LEARNER GUIDE FOR REAL ESTATE AGENTS

A short handbook for people undertaking Real Estate agent exams.

Hamza Ahmad Nisar

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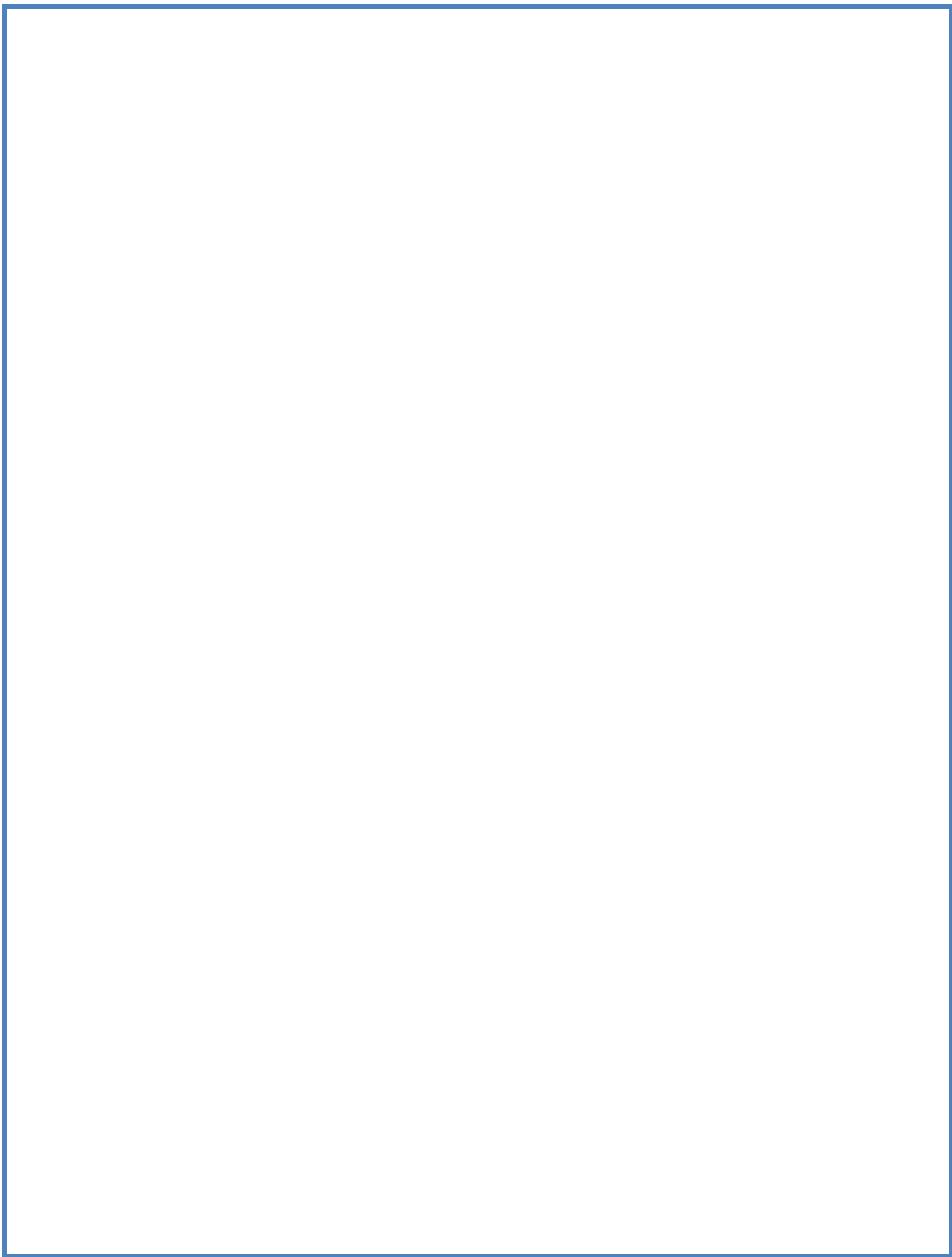
This qualification reflects the role of real estate principals who apply knowledge of property agency and compliance requirements, ethical standards, and consumer preferences to establish and control real estate functions.

This qualification applies to residential or commercial practice in real estate sales, real estate property management, strata management, business broking, stock and station, or auctioneering.

Occupational titles may include:

Real Estate Agency Principal

The *principal* is the individual who is selling the *real estate* property, while the *agent* is the licensed *broker* who has been contracted to represent the seller.

Strata Management Principal

A strata manager is a company that manages an apartment block on behalf of all the individual owners in that block. They work in the owners' collective interest and manage everything from legal compliance   to building maintenance and financial administration.

Agency Manager

Agency Managers supervise and coordinate all aspects of an **agency**. They work with agents and clients to ensure that targets are met, relevant policies and guidelines are upheld, and customer satisfaction is achieved.

Agency Director

Regional Agency Director is responsible for all facets of sales performance for insurance agencies within a designated geographic area. Develops policies, objectives, and initiatives for agencies in the region and is responsible for ensuring the region meets its projected goals. A Regional Agency Director coordinates operation with those of other regions.

1, Understanding business systems, structures, property agency practices and business entities:

a **business system** refers to the value-added chain, which describes the value-added process, meaning the supply of goods and services. A **business** can span one or several **business systems**. Each **business system** generates economic benefit.

Most people intuitively understand a *business process* to be a *procedure* or *event* with the purpose of reaching a *goal*.

Case study:

When looking at our UML Airport we can find many different business processes and goals:

The goal of our passenger is to go on vacation. To achieve this goal, he has to book a flight and hotel, pack his bags, drive to the UML Airport, check in and board his airplane, exit the plane at his destination airport, go to the hotel, move into his room, and unpack his bags.

The owner of the newsstand at the UML Airport wants to sell her goods. For this, she buys items inexpensively and sells them to her customers at a higher price.

For passengers to check in at the UML Airport, an employee of passenger services accepts their tickets and luggage, inquiries about their seat preferences, and uses an IT system. By the end of the procedure, the passengers receive their boarding passes on which their reserved seats and the appropriate gates are marked.

As you can see, business processes are often completed in several steps. These steps are also referred to as *activities* and must be completed in a predetermined order. The newsstand owner cannot sell any goods unless she has purchased them beforehand.

A passenger packs his or her suitcase before he or she drives to the airport. The employee of passenger services at the check-in counter can only issue a boarding pass after check-in is completed (Figure 3.1):
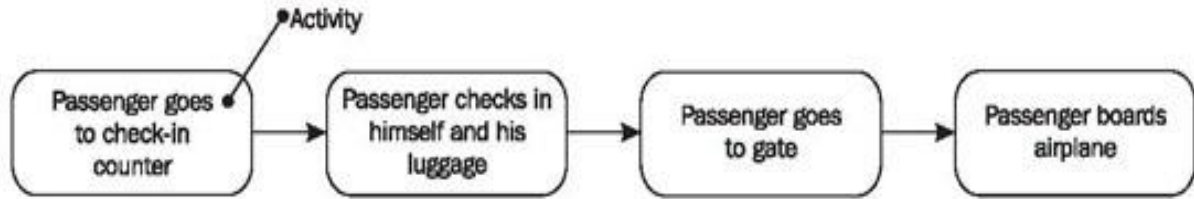
Figure 3.1 Activity of the business process "Passenger Services" (simplified)

Activities can run *sequentially* or in *parallel*. Thus, a passenger can buy a bottle of whiskey in the duty-free shop, while his or her luggage is being loaded into the Airbus 320 to London.

Individual activities can be organizationally *distributed*. The check-in procedure takes place at the check-in counter and is performed by an employee of passenger services, while the subsequent boarding occurs at a different location and is performed by different employees of passenger services.

Usually, the activities of a business process are interdependent. This interdependency is created by the interaction of all the activities belonging to a business process that pursue one common goal.

In summary, estate agents and agents' representatives must:

know the relevant laws

follow their client's lawful instructions, except if it would not be good estate agency practice

act fairly, honestly, in good faith and to the best of their knowledge and ability always.

act in their client's best interests, except if it would be unlawful, unreasonable, improper or against their client's instructions

disclose to their client any personal or commercial relationship they have with a supplier, if they recommend that supplier

exercise skill, care and diligence in performing their functions

complete all work for a client as soon as reasonably possible

be timely and courteous in all dealings when carrying out their duties

immediately inform a seller if, contrary to the contract, a deposit is not received for a sale

promptly notify a landlord of any breach of a tenancy agreement, unless instructed otherwise by a landlord in writing

make all reasonable enquiries to ascertain information relevant to a transaction

provide all verbal and written offers to a client, unless instructed otherwise by a client in writing

inform the person making an offer that it will not be submitted to the principal, if principal's instructions to the agent are to not inform them of offers

promptly respond to a tenant's request for maintenance and repairs and notify the tenant of a landlord's response

inform the landlord if the landlord's failure to carry out maintenance or repairs would constitute a breach of the agreement or the *Residential Tenancies Act 1997*

when acting as a buyer's agent keep the purchaser informed of each stage of the negotiations

provide advice about the agency's dispute resolution procedure before or as soon as possible after a tenancy agreement is signed

minimize disputes with clients

advise clients and consumers about the agency' complaint and dispute resolution procedures.

In summary, estate agents and agents' representatives must not:

use or disclose confidential information they obtain while acting for a client, unless authorized by the client or required by law to do so

induce a client to enter an agency authority that may lead to commission being paid to more than one estate agent, without first giving them written advice of the possible consequences

put their interests in conflict with those of their client by acting for another person

accept commission from both a client and a consumer for the same transaction

induce a person to breach any contract

mislead a tenant, a prospective purchaser or a purchaser about a landlord's or seller's instructions

engage in conduct that is unprofessional or detrimental to the estate agency industry

convey bids made after a property has been knocked down at a public auction, unless a contract is not signed.
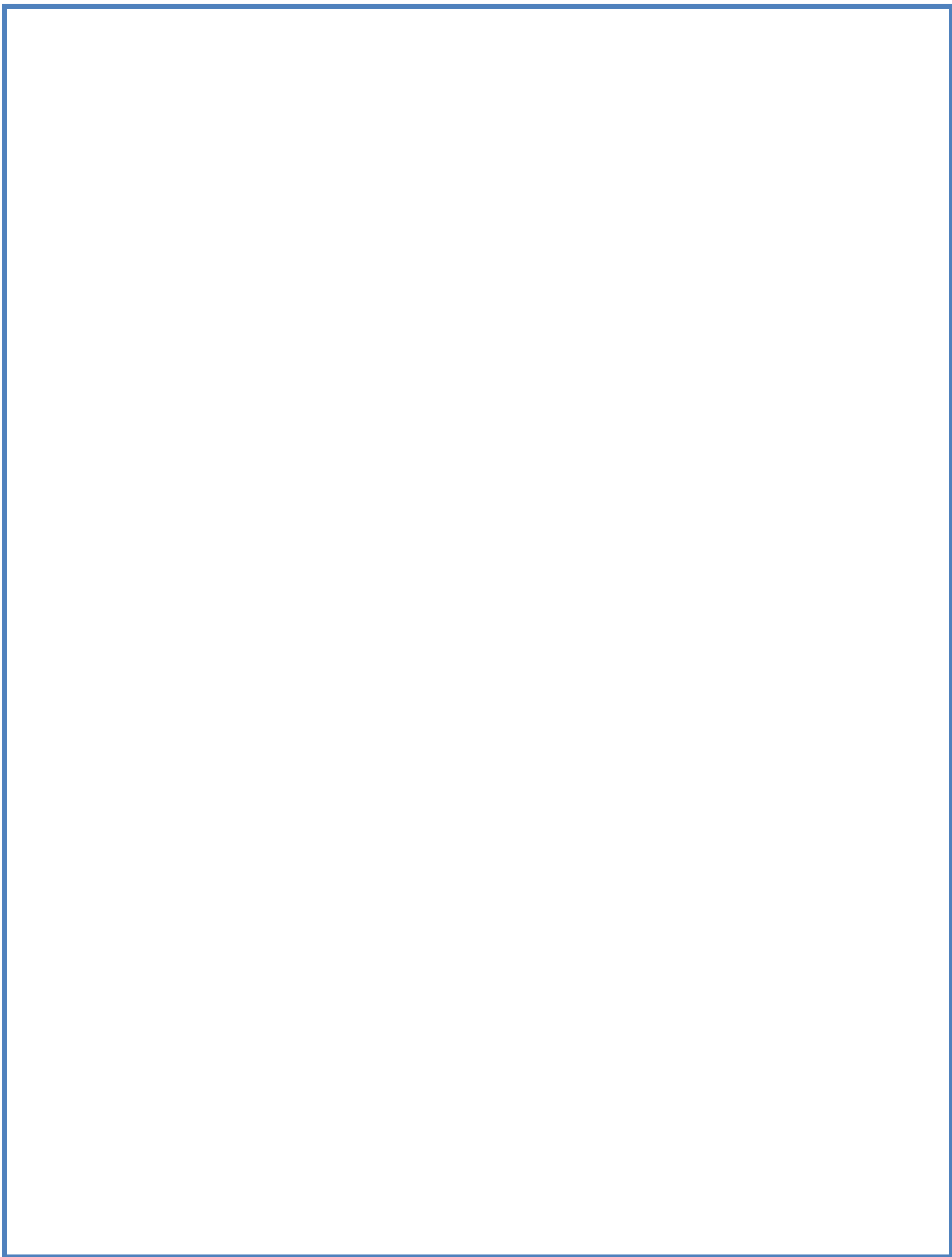
2, Understanding legal and ethical frameworks for property agency operations

Legal standards are those standards that are set forth in governmental **laws**. **Ethical** standards are based on the human principles of right and wrong. The differences between them are these: **Legal** standards are based on written **law**, while **ethical** standards are based on human rights and wrongs.

Some common legal standards are:

The Estate Agents (Professional Conduct) Regulations 2018 set out the standard of conduct expected of agents and agents' representatives in their day-to-day dealings with clients (sellers and landlords) and consumers (buyers and tenants).

They are in addition to the obligations set out under legislation such as the:

Estate Agents Act 1980

Section 55 of the *Estate Agents Act 1980* (Vic) (**the Act**) makes it a criminal offence for an agent (or their employees, family members or other related people) to buy a property or business listed or commissioned for sale with their agency. The **penalty includes 240 penalty units, imprisonment for two years or both**.

Sale of Land Act 1962

An Act to make Provision with respect to the Sale of Land, to amend the **Local Government Act 1958**, the **Transfer of Land Act 1958**, the **Town and Country Planning Act 1961**, and for other purposes.

Residential Tenancies Act 1997

The long title for the Bill for this Act was "to re-enact with amendments the law relating to residential tenancies, rooming houses and caravan parks, to provide for a Residential Tenancies Tribunal and a Residential Tenancies Bond Authority, to repeal the **Residential Tenancies Act 1980**, the **Caravan Parks and Movable Dwellings Act 1988** and the **Rooming Houses Act 1990** and for other purposes."

Retail Leases Act 2003

The Act outlines responsibilities concerning:

1, Repairs and maintenance

2, Outgoings

3, Transferring a lease

4, Renewing a lease

5, Security deposits

6, Key-money

Australian Consumer Law and Fair-Trading Act 2012.

Complying with the **Australian Consumer Law and Fair-Trading Act 2012** helps to reduce the risk of breaking the **law** and facing the expense of legal proceedings. It can also help to improve customer relations and enhance your reputation as a business that deals fairly with customers, competitors and suppliers alike.

The three ethical standards that are used to draft frameworks for any operation are,

The Blanchard-Peale Framework

One of the best-known ethical frameworks is also one of the simplest. The framework, developed by Ken Blanchard and Norman Vincent Peale, consists of three questions, as described below. The questions first appeared in their 1988 book, "The Power of Ethical Management."

1. **Is it legal?**

   Does it comply with government laws and your organization's internal regulations?

2. **Is it fair?**

   Would the decision be seen as honest and honorable, or are one or more parties being treated without consideration and respect? Is someone getting an advantage that others are not?

3. **How does it make me feel?**

   Do you have a bad gut feeling about the decision? How would people react if they saw it reported in the news?

Markkula Center Framework

The Markkula Center identifies five approaches, or dimensions, that can be applied when dealing with an ethical issue. These sources can be used to evaluate decisions for many situations.

Utilitarianism says the most ethical action is the one that provides the greatest amount of good for the largest number of people — or, in more dire circumstances, the least amount of harm. This idea will be familiar to science fiction fans: At a critical moment in Star Trek II, Spock says "The needs of the many outweigh the needs of the few."

Rights approach dictates that the best decision is the one that preserves and protects human dignity and moral rights. People "have a right to be treated as ends, and not merely as means to other ends."

