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Managing and Minimising Psychosocial Risks in Australian Workplaces

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Foreword

Australian HR Institute

Psychosocial risks have attracted considerable attention in recent years, driven in part by the introduction of legislation in many Australian states. While much has been written about the rising impact of psychosocial risks in Australian workplaces, limited research has been conducted in relation to their impact on Australian workplaces.

The Australian HR Institute has partnered with DLPA (Dynamic Leadership Programs Australia) on this research report to support organisations in managing, mitigating or eliminating psychosocial risks. The report is divided into three sections. The first presents a series of practical actions that HR professionals can take. The second examines findings from the survey data conducted by AHRI in late 2024. The third section is where these findings are supported by case studies drawn from organisations addressing workplace psychosocial risks.

The AHRI survey data highlights the extent and nature of psychosocial risks in Australian workplaces. The research indicates that organisations saw an overall increase in the number of claims or complaints related to psychosocial hazards in the 12 months to October 2024. While the reasons for the increase are varied, the three most common factors are:

1. job demands
2. conflict or poor workplace relationships and interactions
3. remote or isolated work.

These findings mirror recent AHRI research¹ which shows that many employers are reorganising their workforces to improve performance in response to a rapidly changing environment. This is part of what AHRI calls the 5Rs effect², which is driven in part by the growing integration of automation, technology and AI. This is leading to significant change in many

workplaces, which has the potential to increase pressure on employees' time, workloads, role clarity, skills, and relationships, all of which can contribute to ongoing stress.

Such a range of factors reinforces the importance of line management and leadership capability. Close and effective support from line managers is essential to managing these risks in a responsible and productive way. Indeed, all three of the case studies highlighted in this report attribute the successful outcomes, which include no psychosocial risk claims, to the investment and importance they attach to leadership and management in their organisations.

Despite this, just 28 per cent of employers say that they invest in leadership and management capability to improve psychosocial health in their organisation.

The capability and actions of those involved in people management, in particular HR and line managers, are critical to reduce the psychosocial health risks to employees and maintain labour productivity. One study, likely to be an under-estimate given that it was published around a decade ago, estimated that the productivity loss of poor psychological health in Australian workplaces through factors such as absenteeism, reduced work performance and increased turnover rates was \$11-12 billion year³. The losses stemming from psychosocial hazards may be compounded by the rising number of compensation claims or complaints recorded by employers in this report.

1 AHRI's Quarterly Australian Work Outlook - September 2025 | Australian HR Institute

2 The 5Rs effect is defined as the simultaneous recruitment, retention, reorganisation, reskilling and redundancy activity occurring in organisations.

3 Harvey, S. et al. (2014). *Developing a Mentally Healthy Workplace: A Review of the Literature*, University of New South Wales, Sydney.

Collectively, the data also reinforces the case for the adoption of High-Performance Work Systems (HPWS) alongside continued investment in management and leadership capability. In partnership with HR practitioners, managerial support and expertise will be critical to engaging, motivating and retaining employees through the simultaneous adoption of high-performing practices such as training, information sharing, employee involvement in decision-making and autonomy, all of which can boost worker satisfaction and offset psychosocial risks.

With contemporary workplaces characterised by increasing levels of change and job demands, this can lead to increased occupational stress and other negative psychosocial factors. If not addressed effectively, this can negatively impact on employee well-being, organisational effectiveness and productivity.

By synthesising survey data and real-world case studies of organisations that have implemented effective strategies to minimise psychosocial risks, this report aims to provide organisations with practical recommendations for more effective stewardship of psychosocial hazards.

We would like to thank the many individuals who responded to the survey. In particular, we would like to thank our case study participants, who demonstrated meeting the challenges of improving productivity while addressing many of the psychosocial risks identified in the report's findings.

I look forward to engaging further with our members on the findings of this report and its implications for employees, HR and our workplaces.



Sarah McCann-Bartlett
CEO, Australian HR Institute



Foreword

DLPA

(Dynamic Leadership Programs Australia)

At Dynamic Leadership Programs Australia, we believe that the quality of leadership has a profound impact on both the performance of organisations and the wellbeing of their people. The findings in this report highlight a reality we cannot ignore: psychosocial risks are no longer peripheral concerns; rather, they sit at the heart of sustainable organisational performance.

As workplaces continue to evolve through technology, changing workforce expectations and legislative reform, leaders are required to balance competing priorities while safeguarding the human experience of work. What emerges strongly from this research is that leadership and people management capability are decisive factors in how well organisations meet this challenge.

The organisations featured in these case studies demonstrate that when leaders are equipped with the right skills such as empathy, communication, conflict resolution and the ability to design sustainable roles, then workplaces thrive. We see again and again that effective leadership not only reduces risk, but also builds cultures of trust, engagement and innovation.


DLPA is proud to partner with the Australian HR Institute on this important research. We hope it equips HR professionals, executives and line managers with practical insights to embed psychosocial risk management into the way they lead every day. In doing so, we can build workplaces that are not only compliant, but also resilient, high-performing and truly people-centred.

We invite readers of this report to view psychosocial risk management not as a compliance burden, but as an opportunity to strengthen leadership, unlock performance and create workplaces where people flourish.



