

# F & A SCARCELLA PTY LTD

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## PURPOSE & INTRODUCTION

F & A Scarcella Pty Ltd is committed to the concept and operational framework ensuring tangible and measurable risk management procedures as part of the decision making process. This is achieved through a policy for the management of F & A Scarcella Pty Ltd to identify risks by systematically devising implementing and continually improving measures for the management of F & A Scarcella Pty Ltd risks in order to control, minimise or eliminate all forms of potential loss.

The risk potential will be measured in terms of frequency, likelihood and severity covering acts or omissions for financial operations, personal injury, damage to assets, damage to the environment and damage to the positive reputation of F & A Scarcella Pty Ltd.

The objectives of this risk management statement are to ensure that all F & A Scarcella Pty Ltd officers assume an individual responsibility to implement risk management on behalf of F & A Scarcella Pty Ltd, as part of their normal duties.

F & A Scarcella Pty Ltd risk management policy is the umbrella policy for all supportive activities and documentation, which have the objective of improving processes by reducing the uncertainty of outcomes, thereby, minimising loss in all its forms within the activities and services provided by F & A Scarcella Pty Ltd.

The Risk Management process will follow and be in accordance with Australian & New Zealand Standards AS/NZS ISO 31000: 2009

## OBJECTIVES

The intended outcomes of this policy are:

- A structured and systematic approach to the process of managing risk;
- Assurance to the Directors that material risks are being effectively identified, assessed and managed across the business;
- The establishment of a 'risk aware' culture in which the taking of calculated risks in pursuit of opportunities to benefit the organisation is encouraged;
- Leadership for risk management is embedded at all levels of the organisation;
- Improved business performance through informed decision making;
- Improved stakeholder confidence in F & A Scarcella Pty Ltd ability to achieve its goals;
- Effective compliance with laws and legislation;
- Risk management is integrated into the organisation's policies, practices and plans.

## PRINCIPLES

This policy is based on principles of:

1. *Commitment* - F & A Scarcella Pty Ltd is committed to the identification and effective management of risk;
2. *Disclosure* - F & A Scarcella Pty Ltd will identify and document material risks in a systematic manner and take appropriate action to manage these risks;
3. *Integration* – F & A Scarcella Pty Ltd will integrate the Risk Management Standard (AS/NZS ISO 31000: 2009) and link staff accountability measures following established reporting lines;
4. *Improvement* – F & A Scarcella Pty Ltd will apply the improvement cycle of Plan, Implement, Review,

Improve (PIRI) to the implementation of risk management

## DEFINITIONS & EXPLANATIONS

F & A Scarcella Pty Ltd has adopted the definitions provided in the Australian/New Zealand Standard AS/NZS ISO 31000: 2009: Risk Management – Principles & Guidelines.

- **Hazard** – A situation, substance, activity, event, or environment that has the potential to harm a person. Hazards at work may include: noise, machinery and moving plant, chemicals, electricity, working at heights, manual handling or bullying & workplace violence;
- **Hazard Identification** – Range of processes used to identify hazards in the workplace;
- **Hazard Control** – Taking action to eliminate health and safety risks so far as reasonably practicable, and if that's not possible, minimising the risks so far as reasonably practicable; \_
- **Risk** – The possibility that harm (death, injury or illness) might occur when exposed to a hazard;
- **Risk Management** – Is a process that includes hazard identification, risk assessment; and the implementation, monitoring & review of control measures, to reduce risks to the health and safety of workers;
- **Risk Assessment – Process of evaluating:**
  - The consequences expected from an incident (e.g. fatality, permanent disability, medical treatment requiring time off work or first aid); and
  - The probability of this incident occurring.
- **Residual risk** - 'The risk remaining after implementation of risk treatment'.

## SCOPE

Effective risk management involves everyone in the organisation and applies to all F & A Scarcella Pty Ltd business activities. All workers, contractors and associates should be familiar with the principles set out in this policy.

