



Issue 113 March 2021

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.

Mental Health, Indicators, Hazards and Risks

We are all aware of the legislative requirement to identify, assess, control and review risks in the workplace. Most organisations document the management of their physical risks in some form of WHS risk register that includes consideration of the hazards, associated risks and the current controls in place as well as proposed controls. This risk register is then (or should be) reviewed on a planned basis. However, for many organisations this approach does not always specifically include mental or psychological health risks.

During the COVID-19 Pandemic, there has been a heightened awareness of mental health. Many organisations have put in place processes to assist workers in managing mental health without necessarily approaching them in a systematic manner in the same way that physical risks are managed.

In 2020, the NSW government drafted, and put out for comment, a Managing the risks to psychological health Code of Practice. Workplace Health and Safety Queensland have indicated that they are likely to follow suit in 2021. The draft NSW code of practice specifically prescribes a risk management approach to psychological health and links to the Code of Practice: How to manage work health and safety risks. The requirement to manage mental health risks is thus the same as for physical risks.

A Queensland Managing the risks to psychological health Code of Practice, will mean that organisations will be required to comply with it as an approved code of practice under the WHS Act. Unlike other jurisdictions, the requirements of the code of practice in QLD will be mandatory.

The first step in managing psychological health risks is to identify the hazards, or indicators for mental health risks. These could include:

- EAP usage (both high and low usage could be an indicator);
- Disputes of industrial relations issues;
- Trends in sick leave usage;
- Departments or areas that have higher levels of sick leave compared with others;



- Workers' compensation for psychological injuries;
- Both knowledge of, and compliance with, workplace bullying and harassment or discrimination policies; Trends in complaints or workplace grievances;
- Increased overtime usage;
- Indications of stress amongst workers.

The next step would be to assess the risks of these (and potentially other) psychological risks within the context of the organisation, and then prioritise their control.

These risks should be documented in the organisations WHS risk register in the same way that physical risks recorded, and the controls monitored.

Do you need help with the development, review or re-development of your WHS Risk Register to include psychological health risks and compliance with legislative requirements? Please <u>contact QRMC</u> for more information.

Risk Assessments – What are we Actually Assessing?

When assessing the risks associated with a particular event, there is the potential for a range of outcomes (consequences) and their associated likelihoods. For example, if you were to be involved in a motor vehicle accident at work, the potential consequences could range from minor property damage or a few bruises, right through to multiple fatalities. Typically (and thankfully), the minor accidents are much more common than the



fatalities, but the associated costs in repairs and lost time can still add up. So when it comes to conducting a risk assessment for the use of a motor vehicle, we have several choices as to what we are actually assessing. Do we assess the lower consequence event with the higher likelihood, the higher consequence event with the lower likelihood, or something in-between? This important decision opens up a lot of argument and conjecture.

In some cases it's appropriate to focus on events with potentially catastrophic outcomes, as these are the ones that pose the largest threats and are often of greatest concern to managers. In other cases, it may be important to identify and analyse both 'everyday problems' and 'catastrophes' as separate risks. For example, a frequent but low-impact (or chronic) problem may have large cumulative or long-term effects that are at least as important as those for a rare but high-consequence (or acute) event. In addition, the treatment actions for dealing with these two distinct kinds of risk are often quite different, so it is sensible to distinguish between them and to record them both.



The key to assessing risks that might produce different consequences is to apply a consistent assessment methodology.

The supporting Handbook for ISO31000:2018 *Risk* Management Guidelines Standard provides little guidance here, stating in its most basic form that:

Risk = Consequence x Likelihood

Remembering back to high school maths, when it comes to multiplication, the order of the items being multiplied together does not matter. However, as you can see from the driving example above, the order in which these components are considered significantly impacts the outcome of the risk

assessment! As a result, organisations have advocated the consequence first approach as detailed in ISO 31000 (and the WHS Risk Management Code of Practice), followed by the application of a likelihood rating for the selected consequence occurring. By doing this, the risk assessment process prompts the consideration of what the potential consequence will be.

This highlights the needs to be consistent in terms of the order in which the elements of the risk are considered. Further, there is a need to be consistent in terms of the type of consequence being considered – are we focussing on the most likely consequence, a worst case consequence or something in between with a most credible worst-case? (It doesn't matter which one is applied as long as it is applied consistently.)

Consider the driving example above...not every car accident results in a fatality. In fact, due to the prevalence of a long list of risk control measures in place such as seat belts, airbags and now, even automatic obstacle detection technology for newer vehicles, the most credible worst-case scenario is that there will be vehicle damage and minor personal injury. Applying a likelihood rating to this selected consequence then delivers a more realistic and appropriate risk assessment outcome. Isn't this what we are actually wanting to assess?

Let the arguments begin!

Please contact QRMC for more information.

Electrical Safety Act public consultation

Public consultation is open for the review of the Queensland *Electrical Safety Act* 2002. This is a once in 20-year opportunity to influence better, more useable legislation that keeps pace with change in industry and technology.

The following information can be accessed <u>here</u>:

- Electrical Safety Commissioner's 2020 report Improving Electrical Safety in Queensland: A Report by the Commissioner for Electrical Safety,
- the issues paper, and
- the submission details.

Submissions close 18 April 2021.

QRMC Risk Management Pty Ltd © 2021

The material contained in this publication is in the nature of general comment only and neither purports, nor is intended, to be advice on any particular matter. No reader should act on the basis of any matter contained in this publication without considering and, if necessary, taking appropriate professional advice regarding their own particular circumstances.