Fairness or justice approach says that all humans should be treated equally. If it's not feasible to treat everyone equally, then there must be a standard of fairness that applies to everyone.

Common good approach says that actions should promote to public life. This approach is used to advocate for laws and public services that appeal to the welfare of all.

Virtue approach is based on characteristics such as compassion and honesty. With this approach, decision makers should ask things like "What kind of person would I be if I take this action?"

Once you have a firm understanding of these five sources, there is a clear set of progressive steps to consider in making an ethical decision:

Recognize that an issue is indeed an ethical issue.

Get all the facts regarding the issue.

Evaluate all the alternative actions. With the utilitarian approach, look at which alternative will do the most good and the least harm. With the rights approach, think about which alternative preserves the rights of all stakeholders. With the justice approach, look at which option treats people most fairly. With the common good approach, consider the alternatives that serve the entire community. With the virtue approach, think about your own personal beliefs.

Make your decision. If it still makes you uneasy, reconsider all the sources and see if you arrive at a different decision.

Act on the decision.

Ask yourself, "What have I learned from this experience?" This reflection will help you make ethical decisions in the future.

The Issue-Contingent Model of Ethical Decision Making

In 1991, Thomas M. Jones, a professor at the University of Washington, criticized many of the existing models of ethical decision making at the time. He devised a new model that improved on previous efforts by introducing a variable called moral intensity and basing his research on social psychology.

Moral intensity considers several components: magnitude of consequences, social consensus, probability of effect, temporal immediacy and concentration of effect. Jones writes that two people, faced with the same ethical decision, might rightly come to different decisions because of these components. In effect, not all decisions are the same — a company introducing a dangerous new project has greater moral intensity than a decision to leave someone's name off a group project. Both are unethical decisions, but one has a greater impact than the other.

In Jones' model, decisions have four steps:

- **Recognize issue**
- **Make judgment**
- **Establish moral intent**
- **Engage in behavior**

All the dimensions of moral intensity must be considered at every step in the process, as well as organizational influences on decision making, group dynamics, authority structures and idea socialization. Decision makers must also be able to recognize their own biases when it comes to gauging moral intensity.

While the Issue-Contingent Model is old and somewhat complex, it's a useful alternative for decision makers facing an ethical quandary in adaptable situations.

3, Developing systems, procedures and protocols for managing property agency functions

systemization brings much-needed structural rigor to your agency. It helps you develop systems to reduce ambiguities and improve efficiencies. A standardized agency doesn't fret about creating proposals and completing deliverables; it has extensive processes to scale as it expands its client roster.

For all its complexities, business process standardization functions on remarkably simple principles:

Document all existing processes and best practices

Identify and remove all unnecessary activities

Optimize everything that's left

For instance, an agency needs to standardize the way it responds to incoming lead queries. To do this, it can:

Document how its salespeople currently respond to incoming queries

Borrow industry best practices and adapt them for the agency

Remove any activities that don't add value

Create templates and workflows based on new practices

Essentially, standardization means bridging the gap between *how you currently do things* vs *how you should do things*, and documenting everything.

In practice, you can segregate the standardization process into four distinct phases:

You can understand them as follows:

Phase I: Preparation

In this phase, you'll lay the foundation for the standardization process to follow. This involves:

Reviewing all existing processes or documentation

Identifying stakeholders and prioritizing which processes to standardize

Understanding your company's goals, policies, and objectives

Any standardization exercise should align with your agency's vision and values. If you take pride in the "handcrafted" quality of your solutions, don't standardize your creative approach. Rather, focus on standardizing other aspects of the business.

Phase II: Facilitation and Documentation

In the next phase, your job is to get people onboard and document best practices. To do this, you must:

Identify key people involved in a process and document their best practices

Document best practices followed in the industry

Build consensus about best practices among all stakeholders involved in a process

Create synopsis, roadmaps, workflows, etc. to facilitate implementation

Try to assimilate as much knowledge as you can from as many sources as possible. To create a truly well-optimized process, you need to know how the best people operate - within your agency and outside it.

Phase III: Standardization

The standardization phase follows the same principles as I outlined earlier, that is:

Understanding how your company works

Eliminating all points of wastage

Improving efficiencies of remaining processes

Documenting the optimized process and using it across the company

Phase IV: Monitoring

The final phase involves monitoring the new standardized processes and evaluating their effectiveness. Did the new process actually improve performance? If yes, then by how much? Are your people more productive?

People often skip this phase, but it is vital for the success of any standardization exercise.

Here's a quick review of these four phases:

Preparation	Documentation	Standardization	Monitor
■ Review existing processes	■ Identify people & their practices	■ Eliminate points of wastage	■ Monitor processes for efficiency improvements
■ Identify stakeholders	■ Document industry practices	■ Improve efficiencies	■ Continuously improve processes based on results
■ Prioritize processes to standardize	■ Create documentation for implementation	■ Document and implement processes	

The question now is: how do you use this framework in your agency?

We will show you how below, along with examples.

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A Practical Guide to Agency Process Standardization

How you approach standardization will depend on the size and stage of your agency. A small agency that's just starting out doesn't need to delineate management roles. But for a larger agency, identifying roles and responsibilities would be a crucial part of the standardization process.

Keeping this in mind, we will share a few crucial steps to standardize your agency's processes.

Clarify Roles & Responsibilities

In a growing agency, roles and responsibilities often overlap. One person handles multiple duties. A complex process is owned by several people.

This invariably creates redundancies and wastage. If three people working in inbound sales have different processes, which one is a new employee supposed to follow?

The first step in the standardization process, therefore, is to clarify roles and responsibilities. Your goal: to identify owners and stakeholders for each process.

One way of doing this is to use the MECE ("Mutually Exclusive, Collectively Exhaustive") principle.

The MECE principle was developed by McKinsey to organize information. As per this principle, any organization system must have:

No overlap: All categories should be distinct and independently complete

No gaps: The sum of all categories should give you the whole

"HR" and "Finance" are separate categories because their responsibilities are completely different. But "Client Success" and "Support" can be grouped together since they have the same duties.

A typical large agency might have the following organizational structure:

You can decompose further based on your requirements.

Once you know who oversees which department, you can start documenting processes.

Identify Processes

Your next step should be to identify processes for standardization. This should include processes that you already have as well as new processes you need to develop.

We will share some tactics to do this below.

Identify processes for each role

Refer to the organizational chart you developed earlier. Ask yourself: *"what processes are associated with this particular role or department?"*

For example, the HR department will have several processes:

Recruiting employees

Onboarding new hires

Resolving employee issues

Each of these will have multiple activities associated with them. "Recruiting", for instance, involves gathering job requirements, placing ads, reviewing resumes, and shortlisting candidates.

Several of these activities can be standardized. You can have a standard onboarding process for new hires, and you can create templates to inform candidates about their applications.
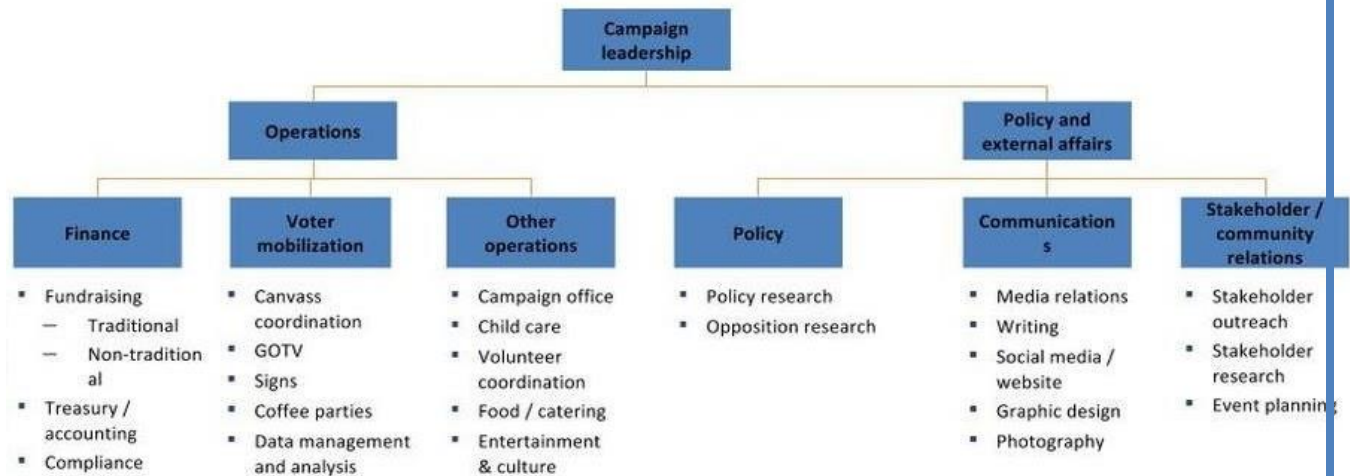
An example of an organization chart with roles and responsibilities. Breaking these down further will show you processes associated with each role that you can standardize.

Ask everyone in your agency to dig through their workflows. Get them to list anything they do frequently. If they do it more than once, it can likely be standardized.

Think of the path your clients follow to go from 'prospect' to 'project success'. Are there any interactions that can be standardized?

For instance, every project starts with a kickoff meeting. A successful meeting requires significant prep and documentation. You also need to collect project-critical information from the client (data, communication channels, etc.).

By standardizing processes related to the kickoff meeting, you can ensure consistency in requirements across all your projects.

Try to work backwards from a successful project delivery. Trace every action you performed leading up to the final deliverable. Identify whether these actions are unique or can be standardized.

A few of these require unique approaches (though the approach itself can be standardized), but the rest is merely procedural work.

Do this for all your clients. You'll soon spot common processes across all your projects that are ripe for standardization.

Once you've identified important processes in your agency, you can start prioritizing them for standardization.

Prioritize Processes:

Standardizing processes is neither quick nor easy. Although your goal should be to standardize all of them, you'll see far better results by focusing on your top processes.

Therefore, before documenting your processes, prioritize them based on their importance to your agency.

We will share two tips to do this below.

Prioritize procedural work

All the work an agency does can be broadly divided into two categories:

Judgment-based work, where a professional uses his insight, instinct, and creativity to create a deliverable.

Procedural work, which involves processes that must be performed every time you have to create a deliverable.

Think of a deliverable such as a brand logo. While making the logo itself is a creative exercise, there are several actions you need to perform before and after it, such as:

- Gathering requirements
- Collection inspiration
- Sharing drafts and collecting feedback
- Sending final design

You can't really standardize judgment-based work easily, but procedural work is easy to document. How a designer makes a logo can change, but the process to gather requirements will remain the same for every client and project.

This is an important distinction to keep in mind. judgment-based work can be difficult to document, but procedural tasks can be easily standardized.

Thus, make procedural work a top priority in any standardization exercise.

Prioritize based on your agency's goals

Where do you see your agency 5 years from now? What are your core values and beliefs? What are your most important goals and objectives?

Your processes define your agency. It is only fitting that whichever processes you prioritize should align with your vision as well.

For instance, if you want to sell commoditized services to small businesses, you'll need to standardize your solutions heavily. Your goal will be speed and efficiency, not uniqueness.

Conversely, if you want to build a boutique agency that acts as a creative partner to large corporates, you can get away with limited standardization. Your clients will expect handcrafted solutions, not cookie-cutter ideas.

One way to prioritize your processes is to identify your KPIs.

Ask yourself: *what are my agency's 10 most important metrics? Which processes can help me meet my KPI targets?*

For example, "utilization rate" might be one of your top KPIs. A low utilization rate means that your resources are wasting too much time on non-billable tasks.

Thus, any standardization exercise should focus on processes that help your employees focus on productive activities.

Document Processes

We're now at the meat and potatoes of the standardization exercise - documenting processes and charting best practices.

Process documentation should be a collaborative, introspective exercise. You need to get process owners involved and ask them to map their current vs industry-standard practices.

Ask: *what can you improve? What can you discard?*

Your goal is to create streamlined processes that follow best practices while still being relevant for your agency.

We will share a few tips to do this below:

Document current vs industry-standard practices

The first step in the documentation process is to list what you do vs what's accepted as standard practice in the industry.

Industry-standard best practices aren't always right, but if you're deviating from them, you need a compelling reason to. If your project management process doesn't follow the standard five phases, you need to know why.

Start by getting process owners to list all activities they perform associated with a process. Do they have a standardized way of approaching them? How does the rest of the industry do it?

For instance, it's a good practice to include the following items in a project status report. If you're not doing the same, you need to know why:

What to Include in a Creative Status Report

Task Progress
- What's Been Accomplished
- What's Happening Right Now
- What's Coming Up

Issues, Risks and Change Requests
- Current Issues Status
- Open Risks
- Change Requests
- Change Orders History

Milestones & Deliverables
- Milestones Completed
- Start/finish Dates

In most cases, bringing processes to industry best practices is a good way to go.

Document creative workflows

Creative activities are difficult to document. There is some strange alchemy involved in creative work that you can't always describe.

What you can do, however, is document the workflows to get to the point of creation.

For instance, your copywriter will have some favorite sources of inspiration (blogs, books, resources, etc.). He'll also have a few favorite phrases and attention-holding words. His ads will also follow proven narrative structures.

Your job is to get creatives to document all these workflows. This will make sure that there is consistency in your creative output. It will also give new hires a springboard to the creative process.

Create templates and process documents

The result of the documentation process should be templates and documents that everyone in your agency can access. A new hire should be able to use these documents to know *exactly* what he has to do to complete an activity.

You can use a platform like Google Docs to store all these documents. For better results, use a documentation system that integrates with your project management tool. This will eliminate the time wasted in going from one system to another to find the right files.

Give it Time

Standardizing your agency's processes isn't something you can do overnight. It takes time to identify, prioritize, and document individual processes. As your agency grows, your processes will also change, forcing you to revise existing documents.

Approach standardization as an ongoing exercise. Set aside time each month to document processes. Whenever you develop a new service or adopt a new tactic, make sure to document its workflow.

4, Establishing and controlling trust accounts and property agency business finances

A trust is a fiduciary relationship in which one party, known as a trustor, gives another party, the trustee, the right to hold title to property or assets for the benefit of a third party, the beneficiary. Trusts are established to provide legal protection for the trustor's assets, to make sure those assets are distributed according to the wishes of the trustor, and to save time, reduce paperwork and, in some cases, avoid or reduce inheritance or estate taxes. In finance, a trust can also be a type of closed-end fund built as a public limited company.

A trust can be used to determine how a person's money should be managed and distributed while that person is alive, or after their death. A trust helps avoid taxes and probate. It can protect assets from creditors, and it can dictate the terms of an inheritance for beneficiaries. The disadvantages of trusts are that they require time and money to create, and they cannot be easily revoked. It is one way to provide for a beneficiary who is underage or has a mental disability that may impair his ability to manage finances. Once the beneficiary is deemed capable of managing his assets, he will receive possession of the trust.

Categories of Trust accounts

Although there are many different types of trusts, each fit into one or more of the following categories:

Living or Testamentary

A living trust – also called an inter-vivos trust – is a written document in which an individual's assets are provided as a trust for the individual's use and benefit during his lifetime. These assets are transferred to his beneficiaries at the time of the individual's death. The individual has a successor trustee who oversees transferring the assets.

A testamentary trust, also called a will trust, specifies how the assets of an individual are designated after the individual's death.

Revocable or Irrevocable

A revocable trust can be changed or terminated by the trustor during his lifetime. An irrevocable trust, as the name implies, is one the trustor cannot change once it's established, or one that becomes irrevocable upon his death.

Living trusts can be revocable or irrevocable. Testamentary trusts can only be irrevocable. An irrevocable trust is usually more desirable. The fact that it is unalterable, containing assets that have been permanently moved out of the trustor's possession, is what allows estate taxes to be minimized or avoided altogether.

Funded or Unfunded

A funded trust has assets put into it by the trustor during his lifetime. An unfunded trust consists only of the trust agreement with no funding. Unfunded trusts can become funded upon the trustor's death or remain unfunded. Since an unfunded trust exposes asset to many of the perils a trust is designed to avoid, ensuring proper funding is important.

Common Purposes for Trust Accounts.

The trust fund is an ancient instrument – dating back to feudal times, in fact – that is sometimes greeted with scorn, due to its association with the idle rich (as in the pejorative "trust fund baby"). But trusts are highly versatile vehicles that can protect assets and direct them into the right hands in the present and in the future, long after the original asset owner's death.

A trust is a legal entity employed to hold property, so the assets are generally safer than they would be with a family member. Even a relative with the best of intentions could face a lawsuit, divorce or other misfortune, putting those assets at risk.

Though they seem geared primarily toward high net worth individuals and families, since they can be expensive to establish and maintain, those of more middle-class means may also find them useful – in ensuring care for a physically or mentally disabled dependent, for example.