## RESPONSIBILITY / ACCOUNTABILITY

### F & A Scarcella Pty Ltd Directors

F & A Scarcella Pty Ltd is responsible for the oversight of the processes by which risks are managed including setting the overall risk tolerance levels, monitoring the organisation's risk management performance and monitoring the significant (material) risks of the business.

Senior management and yard managers of F & A Scarcella Pty Ltd, are responsible for incorporating risk management into their standard management practices by:

- A. Identifying and determining appropriate actions to address high risks and operational risks within their area of responsibility in accordance with F & A Scarcella Pty Ltd policies and procedures;
- B. Developing and maintaining a register of material risks, all high risk hazards arising from the workplace are identified and documented
- C. Implementing actions with respect to risk management as directed by the senior management;
- D. Reporting on the management of significant emerging or residual risks; and
- E. Ensuring the inclusion of risk management responsibilities in duty statements, induction, professional

development and performance management processes for all staff of F & A Scarcella Pty Ltd and its controlled entities;

- F. Workplace inspections are conducted quarterly;
- G. Hazards associated with planned redevelopments and relocations are controlled;
- H. Maintenance needs are identified and managed;
- I. Consultation with staff via individual supervision, team meetings and OHS Committee Meetings regarding changes to their workplace, work process, policy or procedure;
- J. Training of new workers, contractors and associates in the Risk Register and relevant SOP and JSA till they are competent to independently perform the task.

#### **Group WHS & Workers' Compensation Manager**

- Responsible for maintaining the currency and accuracy of this procedure reflective of legislative and corporate change;
- Responsible for providing general awareness training for management and supervisors and giving specialist advice in relation to the requirements of this procedure;
- A system is in place to report and investigate all staff incidents, injuries and near misses and dangerous occurrences;
- All incident, injury, near miss and hazard data is reviewed and evaluated to identify trends and ensure controls have been implemented;
- Assisting areas with implementation of these guidelines, and;
- Verifying the implementation of these guidelines using audit processes

#### **Workers**

All F & A Scarcella Pty Ltd workers and contractors have responsibility to identify, evaluate, manage and report risks.

### **RISK MANAGEMENT**

Where specific Regulations require certain controls, F & A Scarcella Pty Ltd will ensure compliance with those matters in consultation with relevant persons (including Duty Holders/Contractors):

- 1) Hazard Identification - Identify reasonably foreseeable hazards that may pose risks to health and safety;
- 2) Manage risk - Where risk cannot be eliminated, it will be minimised so far as is reasonably practicable (ALARP) and maintained in the risk register;
- 3) Evaluate risks where required - Compare estimated levels of risk against pre-established criteria (risk matrix) and consider the balance between potential benefits and adverse outcomes;
- 4) Implement risk controls
  - Selection of controls will follow a hierarchy:
    - Substitution with less hazardous options;
    - Isolate persons from the hazards;
    - Use of engineering controls;
  - Where risk still remains - Implement administrative controls;
  - Where risk still remains - Use of Personal Protective Equipment (PPE);
  - Any one or combination of these controls will be used as appropriate;
  - All controls must be fit for purpose, suitable for the nature and duration of task and installed, set-up and used correctly.

5) Risk controls will be reviewed whenever:

- Control is no longer effective;
- Before any change likely to introduce new or different hazards that current controls will not adequately address;
- A new hazard or risk is identified;
- Results of consultation indicate a review is needed;
- Where requested by employees or Health and Safety Representative (HSR);

## **RISK MANAGEMENT PRINCIPLES AND PROCEDURES**

The purpose of the risk management policy and procedures is to prevent the risk of foreseeable hazards that cause injury or illness through the provision of a systematic process. The following procedures outline the systems that are in place in F & A Scarcella Pty Ltd for the identification, and evaluation of hazards with the aim to eliminate or minimize them.

An approved Risk Management Framework has been established and maintained for this purpose. This framework provides detailed guidance for the identification, analysis treatment and monitoring of risks and is consistent with the approach adopted in the Australian Standard AS/NZS ISO 31000: 2009 and the ASX Principles of Good Corporate Governance.

