A report prepared for the National Occupational Health and Safety Commission

OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEMS:
STRATEGIC ISSUES REPORT
- Bryan Bottomley

November 1999
Foreword

The National Occupational Health and Safety Commission (NOHSC) is a tripartite body established by the Commonwealth Government to lead and coordinate national efforts to prevent or reduce the incidence and severity of occupational injury and disease by providing healthy and safe working environments.

In seeking to improve Australia’s occupational health and safety (OHS) performance, NOHSC works to:

- support and add value to efforts in the jurisdictions to tailor approaches to prevention improvement;
- facilitate, through strategic alliances, the development and implementation of better approaches to achieving improved prevention outcomes; and
- integrate the needs of small business into its work.

NOHSC’s priorities, as endorsed by the then Labour Ministers’ Council (LMC, now Workplace Relations Ministers’ Council, WRMC) at its meeting on 27 November 1998, are:

- providing comprehensive and accurate national data, particularly to support WRMC’s comparative performance monitoring;
- facilitating and coordinating research efforts;
- developing and updating a nationally consistent standards framework (subject to WRMC agreement);
- coordinating and disseminating information including industry specific practical guidance material; and
- developing a National OHS Improvement Framework.
Preface - A National Solutions Project 1998/99

NOHSC initiated in 1998/99 six National Solutions projects as part of its strategic approach. The National Solutions projects are seen as providing key elements of a framework which will assist governments, employer and employee representatives and workplace players to better target their priorities and investments in prevention of occupational injury and disease. The framework aims at building OHS understanding within society and developing a systematic approach to sustainable change and OHS improvement.

This document is one of two documents prepared for the 1998/99 National Solutions project: Occupational Health and Safety Management Systems (OHSMS). The project aims to increase the understanding of the role and function of OHSMS and to encourage all Australian workplaces to adopt a more systematic approach to the management of OHS.

The objective of this report is to examine the issues surrounding OHSMS Standards within the context of changes that have promoted the role of systematic methods of managing OHS, and to provide suggestions and recommendations for NOHSC and its stakeholders to consider when determining their strategic directions on OHSMS.

Bryan Bottomley has been a senior manager in the OHS field and has played a major role in reforms at both the State and national levels. He is the Principal of his own consultancy business that provides specialist advice and services on OHS matters, particularly with regard to legislation, management systems and strategic performance improvement programs. He is a nationally recognised expert in the field of OHSMS and managed the development and implementation of the Australia-wide SafetyMAP audit program.

A reference group comprising representatives from all State and Territory OHS authorities, ACCI and ACTU provided expert and industry advice and assistance to the project.
# Contents

Foreword ........................................................................................................................................ iii

Preface - A National Solutions Project 1998/99 .........................................................................v

Contents........................................................................................................................................ vii

Executive Summary ..................................................................................................................... ix

Introduction .................................................................................................................................... 1

Background: What is an OHSMS? ................................................................................................. 2

Why Do Organisations Develop an OHSMS? ........................................................................... 5

Does the Use of OHSMS Vary by Different Industries and by Organisations of Different Sizes? ........................................................................................................................................ 7

Are OHSMS Relevant to Changing Labour Markets and Business Structures?....................... 10

Do OHSMS Encourage or Inhibit Employee Participation?....................................................... 12

Should OHSMS be Recognised in OHS Legislation? ............................................................... 15

Are there Links between OHSMS and Quality and Environment Management Systems? .... 18

Why Do Organisations Seek Certification of their Management System?............................... 20

Is there Evidence that Certification of Management Systems Improves Performance? ......... 22

Are There Matters Related to the Certification Infrastructure Requiring Further Action? .......... 26

Strategic Directions Summary ..................................................................................................... 28

References ..................................................................................................................................... 29

Appendix 1: Select Literature Review on Occupational Health and Safety Management Systems .................................................................................................................. 31

Appendix 2: Survey of Certification Bodies ................................................................................ 77

Appendix 3: Possible Issues on Legislative Options ................................................................. 80

Appendix 4: Sample Fact Sheets on OHSMS ........................................................................... 81
Executive Summary

The aim of this project was to examine issues related to the development, effectiveness and role of Occupational Health and Safety Management Systems (OHSMS).

The initial focus of the project was on the infrastructure for the accreditation and certification of management systems and auditors that would come into play with the release of the Standard AS/NZS 4801 (*Occupational Health and Safety Management Systems-Specification with guidance for use*).

A detailed guide to this infrastructure has been prepared as part of the project, and arising from this, a number of opportunities to influence the Joint Accreditation System of Australia and New Zealand (JAS-ANZ) processes have been identified.

Of particular importance is the need to review and upgrade existing OHS auditor competencies and to articulate these within the Australian National Training Authority framework.

The second phase of the project addressed issues related to the use and effectiveness of OHSMS more broadly.

Whilst there is agreement about the elements required in an effective system, particularly the need for active management and employee involvement, there are a number of emerging issues casting doubt about the relevance of OHSMS as currently constituted.

The increasing casualisation of the labour market, the greater use of contracting and the increasing numbers of small firms all create challenges for OHSMS. The stereotypical OHSMS is based on a medium to large firm with traditional management and functional structures, and a relatively stable core labour force.

The report recommends attention be given to these changes in several ways.

Firstly, that the risks associated with fragmented labour markets and contracting may, ironically, be best managed by some form of limited OHSMS certification or accreditation approach similar to that used in operator certification.

Secondly, the motivators for adopting OHSMS identified in the project (fear of loss of public image, desire to meet compliance obligations and cost control) may have least impact on the burgeoning small employer sector by dint of their relative invisibility. The report recommends a focus on high-risk small businesses with the vast majority of low-risk small businesses to use traditional hazard management methods.

These high-risk small employers would be the focus of the limited OHSMS model mentioned above.

Finally, those businesses, small or large, entering into contracting arrangements for the first time, either as principals or as suppliers, need to be able to access
independent and authoritative information about the OHS management issues involved in these processes.

This changing environment also presents potential barriers for employee participation to be a driver for better OHS performance and the project examined concerns about the way in which OHSMS could limit effective participation.

The performance of organisations using OHSMS is generally better than industry benchmarks (claims-based data) but the links between the OHSMS and outcomes are not definitive.

There are methodological issues that require statements about performance to be qualified. One of the key problems is the divide between measures of the system (process measures) and measures of the results of the system (outcomes). Methods to bring these together are recommended.

Secondly, the performance equation needs to understand that the users of OHSMS are currently larger organisations who have made major performance improvements prior to adopting formal systems. For them, an OHSMS is more a maintenance mechanism than the means of ‘breakthrough’ improvement.

With the qualified evidence of better, or at least more reliable performance from organisations with OHSMS, the use of legislative changes to promote a systematic approach has been proposed, and supported, in the recent NSW Government inquiry.

The ‘two track’ strategy discussed in the NSW inquiry is implicit in many jurisdiction programs using administrative, promotional and financial strategies to encourage the use of OHSMS. The extension of this to legislative change should be the subject of considerable dialogue nationally, as it potentially impacts on the totality of the legislative architecture.

In summary, this strategic issues report concludes that NOHSC should maintain its support for OHSMS, but with a more targeted strategy to reach those most likely to benefit, or to be impacted by a systematic approach.

Effort to ensure the certification infrastructure is consistent with the distinctive requirements of OHS management should be continued. Given the use of certification is likely to be limited, most effort should be applied to the broader issues in the use of OHSMS.

These issues include the interface with the OHS legislation, the development of OHSMS performance measures, initiatives to apply OHSMS to emerging high risk sectors and processes, and support materials for existing training and information programs.
Introduction

In this report the key strategic issues related to Occupational Health and Safety Management Systems (OHSMS) are outlined and recommendations are made on the role that NOHSC and its stakeholders should consider.

This report draws on work done in other parts of the OHSMS project, in particular the Information Paper and Select Literature Review, and seeks to address the issues identified in the original project brief. In addition, emerging issues like the role of employee participation and the impact of changing labour markets are canvassed.

The project aim is to increase the understanding of the role and function of OHSMS, and to encourage all Australian workplaces to adopt a more systematic approach to the management of OHS. The project brief covered the following aspects:

- clarify the definition of management systems, identify essential features of management systems, identify where management systems sit in the OHS framework and identify the role of auditing, auditors and auditor competencies;
- give weight to practical guidance approaches; and
- ensure that questions of contractual compliance barriers are addressed.

The following outputs were anticipated from the project:

- A NOHSC submission representing the combined position of NOHSC stakeholders to Standards Australia on the ‘Draft Australian/New Zealand Standard for Comment: Occupational Health and Safety Management Systems – Specification with guidance for use (to be AS/NZS 4801)’.
- The publication of a Workplace Guide to OHSMS with the purpose of alleviating confusion and promoting a nationally consistent view (resources available from the WorkCover Authority of NSW and ACCI).
- Publication of sources of literature related to OHSMS on NOHSC web site.
- Identification of any gaps in the existing OHSMS framework and recommendations for further research or activity associated with OHSMS at the national level.
- Promotion nationally of a systematic approach to OHS.
- A report detailing the results of the project.

To achieve these results the project was to undertake a broad review of existing research/data on OHSMS and provide information on:

- the scope and range of available OHSMS;
- the most effective features of OHSMS;
- the use of OHSMS by different industry sectors and different sizes of businesses; and
- current strategies used by jurisdictions to encourage a systematic approach to OHS.

This report addresses the original project brief as well as dealing with some matters raised by stakeholders in the course of the project. The issues are framed firstly around the notion of an OHSMS in the broad sense, and secondly around specific issues related to certification of an OHSMS.

* OHSMS is used in both the singular and plural throughout the paper
Background: What is an OHSMS?

Broadly, an OHSMS is a planned, documented and verifiable method of managing hazards and associated risks. An OHSMS can be simple or complex, it can be highly documented or sparingly described, and it can be home grown or based on an available model.

What makes it a **system** is the deliberate linking and sequencing of processes to achieve specific objectives and to create a repeatable and identifiable way of managing OHS. Corrective actions and system improvements flow from the cycle (characterised by Plan, Do, Check, Act in the quality literature) of monitoring, audit and review, central to a systematic approach.

What makes it a **management system** is the allocation of accountabilities, responsibilities and resources from senior management through to all employees to enable decisions to be made on OHS matters. It is one aspect of the overall management system used in the organisation.

The South Australian Safety Achiever Bonus Scheme defines an OHSMS as an ‘orderly arrangement of interdependent activities and related procedures that drives an organisation’s OHS(W) performance.’

Gallagher (1997, p.1) in her report defines an OHSMS as a ‘combination of the management organisational arrangements, including planning and review, the consultative arrangements, and the specific program elements that combine to improve health and safety performance.’

Within these definitions it is possible to contrast systematic approaches with reactive workplace health and safety cultures.

**Reactive workplace health and safety culture**
- Hazards are dealt with reactively
- Risk controls are dependent on individuals
- Risk controls are not linked
- OHS activity happens but is not planned
- Controls are reviewed after an incident
- Responsibilities are not defined
- Focus on own backyard only

**Systematic approach**
- Hazards are identified
- Risk controls are described in procedures
- Risk controls are linked by a common method
- OHS activity is planned
- Controls are monitored and reviewed regularly
- Responsibilities are defined for everyone
- Company policy communicated
- Public and supplier risks managed in planned way
Further understanding the scope of an OHSMS can be gained by looking at what are considered to be the key elements of a system. Gallagher’s summary of research (p. 37) outlines a number of key elements:

**ORGANISATION, RESPONSIBILITY, ACCOUNTABILITY**
- Senior manager/involvement
- Line manager/supervisor duties
- Specialist personnel
- Management accountability and performance measurement
- Company OHS policy

**CONSULTATIVE ARRANGEMENTS**
- Health & safety representatives - a system resource
- Issue resolution – HSR/employee and employer representatives
- Joint OHS committees
- Broad employee participation

**SPECIFIC PROGRAM ELEMENTS**
- Health and safety rules and procedures
- Training program
- Workplace inspections
- Incident reporting & investigation
- Statement of principles for hazard prevention and control
- Data collection and analysis/record keeping
- OHS promotion and information provision
- Purchasing and design
- Emergency procedures
- Medical and first aid
- Monitoring and evaluation
- Dealing with specific hazards and work organisation issues

Further examination of commercial programs (e.g. NSCA Five Star) and jurisdiction OHS agency programs (e.g. SafetyMAP) confirms this structure.

Western Australia’s WorkSafe Plan defines five key elements that are typical of most OHSMS:
- Management commitment
- Planning
- Consultation
- Hazard management
- Training

These key elements have been identified as being essential for a successful OHSMS and are based on findings of available research. At a general level, these are the critical success factors for a systematic approach to OHS.

However, from a strategic point of view, it is important to consider issues such as the application of OHSMS to different sizes and types of organisation, what motivates the implementation of OHSMS and what is the value of certification.

To illustrate, ‘management commitment’ is often referred to as an element, comprising company policy, responsibilities and accountabilities. It really is a
precursor to the system itself, and the strategic issue is what motivates senior managers to incorporate OHS into the organisations’ core business processes.

The issues set out below are considered important in the way NOHSC positions itself on OHSMS and the strategies it might adopt to achieve the most favourable OHS outcomes.
Why Do Organisations Develop an OHSMS?

Several important factors have influenced organisations to adopt a more systematic approach:

- The system-based nature of OHS legislation has encouraged the use of a systematic approach.

- The models used in quality and environmental management have encouraged larger organisations to adopt a similar approach to managing OHS.

- Supplier performance requirements have created a commercial imperative to ensure the principal is not exposed to risks created by suppliers. The traditional ‘tick the box’ approach to contractor OHS capability and performance has been replaced with contractors having to demonstrate how they meet specified performance standards. This has meant suppliers (e.g. contractors) have had to improve their OHS capability to tender for work.

- Use by some governments of OHSMS as a pre-condition to tender (e.g. the NSW Government Construction Industry Pre-qualification requirements) and as a pre-condition for accessing self-insurance.

- The influence of Due Diligence in the Environmental Management field has spilled over to OHS matters. The buying and disposal of assets has been more focussed on existing and potential future liabilities (emissions, contamination etc.) and the use of Environmental Management Systems in such processes has become more common. A parallel trend can be seen in larger companies, particularly those managing OHS ‘major hazards’.

- Related to the above, the response to major disasters in the 1980s (e.g. Piper Alpha) focused on a greater role for managing safety rather than relegating OHS to a secondary, technical function. Companies managing high-risk facilities with potential major impacts on the public were keen to demonstrate they had systems in place. The systems-based Responsible Care Program in the chemical industry is an example.

These general factors may be triggered by more specific reasons.

Research recently conducted for the Health and Safety Executive in Britain (Entec, 1998) examined the factors motivating proactive health and safety management. By proactive management is meant a planned and systematic approach.

The study is based on a review of literature on the motivating factors underlying an active OHS management approach.

A distinction is made between intrinsic motivators and extrinsic motivators. Intrinsic motivators are internal to the firm (reduce costs and frequency of injury, improve morale, adopt an OHSMS) whilst extrinsic motivators are external to the company (regulatory compliance, fear of loss of reputation, customer requirements).
The major finding is that there are two factors that motivate both small medium-sized enterprises (SMEs) and large organisations to initiate health and safety improvements. They are:

- fear of loss of credibility; and
- perceived duty to comply with health and safety regulations.

Other factors included the avoidance of costs of injury and ill health, the wish to improve staff morale and productivity and integration of OHS with quality systems.

The fear of loss of credibility includes the fear of adverse publicity, loss of confidence from the regulator and business interruptions and dislocations subsequent to a serious incident. These fears were greatest amongst firms in high-risk industries.

The duty to comply motivation is more associated with a moral acceptance of the law rather than an instrumental motivation, as the probability of non-compliance being detected is low. Thus visits by inspectors focus management attention on the need to comply, rather than being generally influenced by fear of penalties.

On the issue of cost, the study suggests that this is only a major factor when:

- costs are regarded to be high;
- firms bear costs directly;
- costs are tangible and measurable within company accounts;
- costs are considered to be capable of control;
- returns from investments in OHS will be realised in the short term; and
- companies have resources to make changes.

In Gallagher’s study, the financial pressure created by compensation costs was a significant motivator, whilst organisational and management changes also were catalysts for a planned approach.

