

# Risk Management Procedure

The following definitions are used throughout this document:

Term / Acronym	Definition
System Improvement Report (SIR)	Used for raising and managing improvement opportunities, areas of concerns and non-conformances.
Improvement Opportunity	A documented statement, which may identify areas for improvement however, recommendations are not mandatory.
Corrective Action	Action required to rectify and prevent recurrence of an identified issue
Non-Conformance	The absence of, or a significant failure to implement and/or maintain conformance to requirements of the applicable standard
SLT	Senior Leadership Team
IMS	Integrated Management System
Systems Audit	A systematic, objective and independent examination of the systems and processes in place to manage activities to determine their appropriateness and effectiveness and whether these activities and related results conform to planned arrangements. Systems audits may include compliance inspections for the purpose of verifying systems effectiveness.

## 1. Purpose and Scope

This procedure defines the process to systematically identify and evaluate the significance of hazards and aspects of CMX's operations. Significant environmental aspects are those identified as inherently extreme as per the risk assessment criteria.

The application of this procedure provides a means of demonstrating that all reasonably practicable measures have been taken to prevent fatalities or injuries to workers, subcontractors, authorised visitors and to meet client's requirements under a contract of service.

Regarding workplace health & safety, the concepts of the hierarchy of control principles are embraced within this document, along with the need to firstly consider elimination of hazards.

This procedure includes the identification and management of Environmental, WHS and Quality risks and opportunities.

This document applies to all CMX departments and workers.

## 2. Responsibilities

### 2.1 Managing Director

The Managing Director must ensure that there is an effective Risk Management process in place within CMX which is utilised by personnel.

### 2.2 SHEQ Department

SHEQ Department are responsible for:

- Maintaining and updating risk management documentation (including this procedure) as required.
- Informing all staff of any changes to risk management documentation.

### 2.3 CMX Managers and Supervisors

It is the responsibility of managers and supervisors to:

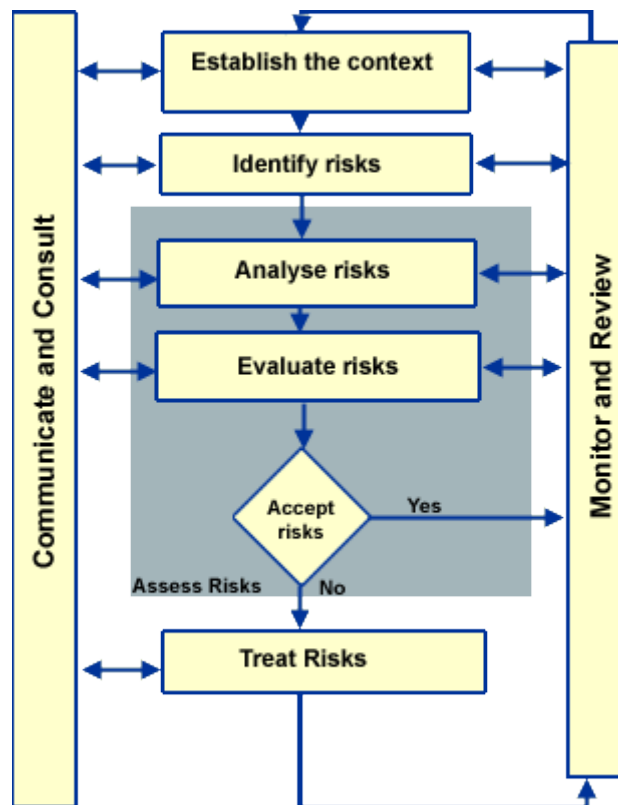
- Ensure that this Risk Management Procedure is implemented within their area/s of responsibility.
- Ensure that all personnel have access to either an electronic or hard copy of the relevant documents necessary to complete their responsibilities.
- Review all documents relevant to their position and scope of authority.
- Ensure that effective change management is applied to changes and/or amendments to documents in the field are completed if necessary.