Karlie Cremin
CEO
DLPA & Crestcom ANZ



A woman with reddish-brown hair pulled back, wearing a white button-down shirt, is seated and looking towards the right. She is holding a light-colored tablet or folder. The background is a bright, out-of-focus office environment. A large blue graphic element is visible in the top right corner.

**Psychosocial risks
are no longer
peripheral concerns;
they sit at the heart
of sustainable
organisational
performance.**

Actionable Insights

Leadership and People Management Capability

- Invest in management and leadership training, with a focus on autonomy, communication, conflict resolution and early identification of psychosocial risks.
- Effective people management can also help address employees' concerns about work design, including any negative impacts on discretion, creativity and control over work created by AI and automation.
- Embed people management competencies into promotion pathways where possible to ensure that managers are selected and developed for their people management skills, not only technical expertise.
- Encourage peer-to-peer learning, leadership forums, and mentoring to build confidence in leading and managing teams.

Job Demands and Workload

- Conduct regular job design reviews to ensure roles are sustainable, particularly in high-pressure or frontline environments, during periods of change and in roles where AI or technology is likely to be a big disruptor.
- Implement systems to monitor excessive hours, time pressure, and work intensification. Digital tools can also be used to track workload patterns.

Workplace Culture

- Foster a culture of open communication and psychological safety, where employees feel confident to raise concerns without fear.
- Embed organisational values and model respectful behaviours at all levels.
- Adopt changes which promote sustainable outcomes. Actions may include selecting a period where the whole organisation focuses on deeper work (for example "Focus Fridays"), discouraging messaging which promotes excessive work hours and promoting monthly wellbeing wins.

Hybrid Working

- Regular consultation with employees about any changes to a hybrid-working policy ensures ongoing alignment with strategic goals and changing business needs.
- Employees should be given sufficient notice when the organisation moves to a different hybrid-working arrangement.
- Develop policies for hybrid and remote workers, including expectations for availability, breaks and safe home-working conditions. This includes setting boundaries in relation to working hours.
- Prioritise employee health and safety, including workplace health and safety assessments, to mitigate risks such as back and neck strain among remote workers.

Flexible Working

- 1 Actively promote the full range of flexible-working options available to better support the range of needs and circumstances of all employees. This might include part-time work, flexi time, compressed hours or a compressed working week, staggered starting and finishing times, career breaks or secondments.
- 1 Be aware of the potential risks:
 - Some flexible-working arrangements with limited hours or types of work may restrict opportunities for job and pay progression (for example if part-time employees or remote workers receive less training)
 - Compressed hours can increase the risk of work intensification and may have a negative impact on employee wellbeing.
 - Demonstrate a commitment to flexible working, ensuring that the process has been followed fairly, especially given the changes to flexible-working legislation that were introduced in 2023.⁴

Employee Well-being

- 1 Provide employees access to wellbeing programs. These may include Employee Assistance Programs (EAP), mental health first aiders and financial well-being resources.
- 1 Introduce preventative measures such as stress management and resilience training and lived-experience talks.

Risk Assessment and Monitoring

- 1 Conduct regular psychosocial risk assessments, drawing on surveys, consultations, and other qualitative data where possible.
- 1 Use digital platforms, such as stress monitoring apps and employee engagement platforms, to monitor stress levels, engagement, and emerging risks in real time.
- 1 Integrate psychosocial risk management into existing Work Health and Safety (WHS) systems, aligning HR, safety, and well-being functions for consistency.

Training

- 1 Provide employees with training to build awareness and capability in identifying psychosocial risks in the workplace in real conversations.
- 1 Develop a business case for training that supports a reduction in psychosocial risk. Start by mapping the psychosocial risks to current learning and development offerings.
- 1 Ensure that people management training covers key attributes such as empathy, interpersonal communication, stress management, and identifying early signs of burnout.
- 1 Target efforts to train employees in AI and digital skills, especially those whose roles may be vulnerable or at risk of change in the future.

Legislation

- 1 Keep abreast of regulatory changes, which vary by state, as well as guidance and model codes of practice issued by Safe Work Australia. Aim to apply best-practice standards nationally to stay ahead of the legislative curve.
- 1 Incorporate psychosocial risks into regular Work Health and Safety reporting, ensuring that accountability rests at the highest levels of the organisation.
- 1 View compliance not only as a legal requirement but also as a driver of sustainable organisational performance and a thriving workplace.

⁴ Employers are now under stricter obligations to consider and negotiate the right to request flexible-working requests. In addition, there are new powers for employees to challenge refusals through the Fair Work Commission.

Survey Data

The survey data in this report draws on data included in AHRI's *Quarterly Australian Work Outlook* (December Quarter 2024). The data examines employers' attitudes towards and experience of managing psychosocial hazards.

