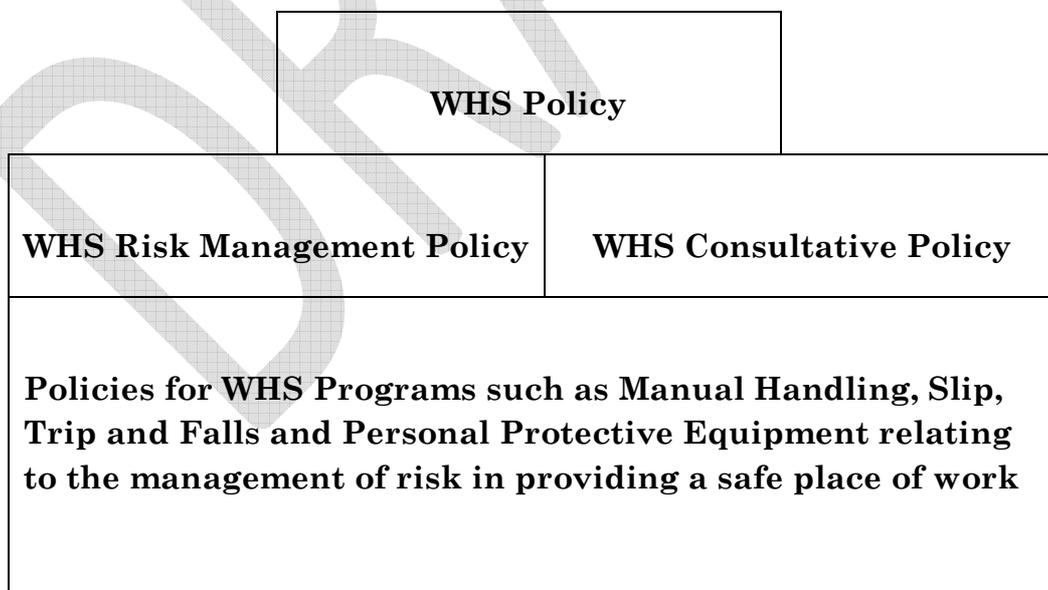


**QualityHelp  
Risk Management**

## Risk Management

### Overview and Aims of Risk Management

Aims to promote and implement the principles and processes of occupational health and safety risk management in order to create and maintain a safe and healthy working environment for all staff, contractors and visitors. It is the employer's legislative responsibility, to effectively manage workplace risks in order to prevent injuries, incidents and to improve safety in the workplace. It is also recognised that good WHS (Work, Health and Safety) performance plays a key role in improving overall organisational performance thereby allowing organisations to better position themselves to deliver effective services and programs. Risk management is important because it plays a vital role in creating safer and healthier workplaces and assists employers to meet their legislative responsibilities. Under the Work, Health and Safety Act (NSW) and Regulation 2011. All NSW employers have a responsibility to ensure that the workplace is free, as far as practicable, of risks that can cause injury or illness to staff and to other people such as visitors and contractors. Risk management involves a systematic process by which hazards are identified and the risk of injury or illness is eliminated or reduced and is applied to all organisational WHS programs and all work practices, systems and processes in the workplace. The following diagram illustrates the WHS framework and how risk management and consultation impact on all WHS practices



**Risk Management provides the framework by which health and safety issues are identified and addressed it. Also is provides tools and processes to make improvements to local workplace safety practices**

## What is Risk Management?

Risk Management is a logical, step-by-step process of identifying hazards, assessing the risk associated with those hazards, eliminating or controlling those risks, as far as practicable, and monitoring and reviewing risk assessments and control measures. The objective of this process is to improve workplace health and safety by addressing problems before injuries and incidents occur. It is a logical 4 step process.

Step 1 - Identify Hazard

Step 2 – Assess Hazard

Step 3 – Control or Eliminate the hazard

Step 4 – Monitor or review the control methodology

Risk management should:

- create value– resources expended to mitigate risk should be less than the consequence of inaction, or the gain should exceed the pain;
- be an integral part of organizational processes;
- be part of decision making process;
- explicitly address uncertainty and assumptions;
- be systematic and structured process;
- be based on the best available information;
- be tailorable;
- take human factors into account;
- be transparent and inclusive;
- be dynamic, iterative and responsive to change;
- be capable of continual improvement and enhancement;
- be continually or periodically re-assessed.

Risk management is required at all stages of a work process including:

- prior to establishing and using a workplace;
- when planning and designing work processes;
- before selecting, purchasing, installing and using equipment;
- before changes are made to the workplace or systems of work;
- whenever there-is new information about work processes.

