# Risk Management Procedure

## 1. Purpose

The Risk Management Procedure outlines how ANC will comply with its legal requirement under the Workplace Health and Safety Act and Regulations to identify hazards and control risks arising from its activities. This procedure ensures that there is a consistent approach across the company.

## 2. Scope

This procedure applies to all activities undertaken by ANC workers. Other workers such as contractors, service operators etc may comply with their own company's risk management procedure but there must be co-operation and co-ordination between ANC and all other businesses or undertakings that are impacted.

## 3. Definitions

**ANC**

*All land, property, buildings, warehouses, structures, installations, aircraft or vehicles owned by, controlled by or under contract or lease to ANC.*

**Worker**

*Any person who carries out work for ANC. This includes employees, contract carriers, volunteers, trainees/apprentices, work experience students and labour hire companies.*

**Hazard**

*A hazard is a situation or thing that has the potential to harm a person, property or the environment.*

**Risk**

*A risk is the consequence and likelihood of harm occurring when exposed to the hazard.*

**Likelihood**

*The chance of the harm occurring, taking into account many factors, e.g., how often task is undertaken, how long is the exposure to harm, behaviour of workers, history of harm happening etc.*

**Consequence**

*The outcome of harm that could result, taking into account many factors e.g., the severity of injury that could occur, how many people could be affected, the possibility of an event escalating, other influencing factors such as height of fall or concentration of harmful substance.*

**Risk rating**

*The process of measuring the harm from the risk in order to help prioritizing actions. The severity of the harm (e.g. 'may require hospitalisation') and the likelihood of that harm occurring (e.g. 'almost certain') determines the risk rating.*

**Risk control**

*Action taken to eliminate health and safety risks so far as is reasonably practicable, and if that is not possible, minimising the risks so far as is reasonably practicable.*

**Reasonably practicable**

*Doing what is effective and possible to ensure the health and safety of workers and others. Taking into account the likelihood of the harm occurring and degree of harm, the knowledge of the hazard and ways of eliminating or minimising it, the availability and suitability of controls and the cost associated with controls, including whether cost is grossly disproportionate to the risk.*

# 4. Procedure

## 4.1. When to carry out risk management

Risk management needs to be carried out when:

- Tasks involve risks;
- The legislation requires it;
- Using new equipment or substances;
- There is a change to existing work practices;
- A new risk becomes known;
- An incident has happened; or
- There is a change in legislation.

It is always easier to design out a risk at the beginning rather than implementing expensive changes, therefore, the earlier risk management is completed the better.

## 4.2. Who should carry out risk management?

Managers and Supervisors maintain responsibility for health and safety hazards in the area(s) under their control. Managers and Supervisors can delegate the task of completing the risk management form to other workers, so long as the person they choose has:

- Completed appropriate Health and Safety Representative training (HSR 5 day course or equivalent); and
- Demonstrated an understanding of the risk management procedure; and
- Experience in the particular work area or equipment.

Managers and supervisors who have the authority to implement the necessary safety controls in the area where the task or activity is undertaken maintain responsibility for the process and must sign off on the risk management form.

Where there are multiple managers or supervisors in a shared area then the document must be signed by all supervisors and shared with all staff.

All risk management forms must be authorised by the manager or supervisor unless they exist as reference material or as shared resources.

## 4.3. Difference between risk management & Safe Work Procedure (SWP) or Safe Work Method Statement (SWMS)

Risk management is used for a process or area that may encompass many hazards and pieces of equipment e.g. managing the risks of a warehouse area, or an office space or a noisy environment. This is used to identify all the hazards and consider how each one can be eliminated or controlled. Workers sign the risk management form as confirmation that they are aware of and understand the risks.

A safe work procedure or safe work method statement are administrative control measures and are used to provide step-by-step instructions for hazardous operations e.g. how to operate a machine, how to lift correctly. These are used as a practical tool to train and instruct workers. Workers sign the SWMS as confirmation that they have been trained in the procedure.

## 4.4. The step-by-step process

The risk management procedure follows 4 steps; the second step being optional depending on the situation.

