

# property & liability



## Timber and Hardware Risk Management Guide

Don't Risk It!

**Lumley**   
**Insurance**  
ensure the future



## About Lumley Insurance

Lumley Insurance has extensive experience in commercial insurance and risk management.

This experience has shown us that many serious losses occurring in the retail timber and hardware industry can be avoided by implementing simple risk control measures.

We have used our industry knowledge in producing this easy to read guide, to assist you in controlling the risks to your business. Our team of surveyors and risk managers are also available to answer any questions you may have and to assist you in implementing effective risk control measures.

# Timber and Hardware

## Risk management guide overview

### How to use this guide

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- 1 Read through the enclosed risk fact sheets
  - 2 Complete the self assessment checklist
  - 3 Contact your insurance broker or Lumley Insurance for expert advice on controlling your specific risks
  - 4 Implement your risk control plans
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### Contents of this guide

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- 1 **Risk fact sheets**
    - Fire safety
    - Public and customer safety
    - Cash handling procedures
    - Physical and electronic security
    - Business continuity
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    - Hot work permit system
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#### **Australian standards referenced in this guide**

##### **AS/NZS 1596**

The storage and handling of LP Gas

##### **AS 1674.1**

Safety in welding and allied processes – fire precautions

##### **AS 1851**

Maintenance of fire protection systems and equipment

##### **AS/NZS 2381.1&2**

Electrical equipment for explosive atmospheres

##### **AS 2444**

Portable fire extinguisher & fire blanket selection and location

##### **AS/NZS 3000**

Electrical installations

##### **AS/NZS 3760**

In service safety inspection and testing of electrical equipment

# Fire safety

Fire can have a devastation impact on your business, the indirect costs and disruption can create enormous difficulties. Many companies who suffer a major fire struggle to re-establish their business, despite having adequate insurance cover.

## Electrical services and equipment

### Electrical switchboards

Main distribution and sub-switchboards should be fully enclosed in non-combustible materials to reduce the exposure to physical damage, accumulation of dust, and in the event of a switchboard ignition, delay the spread of fire.

### Combustible storage

The area within one metre of each switchboard should be kept free of storage to reduce the risk of fire and to ensure easy access in the event of an emergency.

### Hazardous areas

All electrical equipment installed in areas where flammable vapor, or combustible dusts, are likely to be present should comply with Australian Standards for hazardous area installations, including AS/NZS 3000 and 2381. If in doubt, your electrical contractor will be able to advise.

### Temporary wiring, extension cords and portable power boards

Wherever possible, extended use of this type of equipment should be eliminated by installing additional general purpose outlets (GPO's) or hard wiring lighting and equipment according to requirements of Australian Standard AS/NZS 3000.

### Lighting

All lighting should be securely installed and hard-wired. Light fittings should be located above access aisles, away from potential physical damage, and not located directly above storage racks, shelving or combustible materials.

### Battery recharging

Forklift battery recharges should be located in a well ventilated location well clear of any combustible materials or other storage.

### Maintenance inspections

Conduct regular general inspections of all electrical equipment. Damaged or loose light fittings, power outlets, switches etc should be immediately repaired by a licensed electrician.

### Tagging of portable electrical equipment

All portable electrical equipment should be regularly inspected and tagged by a certified competent person as specified in Australian Standard AS/NZS 3760.

### Thermographic Survey

Engage a suitable electrical contractor to conduct a thermographic survey of all electrical switchboards and major electrical equipment on an annual basis. All recommendations contained in the contractors report should be attended to immediately.

## Compressed gases

### Storage location

All compressed gas cylinders, including LPG forklift cylinders, should be stored in a cool, dry, well ventilated location and protected from physical damage with a securing chain, or preferably in a gas cylinder storage cage.

### Handling precautions

Care should be taken when handling cylinders. Cylinders should never be dropped or rolled. LPG and acetylene cylinders should be stored in an upright position, never laid down or inverted.