Some individuals use trusts simply for privacy. The terms of a will may be public in some jurisdictions. The same conditions of a will may apply through a trust, and individuals who don't want their wills publicly posted opt for trusts instead.

Trusts can also be used for estate planning. Typically, the assets of a deceased individual are passed to the spouse and then equally divided to the surviving children. However, children who are under the legal age of 18 need to have trustees. The trustees only have control over the assets until the children reach adulthood.

Trusts can also be used for tax planning. In some cases, the tax consequences provided by using trusts are lower compared to other alternatives. As such, the usage of trusts has become a staple in tax planning for individuals and corporations.

Assets in a trust benefit from a step-up in basis, which can mean a substantial tax savings for the heirs who eventually inherit from the trust. By contrast, assets that are simply given away during the owner's lifetime typically carry his or her original cost basis.

If you're starting a real estate business, you know it's important that your new business makes money. After all, you have to have enough cash in the bank to stay *alive* as a business, never mind making enough to purchase that luxury vacation home in Jackson Hole, Wyoming.

The question is, what are the most effective strategies to go about making that money?

Below you will find a list of six strategies and tactics real estate agents use to bring in additional revenue, or to maximize their current revenue. From becoming a broker to flipping houses, we're sure there's at least one you'll find useful.

Fix it and flip it

You might not want to purchase a house that needs this much fixing…

If you've considered buying a house, fixing it up, and then selling it, you've considered "flipping." Many real estate agents turn to house flipping, or to helping clients flip houses, in order to generate an additional income stream.

While television shows make it seem like you can earn $100,000 on a flip, it's not common to make that much. According to Mark Ferguson, a professional real estate agent and the owner of Invest Four More, "The real money is not hitting it big with one flip, but in flipping multiple properties that make a modest profit."

There is also a lot of risk involved in flipping houses. In order for this strategy to work, you need to buy a house below market value, and you need to be able to accurately estimate the cost of repairs. Experience is everything.

A good place to find houses you can flip is on the foreclosure market. Sites like MLS have a dedicated section to search for such houses. Of course, this may also be a competitive market depending on where you live.

Before you buy a property, make sure you know your "After Repair Value" (ARV). You will probably need to enlist the help of a real estate agent to figure this out, but you can get a preliminary idea by looking at the recent sales value of houses in that same neighborhood.

Of course, you don't have to repair the house. You could also buy at wholesale price, and then sell as quickly as possible. According to JB House Investor, "You can make an average of $5,000 to $10,000 per deal, with very little effort and work."

Before you jump into flipping houses, we recommend you read step two (below).

Find hidden, off-market properties

If you can't find deals before anyone else, you're going to have a hard time making money. Many properties that are going to make you money are the ones you won't find on the usual sites like MLS or Zillow. They're the ones the owner needs to get rid of quickly, and they're not necessarily the foreclosures.

An off-market property (sometimes referred to as a "pocket listing") might be one owned by a couple going through a divorce, or a property an owner no longer wants, perhaps because they're leaving the country or going through financial hardship. They're the houses that the owners can't usually sell through traditional channels as they need to move fast. They're the houses you might drive by with a sign out front that reads FSBO, or "For Sale by Owner." These are your gems.

Finding someone who needs immediate cash means you're much more likely to acquire a property at below market value. It's these properties that are going to give you the biggest return on your investment.

A good way to find off-market properties is to keep an ear to the ground. After all, you never know when someone from your network of friends, acquaintances, or relatives will approach you for help, either for themselves or on behalf of someone they know. Get your name out there. Join networks like the Rotary Club and Business Network International. This way, when someone from your network is in a jam, they'll think of you first!

Beyond networking as usual, try to network and build connections with estate attorneys. They often have creditors who need access to money fast. Because of this, they'll be much more likely to sell at a discount. Networking with wholesalers is a good idea too, as they often buy low-price properties that need fixing, almost as they become available, and make a quick profit by selling them just days after purchasing them. They're in it for the short game, so if you're a long game player, this could be a good strategy for you.

If you're comfortable purchasing a property at auction, check out Auction.com. You can use this site to search for both residential and commercial real estate. Many properties are priced low and are listed on the site because they've gone into foreclosure or they're owned by the bank.

Target the vacation rental market

Let's talk about how you can make money, or how you can help your clients make money: vacation rentals.

In peak tourist season, owning a property you can rent to tourists may seem like a no-brainer— you build equity in a great location and have an opportunity to capitalize on that demand. But what happens when the tourist season ends?

If you've priced your rental too high, you're probably going to have a barren off-season or at least an unpredictable period. All those vacancies are going to add up, especially if you've

hired a property manager to take care of things. According to Mark Ferguson of Invest Four More, the real cost of a vacation rental is the cost to manage and maintain them.

The key to a successful vacation rental is to price the property low enough that it stays rented year-round. If that's not possible, ensuring you can make enough in the good season is essential.

Cash flow difficulties aside, the vacation rental market can still be a great investment. HomeAway, a vacation rental site, notes that the average homeowner on their site rents his property for 18 weeks of the year (about four months) and grosses $28,000 annually. For more than half of these property owners, that accounts for 75 percent of their mortgage each year— a fantastic investment in the long-term.

Before you rush headlong into this market, however, be sure to remember the ongoing costs of maintenance and management, as well as repairs. Are you equipped to do this, or can you help your clients assess the needs and risks, in order to maximize their ROI?

Stage the property you're selling

For many people, viewing a property is an emotional experience. They have to imagine what their life might look like were they living there. If you're marketing an empty house, you may find it hard to sell.

For most clients, judgment is passed from the moment they first view a property. If the property you're selling only has photographs of empty rooms, you might not be making that killer first impression, which is key to moving things along.

According to a report produced by the National Association of Realtors, nearly all those looking for a house begin their search online. In this case, you'll want to consider staging the home to look lived in.

Staging is popular for a reason: Homes that are staged by an Accredited Staging Professional (ASP®) sell within 33 days compared to an average of 196 days for homes that are not staged.

So, if you're finding an empty house hard to sell, consider bringing in furniture so the potential buyer can get a better idea of what this house looks like lived in, even if it's just for the initial photo shoot!

Generate leads using direct mailers

This old-school method still works just as well today, especially if you target your desired market. In fact, it returns the same ROI as social media marketing.

According to a 2017 Direct Marketing Association report, in terms of response rate, direct mail outperforms all digital channels. In terms of cost-per-acquisition, it's also very competitive, coming in at around $19.

Of course, not all direct marketing is made equal and "format" plays a big role when it comes to response rate:

Oversized envelopes: 5 percent response rate

Postcards: 4.25 percent response rate

Dimensional: 4 percent response rate

Catalogs: 3.9 percent response rate

Letter-sized envelopes: 3.5 percent response rate

The only downside to direct mail is how difficult it is to track where leads are coming from, or where they see you for the first time. That said, there are ways to track direct mail that may take a bit more effort or a slightly larger expenditure.

This same survey found that fewer businesses are using direct mail to target their customers. This means there's an opportunity for you to stand out and grab attention right from the start.

Take the broker's examination

When it comes to becoming a qualified real estate agent, you simply must take the tests required by your state. This doesn't usually take more than a couple of months, and it qualifies you to sell property as an independent real estate agent, or in service to a larger company— though most states require new agents to work under a broker for a couple of years first.

What you cannot do with this license is open your own practice and hire other real estate agents. To do that, you must become a broker.

By taking and passing the broker's exam, you will then be free to start your own real estate agency and collect commissions from the real estate agents who work for you.

Because most brokers take between 20 and 50 percent of an agent's commission, it pays to become a broker yourself—and not just because you could make an extra buck, but because you won't be losing out on the money you make.

5, Coordinating ethics, risk and consumer protection systems to meet industry legal and customer expectations and requirements

Adhering to a professional Code of Ethics helps companies and individuals build relationships of trust with their customers, employees, suppliers, owners and the communities in which they work.

Ethical Issues Have Become More Complicated

The need to adhere to increasingly complex government regulations and the litigious nature of our society has changed how property managers view their profession.

Public Trust in Fair Business Has Diminished

It has become a common occurrence to hear the details of corporate scandals in the media. Now more than ever, it is crucially important for property management professionals to obtain the validation that comes from belonging to an organization that has set a high standard of conduct for its members.

RELATIONS WITH OTHER PROPERTY MANAGERS

The Property Manager shall not knowingly or recklessly make false or misleading statements about other property managers or their business practices, or otherwise attempt to take business from other property managers by deceptive means.

STANDARDS OF PROFESSIONALISM

9-1 The Property Manager shall conduct dealings with other property managers in an honest and professional manner and shall not knowingly engage in any practice or take any action against a property manager in an un-businesslike manner.

9-2 The Property Manager shall not knowingly interfere with other property managers' contract rights, including by taking actions inconsistent with exclusive agreements that other property managers have with their clients. This does not preclude the Property Manager from otherwise soliciting potential Clients or making general announcements about his or her own services. For purposes of this Code, a general announcement may be defined as a general telephone canvass or a general mailing or distribution addressed to all prospects in each geographical area or in a specific profession, business, club, organization, or other classification or group. This Code does not restrict fair and reasonable competition among property managers.

9-3 In the event of a controversy or dispute with a property manager at a different Firm, the Property Manager shall use best efforts to resolve the dispute prior to litigation.

9-4 The Property Manager shall not obtain or use the proprietary materials or work of a competing management Firm without the express written permission of that Firm.

9-5 The Property Manager shall cooperate with other property managers when it is in the best interests of the Client or Tenant to do so.

Consumer Protection Risk Assessment (CPRA)

'Conduct Risk' is defined as the risk a financial services firm poses to its customers from its direct interaction with them. To date, this risk has been assessed by supervisors through an examination of the nature and scope of a firm's products and how the firm controls the risks its products and other engagements with consumers present to them.

A successful model for assessing conduct risk is to recognize risks to consumers can stem from a firm's strategy, business model, culture, governance and other internal structures, its systems and processes or the behaviors of individuals at any level within the firm ("Consumer Protection Risk"). The CPRA model supports supervisors in looking beyond the firm's 'direct interaction' with consumers.

Some Consumer Protection Risks can be mitigated by implementing structural solutions, for example, through the adjustment of remuneration and incentive schemes. However, a true solution can only be achieved through a more holistic self-assessment of Consumer Protection Risk by the firm.   Each regulated financial services firm must, therefore, work towards the development, implementation and embedding of a fit-for-purpose Consumer Protection Risk management framework. This framework should identify and manage the specific risks that the firm's external operating   environment, strategy, business model, internal processes and procedures pose to consumer protection.

To provide good customer service, you need to understand who your customers are and what they want.

Know your customers

Gather information about as many of your customers as possible. Try to find out what your customers are buying, why they are buying and the frequency of their purchases.

When trying to understand their needs, it may be useful to know details such as their lifestyle, occupation and interests. Include any potential customers who have made enquiries about your goods or service. Find out more about researching customers.

Understand your customers' needs

Each customer will have a different perception of what customer service means to them. If you want to provide good customer service, you should know the needs of the customer and how to fulfil those needs.

Find out how your customers expect you to meet their needs. The expected level of service varies from marketplace to marketplace, industry to industry and, to some extent, from consumer group to consumer group. Research your marketplace and your target markets to find out what your customers expect of your business in your location.

Meet your customers' needs

Tailor your level of service to suit your customers' needs. Some businesses work well providing a 'no frills' basic level of service while others go beyond customer expectations to achieve a level of service to make their customers say 'wow'.

Some ways to go beyond customer expectations are:

introducing initiatives — for example, customer focus groups, customer survey cards or a suggestion box. These initiatives send a clear message to customers that you are interested in their input

suggesting add-ons — for example, 'Would you like batteries as well?

Failing to meet expectations

When a business fails to meet customer expectations, customers do business elsewhere. Poor customer service and the perceived indifference of staff and management account for about 68% of customers who don't return to a business.

Customer complaints can alert you if your business is failing to meet customer expectations. Learn more about managing customer complaints.

Some actions you can take to improve customer service are:

- **investigate the areas of issue**
- **train staff in customer service and sales skills**
- **rotate staff so they can increase their knowledge of other areas**
- **encourage and support teamwork**
- **review recruitment and selection procedures.**

<u>Developing & maintaining knowledge of industry trends:</u>

Keeping your skills current is one of the most important ways you can do your job well and stay on top of changing demands of the workplace. It can also help you prepare for new opportunities that may arise at work and help you keep your job in a difficult economy. But don't make the mistake of thinking that training is entirely your employer's responsibility: It is up to you to stay current. Typically, this is a two-step process that involves making an honest evaluation of your skills, then taking any needed steps to strengthen them. The benefits of keeping your skills current

You might think that keeping your skills current doesn't matter in your job, or that it's more important in other fields. In fact, you can benefit from staying up-to-date no matter what kind of work you do. Learning new skills can be stimulating and motivating, and it can help keep your mind young.

New methods of communication, changes in technology, and increasing global competition impact many types of jobs. In addition, strengthening your skills can help you do the following:

Build confidence. Keeping your skills up to date can give you the confidence to handle any tasks that your employer expects you to perform.

Stay flexible and enthusiastic about your work. You may become reluctant to take on new projects if your skills are rusty or you lack some abilities that are needed to take on a new project.

Make even better use of your time. Sharpening your skills can help you become more efficient and productive.

Become more valuable to your employer. Strengthening the skills you need to do your job (as well as your cross-functional skills) increases your chances of getting raises and promotions, and of holding onto your job. It also keeps you marketable.

Make a bigger contribution to your team. Your new skills can be good for co-workers, too. They will benefit from the work you do as a team. Does it pay to keep your skills up to date? If you would like to learn new skills, you may wonder: Will it be worth the cost and the time it would take away from other things that matter to me? Many studies have shown that for most people the answer is an overwhelming "yes." Overview Ways to make sure your skills stay up to date.

David Autor of the Massachusetts Institute of Technology and other economists have found that your income increases with every year of education you get. College graduates earn nearly twice as much per hour as high school graduates. Workers who have completed four years of college earn more than those who have finished just two.

This earnings gap has been increasing for decades. And if it keeps rising, you may benefit from extra training even if you are in your 20s or 30s and have relatively current skills, because your added education will keep going up in value.

Why does extra learning make such a difference? One answer is that "the proportion of adults working full-time year-round increases with education level," according to the non-profit organization, the College Board. Even if you prefer to work part time, more education increases your options.

In addition, keeping your skills up to date is essential to staying employed in some jobs or careers. This is especially true in continually changing fields, such as technology. For example, job opportunities for computer programmers are expected to decline slightly in the next decade as more work is done offshore, so "programmers will need to update their skills in order to stay competitive," the U.S. Bureau of Labour Statistics reports.

One way they can gain a competitive edge, the BLS says, is to get certified in an additional tool or computer language.

You can't advance your career if you don't have your finger on the pulse of what's happening in your industry. Staying informed on trends is important to help you build credibility and value and to show that you know where your field is heading in the future. Successful people spend time every day keeping up with the latest news and developments in their field, so make time in your day for these strategies.

Industry Publications

Every industry has free web journals, blogs and e-newsletters that publish the latest news, opinion and trends. Find a few publications that you like and subscribe. You may also think about investing money in subscription-based journals as well, as long as the publication is reputable and actually adds value to your learning process. To help you sort through the clutter, use an RSS feed that will provide you with headlines from your subscribed sites that you can browse in one neat platform.

Events

Professional organizations and conferences are invaluable resources for keeping up-to-date and learning what's coming down the pike. They are also great places to network and build connections. If you aren't sure which associations and events are truly worthwhile for your niche, ask your boss, a mentor or colleagues for recommendations. Keep in mind, some employers will pay for all or part of your registration fees for educational conferences and professional memberships, so always check with your boss to uncover those benefits.

Social Media

Yes, social media is often a black hole of brain-melting drivel, but lots of thought leaders hang out there, as well. It pays to try and find these valuable corners of the internet. Start by following the social profiles of the publications you subscribe to and follow article authors, as well. Don't be afraid to reach out and comment on their posts or ask them questions. You can learn a lot and make valuable new connections by joining in the conversation. If you're not

much of a social media person, start with LinkedIn. There are active groups and forums where people share ideas and news and learn from one another.

Podcasts

If you're not familiar with how the podcast industry has grown in recent years, take a moment to check it out. There are informative and entertaining podcasts for nearly every industry and niche. If you aren't sure what to subscribe to, search your favorite industry publications for recommendations. Podcasts are a great way to learn and keep up with trends while you pass the time on your commute, at the gym, while cleaning or even walking your dog.

6,
Developing and maintaining relationships with lessors, tenants, vendors and buyers, buyers' agents

Sellers, landlords, investors, buyers, and renters: Do you know who is really representing you?

