

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.

Assessing Risks

Risk management is an accepted part of business vernacular these days, but it's still helpful to step back and remind ourselves of the key principles of the process from time to time, as otherwise it can be easy to 'miss the wood for the trees'.

In terms of assessing risk, Australia (& NZ) had a solid foundation to work from in the 2000s with **AS/NZS 4360:2004 Risk management** in play well before the introduction in 2009 of **ISO 31000 Risk management – Principles and guidelines** and its supporting suite of Standards.

According to AS 4360, the analysis of risk involved the "...consideration of the sources of risk, their positive and negative consequences and the likelihood that those consequences may occur" followed by "Risk is analysed by combining consequences and their likelihood".

This approach was then formalised within the 2009 ISO Risk Management Standard where it reinforced that "Risk is analyzed by determining consequences and their likelihood".

The clarity brought by the ISO Std was reflected within the re-write of the **QLD WHS Risk Management Code of Practice** in 2011, with a re-packaged practical discussion under the sub-heading of 'Work out how severe the harm could be' (aka the consequence) and 'Work out the likelihood of harm occurring'.

The re-issued ISO 31000 in 2018 amended some details and blurred the discussion somewhat, however it still stated (in the Terms & Definitions) that "Risk is usually expressed in terms of risk sources, potential events, their consequences and their likelihood".

The commonly used risk matrix approach combines the qualitative or semi-quantitative ratings of consequence and likelihood to generate an overall risk score. However, the resulting risk score can be significantly skewed by confusing the order in which the consequence and likelihood factors are considered. Even the way it is written in an organisation's risk management procedures has the potential to inadvertently construct this error.

To explain we should take 2 steps back to remind ourselves of two areas in particular where it's important to be sure that we've nailed the basics:



1. **Check the risk statement is right** – without this we often succumb to psychological biases and tend to think more broadly than we should and lose sight of what is the real risk. The risk statement, embracing the ISO31000 definition of the "effect of uncertainty on objectives" or in simple terms "what" and "so what", should state the type of event (e.g. physical injury, property damage, environmental damage) to who or what (e.g. workers, the work depot) and the cause (e.g. from a cyclone).
2. **Consider the current controls** – including the strengths and current effectiveness of these (as per the process detailed in the ISO Standard or the WHS Code of Practice).

After these considerations, we can start thinking about consequence and likelihood.

Based on the risk statement, we start by putting a 'credible' consequence score to the scenario using the developed risk statement to refine our thinking in terms of the level of consequence. Then with this consequence in mind, we need to consider the likelihood of the event occurring and producing the defined level of consequence. The 2 factors (the consequence and the likelihood) need to be relative to each other, they need to be anchored together to the risk statement, or else the result will be skewed.

By determining the consequence first, we enable the risk assessment to be focused and 'credible'.

If likelihood were considered as the first factor, we are overtly asking for the likelihood of an event occurring which would logically be much higher likelihood (e.g. the likelihood of a cyclone occurring would logically be

higher than the likelihood of an injury occurring from the cyclone given all of the precautions and risk controls in place). The fundamental error of considering likelihood before consequence leads the discussion of the consequence off on a tangent, because it is not tied to the consequence outcome that reflects the context of the risk. By considering a 'credible' consequence of the risk statement first, with the current controls in place, the tendency to 'catastrophise' is deterred from the outset, because the discussion is framed in terms of the risk statement and the 'credible' consequence.

We would recommend that discussion of the risk management methodology is always written as *consequence before likelihood*, as per the way it is expressed in ISO 31000, as this frames and embeds the correct process every time it is undertaken.

In summary, the risk assessment process comes with flaws and biases that are inherent to any consultative process that involves a group of humans. The way to work through this is to set the process and context from the outset, to frame the risk assessment to be less impacted by these biases - and the best way to do this is to have absolute clarity about the risk assessment methodology and applying the process as detailed in the ISO Standard.

Everyone involved in the risk assessment needs to be clear that the process is to assess the consequence first using pre-agreed consequence and likelihood scales, with a focus on 'most credible' consequence (as this corrals the thought processes away from the worst-case scenario and toward the more realistic outcomes). Then reinforcing that, the likelihood has to connect to the risk and the consequence - that is, the likelihood of the risk occurring at that determined consequence level.

Last of all, risk ratings should be reviewed with the "does it seem right" test (with a 'wrong feel' prompting a double checking of the controls, consequence and likelihood used) to ensure that that they are realistic and truly reflective of the situation.

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

Legislative Requirements for Safe Work Method Statements (Part 1)

Safe Work Method Statements, commonly called SWMS, have been around for many years now. In this two-part series of articles on SWMS, we will look at the lesser known and lesser understood legislative requirements for SWMS.