It seems that uptake of OHSMS is driven by ‘negative motivators’, like avoidance of public criticism, compliance and avoidance of penalty, and the reduction of costs generated by poor OHS performance.

This perhaps explains the marginal impact of ‘OHS is good business’ campaigns compared to those highlighting the consequences of failure.

*It is recommended that greater attention to these so-called ‘negative’ factors be given in promotion and guidance on OHSMS.*

*Whilst the ‘Safety Pays’ message can be used (after all cost reduction and loss control are simply the flip side of the ‘best investment’ message) more powerful levers like maintenance of a good public image and the virtue of being a law abiding organisation should be utilised.*

*A greater focus on the public safety elements of health and safety management (e.g. customers, visitors) would reinforce this message.*
Does the Use of OHSMS Vary by Different Industries and by Organisations of Different Sizes?

There is little survey data to identify particular industry sectors that are greater users of OHSMS than others. Similarly, there is mainly anecdotal evidence that smaller organisations are less likely to have implemented an OHSMS than larger organisations. There are examples of a wide variety of industry sectors that use OHSMS and some examples of smaller organisations that have developed an OHSMS.

This suggests that industry sector and size may not be critical dimensions when looking at the use and role of OHSMS. This is not to say that these dimensions are not important in the shape that an OHSMS might take, but that factors like the level of risk may be much more important.

The Entec study previously mentioned illustrates how motivators like ‘fear of loss of credibility’ might vary with the size and type of industry. On the latter the report notes:

This fear is experienced by large and small enterprises alike as it is the nature of the hazards rather than the size of the organisation which is important.
(p. iv.)

The study develops a model in which one sector is the large, high-risk firm exhibiting high intrinsic motivation due to the high exposure to loss of credibility and business disruption. At the other extreme is the small low-risk firm exhibiting low extrinsic and intrinsic motivation because of their low profile/low exposure to public or regulator scrutiny. These relationships are qualified by factors like cost of compliance, level of OHS knowledge and previous experience of ‘scares’.

To this model is added the concept of elasticity of demand or supply. An organisation like a hospital, transport carrier or specialist service provider may be difficult to replace or substitute as a supplier. Equally, demand for some service or products will be insensitive to the behaviour of the provider. In these circumstances the fear of loss of credibility is reduced, as is the moral obligation to comply with the law.

At one end of the scale is the highly elastic sector like food manufacturers whose health and safety performance (in the sense of food safety) is closely monitored by consumers and is able to be easily substituted with an alternative. This sector is high on the risk of adverse publicity dimension and thus has a high extrinsic motivation to perform well.

At the highly inelastic end are organisations like the police and emergency services that are difficult to substitute and whose resistance to public criticism is high. They have the lowest intrinsic and extrinsic motivation. Again factors like special customer or regulatory certification demands will qualify this relationship.
The chemical industry is an example where risks are high, and there is a public safety interface that motivates the use of self-managing OHS systems. The Responsible Care Program is one result of this sort of motivation. By contrast, a small high-risk construction company using contractors may be less likely to perceive this public risk and potential for loss of image.

The major incident in 1998 at the Esso Longford plant is interesting to consider in this model. As a high-risk operation with a high public exposure and recent experience of a ‘scare’, one would anticipate a highly motivated management driven system. The monopoly nature of the business may have been a factor in dampening the expected motivators and allowing the degradation of the management system identified in the recent government inquiry.

Actual use of OHSMS from the anecdotal evidence (confirmed by responses to OHSMS certification providers survey - see Appendix 2) does seem to conform to this model.

Greatest use of OHSMS

Large high-risk organisations in the:
- Chemicals industry
- Energy and utilities industry
- Hospitals
- Manufacturing industry
- Food processing industry
- Construction industry

Least use of OHSMS

Small, low-risk organisations in the:
- Retail industry
- Service industries

These are examples only to stimulate further analysis, with the strategic purpose of identifying high-risk organisations that need an OHSMS to protect their employees, the public and their business value.

Small organisation use of OHSMS is more related to their risk exposure than their size, although there are clearly resource and cost differentials in implementation for smaller firms.

The Entec study conclusion on smaller firms was that:

The research has not found any factors unique to SMEs. Rather it appears that SMEs (especially low risk operators) are simply more likely than large firms to exhibit those characteristics that are associated with a low motivation such as:
- Low frequency per organisation of inspection and/or prosecution,
• Few, if any resources to examine, develop or implement health and safety improvements, or indeed track and understand safety regulations,
• Low likelihood of having personal experience of a serious incident,
• Low profile, (and so little fear of adverse publicity impacting business)
• Few financial resources to fund engineering changes or one-off major purchases. (p. 29)

In summary size and industry sector are not critical in determining the potential use of OHSMS, but they are critical in the shape and style of implementation.

It is recommended that promotion and guidance on OHSMS be targeted to sectors with high risk factors and exposure, rather than to sectors primarily on the basis of claims performance. Similarly strategies for small business should be targeted at the high risk end and be presented in a business operations format.

A business operations approach links the use of an OHSMS to functions like purchasing, buying and selling a business, tendering and managing contractors.

The recently released NOHSC Small Business Management Training: Integrating Health and Safety Competencies guide (1999) is an excellent example of this operational orientation.

Secondly, information to small employers needs to be based on a specific and contained management system along the lines of the Queensland workplace health and safety plans used currently in the construction industry.

For the vast majority of low risk small organisations straightforward hazard-based information should be the priority with links to further OHSMS information as they require it (e.g. they decide to tender for a project for the first time and have to give evidence of their safety system).
Are OHSMS Relevant to Changing Labour Markets and Business Structures?

A focus of the *Policies for Occupational Health and Safety: Management Systems and Workplace Change International Workshop*, held in Amsterdam in October 1998 was the significant changes in the labour market that raised questions about the relevance of OHSMS.

These changes included:
- increase in temporary and part time work;
- increase in employees working for small companies;
- increase in dispersed and mobile workforce; and
- reduction in number of employees covered by unions.

These sorts of trends are compounded by more exotic and complex corporate structures that may dilute corporate liability for OHS and by greater decentralisation of bargaining arrangements about working conditions.

The consequence of the increase in ‘contingent workers’ is the inability of traditional OHS monitoring and accountability mechanisms to be effective.

Regulation and inspection is more difficult to apply as the number of mobile workplaces increase. The suitability of OHSMS to small volatile workplaces is questionable, as the approach assumes a large, static workplace with a stable workforce.

Consequently any strategic directions to encourage the greater use of systematic approaches to OHS needs to confront these changes and the dilemmas they pose.

Illustrative of the dilemmas is the increasing use of contracting. On the one hand, larger principal firms use OHSMS, and require contractors to do so as well, providing a commercial leverage point for improving the capability of smaller firms.

On the other hand, smaller firms faced with meeting a ‘one size fits all’ requirement may end up going through the motions to get the contract, but not actually understand or genuinely own the system they have to work within.

The NOHSC *Report on Evaluation of Contractor Compliance Issues* (1999) identifies some factors that contribute to successful contractor management systems, and factors that are barriers to successful contractor management.

The success factors include:
- partnership rather than legalistic relationship;
- processes to ensure ownership of OHSMS;
- assistance to tenderers at all stages; and
- awareness of legislative issues including recent prosecutions.

The barriers include:
- inconsistent treatment of direct employees and contractors;
• resort to legalistic devices to deny legal responsibilities for contractors;
• inadequate training and briefing at all stages of the tender and contract process;
• high turnover of contractors leading to training overload;
• perception that contractors taking short cuts on OHS will not be penalised; and
• ‘off the shelf’ OHSMS that contractors do not own or understand.

The contracting process captures many of the labour market changes noted above, with employees moving in and out of projects rapidly, with no stable system for building a culture of safety.

In this environment, ritualistic OHS behaviour is highly probable as all parties give lip service to policies and procedures, and maintain a paper system rather than a genuine OHSMS.

*It is recommended that initiatives to supplement current training and information programs and practices to address changes in the labour market be examined. The labour hire industry, for example, has produced some guidance information for members that highlight some of the issues to be addressed.*

*The recent NOHSC OHS Contractor Compliance project gives case study guidance from the perspective of the principal and it is recommended that this be supplemented by guidance from the tenderer’s point of view. This is especially relevant to smaller organisations tendering to an organisation with an OHSMS.*

*Consideration needs to be given to mechanisms to deal with the greater use of contracting, casual and part-time employment and how this interacts with OHSMS.*

*Certification of operators has been the predominant means of dealing with a mobile workforce in the past and its application to these rapidly changing circumstances should be part of the current review by NOHSC.*

*The same consideration is recommended for smaller organisations likely to be tendering on a regular basis. An industry-based certification scheme based on the limited systems earlier described is a means of both increasing confidence in OHS performance, and reducing the burden of the ‘over specification’ of OHSMS in some standard contracts.*

*Again, this has been a traditional measure in high-risk operations (e.g. asbestos removal) but it is timely to consider risks based on both traditional hazards and the risks associated with contracting arrangements.*
Do OHSMS Encourage or Inhibit Employee Participation?

By its nature, a management system is designed to control processes and deliver outcomes consistent with objectives. The importance of senior management commitment and involvement has been identified, and is at the centre of OHS agency promotion efforts.

It has been argued that these very features can lead to OHSMS that are bureaucratic, top down, management dominated mechanisms that afford little opportunity for employee participation.

These concerns have been expressed in the context of certification standards and the fact that the International Organisation for Standardisation (ISO) does not provide for union involvement in its processes.

This issue has also been raised about the way in which ISO standards are structured and their relationship to existing legal provisions for employee participation.

Kamp and Le Bansch (1998, p. 6) in their study of OHS and environmental management systems state:

When we look at the type of participation that is promoted as part of ISO type management systems, it is clear that this participation is of a radically internal character, it is derived from management’s decision to install it, it is direct, it concerns smaller daily issues, and it is characterised by an effectiveness and social integration rationale.

This is contrasted with the broader based participation available to workers and their representatives in OHS matters, but it is noted that little or no such base exists for participation in environmental decision-making.

The Policies for Occupational Health and Safety: Management Systems and Workplace Change International Workshop (see page 10) identified employee participation as a key issue.

The papers presented to the conference presented contrasting pictures. Some considered OHSMS as management dominated control systems that provide little opportunity for participation by employees, whilst others noted cases where these systems had increased worker involvement.

Whilst there is debate about how some OHSMS ‘write in’ or ‘write out’ broad employee participation, there seems little doubt such participation is essential to an effective system.

A Meat Industry OHS Best Practice report (1996) based on a study of 40 meat industry companies, investigated the use of management systems and developed best practice principles for OHS management. The operational principles of Best Practice are described as:

- Management commitment – involvement, financial commitment, power sharing;
- Participation – teams, union, workforce;
• Skill development - percentage of workforce trained, financial commitment, nature of programs, quality and effectiveness of training, group process skills;
• Designing the work environment – extent of intervention, satisfaction with changes, ongoing process of change, work procedures, risk identification, assessment and control;
• Integration of OHS with organisational structures and processes – status of OHS, scope of projects, connection with other changes, flow on effects; and
• Continuous improvement – performance assessment, use of measures to drive changes, evaluation.

Most of the best practice elements contain a link to employee involvement and the report notes:

The most successful projects did more than just set up management systems, they did it in a participative way. (p. ix)

Gallagher’s report is also supportive of the importance of employee consultative arrangements and identifies the better performing types of system as having:

• Health and safety representatives with a broad role, which extends beyond issue resolution to a broader enterprise-wide hazard management focus.
• A joint regulatory management style, characterised by the broad role of the health and safety representative and a high level of visible management commitment to health and safety representative activity.
• Some evidence of a synergistic relationship between active senior managers and effective health and safety representatives.
• Effective health and safety committees.
• Mechanisms for employee involvement, which were viewed as important but subordinate to and supportive of the efforts of the key players, the senior managers and the health and safety representatives. (p. 216)

These findings describe a system in which employee representatives can be both ‘robust questioners’ and supporters of an active management role.

The shared safety culture that underpins an OHSMS must be accepting of questioning by those exposed to risks. The ability to constructively identify hazards and monitor performance is vital to an effective system. An effective system can be undermined by a ‘conspiracy of agreement’, and shared values should not be confused with the continuing need to monitor and improve performance.

The WorkSafe Western Australia Commission Workplace Change Project Report (1999) noted that in better performing firms there was greater employee ownership of safety issues.

The report proposes an evolutionary process of moving to good OHS systems where ‘responsibility begins to shift to employees’ until ‘individual ownership of safety as a common sense issue’ is the norm.
If employee ownership is based on participation, training and the ability to influence the system then this is indeed desirable. Conversely, ownership based on the acceptance of organisational values of individual responsibility, rather than within a framework of management OHS responsibilities is at odds with an effective OHS system.

It is recommended that current gaps in information about the role of employees within an OHSMS be addressed. The place of legislative mechanisms like OHS representatives and OHS committees within an OHSMS also need clarification.

Similarly, front-line supervisors require guidance on how their role may change within an OHSMS. This is particularly important in relation to the changed workforce characteristics in many firms with contractors and casuals moving in and out of operations.

Secondly, current training of employees and supervisors should be examined to see if the essential elements of an effective management system are adequately addressed.
Should OHSMS be Recognised in OHS Legislation?

The broad relationship between the OHS legislative framework and OHSMS has been examined in the information paper.

OHS primary legislation throughout Australia is based on a general employer duty of care to provide a safe and healthy work environment. This duty is usually specified in more detail for an employer to provide and maintain plant and systems of work, or some similar construction.

The systems of work concept is a critical link to OHSMS in that it gives legislative expression to matters now also being articulated in specific OHSMS ‘standards’ that describe the essential elements of an OHSMS (e.g. AS/NZS 4801).

The similarity of concepts is important in considering ways in which legislation and OHSMS can productively interact to achieve better health and safety performance. The difference between an outcome-based general duty of care and a process-based organisational mechanism (OHSMS), however, needs to be kept in mind.

The status of an OHSMS, either an in-house system, or a system certified by an accredited body, is the same under the OHS law. Both represent ways in which employers are planning to meet their duties but they are not substitutes for the law. Only standards that are referenced in legislation are part of the OHS compliance regime.

However, OHSMS are part of the state of knowledge about how to manage OHS and may be considered by a court in the same way that other industry guidance and information is considered.

Consequently, if a company were certified against some future standard like AS/NZS 4801 it would not constitute automatic compliance with general duties. The company might legitimately seek to use it as evidence of its approach in applications for exemptions, approvals etc., and could use it to demonstrate its efforts to meet its duties if subject to enforcement or prosecution action.

Apart from this general relationship there is the question of how the regulatory framework might be changed to encourage greater use of OHSMS.

These issues have been thoroughly canvassed in the work of Gunningham, Johnstone and Rozen (1996) and most recently reflected in the NSW Legislative Council Standing Committee on Law and Justice Final Report of the Inquiry into Workplace Safety (1998).

The model proposed by Gunningham et al is a ‘two track’ model, with those adopting a system-based approach working within a more flexible regulatory regime and those choosing not to, being subject to traditional regulation.

The premise of this approach is widely accepted in OHS agencies in Australia. That is, those managing OHS in a systematic way should not attract the same level of scarce enforcement resources as those creating greater risks.
Secondly, systematic approaches have the prospect of engaging senior management involvement in making OHS a priority issue. These reasons, and the evidence of good OHS outcomes, have prompted all jurisdictions to devote resources to promoting OHSMS.

The mechanisms used by jurisdictions have covered most aspects except legislative change. They include using OHSMS for:
- recognition or award programs;
- access to premium reductions or other financial incentives;
- criteria for entry to self insurance;
- access to government tenders;
- self-assessment tool for organisations; and
- guidance on OHSMS.

It is not surprising that legislative devices to recognise OHSMS have not been at the forefront given the essentially system-based OHS framework.

The ‘two track’ model refers to regulation and might take several forms.

It could be like the UK Health and Safety at Work Regulations (which cover many of the elements found in an OHSMS) that sits alongside existing hazard-based regulation and offers no more than a more defined series of duties.

It could alternatively be an amendment to primary legislation deeming accredited OHSMS as evidence that the general duty of care has been met. The latter was proposed by the Industry Commission in 1995 but rejected by jurisdictions as being unworkable.

The other option is a code of practice on OHSMS, which is given qualified support by Gunningham et al. They note the inherent problem of ensuring that such a code does not simply restate what is already embodied in existing law, or indeed, write down the existing general duty. The persuasive role of such a code is, however, supported in conjunction with other mechanisms of the kind mentioned above.