As part of the Risk Management Framework, registers of organisational risks are maintained as a basis for implementing and monitoring risk management activities. All significant (i.e. extreme or higher level) risks are regularly reported to executive management and the Board.

### Risk Tolerance

Personnel are encouraged to take calculated risks to benefit our clients and the organisation. The impacts of proposed actions and decisions will be properly identified, evaluated and managed to ensure that exposures are acceptable. Risks will generally be acceptable where prescribed organisational process is followed and designated authorities and responsibilities adhered to.

Not all aspects of risk management can be formalised, therefore considerable reliance is placed on the skill, experience and judgement of personnel to take risk-based decisions that are reasonable and justifiable.

Some risks are deemed to be unacceptable under any circumstances and these risks are generally those that may impact on safety, reputation, legal or regulatory compliance or result in non-compliance with mandated internal policies or directives.

Workers, contractors and associates are to be supervised on completing existing tasks or new tasks until they are competent in complying with the SOP or JSA.

## **Hazard Reporting & Risk Assessment**

The following procedure outlines how hazards are identified, their associated risks are assessed and control measures implemented

### **Identifying Hazards**

1. Staff shall be responsible for:

- Identifying hazards and informally assessing the situation;
- If appropriate, ensuring control measures are taken;
- Reporting hazards to their supervisor and / or yard manager verbally (for low risk) or via a Hazard

Report & Risk Assessment form (for medium to extreme risk).

2. On notification of a hazard, the supervisor and/or manager shall:

- Ensure adequate measures are taken immediately and subsequently to control the risk;
- Complete a Risk Assessment of the hazard;
- Regular hazard identification shall occur during the quarterly OHS Workplace Inspections and documented via the completion of the OHS Hazard Register Inspection Form.

### **Risk / Hazard Assessment**

On notification of a hazard, either verbally or through a Hazard Report, the Supervisor or Yard Manager shall use the Risk Calculator below to assess the level of risk of the OHS hazard.

Where a risk is assessed as 'LOW' the Supervisor or Yard Manager shall review for adequacy, the measures taken immediately and subsequently to address the situation and take appropriate action.

Where a risk is assessed as 'MEDIUM' or above the Supervisor or Manager shall ensure:

- In the event that the safety of workers, contractors and associates, is compromised and the risk is assessed as unacceptable, the yard manager will be contacted immediately to review options to cease or relocate work until the risk is satisfactorily controlled and the effectiveness of control strategies are verified. In the event of 'HIGH' or 'EXTREME' – the group operations manager and the group WHS & workers' compensation manager is contacted and approval for action is taken immediately;
- In the event of 'MEDIUM' – action is taken as soon as practical;
- Risk control strategies are determined as outlined in hierarchy of control above;
- When the risks are associated with manual handling, ensure a manual handling risk assessment completed;
- When the risks are associated with plant and equipment, ensure a plant and equipment risk assessment completed;
- Risk assessments shall be reviewed when there is evidence indicating that the findings are no longer valid.

### **Safe Operating Procedures (SOP)**

SOP is a written document that informs staff of identified hazards, standard operating procedures and control methods in place. SOP must be developed for processes where risks have been identified.

Four basic stages in preparing SOP are:

1. Selecting the task to be analysed;
2. Breaking the task down into a sequence of steps;
3. Identifying potential hazards;
4. Determining control measures to eliminate or reduce the risk of the hazards.

### **Job Safety Analysis (JSA)**

- A JSA is a regular evaluation of a specific job to be complete and completed in order to identify potential hazards involved with the job.
- A JSA is used if there is no SOP or if conditions change, meaning the SOP needs to be reviewed. A JSA records specific conditions on the day that may affect how they will perform the job.

Four basic stages in preparing SOP are:

1. Select the job to be assessed;
2. Break the job down into major steps or tasks;
3. Identify actual and potential hazards associated with each step of the job;

4. Determine the safest possible way the job can be performed and the controls necessary to eliminate or minimise the risk of injury;
5. Identify the person responsible to implement the control measure identified.