### LPG decanting stations

The installation and positioning of decanting cylinders should comply with Australian Standard AS/NZS 1596, including safety signage, impact protection, potential ignition sources and fire protection.



# Fire safety

## Gas decanting staff training

All staff engaged in gas decanting should have completed instructional training and be able to demonstrate competency in the filling, emergency procedures and use of personal protective equipment associated with the task.

## Combustible dusts

### Dust collection systems

All dust producing machinery (saws, sanders, thicknessers and moulders) should be connected to a dust extraction and collection system with sufficient capacity to handle the quantities of dust produced.

### Removal of dusts

Dust collection bags, bins or hoppers should be emptied regularly and collected dust and shavings removed from the premises. The area surrounding the dust collection system should be swept each time the system is emptied, to remove any spills of overflow of dusts.

## Other ignition sources

### Smoking

A 'no smoking' policy should be strictly enforced with all employees and visitors. 'No smoking' signs should be installed throughout and at each entrance to the building. Appropriate containers for disposal of cigarette butts should be positioned outside each entrance.

### Maintenance welding or hot works

Strict controls should be exercised over staff and or contractors performing hot maintenance processes such as welding, cutting and grinding. A 'hot work' permit system and formalised contractor controls should be implemented (examples attached). Further information can be obtained from Australian Standard AS 1674.1.

## Fire extinguishing equipment

### Portable fire extinguishers

An adequate number of portable fire extinguishers, suitable for the potential fire hazard, should be installed.

We suggest a minimum of one fire extinguisher for every 200m<sup>2</sup> of floor area. Further information can be obtained from Australian Standard AS 2444.

### Electrical switchboard protection

One fire extinguisher, suitable for electrical fires, such as a carbon dioxide extinguisher, should be located adjacent to each electrical switchboard.

### Equipment accessibility

All extinguishers and fire hose reels to be correctly sign posted as per the requirements of Australian Standards. All equipment should be kept clear of obstruction, and easily assessable at all times.

### Maintenance

All fire protection equipment should be serviced by a suitable technician at least every six months. Automatic sprinkler systems and fire detection systems require more frequent inspection. Refer to Australian Standard AS 1851 or your service contractor if in doubt.

## General housekeeping

### Aisle storage

Access aisles between storage racks should be kept free of all storage.

### Machinery and work benches

Sawdust and timber off-cuts should be removed from around machinery and from under work benches at least daily.

### Internal waste bins

Internal waste bins should be emptied at the close of trade each day.

### External waste bins

Should be located in a secure location, well away from the building, and lids should be locked closed after trading hours.

### Waste cardboard

Cardboard boxes and packaging should be folded flat, stored in a secure location and removed from the site regularly.

### Storage of idle pallets

Should be kept to a minimum, and should not be stored within five metres of the external walls of the building.



# Public and customer safety

**Business owners and occupiers have a duty of care to control risks to the safety and wellbeing of the public, associated with the operation of their businesses.**

## Customer car parks

### Road surfaces

Ensure road surfaces are in good condition and pot-holes or large cracks are quickly repaired.

### Road markings

Provide clear road markings and pedestrian crossings to direct customers from the car park to the retail entrance.

### Access restrictions

Prevent customer vehicle access to storage yards and areas where forklifts may be operating by installing boom-gates or similar barriers.

### Sign posting

Install clearly visible signposting advising of no customer access to storage yards, workshops or timber cutting areas.

## Customer access and exits

### Entrances

Ensure entrances to the retail area have adequate lighting and tiled surfaces and stair treads are in good condition. Appropriate anti-trip wet weather mats may be required.

### Stairs and ramps

Hand rails should be provided for any ramps, or stairs with three or more risers.

### Emergency exits

Emergency exits should never be locked or obstructed. Where required to be installed, illuminated exit signs and emergency lighting should be maintained by a qualified technician.

### Floor maintenance

All floor surfaces should be kept clean at all times. Broken tiles, worn or damaged carpet should be replaced or repaired immediately. 'Wet Floor' signs should be available.

