insight
QRMC NEWSLETTER

QRMC
Risk Management

Insight aims to provide useful information, links and tips in the areas of Risk Management, Occupational Health and Safety, Business Continuity Management, and other areas relating to management systems and corporate governance.

This issue:

■ Changes pending ...
■ Risks from Reporting and Decision-Making Disconnect

Changes pending ...

There is a suite of legislative and other changes in the pipeline as we head toward 2018.

Work Health and Safety Legislation

Most prominently, as our readers are no doubt aware the Work Health and Safety and Other Legislation Amendment Bill was passed through Parliament mid-October, implementing key recommendations from the Best Practice Review of WHS Queensland (released on 22 August 2017). On ascent, the amendments introduce the new offence of "Industrial Manslaughter" (applicable across both the WHS & Electrical Safety Legislation), prohibit enforceable undertakings being accepted for contraventions involving a fatality and establishes the framework for the increased emphasis of the Codes of Practice by providing a 5 year 'lifespan' for the Codes.

The restoration of the status of the Codes of Practice prescribing that the code is to be followed unless equal to or better than measures can be demonstrated is due to take effect 1 July 2018. Other provisions due to take effect then include the re-introduction of the WHSO and the requirement that a current list of WHSO's are displayed, and the mandating of HSR training within six months of being elected.

On proclamation the jurisdiction of the Queensland Industrial Relations Commission (QIRC) will be expanded to hear disputes relating to work health and safety issues, in addition to establishing an independent statutory office for WHS prosecutions.

Heavy Vehicle 'Chain of Responsibility' Legislation

The Legislation that governs the Heavy Vehicle 'Chain of Responsibility' requirements within Queensland – the 2012 Heavy Vehicle National Legislation ('HVNL) – prescribes that registration, vehicle operation standards, mass, dimension and loading requirement, speeding and fatigue must be managed for heavy vehicles greater than 4.5t.

In mid-2018 the HVNL will move to a primary duty model similar to the WHS Legislation, with a positive duty on executive officers and the inclusion of a 'so far as is reasonably practicable' standard. The changes in legislation will impose *an obligation to eliminate and minimise public risks by doing everything reasonable to ensure transport related activities are safe*. This means that all parties must actively prevent breaches and eliminate any arrangement that may cause or encourage another to break the law. Executive officers will have a "due diligence" obligation to ensure parties in the chain of responsibility comply with their requirements under the law. Under the 2018 changes, Authorised officers of the regulator will also have increased powers to obtain documents and information as evidence of potential breaches (without the need for a related event to initiate 'entry'*).*

A presentation on this legislation and the 2018 changes will be provided at the next Safety Networking Group function – please contact us for more details.

Electrical Wiring Rules (AS / NZS 3000)

We are also mid-way through a prescribed 6-month transition period for changes to the Electrical Wiring Rules (AS / NZS 3000) which is referenced in the *Electrical Safety* Legislation.

While technical in nature, the changes aim to re-focus attention on the need for a risk assessment prior to working on energised parts, more effective supervision, and the testing of electrical works. The changes enhance the protection requirements for arc faults & arc fault detection, earthing and RCD protections. All electrical work performed after the 6-month transition period will need to comply with the new rules.

QRMC's specialist electrical consultant can provide advice in relation to these changes and the management of electrical safety.

And ISO 45001

The development of the *ISO 45001 - New Standard for Occupational Health & Safety Management Systems* is progressing with a structure similar to the ISO standards for Quality Management, Environmental Management & Risk Management, using the Annex SL format. While it is likely that this will have an impact on AS 4801 in the long-run, the official decision is yet to be finalised. The expected publication date for ISO 45001 is February – March 2018.

Stay tuned for more QRMC updates as these changes roll out.

Risks from Reporting and Decision-Making Disconnect

Most people have probably heard the phrase "garbage in, garbage out". This concept holds true in any number of areas, and certainly in the field of risk management.

No organisation can properly identify or manage its risks if the data input into the risk management process is deficient.

Similarly, it's impossible to identify or manage risks if incoming data is ignored, or not recognised as relevant to the identification of risks.

A disconnect between the reporting of information from segments or levels of an organisation and the decisions made by senior management can result in a critical failure of the risk management process.

A case in point is the report earlier this year that the Commonwealth Bank of Australia's (CBA) intelligent deposit machines (IDMs) had been used for transactions that resulted in allegedly over 53,000 breaches of the anti-money laundering and counter terrorism financing laws – despite increasingly desperate attempts from local branches to report their concerns and suspicions over the use of the IDMs (detailed here and here).

The failure of the CBA to fully recognise and manage the risks posed to the organisation by the use of its IDMs has resulted in substantial reputational damage and potentially enormous financial damage (detailed here and here).

While this is a specific example with details that won't generalise to other organisations, the underlying fault of inaction (or inappropriate action) on reported data is not uncommon.

Imagine a site security shift manager providing a daily log of incidents that is lumped together with other operational data, resulting in a major security risk being overlooked. Or a division manager's report including staff recruitment and retention issues being disregarded during the development of organisational expansion plans, resulting in an inability to deliver the new goods/services.

In most cases the provision of risk management awareness training to all levels of organisational management will help to better prepare them to identify and act upon critical data that might otherwise go unnoticed.

If this were undertaken in conjunction with an objective review of reporting mechanisms between levels of management, the organisation could be much more confident that high consequence risks will be identified and managed.

Please contact QRMC for assistance with the review of reporting processes or the development and delivery of risk management training.

RISK MANAGEMENT
SAFETY MANAGEMENT
BUSINESS CONTINUITY MANAGEMENT
MANAGEMENT SYSTEMS

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