The NSW Legislative Council Standing Committee on Law and Justice made a number of recommendations to promote the use of OHSMS including:
- amending the OHS Act to give statutory recognition of OHSMS in meeting general duties;
- amending the OHS Act to impose a duty on employers to adopt a systematic approach to OHS and to require consultation with employees on implementation of an OHSMS; and
- developing a code of practice on matters including the application of an accredited OHSMS and consultation with employees.

Their recommendations can be seen as an attempt to promote OHSMS, but in a way that assures effective employee participation.

There are major policy issues to be resolved in moving in this direction that should be stimulated by debate at a national level. This policy effort should be tempered by an
appreciation of the number of organisations likely to be impacted and the potential gains in reduction in death, injury and illness.

It is recommended that national and jurisdiction based policy forums meet to canvass options for changing the legislative architecture to promote a systematic approach to OHS. These forums should provide the opportunity for workplace parties to present the advantages, preconditions and potential drawbacks of this approach.

A possible agenda for these forums is outlined in Appendix 3.
Are there Links between OHSMS and Quality and Environment Management Systems?

The debate about the need for, and structure of, an OHSMS certification standard is closely linked to the experience with quality and environmental management systems.

Many OHSMS are based on either ISO 9000 or ISO 14000 series standards in order to exploit integration opportunities. Any OHSMS certification standard will operate within the same infrastructure as quality and environmental standards. Finally, the experience with implementing these standards is relevant to strategic consideration of an OHSMS standard.

In relation to the prospect of integrating OHS management with quality and/or environment, the evidence is equivocal. Kamp and Le Bansch (1998), drawing on case studies from Denmark and the Netherlands, identify two reasons for integration of OHS and environment.

1. **Technical**: Based on the notion that the hazard sources are technologically similar and therefore programs to control them have synergies. The prevention models are similar and therefore integration can produce benefits.

2. **Strategic**: This line of thinking suggests there are opportunities to leverage improved worker participation off the OHS model into the environmental sphere and that the combined focus of management will achieve better results.

Evidence from the case studies indicated that meaningful integration could occur but the external focus and technocratic nature of environmental management could be at odds with the more ‘democratic’ OHS model.

One of the projects demonstrated that the approach to integration was dependent on the nature of the company’s involvement with the environment. A low exposure to environment meant little employee role compared to high exposure companies where both managers and employees were highly involved.

This reinforces the conclusions about exposure to public risk being a motivator for a systematic approach made in the Entec (1998) study. It also tends to relegate OHS to a low priority matter within organisations:

> Much stronger than is the case for OHS management, in environmental management there is an emphasis on external control, a requirement of supply chain management, and of responsibility for product effects during their entire life cycle. As a consequence, the material topics that are dealt with in environmental management may have stronger links to all pervasive risks - and thus to strategic company issues - than those on OHS management.  
> (Kamp and Le Bansch, 1998, p. 5)

A similar situation exists with quality management.
A HSE research report prepared by Osborne and Zairi in 1997 examined what links are made in organisations between quality management systems and OHS.

The study analysed 24 organisations known to have advanced quality management systems from a variety of industries to determine:

- why organisations do or do not link quality with OHS;
- what are the causes of links being made; and
- where links are not made what are the reasons.

The report concluded that in those industries where OHS performance was more critical to the overall success of the business (e.g. chemical industry) the crossover from TQM to OHS was greatest. In these organisations there was a high level of understanding of OHS at executive level, and recognition of the importance of OHS performance to stakeholders.

In organisations in which the link was weak the major barriers included the perception that TQM is a positive driver to satisfy customers whilst OHS is seen as a negative motivator seeking compliance and avoidance of penalty. Lack of executive leadership on OHS again related to its negative focus on loss rather than growth.

As with environment, the opportunity for integration exists but unless OHS is perceived by senior management as critical to business performance, integration will be unlikely to move beyond a form of paper rationalisation (e.g. common manuals and procedures).

A further caution is offered by Byrom (1999, p. 6) from the HSE, who argues that there is a significant difference between auditing OHSMS and the approach taken in quality auditing:

> It is not enough for the auditor to establish that there are arrangements in place to address a particular element of the health and safety management ‘standard’ and that those arrangements are followed. The auditor needs to establish that the particular arrangements are adequate relative to the hazards and risks associated with the organisation’s activities.

This is a matter taken up also in the discussion of auditor competencies later.

---

No specific recommendations are made here. It is noted that there is potential for integration of systems, particularly safety, health and environment, but this affects a very small number of organisations in Australia.

Secondly, the distinctive hazards, processes and legislative characteristics of the OHS field need to be retained in an integrated system.
Why Do Organisations Seek Certification of their Management System?

As SafetyMAP is currently the only standard recognised by JAS-ANZ for certification purposes, it is relevant to note the reasons given by SafetyMAP users to have their system audited.

These reasons are based on the decision to get recognition under the SafetyMAP ‘certification’ process (quite distinct from the now established JAS-ANZ process) at initial, transition or advanced level.

In its brochure, SafetyMAP Experiences, the Victorian WorkCover Authority summarises the reasons 13 organisations sought SafetyMAP certification.

The main reasons were:
- government recognition;
- independent verification;
- test of integrity of safety on site;
- measurement of performance;
- self insurance requirement; and
- legislative compliance.

The benefits of certification according to these firms were better awareness and ownership of OHS in the organisation, improved public image, enhanced ability to compete for tenders and an improvement in its OHS program.

A small survey of the major certification bodies in Australia conducted for this project (see Appendix 2) included a question on the reasons for certification given by companies they audit. Responses were similar to those above.

Due diligence/legal compliance, injury and claims/premium reductions, WorkCover requirements, contractual provisions and synergy with existing systems were the main reasons identified.

The experience from the introduction of an environmental management standard is worth noting. A United States EPA sponsored study (NSF International, 1996) based on 18 companies introducing ISO 14000 found similar reasons, with a greater emphasis on the prospect of regulatory flexibility.

Access to regulatory flexibility is also raised by Zwetsloot (1998) in his paper on OHSMS standards. The opportunity to make environmental controls, like permits, more flexible has been sought by industry, and granted by governments, on the condition that an EMS is in place.

Zwetsloot suggests such situations do not exist in OHS but other rewards like reduced inspections and premiums might be used as an incentive to encourage OHSMS.
No specific recommendation is made.

It is noted that there is a demand for certification by some organisations and that it represents a non-regulatory means of promoting improved OHS practices.

NOHSC and its stakeholders should play a key role in ensuring the credibility of the certification infrastructure and provide authoritative and independent advice to those considering certification.
Is there Evidence that Certification of Management Systems Improves Performance?

There is no conclusive judgement that can be made on this matter as there has been little or no experience with certified OHSMS in Australia, or overseas.

If the question is asked of OHSMS in general, the answer based on individual organisation’s testimony and case study data is yes, but extensive survey data is not available.

Gallagher, in her study, found that an unambiguous link between developed health and safety systems and reductions in injury and ill health could not be demonstrated. However, she does note the considerable methodological issues in performance measurement including the difficulty in isolating OHS performance factors:

The cases in this study with positive injury outcome trends generally had active health and safety, claims and rehabilitation management systems. They could not distinguish the relevant contribution of the separate systems. (p. 222)

The problems with claims data are well recognised, and Gallagher used process measures based on SafetyMAP to measure performance. This approach is more relevant to the reduction of hazards in workplaces as it measures ‘upstream’ factors.

An evaluation of the Safety Achiever Bonus Scheme by Kinhill and David Caple (1996) looked at both process indicators (the SABS standards) and claims data.

The analysis of system effectiveness concluded that whilst employers who rate highly against the standards appear likely to achieve greater improvements in claims performance, the link is tenuous. Of importance is the time at which employers join the scheme. Some employers already had good claims experience when they joined the scheme and their performance was either static or slightly deteriorated in the period of the study.

Fifteen employer case studies were conducted and the report concluded that there was little evidence that the standards were a significant factor in risk reduction. Claims management made a more direct contribution to reductions in claims costs.

This report highlights the need to understand the pathway companies take to develop management systems. Performance will be dependent on what has preceded entry into a scheme like SABS.

It would not be unreasonable to suggest that those most likely to participate are those who believe they will meet the standards, and whose effort has already resulted in improvement. Marginal improvement or maintenance of the status quo may be the best they can achieve once in the scheme.

This is supported in other research on EMS performance (e.g. NSF International, 1996) suggesting that major performance gains have already been achieved before
seeking certification. Consequently, the OHSMS may be the vehicle to maintain and improve performance but it is not the source of ‘breakthrough’ performance gains.

On the question of legislative compliance, the performance of OHSMS in achieving compliance is as poorly documented (as are all other mechanisms).

On the issue of compliance performance of certification schemes, the Entec study reports:

a high level of compliance with health and safety requirements where these are imposed as part of either state or customer dictated schemes (p. 19)

This is in contrast to feedback from the survey of certification bodies (see Appendix 2) where external demands were seen as leading to poor outcomes unless there was commitment to the process. One respondent stated:

Those whose commitment is based on expediency and commercialism only, do not achieve much but high levels of paper usage.

Whilst most attention is given to the high frequency/low severity dimensions of performance (using claims data) less information is available on the low frequency/high severity dimension.

There is limited evidence about the ability of OHSMS to prevent major incidents involving death, serious injury, ill health or disease and damage to property and the environment.

A study by the author (Bottomley, 1996) of around 100 significant incidents and a 10 per cent sample of prohibition notices found that organisational factors were more likely to explain these failures, or potential failures than individual factors or design/engineering factors. The study highlighted the role of an effective OHSMS in improving performance and the need for very specific risk controls to be applied within the system.

As noted earlier the response to major incidents in the 1980s was the development of a management system approach to major hazards utilising some form of safety case methodology. This approach is embodied in the Major Hazard Facilities National Standard.

This approach has now been used for over ten years in Australia (in the offshore petroleum industry) and internationally, and the performance of organisations within this framework has not prompted a change in direction. A major incident no doubt would prompt such a review, and the recent Esso Longford disaster is pertinent.

When the findings of the Royal Commission are examined they are so fundamental they could apply to any ‘garden variety’ incident and subsequent investigation.
LONGFORD: WHAT THE ROYAL COMMISSION FOUND

THE FINDINGS

The ultimate cause of the accident was ‘the failure of Esso to equip its employees with appropriate knowledge to deal with the events which occurred’ and its failure to ‘make the necessary information available in the form of appropriate operating procedures’.

- The reduction in supervision at Longford, including the transfer of engineers to Melbourne, probably contributed to the blast.
- The emergency response on 25 September 1998 was appropriate and effective.
- Previous incidents at the Longford plant did not directly contribute to the blast but if they had been reported and appropriate action taken, the blast could have been averted.
- Esso failed to provide a safe working environment in breach of the Occupational Health and Safety Act.

THE RECOMMENDATIONS

Esso should be required to:

- Follow comprehensive external obligations with monitoring set up to ensure they are met.
- Evaluate the design of critical areas of the Longford plant with a view to minimising the risk of an accident.
- Show that plant operations are monitored and operating practices are overseen at an appropriate level.
- Demonstrate that its operating standards are periodically reviewed and that documentation of each procedure includes an explanation of potential hazards.
- Demonstrate that its training programs impart knowledge of all identifiable hazards and procedures to deal with them. (Extract from The Age)

The findings are framed in terms almost directly referenced in most OHS Acts in Australia.

The Victorian Government’s response to the findings of the Longford Royal Commission has been to fast track the implementation of the Major Hazards Facilities Standard.

Esso had in place a comprehensive management system, but it had been corrupted by inaccuracy, incompleteness and a failure to monitor it effectively, such that it had little credibility or use, for those dealing with the impending explosion.

The performance and incident reporting system seems to have been focussed on injury types rather than the lower frequency but high risk events that could create a major incident. The link between process measures and actual risk exposures appears to have broken down, rendering important information less powerful than it should have been. A ‘balanced scorecard’ of process, risk and outcome measures, given close attention by senior management, may have been more effective.
The respected process safety expert Trevor Kletz at a conference in 1998 made the following propitious comments:

There is a welcome interest today in safety management systems but we must not forget their limitations. All that a system can do is harness the knowledge and experience of people. If knowledge and experience have been downsized away the system is an empty shell. Knowledge and experience without a system will achieve less than their full potential. Without knowledge and experience a system will achieve nothing...

The loss of the Piper Alpha oil platform in the North Sea was the result of management failure, a failure to enforce a permit-to-work system [10,14]. The top men in Occidental were not hard-nosed and uncaring people interested only in profit and unconcerned about safety. They said and believed all the right things; they said that safety was important but they did not get involved in the precise actions required, see that they were carried out and monitor progress. (p. 6)

It is recommended that a ‘balanced scorecard’ approach to OHS performance be promoted for use with OHSMS that covers both process and outcome measures. The outcome measures should not be claims-based alone, but cover reduction in risk measures.

In addition, methods of analysing claims-based data to establish system deficiencies should be made available to promote a more rigorous improvement cycle within OHSMS.

Assessment of the effectiveness of OHSMS should include relevant outcome measures and it is recommended that an OHS improvement plan be agreed between regulators and organisations for getting access to self insurance, premium reductions, operational flexibility or other rewards for a systematic approach.
Are there Matters Related to the Certification Infrastructure Requiring Further Action?

Most of these issues are canvassed in the OHSMS Information Paper and are dealt with briefly here. Some additional matters are also covered.

The content of the draft standard AS/NZS 4801 is currently subject to amendment by NOHSC stakeholders.

An additional consideration is the inclusion of a reference to jurisdiction-based OHSMS ‘audit tools’ in the standard. A specification standard by definition sets out the framework, not the detailed audit criteria against which conformance is assessed.

Programs like Tri Safe, SABS, WorkSafe Plan and SafetyMAP set out audit criteria highly compatible with AS/NZS 4801 and an explicit reference in AS/NZS 4801 would provide efficiencies for those already assessed under these jurisdiction-based programs. Given that one of the stated objectives of AS/NZS 4801 is compliance with minimum standards under OHS legislation, this link is appropriate.

These programs should also be given standing in the process by which JAS-ANZ determines the ability of bodies to audit against AS/NZS 4801.

Participation by NOHSC in the JAS-ANZ structure was recommended in the Information Paper and this should be progressed.

In relation to auditor certification, the priority should be to strengthen and mainstream the QSA auditor competencies. When the results of ANTA’s scoping exercise in the auditor training field are finalised, further work on this matter should be undertaken. Continued dialogue with QSA should also be a priority.

Of particular importance is the ability of auditors to not only understand hazards, but also the regulatory framework that covers them. If OHSMS standards are to deliver compliance with minimum standards there will be a need for a rapid upgrading of auditor knowledge of legislation and its application.

Finally, there needs to be available independent information about the certification process for those considering certification and for those likely to be working within an organisation seeking or achieving certification.

The following recommendations are made:

- **That the NOHSC group participating in SF-1 seeks the inclusion of a reference to jurisdiction OHSMS programs in an Informative Annex to AS/NZS 4801. This reference should note the availability of audit criteria in these programs that could be used with AS/NZS 4801.**

- **That NOHSC be represented (or coordinate representation) on the relevant JAS-ANZ committees and panels to provide authoritative advice and direction on OHS matters.**
• That NOHSC be represented (or coordinate representation) on relevant QSA committees and processes to provide authoritative advice and direction on OHS auditor competency issues.

• That NOHSC facilitate a process by which existing QSA auditor competencies can be improved and articulated within the ANTA framework.

• That NOHSC coordinate the preparation of independent and authoritative information on the OHSMS certification process.
Strategic Directions Summary

To conclude this report a brief summary of the strategic directions NOHSC should pursue is outlined. These directions are drawn from the analysis of issues in the project and are reflected in more specific recommendations in the body of the report.

1. Continue to promote a systematic approach to managing OHS and the benefits arising from the use of OHSMS (see p. 6).

2. Give more prominence to public image and legal compliance motivators in promoting the use of OHSMS (see p. 6).

3. Focus on the application of OHSMS in high-risk sectors for both large and small organisations (see p. 9).

4. Ensure access to advice about OHSMS is available to smaller firms, if and when they need to provide documentation for tendering or similar purposes (see p. 9).