## Retail displays

### Block stacks

Care should be taken to ensure any block stacked stock is stable and does not protrude into walkways. Regular inspections should be conducted to ensure customers have not made stacks unstable.

### Free standing rack displays

Care should be given to selecting star racks, and slat panel brackets designed to reduce the risk of injury to customers. Designs with sharp protruding prongs should be avoided, or rubber stoppers installed on the ends. Racks should be kept fully stocked or hanging items moved to the front to avoid exposed ends.

### Aisles

Aisles between storage racks and shelves should be kept free of storage at all times.

### In-store demonstrations

Conduct a formal risk assessment of all proposed in-store demonstrations. Ensure all required risk controls are implemented for the duration of the demonstration. Third party demonstrators should provide a safe work method statement and be required to comply with your formal contractors controls (refer to appendices).

## Stock replenishment

### Planning activities

Ideally, stock replenishment should be conducted outside normal trading hours. If this is not possible, the number of boxes being unpacked at any one time should be kept to a minimum.

### Supervision

A staff member should remain with the boxes at all times and not leave the site until unpacking is finished and all empty boxes have been removed.



# Cash handling procedures

Written procedures should be developed to detail the processes and responsibilities for the handling of cash.

## Elements to be contained in cash handling procedures

### Separation of cash handling duties

Allocate duties so that collection, depositing and reconciling of cash are not performed by the same person.

### Limit cash at point of sale

Set a maximum level of cash to be held at the point of sale (POS), excess cash should be regularly deposited in an on-site safe, via a drop chute.

### Safeguard the handling of cash

Cash takings should not be handled in the direct view of the public. A protected 'back of house' area should be used for counting takings.

### Storage of cash during business hours

POS registers should be positioned in a 'defendable space' not easily accessible to the public. Registers or cash drawers should never be left open between transactions. Cash takings in excess of the predetermined POS maximum limit should be securely locked in the safe.

### Storage of cash after business hours

All cash, including takings and float, to be securely locked in the safe after hours. Empty register and cash drawers to be left open.

### Regular banking of cash takings

Banking should be conducted on a daily basis to reduce the risk exposure. If this is not practical, at least every two days (Monday, Wednesday, Friday).

### Limit amounts of cash held

Consider other ways to reduce the amount of cash held on-site e.g. pay staff by EFT instead of cash, establish an account process for any major customers etc.

## Considerations for choosing and installing a safe

### Cash ratings

Manufacturers provide a suggested 'cash rating' for their safes. This rating indicates the safes suitability for the maximum amount of cash, and type of valuables, likely to be held in each safe.

### Two-key operations

Only allows access to the main cash safe when both individual keys are used. This allows you to issue a key to two responsible persons and ensures that the safe is only opened when both persons are present.

### Drop chute or draw deposit chute

Allows staff to deposit excess cash takings without them having access to the main cash safe.

### Change or float drawer

Allows staff to access the float at commencement of trading, and secure the cash float at the end of trading, without them having access to the main cash safe.

### Installation

Safes need to be properly secured, this means being securely bolted to a solid concrete floor or wall (not a timber cupboard or bench). Manufacturers or suppliers of safes should also be able to arrange professional installation.



# Physical and electronic security

**A combination of appropriate physical protection and reliable electronic security alarm and monitoring, will reduce the likelihood and consequences of crime impacting your business.**

## Considerations for reducing property damage

### Securing valuables

Items of high value including all cash, should be secured in an appropriate manner, such as a securely installed safe which is damage resistant or a security cage for attractive stock items such as power tools.

### Do not secure low value items

An opportunistic thief will break open any locked draws or cabinets, assuming they contain valuables. Therefore drawers, cupboards, offices and point of sale registers or cash drawers, which only contain minimal value items, should be left unlocked and/or open.

### Crime prevention through environmental design (CPTED)

A concept used to limit criminal opportunity by the use of natural surveillance and barriers. For example, ensure your shopfront is not visually obstructed by plants or other barriers, install external security lighting front and back, movement activated internal lighting and chain-wire perimeter fences and gates where appropriate.

