

Managing Safety Risk

As described in the Sector Brief – Responsibility & Accountability, your organisation has a legal obligation to provide and maintain a safe environment for your volunteers, customers, and visitors. Fundamental to achieving this obligation is the management of safety risk.

The management of safety risk includes:

- Step 1 - Identification of hazards and reasonably foreseeable risks
- Step 2 - Assessment of the identified risks
- Step 3 - Identify controls
- Step 4 - Put in place identified controls
- Step 5 - Monitoring effectiveness of the controls

IMPORTANT

Organisations that proactively identify, control, and monitor risk will typically have fewer safety incidents and are less likely to have a serious incident.

Additionally, incidents can cause significant cost. Many organisations don't understand that if someone gets injured, the actual cost of the payout in the injury claim is only the tip of the iceberg! The costs that aren't seen are the major costs. The “unseen costs” of an accident include the investigation into the incident, downtime while the investigation takes place, and the damage to volunteer morale/recruitment. On average, the “unseen costs” of accidents are six times greater than the obvious, “seen” costs.

Step 1 - Identification of hazards and risks

It's important to understand the difference between a hazard and a risk, these terms are often confused (even by safety professionals).

Hazard – Is a situation or thing that has the potential to cause harm (to a person or property).

Hazards may be as simple as road traffic, electricity, or a wet floor, but can include noisy machinery, a moving forklift, chemicals, rail traffic, working at heights or a repetitive job.

Risk - Is the possibility that harm (illness, personal injury, or death) might occur when exposed to a hazard in your workplace or organisation.

Your organisation should identify health and safety hazards and associated reasonably foreseeable risks. Methods to identify risks include:

- Review of operation/service provided
- Review of tasks being completed
- Site Safety Inspections

Identified hazards and risks should be recorded in a Risk Register. This Risk Register does not need to be complex; it can be anything from a handwritten document, excel spreadsheet or a fully integrated software solution. Typically, the Risk Register becomes the mechanism for documenting and managing risk across an organisation.

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TIP

Take the time to walk around your site and actively observe what is happening. Look for hazards and what risks might occur. Is there a chance of injury to your volunteers, customers, or visitors? Consider slips, trips, falls, electricity, chemicals etc.



IMPORTANT

In the event of an incident occurring that was reasonably foreseeable, your organisation could be liable.

Step 2 - Assessment of risk

Once your organisation understands its hazards and risks the next step is to assess each risk, again the Risk Register can be the mechanism to document this assessment. Each risk should be assessed based upon the consequence of it occurring and how likely it is to occur. The combination of a risk's consequence and its likelihood is its 'uncontrolled risk rating'. Often a risk matrix is used, [such as this one used by THNSW](#).

At this point it might be useful to add more detail to the risk definition so that it may be assessed more accurately. For example, a hazard of an unprotected ledge of a pit 1 metre deep could lead to either a consequence of

- 1) A fall that causes a death (if the person lands badly)
- or
- 2) A fall that causes a first aid injury (if the person is young and/or agile)

Both these consequences have different likelihoods, so it might be better to define the risk as the more foreseeable risk of "person falls from ledge into pit requiring first aid".



TIP

Clearly described risks enables them to be accurately assessed. You should always describe the most foreseeable outcome, not the most extreme or outlying outcomes.



TIP

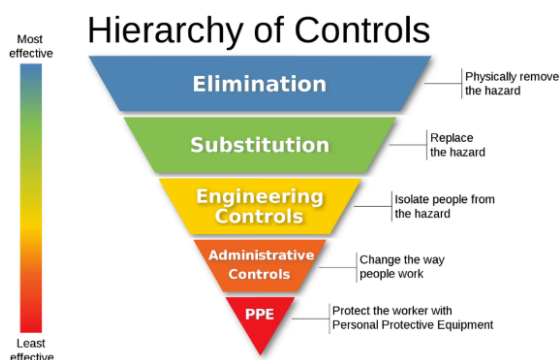
Understand your organisation's Work Health Safety risk profile. According to SafeWork Australia¹ workers between the ages of 60 and 64 (typical volunteer age group) are twice as likely to have a serious injury compared to workers between the ages of 30 and 34. As such, if you have volunteers in this age group, you might assess the likelihood of volunteer injuries occurring as higher.

¹ SafeWork Australia - [Key work health and safety statistics, Australia 2021](#)

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Step 3 - Identify controls

Once you understand the risk and have rated them the next step is to identify potential controls. It is at this stage all potential controls should be considered, using the hierarchy of controls.



The most effective control is to eliminate the hazard, while the least effective is providing Personal Protective Equipment (PPE). In our example of the person falls from a ledge into a pit we could:

- 1) Eliminate the risk by permanently filling it in
- 2) Put in engineering controls of barriers
- 3) Put in administrative controls of notifying people of the risk and not allowing customers near the open pit.

