

Risk Management

Risk Management Procedure



RM-001-01

Risk Management Procedure

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1. Purpose

To ensure that the OTHR adopts and applies a risk management approach to its activities and within those areas in which it operates. OTHR will be required to undertake a risk management approach to ensure that the objectives of the Safety Management System are achieved.

Risk management is a proactive process consisting of defined steps which lead to improved decision making and helps respond to change and facilitate continuous improvement within OTHR.

2. Scope

Applies to all activities, equipment and administrative processes associated with the design, manufacture, construction, installation, maintenance and use of material and equipment on any site where OTHR undertakes work including premises owned leased or managed by OTHR.

3. Definitions

SFARP – So Far as is reasonably practicable

Hazard - A source, situation with a potential for harm in terms of human injury or ill health, damage to property, damage to the environment or a combination of these.

Risk – the possibility and potential consequence of an incident occurring when exposed to a hazard.

Risk Control – means taking action to eliminate risks so far as is reasonably practicable and if that is not possible, minimising risks so far as is reasonably practicable. Eliminating a hazard will also eliminate any risks associated with that hazard.

Risk Management – a documented continual process involving a four step approach of hazard identification, assessment of risk, implementation of control measures and review of control measures to ensure they remain effective and new risks have not been introduced.

Environmental Aspect – an element of OTHR’s activities, products or services that can interact with the environment.

Environmental Impact – any change to the environment, whether adverse or beneficial, wholly or partly resulting from the company’s environmental aspects.

4. Consultation

OTHR Members and where applicable contractors shall be consulted at each step of the risk management process and their experience, knowledge and ideas shall be utilised when devising risk management strategies. Members will be regularly reminded to report hazards and environmental risks immediately so that they can be effectively managed.

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Risk Management consultation shall be undertaken with other stakeholders if there is a risk of interaction or if activities conducted or undertaken may impact other members or stakeholders.

5. Application

Risk Management is an ongoing process that shall be implemented when any changes affect the work activities or environment including:

- Starting a new project;
- Changing work practices, procedures or the work environment;
- Purchasing new or used equipment or using new substances;
- Required by Rail safety Regulation;
- As a result of Rail safety Incidents/Accidents;
- Required by WHS Regulation for specific hazards;
- New information about workplace risks becomes available;
- As the result of workplace incident/accident or near miss;
- Responding to concerns raised by workers;
- Changes to design and planning processes or places used for work.

6. Hazard Identification

Hazard identification involves identifying a source or situation that could cause harm and generally arise from the following aspects of work and their interaction:

- Physical work environment
- Equipment, materials and substances used
- Work tasks and how they are performed
- Work design and management

All workers are responsible for identifying and reporting hazards and risks which will be facilitated by:

- Undertaking regular workplace inspections and audits
- Undertaking safety observations
- Consulting with workers
- Reviewing information available including previous incident reports including near misses, industry knowledge and experience, technology changes, regulatory guidance, purchasing, manufacturer's recommendations and customer's requirements

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If a hazard is identified and can be easily rectified, then that is the course of action that should be taken. If it cannot be rectified, then a hazard/incident report *MR-002-03 Incident Reporting Form* shall be completed as detailed in ***MR-002-02 Notifiable Occurrence Procedure***.

Consideration shall be given too normal and, (where relevant), abnormal operating conditions. Each task, event or condition shall be considered and then categorised by its potential to cause harm.

7. Risk Assessment

The identification and assessment of hazards and environmental aspects is a continuous process and OTHR Members shall be provided with appropriate training in identifying hazards and carrying out risk assessments.

Risk rating is achieved by utilising a two-dimensional risk analysis consisting of probability of occurrence versus consequences of harm which results in a risk score. This is a measure of the risk before any control measures have been implemented.

When undertaking risk assessment, the severity of the harm shall be considered. Consideration shall be given to the type of harm, factors that could alter the severity of the harm, number of people exposed to the hazard, if one failure could lead to other failures and if the hazard has the potential to escalate if not managed sufficiently. The following is used to assess consequences.

Consequences

When considering consequence, the most likely or maximum reasonable outcome, not necessarily worst case scenario should be considered:

- 1 Insignificant
- 2 Minor
- 3 Moderate
- 4 Major
- 5 Catastrophic.

The next step is to establish the potential for the hazards to cause harm. In this step consideration should be given to the effectiveness of existing controls and whether they control all types of harm, how work is performed, and infrequent and abnormal situations including maintenance, cleaning and breakdowns.

The likelihood of an uncontrolled hazard causing harm shall then be assessed considering how often the task is performed, how often persons are near the hazard and if the incident has occurred previously. The following is used to assess likelihood.

Likelihood

- 5 Almost Certain
- 4 Likely

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3 Has Been Known to Occur

2 Unlikely

1 Extremely Unlikely

The following matrix is used to rank the element as high, medium or low risk.