### Install adequate physical protection

Security grills, roller shutters or bars should be considered for exposed doors and windows, impact bollards and appropriate locking hardware will also assist in making your business a less attractive target.

### 'Back to base' security alarm system

Professionally monitored including wireless, as well as land-based line remote connection, or a fully supervised line. Reliable off-site monitoring will provide a faster response time and reduce the time available to a thief to cause damage.

## Electronic security systems

### 'Back to base' reporting

Whilst the existence of an electronic security alarm may not prevent a break-in, if the alarm provides a reliable means of off-site reporting and response, this will limit the time available to cause damage or remove goods.

### Alarm monitoring

Alarm systems should be monitored by a licensed security company, who has authority to initiate a security patrol should you be not contactable.

### Dual path connection

Alarm systems should be equipped with dual means of reporting 'back to base'. Typically via a land based telephone line plus a wireless GSM or GPRS network connection, should the telephone line be interfered with.

### Detection devices

Multiple detection devices such as perimeter door reed switches and glass break detectors, as well as internal movement detectors, will provide early alarm activation and assist in identifying actual break-ins from isolated false alarms.

### Internal and external alarm devices

To cause maximum anxiety to intruders, and possibly attract the attention of neighbours or passers-by, an alarm system should include a loud internal audible alarm and a highly visible external strobe light.



# Business continuity

**Pre-planning can reduce the impact of a major loss event on your business, and ensure trading can be resumed as soon as possible.**

## **Insurance review**

### **Scope of cover**

Review your insurance cover and sums insured with your broker or agent at least annually.

### **Valuation**

Engage a licensed valuer to provide a replacement valuation for your building and contents at least every three years.

## **Protect business records**

### **Backup electronic records**

Electronic business records should be backed up at least weekly and a copy stored in a secure location away from your main place of business.

### **Trial restore of backup**

Regularly perform a trial restore of backed up electronic business records to ensure files and back up system have not become corrupted.

### **Electronic virus protection**

Protection against electronic viruses should be installed on your server and all PC's. You should subscribe to an automatic service to regularly update virus definitions.

## **Document a business continuity plan**

The period immediately after a major loss event can be a stressful time for business owners. In the confusion, tasks which need to be performed to ensure the survival of your business can be easily overlooked. At this time, it can be beneficial to have a plan outlining what needs to be done to minimise the impact on your business.

This plan can be as simple as a list of points or memory joggers, you should consider including the following points:

- Identify critical tasks which need to be performed in the first days or weeks following the loss
- Important people who need to be advised
- Identify key resources, including staff and the tasks they will be required to perform
- Major suppliers and customers who need to be reassured
- Identify a company spokes person to deal with any media enquires
- Listing of important contact persons and their contact details.



# Self assessment checklist

<b>Fire safety (refer fact sheet) – electrical services and equipment</b>	<b>Yes</b>	<b>No</b>
<b>Electrical services and equipment</b>		
Switchboards are enclosed in non-combustible materials	<input type="checkbox"/>	<input type="checkbox"/>
Switchboards are free of storage or obstruction	<input type="checkbox"/>	<input type="checkbox"/>
Hazardous area electrical equipment complies with Australian standards	<input type="checkbox"/>	<input type="checkbox"/>
Temporary wiring, extension cords and power-boards use minimised	<input type="checkbox"/>	<input type="checkbox"/>
Lighting is correctly located and hard wired	<input type="checkbox"/>	<input type="checkbox"/>
Forklift battery chargers are correctly located and free of storage	<input type="checkbox"/>	<input type="checkbox"/>
A regular general inspection of electrical equipment is conducted	<input type="checkbox"/>	<input type="checkbox"/>
Regular testing and tagging of portable electrical equipment	<input type="checkbox"/>	<input type="checkbox"/>
Annual thermostatic survey conducted	<input type="checkbox"/>	<input type="checkbox"/>
<b>Compressed gases</b>		
Cylinders are stored in a ventilated, cool, dry location and secured	<input type="checkbox"/>	<input type="checkbox"/>
Cylinder are always handled safely and stored upright	<input type="checkbox"/>	<input type="checkbox"/>
LPG decanting station complies with Australian Standards requirements	<input type="checkbox"/>	<input type="checkbox"/>
Staff are adequately trained in decanting procedures and safety	<input type="checkbox"/>	<input type="checkbox"/>
<b>Combustible dusts</b>		
Dust collection system is fitted to all dust producing machinery	<input type="checkbox"/>	<input type="checkbox"/>
Collected dust is removed frequently and the area cleaned of spilt dust	<input type="checkbox"/>	<input type="checkbox"/>