The risk management is defined as a logical, step-by-step process of identifying hazards, assessing the risk associated with those hazards, eliminating or controlling those risks and monitoring and reviewing risk assessments and control measures.

## Step 1 – Identify hazards

This is the first step in the risk management process. A hazard is a situation with the potential to cause harm to life, health or property and is the primary cause of health and safety problems in a workplace. Hazards can be identified in a number of ways including:

- Undertaking workplace inspections
- Reviewing injury and incident data including near misses.
- Responding to information contained on Hazard Report forms.
- Consulting with staff (and in some cases visitors and volunteers)
- Investigating complaints and incidents.
- Observing work practices.
- Monitoring employee health and the work environment.
- Conducting safety audits.

When a hazard is found, in the first instance a quick fix should / could be applied, and where it is appropriate to do so. Examples of this would include removing an obstacle in a passageway and changing a work practice for one that is safer. A quick fix is a control measure that sorts the problem out then and there and may be a short or long term solution.

Once a hazard has been identified it must be reported, it can be a verbal report to your manager or supervisor or in a written form (hazard report) even when a quick fix has been applied. It is recommended that any hazard being reported is put in writing. This will ensure that the hazard being reported is formally acknowledged and will provide a documented record of the report. By reporting hazards, employees will play a major role in ensuring the workplace is, far as practicable, free from risks.

## Step 2 - Assess the Identified Hazard for Risk

Once a hazard has been reported, managers or supervisors must carry out a risk assessment in consultation with the staff affected by the hazard within 7 days of the hazard being reported, although in some instances, a formal risk assessment may need to be conducted urgently. To do this the manager or supervisor and affected employees will need to undertake the following activities:

- Evaluate the likelihood of an injury or illness occurring and the likely severity of that injury or illness, using a risk assessment matrix to assign a risk rating
- Identify the factors that may be contributing to the risk.

- Where available, review health and safety information that is relevant to the particular hazard (such as Codes of Practice, WorkCover guidelines and Material Safety Data Sheets).
- Document outcomes relating to risk assessments undertaken and the control measures implemented.

Risk assessment looks at the **likelihood** of the hazard causing harm or injury and the **severity** of that harm or injury.

Likelihood -	Very Likely	Likely	Unlikely
Severity -			
<b>High</b> – life threatening or cause serious injury	Category 1	Category 1	Category 2
<b>Medium</b> – Could result in temporary incapacity	Category 1	Category 2	Category 3
<b>Low</b> - Could result in inconvenience / first - aid	Category 2	Category 3	Category 3

Category 1 – Situation is serious. May need to stop work tasks or change work processes immediately. Must be fixed immediately. Consider short and long term options.

Category 2 – Action needs to be taken in a timely manner, usually this is done within the month of being reported. But if a quick and easy solution is available the hazard can be fixed immediately.

Category 3 – Action is required within a reasonable time frame. Usually this is within 3 months.

When assessing the risks associated a hazard, managers and or supervisors must consult with those staff affected by the hazard.

### Step 3 – Eliminate or Control the Risk

Once risks have been assessed

#### Likelihood

- Unlikely
- Likely
- Very likely
- High – life threatening or cause serious injury

#### Severity

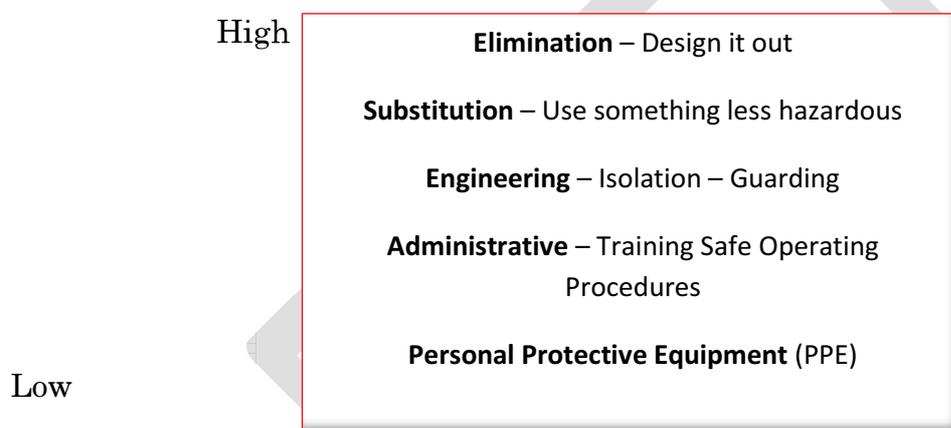
- **Category 1**-Situation is serious. May need to stop work tasks or change work processes immediately. Must be fixed immediately. Consider short and long term options.
- **Category 2**-Action needs to be taken in a timely manner, usually within a month, but if a quick and easy solution is available, the hazard can be fixed immediately.