5. Investigate the potential of a limited OHSMS certification or accreditation scheme to address the new risks being created by contracting and labour market trends (see p. 11).

6. Examine the current provision of information and training to managers/supervisors and employees/OHS representatives to ensure issues related to OHSMS are covered (see p. 14).

7. Facilitate national dialogue on the way in which OHSMS should interact with the legislative framework (see p. 17).

8. Actively influence the certification infrastructure to ensure the distinctive features of OHS management are incorporated in the accreditation of management system and personnel certification processes (see p. 19, 26-27).

9. Provide independent and authoritative advice to those needing, or wanting to develop OHSMS for certification purposes (see p. 21).

10. Facilitate the development of performance measures and methods that promote a balanced scorecard of process and outcome indicators (see p. 25).

11. Continue to influence the shape of AS/NZS 4801 and to link existing jurisdiction models to the standard through the use of audit criteria found in these models (see p. 26).
References

The Select Literature Review contains the majority of references used in this report and these are found in Appendix 1. Below are additional references used in the preparation of the report.


Mayhew, C., (1997), *Barriers to implementation of known occupational health and safety solutions in small business*, (NOHSC and QLD DWHS partnership project), AGPS, Canberra.


Appendix 1: Select Literature Review on Occupational Health and Safety Management Systems

This review examines material relevant to the strategic issues covered in the project. These issues include the essential elements of OHSMS, success factors, application of OHSMS to different sectors and different organisation sizes, parallels with quality and environment and certification specific issues.

In addition, a selection of OHSMS models is summarised. These models are primarily drawn from OHS agencies. Commercial or proprietary systems are not summarised here in order to avoid the problem of exclusion of specific models. The project has taken the recently released OHSAS 18001 standard as representative of the major commercial systems.

Appendix 1 Contents

Health And Safety Management Systems: An Analysis Of System Type And Effectiveness ..........................................................32
Factors Motivating Proactive Health And Safety Management ..........................................................36
Total Quality Management And The Management Of Health And Safety ........................................41
Occupational Health And Safety Management Systems And Safety Performance In The Building Industry ................................................42
Evaluation Of Standards And Processes: Safety Achiever Bonus Scheme Exempt Employer Performance Standards ...........................................................................43
The Worksafe Western Australia Commission Workplace Change Project Report ..................................45
Policies For Occupational Health And Safety: Management Systems And Workplace Change ..........................................................48
Reviewing The Debate On OHS Management System Standardization ...........................................50
Integrating Management Of OHS And Environment: Participation, Prevention And Control ..................................................................52
EMS Demonstration Projects Final Report ......................................................................................54
Beware ISO .................................................................................................................................57
Health And Safety Management Systems, History, Rationale And Structures ..................................58
Final Report Of The Inquiry Into Workplace Safety ........................................................................59
Stop Chasing Your Tail: A Guide To Setting Up A Safety Management System For Small Business In Building And Construction ..................................................61
On Strong Foundations ............................................................................................................62
Performance Standards For The Safety Achiever Bonus Scheme, 6th Edition ..................................63
Capital Works Investment: OHS & R Management Systems Guidelines ........................................65
Safety Management: A Guide ......................................................................................................67
Worksafe Plan ..............................................................................................................................68
SafetyMAP: Auditing Health And Safety Management Systems, Third Edition ..................................70
Tri Safe: Management Systems Audit ..........................................................................................71
Occupational Health And Safety Assessment Series (OHSAS) Specification, OHSAS 18001 ..........................................................72
HEALTH AND SAFETY MANAGEMENT SYSTEMS: AN ANALYSIS OF
SYSTEM TYPE AND EFFECTIVENESS

Clare Gallagher, National Key Centre in Industrial Relations, report for NOHSC,
1997.

Building on previous research, Gallagher examines 20 case studies to investigate
relationships between types of management of OHS and effectiveness measures.

Following a review of literature on OHS management a typology is developed cross
tabulating traditional and innovative management approaches with safe place and safe
person orientations. The extract below summarises the concepts used in the research.

The review of literature on the safe person and safe place perspectives, and the
traditional and innovative approaches to health and safety management, allow
us to draw out possible critical identifying characteristics of the types of health
and safety management systems, as follows:

Traditional Management
• health and safety is integrated into the supervisor’s role and the ‘key persons’ are the
  supervisor and/or any health and safety specialist
• employees may be involved, but their involvement is not viewed as critical for the
  operation of the health and safety management system, or alternatively a traditional
  health and committee is in place
• emphasis either on people management (safe person) or on
  technical/program/legislative mechanisms to identify and mitigate hazards (safe
  place)

Innovative Management
• management has a key role in the health and safety effort
• a high level of integration of health and safety into broader management systems and
  practices
• employee involvement is viewed as critical to system operation and there are
  mechanisms in place to give effect to a high level of involvement

Safe Place Control Strategy
• prevention strategy focused on the control of hazards at source through attention at
  the design stage and application of hazard identification, assessment and control
  principles

Safe Person Control Strategy
• prevention strategy focused on the control of employee behaviour

On the basis of the literature reviewed on the safe person/place perspectives
and on innovative and traditional management, and the overlap between these
categories, a cross-typology is presented which distinguishes four types of
health and safety management systems.
Figure 3.1: Types of Health and Safety Management Systems

<table>
<thead>
<tr>
<th>Innovative/safe person</th>
<th>Innovative/safe place</th>
</tr>
</thead>
<tbody>
<tr>
<td>‘Sophisticated behaviour’</td>
<td>‘Adaptive hazard managers’</td>
</tr>
<tr>
<td>Traditional/safe person</td>
<td>Traditional/safe place</td>
</tr>
<tr>
<td>‘Unsafe Act minimisers’</td>
<td>‘Traditional engineering and design’</td>
</tr>
</tbody>
</table>

For each of these types, three key characteristics have been identified and these are listed below.

Sophisticated Behavioural
- prevention activity upstream and employee related
- high level of employee involvement in an environment where employee behaviour is linked to accident causation, and where a ‘no blame’ philosophy prevails
- a higher level of integration, or alignment, of health and safety with broader management systems

Adaptive Hazard Managers
- prevention activity centred on the control of hazards at source in accordance with the identify, assess and control framework
- a problem-solving focus to employee involvement is directed to the management of key workplace hazards
- a higher level of integration, or alignment, of health and safety with broader management systems

Unsafe Act Minimisers
- emphasis on unsafe acts
- emphasis on supervision of employee behaviour
- rules to prevent employee risk taking

Traditional Design and Engineering
- prevention activity centred on the control of hazards at source in accordance with the identify, assess and control framework
- employees may be involved but they are not central to the operation of the health and safety management system, or alternatively a traditional health and safety committee is in place
- supervisors, line managers and health and safety specialists have the key roles

(Gallagher, pp. 61-64)

This model is then used with the 20 case studies and they are variously allocated to their respective quadrant. An assessment of system performance is undertaken using an expanded SafetyMAP audit tool that demonstrates that none of the cases met all elements. Secondly, an assessment of differences in how the types generate outcomes is undertaken by looking at injury/ill health records.
This analysis does not demonstrate a conclusive link between developed health and safety systems and reductions in injury and ill health.

A more detailed examination of the factors that account for better performance found that the adaptive hazard manager type had 12 defining characteristics that influenced performance:

They included five characteristics relating to employee consultative arrangements for health and safety, which were shared by a traditional/safe place case which overlapped the ‘adaptive hazard managers’ type in relation to employee consultation:

- Health and safety representatives with a broad role, which extends beyond issue resolution to a broader enterprise-wide hazard management focus.
- A joint regulatory management style, characterised by the broad role of the health and safety representative and a high level of visible management commitment to health and safety representative activity.
- Some evidence of a synergistic relationship between active senior managers and effective health and safety representatives.
- Effective health and safety committees.
- Mechanisms for employee involvement, which were viewed as important but subordinate to and supportive of the efforts of the key players, the senior managers and the health and safety representatives.

Seven further characteristics were features of the three ‘adaptive hazard managers’ alone. The three ‘adaptive hazard managers’ were more likely to have:

- Senior managers who drive health and safety change.
- Implemented strategies aimed at transforming the role of the supervisor, to a support rather than policing role, and more broadly to a systems monitoring role which includes health and safety.
- A commitment to mobilise all possible resources in the pursuit of improved health and safety standards.
- A more comprehensive approach to the inclusion of health and safety in the design of tasks, equipment or procedures, including the involvement of employees as partners in the design process.
- A more comprehensive approach to planning health and safety training.
- A more comprehensive approach to hazard elimination through the operation of across-hazard elimination programs as part of their focus on systematic hazard elimination.
- Introduced specific health and safety innovations in response to various stimuli, including the need to find solutions to identified problems, the opportunity to exceed expectations inherent in more traditional systems, and the need to find new ways to facilitate employee involvement in health and safety.

(Gallagher, pp. 216-217)
The scope of this study is not easily summarised and Gallagher notes the research agenda that is prompted by the many issues raised in the study. It does appear though that the adaptive hazard manager type may be crucial to an understanding of the characteristics required to be present for superior OHS performance.

Commentary

The study confirms that there are a variety of ways to manage OHS but on balance there are lessons to learn from the adaptive hazard manager type. In the debate about OHSMS one concern is the ‘content free’, or process based, nature of systems. The focussed hazard orientation of the adaptive hazard managers combined with employee participation highlights that OHS management is built on OHS knowledge, resources and the ability to integrate these into mainstream business activities.
FACTORS MOTIVATING PROACTIVE HEALTH AND SAFETY MANAGEMENT


This research was conducted for the Health and Safety Executive in Britain and examines what motivates managers, especially in small-medium enterprises (SMEs), to manage OHS proactively. Secondly, the study investigates whether the approach to OHS is similar to business management in general.

The study is based on a review of literature on the motivating factors underlying an active OHS management approach.

A distinction is made between intrinsic motivators and extrinsic motivators. Intrinsic motivators are internal to the firm (reduce costs and frequency of injury, improve morale, adopt an OHSMS) whilst extrinsic motivators are external to the company (regulatory compliance, fear of loss of reputation, customer requirements).

The major finding is that there are two factors that motivate both SMEs and large organisations to initiate health and safety improvements:

- Fear of loss of credibility
- Perceived duty to comply with health and safety regulations

Other factors included the avoidance of costs of injury and ill health, the wish to improve staff morale and productivity and integration of OHS with quality systems.

The fear of loss of credibility includes the fear of adverse publicity, loss of confidence from the regulator and business interruptions and dislocations subsequent to a serious incident. These fears were greatest amongst firms in high-risk industries.

This fear is experienced by large and small enterprises alike as it is the nature of the hazards rather than the size of the organisation which is important. (p. iv)

The duty to comply motivation is more associated with a moral acceptance of the law rather than an instrumental motivation, as the probability of non-compliance being detected is low. Thus visits by inspectors focus management attention on the need to comply rather than being generally influenced by fear of penalties.

The model used by the researchers qualifies these primary motivating factors by secondary or mediating factors. The primary factors create the positive pressure to act whilst the secondary factors reduce motivation or modify the primary factor. For example, the fear of loss of credibility is qualified by the knowledge and perception of risk. Doing the right thing by complying with regulations is qualified by the cost of complying.

This approach also applies to the cost avoidance motivator and the research from the US, where cost is a motivator, is contrasted to the UK where it is not as prominent as a factor. A reason given is that firms in the US directly carry the cost for injury
whereas in the UK, the state, through compensation and health insurance systems, absorb much of the cost. The general point is that cost avoidance will not be a key motivator unless:

- Costs are regarded to be high
- Firms bear costs directly
- Costs are tangible and measurable within company accounts
- Costs are considered to be capable of control
- Returns from investments in OHS will be realised in the short term
- Companies have resources to make changes

A similar picture is described on the subject of business management and safety management motivators. As noted in other studies, OHS is treated as a ‘business equal’ only when it is perceived to be a critical commercial success factor.

In relation to certification schemes the report notes:

> a high level of compliance with health and safety requirements where these are imposed as part of either state or customer dictated schemes.

(p. 19)

Using the findings from previous research the authors have developed a model to describe links between company characteristics and prime motivators.

The initial relationship explored is that between the size of the firm and the perceived risk or cost of accidents.

In one sector is the large, high-risk firm exhibiting high intrinsic motivation due to the high exposure to loss of credibility and business disruption. At the other extreme is the small low-risk firm exhibiting low extrinsic and intrinsic motivation because of their low profile/low exposure to public or regulator scrutiny. These relationships are qualified by factors like cost of compliance, level of OHS knowledge and previous experience of ‘scares’.

To this model is added the concept of elasticity of demand or supply. An organisation like a hospital, transport carrier or specialist service provider may be difficult to replace or substitute as a supplier. Equally, demand for some service or products will be insensitive to the behaviour of the provider. In these circumstances the fear of loss of credibility is reduced, as is the moral obligation to comply with the law.

At one end of the scale is the highly elastic sector like food manufacturers whose health and safety performance (in the sense of food safety) is closely monitored by consumers and is able to be easily substituted with an alternative. This sector is high on the risk of adverse publicity dimension and thus has a high extrinsic motivation to perform well.

At the highly inelastic end are organisations like the police and emergency services that are difficult to substitute and whose resistance to public criticism is high. They have the lowest intrinsic and extrinsic motivation. Again factors like special customer or regulatory certification demands will qualify this relationship.
The report draws these relationships together to provide a guide to strategic action for a regulator like the HSE. Twelve elements that could help explain the pattern of motivation are identified.

1. Overall Risk Level

   Is it a high-risk operation?

2. Risk Profile

   Suggests that those firms where the target of risk is the public or customers, as well as employees may be motivated differently.

   Is the public at risk?

   Also distinguishes between health hazards as the study sees health issues being downgraded by managers as diffuse hazards whilst traditional safety hazards are seen as ‘real’.

   Is it predominantly health or safety at risk?

3. Size

   Aspects here are the greater capacity of larger firms to understand and implement regulations thus increasing the likelihood of compliance and the higher public profile of large firms leading to greater concerns about public image.

   Is cost and practicality an issue?
   Do they have the resources to understand the regulations?
   Are they worried about their public image?

4. Demand Supply Elasticity

   Is their commercial success sensitive to public or regulator behaviour?

5. Sector Experience of Serious Incidents

   Has past industry experience created a fear of serious incidents and/or adverse public attention?

6. Sectoral Barriers to Proaction

   Relates to specific barriers like a patient culture in hospitals that are used to resist OHS systems and standards.

   Are there sectoral barriers to taking action?
Organisation Specific Factors

7. Age of Organisation – Ingrained Attitudes

Refers to long held attitudes to hazards that ‘accept’ them as part of the work culture.

_Do management and staff accept hazards as part of the job?_

8. Experience of Serious Incident

_Has the organisation’s management personally experienced a serious ‘scare’?_

9. Level of Health and Safety Expertise

_Is management guided by professional advice?_

10. TQM Policies

_Might health and safety be integrated into wider TQM or similar initiatives?_

11. Customer Demands

Organisations whose customers specify OHS requirements are likely to see OHS as an essential business need.

_Do customers lay down H & S demands?_

12. Diffusion of Accountability

_Is there someone in authority to take H & S decisions?_

These factors are all relevant to understanding motivation and in the case of SMEs the report concludes:

The research has not found any factors unique to SMEs. Rather it appears that SMEs (especially low risk operators) are simply more likely than large firms to exhibit those characteristics that are associated with a low motivation such as:

- Low frequency per organisation of inspection and/or prosecution,
- Few, if any resources to examine, develop or implement health and safety improvements, or indeed track and understand safety regulations,
- Low likelihood of having personal experience of a serious incident,
- Low profile, (and so little fear of adverse publicity impacting business)
- Few financial resources to fund engineering changes or one-off major purchases. (p. 29)
The report then goes on to apply the findings to possible strategies for the HSE to adopt in the UK.

Commentary

The report contains a wealth of relevant information applicable to the debate about OHSMS. Using the model of motivation, the situations in which an OHSMS may be helpful to an organisation can be understood. On the flip side it demonstrates the irrelevance of systems approaches to low risk, low motivation companies.

The effectiveness of schemes that require health and safety requirements to be met as part of a commercial arrangement is a counter point to much of the criticism of OHSMS as 'paper systems'.
TOTAL QUALITY MANAGEMENT AND THE MANAGEMENT OF HEALTH AND SAFETY


This report examines what links are made in organisations between quality management systems and OHS and in particular:

• Why organisations do or do not link quality with OHS
• What are the causes of links being made
• Where links are not made what are the reasons

The study analysed 24 organisations from a variety of industries known to have advanced quality management systems.