We, as licensed brokers, associate brokers and salespeople are required by the state Department of State, our licensing entity in New York, to provide an agency disclosure to every person we take out, at first contact, to explain who our representation is with, in the case of a rental, either the tenant, landlord, or broker.

It specifically states on the form, The is Not a Contract, so the customer is not contractually obligated and do not have to sign the form, but, when explaining everything my customers almost always do and I provide them a copy for their records or to show their attorney, to make them feel at ease.

When it comes to a rental, depending on what the listing agent allows, they usually provide a choice of who we can represent, either the landlord, tenant or broker's agent, who will cooperate or is engaged and assisted either by the tenant' agent or the listing agent in finding a rental or a lease.

The broker's agent does not have a direct relationship with either the tenant or the landlord and therefore neither party can provide any instructions or directions to the broker's agent and therefore do not have any vicarious liability for the actions of the broker's agent. A landlord's agent engaged by the landlord solely represents the landlord in the rental transaction and has their best interest in mind. A dual agent, with advanced written permission from the landlord and prospective tenant, can represent both parties in a rental transaction. The agent cannot provide the full range of fiduciary duties to either party.

All specific obligations to either party must be in writing and everything must be explicitly explained to both parties so that there is a clear line of communications and understanding to both landlord and tenant.

Both parties are giving up their right to undivided loyalty to which must be clearly stated and understood. Lastly, the dual agent can with written permission from the seller and buyer another sale's agent to be the designated sales agent between the landlord and tenant, if the dual agent is not available.

Again, the designated sales agent, similar to the dual agent, cannot provide the full range of fiduciary duties to the landlord or tenant. They also must explain that they, like the dual agent, cannot provide their undivided loyalty, but are under the supervision of the real estate broker.

Both landlord and tenant should consider the possible consequences of a dual agency relationship with designated sales agents before agreeing to such representation.

- No matter what position the agent decides to choose, the following are the fiduciary duties and the obligations without limitation to provide to whomever they represent:
  1. **Reasonable care**
  2. **Undivided loyalty**
  3. **Confidentiality**
  4. **Full disclosure**
  5. **Obedience**
  6. **Duty to account**

In dealing with a tenant, a landlord's agent must perform the following:
1. Exercise reasonable skill and care in performance of the agent's duties
2. Deal honestly, fairly and in good faith
3. Disclose all facts, known to the agent materially affecting the value or desirability of the property except as otherwise provided by law.

It is similar when dealing with a property for sale and who will be representing whom. The word tenant is replaced by the buyer and the word landlord is replaced by seller.

All the fiduciary duties that an agent is obligated to perform are the same, depending on whether they are representing the seller as a broker's agent or seller's agent or if representing the buyer as a buyer's agent.

A broker's agent is an agent that cooperates or is engaged by a listing agent or a buyer's agent (but does not work for the same firm as the listing agent or buyer's agent) to assist the listing agent or buyer's agent in locating a property to sell or buy, respectively, for the listing agent's seller or the buyer agent's buyer.

The broker's agent does not have a direct relationship with the buyer or seller and the buyer or seller cannot provide instructions or directions directly to the broker's agent. The buyer and the seller, therefore, do not have vicarious liability for the acts of the broker's agent.

The listing agent or buyer's agent do provide direction and instruction to the broker's agent and therefore the listing agent or buyer's agent will have liability for the acts of the broker's agent. Dual agency and agency with a designated sales agent works the same way in a sale as it does with a rental.

When taking a listing with a seller, the listing Broker or salesperson should be explaining the types of agency representation that are available to the seller. The problem many times is that the agent does not know how to explain it and the seller will, therefore, have a difficult time understanding what type of representation they have; but they assume they are being represented by their agent as a seller's agent.

However, in a hot market that we have been situated in for several years, many times the agents are getting closer to the buyers as the inventory has become historically low, and there may be more days spent with the buyer, searching out to find their first home, homeowner association, condo or co-op or investment property that they want to purchase.

The agent may step over the line in the methods of how they are dealing with the buyer and forget about with whom they are really representing, their buyers or their sellers? Agency agreements and their respective representations can be very tricky and very confusing to a new and even an experienced agent and my professional opinion is that the initiative of the agent to take more classes should be in the forefront of attaining their continuing education credits in the classroom or online instruction.

The fact is many wait to the last minute to sign up for classes and to be able to learn, absorb and apply what knowledge that they have gained, can be a chore and obstacle unless practiced daily.

This is a business and not a job and if treated like a business, it will pay you handsomely. However, more than 40% of the agents have jobs in the U.S., although those that treat it like a business will survive and produce the necessary and desired results.

That is why as a seller, investor, buyer or tenant, it is prudent to interview whomever you will be using to represent you as a seller's, landlord's broker's, buyer's or tenant's agent, to make sure they have the necessary knowledge, expertise, customer service oriented mindset and technology tools to handle what may be your largest purchase or investment of your life or where most of your wealth is situated; and you want the best of the best or what I say, "the cream of the crop" to protect your most valuable asset now and in the future!

7
Establishing and implementing strategic business plans and operational plans

Strategic planning vs. operational planning

Are they the same? If not, what's the difference? Do you need both? We hear these kinds of questions frequently. In short:

A *strategic plan* outlines your mission, vision, and high-level goals for the next three to five years. It also considers how you'll measure those goals, and the major projects you'll take on to meet them.

An *operational plan* (also known as a *work plan*) is an outline of what your department will focus on for the near future—usually the upcoming year.

Simply put, your strategic plan shares your vision for the future, while your operational plan lays out how you'll get there on a daily to weekly basis.

Both concepts describe your company's plans, but in different contexts. Below we've called out five major differences between them that you can use as guideposts to ensure you're using these two concepts the right way.

Strategic Planning Vs. Operational Planning: The 5 Main Differences

1. Time Period

Your strategic plan outlines long-term goals for the next three to five years. What you'll be doing to achieve those goals in the shorter term (typically the next fiscal year) is outlined in your operational plan.

2. Goal Focus

The goal of your strategic plan is to outline the company's long-term vision and how all departments should work together to achieve it.

The goal of your operational plan isn't company-focused—it is department-focused. There *can* be overlap between departments, but that's the exception rather than the rule. Large departments may require multiple operational plans.

3. Plan Generation

Your organization's high-level leadership team—the executive team or city council, for instance—is responsible for creating the strategic plan. Once it's created, the strategic plan will be pushed forward by cross-functional teams who work together to ensure the strategy is successful.

Every department should have a leader or team of leaders responsible for creating their operational plan. Although each operational plan is designed for a single department, its successful implementation will lead to organization-wide success. For example, your marketing team has a set of activities they use to increase visibility. These activities should translate to more sales opportunities and ultimately more revenue for the organization (both of which could be goals in your strategic plan).

4. Budget

The budget for your strategic plan comes from your strategic budget, not your operational budget. Your organization may implement a Strat-Ex budget that aligns part of your budget directly to your strategic projects or initiatives. This is a different approach than putting a budget against each of your divisions or departments.

The budget for your operational plan comes from your department's annual budget. If your annual department budget needs to be cut, consider which elements don't align to your strategic plan and cut those first. For example, if your strategic plan defines a marketing goal of establishing a strong online presence, your trade show budget should receive budget cuts before blog writing does.

5. Reporting

When you report on your strategic plan (typically both annually and quarterly), your strategic planning committee or executive team will want to look at how your company is performing on its chosen measures. Depending on the meeting, these discussions should remain high-level, so you don't get bogged down on details.

Your operational reports, on the other hand, outline hundreds of projects or tasks people in the department are working on. Monthly operational reporting meetings give the leadership—and the rest of the department—an indication of each project's status.

Unlike your strategic report, updates on operational projects can be anecdotal or qualitative (as it's often difficult to quantify actions that aren't tied to measures). Some organizations have a running text commentary either in an Excel field or a Word document. This commentary is updated weekly or monthly, even if there are no direct measures for that part of the operational plan.

Understanding strategic planning vs. operational planning doesn't mean you choose between them!

To be a strategy-focused company, you need a strategic plan *and* departmental operational plans. If you're sighing and thinking, "Great, one more thing I have to start doing…", hold up! **Most departments have some form of operational work plans in place already.** So, you shouldn't need to start from scratch; simply put your current plan into a framework or format that helps you perform at a higher level.

8
, Establishing and implementing agency and individual branding

The terms "brand" and logo" are often used interchangeably. But though a logo can be the symbol of a business, it is not the *entirety* of a brand. In fact, creating a logo is just one small step toward developing a strong brand identity.

With millions, if not billions, of businesses trying to make a name for themselves, having a strong brand has become crucial for businesses to differentiate themselves from their competitors.

If you're working to develop your first brand identity for a client, or you're doing this for your own business, it's important to first understand what a brand is and what it takes to create one. Unfortunately, it's not as easy as giving the business a name and plastering it on everything.

Originally, the term "brand" was used for referring to the mark that cattle ranchers "branded" on their cattle, the idea of a brand has evolved to encompass much more than just a name or a symbol.

Your brand, a vital part of your brand identity, is defined as a name or a type of product manufactured by a business.

What is brand identity?

A brand identity is made up of what your brand says, what your values are, how you communicate your product, and what you want people to feel when they interact it. Essentially, your brand identity is the personality of your business and a promise to your customers.

As Jeff Bezos says, "Branding is what people say about you when you're not in the room."

Your product leaves an impression on your customers long after you've made the sale. Brand identity is the process of shaping that impression.

Why is brand identity so important?

As the embodiment of almost everything your business is and does, according to Purely Branded, a brand "lives and evolves in the minds and hearts" of consumers. Its identity, therefore, is crucial to the business's future.

So, if your brand is more than just its logo, how can you replicate what brands like Coca-Cola have done and tap these other elements of your business's identity? Here are six components of a well-developed brand identity, and why it's so important for you to develop them.

The "Face" of Your Business

For all intents and purposes, your brand's logo is the "face" of your business. But that face should do more than just look cool or interesting -- a logo's contribution to brand identity is associative, too. It tells the public that [this image] means [the name of your company].

Credibility and Trust

Having a brand identity doesn't just make your product more memorable; it makes your brand more authoritative in the marketplace. A brand that establishes a face, and maintains that face consistently over time, develops credibility among its competitors and trust among its customers.

Advertising Impressions

A brand identity is a template for everything you would include on an advertisement for your business -- whether that ad is in print, online, or a commercial on YouTube. A brand with a face and industry credibility is well prepared to promote itself and make impressions on potential buyers.

Your Company's Mission

When you create an identity for your brand, you're giving it something to stand for. That, in turn, gives your company a purpose. We all know companies have mission statements, right? Well, you can't have one without first giving your brand an identity.

Generating New Customers and Delighting Existing Ones

A brand identity -- one with a face, trust, and a mission -- attracts people who agree with what your brand has to offer. But once these people become customers, that same brand identity gives them a sense of belonging. A good product generates customers, but a good brand generates advocates.

If you want your business to become a well-known and beloved brand name, it's going to take some work. The following steps will help you build a brand identity. They are simple steps; implementing them, however, is another story.

How to Create a Brand Identity

- **Research your audience, value proposition, and competition.**
- **Design the logo and a template for it.**
- **Integrate language you can use to connect, advertise, and embody on social media.**
- **Know what to avoid.**
- **Monitor your brand to maintain its brand identity.**

1. Research your audience, value proposition, and competition.

Just like any other aspect of starting a business, the first step in creating a brand identity is to complete market research. You should clarify and understand these five things.

Audience

It's no secret that different people want different things. You can't (usually) target a product to a pre-teen the same way you would target a product to a college student. Learning what your audience wants from a business in your industry is vital to creating a brand people will love.

Value Proposition & Competition

What makes your business unique in your industry? What can you offer your consumers that others can't? Knowing the difference between you and your competition is imperative to developing a successful brand. Keeping an eye on your competitors will also educate you on what branding techniques work well and those that don't.

Mission

You know what your business offers but be sure to have a clear and direct mission statement that describes your vision and goals. In other words, know your business's purpose , you can't very well create a personality for a business unless you know what that business is about.

Personality

Even though you're not necessarily branding an individual, that doesn't mean that you can't be personable when developing a brand image. Use your type, colors, and imagery to represent who the brand is. Then enhance that visual representation with your tone of voice: Are you a confident business with a lot of sass, like Nike? Or are you ritzy and professional, like Givenchy? Either way, be sure to develop your brand as a way to represent your business.

Research may be boring, but the more you know about your business, the stronger your brand identity will be.

SWOT Analysis

Finally, completing a SWOT Analysis can be beneficial to better understand your brand. Considering the characteristics of the brand will help you find characteristics you want to portray in the brand. SWOT stands for:

Strengths: Positive characteristics of your business that provide an advantage over your competition.

Weaknesses: Characteristics that prove to be a disadvantage to your business.

Opportunities: Changes and trends in your industry that offer opportunities for your business.

Threats: Elements in the environment or industry that may cause problems for your business.

2. Design the logo and a template for it.

Once you know your business inside and out, it's time to bring your brand to life. In the words of graphic designer Paul Rand, "Design is the silent ambassador of your brand." Here's what you'll need to know:

Logo

Although the logo is not the entirety of the brand identity, it's a vital element in the branding process -- it's the most recognizable part of your brand. It's on everything from your website to your business cards to your online ads. With your logo on all of these elements, your branding should look cohesive.

Interesting Form

As imperative as your logo is to brand, it's not the *only* element that makes a brand identity strong. Your product(s), the packaging, or the way you present your services all need to play a part in your brand identity. Visually representing your business in everything you do will create consistency and help create a familiarity with your consumers. Take McDonald's golden arches for example. They used an interesting form to create the iconic "M," which is now recognizable all over the world.

Color & Type

Creating a color palette is a way to enhance your identity. It provides you with variety so you can create unique designs for your business while remaining faithful to the brand identity.

Type can also be a double-edged sword if not utilized properly. Although "mix and match" type design has become quite the trend, that doesn't mean mixing a handful of fonts is necessarily a good idea for your business. In your logo, on your website, and on any documents that your business creates (print and digital), there should be consistent use of typography. If you look at Nike's website and its ads, it keeps the same typeface and type style throughout all aspects of the business -- and it works wonders for them.

Templates

You probably send out emails, type up letters, or hand out business cards to potential customers daily. Creating templates (even for a detail as minute as email signatures) will give your business a more unified, credible, and professional look and feel.

Consistency

As mentioned in nearly every step already (I can't stress it enough), consistency is what can make or break a brand identity. Use the aforementioned templates and follow the design choices you've decided upon for your brand throughout *all* areas of your business to create a harmonious brand identity.

Flexibility

Yes, consistency is crucial -- but remaining flexible in a society that is always looking for the next best thing is just as important. Flexibility allows for adjustments in ad campaigns, taglines, and even some modernizing to your overall brand identity so you can continuously keep your audience interested. The key is keeping any changes you make consistent throughout your entire brand (e.g., don't change the design of your business cards and nothing else).

Document

One of the most effective ways to ensure a business sticks to its branding "rules" is to create a set of brand guidelines that document all of the do's and don'ts of your brand. Skype is one brand that has done an amazing job creating a clear, cohesive brand guide that anyone can follow. This is one way to empower people to build brand assets and share your brand while remaining brand compliant.

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3. Integrate language you can use to connect, advertise, and embody on social media.

Now that you've established your brand within your company and have taken all the necessary steps to develop it, you're ready to integrate your brand within your community.

And one of the most successful ways to accomplish this is for your brand to provide quality content. In HubSpot's eBook *Branding in the Inbound Age*, Patrick Shea writes, "In every way, your content is your brand online. It's your salesperson, your store, your marketing department; it's your story, and every piece of content you publish reflects on, and defines, your brand. So, great content, great brand. Boring content, boring brand."

Language

Use language that matches that personality of your brand. If your brand identity is high-end, use professional language; if your brand is laid-back, be more conversational. The language you choose to use as a brand will be integrated throughout the entire business, so it's important that you carefully craft your tone to match your brand's personality.

Connection & Emotion

People love stories. More accurately, people love stories that move them (emotionally and to action). A strong brand identity can establish an emotional connection with consumers, which can be a solid foundation for building a lasting relationship with a brand.

Advertise

Designing ads, whether traditional or digital, is the most efficient way of introducing your brand to the world. It's a way to get the message of your brand seen and heard by your target audience.

Social Media

Another great way to establish a connection with your consumers is through social media. The plethora of platforms on the internet offers up a ton of digital real estate you can use to establish your brand identity. Coca-Cola, once again, makes great use of its Facebook cover photo real estate by keeping it consistent with the happiness theme.

Social media is also important when it comes to conversing directly with your customers and creating affinity for your brand. If you're mentioned in a tweet, status, or post (especially if the customer has a question or concern), be sure to give your brand a good reputation by responding efficiently to your customers.