## Workplace Inspections

Regular workplace inspections are an important part of the overall OHS program. These inspections aim to identify any hazards in the workplace and to ensure that safety practices are maintained and the maintenance of the risk register.

Inspections are to be conducted by competent person/s and include where possible the HSR's, workers and management representatives.

### Inspection checklists must:

- Identified and record ALL hazards at the back of the workplace inspection form
- Address all areas e.g. housekeeping issues, ergonomic issues, testing and tagging compliance
- Detail hazards that are rectified during the inspection to help identify any patterns or regular issues needing constant resolution
- Be used in conjunction with previous inspection reports to ensure corrective actions have been completed.

### Completed Workplace Inspections:

- Yard manager will inform the Group WHS & Workers' Compensation Manage of completed inspections and for any corrective actions to be implemented;
- Corrective actions are to be implemented within appropriate time frames.

## APPENDIX 1 – RISK ASSESSMENT CRITERIA

### References:

- Safe Work Australia (2011) - Code of Practice: How to Manage Work Health and Safety Risks;
- SA/SNZ HB 436: 2013: Risk Management guidelines – Companion to AS/NZS ISO 31000: 2009.
- AS/NZS ISO 31000: 2009 Risk Management - Principles and guidelines;

### Steps 1 Determine Likelihood – What is the possibility that the effect will occur?

Criteria		Description
<b>Almost certain</b>	Expected to occur in most circumstances	Effect is a common result
<b>Likely</b>	Will probably occur in most circumstances	Effect is known to have occurred at this site or it has happened
<b>Possible</b>	Might occur at some time in a working life	Effect could occur at this site or I've heard of it happening
<b>Unlikely</b>	Could occur at some time	Effect is not likely to occur at the site or I have not heard of it happening
<b>Rare</b>	Not expected to occur but may occur in exceptional circumstances	Effect is practically impossible

### Step 2 Determine Consequence - What will be the expected effect?

Description	People	Cost / Productivity
<b>Extreme</b>	Numerous fatalities; toxic release/spillage of chemicals into the water/air.	Loss of operation and huge financial loss.
<b>Major</b>	Fatality or permanent disability; Spillage contained but with outside help.	Loss of some production time and productivity and major financial loss.
<b>Serious</b>	Extensive injuries or long-term serious illness and loss of time; spillage contained at site.	Loss of productivity and high financial loss.
<b>Moderate</b>	Medical treatment required and up to a few days lost from workplace;	Medical treatment costs only.
<b>Minor</b>	Very minor injury with potential first aid treatment and minimal impact on working productivity.	Productivity not optimal, low or no financial loss.

### Step 3 Determine the risk score

Likelihood	Consequences				
	Minor	Moderate	Serious	Major	Extreme
Almost certain	High (3)	High (3)	Very High (4)	Extreme (5)	Extreme (5)
Likely	Medium (2)	High (3)	High (3)	Very High (4)	Extreme (5)
Possible	Low (1)	Medium (2)	High (3)	High (3)	Very High (4)
Unlikely	Low (1)	Low (1)	Medium (2)	High (3)	High (3)
Rare	Low (1)	Low (1)	Low (1)	Low (1)	Medium (2)

### Step 4 Record risk score on worksheet

Score	Action
Extreme	Stop work immediately and implement controls
Major	Plan controls for immediate intervention
Serious	High priority for action (within 1 week)
Moderate	Responsibility to be allocated and timeframe set for action (within 1 month)
Minor	OK for now. Record and review regularly, and if any equipment/ people/ materials/ work processes or procedures change.

## REFERENCES

- Work Health & Safety Act, 2011
- Work Health & Safety Regulation, 2011
- References: Safe Work Australia (2011) - Code of Practice: How to Manage Work Health and Safety Risks
- AS/NZS 31000 -2009 Risk Management Principles and guidelines