### 2.4 Administrative Staff

Administrative Staff are responsible for:

- The receipt, registration, issue, control and maintenance of documents.
- Reviewing documents for formatting and structure consistency.
- Maintaining records of attendance of SWMS reviews and pre-start briefings.

## 3. Risk Process Flowchart



## 4. Process Details

CMX has a legislative obligation as a duty holder to ensure the safety of all CMX workers as far as CMX has an influence within sites of operation. These statutory duties do not require safety at any cost. Duties to ensure safety are qualified by the statement 'so far as is reasonably practicable' (SFAIRP). This legislative obligation is contained within the Work Health and Safety (WHS) Act 2011.

SFAIRP is a legislative requirement which requires weighing the risk against the resources needed to eliminate or reduce the risk. It does not require every possible measure to be implemented to eliminate or reduce risk, but it places the onus on the person holding the duty

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to demonstrate (or be in a position to demonstrate) that the cost of managing the risk would be grossly disproportionate to the benefit of the risk reduction associated with the implementation of additional risk control if the additional control is not implemented.

#### 4.1 Risk Identification, Evaluation and SFAIRP Treatment

Having identified and assessed all risks, controls and treatments, a matrix approach is used to identify the risk rating for that particular risk. The risk rating is then used to evaluate whether managed risk levels are tolerable or whether further action is needed (see the Evaluation Tables). CMX applies the hierarchy of control principle to all identified hazards and, as a first preference, attempts to eliminate the risk so far as is reasonably practicable.

#### 4.2 Risk Management Process

##### **Communication and Consultation:**

A successful risk assessment is dependent on effective communication and consultation with stakeholders. Those people who are or may be affected by the risk or the control measures should be identified. Stakeholders may be identified as individuals e.g. the site controller or groups of people e.g. track workers or the public.

A consultative approach shall be taken with safety risk assessments in recognition of the valuable knowledge that employees hold in relation to what will and will not work when identifying, controlling and treating hazards.

Consultation should occur –

- When changes which may affect health and safety are proposed to –
  - Workplace (such as a office, warehouse, home office);
  - Processes, systems and methods of work; and
  - Plant or substances used for work (such as forklifts, inks or chemicals); and
- During each step of the risk management process, i.e. in identification analysis and evaluation of risk, in deciding and implementing controls and in monitoring risks and their controls.

Workers or contractors coming into an unfamiliar area need to be aware of the associated risks.

##### **Establish Scope and Context:**

In establishing the context, it is also important to understand what is included. For example, a scoping statement for a new office computer system fitout. This assessment includes safety risks associated with the manual handling of items, electrical charging of associated equipment and clean-up of the site.

To further assist in contextualising the assessment, the background relating to the need for the risk assessment including any known incidents that have happened relating to its subject, should be included.

The external context should consider any legislative requirements and client requirements. The internal and risk management context is ensuring the risk assessment is conducted in line with this procedure and the CMX risk assessment template.

##### **Risk Identification:**

Risk identification is integral in assisting to inform the development of a safe system of work and provides information that underpins training for each task performed. Risk identification involves an understanding of all reasonably foreseeable hazards and risks, this understanding can be achieved with a range of techniques including but not limited to:

- Pre-start inspections of site, plant or equipment
- Risk assessments of site, plant or equipment
- Brainstorming

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- Analysis of incidents
- Review of industry assessments
- Ad-hoc hazard reporting
- Audits and inspections
- Management safety interactions.

### **Risk Analysis:**

All risks shall be analysed on a managed risk score basis (existing controls and their effectiveness must be taken into account when analysing the risk).

- Controls shall be linked to either causes and / or consequences
- Control Effectiveness shall be assessed based on the criteria contained within Appendix 1. Control effectiveness must consider the Hierarchy of Control (Appendix 1) and then utilising all options immediately at hand before longer term treatments are developed.

Risk analysis is the combination of consequence and likelihood. Within CMX, the standard approach that is used to analyse the risks is through the use of a semi-quantitative risk ranking process using the risk assessment template. Semi-quantitative risk analysis may be avoided where a fully quantified risk assessment has taken place.