# Self assessment checklist

<b>Fire safety (refer fact sheet) – electrical services and equipment</b>	<b>Yes</b>	<b>No</b>
<b>Other ignition sources</b>		
A 'no smoking' policy is strictly enforced, signs are installed	<input type="checkbox"/>	<input type="checkbox"/>
A 'hot work' permit system and formal contractor controls are in place	<input type="checkbox"/>	<input type="checkbox"/>
<b>Fire extinguishing equipment</b>		
Adequate portable fire extinguishers are installed	<input type="checkbox"/>	<input type="checkbox"/>
A suitable extinguisher is installed adjacent to each electrical switchboard	<input type="checkbox"/>	<input type="checkbox"/>
All extinguishers and hose reels are sign posted and easily accessible	<input type="checkbox"/>	<input type="checkbox"/>
All fire equipment is regularly serviced as per Australian Standards requirements	<input type="checkbox"/>	<input type="checkbox"/>
<b>General housekeeping</b>		
All access aisles are free of storage	<input type="checkbox"/>	<input type="checkbox"/>
Sawdust and timber off-cuts are removed daily	<input type="checkbox"/>	<input type="checkbox"/>
Internal waste bins are emptied at the end of trade each day	<input type="checkbox"/>	<input type="checkbox"/>
External waste bins are located well away from the building and lids are locked after trading hours	<input type="checkbox"/>	<input type="checkbox"/>
Waste cardboard boxes are folded flat, securely stored and regularly removed	<input type="checkbox"/>	<input type="checkbox"/>
External idle pallets are stored at least five metres away from the building	<input type="checkbox"/>	<input type="checkbox"/>

# Self assessment checklist

<b>Public and customer safety (refer fact sheet)</b>	<b>Yes</b>	<b>No</b>
<b>Customer car parks</b>		
Road surfaces are in good condition and free of pot-holes and large cracks	<input type="checkbox"/>	<input type="checkbox"/>
Adequate road markings are provided	<input type="checkbox"/>	<input type="checkbox"/>
Customer access to storage yard is physically restricted	<input type="checkbox"/>	<input type="checkbox"/>
Sign postage is installed restricting access to yards, workshops etc	<input type="checkbox"/>	<input type="checkbox"/>
<b>Customer access and exits</b>		
Retail entrances, stairs, ramps and exits are in a safe condition	<input type="checkbox"/>	<input type="checkbox"/>
Internal floors and amenities are in a safe condition	<input type="checkbox"/>	<input type="checkbox"/>
Emergency exits are kept accessible at all times	<input type="checkbox"/>	<input type="checkbox"/>
Spills are cleaned up immediately and floors are left dry	<input type="checkbox"/>	<input type="checkbox"/>
'Wet floor' signs are available if required	<input type="checkbox"/>	<input type="checkbox"/>
<b>Retail displays</b>		
Block stacks are regularly inspected for stability or other hazards	<input type="checkbox"/>	<input type="checkbox"/>
Aisles between storage racks are kept free of storage	<input type="checkbox"/>	<input type="checkbox"/>
Free standing display racks are free of sharp edges and kept fully stocked	<input type="checkbox"/>	<input type="checkbox"/>
In-store demonstrations are subject to a risk assessment and safe work method statement and contractor controls	<input type="checkbox"/>	<input type="checkbox"/>
<b>Stock replenishment</b>		
Stock replenishment is conducted outside of trading hours	<input type="checkbox"/>	<input type="checkbox"/>
If conducted during hours, boxes kept in aisles are kept to a minimum and a staff safety watch is present at all times	<input type="checkbox"/>	<input type="checkbox"/>
<b>Cash handling procedures (refer fact sheet)</b>		
Documented cash handling procedures are available to all relevant staff	<input type="checkbox"/>	<input type="checkbox"/>
Maximum limits are set for cash held at the point of sale	<input type="checkbox"/>	<input type="checkbox"/>
Takings are counted in a secure, back of house location	<input type="checkbox"/>	<input type="checkbox"/>
A safe, adequate for the maximum cash exposure is securely installed	<input type="checkbox"/>	<input type="checkbox"/>
Cash takings and float are secured in a safe after hours	<input type="checkbox"/>	<input type="checkbox"/>
Banking is conducted at least every two days	<input type="checkbox"/>	<input type="checkbox"/>
Cash exposures have been minimised by introducing EFT and customer accounts	<input type="checkbox"/>	<input type="checkbox"/>