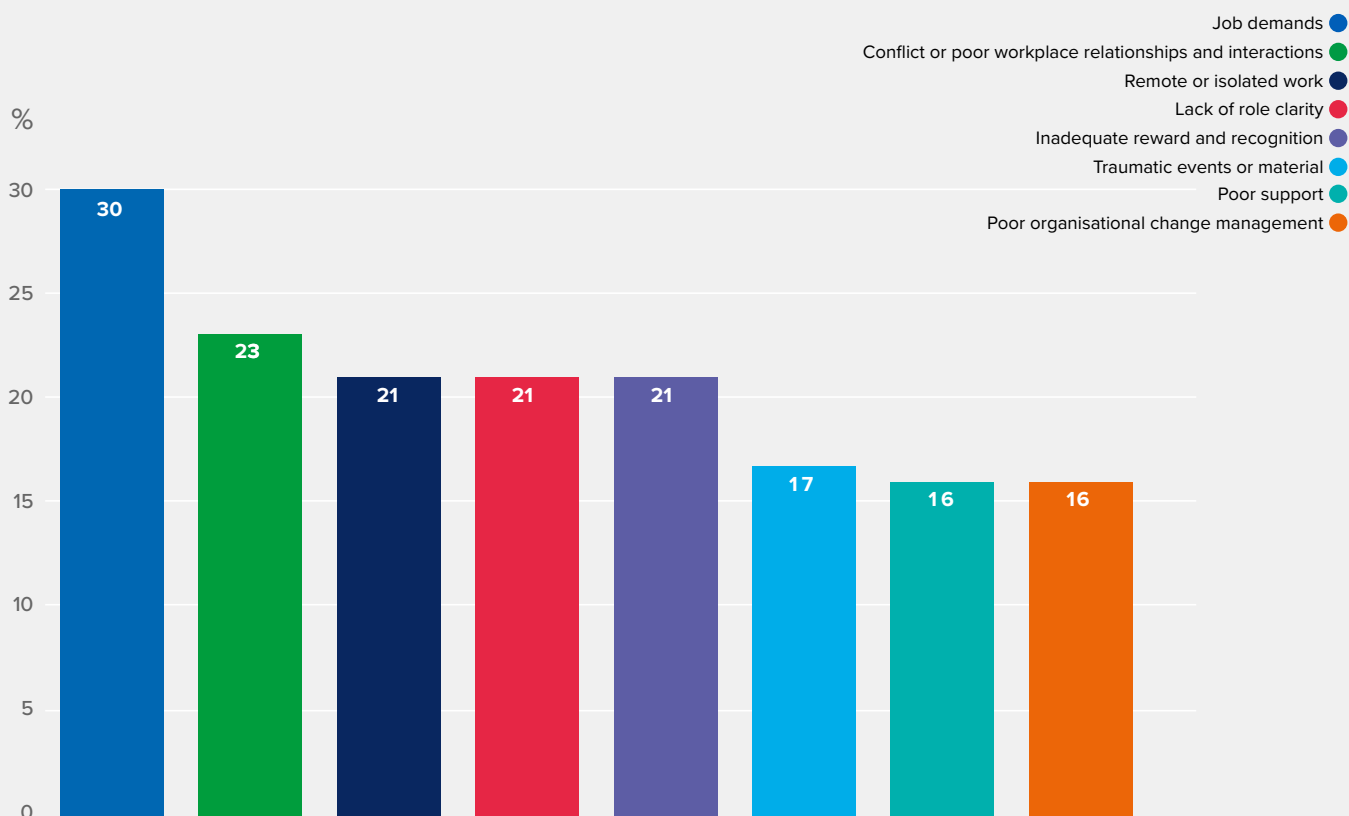
DLPA (Dynamic Leadership Programs Australia) defines psychosocial hazards as:

“Elements in the workplace environment that can harm the mental, emotional, and social well-being of employees. These hazards can stem from excessive workloads, lack of support, unclear job roles, or workplace culture issues like bullying and discrimination.”

The significance of psychosocial risk in the workplace has increased for HR professionals in recent years, driven in part by greater awareness and the introduction of legislation that clarifies employer responsibilities.

Reflecting this, almost four in 10 (38 per cent) employers report that the number of claims or complaints related to psychosocial hazards in their organisation increased in the preceding 12 months in late 2024. In comparison, just 13 per cent of organisations say that the number of claims or complaints decreased during the same period.

Figure 1: Areas where complaints or claims related to psychosocial hazards have been made during the last two financial years



Base: December quarter 2024, all employers who received psychosocial hazard-related claims or complaints during the past two years
n=485 (private: n=353; public: n=115; not-for-profit: n=17)