The report found that those industries where OHS performance is more critical to the overall success of the business (e.g. chemical industry) the crossover from TQM to OHS was greatest. In these organisations there was a high level of understanding of OHS at executive level, and recognition of the importance of OHS performance to stakeholders.

In organisations in which the link was weak the barriers were identified as:

• TQM is a positive driver to satisfy customers whilst OHS is seen as a negative motivator seeking compliance and avoidance of penalty.
• Lack of executive leadership on OHS again related to its negative focus on loss rather than growth.
• A functional approach to OHS rather than an integrated process approach leaving OHS as one of several functional specialties managed down the line.
• A narrow business focus on stakeholders predominantly associated with product and finance.
• A traditional and limited approach to performance measurement of OHS.

In summary the research found that TQM principles were occasionally applied to OHS but only comprehensively in organisations that saw there core business success tied to OHS performance.

Commentary

An important study looking at actual quality – OHS synergies. The perception of OHS as a compliance related, and functionally specific responsibility suggests that for most organisations without a public risk exposure the links to core business processes will remain marginal.
OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEMS AND
SAFETY PERFORMANCE IN THE BUILDING INDUSTRY


This study examined the performance of 50 building and construction companies to
test the proposition that OHSMS can lead to safer systems of construction and reduce
levels of injury and disease.

The study used the Construction Industry Development Agency (CIDA) OHS audit
system to measure and compare performance of the companies selected. Performance
against the CIDA audit was linked to a number of traditional injury measures.

These measures were:
- Total number of workers’ compensation claims
- Total cost of workers’ compensation claims
- The cost of workers’ compensation claims per employee
- The average lost time rate
- The frequency rate

Four groups of companies were used in the study:
- 10-19 employees
- 20-79 employees
- 80-149 employees
- 150 plus employees

Statistical analysis indicated that larger firms had more developed systems in place.
The only other meaningful relationship was a positive correlation between ‘good’
systems and the number of claims. In other words the companies with the most
developed systems had the most claims. There are a number of possible explanations
for this relationship including size factors.

Other statistical measures did not reveal a relationship between system performance
and outcomes like injury.

Commentary

The lack of a relationship between process measures (system) and outcome measures
(injury) is not surprising given the sample size and other possible intervening
variables. If the injury data was complemented by some form of root cause analysis
the link to system elements would be more relevant.
The two schemes evaluated in this report are based on a systematic management approach and performance against defined standards determines entry or levels of financial incentive.

The Safety Achiever Bonus Scheme (SABS) is of most relevance and is an incentive program with rewards based on both system performance and achievement of injury management performance targets.

The prevention standards are made up of 5 elements:
- Management Commitment
- Policy and Procedures
- Consultation
- Hazard Management
- Training

These are effectively the OHS system management elements.

The analysis of system effectiveness concluded that whilst employers who rate highly against the standards appear likely to achieve greater improvements in claims performance the link is tenuous. Of importance is the time at which employers join the scheme. Some employers already had good claims experience when they joined the scheme and their performance was either static or slightly deteriorated in the period of the study.

As the schemes could be broadly described as Total Quality Management (TQM) approaches the report examines evidence of the effectiveness in improving performance and the lead-time before there are identifiable results.

Some research is cited that demonstrates improved performance but the point is made that management commitment, the key driver behind improvement, is not part of the system but an external motivator. Consequently:

...the existence of a management system will not of itself change attitudes to management of health and safety. (p. 30)

The report also suggests that TQM type approaches may be suitable in some circumstances and not others. For example, one author cited suggests TQM is really for stable slowly changing organisations.

Fifteen employer case studies were conducted and the report concluded that there was little evidence that the standards were a significant factor in risk reduction. Claims management made a more direct contribution to reductions in claims costs.
The relatively short period that the scheme has been operating limits the reliability of performance comparisons.

The report argued that the schemes stimulate change in OHS practices more by the financial incentive than through the process of meeting the defined standards. These incentives could be used by ‘safety champions’ to rally support for change.

**Commentary**

This report highlights the need to understand the pathway companies take to develop management systems. Performance will be dependent on what has preceded entry into a scheme like SABS.

It would not be unreasonable to suggest the most likely to participate are those who believe they will meet the standards and whose effort has already resulted in improvement. Marginal improvement or maintenance of the status quo may be the best they can achieve once in the scheme.
This study was commissioned to identify and explore good safety practices in a range of Western Australian workplaces.

The qualitative research was based on focus groups conducted with organisations selected because of their achievement of WorkSafe Plan Gold or Silver Awards, and other organisations chosen as a comparison group.

The quantitative research was based on results from a questionnaire distributed to managers, supervisors, employees and OHS reps in 58 organisations. The results of the survey were supportive of the trends identified in the focus groups.

Findings in relation to good performers included:

- Good safety performers possess highly developed safety structures, comprehensive written procedures and clearly defined areas of responsibility.
- Regular safety and hazard audits are a feature of good safety performers.
- Safety training is an integral part of the induction and training procedures of good safety performers.
- Safety information is highly organised and readily accessible in organisations with good safety standards.
- The higher the managerial level at which safety policy is initiated, the more successful safety strategies are likely to be.
- Middle management, line managers and safety representatives have a significant impact on safety standards. The failure of any one of these groups to actively support safety can lead to low safety morale and a decline in safety performance.
- Employees of organisations with good safety records perceive safety as an individual responsibility.
- When workers develop a duty of care mentality, they identify themselves as being responsible not only for their own safety but for the safety of their colleagues.
- The implementation of proactive rather than reactive safety strategies is a distinguishing feature of good safety performers.
- Successful safety strategies involve all levels of the workforce, from the senior executive level to employees.
- Successful strategies will encompass regular auditing of safety performance, a willingness to negotiate safety issues within acceptable boundaries, the promotion of a sense of ownership of safety issues by employees and the integration of safety into the way an organisation conducts its business. (vol. 1, p. v-vi)

These characteristics are typical of those found in similar studies. On the issue of safety motivators the survey reports that the desire to minimise injury and genuine concern for employees were most frequently nominated ahead of external factors like legislation and enforcement.
The report proposes a number of stages in the evolution of good OHS systems to capture the features of good and poor performing companies drawn from the research findings.

STAGE 1
Minimum compliance
Dysfunctional safety strategies and procedures
Safety is a management responsibility
Safety strategies are reactive
Employees feel powerless
WorkSafe Western Australia seen in policing role

STAGE 2
Someone takes responsibility for safety
Functional strategies and procedures are developed and maintained
Responsibility begins to shift to employees
WorkSafe Western Australia seen in advisory role
WorkSafe Western Australia Safety Awards seen as external validation of safety performance

STAGE 3
Proactive strategies and procedures implemented
Auditing procedures are developed
Development of ownership among employees
WorkSafe Western Australia seen as source of information updates
WorkSafe Safety Awards source of auditing rather than recognition

STAGE 4
Zero injury rate becomes only acceptable safety standard
Safety is integrated into company ethos
Individual ownership of safety as common sense issue
Employees develop safety consciousness that goes beyond the workplace
In-house expertise more relevant than legislation or WorkSafe Western Australia advice

(Appendix C - Evolutionary Model of Workplace Change, vol. 2, p. 89)

To achieve Stage 4 the author suggests that the company must be stable, have well established, documented systems, backed up by high levels of commitment and participation by management and staff.

Commentary

This study is supportive of the generally recognised success factors identified in previous research and embodied in most OHSMS models.

The research is somewhat circular as it describes the good performers as having the elements required in WorkSafe Plan. There is little or no attempt to explain or
identify what motivates organisations to improve their performance. In addition, there is an internal and individualistic focus to identifying reasons for levels of performance. The findings, if applied to the environmental factors that influence company decision-making, would be much more useful in defining strategies for change.

The precursors to achieving Stage 4 all seem alien to the predominant characteristics of the business environment in that they emphasise continuity and stability as opposed to restructuring and change.
Specific conference papers were not available although some were made available by authors and are summarised separately. This conference was conducted within the Framework of Work Life 2000, an initiative of the Swedish National Institute for Working Life.

Themes have been drawn from the summary of proceedings and a Work Life 2000 report. The former is available at the University of New South Wales’ School of Industrial Relations and Organisational Behaviour web site.

The key themes discussed at the conference:

1. New conditions in working life.

A number of papers outlined significant changes in the labour market that raised questions about the relevance of OHSMS. These changes included:

- an increase in temporary and part time work
- an increase in employees working for small companies
- an increase in dispersed and mobile workforce
- a reduction in number of employees covered by unions

These sorts of trends are compounded by more exotic and complex corporate structures that may dilute corporate liability for OHS and by greater decentralisation of working conditions bargaining arrangements.

The consequence of the increase in ‘contingent workers’ is the inability of traditional OHS monitoring and accountability mechanisms to be effective. Regulation and inspection is more difficult to apply as the number of mobile workplaces increases. The suitability of OHSMS to small volatile workplaces is questionable as the approach assumes a large, static workplace with a stable workforce. The use of contractors by the larger companies raises the ability of ‘internal control’ approaches to effectively operate.

2. Voluntary approaches versus regulatory approaches.

The increasing prominence of OHSMS was seen as an alternative to regulatory approaches. The workshop participants had divergent views on this:

- some argued that OHSMS were designed to eventually replace regulation and be the basis of a new form of voluntary self-regulation.
- some considered OHSMS as management dominated control systems that provide little opportunity for participation by employees whilst others noted cases where these systems had increased worker involvement.
• One proposal was for a two track model in which companies with well developed systems would be able to be self regulating against an OHSMS standard whilst others would continue to be monitored against the existing regulatory regime.

• The application of systems approaches to small employers was questioned with a more rudimentary method being necessary, and strategies that connect with small employer orientations needing to be devised. It was also noted that the workforce change issues are centred on smaller employers further amplifying concerns about the application of OHSMS in this sector.

3. Certification and experience with Quality and Environment

The value and relevance of ISO type certification processes was discussed and there was scepticism about the value that this process adds to actual OHS outcomes. Secondly, the potential of linking OHS to quality and environmental management frameworks was examined and some of the preconditions for effective outcomes were identified.

More detail on certification is found in the paper by Zwetsloot, summarised separately. The integration issues are canvassed in the paper by Kamp, also summarised separately.

Commentary

This conference provides a more critical perspective on OHSMS than found in the mainstream literature and locates management systems within a broader context of corporate, government and labour market change.

The application of knowledge from the conference to current issues in Australia about OHSMS can be summarised as:

• Policy decisions by government about promoting the use of OHSMS should take into account the changing labour market.

• Individual organisation decisions to develop a management system should take into account how the system will accommodate contract and casual employees.

• Policy decisions by government about the role of OHSMS should include the relationship with the current regulatory model.

• Application of OHSMS to smaller employers need to consider ways in which the devolution and delegation assumptions of ISO type models can be streamlined to apply to owner/manager situations with short lines of communication and delegation.

• Organisations wishing to have their management system certified against a standard need to be clear on the reasons for making this choice, the resources required and the desired benefits. Those seeking certification because of some external requirement need to guard against a paper system mentality with ritualistic conformance as it will not achieve basic OHS improvements.
REVIEWING THE DEBATE ON OHS MANAGEMENT SYSTEM STANDARDIZATION


This paper discusses developments since the ISO meeting in 1996 to discuss the need for an international standard on OHSMS. Whilst a standard was not supported several countries have since developed models.

The paper looks at a number of issues including:

1. The relationship of proposed OHSMS standards with regulations

   Notes the voluntary nature of ISO type standards but also the continuing concern of unions and some government agencies that these standards open the door for deregulation and privatisation of government monitoring functions. Concludes that whilst the situation is changeable there is no essential conflicts between the two approaches.

2. The added value of (any) Management System Specification and associated certification

   Reference is made to the experience with quality and environmental management and particularly to the success of the quality standard. In terms of economic advantage it is suggested that the ‘front runners’ were able to add value but as more competitors achieve certification there are decreasing returns for investment in systems.

   The use of certification in preferred supplier arrangements introduced a form of commercial imperative even though participation is voluntary.

   Employers are concerned that a new ‘certification circus’ for OHS will be created that does not add value to OHS performance.

3. The involvement of workers’ representatives in the International Harmonization process

   Notes that the ISO process does not guarantee involvement of unions and this is out of kilter with most European OHS frameworks. Also touches on the political issues in using a global standard in countries that do not provide for worker participation.

4. The impact of OHSMS standards on international trade

   A number of contrasting perspectives are outlined. Some peak business organisations believe that an OHSMS standard would be a barrier to trade and impact adversely on less developed countries. Representatives of some of those countries, conversely, were in favour of a standard because it was the only way
that they would be taken seriously by richer countries given they did not have adequate OHS legislation.

5. Major incentives for companies to implement management systems

    Looks at the environmental standard and how they have been used by governments to provide greater flexibility for companies in obtaining permits and achieving outcomes.

    Suggests that this is not transferable to OHS as no such permits exist and states that other rewards might include fewer inspections, reduced premiums and preference for government projects.

    Concludes that the debate and issues are complex.

Commentary

In the comparison with environmental management it is suggested that there are no permit type processes in OHS. This is certainly not reflective of the situation in a number of countries including Australia where permits, licences and approval systems are common. Some industry sectors have already sought greater flexibility, through management systems, in the way in which permits and licences operate.
INTEGRATING MANAGEMENT OF OHS AND ENVIRONMENT: PARTICIPATION, PREVENTION AND CONTROL


This paper discusses the strategy of linking OHS and environmental management and draws on an analysis of evidence and issues from Denmark and the Netherlands.

Distinguish two lines of reasoning for integration:
1. Technical
   Based on the notion that the hazard sources are technologically similar and therefore programs to control them have synergies. The prevention models are similar and therefore integration can produce benefits.
2. Strategic
   This line of thinking suggests there are opportunities to leverage improved worker participation off the OHS model into the environmental sphere and that the combined focus of management will achieve better results.

The differences between OHS and environment are noted:

   These differences concern first of all the different actors who are historically involved in the two fields: public authorities and management are prime actors with respect to the environment, whereas industrial relations’ actors are the prime movers where OHS is concerned. Secondly, we can point at different types of ‘governance’ in the two fields: a ‘logic of accountability and state control’ in environmental matters, vis-à-vis a ‘logic of co-production and co-determination’ in the case of occupational health and safety. And finally, differences between the two fields can be found in the in- and external orientation. Much stronger than is the case for OHS management, in environmental management there is an emphasis on external control, a requirement of supply chain management, and of responsibility for product effects during their entire life cycle. As a consequence, the material topics that are dealt with in environmental management may have stronger links to all pervasive risks - and thus to strategic company issues - than those on OHS management. (p. 5)

Considers the role of ISO type standards as the vehicle for integration and sees these systems as rational models with a management control focus and thus more relevant to the technical disposition but problematic as far as employee participation is concerned.

   When we look at the type of participation that is promoted as part of ISO type management systems, it is clear that this participation is of a radically internal character, it is derived from management’s decision to install it, it is direct, it concerns smaller daily issues, and it is characterised by an effectiveness and social integration rationale. (p. 6)
This is contrasted with the broader based participation available to workers and their representatives in OHS matters, but it is noted that little or no such base exists for participation in environmental decision-making.

The paper then looks at a series of case studies from Denmark and the Netherlands. These studies were examined to cast light on the issues canvassed above.

The conclusions reinforce the difficulty in generalising in this area. One of the projects demonstrated the approach to integration was dependent on the nature of the companies involvement with the environment. A low exposure to environment meant little employee role compared to high exposure companies where both managers and employees were highly involved.

Another theme was the higher profile of environmental management because of external pressure and the tendency for a technocratic approach to prevail.

Thus, a connection to OHS is possible and some case studies illustrated participative and integrated systems but there is no automatic guarantee that integrating OHS and environment will achieve benefits.

Commentary

This paper goes beyond the rhetoric of integration to look at evidence about the circumstances in which integration is possible and some of the results. The conclusion on participation is equivocal, some cases improved access to environmental decision-making, whilst others consigned decision-making to technocrats, and out of reach of shop floor representatives.