Consequence is assessed on the assumption that an event has occurred, based on the most probable/expected consequence (rather than the worst-case consequence). For example, a person tripping over a cable resulting in a fatality, although possible, is not the likely consequence; the most likely consequence being a minor injury or even no injury.

When considering likelihood, the assessment should be based upon CMX activities, but consideration should be given to elsewhere in Australia such as client sites. For example, knowledge of an event that has happened in other workplaces may assist in assigning likelihood to an event which has not happened to date within CMX.

### **Risk Evaluation:**

Risks shall be evaluated against the risk evaluation table in the risk assessment template to determine the level of acceptability and authority required to accept the risk level.

### **Risk Treatment:**

The risk treatment process involves the identification and implementation of controls to reduce the risk SFAIRP. In order to demonstrate a SFAIRP outcome it is necessary to identify, assess and implement all reasonably practicable controls.

Having identified the existing control measures and attempted to quantify the consequences for each outcome, the next step is to consider whether all reasonably practical measures are being taken to control/mitigate the consequences resulting from each outcome. This is a key step in providing a demonstration that risk is being reduced SFAIRP.

Where the risk level has been evaluated and is not acceptable with existing controls, further treatments are required. These treatments shall be recorded in the risk assessment template tab titled 'treatment action plan'. This plan will allocate timeframes and responsible persons to complete the actions identified to reduce the risk to SFAIRP.

### **Monitor & Review:**

All risks shall be actively monitored throughout all stages of the safety risk management process. At the workplace, control application shall be monitored for effectiveness. There is a need to respond to occurrences where recurring incidents or opportunities for improvement of controls are identified and improve the organisational control through IMS System Improvements.

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Control owners shall ensure that controls for which they are accountable are periodically checked and assured to verify that they are adequate and effective.

The SLT shall undertake a review of the risk register on an annual basis. In addition, the SLT will review any hazard reports and incidents at the SLT meetings to determine if the risk register contained the risk that was exposed from the report and whether it needs to be updated.

## 5. CMX Risk Management Framework

CMX works from a layered approach when managing safety risks:

- Risk Management Register
- Project Specific Risk Assessments
- Safe work method statements (SWMS)
- Prestart safety briefings
- Hazard reporting form

### 5.1 Risk Management Register

This register has been developed in consultation with the SLT in line with section 5 of this document and is maintained by the SHEQ Department. The register is reviewed when there are changes to legislation, industry alerts issued, change management process has occurred and when there are serious incidents that may affect the control measures or identification of hazards or aspects.

The Risk Register also identifies health surveillance requirements, interested parties and opportunities.

### 5.2 Project Specific Risk Assessments

These risk assessments are completed when required for any significant projects that CMX are successful in winning the contract for. The risk assessment template is to be used for these assessments.

A Risk Assessment may be deemed necessary by the SLT for any other works other than significant projects on a case by case basis where the normal risk processes are not deemed sufficient.

### 5.3 Safe Work Method Statements

SWMS are developed for all high-risk activities conducted on job sites. TEMP-01-001 Safe Work Method Statement Template shall be used to develop new SWMS.

Clients may require CMX to use their templates or SWMS. Where this is required CMX workers will sign onto the required SWMS supplied by the client or develop SWMS with the relevant template.

Where a process is changed from the steps within the SWMS or new hazards are identified the workgroup shall cease work and amend the SWMS and discuss changes before recommencing work. Each worker shall initial adjacent to the original signature to indicate they have been informed of the changed process.

### 5.4 Pre-start Safety Briefings

CMX will participate in the client prestart briefings where they are supplied and use the client supplied books to conduct briefings if no client representative is available to conduct the briefing. Each worker shall sign onto the briefing as evidence of attendance and acknowledgement of understanding of the requirements for the activities being discussed during the briefing.

Pre-start briefings are designed to identify the hazards and associated risk that have not been identified as part of the SWMS. If circumstances change throughout the day where new hazards are identified because of a change in location or procedure the pre-start briefing

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should be revisited and amended to suit the new conditions and workers initial adjacent to their original signature.