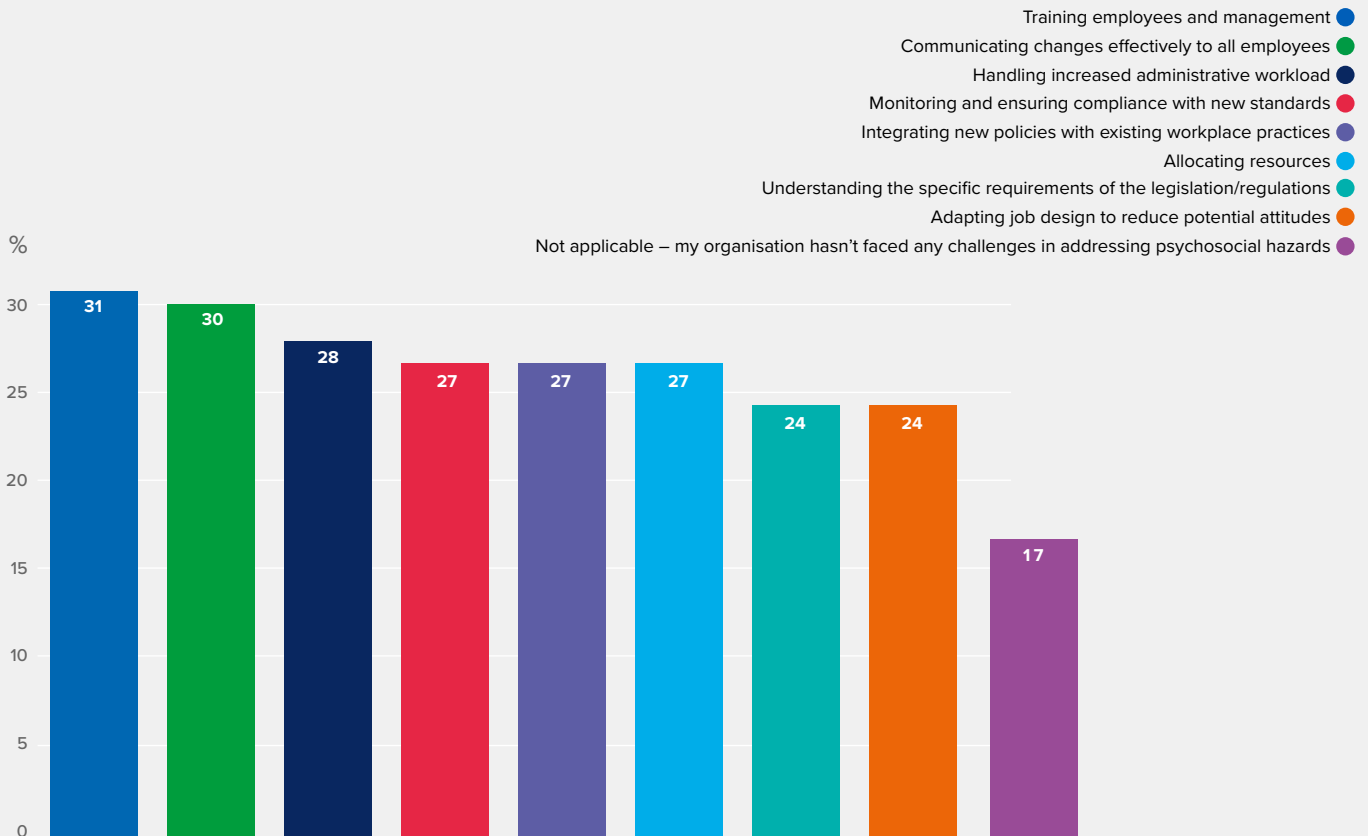


Organisations saw an overall increase in the number of claims or complaints related to psychosocial hazards in the 12 months to October 2024.



The most common causes of complaints or claims regarding psychosocial hazards in organisations over the last two financial years were job demands (30 per cent), conflict or poor workplace relations (23 per cent), remote or isolated work (21 per cent), lack of role clarity (21 per cent) and inadequate reward and recognition (21 per cent). One in five organisations (20 per cent) say that they have not experienced any claims or complaints related to psychosocial hazards during the last two financial years.

Figure 2: Top eight challenges organisations face in addressing psychosocial hazards



Base: December quarter 2024, n=574 (private: n=502; public: n=59; not-for-profit: n=13)