# Self assessment checklist

Physical and electronic security (refer fact sheet)	Yes	No
High value and attractive items are adequately secured	<input type="checkbox"/>	<input type="checkbox"/>
External security lighting is installed at the front and back of the building	<input type="checkbox"/>	<input type="checkbox"/>
External impact bollards are installed at all exposed entrances	<input type="checkbox"/>	<input type="checkbox"/>
Security grills, roller shutters or bars are fitted to all exposed doors & windows	<input type="checkbox"/>	<input type="checkbox"/>
An electronic security alarm is installed	<input type="checkbox"/>	<input type="checkbox"/>
Alarm is monitored by a licensed security company	<input type="checkbox"/>	<input type="checkbox"/>
Alarm has a dual path of connection 'back to base'	<input type="checkbox"/>	<input type="checkbox"/>
Perimeter detection devices are installed as well as internal detectors	<input type="checkbox"/>	<input type="checkbox"/>
Internal audible alarms and external strobe lights are installed	<input type="checkbox"/>	<input type="checkbox"/>

Business continuity (refer fact sheet)	Yes	No
<b>Insurance review</b>		
Scope of insurance cover and sums insured are reviewed at least annually	<input type="checkbox"/>	<input type="checkbox"/>
A replacement building and contents valuation is obtained at least every three years	<input type="checkbox"/>	<input type="checkbox"/>

Protecting business records	Yes	No
Regular back-ups of business records are stored at a remote location	<input type="checkbox"/>	<input type="checkbox"/>
Trial restores of backed up records are regularly performed	<input type="checkbox"/>	<input type="checkbox"/>
Virus protection is installed with a subscription to automatic updates	<input type="checkbox"/>	<input type="checkbox"/>
A documented business continuity plan has been developed and is regularly reviewed and updated	<input type="checkbox"/>	<input type="checkbox"/>

For further information, please contact your broker or agent, or Lumley Insurance

# 'APPENDIX A'

## Conditions of engagement of contractors

Company name: \_\_\_\_\_

### The following conditions are required to be met by all contractors engaged by

Company name \_\_\_\_\_

**before commencing work. The contractor must ensure that their employees are aware of these conditions prior to arriving on site. The signature of the nominated contractor representative is in acknowledgment and agreement to comply with all conditions.**

Company name \_\_\_\_\_

**reserves the right to stop the work of contractors where these conditions are not followed.**

#### Site access

1. Upon arrival on site, contractors must report to the reception desk and make contact with the appropriate authorised manager.
2. The contractor will sign in and be issued with a visitor's badge.
3. The contractor will be escorted to the designated work area, introduced to the section supervisor, and be given a brief induction to the site.
4. Upon completion of work, the contractor will report to the section supervisor who will escort the contractor to the reception desk to be signed out.

