system already exists) an occupational health and safety management system (OHSMS)</p> <p>Morgan Sawmill is committed to the OHSMS referred to in GI (k) above and to maintaining its compliance with AS/NZS 4804:2001 Occupational health and safety management systems – General guidelines on principles, systems and supporting techniques on an ongoing basis.</p>
<p>MT(j) A commitment to ensure the OHSMS is audited by third party auditors</p> <p>Morgan Sawmill:</p> <ol style="list-style-type: none"> 1. commits to ensuring that a third party audit of its OHSMS will be undertaken within 3 months of the signing of the undertaking (“the regulator audit”); 2. commits to ensuring the regulator audit is undertaken by accredited third party auditors that meet the principles of AS/NZS 4801:2001 Occupational health and safety management systems - Specification with guidance for use; 3. acknowledges that the costs associated with the regulator audit will be met by Morgan Sawmill as part of the undertaking; 4. acknowledges that the auditors selected to perform the regulator audit must meet the qualification requirements of the regulator; 5. acknowledges that details of the auditor’s qualifications against the stated requirements will be provided with the regulator audit report submitted to the regulator; 6. commits to providing a copy of the Enforceable Undertakings-Information for Auditors of OHSMS fact sheet to the auditor.
<p>MT(k) a commitment to provide a copy of each finalised OHSMS audit report to the regulator</p> <p>Morgan Sawmill commits to providing the regulator with:</p> <ol style="list-style-type: none"> 1. the finalised regulator audit report, along with a letter certifying that the report has not been altered from the copy provided by the OHSMS Auditor, within 30 days of receiving the audit report from the auditor; and 2. information on how Morgan Sawmill intends to address each of the regulator audit report’s recommendations. This information is to be forwarded within 30 days of receipt of the written report from the auditor, accompanied by any requests for exemption or consideration of alteration to the

recommendations or timeframes.

Morgan Sawmill will arrange delivery of reports arising from the regulator audit to:

Manager of Community, Retail and Business Services

SafeWork SA

GPO Box 465

ADELAIDE SA 5001

MT(I) A commitment to implement the recommendations from these audits (unless otherwise negotiated with the regulator)

1. The recommendations arising from the regulator audit will be fully implemented within 6 months of receiving the regulator audit report, unless the regulator offers a variation of the WHS undertaking due to the actions being unreasonable. The regulator will be issued with quarterly progress reports (including photographs).
2. Morgan Sawmill commits to undertake that the regulator will be advised of any recommendations arising from the external audit referred to in MT(e). Implementation of those recommendations will be undertaken in accordance with advice obtained from the regulator and within 6 months of receiving the external audit report. The regulator will be issued with quarterly progress reports (including photographs).

Section 3 – Offer of undertaking

I offer this undertaking and commit to the terms herein.

Signed: Luke Morgan

(Person)

Luke Morgan

(Print name)

Partner

(Position)

Dated at Monday This

20th day of March 2017

OR

As a duly authorised person of Morgan Sawmill I offer this undertaking and commit Morgan Sawmill to the terms herein

Signed: [Signature]

(Duly authorised person)

Ed Morgan

(Print name)

Partner

(Position)

Dated at Monday this

20th day of March 2017

Section 4 – Department acceptance of undertaking

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

Signed: DINI SOULIO

(Print name)

Position: **Acting Executive Director, SafeWork SA**

Dated at Adelaide this 7th day of April 2017

MORGAN SAWMILL

INCORPORATING SAWMILL DIRECT CASE & PALLET AND RIVERLAND TREATED PINE

ABN – 95 597 417 453

PO Box 146
4487 WILKINS HIGHWAY (CALTOWIE ROAD)
JAMESTOWN SA 5491
Ph 08 8664 0392
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ed@morgansawmill.com.au

E-STOP SYSTEM FOR DIESEL POWERED MACHINERY

Morgan Sawmill had been running a paddock designed log de-barker on site at the Sawmill in Jamestown. Most preservation post peeling facilities are based in the forest area and as such are normally driven by a diesel powered tractor or stationary motor.

Following an incident involving the de-barker, it was decided to fit e-stops so that the machinery could be stopped from key locations in the event of an emergency. Unfortunately there was no “off the shelf” system available.

Matthew Morgan, a member of the Morgan family, designed a system that would work on the DC voltage available at the machine. The diesel engine needed some modification in so far as the engine stop control operated, but in many ways it closely resembles the normal industrial e-stop systems currently utilised in the workplace.

How does it work?

This system has 5 e-stops as well as a master reset/control panel and a diesel engine “STOP” which can be used to isolate the engine. All standard mechanical and electrical interlocks associated with the original machine are still fully functional and work in unison with the e-stop system.

As a spin off, this system can be fitted to any diesel powered machinery in any location. The only proviso is that the machine has some DC power available and the engine has a mechanical engine stop. More modern electronic engines can also utilise this system, but will need minor electrical modification. This type of emergency stop system would be invaluable for any diesel powered machinery, is extremely reliable and can be installed in situ. There are many applications including current paddock de-barkers, such as the unit at Morgan Sawmill, which would easily take this system.

Key features of the e-stop

1. Engine will not start if
 - a. Any e-stop is activated.
 - b. If machine is stopped by activating an e-stop, engine will not restart without resetting the system.
2. The e-stops have illumination which shows their positions and also shows that they are serviceable/operational.
3. The system has no limitations as to how many e-stops are installed or the distance from the machine that the e-stops are installed.
4. The machine will come to a complete stop upon activation of any of the installed e-stops in the fastest practicable manner (i.e. Faster than pulling a stop cable).
5. E-stops are readily identified as they look identical to industrial emergency stop stations.
6. This system can be used on any portable diesel powered machinery.

Please contact Morgan Sawmill for further information.

Please see our diagram and photos [to be provided].

MORGAN SAWMILL

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DC E-STOP WIRING DIAGRAM