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4. Know what to avoid

You can follow all the steps of creating a strong brand identity, but if you're guilty of any of the following practices, your brand might falter or fail.

Don't give your customers mixed messages.

Know what you want to say and use the appropriate language and visuals to say it. Just because it makes sense to you doesn't mean it will make sense to your customers.

Don't copy your competitors.

Your competition may have exemplary branding, and since you're selling the same products or services, you might want to do what you know works -- don't. Take what they do into account and put your own twist on it to make your business stand out in your industry even more.

Don't lose consistency between online and offline

Yes, your print material might look a *little* different than your online presence, but your colors, type, theme, and message should all be consistent.

5. Monitor your brand to maintain its brand identity.

Creating a memorable brand requires consistent use of type, color, images, and language, but it's worth it. When consumers instantly recognize who you are and what you stand for all based on a logo, you've become more than just a name and a symbol.

Like other aspects of your marketing, it's difficult to know what you're doing right (and what you're not) without tracking key performance metrics.

Use Google Analytics, surveys, comments, social media discussions, etc., to monitor your brand and get a sense of how people talk about and interact with you.

This will give you the opportunity to implement changes to your brand as needed, whether it's to correct a mistake or to improve brand identity.

9,
Leading and managing people, including recruitment, induction, coaching and mentoring for teams and individuals

Real Estate managers in social services are responsible for leading, managing and developing workers as well as role modelling participatory leadership across the organization. In addition to their direct supervisory responsibilities, they indirectly influence how other staff are managed and supervised. This in turn impacts on how practitioners and support staff interact with people using their services.

They therefore need to be able to:

- demonstrate an inclusive, enabling and participatory leadership approach with individuals and teams working within the organization
- take lead responsibility for reviewing, overseeing and participating in the safe selection and recruitment of workers
- initiate, develop and implement systems, procedures and practices to support staff engagement, development and retention
- initiate, develop and implement systems, procedures and practices that ensure health and safety at work
- role model and promote a culture which values staff health and wellbeing and supports work-life balance
- provide reflective supervision which includes both challenge and support and is responsive to workers' diverse learning needs and professional experience
- actively support and encourage learning and development for individual staff and teams including the provision of coaching and mentoring support
- identify and address any concerns with the quality of staff performance at individual, team or service level
- be prepared to challenge and address any breach of professional values, ethics and/or codes of practice including seeking support or specialist advice when required
- monitor oversee and support workforce development in order to continuously improve the quality of support for people who use services, families and care givers.
- promote and contribute to a learning culture across the organization.

10
, Managing work health and safety (WHS) risk to ensure a safe working environment in the real estate industry.

Foreword

This _Code of Practice_ on how to manage work health and safety _risks_ is an approved code of practice under section 274 of the _Work Health and Safety Act_ (the _WHS_ Act).

An approved code of practice provides practical guidance on how to achieve the standards of work health and safety required under the _WHS_ Act and the _Work Health and Safety Regulations_ (the _WHS_ Regulations) and effective ways to identify and manage _risks_.

A code of practice can assist anyone who has a duty of care in the circumstances described in the code of practice. Following an approved code of practice will assist the duty holder to achieve compliance with the health and safety duties in the _WHS_ Act and _WHS_ Regulations, in relation to the subject matter of the code of practice. Like regulations, codes of practice deal with particular issues and may not cover all relevant _hazards_ or _risks_. The health and safety duties require duty holders to consider all _risks_ associated with work, not only those for which regulations and codes of practice exist.

Codes of practice are admissible in court proceedings under the _WHS_ Act and _WHS_ Regulations. Courts may regard a code of practice as evidence of what is known about a hazard, risk, risk assessment or risk control and may rely on the code in determining what is reasonably practicable in the circumstances to which the code of practice relates. For further information see the Interpretive Guideline: _The meaning of 'reasonably practicable'_.

Compliance with the _WHS_ Act and _WHS_ Regulations may be achieved by following another method if it provides an equivalent or higher standard of work health and safety than the code.

An inspector may refer to an approved code of practice when issuing an improvement or prohibition notice.

Scope and application

This Code is intended to be read by a person conducting a business or undertaking (_PCBU_). It provides practical guidance to _PCBUs_ on how to manage _risks_ to health and safety. Other approved codes of practice should be referenced for guidance on managing the risk of specific _hazards_.

This Code may be a useful reference for other persons interested in the duties under the _WHS_ Act and _WHS_ Regulations.

This Code applies to all types of work and all workplaces covered by the _WHS_ Act.

How to use this Code of Practice

This Code includes various references to the legal requirements under the _WHS_ Act and _WHS_ Regulations. These are included for convenience only and should not be relied on in the place of the full text of the _WHS_ Act or _WHS_ Regulations. The words 'must', 'requires' or 'mandatory' indicate a legal requirement exists that must be complied with.

The word 'should' is used in this Code to indicate a recommended course of action, while 'may' is used to indicate an optional course of action.

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1. Introduction

1.1 Who has duties for managing work health and safety risks?

Duty holders who have a role in managing work health and safety *risks* include:

- persons conducting a business or undertaking (*PCBUs*)
- designers, manufacturers, importers, suppliers and installers of plant, substances or structures, and
- officers.

Workers and other persons at the workplace also have duties under the *WHS* Act, such as the duty to take reasonable care for their own health and safety at the workplace.

A person can have more than one duty and more than one person can have the same duty at the same time.

Person conducting a business or undertaking
WHS Act section 19: Primary duty of care

A *PCBU* must eliminate *risks* in the workplace, or if that is not reasonably practicable, minimize the *risks* so far as is reasonably practicable.

The *WHS* Regulations include more specific requirements for *PCBUs* to manage the *risks* of hazardous chemicals, airborne contaminants and plant, as well as other *hazards* associated with the workplace.

PCBUs have a duty to consult workers about work health and safety and may also have duties to consult, cooperate and coordinate with other duty holders.

Examples of where a *PCBU* will have a health and safety duty include when:

- the *PCBU* engages workers to carry out work
- the *PCBU* directs or influences workers in carrying out work
- other people may be put at risk from work carried in their business or undertaking, and
- the *PCBU* manages or controls a workplace or fixtures, fittings or plant at the workplace.

Officers
WHS Act section 27: Duty of officers

Officers, such as company directors, have a duty to exercise due diligence to ensure the *PCBU* complies with the *WHS* Act and *WHS* Regulations. This includes taking reasonable steps to gain

an understanding of the *hazards* and *risks* associated with the operations of the business or undertaking, and ensure the business or undertaking has and uses appropriate resources and processes to eliminate or minimize *risks* to health and safety.

Further information on who is an officer and their duties is available in the Interpretive Guideline: *The health and safety duty of an officer under section 27*.

Designers, manufacturers, importers and suppliers of plant, substances or structures
WHS Act Part 2 Division 3: Further duties of persons conducting businesses or undertakings

Designers, manufacturers, importers and suppliers of plant, substances or structures must ensure, so far as is reasonably practicable, the plant, substance or structure they design, manufacture, import or supply is without *risks* to health and safety. This duty includes carrying out testing and analysis as well as providing specific information about the plant, substance or structure.

The *WHS* Regulations include a number of specific requirements for consultation and information sharing to assist in meeting these duties, for example:

- manufacturers to consult with designers of plant
- importers to consult with designers and manufacturers of plant, and
- the person who commissions construction work to consult with the designer of the structure.

Workers
WHS Act section 28: Duties of workers

Workers have a duty to take reasonable care for their own health and safety and to not adversely affect the health and safety of other persons. Workers must comply with reasonable instructions, as far as they are reasonably able, and cooperate with reasonable health and safety policies or procedures that have been notified to workers. If personal protective equipment (*PPE*) is provided by the business or undertaking, the worker must so far as they are reasonably able, use or wear it in accordance with the information and instruction and training provided.

Other persons at the workplace
WHS Act section 29: Duties of other persons at the workplace

Other persons at the workplace, like visitors, must take reasonable care for their own health and safety and must take reasonable care not to adversely affect other people's health and safety. They must comply, so far as they are reasonably able, with reasonable instructions given by the *PCBU* to allow that person to comply with the *WHS* Act.

1.2 What is involved in managing risks?

Management commitment

Effective risk management starts with a commitment to health and safety from those who operate and manage the business or undertaking. You also need the involvement and cooperation of your workers, supply chain partners, and other businesses you work with. Management commitment is about demonstrating you are serious about health and safety and influencing other duty holders in the   workplace.
To demonstrate your commitment, you should:

- get involved in health and safety issues so that you understand the *hazards* and risk associated with your operations
- consult workers and other duty holders on the *hazards* and risk, and how to control them
- invest time and money in health and safety
- ensure you and your workers clearly understand health and safety responsibilities and have the knowledge and skill to do tasks safely, and
- apply health and safety values and behaviors to your own work practices.

A step-by-step process

A safe and healthy workplace does not happen by chance or guesswork. You have to think about what could go wrong at your workplace and what the consequences could be. Then you must do whatever you can (in other words, whatever is 'reasonably practicable') to eliminate or minimize health and safety *risks* arising from your business or undertaking.

This process is known as risk management and involves the four steps set out in this Code (see Figure 1 below):

- Identify hazards—find out what could cause harm.
- Assess *risks*, if necessary—understand the nature of the harm that could be caused by the hazard, how serious the harm could be and the likelihood of it happening. This step may not be necessary if you are dealing with a known risk with known controls.
- Control *risks* – implement the most effective *control measure* that is reasonably practicable in the circumstances and ensure it remains effective over time.
- Review *hazards* and *control measures* to ensure they are working as planned.

This process will be implemented in different ways depending on the size and nature of your business or undertaking. Larger businesses and those in sectors where workers are exposed to more or higher *risks* are likely to need more complex, sophisticated risk management processes.

Examples demonstrating how to manage work health and safety *risks* in consultation with workers are at Appendix B.

Determining what is 'reasonably practicable'

Deciding what is 'reasonably practicable' to protect people from harm requires taking into account and weighing up all relevant matters, including:

- the likelihood of the hazard or risk concerned occurring

- the degree of harm that might result from the hazard or risk
- knowledge about the hazard or risk, and ways of eliminating or minimizing the risk
- the availability and suitability of ways to eliminate or minimize the risk, and
- after assessing the extent of the risk and the available ways of eliminating or minimizing the risk, the cost associated with available ways of eliminating or minimizing the risk, including whether the cost is grossly disproportionate to the risk.

Further information is available in the Interpretive Guideline: *The meaning of 'reasonably practicable*'. The process of managing risk described in this Code will help you decide what is reasonably practicable in particular situations so that you can meet your duty of care under the *WHS* laws.

Figure 1: The risk management process

Many *hazards* and their associated *risks* are well known and have well established and accepted *control measures*. In these situations, the second step to formally assess the risk is unnecessary. If, after identifying a hazard, you already know the risk and how to control it effectively, you can implement the controls without undertaking a risk assessment.

Risk management is a proactive process that helps you respond to change and facilitate continuous improvement in your business. It should be planned, systematic and cover all reasonably foreseeable *hazards* and associated *risks*.

Consulting workers
WHS Act section 47 - Duty to consult workers
WHS Act section 48 - Nature of Consultation

A *PCBU* must consult, so far as is reasonably practicable, with workers who carry out work for the business or undertaking and who are (or are likely to be) directly affected by a health and safety matter.

This duty to consult is based on the recognition that worker input and participation improves decision-making about health and safety matters and assists in reducing work-related injuries and disease.

The broad definition of a 'worker' under the *WHS* Act means a *PCBU* must consult, so far as is reasonably practicable, with contractors and sub-contractors and their employees, on-hire workers, outworkers, apprentices, trainees, work experience students, volunteers and other people who are working for the *PCBU* and who are, or are likely to be, directly affected by a health and safety matter.

Workers are entitled to take part in consultations and to be represented in consultations by a health and safety representative who has been elected to represent their work group.

Consultation with workers and their health and safety representatives is required at each step of the risk management process. By drawing on the experience, knowledge and ideas of your workers you are more likely to identify all *hazards* and choose effective *control measures*.

You should encourage your workers to report any *hazards* and health and safety problems immediately so that *risks* can be managed before an incident occurs.

If you have a health and safety committee, you should engage the committee in the risk management process as well.

Consulting, cooperating and coordinating activities with other duty holders
WHS Act section 46 - Duty to consult with other duty holders

The *WHS* Act requires that a *PCBU* to consult, cooperate and coordinate activities with all other persons who have a work health or safety duty in relation to the same matter, so far as is reasonably practicable.

There is often more than one business or undertaking involved in the same activities or who share the same workplace who may each have responsibility for the same health and safety matters, either because they are involved in the same activities or share the same workplace.

In these situations, each duty holder should exchange information to find out who is doing what and work together in a cooperative and coordinated way so *risks* are eliminated or minimized so far as is reasonably practicable.

For example, if you engage labor hire workers as part of your workforce you share a duty of care to these workers with the business that provides them. In these situations, you must discuss the _hazards_ and _risks_ associated with the work and what precautions will be taken with the labor hire firm.

Never assume that someone else is taking care of a health and safety matter. Find out who is doing what and work together with other duty holders in a cooperative and coordinated way so _risks_ are eliminated or minimized as far as reasonably practicable.

When entering into contracts you should communicate your safety requirements and policies, review the job to be undertaken, discuss any safety issues that may arise and how they will be dealt with. Remember that you cannot transfer your responsibilities to another person.

Further guidance on _WHS_ consultation is available in the Code of Practice: _Work health and safety consultation, cooperation and coordination_.

1.3. When should a risk management approach be used?

Managing work health and safety _risks_ is an ongoing process that needs attention over time, but particularly when any changes affect your work activities. Examples of when you should work through the steps in this Code include:

- starting a new business
- expanding or purchasing an existing business
- changing work practices, procedures or the work environment
- changing organizational structure or job roles
- introducing new workers or returning workers to the workplace
- purchasing new or used equipment or using new substances
- working with a new supplier or new commissioner of your services
- planning to improve productivity or reduce costs
- new information about workplace _risks_ becomes available
- responding to workplace incidents (even if they have caused no injury)
- responding to concerns raised by workers, health and safety representatives or others at the workplace, or
- required by the _WHS_ regulations for specific _hazards_.

It is also important to use the risk management approach when designing and planning products, processes or places used for work, because it is often easier and more effective to eliminate _hazards_ before they are introduced into a workplace by incorporating safety features at the design stage.

The risk management process outlined in this Code should be applied to both physical and psychological _risks_. Further guidance specific to psychological _risks_ is available in the _Guide: Integrated approach to work-related psychosocial health and safety_ and the _Guide for preventing and responding to workplace bullying_.

2. Step 1—How to identify hazards

Identifying _hazards_ in the workplace involves finding things and situations that could potentially cause harm to people. Hazards generally arise from the following aspects of work and their interaction:

- physical work environment
- equipment, materials and substances used
- work tasks and how they are performed, and
- work design and management.

Table 1 below lists some common types of workplace _hazards_. Some _hazards_ are part of the work process, such as mechanical _hazards_, noise or toxic properties of substances. Other _hazards_ result from equipment or machine failures and misuse, chemical spills and structural failures, or where work demands exceed a worker's ability to cope.

A piece of plant, substance or a work process may have many different _hazards_. Each of these _hazards_ needs to be identified. For example, a production line may have dangerous moving parts, noise, _hazards_ associated with manual tasks and psychosocial _hazards_ due to the pace of work.

Table 1: Examples of common _hazards_

Hazard	Example	Potential harm
Manual tasks	Tasks involving sustained or awkward postures, high or sudden force, repetitive movements or vibration	_Musculoskeletal_ disorders such as damage to joints, ligaments and muscles
Gravity	Falling objects, falls, slips and trips of people	Fractures, bruises, lacerations, dislocations, concussion, permanent injuries or death
Psychosocial	Excessive time pressure, bullying, violence and work-related fatigue	Psychological or physical injury or illness
Electricity	Exposure to live electrical wires	Shock, burns, damage to organs and nerves leading to permanent injuries or death
Machinery and equipment	Being hit by moving vehicles, or being caught in moving parts of machinery	Fractures, bruises, lacerations, dislocations, permanent injuries or death
Hazardous chemicals	Acids, hydrocarbons, heavy metals, asbestos and silica	Respiratory illnesses, cancers or dermatitis

Table 1: Examples of common *hazards*

Hazard	Example	Potential harm
Extreme temperatures	Heat and cold	Heat can cause burns and heat stroke or injuries due to fatigue. Cold can cause hypothermia or frost bite
Noise	Exposure to loud noise	Permanent hearing damage
Radiation	Ultra violet, welding arc flashes, micro waves and lasers	Burns, cancer or blindness
Biological	Micro-organisms	Hepatitis, legionnaires' disease, Q fever, HIV/AIDS or allergies

2.1. How to find hazards

Inspect the workplace

As a person conducting a business or undertaking (*PCBU*), regularly walking around the workplace and observing how things are done can help you predict what could or might go wrong. Look at how people actually work, how plant and equipment are used, what chemicals are around and what they are used for, what safe or unsafe work practices exist as well as the general state of housekeeping.