1) Identify the hazards;
2) Assess the risks;
3) Control the risks;
4) Review control measures

**Figure 1 – The risk management process**


### 4.4.1. Step 1 – Identify Hazards

Hazards can be visible or invisible, obvious or hidden; therefore, it is important to use a number of methods to find hazards, such as:

- Ask the workers – these are the people who come into contact with hazards every day;
- Inspect the area – this will help identify obvious hazards;
- Look at the environment – noise, extreme temperatures, work at height, moving vehicles;
- Look at equipment, materials, substances used – moving parts, sharps, chemicals etc;
- Look at the tasks and how they are performed – repetitive, twisting, lifting etc;
- Consider the organisation and management of work – stress, fatigue, violence, potential emergencies;
- Read the literature – common workplace activities already have well established identified hazards and controls; check the relevant section in the WHS Regulation as well as guidance material from WorkCover, Codes of Practice (CoP), Australian Standards, manufacturer's literature, Safety Data Sheets etc.;
- Check the statistics – look at where hazards or incidents are reported or are there any trends in sickness absence.

Consider all the people who could be affected by the work e.g. staff, contractors, visitors, members of the community.

You will need to consult with persons that could be affected by your work about the hazards and how they could be affected by them. This can be done by Health and Safety Representatives (HSR's) or at team meetings.

All identified hazards must be documented; the risk management form may be used for this.

### 4.4.2. Step 2 – Assess the Risks

Rating the risk helps to prioritise the implementation of control measures e.g. if an assessment identifies a trip hazard as low and a fire hazard as high, then controlling the fire hazard is given priority. To identify the risk rating: consider what the consequences and likelihood would be.

#### *Consequences*

When estimating the consequences of harm from each hazard consider:

- What type of harm will occur (e.g. strain, laceration, burn, amputation, death);
- What will influence the severity of harm (e.g. distance of fall)
- How many people are exposed (e.g. a crane collapse on a busy road will be more severe than a collapse in a remote location due to the number of people who could be harmed);
- Could one failure lead to another (e.g. failure of electrical supply will stop local exhaust ventilation);
- Could it escalate to a more serious event (e.g. a small fire could get out of control in an area where there is a lot of combustible material).

#### *Likelihood*

When estimating the likelihood of harm occurring consider:

- How often is there exposure (e.g. once a day/once a month)
- How long are people exposed to the hazard (e.g. 5 minutes or several hours)
- How close are people to the hazard (e.g., there may be a moving part, but people don't go near it);
- Could any changes increase the likelihood (e.g. deadlines causing people to rush);
- Does the environment affect the hazard (e.g. very poor lighting);
- What are the behaviours or attitudes of the people exposed (e.g. young people may be less risk-aware, or shift-workers may be fatigued);
- Has it caused an injury in the past, at ANC or elsewhere;
- How effective are current control measures.

Once you have determined the consequence and likelihood use the Risk Assessment Matrix (RAM) in **Appendix B** to calculate the risk as low, medium, high or very high. The activity must not continue if the risk rating is very high. In this case appropriate additional risks controls must be put in place to reduce the risk.

### 4.4.3. Step 3 – Control the Risks

Hazards should be eliminated. Where this is not possible the risk should be controlled as far as is reasonably practicable.

How to identify what control measures are need:

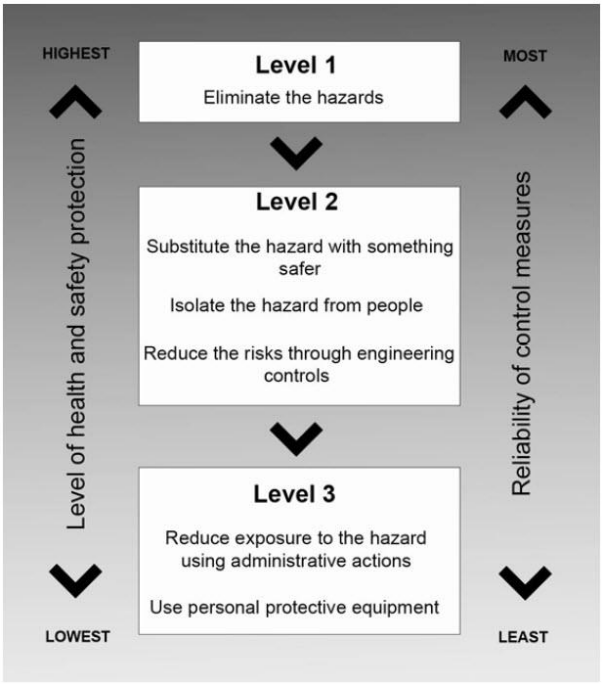
1) Check if there is legislation that has specific requirements for a control measure;
2) Check if a Code of Practice has any guidance on controlling the hazard;
3) Check if there is a relevant Australian Standard on the topic;
4) Check the manufacturers guidance and/or any industry standards;
   Check with other Facilities and/or businesses if they have a similar hazard and how they have successfully controlled it;
6) Ask the workers if they have any solutions to the hazards they face.