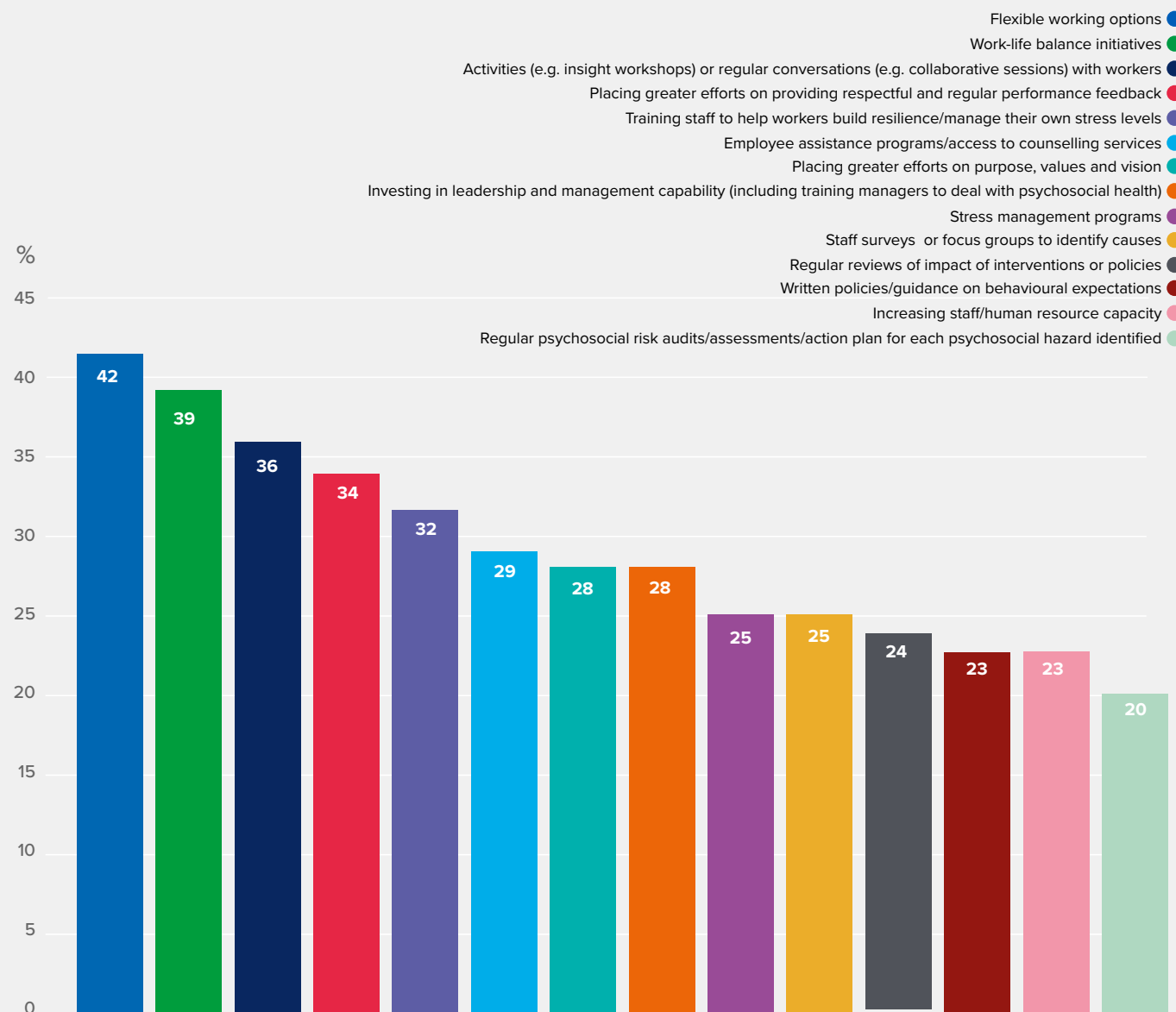
Survey respondents were also asked about the challenges they face in managing psychosocial hazards in the workplace. The three most common challenges faced by organisations are training employees and management (31 per cent), communicating changes effectively to employees (30 per cent) and managing the increased administrative load (28 per cent).

According to the survey respondents, Australian employers are utilising a wide range of tactics to improve psychosocial safety in their workplaces. The three most popular interventions or policies include flexible-working options (42 per cent), work-life balance initiatives (39 per cent) and activities or regular conversations (36 per cent). Just over a quarter (28 per cent) of employers say that they invest in leadership and management capability.

Many of these tactics are relatively easy to adopt, which suggests that there is an opportunity for many Australian workplaces to improve psychosocial safety. It is also true that the most common factors reported in this survey are connected with the quality of people management.

Encouragingly, 80 per cent of organisations reported that their organisation identifies and manages psychosocial hazards either 'very effectively' or 'somewhat effectively'. Just 7 per cent of organisations claimed that they identify and manage psychosocial hazards 'not very effectively' or 'not effectively at all'.

Figure 3: Interventions or policies used to improve psychosocial safety



Base: December quarter 2024, n=574 (private: n=502; public: n=59; not-for-profit: n=13)



Research Methodology

All data, unless otherwise stated, is from YouGov Plc. The total sample size for this survey was 609 senior business decision makers, including HR, from organisations with two or more employees. Fieldwork was undertaken online between 1 October and 9 October 2024.

The figures have been weighted by employee size, state and industry to reflect the latest ABS Industry Employment estimates.

Respondent Profile

Breakdown of the sample, by number of employees per organisation

Employer size band	2-19	20-199	200+	Total
Count	195	180	230	605

Breakdown of the sample, by sector

Sector	Private	Public	Not-for-profit	Total
Count	468	116	21	605

Case Studies

Case Study:

Large Employer in the Education Sector

Background

The subject of this case study is a large organisation in regional Victoria whose key stakeholders include various industries such as health, traditional trades, early childhood education, forestry and maritime; along with people from disadvantaged backgrounds, multicultural backgrounds; and Aboriginal and Torres Strait Islander communities. While this diversity enriches the workplace, it can create challenges for staff due to the social, financial and emotional needs of those who they are working with, which increase the risk of psychosocial hazards.

Identifying Psychosocial Risks

The organisation's first step to identifying and minimising psychosocial risks was to appoint an external organisation to provide awareness training to the leadership team and work with them to conduct a structured risk identification and assessment process.

The investigation identified four priority psychosocial risks. These included occupational violence and challenging behaviours, interpersonal relationships and respect, high workload demands and variance in leadership and management capability. The Work Health and Safety (WHS) team, in partnership with their WHS representatives, the leadership team and the HR team, devised a strategy and a set of mechanisms that were designed to reduce and minimise psychosocial risks.

Investment in Line Management Capability

Leadership and people management capability lies at the forefront of the organisation's approach to preventing psychosocial risks. This is reflected by the extensive leadership and management consultation and support training. Its focus is to target areas for development and address deficiencies in line management capability identified in the investigation. Additionally, providing leadership with the tools and confidence to speak openly with their direct reports for understanding and targeting support.

As the WHS Manager reports:

"We had some challenges early on and acknowledged that we needed to address some cultural challenges that were impacting morale. It was not necessarily the information being relayed, it was how the information

was relayed that created challenges. Education and support of management was a key factor in cultural and behavioural improvement, as was adequate induction of those new to the organisation.

