

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

## Myth Busting SWMS

Over the years Safe Work Method Statements (SWMS) seem to have taken on a life of their own. They have not only grown into unmanageable behemoths, but are frequently being used where they are not required, on the assumption that as long as the risk is documented, all is good.

### Myth 1

**SWMS are required for all high risk work.**

*Incorrect.*

SWMS are specifically required for high risk **construction** work as set out in the WHS Regulation (s) 291, which lists 18 types of construction work. Construction work itself is clearly defined in section 289. Whilst it may not be a breach in legislation to adopt SWMS for non-High Risk Construction work, using this approach not only makes some simple activities overly complex, it waters down SWMS for when they are specifically required by legislation.

### Myth 2

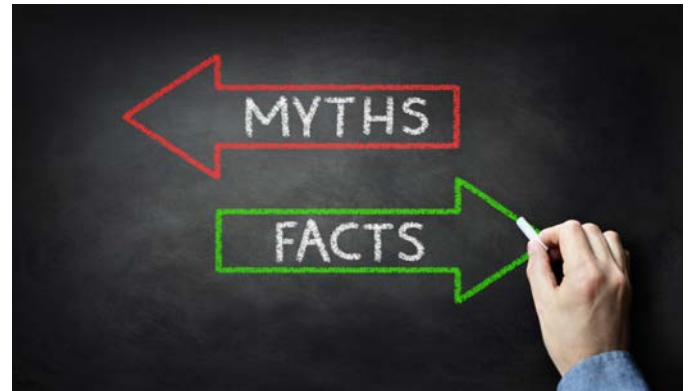
**SWMS must contain risk assessments.**

*Incorrect.*

Legislation does not require that a SWMS contains a risk assessment. The Work Health and Safety Regulation s.299 states that a SWMS must—

- (a) **identify the work** that is high risk construction work; and
- (b) **state hazards** relating to the high risk construction work and **risks to health and safety** associated with those hazards; and
- (c) describe the measures to be implemented to **control the risks**; and
- (d) describe how the control measures are to be **implemented, monitored and reviewed**.

The factor that most inhibits the effectiveness of SWMS is to be found in the complexity of the process. As SWMS are now perceived to be an unmanageably complex system of risk assessments, so that many organisations simply purchase or



develop generic SWMS that can be easily replicated and used on multiple sites. The danger here is that critical hazards and risks *specific* to the work location are not included. There is often no review of the SWMS, nor the application of other controls, and in many cases the point-of-risk workers do not read the document but merely sign the last page before commencing work: all of which undermines the effectiveness of the SWMS.

A lengthy document that inhibits credibility, uptake and understanding may in fact be interpreted as being in contravention of WHS Regulation s.39 *Provision of information, training and instruction*, which states, 'information, training and instruction is to be provided in a way that is readily understandable by any person to whom it is provided.' Giving a tradesperson a 48 page SWMS during a 15 minute induction, for example, would not constitute compliance with this requirement.

### Breaking the myths

The solution lies in ensuring that SWMS are specifically developed in line with legislative requirements. This means that they must simply:

1. identify the work that is high risk construction work;
2. Set out the steps of the work or job;
3. List the hazards and associated risks;
4. Describe the measures to be implemented to control the risks; and
5. Describe how the control measures are to be implemented, monitored and reviewed.

This can be done in a simple (and short!) tabular format using language that intended end-users can understand and relate to.

Please [contact QRMC](#) for more information.

## Risk Assessment: What comes first, the chicken or the egg?

In terms of risk management, there is a bit of an age-old conundrum (not quite as mind twisting as the chicken versus the egg): what should be considered first when tackling a qualitative risk assessment; is it the **consequence** or the **likelihood**?

While we certainly support, when appropriate, the short-cut version of risk management in an operational context (identifying an issue or risk and jumping straight to controlling it), if an organisation is going to the trouble of undertaking detailed risk assessments then there is a need to complete these assessments correctly.

Risk is a function of its component parts. At a basic level, typically this is Consequence and Likelihood or whatever synonym has been selected to represent these. The level of risk is proportional to each of its components. However, the order in which these components are considered significantly impacts on the subsequent risk score.

The 2009 version of *ISO 31000 – Risk management Standard* included a definition for the level of risk as “**magnitude of a risk ... expressed in terms of the combination of consequences and their likelihood.**” With the supporting *ISO 31010 Risk management – Risk assessment techniques (2009)* stating “*Risk analysis involves consideration of the causes and sources of risk, their consequences and the probability that those consequences can occur.*”

The consequence (or impact) of the risk needs to underpin the assessment, and the likelihood needs to be relative likelihood of that underpinning consequence.

The 2018 version of the *ISO 31000* unfortunately does not include this explanation. The Standard's discussion of the risk analysis simply states that consequences and likelihood are part of a list of things that need to be considered.

However, recent discussion with one of the *ISO31000* Committee members highlighted that the



adaptation of the definition of risk from *ISO 31000* distorts its intention. As written, the definition reads as if the likelihood in question relates to the occurrence of an event. This is not what the Standard intends. “*The likelihood in question is the likelihood of experiencing the consequence. While this might seem a minor issue of expression, it has the potential to seriously mislead those undertaking risk assessments and will nearly always lead to the level of risk being assessed as higher than it actually is.*”

In terms of illustrating the potential disconnect, and thus the need to have the consequence anchor the relative likelihood, please consider the following:

We are in the midst of cyclone season and want to assess the potential impact of this on property damage and the potential for lives lost. If we consider the likelihood first we are framing the assessment around the likelihood of cyclone, and then we consider the consequence or the extent of the impact should that cyclone occur. In consolidating these two elements, the cyclone will have an inflated level of likelihood.

Now if we consider consequence at the outset, we are prompting the thought process to consider what the ‘most credible’ level of consequence will be, in context of the strength of the current controls which may temper the resulting consequence score. Importantly, in the next step we consider the likelihood of the event (i.e. the cyclone) to prompt that most credible level of consequence.

Assessing the risk in that order therefore delivers a more realistic, and manageable, residual risk rating.

Please [contact QRMC](#) for more information.

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