

# WORKPLACE PHYSICAL & PSYCHOLOGICAL RISK ASSESSMENT

## EXPERT SERVICES ONLINE SOLUTIONS TRAINING

Asbestos & Hazardous Materials  
Occupational Hygiene  
Property Risk  
Health & Safety  
Environmental Management  
Contaminated Land  
Emergency Management

WORK  
ENVIRONMENTS  
THAT CONTAIN  
RISKS TO  
PSYCHOLOGICAL  
AND PHYSICAL  
HEALTH CAN HAVE  
SIGNIFICANT  
HUMAN AND  
FINANCIAL COSTS

Work environments that contain risks to psychological and physical health can have significant human and financial costs. Absence from work due to injury (psychological or physical) is linked to increased pressure on other members of the workforce, reduced productivity and employee engagement, low morale, overtime and additional human resources costs. Investing in the identification, assessment and management of workplace safety risks is an investment to improve productivity.

The indirect costs of accidents are usually greater than the direct costs. A conservative estimate of losses is that for every \$1 of direct accident costs, there is \$3 of indirect costs. Some studies indicate the hidden costs can be 4 to 10 times the insured costs.

## Greencap's Workplace Psychological & Physical Risk Assessment Service

Greencap has developed a *Workplace Psychological and Physical Risk Assessment Service* aligned to the risks identified via the statistical analysis of injury trends across Australia and the guidance provided by Australian regulators regarding the identification and assessment of psychological injury risks.

Our approach is an integrated risk assessment of both WHS Psychological and Physical risks in the workplace using a three stage methodology of Pre-Site, Onsite and Reporting.



### How does it work?

Greencap engages with your workplace in three stages:

#### 1. Pre-Site Visit Data Collection

- Request of data on workplace trends in absenteeism, turnover, claims and HR activity from the client site;
- Online survey of physical and psychological\* risk elements for completion by workplace employees. The survey will be deployed using an email invitation with an included anonymous survey link to be used by your staff.

#### 2. On Site Verification:

- Greencap will visit the your premises and conduct a walk-through review of physical risks/ hazards;
- Greencap will facilitate a 'feedback workshop' with key workplace representatives. Information gathered from the Pre-Site Data Collection phase will be presented for discussion and to evaluate identified workplace risks and existing controls.

#### 3. Reporting:

- Greencap will provide a summary report outlining the identification and assessment of physical and psychological risks in your workplace and a recommended action plan for improvement.

\* *People at Work (PAW) risk assessment tool used to review psychological risk elements*

For every dollar spent on successfully implementing an appropriate action, there is on average \$2.30 in benefits to be gained by the organisation

## Legislative Requirements

In Australia, all jurisdictions are covered by work health and safety legislation. A general principle of all jurisdictions is that employers, so far as is reasonably practicable, are required to provide and maintain a working environment that is safe and without risks to health, including psychological health.

## Financial Costs

Work environments that contain risks to psychological and physical health can have significant human and financial costs, including those related to workers' compensation claims and legal costs.

SafeWork Australia (2018) notes that while the number of serious claims involving diseases decreased by 15 per cent between 2000-01 and 2014-15, the number of serious claims involving mental disorders has remained unchanged. Lost time attributed to mental stress claims can be ten times the length of absence for all other injuries.

*"Mental health conditions present substantial costs to organisations. However, through the successful implementation of an effective action to create a mentally healthy workplace, organisations, on average, can expect a positive return on investment (ROI) of 2.3. That is, for every dollar spent on successfully implementing an appropriate action, there is on average \$2.30 in benefits to be gained by the organisation."*

- Price Waterhouse Coopers (PwC) published in 2014

Potential savings that can be realised through the proactive identification of workplace physical and psychological hazards can be estimated using the key financial factors of absenteeism, workers compensation claims and productivity.

Using most recent average wage and claims cost data, potential impact of reduced workplace incidents has been estimated as follows:

Organisation Size vs Estimated Costs	Small (0-100)	Medium (100-500)	Large (500+)
Organisation number used	100	500	1000
Absenteeism	\$280,027	\$1,400,135	\$2,800,269
Workers Compensation Claims (Physical)	\$47,200	\$47,200	\$47,200
Workers Compensation Claims (Psychological)	\$28,900	\$28,900	\$28,900
Productivity*	\$376,296	\$1,881,480	\$3,762,960
Estimated Impact on 10% Reduction	\$73,242	\$335,771	\$663,933

\* Lost productivity due to poor worker health. Average loss of 5% per employee. This is not a measure of presenteeism

For further information on Greencap services go to: [greencap.com.au](http://greencap.com.au) or email: [info@greencap.com.au](mailto:info@greencap.com.au)

Updated March 2019

[greencap.com.au](http://greencap.com.au)

ABN 76 006 318 010

Adelaide ☎ 08 8299 9955 | Brisbane ☎ 07 3514 9222 | Canberra ☎ 02 6280 9727 | Darwin ☎ 08 7906 1300  
Melbourne ☎ 03 9896 8600 | Perth ☎ 08 9214 6100 | Sydney ☎ 02 9889 1800 | Wollongong ☎ 02 4298 2600