

# Safety Management System Modules

## Element 4 – Governance and Internal Controls

### What and Why

It is essential that the governing body of any operator has sufficient knowledge to manage their rail operations. If there is no governing body, then the duty of sufficient knowledge falls to the person(s) managing the railway operations.

'Sufficient knowledge' includes that they understand:

- what risks have been identified, and to question and query the management of those risks;
- whether or not the operator is compliant with its obligations under the law.

This includes that they are able to determine:

- whether or not the safety management system (SMS) is working effectively, and
- that risks are being identified, assessed and managed so far as is reasonably practicable; and
- that risk controls put in place to manage safety are regularly reviewed and updated accordingly.

The governing body must also implement systems and procedures to ensure that decisions or directions made by them that affect rail safety are being implemented effectively.

### How

There is a management group/committee which meets regularly to ensure they are aware of the risk profile of the railway operations and continually monitor the risks to ensure that they are being effectively managed.

Minutes of these meetings are documented and kept.

A governance process is documented for ensuring Board/Committee decisions are implemented such as meeting notes and actions arising with follow up at the next meeting. This could include descriptions about the hierarchy of authorities for board /management decisions. An example could include, that the Board approves the annual insurance renewal, not the General Manager.

There may an additional risk or safety committee that also reports to the management group/ Executive Committee or Board. Meeting notes from this sub-committee could be tabled at Board meetings for review and information.

Things to be considered include:

- How do the instructions of the management group/committee get communicated to those who must implement those instructions?
- How does information about safety related matters flow from those who implement the system up to the management group/committee?

A dedicated report is tabled at committee/board meetings that includes details on safety aspects such as, and as appropriate:

- Changes to risk and controls;
- Incidents and accidents (including any investigations and findings);

- Details of notifiable occurrences;
- Relevant safety performance reports to identify trends, which could include, but not be limited to:
  - Drug and alcohol test results;
  - No of incidents by type/location or workgroup;
  - Lost time injuries or medically treated injuries.
- Results of any safety audits or inspections (internal and external);
- Updates on any identified non-conformances;
- Changes to operations within the operator's accreditation;
- Any proposed changes to the operator's accreditation or material internal changes;
- Changes in legislation that may impact the operator;
- Any other item that could impact the safety performance of the operator.

Other papers may be tabled at committee /Board meetings reporting on other aspects of the business, such as:

- Status of locomotive and/or rollingstock assets for operability;
- Status of track maintenance and repairs;
- Financial reports including updates on insurance and financial capacity;
- Updates on governance obligations.

In addition to the workshop ONRSR has produced a [short video](#) on the important role Tourist and Heritage operators' Board members have in relation to safety culture and risk within their organisations.

## Who

Any Executive Committee / Board or other governing group must ensure that they understand their legal governance obligations. They should also ensure that they have 'sufficient knowledge' to fulfil their legal obligations.

Managers and Supervisors should also understand that they have personal as well as professional obligations under the law.

All Rail Safety Workers are required to comply with the contents of any SMS, to identify opportunities for improvement, to follow reasonable instruction and to keep themselves safe, while not endangering others. It is essential that safety culture is positive and supports reporting from the ground upwards in structured and transparent process.

These obligations should be clearly articulated in job /role descriptions and included in inductions so that all position holders are clear on the expectations of their roles.

## When

Committee /Board meetings should be set up on a regular basis that is appropriate to the scope and nature of the operations. Monthly Board meetings may be appropriate for a larger complex operator while a smaller less complex operator on an isolated track that operates only on public holidays may have quarterly meetings.

Ultimately, the frequency of meetings should be determined by the Board, who should satisfy themselves that the timing will allow them to be sufficiently informed about the safety of the operations.

Operators may elect to have a dedicated Executive Committee/Board meeting for the review of the SMS. Others may elect to review components of the SMS on a regular basis over an agreed period.

#### List of relevant documents (internal)

SMS Modules – All.

Board Meeting Standing Agenda template

Board Meeting minutes template

SMS Review Agenda

Company Constitution

#### Links (external)

[www.asic.com.au](http://www.asic.com.au)

[www.acnc.gov.au](http://www.acnc.gov.au)

<https://www.onrsr.com.au/news-and-events/t-and-h-sector-workshops-update>

#### Appendices

A. Governance and Internal Controls – Defining Nature and Scope

## Appendix A – Governance and Internal Controls (Defining Scope and Nature)

### 1 Introduction

The first step in developing a Safety Management System (SMS) for any organisation is to understand the scope (extent) and nature (type) of their proposed operations.

It is important for the Board /Executive Committee to work with key managers in the organisation to clearly articulate what the scope and nature are, as this will set the boundaries for all safety policies and procedures contained within the SMS.

It is also a useful exercise to ensure that everyone understands exactly what is being done, when and how, and will also stimulate discussion about a number of other business-related aspects, including;

- How to manage risk, and what can the business bear;
- Business and operational strategy;
- Type and appropriateness of insurance;
- Manning and resourcing;
- Funding maintenance activities.

A robust discussion about the scope and nature of operations is of great importance and will contribute significantly to the development of an SMS that is appropriate for the operations, underpinned by good risk management principles.

### 2 Defining Scope and Nature

Each SMS must describe how a specific operator manages the risks specific to their operations. It is therefore important that the scope and nature of the proposed operations is clearly described so that the SMS can be accurately assessed specifically for the operations for which it has been developed.

Depending on the complexity of the operations, this may be a very simple description, consisting of only a few short paragraphs.

Items to consider when describing the scope and nature of the operations include:

- The purpose of the railway operations – why operate?
  - Passenger experience?
  - Static displays;
  - Demonstrations as part of a museum display;
- The type of network rules (safeworking system) used to control and co-ordinate the movement of rolling stock, including but not limited to:
  - Staff and Ticket;
  - Train Orders;
  - Work on Track;
  - Pilot Orders;
  - Block Working;
  - Proceed Authorities;
  - Complying with another Rail Infrastructure Manager's network rules;
  - Independent Network Controller or localised Station Master;
  - Role of the Controller;
- The type and number of rollingstock intended to be used in the operation;

- Single or multiple trains at once;
- Consistent or varied fleet of locomotives and /or rollingstock;
- Steam locomotives, rail motors, trolleys, trams or something else;
- Diesel or electric;
- Single or multiple carriages;
- Consistent or varying carriage types;
- How often trains will run;
  - Daily, weekly, monthly or annually;
  - What does that mean for maintenance – who will maintain, where and when?
- The geographical boundaries of the operations – where will operations occur;
  - Main line;
  - Isolated line or siding;
- The physical railway infrastructure:
  - Location;
  - Length of infrastructure being operated;
  - Bridges;
  - Station Buildings and Platforms;
  - Level crossings and how they are protected (active or passive).
- Local environmental factors such as:
  - Landscape – valleys and mountains, bush or city;
  - Significant geotechnical characteristics – tunnels, bridges, excavation, clearances, dams, buildings, roads?
  - Extreme/seasonal weather conditions – floods, bushfires, drought, heat, or cold?
- Limits and restriction of the operations. For example, track speeds, axle loads.
- How operations are funded (in general terms, to demonstrate the organisation's capacity to deliver safe operations);
  - Member donations;
  - Government grants;
  - Local or Council funding;
  - Self-Sustaining;
  - Corporate support;
  - Investors;
- Whether any activities are contracted out to other parties, and what arrangements will be in place to manage them.

Having a clear description of the scope and nature of operations means it is easier to determine if operators' risk assessments are appropriate for their particular circumstance.

It will also help operators (and ONRSR) when they are considering making changes to their operations and whether a variation to accreditation is required.