#### Dress code

Appropriate clothing and footwear must be worn at all times. Footwear should be closed in, leather upper, flat shoes or boots. Sandals, thongs or cloth/fabric covered shoes are not permitted for personal safety reasons.

#### Smoking

Smoking is prohibited on site, with the exception of designated outdoor smoking areas.

#### Alcohol and drugs

The consumption of alcohol or drugs, or working under the influence of alcohol or drugs is totally prohibited.

#### OH&S policy

The contractor must fully observe

Company name \_\_\_\_\_

Occupational Health and Safety policy and site safety rules (copies attached).

#### Personal safety equipment

1. Appropriate personal safety equipment must be used in accordance with Occupational Health and Safety Standards and Best Practice, as dictated by  
Company name \_\_\_\_\_  
policy, workplace signs, or as directed by the section supervisor.
2. The contractor is responsible for providing all required personal safety equipment, and for its correct cleaning and maintenance.

#### Parking

1. Vehicles shall only be parked in designated visitor parking spaces.
2. Loading docks shall only be used for the loading and unloading goods, a 10 minute time limit applies.
3. All vehicles must observe displayed speed limit signs when on site.

#### Hazard and accident reporting

1. The contractor must report any health and safety hazard within his immediate work area, or malfunction of any machinery, plant or equipment to the section supervisor.
2. Any personal accidents, equipment damage or loss is to be reported immediately to the section supervisor.

# 'APPENDIX A'

## Conditions of engagement of contractors

Company name: \_\_\_\_\_

### Hot Work

1. Including; welding, thermal or oxygen cutting or heating, grinding or any other heat or spark producing operations, will not be conducted until a Hot Work Permit has been issued by the responsible officer from

Company name \_\_\_\_\_

2. The Hot Work Permit must be held on site for inspection upon request.

### Power, gas and water supplies

The contractor shall not isolate any electrical power, gas or water supply until written approval has been obtained from the section supervisor.

### Cleanliness

1. The contractor will take all necessary steps to limit and contain any noise, dust, fumes or liquids produced as a result of his work on site.
2. The contractor will ensure that his work area is left clean after completion of work and all waste material is removed from the site.

### Emergency evacuation

1. In the event of an emergency alarm, announcement over the public address system or verbal instruction from any

Company name \_\_\_\_\_

personnel, the contractor must immediately cease work and proceed to the assembly area which was identified during the site induction.

2. The contractor must not leave the site until he has been signed out of the visitor's book.

### Instructions

The contractors must conform to all written or verbal instructions given by

Company name \_\_\_\_\_

supervisors to ensure personal safety and the health and safety of others.

### Insurance

Prior to commencing work the contractor must provide proof of the existence and currency of the following insurance. Contractors who perform regular work on site are required to provide certificates of currency every six months.

- Public risk policy– minimum sum insured \$10,000,000.
- Bodily Injury and Third Party Property Damage insurance for any vehicle, crane or hoist used on site.
- Contractors' employees Workers Compensation policy.

Company name

\_\_\_\_\_

Postal address

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Signature (nominated contractor representative)

\_\_\_\_\_

Date \_\_\_\_\_

# 'APPENDIX B'

## Hot Work Permit system

The establishment of a Hot Work Permit system is considered highly desirable as a tool for controlling risks associated with hot work performed by staff or external contractors. Hot work is defined as welding, thermal or oxygen cutting or heating, or other related heat-producing or spark-producing operations, such as grinding. When these operations are conducted in areas containing flammable or combustible material, the risk of fire is significantly increased.

External contractors, who are not familiar with the premises, are especially at risk of performing work which may endanger the safety of your company and its assets. Every effort should therefore be made to inform contractors and staff of the risks involved in performing hot work on site. Permitted activities should be strictly supervised and controlled to reduce the risk of fire.