- **Category 3-** Action is required within 3 months but if a quick and easy solution is available, the hazard can be fixed immediately.

When assessing the risks associated with a hazard, managers or supervisors must also consult with the staff affected by that hazard. However, the Workplace Health and Safety (NSW), 2011 requires that specific risk assessments be undertaken in relation to some matters such as manual handling.

### Step 3 – Eliminate/control risks

Once risks have been assessed action must be taken by managers or supervisors (in consultation with staff) to eliminate or control risks. Whilst the most effective action is to eliminate risks, this is not always possible, so control measures must be implemented according to the hierarchy of controls.



When using the hierarchy of control, consider the most effective means of control first (ie elimination) and work down the list. In many cases a combination of measures may be needed in order to properly control the risk. For example, where personal protective equipment is provided, training and procedures on how to use the protective equipment properly (ie an administrative control) will also be needed. Managers / Supervisors must consult with staff on the implementation of control measures and must also document the outcomes.

### Step 4 – Monitor and review risk control measures

Once risk controls are in place, the legislation requires that the controls be monitored and reviewed in order to maintain the currency of that particular control. Changes to work practices, work environment or equipment may change the level of risk and require further / less controls to mitigate the changed risk profile. Managers are responsible for monitoring and reviewing risk assessments and control measures in consultation with staff. Assessments and control measures will need to be re-evaluated if:

- there is evidence that the risk assessment or control measure is no longer valid;
- an injury or incident resulting from exposure to the hazard occurs;
- there are changes to the work environment, equipment or work practices which may make the assessment or control measure ineffective or out-of-date.

Monitoring should occur on a regular basis such as weekly, monthly or quarterly whereas a review should occur at the end of a specified time period by which point a risk assessment or a control measure would be expected to have demonstrated whether or not it was effective. Remember – any ‘quick fixes’ that are implemented to control hazards, also need to be monitored and reviewed.

### **Overview of Risk Management Procedures**

- Step 1 -Identify hazard
- Step 2 -Assess risk
- Step 3 -Eliminate/control risk
- Step 4 -Monitor and Review

It's a simple 4-step process but remember to consult with your employees

For instance, risks associated with manual handling are common to all workplaces and require effective control measures. Effective control measures are designed to ensure a consistent response across the organisation and to reduce the duplication of effort involved. However, where hazards that are unique to a workplace are identified, local managers and staff are responsible for using the risk management process to develop and implement appropriate local control measures.

The benefit of having a multi-layered approach to managing WHS risks is that where issues clearly have an organisational-wide impact, appropriate resources and expertise will be applied in assessing risk and developing control measures. At the same time, issues affecting specific worksites are dealt with at that level so that issues can be resolved quickly with the involvement of the staff most affected.

### **Who is Responsible for Risk Management?**

#### **Senior Management is responsible for:**

- Developing an organisational approach to meet the legislative requirements of risk management.

- Ensuring that processes are in place for identifying hazards, assessing risks, documenting risk management controls and monitoring/reviewing risk assessments and control measures.
- Providing information, instruction, training and supervision to enable staff to implement risk management processes.
- Monitoring and reviewing the overall effectiveness of risk management processes.
- Ensuring sufficient resources are available to effectively manage risks in the workplace.

**Line managers (supervisors) are responsible for:**

- Ensuring risk management processes are implemented in their work area.
- Ensuring that staff is provided with training, information and instruction to enable them to participate in risk management processes and to enable them to perform work tasks safely.
- Following up on reported hazards by undertaking risk assessments and implementing control measures in consultation with the relevant staff.
- Monitoring and reviewing risk assessments and control measures.
- Referring complex issues requiring a higher level authority, to a more senior manager.

**Employees are responsible for:**

- Carrying out all work activities in a safe manner and in accordance with procedures.
- Reporting hazards and bringing them to the attention of the supervisor or manager.
- Providing assistance in rectifying hazards and participating in the consultative process.

**WHS Representatives / Committee Members**

- Reviewing measures taken to ensure the health, safety and welfare of employees.
- Investigating WHS matters and providing assistance to management to resolve those matters.
- Accompanying WorkCover inspectors when WorkCover inspections are conducted.
- Acting as an observer during organisational investigations into incidences or other occurrences.
- Recommending WHS training for WHS committee members, WHS representatives and staff.
- Assisting in the recording of workplace hazards and incidents.