When deciding to implement control measures, you must consult with workers to make sure that the controls are suitable, as workers will know the task/area best and will have to work with the control measure on a day-to-day basis.

*Hierarchy of controls*

The WHS regulations require duty holders to follow this hierarchy when managing risk.

**Figure 2 – The Hierarchy of controls**




**Level 1**

- Eliminate the hazard; this is the most effective way of managing risks e.g. use remote handling tools to eliminate working at height.

It is not always possible to eliminate a hazard if it means that you cannot deliver a service or carry out a mandatory task. In this case, eliminate as many risks associated with the hazard as possible, and then you can proceed to the next level.

**Level 2**

- Substitute the hazard with something safe e.g. replace solvent-based paint with water-based paint.
- Isolate the hazard from people e.g. block off access where there is a hold in the floor.
- Use engineering controls e.g. use local exhaust ventilation to extract dust away from the worker; use a forklift to lift a heavy load.

**Level 3**

This level does not control the hazard at source, it relies on human behaviour which, on its own, tends to be least effective; humans make mistakes for a wide variety of reasons.

- Administrative controls e.g., Training courses, Signage, Safe Work Procedures, Supervision.
- Personal protective clothing and equipment (PPCE) e.g., hi-vis, safety shoes.

Level 3 controls can be used to supplement the higher levels of controls but should only be used alone when higher levels are not reasonably practicable or as an interim measure until higher levels can be implemented. For example, if there is a noise source ear plugs can be used while the equipment is being serviced or until a sound-control booth has been purchased.

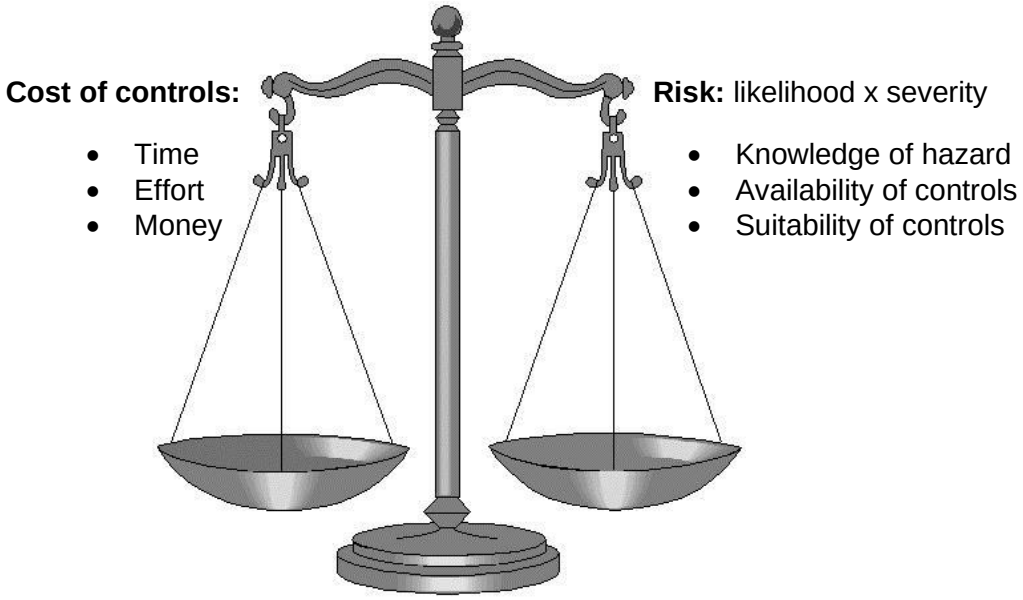
### *Cost of controls*

In some cases, the legislation specifically requires a control measure so it must be implemented regardless of the cost. For example, workers who are frequently required to wear hearing protectors in noisy areas must undergo audiometric testing, regardless of the cost of the test.

