Annexure A: WHS Performance standards for self-insured employers

Part 1: Introduction

The performance standards and evaluation process are means to an end. The clear focus is on outcomes, with the standards as the means of achieving the intended outcomes.

These standards are one component of the requirements that self-insured employers must meet in South Australia. They must be read in conjunction with other administrative and legislative requirements, including the Code of conduct for self-insured employers (the Code), the Return to Work Act 2014 (RTWA) and the requirements of the Third schedule to the Regulations.

The primary *objective* for ReturnToWorkSA is to provide an effective and efficient system that helps employers and employees work together to get the best results in health, safety, return to work and claims management and to achieve *continuous improvement* in these disciplines.

The standards are designed to address:

- the integration of WHS into mainstream management systems for self-insured employers;

- *consultation* and joint employer and employee involvement;

- a system capable of ensuring that employers meet their duty of care under the WHS legislation;

- compliance with the Work Health and Safety Act 2012 (SA) the development of systems that measure outcomes; and

- *continuous improvement*.

The performance standards are consistent with the Australian/New Zealand Standard 4804: 2001, Occupational Health and Safety Management Systems – General Guidelines on Principles, Systems and Supporting Techniques.

A business management systems structure clearly designates overall responsibility for WHS to senior management of the *organisation*.

It should be noted that compliance with the performance standards is only one of a number of matters that ReturnToWorkSA will consider as part of the evaluation process associated with initial applications and renewal of self-insured registration. Details of the full range of requirements are contained in the Code, which is available from ReturnToWorkSA's website, www.rtwsa.com.

Part 2: Standards

2.1 Overview of the WHS Performance Standards

The performance standards apply to all self-insured *organisations*. They will be used to provide an equitable benchmark for measuring performance and in considering applications for registration and renewal under section 60 of the Act.

The performance standards do not replace legislative requirements, or relieve *organisations* from the responsibility of complying with those requirements. If a conflict between these standards and the law occurs, the law will take precedence.

The performance standards describe the *WHS management system* requirements for self-insured *organisations* in South Australia. As such, they are designed to provide *organisations* with the opportunity to demonstrate *objective* evidence of the presence of effective business management systems.

The performance standards rely on the business and its employees identifying the health and safety hazards in the particular workplace and documenting the corrective action required to prevent injury. The hazard management process of identifying, *evaluating* and controlling hazards is central to, and a key deliverable of the management system created by the standards. The performance standards promote a business management systems approach to WHS. As such, they will provide self-insured *organisations* with:

- flexibility in developing and implementing strategies to reduce risk, resulting in fewer claims and lower costs;

- integration of WHS with the core functions of the *organisation*;

- assurance that a high level of performance is being maintained; and

- *continuous improvement* in WHS outcomes.

2.2 Objectives of the standards

- To produce measurable *continuous improvement* outcomes in WHS through a business management systems approach.

- To provide a framework that allows *organisations to* meet legislative responsibilities under the WHS Act and associated Regulations.

- To assist to achieve its aim of reducing claim numbers, claim rates and the cost, duration and severity of claims in South Australia.

The standards require two levels of *consultation*; internal *consultation* between management and employees and external *consultation* with ReturnToWorkSA.

2.3   Consultation

2.3.1   Internal consultation

Self-insured employers are required to establish and maintain effective mechanisms for *consultation* with employees to ensure:

- employee representative involvement in the development of *policy* and the planning, implementation and *evaluation* of its WHS systems and initiatives within the workplace;

- employee contribution to and acceptance of those processes; and

- compliance with the *consultation* requirements of the WHSA and Regulations, as a minimum.

The consultative mechanism will vary, in each self-insured organisation depending on the business management system. However, the consultative mechanism must be capable of facilitating dialogue, seeking information or the opinions of affected employees, and giving consideration to those opinions prior to management making key decisions.

2.3.2   External consultation

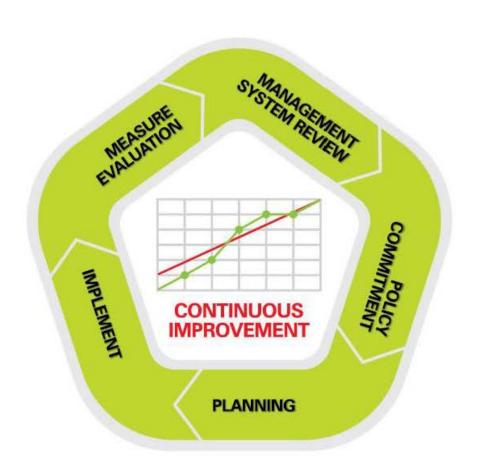Self-insured employers and ReturnToWorkSA will consult for the purpose of:

- evaluating the employer's business management system;

- following up employee reports to ReturnToWorkSA that suggest *non-conformance* with *relevant* Acts;

- discussing and addressing unresolved *non-conformance* when identified by the self-insured employer or ReturnToWorkSA, and

- maintaining a relationship to review the implementation of the employer's agreed *action plan*.