Things to look out for include the following:

- Does the work environment enable workers to carry out work without *risks* to health and safety (for example, space for unobstructed movement, adequate ventilation, lighting)?
- How is work performed, including the physical, mental and emotional demands of the tasks and activities?
- How suitable are the tools and equipment for the task and how well are they maintained?
- How do workers, managers, supervisors and others interact and how are inappropriate behaviors or conflicts dealt with?
- Have any changes occurred in the workplace which may affect health and safety?

Hazards are not always obvious. Some *hazards* can affect health over a long period of time or may result in stress (such as bullying) or fatigue (such as shiftwork). Also think about *hazards* that you may bring into your workplace with new, used or hired goods (for example, worn insulation on a hired welding set).

As you walk around, you may spot straightforward problems and action should be taken on these immediately, for example cleaning up a spill. If you find a situation where there is immediate or significant danger to people, move those persons to a safer location first and attend to the hazard urgently. Follow up on why the situation occurred to identify additional *hazards* and *risks*.

Make a list of the _hazards_ you find, including the ones you know are already being dealt with, to ensure that nothing is missed. This list can be kept and updated next time you do an inspection. You may use a checklist designed to suit your workplace to help you find and make a note of _hazards_.

Good work design and safe design

The best chance to find ways to eliminate _hazards_ and minimize _risks_ is during the design phase.

Effective design of 'good work' considers the work tasks, work systems, the physical working environment, and the workers and others in the workplace. For more information on good work design principles, see _Principles of good work design: A work health and safety handbook_.

Safe design of buildings, structures, equipment and vehicles accounts for the _hazards_ and _risks_ present at all stages of the product's lifecycle. For more information on safe design principles and how to achieve safe design, see _Guidance on the principles of safe design for work_ and the Code of Practice: _Safe design of structures_.

Consult your workers

Ask your workers about any health and safety problems they have encountered in doing their work and any near misses or incidents that have not been reported.

Worker surveys may also be undertaken to obtain information about matters such as workplace bullying, as well as muscular aches and pains that can signal potential _hazards_.

Consult your supply chains and networks

Talk with your suppliers or those commissioning your services to understand each other's needs and identify any _hazards_ and _risks_. For example, _hazards_ may relate to frequent pressure to deliver services in very tight timeframes or to delay service delivery for long periods which reduce workers' opportunities to rest. Other _hazards_ may relate to packaging products in ways that increase workers' _risks_ of musculoskeletal injury or exposure to hazardous chemicals.

When people within a supply chain act cooperatively they can exert greater influence on health and safety than when acting alone.

Review available information

Information and advice about _hazards_ and _risks_ relevant to particular industries and types of work is available from regulators, industry associations, unions, technical specialists and safety consultants.

Manufacturers and suppliers can also provide information about _hazards_ and safety precautions for specific substances (safety data sheets), plant or processes (instruction manuals).

Analyze your records of health monitoring, workplace incidents, near misses, worker complaints, sick leave and the results of any inspections and investigations to identify _hazards_. If someone has been harmed doing a particular task, then a hazard exists that could hurt someone else. These incidents need to be investigated to find the hazard that caused the injury or illness.

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3. Step 2—How to assess risks

A risk assessment involves considering what could happen if someone is exposed to a hazard and the likelihood of it happening. A risk assessment can help you, as a person conducting a business or undertaking (_PCBU_), to determine:

- how severe a risk is
- whether any existing _control measures_ are effective
- what action you should take to control the risk, and
- how urgently the action needs to be taken.

Many _hazards_ and their associated _risks_ are well known and have well established and accepted _control measures_. In these situations, the second step to formally assess the risk is not required. If after identifying a hazard you already know the risk and how to control it effectively, you may simply implement the controls.

A risk assessment can be undertaken with varying degrees of detail depending on the type of hazard and the information, data and resources that you have available. It can be as simple as a discussion with your workers or involve specific risk analysis tools and techniques developed for specific _risks_ or recommended by safety professionals. For some complex situations, expert or specialist advice may be useful when conducting a risk assessment.

3.1 When should a risk assessment be carried out?

A risk assessment should be done when:

- there is uncertainty about how a hazard may result in injury or illness
- the work activity involves a number of different _hazards_ and there is a lack of understanding about how the _hazards_ may interact with each other to produce new or greater _risks_, or
- changes at the workplace occur that may impact on the effectiveness of _control measures_.

In some circumstances, a risk assessment will assist to:

- identify which workers are at risk of exposure
- determine what sources and processes are causing the risk
- identify if and what kind of _control measures_ should be implemented, and
- check the effectiveness of existing _control measures_.

A risk assessment is mandatory under the _WHS_ Regulations for certain activities that are high risk such as, but not limited to, entry into confined spaces, diving work and live electrical work.

Some _hazards_ that have exposure standards, such as noise and airborne contaminants, may require scientific testing or measurement by a competent person to accurately assess the risk and to check that the relevant exposure standard is not being exceeded (for example, by using noise meters to measure noise levels and using gas detectors to analyze oxygen levels in confined spaces).

A risk assessment is not required when legislation requires a hazard or risk to be controlled in a specific way—these requirements must be complied with.

A detailed risk assessment may not be required in the following situations:

- A code of practice or other guidance sets out a way of controlling a hazard or risk that is applicable to your situation.
- There are well-known and effective controls that are in use in the industry that are suited to the circumstances in your workplace.

In these situations, you may be able to simply implement these _control measures_.

A risk assessment may be appropriate to reuse in situations where all the _hazards_, tasks, things, workers or circumstances are the same and no worker or other person will be exposed to greater, additional or different _risks_. However, as stated above, if there are any changes at the workplace, a new risk assessment should be performed.

3.2. How to do a risk assessment

Hazards have the potential to cause different types and severities of harm, ranging from minor discomfort to a serious injury or death.

For example, heavy liquefied petroleum gas (LPG) cylinders can cause muscular strain when they are handled manually. However, if the cylinder is damaged causing gas to leak, which is then ignited, a fire could result in serious burns. If that leak occurs in a storeroom or similar enclosed space, it could result in an explosion that could destroy the building and kill or injure anyone nearby. Each of the outcomes involves a different type of harm with a range of severities, and each has a different likelihood of occurrence.

The risk will increase as the severity and likelihood of harm increases.

Work out how hazards may cause harm

In most cases, incidents occur as a result of a chain of events and a failure of one or more links in that chain. If one or more of the events can be stopped or changed, the risk may be eliminated or reduced.

One way of working out the chain of events is to determine the starting point where things begin to go wrong and then consider: 'If this happens, what may happen next?' This will provide a list of events that sooner or later cause harm. See the example in Appendix C.

In thinking about how each hazard may cause harm, you should consider:

- the effectiveness of existing *control measures* and whether they control all types of harm
- how work is done, rather than relying on written manuals and procedures, and
- infrequent or abnormal situations, as well as how things are normally meant to occur.

Consider how harm could be caused during maintenance and cleaning, as well as breakdowns of equipment and failures of health and safety controls.

Work out how severe the harm could be

To estimate the severity of harm that could result from each hazard you should consider the following questions:

- What type of harm could occur (for example muscular strain, injuries due to fatigue, psychological injury, burns, laceration)? How severe is the harm? Could the hazard cause death, serious injuries, illness or only minor injuries be requiring first aid?
- What factors could influence the severity of harm that occurs? For example, the distance someone might fall, or the concentration of a particular substance will determine the level of harm that is possible. The harm may occur immediately if something goes wrong (for example injury from a fall) or it may take time for it to become apparent (for example illness from long-term exposure to a substance or to excessive work demands).
- Do you need to use specific tools or processes to assess how severe the harm could be? This could include sending samples to a lab for testing or arranging noise exposure level testing.
- How many people are exposed to the hazard and how many could be harmed in and outside your workplace? For example, a mobile crane collapse on a busy construction site has the potential to kill or injure a large number of people.
- Could one failure lead to other failures? For example, could the failure of your electrical supply make any *control measures* that rely on electricity ineffective?
- Could a small event escalate to a much larger event with more serious consequences? For example, a minor fire can get out of control quickly in the presence of large amounts of combustible materials.

Work out the likelihood of harm occurring

The likelihood that someone will be harmed can be estimated by considering the following:

- How often is the task done? Does this make the harm more or less likely?
- How often are people near the hazard? How close do people get to it?
- Has it ever happened before, either in your workplace or somewhere else? How often?

Table 2 contains further questions that can help you estimate likelihood.

You can rate the likelihood as one of the following:

- **Certain to occur**—expected to occur in most circumstances
- **Very likely**—will probably occur in most circumstances
- **Possible**—might occur occasionally
- **Unlikely**—could happen at some time
- **Rare**—may happen only in exceptional circumstances.

Table 2 Questions to help estimate likelihood of harm occurring

Questions	Explanation and examples
How often are people exposed to the hazard?	A hazard may exist all of the time or it may only exist occasionally. The more often a hazard is present, the greater the likelihood it will result in harm. For example: - Meshing gears in an enclosed gearbox can cause crushing only if the gearbox is open during maintenance, and therefore the potential for harm will not occur very often. - Continuously lifting heavy boxes has the potential to cause harm whenever the work is done.
How long might people be exposed to the hazard?	The longer that someone is exposed to a hazard, the greater the likelihood that harm may result. For example: The longer a person is exposed to noisy work, the more likely it is that they will suffer hearing loss.
How effective are current controls in reducing risk?	In most cases the _risks_ being assessed will already be subject to some _control measures_. The likelihood of harm resulting from the risk will depend upon how adequate and effective the current measures are. For example: Traffic management controls have been implemented in a warehouse to separate moving forklifts from pedestrians by using signs and painted lines on the floor. These controls may need to be upgraded to include physical barriers.
Could any changes in your organisation increase the likelihood?	The demand for goods or services in many organizations varies throughout the year. Changes in demand may be seasonal, depend on environmental conditions or be affected by market fluctuations that are driven by a range of events. Meeting increased demand may cause unusual loads on people, plant and equipment and systems of work. Failures may be more likely. For example: Inner city restaurants and bistros are very busy in the period prior to Christmas, placing extra demands on kitchen and serving staff. The increase in volume of food to be prepared and serving a larger number of patrons increases the potential for human error and the likelihood of harm.

Table 2 Questions to help estimate likelihood of harm occurring

Questions	Explanation and examples
Are _hazards_ more likely to cause harm because of the working environment?	Examples of situations where the risk of injury or illness may become more likely: • Environmental conditions change. For example, work performed in high temperatures in a small space increases the potential for mistakes because workers become fatigued more quickly; wet conditions make walkways and other things slippery. • People are required to work quickly. The rate at which work is done (e.g. number of repetitions) can over-stress a person's body or make it more likely that mistakes will be made. o There is insufficient light or poor ventilation.
Could the way people act and behave affect the likelihood of a hazard causing harm?	The possibility that people may make mistakes, misuse items, become distracted or panic in particular situations needs to be taken into account. The effects of fatigue or stress may make it more likely that harm will occur.
Do the differences between individuals in the workplace make it more likely for harm to occur?	Workers are not all the same and individual variability should be considered, for example: • People respond to stress at work in different ways, which means some workers are more susceptible to harm. • People with disabilities may be more likely to suffer harm if the workplace or process is not designed for their needs. • New or young workers may be more likely to suffer harm because of inexperience. • People who do not normally work at the workplace will have less knowledge than employees who normally work there and may be more likely to suffer harm. These people include contractors, visitors or members of the public.

4. Step 3—How to control risks

The most important step in managing _risks_ involves eliminating them so far as is reasonably practicable, or if that is not reasonably practicable, minimizing the _risks_ so far as is reasonably practicable.

In deciding how to control _risks_, as a person conducting a business or undertaking (_PCBU_), you must consult your workers and their representatives who will be directly affected by this decision. Their experience will help you choose appropriate _control measures_ and their involvement will increase the level of acceptance of any changes that may be needed to the way they do their job.

There are many ways to control _risks_. Some _control measures_ are more effective than others.

You must consider various control options and choose the control that most effectively eliminates the hazard or minimizes the risk in the circumstances. This may involve a single _control measure_ or a combination of different controls that together provide the highest level of protection that is reasonably practicable.

Some problems can be fixed easily and should be done straight away, while others will need more effort and planning to resolve. Of those requiring more effort, you should prioritize areas for action, focusing first on those _hazards_ with the highest level of risk.

4.1. The hierarchy of control measures

The ways of controlling _risks_ are ranked from the highest level of protection and reliability to the lowest as shown in Figure 2. This ranking is known as the hierarchy of _control measures_.

The hierarchy of _control measures_ can be applied in relation to any risk. The _WHS_ Regulations make it mandatory for duty holders to work through this hierarchy when managing certain _risks_.

Figure 2 The hierarchy of *control measures*
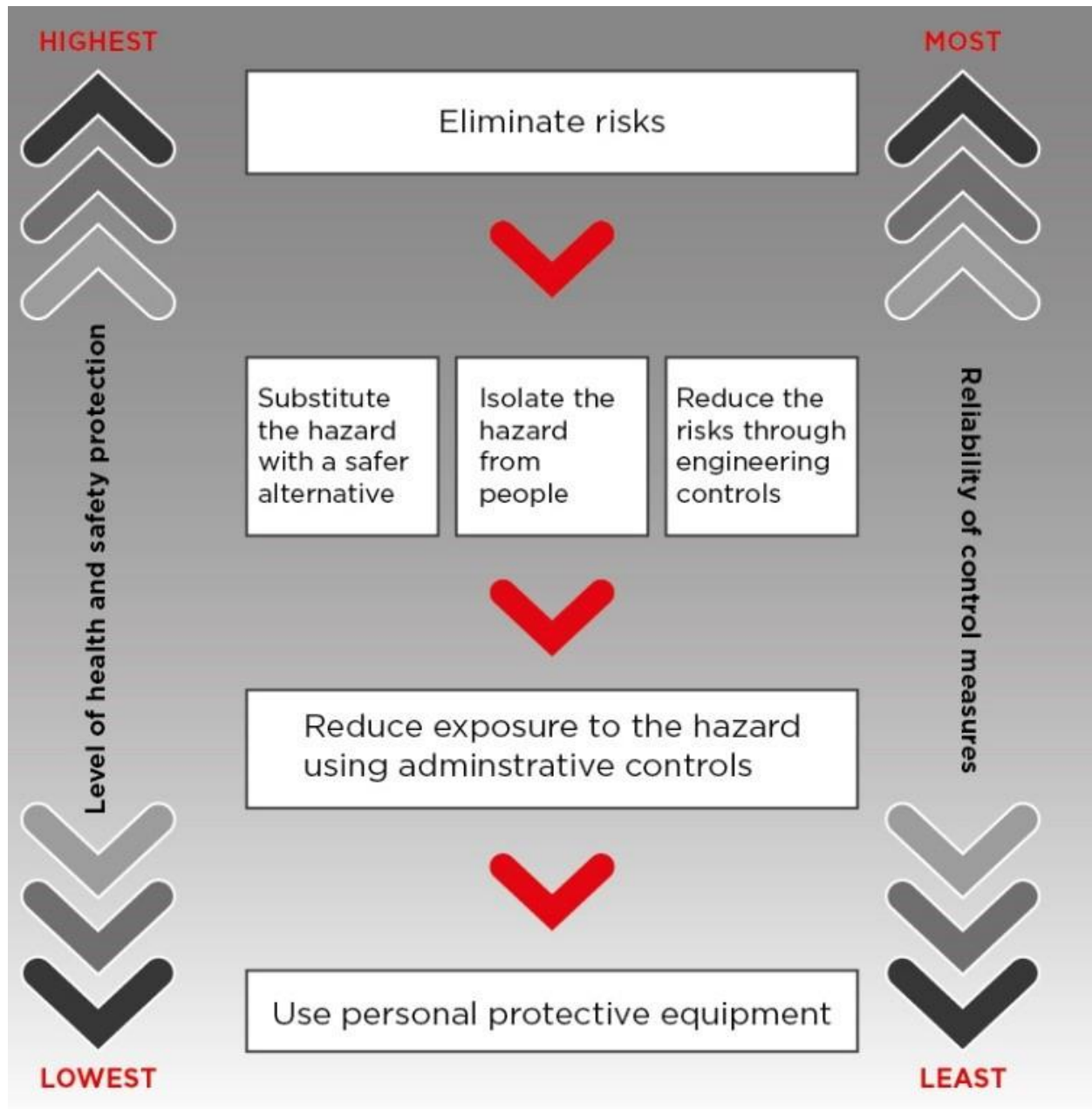
You must always aim to eliminate the risk, which is the most effective control. If this is not reasonably practicable, you must minimize the risk by working through the other alternatives in the hierarchy.