If a CoP or Australian Standard specifies a control measure then it must be implemented, unless you choose something of equal or better effectiveness.

In all other cases the cost, in terms of time; effort; and money; of implementing a control may be considered when deciding whether it's reasonably practicable. However, cost alone cannot be used as a reason for doing nothing.

**Figure 3 – How to determine what is reasonably practicable**




### *Maintain effectiveness of controls*

In order to ensure that your controls continue to work once the risk management process has been completed and signed off, you should do the following:

- Clearly allocate accountability;
- Regularly inspect, test and repair plant and equipment;
- Keep training up to date;
- Keep up to date on new technologies or hazard information that may change;
- Consult with workers about whether controls are still effective.

### *Final consultation*

You must inform and discuss the hazards and controls with all people that may be reasonably expected to be affected by the work. The completed risk management form can be used as a tool in this process, as it will help them to gain an understanding of why certain controls are in place. Have these people sign the end of the form as a record of this process.

For activities which are low risk or include a large group of people (for example BBQ's, Christmas parties etc) only the persons undertaking and/or coordinating the key activities in the process need to sign the acknowledgement of understanding part of the form. For all others involved in such activities, the information can be covered by other methods including, for example, a safety briefing, induction, and/or safety information sheet.

## 4.4.4. Step 4 – Review

You must review your risk management procedures:

- When controls are not working effectively;
- When there is a change in the workplace that can impact on the controls;
- If there is a new hazard identified;
- If consultation indicates a review is necessary;
- If a Health and Safety Representative (HSR) requests a review.
- If new information on a hazard becomes available;
- If there is a change in legislation;
- On a regular basis (this will depend on the level of the risk; more serious risks should be reviewed more regularly).

To undertake a review, start at step 1 (identify the hazards) again and continue through the rest of the risk management process.

When you update the risk management form ensure that you re-educate all the previous people who signed off on the original form along with any new people, as necessary.

### *Record Keeping*

For significant hazards it's important that your risk management process has been documented; this can be done using the risk management form. The reason for documenting include:

- Helps to induct and train workers on the hazards;
- Helps to ensure that you have identified all the hazards;
- Demonstrates how decisions are made;
- Identifies when a safe work procedure is necessary;
- Demonstrates that risks are being managed;
- Can be used as evidence in criminal and civil prosecutions;
- Demonstrates potential compliance with the WHS Act and Regulations.

The flow chart in Appendix A shows the risk management flow detailing the process steps for risk management and how it is documented within ANC.

### *Duration*

For records that do not require health monitoring: keep for 7 years after the document is no longer used.

For records that require health monitoring: keep for 30 years.