The externally driven, top down characteristics of environmental management are contrasted to the more ‘democratic’ nature of OHS management. This is important in understanding likely implications of integrated standards.
This report is based on the experience of 18 companies implementing ISO 14001 on environmental management systems in the 1995-6 period. The objective of the study was to document the implementation process, identify the benefits of implementation of the standard and determine what tools might be useful to other firms going down the same path.

The progress each firm made varied with everyone making some progress on all elements with about 50% of the requirements in place at the end of the study period.

1. Reasons for implementing an EMS

Participants were asked at the end of the project to list their organisations’ incentives for implementing ISO 14001.

- Competitive advantage.
- Improved environmental performance.
- Possible ISO 14001 registration
- Enhanced regulatory compliance and
- Possible regulatory flexibility

Certification (called registration here) of the EMS was important for commercial reasons as well as a way of demonstrating to insurance companies and regulators their commitment to good performance.

2. Benefits of EMS Implementation

- Improved cooperation and environmental awareness among employees
- Improved procedures and documentation
- Enhanced regulatory compliance
- Improved environmental performance

The increased role for employees was mentioned by a number of organisations, as was the anticipation of tangible improvements in performance.

3. Success Factors

- Secure top management commitment early in the process
- Gain a thorough understanding of the ISO 14001 Standard
- Perform a thorough self-assessment
- Involve many functions and staff levels in the planning process
- Initially, set a small number of achievable environmental objectives
- Build on existing business practices
An important success factor was a staged approach.

Some participants reported that setting a limited number of objectives initially helped them overcome considerable resistance to EMS implementation. One organization, for example, decided to set and achieve a few simple but meaningful pollution prevention objectives before developing most of its EMS documentation. This approach was intended to avert the possibility of employees being discouraged by the need to write numerous procedures (it was also intended to convince management that providing resources for the development of procedures was worthwhile). The organization reported that setting and accomplishing the pollution prevention objectives brought a great deal of satisfaction to the employees involved. (p. 34)

4. Costs of implementation

The major cost was staff time.

Fewer than half of the participants specifically tracked the costs of EMS implementation, and only two (both large companies) actually reported estimated costs. Several organizations noted that they did not track the costs of EMS implementation because it was not established as a cost center - it was simply considered a part of doing business. Those that did track costs included different items in their cost calculations. For example, some organizations only tracked consulting fees and training, while others only tracked staff time. (p. 31)

The report notes a third of the companies indicated they would integrate 14001 with their OHS system.

The report compared the experience of small and large companies (note small is defined as less than 250 employees) and SMEs seemed more motivated by improving compliance and documentation than larger companies. Some SMEs felt they had an advantage, because their EMS could be less complex, and there was less need for devolution of responsibilities.

Based on the experience of the firms in the study the following assistance measures were recommended:

- clarification of the intent of the ISO 14001 Standard
- a checklist or other tool to conduct an EMS self-assessment
- guidance on how to identify and assess the significance of environmental aspects and impacts
- a step-by-step implementation guide
- examples of EMS manuals, policies, and procedures
- EMS implementation case studies

These recommendations are relevant to the introduction of an OHS certification standard.
Commentary

Provides parallels to issues concerning OHSMS. The relative importance of regulatory compliance as an incentive and a benefit is interesting and probably is linked to public image issues.

Also notes that measurement of improved performance is dependent on where the organisations are when they start the process. Consequently, performance increments may be minor if the major risks have already been controlled. The advantage of the system is its ability to maintain a desired level of performance and monitor changes requiring new controls.
BEWARE ISO

David Bennett, New Solutions, Spring, 1997.

A brief article making strong criticism of the ISO infrastructure. Argues that ISO’s underlying brief has been to undermine the existing legal framework and replace it with voluntary standards.

Asserts that quality management standards are alternatives to consumer law, that environmental management standards are alternatives to environment protection law and that proposed OHSMS would be developed to circumvent OHS law.

With all standards the author is critical of their process orientation and argues they do not require any particular standard of performance.

The lack of employee representation in the ISO standards making process is also seen as a weakness and further evidence that the ISO agenda is primarily attuned to the commercial needs of multi-nationals.

Commentary

This brief critique of ISO borders on proposing a conspiracy theory but still raises some legitimate concerns for all stakeholders. Of particular interest is the proposition that ISO standards have the capacity to replace or act as alternatives to existing law.
HEALTH AND SAFETY MANAGEMENT SYSTEMS, HISTORY, RATIONALE AND STRUCTURES.


The paper discusses some of the origins of management systems approaches including legislation, the lessons of major incidents and the impact of the quality movement.

Reference is made to the HSE’s guide to ‘Successful Health and Safety Management’ released in 1991 that established a framework within which OHS can be managed. The approach had many similarities to the quality ‘Plan, Do, Check, Act’ model.

In light of the development of OHSMS building on quality or environmental management systems, the paper argues these models are mechanistic and assume a sort of rational sequence that does not reflect workplace reality.

The author argues that there is a significant difference between auditing OHSMS and the approach taken in quality auditing.

It is not enough for the auditor to establish that there are arrangements in place to address a particular element of the health and safety management ‘standard’ and that those arrangements are followed. The auditor needs to establish that the particular arrangements are adequate relative to the hazards and risks associated with the organisations activities. (p. 6)

The paper finally poses the question of the relationship between the OHSMS and the culture of the workplace - is one dependent on the other or are they interdependent?

Commentary

This paper is reflective of the HSE’s policy position that does not actively support the development of a certification standard but is supportive of a planned approach to OHS. The distinction made between quality and OHS auditing highlights the concern about ‘content free’ auditing.
The report makes recommendations on a wide range of OHS matters including OHSMS.

One of the approaches that impressed the committee was the internal control approach used in Scandinavian countries.

The lessons learnt from the committee’s examination of this approach were:

I. OHS management systems do work for large firms which have the right ‘safety culture’ – they can lead to real improvements in OHS performance and to significant cost savings.

II. OHS management systems only work where there is genuine and meaningful participation by employees and where employees have a real opportunity to contribute to decisions about the organisation of work, purchase of plant etc.

III. There is a significant distinction between corporate OHS management systems that focus on worker behaviour and become a disciplinary tool, and the Scandinavian approach to ‘internal control’ which emphasises meaningful worker participation in decision-making.

IV. The promotion of OHS management systems can play a role in wider initiatives to improve the professionalism of business, particularly in SMEs.

V. Any legislative requirement for the use of OHS management systems will necessitate new strategies for providing advice to business, particularly SMEs, and new enforcement strategies by the inspectorate. (pp. 72-73)

The Committee made a number of recommendations on OHSMS including:

- amending the OHS Act to give statutory recognition of OHSMS in meeting general duties;
- amending the OHS Act to impose a duty on employers to adopt a systematic approach to OHS and to require consultation with employees on implementation of an OHSMS; and
- developing a Code of Practice on matters including the application of an accredited OHSMS and consultation with employees.

Commentary
The Committee’s deliberations have been strongly influenced by the internal control approach. Proponents of this approach claim that it emphasises safe place and employee participation rather than corporate systems that emphasise safe person and management control. Internal control approaches are little different in outline to most management systems and, as Gallagher has shown in her study, there are many variations of systems in actual use.

The internal control approach is part of the legislation and how different it actually is to performance style regulations in Australia is arguable.
This report defines a safety management system as ‘a systematic way of organising what happens on a construction site. It involves identifying risky work practices, planning how to control the risk, inspecting the work and keeping written records of what you have done.’

The core aspects of the system are described as:
- Policy
- Responsibility
- Participation
- Contractors
- Purchasing
- Hazard management
- Inspection and testing
- Emergency procedures
- Reporting and recording
- Handling and storage
- Training
- Record keeping

The system does not go into a detailed audit and review cycle and does not require more than minimal documentation.

Commentary

An interesting feature of this project is that even for small business application, the authors have included just about all the elements normally found in an OHSMS. Those concerned about the ability of smaller employers to develop systems need to focus on the time and resources likely to be involved rather than responding to the number of elements listed.
ON STRONG FOUNDATIONS


Reports on a study of 40 meat industry companies that investigated the use of management systems and developed best practice principles for OHS management.

The operational principles of best practice are described as:
- management commitment - involvement, financial commitment, power sharing;
- participation - teams, union, workforce;
- skill development - percentage of workforce trained, financial commitment, nature of programs, quality and effectiveness of training, group process skills;
- designing the work environment - extent of intervention, satisfaction with changes, ongoing process of change, work procedures, risk identification, assessment and control;
- integration of OHS with organisational structures and processes - status of OHS, scope of projects, connection with other changes, flow on effects; and
- continuous improvement - performance assessment, use of measures to drive changes, evaluation.

The most successful projects did more than just set up management systems, they did it in a participative way. (p. ix)

Commentary

Covers similar elements to most systems but places more emphasis on the industry specific characteristics associated with successful and effective implementation of a planned approach to OHS. Highlights the role of employee participation in planning a system and taking an active part in OHS decision-making.
PERFORMANCE STANDARDS FOR THE SAFETY ACHIEVER BONUS SCHEME, 6th EDITION

WorkCover Corporation of South Australia, 1999.

Since the evaluation of the SABS scheme the program has been changed to a business process approach. The SABS standards are compatible with the format used in AS/NZS 4804.

The structure of the scheme is similar with restricted application and specific eligibility criteria. There are three levels of achievement based on the comprehensiveness of the OHSMS and actual performance outcomes.

The revamped SABS standards with sub-elements are:

- Commitment and Policy
  - Element 1 Endorsed and Distributed Policy Statement
  - Element 2 Supporting Policies and/or Procedures

- Planning
  - Element 1 System Strategies
  - Element 2 Setting of Systems Objectives
  - Element 3 Training

- Implementation
  - Element 1 Resources
  - Element 2 Training
  - Element 3 Responsibility and Accountability
  - Element 4 Integration
  - Element 5 Employee Involvement
  - Element 6 Communication
  - Element 7 Contingency Planning
  - Element 8 Hazard Identification, Evaluation and Control
  - Element 9 Workplace Monitoring
  - Element 10 Process Delivery
  - Element 11 Reporting/Documentation
  - Element 12 Documentation Control

- Measurement and Evaluation
  - Element 1 Objectives, Targets and Performance Indicators
  - Element 2 Internal Audits
  - Element 3 Corrective Action

- Management System Review and Improvement
  - Element 1 Policy
  - Element 2 Objectives, Targets and Performance Indicators
  - Element 3 System Review

To support the new approach the WorkCover Corporation provides a Gap Analysis Tool to assist organisations assess their conformance with the standards.
Commentary

The revised SABS standards are highly compatible with similar OHSMS models and the gap analysis tool forms the basis for audit criteria. SABS attempts to balance process-based achievement with performance outcomes measured by claims data.
CAPITAL WORKS INVESTMENT: OHS & R MANAGEMENT SYSTEMS
GUIDELINES

Capital project procurement manual, 2nd edition, NSW Government, Sydney
(Undated).

The Construction Policy Steering Committee in conjunction with the WorkCover
Authority of NSW has developed the NSW Construction Industry OHS & R
management system.

All projects with a value of more than $3 million need to be accredited against these
guidelines. More recently projects with a value less than $3 million but considered to
be of high risk by the government agency are also covered.

Organisations covered by these guidelines must have four components in place:
• OHSMS with at least 11 key elements
• Project management site plan
• Site specific safety management plan
• Safe work method statements

The key elements of the OHSMS are:
• Management responsibility
• Subcontracting and purchasing
• Process control
• Inspection and testing
• Control of OHS and R issues
• Corrective action
• Handling, storage, packaging and delivery of hazardous substances
• Training
• OHS and R records
• Design
• Internal OHS & R reviews

Other optional elements covered include:
• Documentation
• Client supplied product
• Product identification and traceability
• Inspection, measuring and test equipment
• Inspection and test status
• Servicing
• Statistical techniques

These elements are additional to the core elements.

The other feature of this program is the accreditation of tendering organisations with
government and the manual sets out guidelines for auditor qualifications.

The OHS and R model is also used by the WorkCover Authority of NSW for
assessing and monitoring self-insurance applicants.
Commentary

These guidelines are a rare example of a government using its purchasing power to influence OHS standards in the industry. Most other governments have been reluctant to use this approach particularly following industry complaints about the use of quality certification in government purchasing.
SAFETY MANAGEMENT: A GUIDE

Work Health Authority, Northern Territory, 1997.

This guide aims to assist employers to meet their obligations under the Work Health (OHS) Regulations. These regulations, like most modern regulations, require a planned approach to managing hazards.

The basic elements covered in the Guide are:
- Responsibility
- Consultation
- Hazard identification
- Risk assessment
- Risk control
- Information, instruction and training
- Injury management (covering compensation and return to work issues)
- Records
- Review

The elements are closely related to ISO 9000.

Commentary

Uses a quality management approach to support a systems based regulation and this highlights the basis in law for most OHSMS. Consequently, assessment of OHS certification standards should be about the value they add to meeting existing law rather than rejection of the system concept because they could act as an alternative to existing law.
WORKSAFE PLAN

WorkSafe Western Australia, 1999.

This Safety Management System model has been available for several years and is primarily used as a recognition program for organisations in WA. Organisations wishing to be assessed are rated against a scale prepared by WorkSafe WA and recognition may be at Gold or Silver level.

WorkSafe Plan was available in a format for larger employers and a separate format for smaller employers but this has been recently reviewed and an integrated but simpler model has been adopted.

WorkSafe Plan is based on five major elements:
- Management commitment
- Planning
- Consultation
- Hazard management
- Training

Within each element there are specific performance requirements elaborated with approximately 50 requirements in total. These form the basis for the rating method that scores the degree to which requirements are satisfied. This varies from early planning to meet a requirement, through to full implementation and review of requirements.

The coverage of issues in WorkSafe Plan is similar to most OHSMS models.

A distinctive feature of WorkSafe Plan is the process of assessing and rating systems.

WorkSafe WA has established a WorkSafe Plan assessor training program to ensure the quality of personnel conducting assessments.

The WorkSafe Plan Assessor training program is designed to equip participants with the skills required to:
- collect, examine and analyse evidence to support a judgement about an organisation's Safety Management System (SMS) against a set of WorkSafe Plan elements;
- assess the adequacy of an organisation's SMS; and
- assess conformance and non-conformance to the SMS.

Potential course participants must:
- hold an approved qualification in OHS;
- have a minimum of two continuous years experience in an OHS related role (preferably at a management level);
- be able to demonstrate the following skills/knowledge:
  - the ability to use Hazard Identification, Risk Assessment, and Hazard Control techniques;
• the ability to interpret and provide creative and practical solutions to OHS issues;
• ability to explain the principles of record management with respect to workplace assessments;
• report writing skills;
• investigative and analytical skills;
• interpret nominated sections of the Occupational Safety and Health Act and Regulations; and
• demonstrate sound knowledge in the principles of Safety Management Systems.

A five-day training program is delivered by an approved training company that then enables assessors to undertake ratings of organisations for recognition purposes. WorkSafe WA also conducts sample audits to ensure the rating system is maintained at required levels.

Commentary

The assessor system is noteworthy, as it is an alternative to that which may be provided through the certification bodies system sanctioned by JAS-ANZ. It is, however, fundamentally different to an independent third party audit system in that assessors both advise and assist organisations, as well as rating them against the WorkSafe Plan standards.
SAFETYMAP: AUDITING HEALTH AND SAFETY MANAGEMENT SYSTEMS, THIRD EDITION.

Victorian WorkCover Authority, 1997.

SafetyMAP [Safety Management Achievement Program] is an audit tool designed to assist organisations improve the management of health and safety. It is also a condition of accessing and maintaining self-insurer status.

The objective of SafetyMAP is to improve OHS performance by encouraging a systems approach. SafetyMAP enables users to measure the performance of their OHS system and, if desired, gain recognition through the three levels of SafetyMAP certification.

The three levels of achievement are initial, transition and advanced. Initial and transition levels do not cover all the audit criteria, whereas advanced level certifies the organisation has met all the criteria.

Certification is managed by WorkCover and should be distinguished from certification offered through JAS-ANZ. Recently, SafetyMAP was recognised by JAS-ANZ as a standard against which certification can be offered and one organisation has been accredited to undertake certification audits against SafetyMAP at the time of writing this report.

The elements of SafetyMAP are modeled on the ISO 9000 series but is also compatible with the ISO 1400 series.