"We have skilled people coming into the organisation from a variety of work experience. We acknowledged that historically we may not have provided sufficient introduction to the organisation and our expectations, which contributed to some of the challenges we had. We needed to change to ensure those in leadership roles had the tools and skills to support them and minimise misinterpretation of communication."

A series of programs were introduced, including leadership training, which helped those in, or having a desire to progress into, leadership positions. This training provided leaders with greater insight into their management and communication style, gave them more confidence, improved communication skills, empathy, emotional intelligence and self-awareness.


The organisation has also introduced training conducted by the Black Dog Institute. Managers and Supervisors completed a program titled 'Protecting and Promoting Mental Health at Work'. The program outlined the characteristics of a mentally healthy workplace, provided ways to identify, assess and mitigate risks to mental health and identify actions to promote good mental health in the workplace.

The sum of this activity led to tangible improvements in managerial confidence in supporting teams. This included improvements in recognising any emerging psychosocial risks, having open conversations with staff and brokering referrals to support services. In addition, the activity led to improvements in managing under-performance, which helped address the additional workload demands placed on other team members, one of the key four priorities identified in the investigation.

Wellbeing Program

The organisation has undertaken a wide suite of initiatives designed to support staff wellbeing. This includes more active promotion of the Employee Assistance Program (EAP) and promotion of the breadth of services available to support staff, leaders and their immediate families.

The organisation encourages employees to access these services before they reach crisis point, and even



Close and effective support from line managers is essential to managing these risks in a responsible and productive way.

reaching out as a check-in. Historically EAP has only been accessed when people are in crisis, and whilst this serves a purpose, the organisation adopts the prevention is better than cure principle.

Other training activities undertaken by the organisation include suicide-prevention training, regular talks from people with lived experience and financial wellbeing seminars for staff. In addition, the organisation celebrates nationally recognised events such as RUOK? Day, Men's Health Week and Women's Health Week.

Additionally, cost of living pressures is reported to be an understated but significant psychosocial risk. The WHS Manager points out:

"We are doing a lot in the financial space, because many employees are experiencing financial pressures. We're trying to do things like providing budgeting tools and providing access to seminars to help them manage their superannuation and finances. This is because we're finding that finances are a big stressor for staff. People don't like to talk about being in financial difficulty, so giving them access to tools and resources means we can indirectly support them."

In addition, a passionate group of regional Mental Health First Aid Officers have been trained. Staff working in trade areas have initiated the wearing of TradeMutt brightly- coloured trades uniforms. These are also known as 'conversation starters' and are designed to encourage others to open up and talk freely about mental health.

The organisation has also rolled out training for front-line staff titled 'Managing Aggressive Behaviours' by Holland Thomas. This training assists staff to understand de-escalation techniques, how to identify unsafe situations, appropriate communications, and critically, ensuring the safety of themselves primarily and others. This interactive training has been extremely well received by staff and involves realistic role plays.

Hybrid and Flexible Working

The introduction of flexible-working arrangements has been positive for staff, as it enables them to reduce travel, manage their work/life, support their families, yet still ensure completion of their workload, according to the organisation.

The organisation has also met the new challenges arising from remote and hybrid work. Staff working remotely are required to work through a safety checklist to ensure their home workstation allows sufficient adjustment for optimal ergonomics. Once the checklist is complete, staff send the checklist with some photographs of their workstation to the WHS Team for review and approval. Where the workstation is not deemed appropriate, staff are given a list of adjustments and a timeframe in which to have these complete. When the adjustments are complete, they send evidence, including updated images for approval.

Additional protocols have also been introduced to ensure staff working alone or outside of core hours maintain safe and regular contact with colleagues. Given the distance between locations and our varied work, staff are driving on country roads at different times of day.

Outcomes

The holistic approach to managing psychosocial risks has led to very positive outcomes for the organisation. These include:

- a 15 to 20 per cent increase in staff who feel supported by their managers
- a 28 per cent reduction in workers' compensation premiums
- no active psychosocial-related compensation claims
- increased EAP utilisation (viewed positively as a sign that staff are seeking help).

Communication has improved immeasurably since introducing these mechanisms, with staff reporting that they feel confident to raise issues with management and leadership and are more willing to act on inappropriate behaviours.

The Wellbeing Health and Safety (WHS) function sits within the HR team, aligning safety with HR, payroll, wellbeing, training, and return-to-work planning. This integration has enabled consistent policies and procedures and collaboration across key teams and facilitated a more open culture across the organisation. With proactive and passionate WHS Representatives and leadership teams, and a real commitment to consultation and collaboration, results continue to improve.

Case Study: Versent

Michelle Poffandi is Head of People Operations and Advisory at Versent, a Telstra-owned Technology consulting business currently entering a strategic partnership with Infosys. Versent employs approximately 360 team members across Australia.

Operating in a fast-moving sector characterised by rapid technological change and frequent shifts in delivery and business models, Versent must proactively identify and manage psychosocial risks, according to Poffandi.

Identifying and Minimising Psychosocial Risks

Versent adopts a variety of tactics to help identify and minimise psychosocial risks. These include:

- regular self-assessments against the company's health and safety framework
- annual and pulse surveys, which have a particular focus on job demands, autonomy, support, and client-site conditions
- regular engagement to communicate transparently and seek feedback from team members as pro-active HR business partners.