## 5. Related Documents

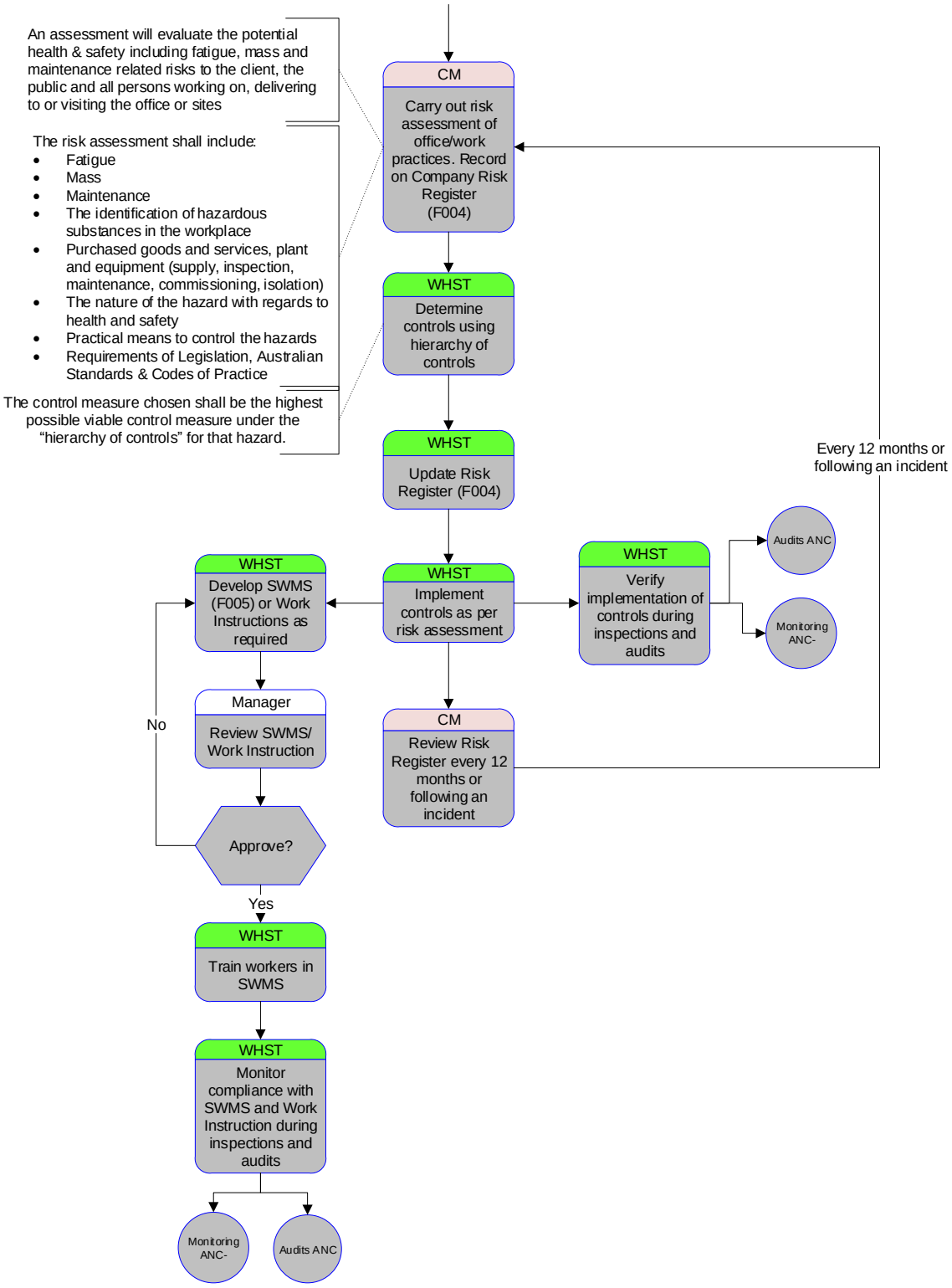
- Work Health and Safety Policy
- Risk Management Form

## 6. References

- Work Health and Safety Act 2011
- Work Health and Safety Regulations 2011
- Safe Work Australia Code of Practice – How to Manage Work Health and Safety Risks

# Appendix A

CM = Compliance Manager
WHST = WHS Team




| Revision History | | | | | |
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## Appendix B – see over page for part 2 of the RAM

| RISK ASSESSMENT MATRIX | | | | | | |
|---|---|---|---|---|---|---|
| | | Consequence | | | | |
| | | Noticeable | Important | Serious | Very Serious | Disaster |
| Likelihood | Certain | Medium | High | Very High | Very High | Very High |
| | Likely | Medium | High | High | Very High | Very High |
| | Possible | Low | Medium | High | Very High | Very High |
| | Unlikely | Low | Low | Medium | High | Very High |
| | Rare | Low | Low | Medium | Medium | High |