2.4   Continuous improvement model

The *continuous improvement* model works on five principles as illustrated below and explained in the following section.

ReturnToWorkSA recognises that the employer's commitment to improvement ultimately drives its outcomes. ReturnToWorkSA's focus on performance and ensuring underpinning systems meet the requirements of the standards assists the employer to achieve its desired outcomes.

Diagram 1 – Continuous improvement model

Standard 1 – Commitment and policy

The Standard requires an organisation to define its WHS *policy* and commit adequate resources to ensure the success of its management systems.

The *policy* needs to be *relevant* to the *organisation's* overall vision and *objectives*. It needs to set the framework for *continuous improvement*. It should ensure accountability and link WHS to the overall *organisational* values, *objectives* and processes. The *policy* guides the setting of *objectives*. Supporting *procedures* should set into place the steps to be taken to achieve the *organisation's policy* goals.

SCOPE: ***The organisation defines its WHS policy and supporting procedures in consultation with employees or their representatives.***

Element 1   Endorsed and distributed policy statement

1.1   The organisation's policy statement must:

      1.1.1   Recognise the requirement for legislative compliance

      1.1.2   Recognise the pursuit of continuous improvement

      1.1.3   Be integral and relevant to the organisation's:

- mission statement, vision, core values and beliefs

- overall management system structure and system

- activities, products, services and people

      1.1.4   Identify responsibilities and accountabilities for all relevant employees

      1.1.5   Recognise commitment that appropriate internal and/or external expertise will be utilised, when required, in all related activities.

      1.1.6   Recognise other organisational policies and procedures when relevant.

      1.1.7   Recognise a commitment to communication of relevant information to all staff.

      1.1.8   Recognise the organisation's duty of care to all persons in the workplace including labour hire, contractors and subcontractors, volunteers and other visitors.

      1.1.9   Recognise a hazard management approach to WHS

      1.1.10   Incorporate commitment to consultation

Element 2   Supporting policies and/or procedures

1.2   The organisation must have supporting policies and/or procedures that show:

      1.2.1   Evidence of policies and/or procedures to support the policy statement

      1.2.2   Contingency arrangements are outlined for the organisation

Standard 2 – Planning

The successful implementation and operation of *WHS management systems* requires an effective planning process with defined and measurable outcomes. The plan starts with the *policy* statement and its *objectives* and addresses the schedules, resources and responsibilities necessary for achieving them.

Objectives, targets and *performance indicators* are identified as they will be used to measure the effectiveness of the *WHS management system* and to identify areas requiring corrective action and improvement.

In summary, the plans aim to fulfil the *organisation's policy, objectives* and *targets.*

Scope: ***The organisation plans to fulfil its policy, objectives and targets in consultation with employees or their representatives.***

Element 1   System strategies

2.1   The organisation's system must ensure:

2.1.1   Legislative compliance is addressed as part of the system, where relevant.

2.1.2   Employees or their representatives directly affected by the implementation of WHS plans are consulted when the plans are being formulated.

2.1.3   Programs have objectives, targets and performance indicators where relevant.

2.1.4   Action plans are in place to correct identified areas of non-conformance with documented procedures.

2.1.5   Program(s) are in place to identify, evaluate and control hazards in the organisation.

2.1.6   Action plans are in place for dealing with corrective action identified as part of any incident investigation process.

Element 2   Setting of systems objectives

2.2   The organisation must ensure:

2.2.1   The identification of objectives for the organisation.

2.2.2   The identification of appropriate strategies to measure, monitor, evaluate, and review the system's objectives.

Element 3   Training

2.3   The organisation must ensure:

2.3.1   Appropriate training requirements have been identified.

2.3.2   Training plan(s) have been developed.

Standard 3 – Implementation

This principle focuses on ensuring that the resources and supporting mechanisms needed to achieve the *organisation's policy objectives* and *targets* are provided.

It deals with adequate resources being made available, integration with current management practices and systems, responsibilities being defined and understood, methods for holding all managers and employees accountable, arrangements for employee involvement, training being implemented, and supporting mechanisms such as verbal and written communications.