### 5.5 Hazard Reporting

CMX has a hazard reporting form that is part of the required documents on site pack. Any worker or sub-contractor may complete and submit a hazard report form to the site supervisor who will take immediate action if deemed necessary and also pass these reports on to the Senior Leadership Team for review and any required ongoing action. Any actions that cannot be implemented immediately will be entered into the CMX Corrective Action Register and tracked through to completion.

## 6. Monitoring

Managers/Supervisors are responsible for monitoring the implementation of the requirements of this procedure advising the Managing Director where significant non-compliance is detected and taking action to correct this non-compliance.

## 7. Review

The Process Custodian is the Managing Director who will delegate authority to conduct an annual review of this document in line with the Audit Schedule. to ensure it continues to reflect the strategy of CMX and compliance requirements of its original intended purpose.

## 8. Revision Status

All revision details of the document are located in section 1 of the document and in the document control master register. The current version details of the document are maintained in the header and/or footer. As all hard copies are uncontrolled please regularly check the document control system for any updates to the document.

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## 9. Appendix 1. Risk Assessment Criteria

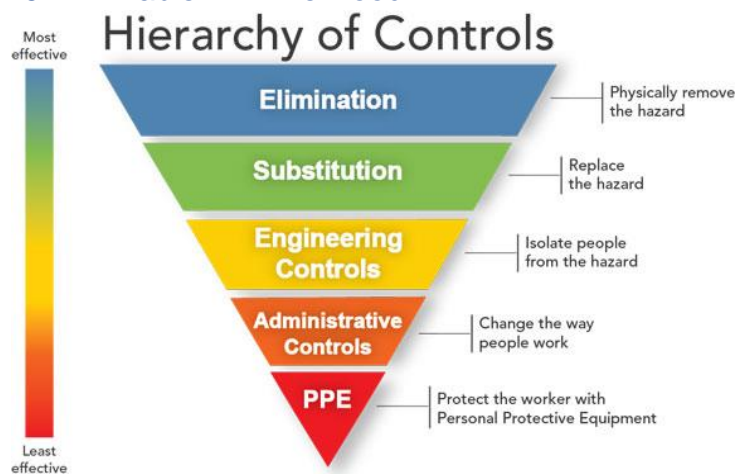
9.1 Table 1 - Consequence

Consequences	Insignificant	Minor	Moderate	High	Extreme
Environment	Negligible environmental damage, Contained with no impact	Environmental damage, requiring up to \$1k+ to study or correct	Short term (less than 1 year) environmental damage, requiring up to (\$10k+) to correct or in penalties	Medium term (1+ year) environmental damage (\$15k+) to study or correct or in penalties	Long term (3+ years) environmental damage, requiring (\$25k+) to correct or in penalties
Productivity	No effect on productivity	Disruption to part of service	Multiple day disruption	Multiple weeks of disruption	Permanent disruption to operations
Financial Cost	Negligible financial loss (up to \$5k)	Notable financial loss (\$5k - \$50k)	Substantial financial loss (\$50k - \$250k)	Significant financial loss (\$250k - \$1M)	Extensive financial loss (over \$1+M)
Human Injury	Illness or injury treatment or no treatment (First aid)	Medical Treatment	Hospitalisation, fracture(s) or rehabilitation required	Serious injury or illness resulting in permanent impairment	Fatality(s)

9.2 Table 2 – Likelihood

Descriptor	Description
Almost Certain	>10 times per year
Likely	Between once and 10 times per year
Possible	Once per year
Unlikely	Once every 5 years
Rare	Once every 10 years

9.4 Table 2 – Likelihood



9.3 Table 3 – Risk Matrix

Likelihood	Consequences				
	Insignificant	Minor	Moderate	High	Extreme
Almost Certain	M11	H16	E20	E23	E25
Likely	M7	M12	H17	E21	E24
Possible	L4	M8	M13	H18	E22
Unlikely	L2	L5	M9	H14	H19
Rare	L1	L3	L6	M10	H15

Matrix Score Representation	
Low	1-6
Medium	7-13
High	14-19
Extreme	20-25