| Likelihood Rating | Consequence Rating | Risk Rating |
|---|---|---|
| | | |

| LIKELIHOOD RATING REFERENCE SCALE | |
|---|---|
| Rating | Criteria |
| Certain | 1 in 10 chance of occurring or<br>"It occurs regularly" or<br>"It will occur within days" |
| Likely | 1 in 100 chance of occurring or<br>"It could occur easily" or<br>"It will occur within weeks" |
| Possible | 1 in 500 chances of occurring or<br>"It could occur and has occurred before" or<br>"It will occur within a year or so" |
| Unlikely | 1 in 1,000 chance of occurring or<br>"It hasn't occurred yet but could" or<br>"It could occur after several years" |
| Rare | 1 in 10,000 chance of occurring or<br>"It's Exceptionally unlikely, even longer term" or<br>"It's a 100-year event" |

| Residual Risk Level | WHAT TO DO NEXT? | | | |
|---|---|---|---|---|
| | Task | | Post Incident | |
| | Action Required | Authority to proceed | Incident Notification | Incident Investigation |
| Very High | Immediately cease the activity Act to reduce residual risk to Medium or below | DO NOT PROCEED WITH TASK | Operations Manager/ State Manager / Executive Team/CEO/MD | ICAM – National Safety Officer |
| High | Immediately act to reduce residual risk to Medium or below | DO NOT PROCEED WITH TASK | Operations Manager/ State Manager /National Ops Manager | Log in Rapid Incident Investigation Required |
| Medium | Review current controls to attempt to lower the risks further if possible. Closely supervise and monitor the effectiveness of existing risk controls | Proceed with approval of Operations Manager | Operations Manager/ State Manager /National Ops Manager | Log in Rapid Incident Investigation Required |
| Low | Monitor the effectiveness of risk controls. Reduce the risk further if practicable. | Worker may proceed with care | Operations Manager/ State Manager | Log in Rapid Incident Investigation Required |

| CONSEQUENCE RATING REFERENCE SCALE | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Rating | Health and Safety | Environment | Financial Impact- State | Financial Impact - National | Legal and Chain of Responsibility Compliance | Brand and Reputation | Mental Health Impact | ICT |
| Very High | - Multiple fatalities, or significant irreversible effects to multiple people. | - Catastrophic widespread impact resulting in irreversible damage to habitat and species.<br>- Highly significant impact reversible only in long term (>10yrs). | > $50k Cost | $10m+ loss or gain. | - Major litigation with damages of $10m+ plus significant costs.<br>- Jailing of Executive or Manager.<br>- Imposed fine of $10m+<br>- Prolonged class action. | - Total loss of customer support.<br>- CEO and/or Executive member/s resign.<br>- Australia-wide press reporting. | Suicide and or physical harm inflicted on the community. | - Server room destroyed<br>- Loss of all data. |
| High | - Single fatality and/or severe irreversible injury to one or more persons.<br>E.g. Brain Injury, Amputation, Spinal Injury | - Significant impact to localised area with medium-term reversible effects.<br>- Impacts viability of the business.<br>>50 Litre Spill | $10k – $50k Cost | $1m – $10m loss or gain. | - Class action.<br>- Possibility of custodial sentence for Executive or Manager.<br>- Major breach of regulation with punitive fine.<br>- Significant litigation taking up weeks of Management time. | - Executive member resigns.<br>- Customers terminate contracts.<br>- State media reporting. | Self-harm or harm to the community inflicted or suicide attempt. | - Internal / External cyber security breach. |
| Medium | - Medical treatment<br>- Hospitalisation required.<br>- Medium term largely reversible injury to one or more persons.<br>E.g. Broken Bone, Shoulder, Knee or Back Surgery | - Moderate short-term reversible impact (<1yr).<br>5-50 Litre Spill | $1k – $10k Cost | $10k – $999k loss or gain. | - Breach of regulation with investigation or report to authority with prosecution and/or moderate fine possible.<br>- Prosecution or threat of litigation. | - Customers register strong concerns and threaten contract termination.<br>- Local media reporting. | Signs, threats or thoughts of self-harm, suicide or harm to the community. | - Phone system failure.<br>- HUB system failure<br>- Power outage |
| Low | - First Aid Injury | - No adverse impact.<br>< 5 Litre contained spill | < $1k Cost | < $10k loss or gain. | - Minor breach of regulation.<br>- Conciliation / Mediation. | - Worker disciplined.<br>- No visible impact on the Business. | Signs of mental health issues E.g. depression or anxiety. | - Virus on Internal Network. |