As a result of this activity, Poffandi highlights role clarity and autonomy as areas of focus in reducing psychosocial risks facing the business.

Minimising Psychosocial Risks

Role Clarity

Poffandi highlights that role clarity is a key opportunity for the business to strengthen its alignment and adaptability, especially given the dynamic nature and scale of ongoing organisational change. In response, Versent has proactively enhanced its HR management systems by systematically embedding key role information into the platform. This initiative also aims to empower team members by improving access to role-related information, enabling greater ownership and influence over job design.

Line Management Capability

One specific priority is a significant program to develop leadership and management skills, with autonomy and team member involvement key goals of the

program. According to Poffandi, leaders play a vital role in encouraging involvement; both in terms of communicating and in being open to support team members' concerns being raised and discussed. Capable leaders also allow team members space to influence how they do their job.

Leadership and management capability is built through a suite of programs that are tailored to different management levels.

As Poffandi adds:

"Many of our leaders bring strong technical expertise, though they may not have had the same opportunity to develop their leadership skills. To support their growth, we've been able to tailor the delivery of our learning programs to reflect the realities of our environment. This means we're not only teaching leadership best practices but also helping leaders apply them effectively in the Versent context, such as when working on client sites."

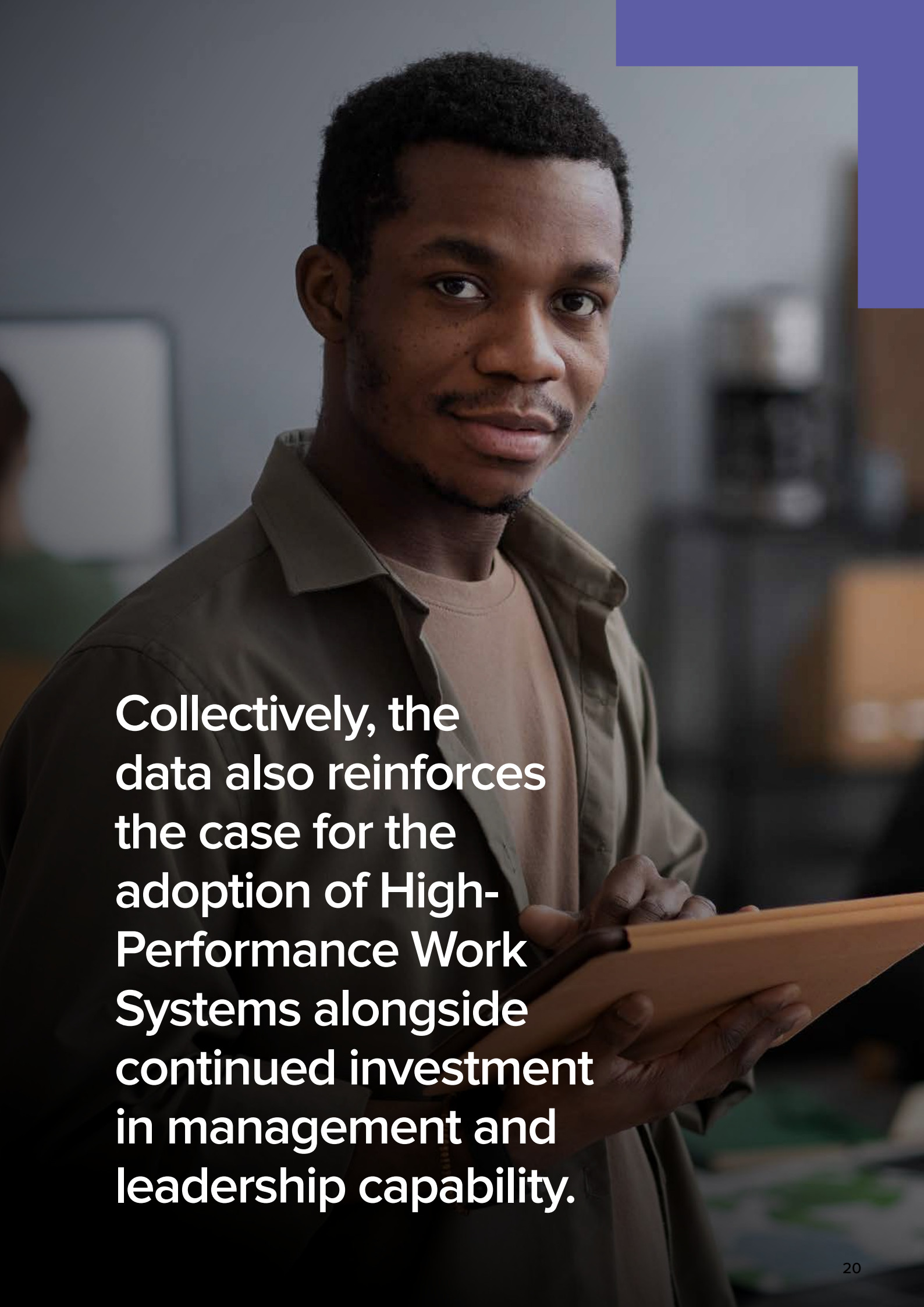
"We also encourage continuous peer-to-peer learning through our leadership training programs. In those sessions, we ask leaders to share their experiences of what it's like for them to manage people and make decisions, drawing on practical examples familiar to the organisation. Leaders at Versent face the challenge of managing rapid change while operating in high-pressure consulting environments, often on client sites where they have limited direct control. This demands adaptability, resilience, and the ability to lead through influence."

