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**RISK MANAGEMENT NO LONGER HAS TO BE A PUZZLING HEADACHE.**



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**Lawson Risk Management Services - Provision of Regular & Long Term Services for OHS**

At Lawson Risk Management Services (LRMS) we are committed to assisting organisations in reducing levels of occupational risk, reduce exposure and provide a safe place of work for all persons. At LRMS we believe that good occupational health safety and welfare pays dividends in terms of reduced injury costs, development of a positive safety culture and increased recognition that a safe place of work can be achieved and is cost effective.

Successful workplace health & safety strategies are dependent on a planned, systematic and ongoing commitment to providing a safe place of work in consultation with all stakeholders.

At LRMS we have built our services on providing superior consultancy in Occupational, Health, Safety and Welfare. We have packaged a range of our superior services to deliver to you on a regular basis. This means we can plan our services in advance and pass our savings on to you.

We can assist in the design, implementation, review and monitoring of programmes and risk reduction strategies through:

- **Assisting organisations with OHS planning, development of system strategies & the development & setting of system objectives**
- **Assisting organisations to establish appropriate Training Plans that incorporate both legislative requirements and organisational needs**
- **Conducting Risk Assessments & the Preparation of Standard Operating Procedures**
- **Workplace Inspections**
- **Attending OHS Committee Meetings & other Consultative Forums**
- **Preparation of Organisational Policies & Procedures**
- **Working with Organisations to Establish Contingency Planning**
- **Ensuring that Document Control is Manageable & Reviewable**
- **Working with Organisations to Measure & Evaluate the OHS Program through Objectives, Targets & Performance Indicators**
- **Assisting Companies to Establish a Template that will Review Management Systems, Review Objectives, Targets & Performance Indicators & System Reviews**
- **Performing Training Needs Analysis (TNA)**
- **Hazardous Substances Audits & Registers**
- **Development of Traffic Management Plans**
- **OHS & Injury Management Internal Audits**
- **Gap Analysis of OHS & IM Systems**
- **Training**



let us piece it together for you

**Contact Lawson Risk Management on 08 8210 2800 or visit our website for further information on our range of services. [www.lawsonrisk.com.au](http://www.lawsonrisk.com.au)**

## Manumatic Industries and Company Director fined \$200,000 for workplace death of a worker

**In December 2008 A COMPANY and its director have been fined a total of \$200,000 after a Melbourne worker was killed whilst operating an unguarded machine.**

A 55-year old worker, of Watsonia North, died while working on a machine that makes exhaust pipes for Manumatic Industries in Epping in August 2006.



The Victorian County Court heard that the worker was bending over the machine and looking into it when he was fatally struck on the head.

The machine's main safety feature, a laser safety curtain, was not working properly at the time, the court heard.

Judge Elizabeth Gaynor said the company showed "grave dereliction" in its duty to put in place safety features for the machine.

Manumatic Industries pleaded guilty to two counts of failing to provide and maintain a safe workplace and was fined \$100,000.

The Managing Director pleaded guilty to one count of failing to provide training, supervision and instruction to the worker and was also fined \$100,000.

It is the first time a director has been sentenced for a workplace fatality under the Victorian Occupational Health and Safety Act 2004.



## Lessons from Manumatic Industries Fatality

*By Stewart Allan*

This Victorian Prosecution should be a warning to South Australian employers.

The lessons revolve around the need for employers to establish a systematic approach to hazard management which is implemented and maintained. This is a requirement in the demonstration of the *Duty of Care* required under the Legislation.

The South Australian OHS&W Regulations Division 3 deals with hazard management for plant and equipment. The Division outlines a hierarchy of guarding considerations. (OHS&W Regulations 3.3.5 (a-d); (6); (7); (8)). The question employers need to ask of the OHS Management System (OHSMS): does the current guarding of the plant/equipment reflect the legislative requirements? Further guidance on the levels of guarding can be derived through the use of AS 4024.1 – 2006 Safety of Machinery Series.

The evidence presented to the Court also highlighted the need for the maintenance of the control mechanisms in place and the need for isolation mechanisms and methods to control accidental energising of equipment.

Finally, a Director of a Company can be prosecuted. This flags that the Regulators are seeking to hold senior management accountable for their decisions or actions. In South Australia the Responsible Officer has (since 1986), had the potential to be prosecuted. However, changes to the OHS&W Act Section 59, 59A, 59B, 59 C increases the chance of prosecution.