## Fixing Unresolved Issues

Resolving issues relating to workplace hazards is important because it helps create a safer and healthier work environment. This in turn promotes the well-being of staff and minimises the chances of injury and illness. In the case of a hazard not being resolved in a timely way, there should be an established process for resolving issues. A summary of this process is presented below:

**Local level:** in the first instance, employees should refer the issue to their line manager. The line manager is responsible for investigating the hazard, assessing risk, implementing control measures and monitoring and reviewing the situation, in consultation with the staff affected by the hazard. Providing the line manager with an opportunity to resolve the issue is often the best way of fixing the problem in a timely and effective manner

If the line manager does not, or is unable to, resolve the issue, employees may refer the issue to a more senior manager.

If the senior manager is unable to resolve the issue with the line manager or the next level manager, the issue may be referred to external agencies, such as WorkCover or the relevant union.

It is preferable for organisation to be given the opportunity to resolve issues in the first instance before an outside agency is called upon.

*The NSW WorkCover Authority can be contacted on 131 050 or at <http://www.workcover.nsw.gov.au>*

If managers fail to take appropriate action, they run the risk of perpetuating an unsafe working environment and incurring preventable injuries and costs. This can result in the department and/or the manager concerned being prosecuted by WorkCover.

It is important that employees have confidence that the hazards they report will be assessed and eliminated or controlled.

This requires managers to take appropriate and timely action including consulting with the affected staff and monitoring and reviewing the situation. It is recognised, however, that some issues require longer to resolve owing to the complexity of the issue or the level of consultation required.

## Commonly Used Terms

***Reasonably Practicable:*** is defined as what is reasonably able to be done in relation to ensuring health and safety, taking into account and weighing up all relevant matters including:

- the **likelihood** of the hazard or the risk concerned occurring, and
- the degree of harm or **severity** that might result from the hazard or the risk, and
- what the person concerned knows, or ought reasonably to know,
- the hazard or the risk, and ways of eliminating or minimising the risk,
- the availability and suitability of ways to eliminate or minimise the risk, and
- after assessing the extent of the risk and the available ways of eliminating or minimising the risk, the cost associated with available ways of eliminating or minimising the risk, including whether the cost is grossly disproportionate to the risk.

***Consultation:*** the process of communication and participation between staff and management on issues affecting health and safety in the workplace. Managers are required to consult with their staff when assessing risks and deciding and implementing control measures.

***Dangerous Incident:*** means an incident in relation to a workplace that exposes a worker or any other person to a serious risk to a person's health or safety emanating from an immediate or imminent exposure to:

- an uncontrolled escape, spillage or leakage of a substance,
- an uncontrolled implosion, explosion or fire,
- electric shock,
- an uncontrolled escape of gas or steam,

***Hazard:*** anything (including a work practice or procedure) that causes, or has the potential to cause, injury, harm or illness.

***Hierarchy of Control:*** is a system used in industry to eliminate or minimise exposure to hazards

***Incident:*** any unplanned event resulting in, or having the potential for, injury, illness, ill health, damage or other loss.

***Line Manager / Supervisor:*** is a person who has staff reporting to them or has influence over how resources will be allocated or how work is undertaken. In most cases this will be the employee's immediate manager.

***Near miss:*** an incident that does not produce an injury or disease.

***Notifiable Incident:***

- the death of a person,
- or a serious injury or illness of a person,
- or a dangerous incident

*These incidents are as well as being notifiable should be recorded in internal the Injury/Incident Register*

***Risk assessment:*** the process of determining the potential of a hazard to cause injury or illness and the potential severity of that injury or illness.

***Risk control:*** the process of controlling risks associated with hazards by using the hierarchy of control.

***Risk management:*** the overall process of identifying hazards, assessing the risk of those hazards, eliminating or controlling those hazards and monitoring and reviewing risk assessments and control measures.

***Serious injury or illness of a person:*** means an injury or illness requiring the person to have:

- immediate treatment as an in-patient in a hospital, or
- immediate treatment for:
  - the amputation of any part of his or her body, or
  - a serious head injury, or
  - a serious eye injury, or
  - a serious burn, or
  - the separation of his or her skin from an underlying tissue (such as degloving or scalping), or
  - a spinal injury, or
  - the loss of a bodily function, or
  - serious lacerations, or
  - medical treatment within 48 hours of exposure to a substance, and includes any other injury or illness prescribed by the regulations

***Staff:*** means all people permanently or temporarily employed by the organization including people employed through agencies or on contract.

***Workplace:*** any place where work is done on behalf of the employer including any premises or motor vehicle that is owned, leased or rented by employer.