Scope: ***The organisation demonstrates the capabilities and support mechanisms that are necessary to achieve its policy objectives and targets, in consultation with employees or their representatives.***

Element 1   Resources

3.1   The organisation must ensure:

3.1.1   Adequate human, physical and financial resources are being allocated to support the program(s).

3.1.2   Specialist expertise is used as required.

Element 2   Training

3.2   The organisation must ensure a relevant training program is being implemented.

Element 3   Responsibility and accountability

3.3   The organisation must ensure:

3.3.1   Defined responsibilities are communicated to relevant employees.

3.3.2   Accountability mechanisms are being used when relevant.

Element 4   Integration

3.4   The organisation must ensure system elements are aligned with, or integrated into, corporate business functions, where relevant.

Element 5   Employee involvement

3.5   The organisation must ensure arrangements for employee consultation, and involvement are known and integrated into the programs developed.

Element 6   Communication

3.6   The organisation must ensure communication arrangements for information dissemination and/or exchange are in place.

Element 7   Contingency planning

3.7   The organisation must ensure contingency plans are periodically tested and/or evaluated to ensure an adequate response, if required.

Element 8   Hazard identification, evaluation and control

3.8   The organisation must ensure:

    3.8.1   A hazard management process that includes identification, evaluation and control is in place.

    3.8.2   Employees or their representatives are consulted and participate in hazard management processes.

    3.8.3   Control measures are based on the hierarchy of control process.

    3.8.4   Program(s) are in place to ensure an appropriate WHS consideration is given to changes in the workplace and work practices.

    3.8.5   Program(s) are in place to ensure an appropriate WHS consideration is given at the time of purchase, hire or lease of plant, equipment and substances.

    3.8.6   Program(s) are in place to meet the organisation's duty of care for all persons in the workplace

    3.8.7   Program(s) are in place to ensure work related injury/illness and incidents are investigated and action taken when relevant.

Element 9   Workplace monitoring

3.9   The organisation must ensure:

    3.9.1   That the implementation of relevant inspection and testing procedures are conducted by the relevant, competent person(s).

    3.9.2   That corrective/preventive action is taken on non-conformance issues identified by inspection, and testing procedures.

Element 10   Process delivery

3.10   The organisation must ensure all other activities arising out of policies and/or procedures are being implemented.

Element 11   Reporting/documentation

3.11   The organisation must ensure the relevant level of reporting, records and/or documentation is maintained to support the system programs and legislative compliance.

Element 12   Documentation control

3.12   The organisation must ensure program(s) of documentation control for identification and/or currency of essential documents are in place and maintained.

Standard 4 – Measurement and evaluation

WHS performance is measured, monitored and *evaluated* using *performance indicators*, to ensure that the *organisation* is performing in accordance with its *policy, objectives* and *targets*. Importantly, areas of success and activities requiring corrective action and improvement will be identified.

Scope: *The organisation measures, monitors and evaluates its performance in consultation with its employees or their representatives, and takes corrective action when necessary.*

Element 1 Objectives, targets and performance indicators

4.1 Organisation must ensure planned objectives, targets and performance indicators for key elements of program(s) are maintained, and monitored and reported.

Element 2 Internal audits

4.2 The organisation must ensure programmed internal audits are performed objectively by competent personnel to ensure performance of systems and programs and employees directly affected by the results, or their representatives, are consulted.

Element 3 Corrective action

4.3 The organisation must ensure outcomes of the audits are documented and the necessary corrective action(s) identified, prioritised and implemented.

Standard 5 – Management systems review and improvement

The *organisation* should regularly review and seek to continually improve its systems. This leads to the development of *continuous improvement* strategies within the *organisation*.

Scope: ***The organisation regularly reviews its WHS management system, in consultation with its employees or their representatives, with the objective of maintaining and where possible improving overall performance.***

Element 1   Policy

5.1   The organisation must ensure

    5.1.1   It reviews the scope and content of the policy statement and supporting policies/procedures in consultation with employees or their representatives to ensure continued suitability and effectiveness.

Element 2   Objectives, targets and performance indicators

5.2   The organisation must ensure:

    5.2.1   The level of achievement of documented objectives, targets and performance indicators is analysed and utilised to promote continuous improvement strategies.

    5.2.2   Results are analysed and used to determine areas of success and areas requiring corrective and preventive action.

Element 3   System review

5.3   The organisation must ensure:

    5.3.1   The system is reviewed and revised, if required, in line with current legislation, the workplace and work practices.

    5.3.2   The system's measurement outcomes are used as a basis for future system development.