The lower levels in the hierarchy are less effective because controls that change the hazard or minimize exposure to the hazard can only minimize the risk. You cannot eliminate the risk without eliminating the hazard.

Administrative controls and personal protective equipment (_PPE_) are the least effective at minimizing risk because they do not control the hazard at the source and rely on human behavior and supervision. These _control measures_ should only be used:

- to supplement higher level _control measures_ (as a back-up)
- as a short-term interim measure until a more effective way of controlling the risk can be used, or
- when there are no other practical _control measures_ available (as a last resort).

Elimination

The most effective _control measure_ involves eliminating the hazard and associated risk. The best way to do this is by, firstly, not introducing the hazard into the workplace. For example, you can eliminate the risk of a fall from height by doing the work at ground level.

Eliminating _hazards_ is often cheaper and more practical to achieve at the design or planning stage of a product, process or place used for work. In these early phases, there is greater scope to design out _hazards_ or incorporate risk _control measures_ that are compatible with the original design and functional requirements. For example, not using a noisy machine will be more effective than providing workers with personal hearing protectors.

You can also eliminate _risks_ by removing an existing hazard, for example, by removing trip _hazards_ on the floor, disposing of unwanted chemicals, or not working in an isolated or remote area.

It may not be reasonably practicable to eliminate a hazard if doing so means that you cannot make the end product or deliver the service. If you cannot eliminate the hazard, then you must minimize as many of the _risks_ associated with the hazard as reasonably practicable.

Substitution, isolation and engineering controls

If it is not reasonably practicable to eliminate the _hazards_ and associated _risks_, you must minimize the _risks_ using one or more of the following approaches, so far as is reasonably practicable.

Substitute the hazard with something safer

For instance, replace solvent-based paints with water-based ones or allow workers to have more control of line speed instead of pacing line work by computer.

Isolate the hazard from people

This involves physically separating the source of harm from people by distance or using barriers. For instance, install guardrails around exposed edges and holes in floors; use remote control systems to operate machinery; store chemicals in a fume cabinet; place barriers between workers and customers where there is a risk of assault.

Use engineering controls

An engineering control is a *control measure* that is physical in nature, including a mechanical device or process. For instance, use mechanical devices such as trolleys or hoists to move heavy loads; place guards around moving parts of machinery; install residual current devices (electrical safety switches); set work rates on a production line to reduce fatigue; install sound dampening measures to reduce exposure to unpleasant or hazardous noise.

Administrative controls

If *risks* remain, they must be minimized by implementing administrative controls, so far as is reasonably practicable. Administrative controls include work methods or procedures that are designed to minimize exposure to a hazard as well as the information, training and instruction needed to ensure workers can work safely. For instance, develop procedures on how to operate machinery safely, provide training and support to managers and workers to identify and manage health and safety *risks*, implement anti-bullying policies, limit exposure time to a hazardous task, and/or use signs to warn people of a hazard.

Some administrative measures will be necessary to ensure substitution, isolation and engineering controls are implemented effectively, for example, following safe work procedures when using equipment. See section 4.2 below for information on implementing *control measures*.

Personal protective equipment

Any remaining *risks* must be minimized with suitable *PPE*. Examples of *PPE* include ear muffs, respirators, face masks, hard hats, gloves, aprons and protective eyewear. *PPE* limits exposure to the harmful effects of a hazard but only if workers wear and use the *PPE* correctly.

WHS Regulation 44: Provision to workers and use of personal protective equipment

If *PPE* is to be used at the workplace, you must ensure the equipment is:

- selected to minimize risk to health and safety, including by ensuring that the equipment is suitable for the nature of the work and any hazard associated with the work and is of suitable size and fit and reasonably comfortable for the worker who is to use or wear it
- maintained, repaired and replaced so that is continues to minimize risk to the worker who uses it, including by ensuring that the equipment is clean and hygienic, and in good working order.

If you direct the carrying out of work, you must provide the worker with information, training and instruction in the proper use and wearing of *PPE*, and the storage and maintenance of *PPE*.

A worker must, so far as reasonably able, use or wear the *PPE* in accordance with any information, training or reasonable instruction and must not intentionally misuse or damage the equipment.

4.2. How to develop and implement control options

Information about suitable controls for many common _hazards_ and _risks_ can be obtained from:

- codes of practice and guidance material
- manufacturers and suppliers of plant, substances and equipment used in your workplace, or
- industry associations and unions.

In some cases, published information will provide guidance on the whole work process. In other cases, the guidance may relate to individual items of plant or how to safely use specific substances. You may use the recommended control options if they suit your situation and eliminate or minimize the risk.

Developing specific control measures

You may need to develop specific _control measures_ if the available information is not relevant to the _hazards_ and _risks_ or circumstances at your workplace. This can be done by referring to the chain of events that were recorded during the risk assessment. For each of the events in the sequence, ask: 'What can be done to stop or change the event occurring?' An example of this approach is shown in Appendix C.

Working through the events in the sequence will give you ideas about possible ways to eliminate or minimize the risk. There may be more than one solution for each of the events. The control option you choose should be:

– one or more controls that provide the highest level of protection for people and is the most reliable—that is, controls located towards the top of the hierarchy in Figure 2

– available—that is, it can be purchased, made to suit or be put in place, and

– suitable for the circumstance in your workplace—that is, it will work properly given the workplace conditions, work process and your workers.

Where the hazard or risk has the potential to cause death, serious injury or illness, more emphasis should be given to those controls that eliminate or reduce the level of harm, than those that reduce the likelihood of harm occurring.

Make sure that your chosen solution does not introduce new _hazards_. If this is not possible, any new _hazards_ or _risks_ introduced will also need to be managed.

You may prepare a risk register that identifies the _hazards_, what action needs to be taken, who will be responsible for taking the action and by when. An example is provided at Appendix D.

Cost of control measures

All _risks_ can be controlled and it is always possible to do something, such as stopping the activity or providing instructions to those exposed to the risk. There will normally be a number of different

options between these two extremes. Cost (in terms of time and effort as well as money) is just one factor to consider when determining the best control option.

The cost of controlling risk may be taken into account in determining what is reasonably practicable, but cannot be used as a reason for doing nothing.

The greater the likelihood of harm occurring or the greater the extent of that harm, the less weight should be given to the cost of controlling the hazard or risk.

If two *control measures* provide the same level of protection and are equally reliable, you can adopt the less expensive option. Cost cannot be used as a reason for adopting controls that rely exclusively on changing people's behaviour or actions when there are more effective controls available that can change the risk through substitution, engineering or isolation.

For further information, see the Interpretive Guideline: *The meaning of 'reasonably practicable'*.

Implementing controls

The *control measures* you put into operation will usually require changes to the way work is carried out, for example, working with new or modified equipment or processes, new or different chemicals or new personal protective equipment. In these situations, it is necessary to support the *control measures* with the following.

Work procedures

Develop a safe work procedure that describes the task, identifies the *hazards* and documents how the task is to be performed to minimize the *risks*.

Training, instruction and information

Train your workers in the work procedure to ensure that they are able to perform the task safely. Training must cover the nature of the work, the associated *risks* and the *control measures* to be implemented.

Training should require workers to demonstrate that they are competent in performing the task according to the procedure. It is insufficient to simply give a worker the procedure and ask them to acknowledge that they understand and are able to perform it. Training, instruction and information must be provided in a form that can be understood by all workers.

Information and instruction may also need to be provided to others who enter the workplace, such as customers or visitors.

Supervision

The level of supervision required will depend on the level of risk and the experience of the workers involved. High levels of supervision are necessary where inexperienced workers are expected to follow new procedures or carry out difficult and critical tasks.

Maintenance

Control measures need regular monitoring and maintenance to ensure they remain effective. You should decide what is required when you implement the control and establish a schedule for routine checks and maintenance appropriate to the controls.

You may prepare a risk register identifying the _hazards_, what action needs to be taken, who will be responsible for taking the action and by when. An example is provided at Appendix D.

4.3. How to ensure controls remain effective

An important part of controlling risk is ensuring that your chosen _control measures_ are maintained after their initial implementation. The following actions may help you monitor the _control measures_ you have implemented and ensure that they remain effective.

Accountability for health and safety

Managers and supervisors should be provided with the authority and resources to implement and maintain _control measures_ effectively. Accountability should be clearly allocated to ensure procedures are followed and maintained.

Maintenance of plant and equipment

This will involve scheduling and performing regular inspection and testing, repair or replacement of damaged or worn plant and equipment. It includes checking that any _control measures_ are suitable for the nature and duration of work, are set up and used correctly.

Further information on maintaining plant and equipment is available in the _Code of Practice: Managing the risks of plant in the workplace_.

Up-to-date training and competency

Most _control measures_ depend on workers and supervisors having the appropriate competencies to do the job safely. Training must be provided to maintain competencies and to ensure new workers are capable of working safely.

Up-to-date hazard information

Information about *hazards*, such as plant and substances, may be updated by manufacturers and suppliers and should be checked to make sure controls are still relevant. New technology may provide more effective solutions than were previously available. Changes to operating conditions or the way activities are carried out may also mean that *control measures* need to be updated.

Regular review and consultation

Control measures are more effective where there is regular review of work procedures and consultation with your workers and their representatives.

If maintenance processes reveal new *hazards*, or existing *hazards* that are not being addressed, you will need to perform a review of your *control measures*.

5. Step 4—How to review controls

The *control measures* you, as a person conducting a business or undertaking (*PCBU*), put in place should be reviewed regularly to make sure they work as planned. Don't wait until something goes wrong.

The *WHS* Regulations require a risk management process for specific *risks*. That process includes circumstances where you must review your *control measures* for those *risks* and, if necessary, change them. A review is required:

- when the *control measure* is not effective in controlling the risk
- before a change at the workplace that is likely to give rise to a new or different health and safety risk that the *control measure* may not effectively control
- if a new hazard or risk is identified
- if the results of consultation indicate that a review is necessary, or
- if a health and safety representative request a review.

In any case, as part of your ongoing duties as a *PCBU*, you should regularly review your *control measures*, including in the above circumstances. Managing work health and safety *risks* is an ongoing process that needs attention over time, but particularly when any changes affect your work activities.

You may use the same methods as in the initial hazard identification step (Chapter 2—How to identify *hazards*) to check controls. Consult your workers and their health and safety representatives and consider the following questions:

- Are the *control measures* working effectively in both their design and operation?
- Have the *control measures* introduced new problems?
- Have all *hazards* been identified?
- Have new work methods, new equipment or chemicals made the job safer?
- Are safety procedures being followed?
- Have the instruction and training provided to workers on how to work safely been successful?
- Are workers actively involved in identifying *hazards* and possible *control measures*? Are they openly raising health and safety concerns and reporting problems promptly?
- Are the frequency and severity of health and safety incidents reducing over time?
- If new legislation or new information becomes available, does it indicate current controls may no longer be the most effective?

If problems are found, go back through the risk management steps (Chapter 4—How to control *risks*), review your information and make further decisions about risk control. Priority for review should be based on the level of risk. Control measures for high *risks* should be reviewed more frequently.

If you design, manufacture or supply products used for work, quality assurance processes may be used to check the product effectively minimizes health and safety *risks*. Obtain feedback from users of the product to determine whether any improvements can be made to make it safer.

6. Keeping records

Keeping records of the risk management process demonstrates what you have done to comply with the *WHS* Act and *WHS* Regulations. It also helps when undertaking subsequent risk management activities, including reviewing your *control measures*.

Keeping records of the risk management process has the following benefits. It:

- allows you to demonstrate how decisions about controlling *risks* were made
- assists in targeting training at key *hazards*
- provides a basis for preparing safe work procedures
- allows you to more easily review *risks* following any changes to legislation or business activities, and
- demonstrates to others (regulators, investors, shareholders, customers) that work health and safety *risks* are being managed.

The detail and extent of recording will depend on the size of your workplace and the potential for major work health and safety issues. It is useful to keep information on:

- the identified *hazards*, assessed *risks* and chosen *control measures* (including any hazard checklists, worksheets and assessment tools used in working through the risk management process)
- how and when the *control measures* were implemented, monitored and reviewed
- who you consulted with?
- relevant training records, and
- any plans for changes.

There are specific record-keeping requirements in the *WHS* Regulations for some *hazards*, such as hazardous chemicals, plant and equipment. If such *hazards* have been identified at your workplace, you must keep the relevant records for the time specified.

You should ensure that everyone in your workplace is aware of record-keeping requirements, including which records are accessible and where they are kept.

Appendix A—Glossary

Appendix A—Glossary

Term	Description
Control measure	An action taken to eliminate or minimize health and safety *risks* so far as is reasonably practicable. A hierarchy of *control measures* is set out in the *WHS* Regulations to assist duty holders to select the highest *control measures* reasonably practicable. Note: The *WHS* Regulations also refer to a *control measure* as a risk *control measure* or a risk control. In this Code, *control measure* is used throughout.
Duty holder	Any person who owes a work health and safety duty under the *WHS* Act including a person conducting a business or undertaking, a designer, manufacturer, importer, supplier, installer of products or plant used at work (upstream duty holder), officer or a worker.
Hazard	A situation or thing that has the potential to harm a person. Hazards at work may include noisy machinery, a moving forklift, chemicals, electricity, working at heights, a repetitive job, bullying and violence at the workplace.
Health	Health includes both physical and psychological health.
Health and safety committee	A consultative body established under the *WHS* Act. The committee's functions include facilitating cooperation between workers and the person conducting a business or undertaking to ensure workers' health and safety at work, and assisting to develop work health and safety standards, rules and procedures for the workplace.
Health and safety representative	A worker who has been elected by their work group under the *WHS* Act to represent them on health and safety matters.
Managing risk	This is a process set out in the *WHS* Regulations to eliminate health and safety *risks* so far as is reasonably practicable, or if this is not reasonably practicable, minimize the *risks* so far as is reasonably practicable. It includes identifying *hazards*, assessing and implementing *control measures*, and reviewing and maintaining the *control measures* to ensure their ongoing effectiveness.
May	'May' indicates an optional course of action.
Must	'Must' indicates a legal requirement exists that must be complied with.
Officer	An officer under the *WHS* Act includes: • an officer under section 9 of the Corporations Act 2001 (Cth) • an officer of the Crown within the meaning of section 247 of the *WHS* Act, and • an officer of a public authority within the meaning of section 252 of the *WHS* Act

Appendix A—Glossary

Term	Description
	A partner in a partnership or an elected member of a local authority is not an officer while acting in that capacity.
Person conducting a business or undertaking (*PCBU*)	A *PCBU* is an umbrella concept which intends to capture all types of working arrangements or relationships. A *PCBU* includes a: • company • unincorporated body or association • sole trader or self-employed person. Individuals who are in a partnership that is conducting a business will individually and collectively be a *PCBU*. A volunteer association (defined under the *WHS* Act, see below) or elected members of a local authority will not be a *PCBU*.
Risk	The possibility harm (death, injury or illness) might occur when exposed to a hazard.
Should	'Should' indicates a recommended course of action.
Volunteer association	A group of volunteers working together for one or more community purposes where none of the volunteers, whether alone or jointly with any other volunteers, employs any person to carry out work for the volunteer association.
Work group	A group of workers established to facilitate the representation of workers by one or more health and safety representatives. A work group may be all workers at a workplace but it may also be appropriate to split a workplace into multiple work groups where workers share similar work conditions or are exposed to similar *risks* and *hazards*. For example, all workers on night shift.
Worker	Any person who carries out work for a person conducting a business or undertaking, including work as an employee, contractor or subcontractor (or their employee), self-employed person, outworker, apprentice or trainee, work experience student, employee of a labor hire company placed with a 'host employer' or a volunteer.
Workplace	Any place where work is carried out for a business or undertaking and includes any place where a worker goes, or is likely to be, while at work. This may include offices, factories, shops, construction sites, vehicles, ships, aircraft or other mobile structures on land or water.

Appendix B—Examples of the risk management process

Example 1

Two years ago, the Burbs Municipal Council implemented a number of written health and safety procedures used to train workers how to carry out particular tasks safely. As these procedures had not been reviewed since their implementation, the Safety Manager implemented a new approach to not only review these procedures but also promote health and safety more widely across the organization by encouraging staff involvement and cooperation.