All controls should be entered into the Risk Register and the risk re-assessed with the identified controls, again for both consequence and likelihood, this risk rating is the 'controlled risk rating'. The difference between the 'uncontrolled risk rating' and the 'controlled risk rating' is the 'safety benefit'.

Next the control(s) should be selected that reduce the risk So Far as is Reasonably Practical (SFAIRP). This involves:

- Considering the safety benefit, including whether the control introduces new hazards or increase other risks
- Considering the costs of implementing the options, offset by any savings that they introduce.

In our example, it may not be possible to permanently fill it in as it is required, so this control can be rejected. It's best practice to document these rejected controls, and why they were rejected. This gives an organisation a more defensible position should the need occur. The remaining controls within the Risk Register should now be put in place.



TIP

The risk ratings (uncontrolled & controlled) can be used to prioritise the implementation of the identified controls. An easy and cheap to implement control with a large safety benefit should be prioritised over a difficult and/or expensive control, with a smaller safety benefit.

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Step 4 – Put in place controls

Once the controls for a risk are prioritised based upon their safety benefit they should be put in place. Best practice is to allocate each control to a ‘control owner’ who is responsible for the implementation and ongoing monitoring of the control. This control owner can either be a named individual or role, but this responsibility must be communicated to the individual or person in the role (now and future). Controls of an administrative nature should ideally be documented within a procedure and training provided to relevant volunteers.



TIP

Best practice is to allocate each control to one control owner, rather than multiple owners, as this ensures clear ownership. Controls that are shared across several owners can get forgotten as ‘everybody should have put the controls in place, but nobody did’.



TIP

Sharing the risk register with stakeholders across the organisation (Board, Management, and volunteers) will assist in the understanding of its risks and controls. The Board and Management can use this information in making decisions. Volunteers that understand the risks and identified controls are more likely to act upon them.

Step 5 - Risk monitoring

Your organisation should monitor its risks and controls to ensure they continue to be effective in managing the risks. Monitoring can take the form of:

- Formal audit, although this is not essential
- Review by the control owner
- Review following an associated incident or near miss
- Review during a site inspection
- Review following feedback from a volunteer or stakeholder

Where an opportunity to improve controls, thus further reducing the controlled risk, is identified the risk register should be updated.





TIP

The approach of safety risk management described here can equally be applied to other risk categories including financial, reputation, environment etc.

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WORKED EXAMPLE

HAZARD	RISK <i>(of hazard causing harm)</i>	CONSEQUENCE <i>(of risk of harm)</i>	LIKELIHOOD <i>(of this risk occurring)</i>	UNCONTROLLED RISK RATING	CONTROLS <i>(TYPE)</i>	CONSEQUENCE <i>(Post implementation of controls)</i>	LIKELIHOOD <i>(Post implementation of controls)</i>	CONTROLLED RISK RATING <i>(Post implementation)</i>	CONTROL OWNER <i>(To ensure implementation)</i>
Open Pit	Worker/visitor falls into pit	Major Injury (C3)	Probable (L5)	3 x 5 = 15 B -	(1) Protective Barriers: <i>(Engineering)</i> (2) "Pit Warning" Signs: <i>(Administrative)</i>	Major Injury (C3) <i>[Barriers and signs do not reduce severity of injury]</i>	Improbable (L2) <i>[Barriers and signs greatly reduce the likelihood]</i>	3 x 2 = 6 D	Daily/Duty Manager
Dangerous situation				 This level of risk could/should be unacceptable to your organisation, as there are reasonably practical controls which can reduce the risk further	Implement protective controls			This level of risk is more acceptable to your organisation, and should be SFAIRP i.e. everything reasonably practical has been done	The Daily/Duty Manager is responsible for the implementation and monitoring of the controls.

In plain English we'd say "The risk of a worker or visitor sustaining a major injury from the hazard of an open pit has been reduced SFAIRP by the implementation of protective barriers and warning signs".

Organisations should formally document hazards and risks into a table that describes the WHAT, the HOW and the WHO of how risks are managed in their organisation by using suitable controls.

Where costs and time play a role in the implementation of controls, the COST and WHEN components may become extra columns to the risk register.

Placing all the hazards and risks of your organisation into a single table (like in the above example) can now form the basis of your risk register.

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KEY LEARNING

- Risk management is fundamental to achieving your legal obligation to provide and maintain a safe environment.
- Your organisation should:
 - ✓ Actively identify foreseeable risks to your volunteers, customers, and visitors
 - ✓ Should identify strategies (controls) to reduce your health and safety risks SFAIRP
 - ✓ Should monitor the effectiveness of your strategies
 - ✓ Document its risks and controls
- Having robust risk management processes typically improves an organisations safety performance, enables safety decisions, and produces a defensible *position*.
- Risk controls should be selected based upon the 'hierarchy of controls', only resorting to the use of PPE as a last resort.
- The cost of actively managing risk is often less than the cost of the payout for the injury/loss and other unseen costs.

If you have more questions or queries, contact:

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