**Lesson 1** The OHSMS should have a functioning Hazard Management System that actively looks at the hazards associated with the plant/equipment, substances and work practices (tasks).

**Lesson 2** The OHSMS should be able to demonstrate the rationale for the decision of the type of guarding outlined by the OHS&W Regulations.

**Lesson 3** The OHSMS should evaluate and monitor the control systems in place. The guarding has been installed correctly - is effective in the control of the hazard. The guarding effectiveness is checked on a regular basis.

**Lesson 4** The policies and procedures must be compliant with the Legislation. The OHSMS must demonstrate and deliver *due diligence* when company officers follow the policies and procedures. Company employees at all levels must know their roles and responsibilities and exercise their duty of care at all times.

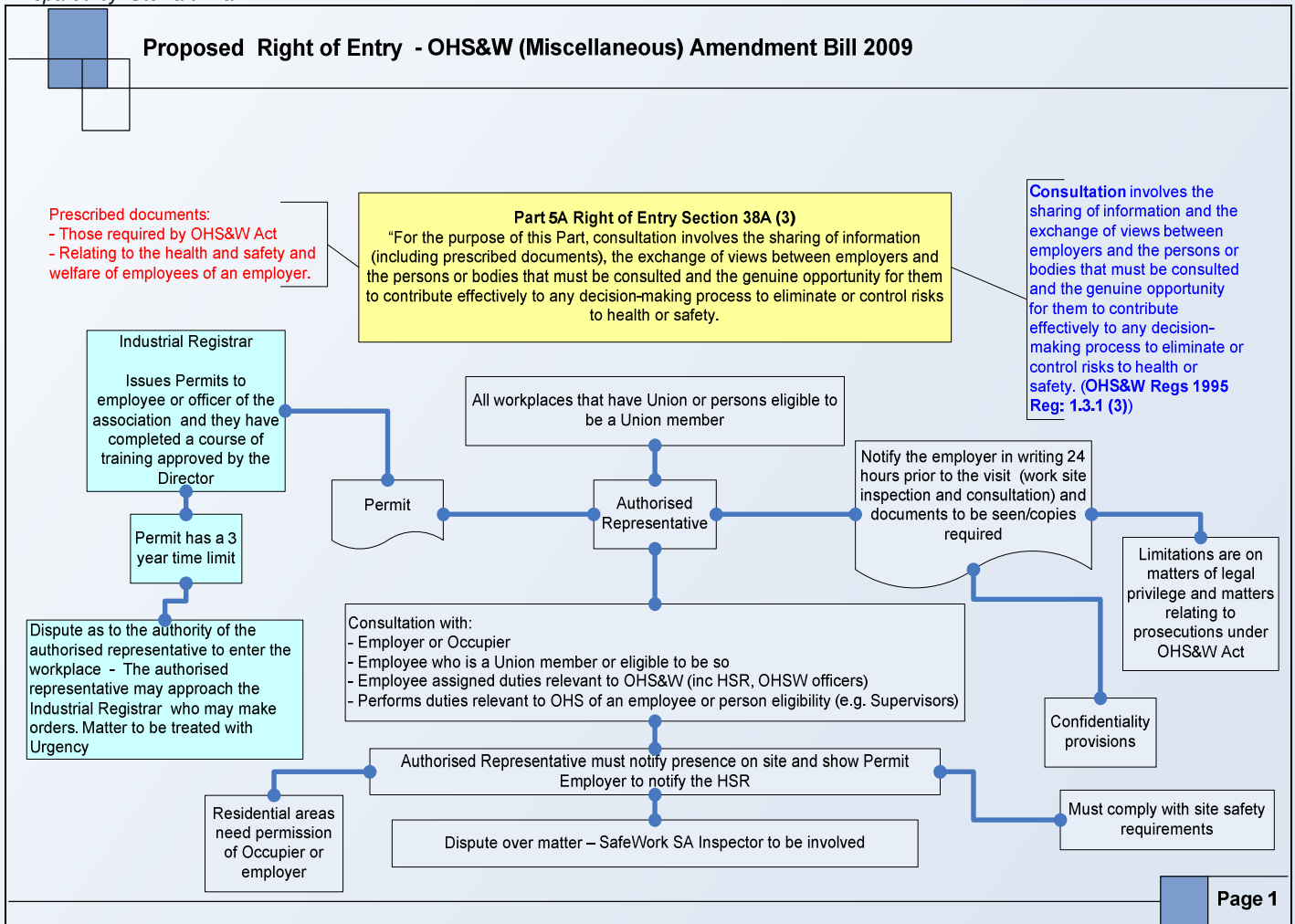
***If there is any uncertainty in your mind as to the operation of your OHS Management System, please contact Lawson Risk Management Services on (08) 8210 2800.***