To do this, the Safety Manager established and facilitated safety workshops each Friday for an hour where a team would review a particular task and its procedures to identify _hazards_, assess _risks_ and consider options to control these. The team included management, council workers, the respective health and safety representative and any contractors engaged to carry out the work.

The Safety Manager's approach was to facilitate the workshops but then hand this role over to the relevant team supervisor, who would then facilitate future meetings to review other tasks conducted by the workers. The written health and safety procedures were not used in the workshops as the Safety Manager wanted to learn more about the _hazards_, _risks_ and controls from the workers without prompting. However, any changes discussed and agreed during the meeting would be included in the revised written safety procedures.

The first safety workshop was conducted in the Parks and Gardens Branch and involved management, workers, their health and safety representatives and a representative from the maintenance shop that supplied the Parks and Gardens Branch with a variety of vehicles and equipment. The task is outlined in Table 3.

Table 3 Example 1: Safety workshop—20 August 2010

Safety workshop—20 August 2017	
Team	**Parks and Gardens Branch**
Task being reviewed	Cleaning of the toilets in the council's parks
Description of task	Undertaken each Monday morning by two workers in a Council truck who would clean the eight toilet blocks across the municipality

Safety workshop—20 August 2017	
Team	**Parks and Gardens Branch**
What does the task involve?	At the depot: • Load the truck with the compressor and pressure hose along with cleaning chemicals and materials. At the park: • Open toilet block • Clean toilets • Unload compressor and pressure hose, place them in toilet block and attach to tap, turn on compressor and hose walls and floors • Put compressor and pressure hose along with cleaning gear back on truck • Dry out toilet block floor by sweeping • Leave park and go to next one.

In order to gather advice and information from the team, the Safety Manager asked questions and shared the responses by writing them on a whiteboard or butchers' paper, as shown in Table 4.

Table 4 Example 1: Questions asked by the Safety Manager and responses

	What _hazards_ are encountered when doing the task?	**What _risks_ do these pose to health and safety?**	**How are these _risks_ currently controlled?**
Plant	• Truck • Compressor and pressure hose	• Truck—faulty truck could cause accident and cause injuries to workers and others • Compressor and pressure hose—faulty fuel line in compressor could cause burns and injuries through fire or explosion	• Truck and compressor have maintenance schedule • Checklist for visual inspection for plant before it leaves depot • Reporting and tagging system for defective plant
Manual handling	• Loading and unloading the compressor • Carrying the compressor to and from the toilet block • Sweeping water to dry the floor	Heavy load, awkward, sustained postures and repetitive actions can cause sprains, strains, back injuries or fractures and cuts if dropped on foot	• Compressor has handles fitted to assist in lifting and carrying • Two persons required to lift and carry compressor

Table 4 Example 1: Questions asked by the Safety Manager and responses

	What _hazards_ are encountered when doing the task?	What _risks_ do these pose to health and safety?	How are these _risks_ currently controlled?
			- Only workers who have been trained able to lift and carry compressor - Floor sweeping roster
Chemical	Cleaning agents used to clean toilets and basins	Skin irritation, rashes and illness caused by exposure to chemicals and their vapors in confined space	- Only non-toxic cleaning agents used - Gloves provided to avoid skin contact
Infection at work	- Communicable disease - Non-communicable infection	- Contracting an infectious disease such as hepatitis - Contracting a bacterial infection	Universal precautions plus specific protection for the route of exposure
Noise	Operating the compressor in a closed space with hard surfaces	Hearing loss from prolonged exposure to the noise levels generated by the compressor	Hearing protection provided for wearing when hosing out the toilet block
Slips, trips and falls	Wet floor when hosing out the toilet block	Fractures or strains caused by slipping on wet surface	Safety boots provided with slip-resistant soles

Many staff present at the workshop indicated it was a waste of time as everything discussed was covered by the health and safety procedure, which they knew backwards. The Safety Manager acknowledged this concern but then asked the team whether the way the task was being conducted could be changed to improve health and safety.

One staff member raised concerns about lugging the compressor around 16 times every Monday morning and that doing this tempted them to call in sick. The Safety Manager was curious about this and asked why it was necessary to take the compressor off the truck and place it in the toilet. The workers explained that the length of the hose on the pressure spray was short and could only be operated with the compressor in the toilet block.

After hearing this, the representative from the maintenance shop who supplied the compressor mentioned that they could attach a 10-metre hose to the compressor, which would mean the compressor would not have to be taken off the truck. The team agreed this was a good idea and would eliminate the manual handling _risks_ associated with lifting and carrying the compressor. The Safety Manager asked what other impacts this would have. The team agreed this would also

reduce the noise as the compressor would now be outside the toilet block, but that there could be new *risks* associated with handling and storing a 10-metre long hose. The team agreed to trial the new hose. It was then installed with a hose handling system.

Following the workshop, the Safety Manager asked the supervisor to ensure the modifications were made within two weeks and to revise the procedures and have them checked by the health and safety representative and workers.

Example 2

Jane Smith had been working at the local grocery store for the last 12 months. She had recently taken on a new role as the bakery supervisor and was eager to review the work activities and safety procedures. In preparing for the review, Jane considered how she would conduct the review and who she should speak with.

As a first step, Jane identified the different activities and tasks that were carried out by the workers. These included:

- preparing several different products such as bread, cakes, slices and doughnuts
- cleaning items used in product preparation, and
- general housekeeping.

The next step was to analyze what was involved in each activity. Jane spent three mornings that week with the four bakers who worked in the bakery department. She talked to them about the work activities and what they thought could be changed to improve the safety of the workplace. One of the bakers had been working in the store for over 10 years, while another had been working for over 25 years. The other two bakers were apprentices and had only been working with the store for around six months.

From these discussions, Jane identified several key tasks the bakers carried out every day when preparing the baked products:

- moving the ingredients from their storage locations to the area of use
- mixing the ingredients together using specialized mixers
- transferring the mixture to the container for baking
- putting them in the oven and removing them from the oven
- slicing and decorating, and
- packaging the products.

During an inspection of the bakery, Jane and the bakers identified a number of _hazards_, including the following:

- the doughnut mixer was not guarded, and the mixing bowl could be accessed when the machine was operating
- the concrete floors were slippery in the mixing room and flour was spilt where the bakers walked
- low lighting in the food preparation area, and
- there was narrow access and restricted movement in the storage area where the flour bags were kept.

Jane and the bakers discussed the _risks_ associated with each of the _hazards_ and what could be done to control these _risks_. In relation to the unguarded mixer, one of the bakers suggested purchasing or hiring a new model with an interlocking guard. After considering the ideas of the bakers, Jane completed the risk register shown in Table 5.

Table 5 Example 2: risk register

Risk register: XYZ Grocery Store Pty Ltd

Risk register: XYZ Grocery Store Pty Ltd	
Work area	**Bakery department**
Form completed by	Jane Smith (Bakery supervisor)
Date form completed	05/11/2017
Hazard identification	Doughnut mixer not guarded and mixing bowl can be accessed when machine is operating.
Risk assessment	**What is the harm the hazard could cause:** The person operating the mixer could be entangled in and injured by the moving parts if their hand slipped in while the machine was operating. Harm could include cuts or crush injuries such as broken bones, potentially resulting in amputation or fatality. **What is the likelihood of this happening:** This machine is used several times a day. Two of the workers have not been working in the bakery for a long time and are not very experienced in using the equipment. **Persons at risk:** The four bakers who operate the machine. **Existing control measure:** Staff follow policy and operating instructions to use the mixer safely—not very effective because it relies on staff keeping hands away from the dangerous parts. Consequence: Serious injuries **Likelihood:** Very likely Outcome: High risk—the mixer must not be used again until the risk has been controlled.

Risk register: XYZ Grocery Store Pty Ltd

Work area	Bakery department
Control measures	
Possible control options	**Elimination**—Eliminating the use of the mixer completely will mean the business cannot continue to sell baked products as the dough cannot be mixed. Business revenue will suffer. **Substitution**—Use of the mixer could be substituted by hand-mixing the dough. One day's production will be lost in the changeover. This method can only be considered an interim option as it is not sustainable for more than a day or two with present staff. However, part-time staff could be hired to mix the dough. Business income would be reduced and impact on revenue. Alternatively, the mixer could be replaced by purchasing a new, safer machine with a built-in guard. **Engineering**—The mixer could be modified by adding an interlocking guard. A mixer could be hired for the period the old mixer is in for repairs. One day's production will be lost in this option. The modifications are estimated to cost $1600. Other costs included are: one day lost in production plus hire of substitute machine for approximately 10 days and transport. Estimated cost is less than $6000. **Administrative or _PPE_**—Staff told to keep hands away from the mixing bowl while it is in use. Only the more experienced bakers are to operate the mixer.
Preferred control option	Purchase a new mixer, which would not cost much more than having the old one modified. Control measures have been planned to manage the health and safety _risks_ of mixing by hand while waiting for replacement mixer to arrive. The costs involved are outweighed by worker safety and this option eliminates the risk of injury.
Implementation	—
Associated activities	New mixer to be purchased. Mixing to be done by hand while waiting for new mixer. May require staff working more hours **Resources required:** Less than $6000 **Person(s) responsible:** Jane Smith—Bakery supervisor **Sign off and date:** J Smith 9/11/17
Associated activities	• Develop new work procedures • Provide training to bakers on using the new machine **Resources required:** 3 hours **Person(s) responsible:** Jane Smith—Bakery supervisor **Sign off and date:** J Smith 20/12/17
	Jane repeated these steps for each hazard that she identified. The review of the work activities and the implemented _control measures_ improved the safety in the bakery department at the grocery store.
Review	

Risk register: XYZ Grocery Store Pty Ltd

Work area	Bakery department
Scheduled review date	31 January 2020
Are the *control measures* in place?	Yes—the new machine has an interlocking guard and bakers have been provided with training on how to use the machine in accordance with the manufacturer's instructions.
Are the controls eliminating or minimizing the risk?	Yes—the interlocking guard prevents people from putting their hand in the mixing bowl.
Are there any new problems with the risk?	No.

Example 3

Kim Lee is the manager of a busy restaurant that serves meals and coffees from 7 am to 10 pm. The owners recently began using an external online ordering and delivery service. This service allows the business to focus on preparing meals without having to manage the delivery process, as the service arranges for a delivery person to pick up and deliver the order.

At the weekly staff meeting, one cook raised concerns about several tense exchanges between serving staff and the delivery service personnel, which has led to increased pressure on kitchen staff when fulfilling online orders. Kim is concerned these conflicts could impact the health and safety of staff and the quality of service they are providing to their customers. The popularity of the online ordering means these conflicts could occur multiple times a day. Kim talked with the kitchen staff and serving staff about what could be done to improve their safety and work organization.

Together Kim and the staff identified that the delivery persons were usually upset when the order was not ready for pick-up when they arrived. One of the waiters noted the deliverers often appeared to be under considerable pressure to deliver on time. The kitchen staff noted they prepare orders as they are received, which can delay online orders if made during periods where high numbers of orders are received in a short time.

After considering this discussion, Kim consulted the restaurant's *Workplace* Behavior *Policy* and decided to discuss the safety issues with the online delivery service and with individual deliverers to work with them to identify ways to eliminate or minimize the conflict. But Kim decided, in advance of any solution they might propose, to implement immediately some of the *control*

measures discussed at the staff meeting to deal with the time pressures. Kim wrote down the summary shown in Table 6 for the owners.

Table 6 Example 3: _WHS_ risk assessment report for owners

	Example 3 Busy Restaurant Pty Ltd—WHS _Risk_ Assessment as at 18 February 2018
Hazards identified	1. Conflict between restaurant staff and online order deliverers. 2. Time pressures caused by popularity of online orders.
Risk **assessment**	
What is the harm the hazard could cause?	Conflict could escalate to harassment and unreasonable behavior, including violence, which can cause physical and psychological injury. Long-term exposure increases risk of anxiety and depression. More frequent exposure can also increase severity of harm. Increased time pressure can lead to rushing and fatigue, causing burns, cuts, slips and trips within the restaurant.
What is the likelihood of this happening?	Very likely. This conflict could happen multiple times a day because online orders are taken every day from 7.30 am to 9.30 pm. Orders are more likely to be delayed during very busy periods where time pressure is increased, between 11.30 am and 2.00 pm, 6.00 and 9.00 pm.
Who is at risk?	All of our staff who prepare or serve meals. External delivery personnel.
What existing _control measures_ are being applied?	Staff are effectively applying their training and the _Workplace_ Behavior _Policy_ to address the conflicts. Staff have appropriately reported the repeated tense exchanges. The next step under the policy is for management to contact and work cooperatively with the online delivery service and with individual deliverers to resolve issues. Existing controls are not adequately addressing the increased time pressures. These controls include preparing as much as possible in advance, such as sauces and par-cooked vegetables, and reducing repetitive actions by using suitable kitchen equipment such as food processors. Further controls are needed to address time pressures associated with the online orders.
What are the consequences?	Serious psychological and physical harm to our staff and delivery personnel.
Initial assessment	High risk—immediate action is required to reduce the risk.
Control measures	
What additional controls could be implemented to eliminate or minimize the risk?	Elimination—Stop offering online order and delivery services. This would eliminate the _hazards_ but also remove an income stream. Substitution—Use only in-house delivery person. Would require managing delivery process and additional delivery staff. Other controls would still be required, as this would only substitute the line of control, not the inherent _risks_. This may also increase the time pressure on staff dealing with the online orders. Substitution—Reduce the menu items available for delivery. At the moment the whole menu is available online. Records show that less than half of all food items have been ordered online.

		Staff could focus their preparation better if there were fewer items available for delivery. Substituting the menu would not significantly affect delivery sales. Engineering—Improve ordering system so that it automatically rearranges orders, so the kitchen staff prepare online orders in time for pick-up, ahead of less urgent orders. One day of accepting online orders will be lost with this option while the changes are engineered. The modifications are estimated to cost approximately $200. All kitchen staff will need to be trained in the new order preparation procedure. Administrative—Increase expected delivery timeframes from 20 to 30 minutes on the ordering website so staff have more time to prepare orders for delivery. This administrative change may cause a minor reduction to order numbers but will better manage customer expectations.
Preferred controls		The benefits of reducing _risks_ associated with the conflict and time pressure are far greater than the cost of implementing the following preferred controls: Immediately consult with online delivery service to improve understanding of our respective needs and to identify solutions for the restaurant and for the delivery personnel. At the same time, reduce the online menu and increase the expected delivery timeframes on ordering website to 30 minutes. Implement changes to the order system within one month. To support these changes, the manager and staff will be provided with information and training on the new menu and delivery timeframes, the changes to the order system, and the outcomes of consulting with the online delivery service and individual deliverers.
Maintenance		Use existing weekly meeting to plan and communicate when agreed changes will happen, and to get staff feedback on new safety measures.

Table 6 Example 3: _WHS_ risk assessment report for owners

Appendix C—Assessing how things can go wrong

It may be helpful to think through work processes or situations to identify what could go wrong. Note any _hazards_, _risks_ and _control measures_ identified as you go.

Once completed, you should consider the _hazards_ and _risks_ you identified and implement _control measures_ in line with the hierarchy of _control measures_ in order to eliminate or minimize the _risks_, so far as is reasonably practicable.

TIME			
A customer comes into the service area with an issue about service.	**WHAT CAN STOP OR CHANGE THIS?**	Service needs to be provided to customers who come into the service area. A telephone complaints service may remove some potential for customers to go to the service area.	
WHAT MAY HAPPEN NEXT?			
The customer service officer is unable to satisfy the customer's concerns or issues.	**WHAT CAN STOP OR CHANGE THIS?**	Providing customers with information about the extent of services and policies, and providing training to the customer service officer, may reduce the chance of dissatisfaction.	
WHAT MAY HAPPEN NEXT?			
During the service discussion with the customer service officer, the customer becomes upset.	**WHAT CAN STOP OR CHANGE THIS?**	Providing customer service officers with training on conflict resolution and dealing with difficult situations may prevent customers becoming upset. Ensuring other staff are available to assist.	
The customer service officer is unable to calm the customer and the customer becomes aggressive.	**WHAT CAN STOP OR CHANGE THIS?**	Implementing procedures for customer service officers to disengage with the customers safely is one way of managing the escalating situation.	
WHAT MAY HAPPEN NEXT?			
The situation escalates. There is no protection offered by the counter.	**WHAT CAN STOP OR CHANGE THIS?**	Change the service counter or area so that customer service officers are separated from customers or provide an escape route to a safe place.	
WHAT MAY HAPPEN NEXT?			
The customer service officer is assaulted and suffers injury, shock and related problems.	**WHAT CAN STOP OR CHANGE THIS?**	Ensure that there are emergency procedures in place to stop assault. Ensure that there is first aid available to deal with the outcomes of an assault. Ensure that counselling is available to support the victim.	