Likelihood	Consequence if Event Occurs				
	Insignificant 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
Almost Certain 5	M	H	H	H	H
Likely 4	M	M	H	H	H
Has been Known to Occur 3	L	M	M	H	H
Unlikely 2	L	L	M	H	H
Extremely Unlikely 1	L	L	M	M	H

8. Evaluation

The output of the risk analysis gives a risk score of either High, Medium or Low and shall be managed as follows:

High	Unacceptable Risk: Update product or process design, add additional controls, review adequacy of current controls
Med	Investigate further risk controls:
Low	Risk is acceptable: No further risk controls required

9. Hierarchy of Risk Control

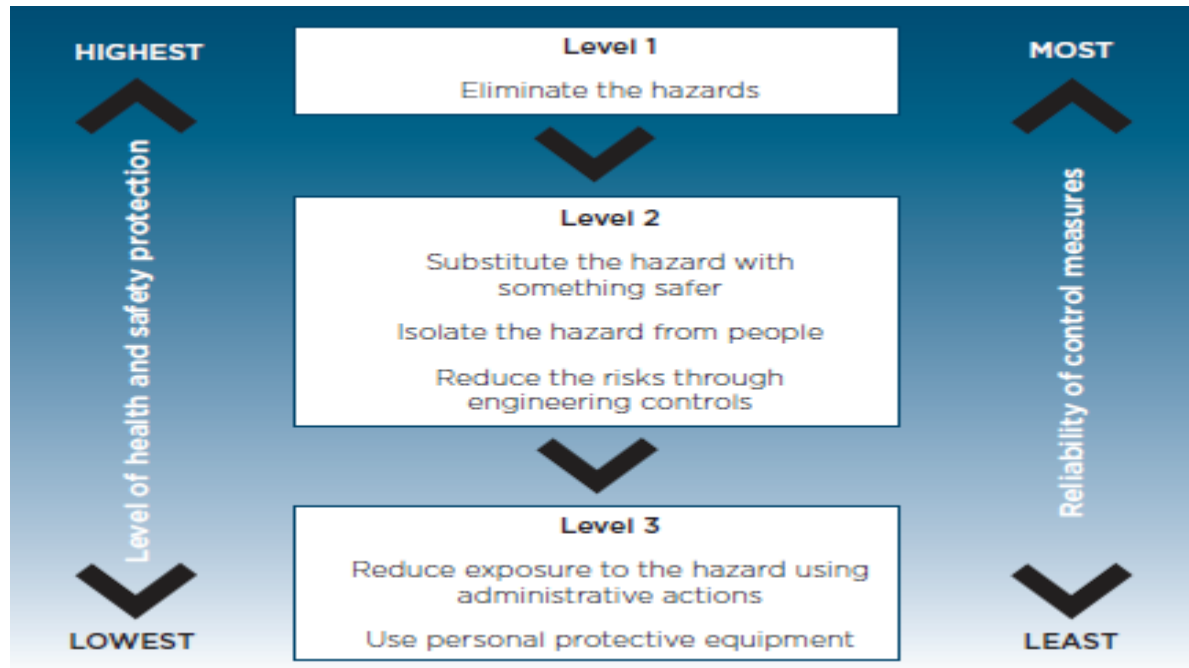
The most important step in managing risks involves eliminating the risk, or if that is not possible, minimising the risk so far as is reasonably practicable. Deciding on control measures shall be undertaken in consultation with the affected members and contractors. The most effective control or a combination of controls may be utilised if they provide the highest level of protection that is reasonably practicable.

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They methods of controlling risk are ranked from the highest level of protection and reliability to the lowest which is known as the hierarchy of risk control.



Level 1 Elimination: Where the condition or hazard is completely removed by removing the process or source.

Level 2 Substitution, Isolation and Engineering: Substitution is where the condition or hazard is removed and replaced with another method, device or operation. The replacement must also be subject to risk assessment.

Isolation is physical separation of the hazard from the person e.g. placement of barrier or similar between the hazard and personnel within the workplace and could include lockouts (switching), fencing off the hazard, or creating an exclusion zone.

Engineering controls are physical in nature including a mechanical device or process such as a trolley, hoist or machinery guarding

Level 3 Administration and PPE: These controls do not control the hazard at the source and rely on human behaviour and supervision. When used in isolation they are least effective in minimising risk. Administrative controls include providing procedures, instructions, training or signs for example.

PPE limits exposure to the harmful effects of a hazard but only if workers wear and use the

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PPE correctly. PPE is equipment to protect workers from injury, or the environment is protected by having emergency devices/spill kits on standby.

Administrative controls and PPE should only be used where there are no other practical control measures, or as an interim measure until a more effective way of controlling the risk can be used or to supplement higher control measures.

If PPE is to be chosen, then the equipment must:

- Be selected to minimise risk to health and safety
- Suitable for the nature of the work and any hazard associated with the work
- A suitable size and fit and reasonably comfortable for the person wearing it

10. Control Measures

Information about suitable controls can be obtained various sources including Codes of Practice, manufacturers and suppliers of plant, substances and equipment or industry associations and unions.

When developing control measures work through each event and ask what can be done to stop or change the event from occurring. Choose the control with the highest level of protection or use controls in conjunction with each other. Availability of the control should be considered and if it is suitable for the workplace and the conditions.