The 12 elements are:
1. Building and Sustaining Commitment
2. Documenting Strategy
3. Contract Review and Design Control
4. Document Control
5. Purchasing and Control of Product
6. Management of the Work Process
7. Monitoring Standards
8. Reporting and Correcting Deficiencies
9. Managing Movement and Materials
10. Collecting and Using Data
11. Auditing of Management Systems
12. Developing Skills and Competencies

Commentary

SafetyMAP is unique in being the only standard currently recognised by JAS-ANZ for certification purposes. Like other ‘audit tools’, SafetyMAP is based on a specification of an OHSMS that is captured in the 12 elements.
TRI SAFE: MANAGEMENT SYSTEMS AUDIT

Queensland Department of Employment, Training and Industrial Relations, Division of Workplace Health and Safety, 1998.

Tri Safe is one strategy to achieve the objective of reducing workplace death, injury, illness and disease in Queensland. Tri Safe is a systems management audit conducted at three levels within the workplace. As the name suggests, Tri Safe is a form of multi-level verification covering the employer, the line manager and the worker.

At the employer level a quantitative score is allocated to each criteria. This score must be supported by the auditor’s written notes, compiled during the three levels of investigation. No score is required for the line manager or worker audit. A qualitative assessment at these levels will confirm or otherwise the score allocated at the employer level. The audit is based on ten elements:
1. Health and Safety Policy Communication
2. Allocation of Responsibility/Accountability
3. Suppliers, Sub-contractors and Purchasing Controls
4. Health and Safety Consultation
5. Hazard Identification, Evaluation and Control
6. Provision of Information
7. Training
8. Workplace Specific Issues
9. Reporting and Investigation
10. Emergency Planning

Within each of the ten criteria are five possible levels of achievement. Using a scoring system the following ratings are given:
- Criterion has not been considered, or is non-existent.
- A strategy or control has been developed and a plan for implementation is in place.
- Plan has been implemented in most areas and results or outcomes are being monitored.
- Strategy/control is in place in all relevant areas, achieving positive trends, and results of monitoring used to improve the strategy/control.
- The control/strategy is reviewed using external benchmark comparisons and results/outcomes are amongst ‘best in class’ in this field.

Tri Safe is available to be used by external auditors or as a method for self-assessment. It is recommended that auditors should have studied or possess qualifications in OHS or have extensive experience in the application of management systems and work processes used in the industry concerned.

Commentary

A comprehensive audit tool covering elements found in similar management system tools. The distinctive feature of Tri Safe is the second and third levels of verification that provides a more rigorous audit framework.
OCCUPATIONAL HEALTH AND SAFETY ASSESSMENT SERIES (OHSAS) SPECIFICATION, OHSAS 18001


A consortium of standards bodies and certification companies have worked together to address what they believe is a gap in the certification market.

This has resulted in the development of the Occupational Health and Safety Assessment Series (OHSAS) Specification, OHSAS 18001. The participants are listed below, as are the various proprietary certification schemes that were used to create the specification.

- National Standards Authority of Ireland
- South African Bureau of Standards
- British Standards Institution
- Bureau Veritas Quality International
- Det Norske Veritas
- Lloyds Register Quality Assurance
- National Quality Assurance
- SFS Certification
- SGS Yarsley International Certification Services
- Asociación Española de Normalización y Certificación
- International Safety Management Organisation Ltd
- Standards and Industry Research Institute of Malaysia-Quality Assurance Services
- International Certification Services

The documents used in the creation of the specification are a combination of commercial systems and work from national standards bodies and included:
- BS 8800:1996 Guide to occupational health and safety management systems
- Draft AS/NZ 4801 Occupational health and safety management systems - Specification with guidance for use
- Draft LRQA SMS 8800 Health & safety management systems assessment criteria
- SGS & ISMOL ISA 2000:1997 Requirements for Safety and Health Management Systems
- BVQI SafetyCert: Occupational Safety and Health Management Standard

The standard is similar to Australian proposals and edited extracts from the standard are reproduced below.
OH&S management system elements

General requirements

The organization shall establish and maintain an OH&S management system, the requirements for which are set out in clause 4.

- OH&S policy
  There shall be an occupational health and safety policy authorized by the organization’s top management, that clearly states overall health and safety objectives and a commitment to improving health and safety performance.

- Planning
  - Planning for hazard identification, risk assessment and risk control
    The organization shall establish and maintain procedures for the ongoing identification of hazards, the assessment of risks, and the implementation of necessary control measures.
  - Legal and other requirements
    The organization shall establish and maintain a procedure for identifying and accessing the legal and other OH&S requirements that are applicable to it.
  - Objectives
    The organization shall establish and maintain documented occupational health and safety objectives, at each relevant function and level within the organization.
  - OH&S management programme(s)
    The organization shall establish and maintain (an) OH&S management programme(s) for achieving its objectives. This shall include documentation of:
    1) the designated responsibility and authority for achievement of the objectives at relevant functions and levels of the organization; and
    2) the means and time-scale by which objectives are to be achieved.

- Implementation and operation
  - Structure and responsibility
    The roles, responsibilities and authorities of personnel who manage, perform and verify activities having an effect on the OH&S risks of the organization’s activities, facilities and processes, shall be defined, documented and communicated in order to facilitate OH&S management.
  - Training, awareness and competence
    Personnel shall be competent to perform tasks that may impact on OH&S in the workplace. Competence shall be defined in terms of appropriate education, training and/or experience.
  - Consultation and communication
    The organization shall have procedures for ensuring that pertinent OH&S information is communicated to and from employees and other interested parties. Employee involvement and consultation arrangements shall be documented and interested parties informed.
  - Documentation
    The organization shall establish and maintain information, in a suitable medium such as paper or electronic form, that:
    1) describes the core elements of the management system and their interaction; and
    2) provides direction to related documentation.
  - Document and data control
    The organization shall establish and maintain procedures for controlling all documents and data required by this OHSAS specification.
Operational control
The organization shall identify those operations and activities that are associated with identified risks where control measures need to be applied.

Emergency preparedness and response
The organization shall establish and maintain plans and procedures to identify the potential for, and responses to, incidents and emergency situations, and for preventing and mitigating the likely illness and injury that may be associated with them.

Checking and corrective action
Performance measurement and monitoring
The organization shall establish and maintain procedures to monitor and measure OH&S performance on a regular basis.

Accidents, incidents, non-conformances and corrective and preventive action
The organization shall establish and maintain procedures for defining responsibility and authority for:

1) the handling and investigation of:
   — accidents,
   — incidents,
   — non-conformances;

2) taking action to mitigate any consequences arising from accidents, incidents or non-conformances;

3) the initiation and completion of corrective and preventive actions;

4) confirmation of the effectiveness of corrective and preventive actions taken.

Records and records management
The organization shall establish and maintain procedures for the identification, maintenance and disposition of OH&S records, as well as the results of audits and reviews.

Audit
The organization shall establish and maintain an audit programme and procedures for periodic OH&S management system audits to be carried out, in order to:

1) determine whether or not the OH&S management system:

2) conforms to planned arrangements for OH&S management including the requirements of this OHSAS specification;

3) has been properly implemented and maintained; and

4) is effective in meeting the organization's policy and objectives;

5) review the results of previous audits;

6) provide information on the results of audits to management.

Management review
The organization’s top management shall, at intervals that it determines, review the OH&S management system, to ensure its continuing suitability, adequacy and effectiveness. The management review process shall ensure that the necessary information is collected to allow management to carry out this evaluation. This review shall be documented.

Also reproduced below is the comparison of 18001 with quality and environmental management standards.
### Annex A (informative)

**Correspondence between OHSAS 18001, ISO 14001:1996 and ISO 9001:1994**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Scope</td>
<td>1</td>
<td>Scope</td>
<td>1</td>
<td>Scope</td>
</tr>
<tr>
<td>2</td>
<td>Reference publications</td>
<td>2</td>
<td>Normative references</td>
<td>2</td>
<td>Normative references</td>
</tr>
<tr>
<td>3</td>
<td>Terms and definitions</td>
<td>3</td>
<td>Definitions</td>
<td>3</td>
<td>Definitions</td>
</tr>
<tr>
<td>4</td>
<td>OH&amp;S management system elements</td>
<td>4</td>
<td>Environmental management system requirements</td>
<td>4</td>
<td>Quality system requirements</td>
</tr>
<tr>
<td>4.1</td>
<td>General requirements</td>
<td>4.1</td>
<td>General requirements</td>
<td>4.2.1</td>
<td>General (1st sentence)</td>
</tr>
<tr>
<td>4.2</td>
<td>OH&amp;S policy</td>
<td>4.2</td>
<td>Environmental policy</td>
<td>4.1.1</td>
<td>Quality policy</td>
</tr>
<tr>
<td>4.3</td>
<td>Planning</td>
<td>4.3</td>
<td>Planning</td>
<td>4.2</td>
<td>Quality system</td>
</tr>
<tr>
<td>4.3.1</td>
<td>Planning for hazard identification, risk assessment and risk control</td>
<td>4.3.1</td>
<td>Environmental aspects</td>
<td>4.2</td>
<td>Quality system</td>
</tr>
<tr>
<td>4.3.2</td>
<td>Legal and other requirements</td>
<td>4.3.2</td>
<td>Legal and other requirements</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>4.3.3</td>
<td>Objectives</td>
<td>4.3.3</td>
<td>Objectives and targets</td>
<td>4.2</td>
<td>Quality system</td>
</tr>
<tr>
<td>4.3.4</td>
<td>OH&amp;S management programme(s)</td>
<td>4.3.4</td>
<td>Environmental management programme(s)</td>
<td>4.2</td>
<td>Quality system</td>
</tr>
<tr>
<td>4.4</td>
<td>Implementation and operation</td>
<td>4.4</td>
<td>Implementation and operation</td>
<td>4.2</td>
<td>Quality system</td>
</tr>
<tr>
<td>4.4.1</td>
<td>Structure and responsibility</td>
<td>4.4.1</td>
<td>Structure and responsibility</td>
<td>4.1</td>
<td>Management responsibility</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4.1.2</td>
<td>Organization</td>
</tr>
<tr>
<td>4.4.2</td>
<td>Training, awareness and competence</td>
<td>4.4.2</td>
<td>Training, awareness and competence</td>
<td>4.18</td>
<td>Training</td>
</tr>
<tr>
<td>4.4.3</td>
<td>Consultation and communication</td>
<td>4.4.3</td>
<td>Communication</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>4.4.4</td>
<td>Documentation</td>
<td>4.4.4</td>
<td>Environmental management system documentation</td>
<td>4.2.1</td>
<td>General (without 1st sentence)</td>
</tr>
<tr>
<td>4.4.5</td>
<td>Document and data control</td>
<td>4.4.5</td>
<td>Document control</td>
<td>4.5</td>
<td>Document and data control</td>
</tr>
<tr>
<td>4.4.6</td>
<td>Operational control</td>
<td>4.4.6</td>
<td>Operational control</td>
<td>4.2.2</td>
<td>Quality system procedures</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4.3</td>
<td>Contract review</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4.4</td>
<td>Design control</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4.6</td>
<td>Purchasing</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4.7</td>
<td>Customer supplied product</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4.8</td>
<td>Product identification and traceability</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4.9</td>
<td>Process control</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4.15</td>
<td>Handling, storage, packaging, preservation and delivery</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4.19</td>
<td>Servicing</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4.20</td>
<td>Statistical techniques</td>
</tr>
<tr>
<td>4.4.7</td>
<td>Emergency preparedness and response</td>
<td>4.4.7</td>
<td>Emergency preparedness and response</td>
<td>—</td>
<td></td>
</tr>
</tbody>
</table>
### Commentary

OHSAS 18001 is very similar to both the proposed AS/NZS 4801 and is compatible with jurisdiction-based models. A request for recognition of this standard by JAS-ANZ for certification purposes is likely.
Appendix 2: Survey of Certification Bodies

In order to gain input from certification bodies a brief survey of the major organisations was undertaken. Six of the major certification and OHS auditing organisations were asked to respond. Five organisations completed the questionnaire.

The responses to the specific questions asked are set out below.

What is your estimate of the percentage of organisations with an OHS management system that would meet the key elements of your own product or a standard like AS/NZS 4801?

A range of response was given here but the consensus was that about 50% of organisations with OHSMS would meet the certification standard. Most felt additional work would be required to meet AS/NZS 4801.

What sorts of organisations, in your experience, are more likely to have now, or want in the future an OHS management system?

Generally, larger organisations with complex legislative requirements, major hazard exposure and those with strong contracting or tendering business. Industry wise, those in manufacturing, construction, food, power, petrochemical, health, service and labour hire industries.

If a certification standard is declared what is your view about likely demand and take up of the standard?

Anticipated that organisations in sectors listed above would take up AS/NZS 4801. The factors that might determine demand are links to reduced insurance premiums, government purchasing and corporate governance trends. Demand from small employers not expected to be high as standard will be too onerous for them.

Do you see any parallels with quality or environmental management system standards in likely demand levels?

All agreed that demand would be higher than that for EMS and more like that for Quality management systems.

Do you currently provide services on quality and/or environmental management system standards?

All provided services in quality and environment.

What do you see as the advantages of a certification standard in the OHS field?

The main advantages were seen as:
- Common systems framework and common terminology
- Allows integration with existing systems
- Breaks down state based differences for national organisations
• Consistent benchmark for current audit tools
• Provides assurance to external bodies that organisation has met a good standard of OHS management.

Some people have expressed concern about a certification standard creating a burden, particularly for smaller employers. Do you see this as a problem?

Tailoring the system to the organisation and to the actual risk exposure is the critical issue. For smaller employers wishing to develop a system, initial level SafetyMAP may be more appropriate. The system is voluntary and companies will decide if they wish to participate. Given the importance of OHS an effective system is not a burden but a benefit.

What do you see as the relationship between a certification standard and the existing OHS legislative framework?

All indicated a complementary relationship existed between the standard and the legislation. The standard should help organisations meet their obligations.

Do you think there is an adequate supply of appropriately qualified OHS auditors to support a certification standard?

All but one agreed that there was not an adequate supply of competent OHS auditors at present.

Some people have expressed concern about quality and environmental auditors ‘moving in’ on OHS without the relevant experience. Do you think these concerns have any foundation?

There was concern about this and the need for JAS-ANZ and QSA to enforce standards rigorously. The need to ensure experience and qualifications criteria are met rather than just evidence of audit skills was stressed by one respondent. A particular concern was internal audits. One respondent stated:

‘The real risk is that unqualified consultants will start to build safety systems that will only be reviewed by underqualified internal auditors. I see no risk that underqualified auditors will be used on third party audits’.

What are the usual reasons organisations give for developing a systematic approach to OHS?

The main reasons identified by respondents were:
• Due Diligence/legal compliance
• Injury and claims/premium reductions
• WorkCover requirements
• Contractual provisions
• Synergy with existing systems
On a broader level, in your experience with quality, environmental and OHS management systems, what are the three critical success factors in implementing a system?

The success factors identified were:

- management commitment and a change ‘champion’;
- internal auditing;
- training;
- allocation of responsibility to line managers;
- project management skills;
- ‘home grown system’;
- understanding of the system approach;
- ability to identify critical issues.

Do you think, from your experience, that management systems in quality, environment or OHS have achieved the outcomes organisations hoped for?

Respondents were in agreement that those organisations with clear objectives and commitment have been able to achieve significant performance improvements in the respective areas.

All noted the failure of companies who see certification as a ‘magic bullet’ to solve all problems without being prepared to put in the ‘hard yards’. One respondent summed up the situation thus:

‘Those whose commitment is based on expediency and commercialism only do not achieve much but high levels of paper usage’.
Appendix 3: Possible Issues on Legislative Options

Earlier in this report the ‘two track’ model considered in the New South Wales Legislative Council Standing Committee on Law and Justice *Final Report of the Inquiry into Workplace Safety* (1998) was outlined.

Some possible issues for discussion are listed below.

What is the most appropriate mechanism for recognising OHSMS within the legislative framework?

What are the implications of amending the primary legislation?

- Would amendments simply make more explicit the existing systems-based duties? Is this window dressing?
- Are there circumstances in which the law should enable those with OHSMS to use this process for all hazard-specific duties and override existing process duties like risk assessment?
- How would OHSMS be assessed as suitable for recognition by the law?

What are the implications of amending regulations?