Part 1 will firstly examine the required content for SWMS, their purpose and benefits. Part 2 will follow next issue and examine other requirements for SWMS such as the need for their review, compliance and the record keeping aspects for SWMS.

SWMS are legislatively required under the Qld WHS Regulation (2011) for a *high-risk construction work activity*. High-risk construction work activities are defined in Section 291 of the Regulation and include activities such as working in a confined space, involving the disturbance of asbestos, or where there is a risk that a person could fall more than 2 metres. These are only three examples of 18 defined high risk construction work activities under Section 291.



The primary objective of a SWMS is to document and describe the high-risk work activity by breaking it down into a sequence of steps where:

- a) Hazards are identified for each step, and
- b) Risk control measures are documented for managing the health and safety risks for each identified hazard.

By capturing this core information, the SWMS helps supervisors, workers and any other persons at the workplace to understand the requirements that have been established to carry out the work in a safe and healthy manner. But there is more to a SWMS than identifying the hazards and risk controls for the work. Other legislative requirements for what a SWMS must contain also apply, and often are either not well known or not fully understood. Let's take a look at these and what is required under Section 299 of the WHS Regulation.

A SWMS must:

- **299 (2a) - Identify the work that is high-risk construction work.** This involves ensuring the SWMS identifies which of the 18 defined high-risk construction work activities from Section 291 that the SWMS has been developed for (e.g. working in a confined space).

- **299 (2d) – Describe how the control measures are to be implemented, monitored and reviewed.** Whilst many SWMS describe the control measures and how these are to be implemented, many do not contain information on how the controls are to be monitored and reviewed. This information is vital as it requires the checking of risk controls to ensure these remain in place and are working effectively. A good rule to go by is that the higher the risk of an activity or step within the activity, the more frequent should be the monitoring and review of the risk controls, e.g. before each work shift and returning after a break such as lunch or smoko.
- 299 (3a)(i) – Be prepared taking into account all relevant matters including circumstances at the workplace that may affect the way in which the high-risk construction work is carried out. Many organisations prepare their SWMS before arriving at the location at which the high-risk construction work is to take place. There needs to be a step in the SWMS that involves the identification and consideration of hazards at the place where the work will be undertaken that could impact the work. This includes items such as other activities going on adjacent to the worksite (e.g. working next door to a school and the increased traffic movements this presents). It could also involve increased noise and dust hazards, obstacles preventing proper access, and powerlines both above and below ground. These must be identified and documented within the SWMS and how these will be controlled.
- 299 (3a)(ii) – Be prepared taking into account all relevant matters including if the high-risk construction work is carried out in connection with a Construction Project—the WHS Management Plan that has been prepared for the workplace. Under the WHS Regulation, Construction Work valued at over \$250,000 is deemed to constitute a *Construction Project*. All Construction Projects must have a WHS Management Plan and the requirement for SWMS in use for Construction Projects is that these must be developed, taking into account the requirements of the WHS Management Plan. For example, if the WHS Management Plan requires pink-coloured high visibility safety vests to be worn on site, then the SWMS must also reflect this requirement. There cannot be contradictory information within the SWMS compared to the WHS Management Plan.
- **299(3b) – Be set out and expressed in a way that is readily accessible and understandable to persons who use it.** This requirement is fairly straight forward – a SWMS must be able to be easily communicated

to all workers, including workers who have English as a second language or have reading difficulties. A workforce that consists primarily of foreign workers may need an identical SWMS to be developed in another language so that workers are clear on the SWMS's requirements. Serious consideration must also be made to minimise the length and complexity of SWMS so that these are understandable by all workers.

There is one more requirement from Section 299 of the WHS Regulation for what a SWMS must contain, and this applies specifically to work where there is a risk of falling more than 2 metres. We will cover this in Part 2 of our series looking at the legislative requirements for SWMS. Please refer to the WHS Regulation for the full legislative requirements for Safe Work Method Statements.

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

Visions Conference 2022



The Australian Institute of Health and Safety, Queensland Visions Conference will be held on the Gold Coast on the 7th – 9th September.

This year's program includes keynote presentations from:

- the newly appointed Deputy Director General of the Office of Industrial Relations,
- the Chair of the WHSQ Board discussing the use of an integrated approach to workplace mental health,
- a panel discussion led by Aaron Anderson on the legal and practical issues of responding to inspectorate and union, and
- a closing presentation from former Olympian and motivational speaker, Dan Collins, presenting on mindsets for personal performance.

There is also a half day workshop on the 7th September exploring a 'Learning Approach to Investigations'.

More information and the full program is available at <https://www.visions.org.au/>