Ensure that the control measures selected do not introduce new hazards and risks.

Controls for extreme and high level risks shall contain level 1 (elimination) or level 2 controls (substitution, engineering or isolation). Level 3 controls (administration and PPE) are not adequate to control extreme and high level risks.

Task specific PPE should be only used in combination with other controls and not relied on as the sole control except in the case of low level risks.

11. Implementing Controls

Control measures implemented will normally be supported by other means including:

- a new or revised Work Instruction or Safe Work Method Statement documenting the way in which a task is performed
- training, instruction or information in the work instruction to ensure they are able to perform the task safely
- increased supervision depending on the level of risk, experience of the workers involved and complexity of the task.

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12. Reassess the Risk.

Once control measures have been decided upon and have been implemented then a revised risk score shall be decided. This shall be done in the same way in which the original risk score was devised, considering the control measures.

Consequences of a hazard usually do not change with the implementation of control measures unless the hazard has been controlled adequately with level 1 or level 2 controls. The probability of the hazard occurring is the factor that is reduced with the introduction of control measures.

13. Reviewing the Control Measures

Control measures must be regularly reviewed to ensure they remain effective. A review of controls is required when:

- the control measure is not effective in controlling the risk
- before a change at the workplace that is likely to give rise to a new or different health and safety risk that the control measure may not effectively control
- if a new hazard or risk is identified
- if the results of the consultation indicate that a review is necessary

In addition, the same methods identified in the initial hazard identification should be used to check controls. If problems are found, then the risk assessment process should be completed again.

14. Product Plant and Service Selection

Monitoring is carried out through other documented processes including site safety observations, completion of construction site checklists, workplace inspections and audits.

Prior to purchase, consideration will be given to those goods and services that when used, offer the lowest possible level of hazards and risks as detailed in system procedure *EM-005-02 Procurement and Contract Management*

Where there is a requirement for operator competency of new plant or equipment, it shall be assessed and recorded on the relevant *PM-002-02 Training and Instruction*.

15. Fixed Site Risk Assessment

A risk assessment shall be performed for all fixed locations. Where risks are identified that have not been identified previously each risk shall be entered into the OTHR Risk Register which shall be reviewed regularly as conditions change in accordance with the procedure outlined above. Additional risks shall be recorded on *RM-001-04 Risk Register*.

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16. Work Instructions

Where tasks have the potential to become repetitive, workers shall be made aware of known hazards through specific Work Instructions. Work Instructions shall be written in consultation with the workers and reviewed as required.

17. Safe Work Method Statements

SWMS must be developed in consultation with those involved in the work activity to ensure that relevant knowledge and experience has been included. Any person undertaking the work must be trained in and sign onto the SWMS prior to the commencement of work.

Safe Work Method Statements (SWMS) shall be developed for all construction/maintenance activities or any other activity where the risk is high or medium which shall be recorded on the appropriate Safe Work Method Statement.

Risk Assessments shall be conducted on site by the work team before the commencement of work and documented on the SWMS. The aim of Risk Assessment is to ensure that the work team considers the tasks required by discussing them together before the work commences. This provides an opportunity to identify hazards and risks which may cause harm if not adequately controlled.

The steps for developing a SWMS is as follows:

- Complete the administrative/planning section of the SWMS including identification of plant and equipment, tools, training, legislative and guidance material
- Conduct the risk assessment section by:
 - detailing the work activity breaking it down into simple sequential steps for each step identify the hazards
 - use the matrix provided to assess the risks
 - list suitable control measures (some controls may be mandatory as listed in the legislation and Codes of Practice)
 - Assign responsibility for implementation of the control measures, this must be a designated role/worker's name

The risk assessment is to focus on the work as it is to be undertaken at a particular location taking into consideration the conditions and situations on the day and to identify site specific hazards and risks that may be encountered.

Any task assessed as having an extreme or high level risk is not to proceed. Work is to stop immediately and cannot proceed until the risk has been reduced to as low as reasonably practicable using a level 1 or level 2 controls. Any identified extreme level risks shall be

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communicated/discussed with the Safety Manager.

If tasks identified on the risk assessment have a risk rating of high, then the SWMS shall be updated or a new SWMS shall be written using the Safe Work Method Statement.

Observations will be carried out routinely by the Safety Manager, Managers and Team Leaders to ensure work is being undertaken in accordance with the SWMS. If control measures are found to be problematic or there are at risk work practices observed, then the work activity will be stopped until the SWMS can be revised. All revisions to the SWMS shall be communicated to the workers affected.

18. Environmental Risk

The identification of environmental aspects and impacts is considered for operational and maintenance activities, and is based on past, present and future activities, products utilised, and services provided.

OTHR will undertake an initial Environmental review upon the commencement of additional operational activities at existing premises or upon the procurement of additional premises or rolling stock/equipment.

OTHR considers the potential environmental aspects for both operational activities and its activities in the risk management process.

19. Record Keeping

Records are to be kept in accordance with *IM-00-02 Document Control and Information Management Procedure*.