- Should an OHSMS regulation be made along the lines of the UK model?
- Could such a regulation be supported by industry and size specific codes of practice with deemed to comply status?
- Is the safety case model worth applying to sectors other than Off Shore and Major Hazards? Given a safety case is just ‘a big exemption’ will this just create a new approvals culture with regulators?
- Can OHS performance plans be incorporated as part of any recognition of an OHSMS?
- What penalty regime and enforcement regime should apply to those on the OHSMS track and how could equity with those complying with existing rule be maintained?

What are the implications of developing an OHSMS Code of Practice?

- If this is a viable option, should it be developed nationally and referenced by jurisdictions?
- Is it really adding value to be reinventing the general duty wheel?
- Would it be easier to adopt AS/NZS 4801 or a jurisdiction-based model?
- How would the much more limited requirements of the vast majority of low-risk small firms be recognised in such a code?
If you are considering tendering for a contract and one of the requirements is to demonstrate you have an occupational health and safety management system (OHSMS) in place, this guide will help you manage this part of your submission.

What is an OHSMS?

Broadly, an OHS management system is a planned, documented and verifiable method of managing hazards and associated risks. An OHS management system can be simple or complex, it can be highly documented or sparingly described, and it can be home grown or based on an available model.

An OHS management system is the planned way you reduce and eliminate hazards in your workplace. Two approaches are contrasted below to highlight a systematic approach.

Reactive workplace health and safety culture

- Hazards are dealt with reactivity
- Risk controls are dependent on individuals
- Risk controls are not linked
- OHS activity happens but is not planned
- Controls are reviewed after an incident
- Responsibilities are not defined
- Focus on own backyard only

Systematic approach

- Hazards are identified
- Risk controls are described in procedures
- Risk controls are linked by a common method
- OHS activity is planned
- Controls are monitored and reviewed regularly
- Responsibilities are defined for everyone
- Company policy communicated
- Public and supplier risks managed in planned way

Unless you have evidence of a systematic approach you will be unlikely to be able to satisfy the tender requirement.

Why does the Contract Specification require evidence of a system?

The principal or the body letting the contract need to be assured that any company they engage will be able to not only complete works in a technically competent way but that they do not create risks in doing so.

The principal has legal obligations to you, and your employees as contractors, and also need to ensure that you, and your employees do not by your practices, expose others to risk.

What should I do if I don't have a documented OHS system to forward as part of my submission?

If you have been following safe work practices, meeting your OHS legislative obligations and have a good health and safety record on other jobs you should be able to prepare basic documentation.

Speak to the principal to identify the specific areas they want covered. Ask them about the level or type of documentation they want. The investment you make now in describing the methods you use to do your work safely will be returned each time you bid for future work.

Assistance is available from government and industry associations and there are people experienced in these tasks you can engage to help you.

However, unless you and your employees are involved in consolidating your current practices the result will be a ‘paper system’ that has little impact.

What should my system or plan cover?

What you cover in your system will depend on the size and scope of the work and the hazards involved but most good systems will have the following elements:

- Management Commitment
  Responsibilities are allocated for the project
  An OHS policy exists
Planning
OHS legislative requirements are known
There is a method for managing risks- identify hazards, assess risks, control risks:
Information on OHS is collected and disseminated
There is a way of measuring OHS performance
Training needs have been identified

Consultation
Ways of consulting with employees and/or their representatives have been established
Links to the principal’s consultative methods (e.g. OHS committee) have been considered

Hazard Management
Legal requirements for work identified
Safe Work Procedures
Regular inspections
Investigation of incidents
Risk controls checked for effectiveness

Training
Legislative requirements
Induction
Specific hazards
Briefing on principal’s safety requirements

Five reasons why OHSMS succeed.
1. The OHSMS is directly aimed at managing critical risks and any other reasons for its existence are secondary.
2. Senior managers or owner/operators practise what they preach and make decisions to eliminate or reduce hazards.
3. Supervisors and employees understand their role in the system and are closely involved in its development and operation.
4. The system is commensurate with the risks to be managed and is absolutely tailored to the organisation’s requirements.
5. The OHSMS is able to withstand, and welcomes, robust questioning and review from everyone involved.

Five reasons why OHSMS fail.
1. Management support is spasmodic and ritualistic.
2. Everyone treats the system as ‘paper warfare’ and follow procedures to keep the bosses happy regardless of their effectiveness.
3. The OHSMS is established in response to external demands and never really ‘owned’ or understood by those subject to it.
4. The system is imposed without effective participation by those who have to make it work.
5. The effort to build an organisation specific system is not made and ‘off the shelf’ solutions are applied that have little relevance to the culture of the workplace.

What will I need to do if I am successful in winning the contract?

Once your company begins work on the project the system you have established will need to be followed. This means supervising and monitoring work to ensure risks are controlled and recording the results of the checks that are regularly done.

The principal will also monitor your performance and may wish to audit your OHS system. By audit is meant a check on your system to see if the procedures, instructions and methods you have documented are actually being followed.

If non-compliance is found corrective action will need to be taken and evidence kept of the changes made.

The advantage of keeping tabs on what you have done is that you build up a track record of the way you do business safely, and a basis for improving your system.
If you are an employee or OHS representative working in an organisation that is developing an occupational health and safety management system (OHSMS), this guide will help you ensure effective employee participation is maintained.

**What is an OHSMS?**

Broadly, an OHS management system is a planned, documented and verifiable method of managing hazards and associated risks.

An OHS management system can be simple or complex, it can be highly documented or sparingly described, and it can be home grown or based on an available model.

An OHS management system is the planned way you reduce and eliminate hazards in your workplace.

Two approaches are contrasted below to highlight a systematic approach.

**Reactive workplace health and safety culture**

- Hazards are dealt with reactively
- Risk controls are dependent on individuals
- Risk controls are not linked
- OHS activity happens but is not planned
- Controls are reviewed after an incident
- Responsibilities are not defined
- Focus on own backyard only

**Systematic approach**

- Hazards are identified
- Risk controls are described in procedures
- Risk controls are linked by a common method
- OHS activity is planned
- Controls are monitored and reviewed regularly
- Responsibilities are defined for everyone
- Company policy communicated
- Public and supplier risks managed in planned way

**Is employee participation an important part of an OHSMS?**

Evidence from best practice organisations demonstrates that employee involvement is one of the three main success factors in improving OHS results.

Along with management commitment and systematic methods to eliminate and reduce hazards, employee participation is a vital ingredient of an effective system.

**What should an OHS system or plan cover?**

What your organisation’s system covers will depend on the size and scope of the work, and the hazards involved, but most good systems will have the following elements:

- **Management Commitment**
  - Responsibilities are allocated for the project
  - An OHS policy exists
- **Planning**
  - OHS legislative requirements are known
  - There is a method for managing risks: identify hazards, assess risks, control risks
  - Information on OHS is collected and disseminated
  - There is a way of measuring OHS performance
  - Training needs have been identified
- **Consultation**
  - Ways of consulting with employees and/or their representatives have been established
- **Hazard Management**
  - Legal requirements for work identified
  - Safe Work Procedures
  - Regular inspections
  - Investigation of incidents
  - Risk controls checked for effectiveness
- **Training**
  - Legislative requirements
  - Induction
  - Specific hazards

Assistance and further information is available from OHS agencies and industry associations.
What role does consultation and participation play in an OHSMS?

All OHSMS models set out the requirement for consultation and participation by employees in each part of the system. For example, setting up a system can only be done with the support and assistance of employees.

For a system to be effective the procedures and policies to manage health and safety have to be accessible by all those bound by them. Manuals and procedures need to be in a style or language clear to those doing the job.

Employee involvement in monitoring the effectiveness of the OHSMS is critical. Workplace inspections, internal audits, incident investigation and management reviews all should involve employees or their representatives.

How does an OHSMS fit in with existing arrangements like OHS Committees or elected Health and Safety Representatives?

These arrangements become part of the OHSMS and should continue. Some organisations will establish broader consultation arrangements than required by the law or integrate OHS participation with other workplace committees.

Whatever approach is taken, the powers of committees or representatives under OHS law remain as a safety net if the system does not deliver satisfactory results.

What is the difference between inspection and audit?

Once your organisation has established a system it needs to be checked and action taken to improve safety. This means supervising and monitoring work to ensure risks are controlled and recording the results of the checks that are regularly done.

Workplace inspections are a basic way of checking both hazards, and how they are being managed. An inspection looks at individual items on a checklist and forms the basis for actions to fix any problems.

To see if the overall system is working an audit is required. By audit is meant a check on your system to see if the procedures, instructions and methods you have documented are actually being followed.

An audit establishes whether the parts that make up the system are working together effectively.

If non-compliance is found corrective action will need to be taken and evidence kept of the changes made.

Employees should be involved in both inspections and the conduct of audits. If a third party or external audit is to be conducted employee representatives should be involved.

Five reasons why OHSMS succeed.

1. The OHSMS is directly aimed at managing critical risks and any other reasons for its existence are secondary.
2. Senior managers or owner/operators practise what they preach and make decisions to eliminate or reduce hazards.
3. Supervisors and employees understand their role in the system and are closely involved in its development and operation.
4. The system is commensurate with the risks to be managed and is absolutely tailored to the organisation's requirements.
5. The OHSMS is able to withstand, and welcomes, robust questioning and review from everyone involved.

Five reasons why OHSMS fail.

1. Management support is spasmodic and ritualistic.
2. Everyone treats the system as ‘paper warfare’ and follow procedures to keep the bosses happy regardless of their effectiveness.
3. The OHSMS is established in response to external demands and never really ‘owned’ or understood by those subject to it.
4. The system is imposed without effective participation by those who have to make it work.
5. The effort to build an organisation specific system is not made and ‘off the shelf’ solutions are applied that have little relevance to the culture of the workplace.

Further Information

-----------------------------
-------------------------------------------
-----------------------------
-------------------------------------------
-----------------------------
-------------------------------------------
-----------------------------
If you are considering certification of your occupational health and safety management system (OHSMS), this guide will help you understand and make informed decisions about this process.

What is an OHSMS?

Broadly, an OHS management system is a planned, documented and verifiable method of managing hazards and associated risks. An OHS management system can be simple or complex, it can be highly documented or sparingly described, and it can be home grown or based on an available model.

An OHS management system is the planned way you reduce and eliminate hazards in your workplace. Two approaches are contrasted below to highlight a systematic approach.

Reactive workplace health and safety culture

- Hazards are dealt with reactively
- Risk controls are dependent on individuals
- Risk controls are not linked
- OHS activity happens but is not planned
- Controls are reviewed after an incident
- Responsibilities are not defined
- Focus on own backyard only

Systematic approach

- Hazards are identified
- Risk controls are described in procedures
- Risk controls are linked by a common method
- OHS activity is planned
- Controls are monitored and reviewed regularly
- Responsibilities are defined for everyone
- Company policy communicated
- Public and supplier risks managed in planned way

What should my system or plan cover?

What you cover in your system will depend on the size and scope of the work and the hazards involved but most good systems will have the following elements:

- Management Commitment
  Responsibilities are allocated for the project
  An OHS policy exists
- Planning
  OHS legislative requirements are known
  There is a method for managing risks: identify hazards, assess risks, control risks
  Information on OHS is collected and disseminated
  There is a way of measuring OHS performance
  Training needs have been identified
- Consultation
  Ways of consulting with employees and/or their representatives have been established
  Links to the principal’s consultative methods (e.g. OHS committee) have been considered
- Hazard Management
  Legal requirements for work identified
  Safe Work Procedures
  Regular inspections
  Investigation of incidents
  Risk controls checked for effectiveness
- Training
  Legislative requirements
  Induction
  Specific hazards

You will need to have a documented system of the kind described above as a starting point for a certification application.

How does the certification process work?

To understand the way in which an OHSMS is certified the role of the Joint Accreditation System of Australia and New Zealand (JAS-ANZ) needs to be described.

JAS-ANZ is an international organisation established in 1991 by a formal agreement between the Governments of Australia and New Zealand. JAS-ANZ operates on a self-funding non profit basis and is controlled by a Government Board appointed by the Governments.

The principal role of JAS-ANZ is to be the joint accreditation body for organisations that certify management systems, products and personnel comply with prescribed standards.

Organisations have to satisfy JAS-ANZ that they are impartial and technically competent before they are accredited. An accredited certification body for
example, cannot be a consultant as well as an auditor body.

A Management Systems Certification Body, once accredited by JAS-ANZ, proceeds to certify management systems as complying with the relevant standard.

This is achieved by auditing compliance of the management system at regular intervals.

What is a Certification Standard?

A certification standard is the standard recognised and adopted by the accreditation agency (JAS-ANZ). This is normally a standard produced by Standards Australia, Standards NZ or other body like ISO. Current examples are ISO 9001 in the quality field and ISO 14001 in the environmental management field.

Standards bodies like Standards Australia describe these standards as specifications. This means they set out principles against which an audit can be conducted to verify conformance with the specification.

Guidance standards on the other hand are not part of the certification process.

In 1997 Standards Australia/Standards New Zealand published AS/NZS 4804 Occupational health and safety management systems - General guidelines on principles, systems and supporting techniques.

This standard was developed by Standards Australia/NZ in view of the apparent demand for a standard in this area.

A guidance standard like AS/NZS 4804 cannot be used by JAS-ANZ for certification purposes.

AS/NZS 4801 (draft) by contrast is a specification standard against which the accreditation and certification process could be based. Currently SafetyMAP is the only standard recognised by JAS-ANZ for certification purposes.

It can also be used for ‘self declaration’ where an organisation can arrange for auditing of their system outside of the whole JAS-ANZ certification infrastructure.

AS/NZS 4801 follows the framework set out in AS/NZS 4804, both being based on the environmental management systems standards produced by ISO (14000 series).

A specification sets out the required elements of a management system. Audit criteria then need to be developed for certification audits to be conducted.

How are the qualifications of auditors established?

The accredited body you choose to audit your system has to employ competent auditors.

In Australia JAS-ANZ also accredits bodies to certify personnel like auditors, and the only organisation with current accreditation is the Quality Society of Australasia (QSA).

QSA currently certifies Quality and Environmental Auditors, and has applications with JAS-ANZ to also cover OHS and Food Safety.

To be accredited to certify OHS auditors QSA has developed OHS Auditor Certification Criteria. These criteria were developed by an industry working group and were subject to consultation and review.

QSA administers a Register of Certified Auditors which lists people who have applied and met the criteria. QSA has not been accredited to certify OHS system auditors but has an application pending with JAS-ANZ.

JAS-ANZ also recognises auditors registered with the International Register of Certificated Auditors(UK) and the Registrar Accreditation Board (US).

If my OHSMS is certified does this mean I have met my legal obligations?

Any OHSMS should help you meet your legal obligations but it is not a substitute for the law or the outcomes required by the law.

The duty of care in OHS legislation is outcome based and the OHSMS is essentially a way of managing OHS, or a process that should be followed.

The status of an OHSMS, either a local company system, or a system certified by an accredited body, is the same under the OHS law. Both represent ways in which employers are planning to meet their duties but they are not substitutes for the law. Only standards that are referenced in legislation are part of the OHS compliance regime.
However, OHSMS are part of the state of knowledge about how to manage OHS and may be considered by a court in the same way that other industry guidance and information is considered.

Consequently, if a company was certified against some future standard like AS/NZS 4801 it would not constitute automatic compliance with general duties. The company might legitimately seek to use it as evidence of its approach in applications for exemptions, approvals etc, and of course would use it to demonstrate its efforts to meet its duties if subject to enforcement or prosecution action.

Five reasons why OHSMS succeed.

1. The OHSMS is directly aimed at managing critical risks and any other reasons for its existence are secondary.
2. Senior managers or owner/operators practise what they preach and make decisions to eliminate or reduce hazards.
3. Supervisors and employees understand their role in the system and are closely involved in its development and operation.
4. The system is commensurate with the risks to be managed and is absolutely tailored to the organisation's requirements.
5. The OHSMS is able to withstand, and welcomes, robust questioning and review from everyone involved.

Five reasons why OHSMS fail.

1. Management support is spasmodic and ritualistic.
2. Everyone treats the system as 'paper warfare' and follow procedures to keep the bosses happy regardless of their effectiveness.
3. The OHSMS is established in response to external demands and never really 'owned' or understood by those subject to it.
4. The system is imposed without effective participation by those who have to make it work.
5. The effort to build an organisation specific system is not made and 'off the shelf' solutions are applied that have little relevance to the culture of the workplace.

Further Information