### Implementation of a Hot Work Permit system

1. A Responsible Officer shall be appointed to be responsible for the safe execution of hot work on site, and shall have the authority to direct staff and external contractors in the performance of the hot work.
2. Before a Hot Work Permit is issued, the site shall be thoroughly inspected and made safe by the Responsible Officer. Alternatively, cold methods of carrying out the work shall be adopted.
3. When the Responsible Officer is satisfied that the hot work may safely proceed, he shall issue a Hot Work Permit (example attached) which must be held for inspection, at the work site.
4. Hot work shall only be conducted during the period stated on the Hot Work Permit.
5. Operators conducting hot work in hazardous locations shall not work alone, and shall be provided with assistance as considered necessary by the Responsible Officer.
6. A suitable portable fire extinguisher shall be located not more than 10 metres from the work site whilst the hot work is carried out.
7. A final inspection of the site will be conducted by the Responsible Officer, after the work has been completed, to ensure that the area is safe and no smouldering materials remain. The Responsible Officer will then sign off the Hot Work Permit.

*Further information on Hot Work Permits, hot work in hazardous areas, and preparation for hot work on equipment which has contained flammable or explosive substances, is contained in Australian Standard AS 1674.1 "Safety in welding and allied processes".*

# HOT WORK PERMIT

Location (area/building/floor)

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What hot work is covered by this permit?

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What equipment is to be used?

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Checklist	Yes	No
Drains, pits and depressions been checked, isolated and sealed	<input type="checkbox"/>	<input type="checkbox"/>
Combustible materials been removed from the work area or made safe	<input type="checkbox"/>	<input type="checkbox"/>
Tanks, valves, vents and pipelines been blanked off or effectively isolated	<input type="checkbox"/>	<input type="checkbox"/>
Ventilation adequate	<input type="checkbox"/>	<input type="checkbox"/>
Spark/flash screens in place	<input type="checkbox"/>	<input type="checkbox"/>
Leaks from valve/pump glands, flanges etc been controlled	<input type="checkbox"/>	<input type="checkbox"/>
Pressure relief valves been vented to safe areas	<input type="checkbox"/>	<input type="checkbox"/>
Contaminated ground been covered	<input type="checkbox"/>	<input type="checkbox"/>
Fire equipment checked and laid out	<input type="checkbox"/>	<input type="checkbox"/>
Fire pump or Fire Brigade on standby	<input type="checkbox"/>	<input type="checkbox"/>
Fire watch required (30 minutes after completion of work) and organised	<input type="checkbox"/>	<input type="checkbox"/>
Wind direction satisfactory for hot work to be done	<input type="checkbox"/>	<input type="checkbox"/>
Product movement been stopped in the hot work area	<input type="checkbox"/>	<input type="checkbox"/>
Site of hot work been isolated/roped off	<input type="checkbox"/>	<input type="checkbox"/>
All wall and floor openings sealed	<input type="checkbox"/>	<input type="checkbox"/>
Hot work equipment in good repair	<input type="checkbox"/>	<input type="checkbox"/>
Combustibles on other side of wall moved away	<input type="checkbox"/>	<input type="checkbox"/>
Construction is non-combustible and without combustible coverings	<input type="checkbox"/>	<input type="checkbox"/>

# HOT WORK PERMIT

This permit is valid from \_\_\_\_\_ am/pm on / / to \_\_\_\_\_ am/pm on / /

Name of employee/contractor performing the work: \_\_\_\_\_

Permit received by: **Name** \_\_\_\_\_ **Signature** \_\_\_\_\_

Person in charge of work: **Name** \_\_\_\_\_ **Signature** \_\_\_\_\_

Permit returned/cancelled by: **Name** \_\_\_\_\_ **Signature** \_\_\_\_\_

The worksite has been inspected by me at the expiry/cancellation of this HOT WORK PERMIT and declared SAFE for normal operations to resume.

Responsible Officer: **Name** \_\_\_\_\_ **Signature** \_\_\_\_\_

**PROMINENTLY DISPLAY THIS HOT WORK PERMIT IN THE AREA WHERE WORK IS BEING DONE**



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