## Occupational Health, Safety and Welfare (Miscellaneous) Amendment Bill 2009 (Consultation Bill)

The Minister for Labour has released the above Bill for consultation. The Bill proposes the following changes:

- The OHS&W inspectors to have authority to enter and use their powers under the OHS&W Act in workplaces covered by Petroleum and Mining Acts without being Gazetted by those Acts. The authority only relates to OHS&W.
- Changes to the training provisions for Health and Safety Representatives. As readers will be aware, employers with less than 20 employees currently have a qualification on the training requirements. The employer has the ability to manage the amount of time take off for HSR training so long as it is reasonable. The Bill proposes to minimise the threshold provision to apply to employers with 10 or less employees. This change should it proceed will require small/medium businesses to increase their training budgets.
- The right of entry to a Workplace of a Trade Union Representative. This move reflects a national trend and assists in the harmonisation of OHS which is the Federal Government's agenda. It is important to note the Union Representatives are provided with access to the workplaces for consultation. They are not granted under the proposed legislation with the authority to investigate or intervention in response to suspected breaches of the Occupational Health, Safety and Welfare Act 1986. The flow chart below outlines aspects of the proposed amendments.
- Amendment to Section 39 of the OHS&W Act relates to removing the expired sunset clause and allowing for the issuing of Expiation Notices where an Improvement Notice is not returned to the Safework SA within 5 business days as required by that Notice (OHS&W Act 1986 S39 (5)).
- The final proposed amendment is to the Criminal Law (Sentencing) Act 1988 to allow Industrial Magistrates to impose fines up to \$300,000 which is consistent with the Division 2 Corporation or Public Sector Agencies fines under the OHS&W Act.

Prepared by: Stewart Allan



## Internal Audits: What's the Cost?



Internal Auditing demands are ever increasing. The Government requirement, both Federal and State, that companies wishing to apply for high risk/financed tenders to be certified to AS/NZS 4801 2001 is adding internal audits to company activities. Also those companies who are self insured under the Workers Rehabilitation and Compensation Act 1986 are required under Standard 4 to perform internal audits. For many companies the internal audit process is poorly understood at numerous levels.

Drawing on operational experience, many companies fail to develop an internal auditing policy and procedure which clearly outlines the process for auditing and most importantly the process for addressing the corrective actions raised within the audit findings. A poor response to the corrective actions denies the company an opportunity to continually improve the performance of the systems used to produce/deliver product/services. Poor responses are likely to demoralise your workers. In the case of Occupational Health, Safety and Welfare the poor responses increases the risk of prosecution.

The Internal Auditing process comes at a cost to the Organisation. The following list of costs needs to be considered by Management in the Budgeting and Production planning.

- **Set up costs**
  - Development of policies and procedures
  - Selection of an adequate number of internal auditors.
- **Training**
  - Training of staff – general training of staff to understand the audit process and the positive value to the company
  - Training of an adequate number of internal auditors in the audit process and where necessary the various Australian Standards or the WorkCover Self Insurance Standards
- **Implementation:**
  - Planning the audits – including scheduling.
  - Release of internal auditors from their work activities to perform the audits
  - The time utilised by the auditors to interview staff including manager's times – loss of production/service delivery
  - The corrective actions being addressed promptly and accurately
  - Report writing
  - Maintaining a Corrective Actions Register
  - Communication of the findings to management and the meeting of consultative requirements.
  - Following up and verifying the corrective actions.

The value of internal audits to the company are important not only in the continual improvement of the system but by value adding in the planning process, providing assurance that the corporate objectives and goals are being achieved, company standards are being met and may assist in the performance appraisal of supervisory staff.

Consideration should be given to the ratio of costs between in house internal auditing and the costs associated with the use of a third party providing auditing services.

Prepared by: Stewart Allan

**Contact Lawson Risk Management Services to explore the cost savings.**

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