Developing a Learning Culture

In addition to building people leadership capability, Versent places strong emphasis on developing critical skills such as problem solving, communication, and collaboration. These capabilities are cultivated through a holistic and evolving learning ecosystem that embeds learning into everyday work. Peer-to-peer learning, scenario-based discussions, and shared experiences are central to this approach, enabling team members to learn from real-world challenges like managing change and navigating client-site dynamics.

Versent's commitment to learning is deeply embedded in its culture and supported by structured initiatives such as Craft Seasons, Craft Talks, and the Versent Tech Blog, ensuring that learning is accessible, scalable, and relevant.

According to Poffandi, the provision of training is an important factor in managing psychosocial risks in the organisation.



Collectively, the data also reinforces the case for the adoption of High-Performance Work Systems alongside continued investment in management and leadership capability.

Flexible and Hybrid Working

The company's flexible-working policy has also been key to minimising psychosocial risks, especially in terms of promoting autonomy. It operates a "flexibility first" model, with around 90 per cent of staff working from home for four of the five days at team member discretion.

This approach has reduced the need for formal flexible-working requests. Reflecting how flexibility is embedded in the organisation, fewer than 15 out of the 360 team members currently have formal agreements.

Moreover, a culture operating principle at Versent is "Freedom to Excel", a belief that team members are at their best when they are trusted to manage their own time and environment. This goes beyond policy; it's a cultural norm. Versent offers a fully hybrid work environment, where the workplace is the team member's choice, and time is theirs to manage. The only expectation is that team members remain responsive to customer needs and are present where and when required.

Leaders are encouraged to create opportunities for regular team connection, while team members are invited to provide feedback if office attendance does not feel valuable. Office attendance is encouraged only where it supports meaningful team connection.

"We really value team connection. However, the rationale has got to be very clear for leaders to ask team members to come into the office. If team members are feeling like there isn't any material value in coming to the office, we strongly encourage them to share that with us. We reinforce that with our leaders to ensure that office attendance is deliberate and has a clear purpose."

Versent seeks to create an environment of self-confidence among leaders and team members, with flexibility and continuous learning lying at the heart of the organisation's approach to minimising psychosocial risks. It does this by giving leaders and team members the skills and autonomy to manage their own work practices and behaviours through involving team members in decisions. As Poffandi puts it:

"We are constantly asking ourselves how we are actively engaging with leadership. How are we actively engaging with team members pre-change, mid-change, post-change to check that you know they have the right information, direction, support and structure to mitigate any psychosocial risks that we've assessed may be present."

Responding to Psychosocial Incidents

When psychosocial concerns arise, they are triaged to a subject matter expert who undertakes a risk assessment against the organisation's framework. This ensures swift development of mitigation plans.

Poffandi recounted a recent case where the organisation addressed the issue through conflict resolution processes while also using it as a learning

opportunity to strengthen awareness and education around appropriate workplace conduct at individual, team and organisational level. Versent embraces a risk-based approach to mitigating psychosocial risks, ensuring it is actively reported, measured and controlled consistently within the organisation's risk management framework.

Positive Impact of Legislation

Recent legislative reforms on psychosocial risk have been beneficial, as they have both enabled risk management principles to be embedded into all aspects of workplace health and safety and strengthened board-level reporting.

The organisation has also undertaken research to identify best practice across the different jurisdictions and adopted the Queensland legislation as best practice across Australia.

As Poffandi explains:

"The legislation has required us to have a risk management lens over every aspect of work, health and safety. We are looking at risk management principles much more closely since the implementation of the relevant legislation. The legislation has helped drive accountability and measure progress, which before was driven by our own internal P&C [People and Culture] strategy, policy and reporting."

"I think Queensland at the moment is leading the charge. We work with a reputable health and safety consultant to identify what state actually has best practice and that's what we implement nationally. I believe there are proposals to meet the Queensland standard across Australia, so we've aimed to stay ahead of the game."

Outcomes

Poffandi attributes Versent's successful outcomes to this holistic approach, which is built around training, flexible working, team member engagement, information sharing and a relentless focus on job design.

Their unique HR operating model has been crucial to addressing emerging psychosocial risks before they escalate, promoting autonomous team-working satisfaction, which in turn has increased job satisfaction and motivation at Versent.

Versent has not experienced any psychosocial-related claims at this time and with the most recent workers' compensation claim was made over three years ago.

Looking ahead, Versent aims to become increasingly structured in its approach to managing psychosocial risks during change while refining surveys to capture more explicit data on psychosocial risks, particularly in relation to harassment, bullying and sexual harassment.

Case Study:

Large Public-Sector Employer

The agency is a customer facing public-service organisation and is exposed to heightened psychosocial risks. The Manager of Health and Safety explains how the agency is responding to these challenges, supported by the HR professionals across the organisation.

Identifying Psychosocial Risks

The agency recently completed its first organisation-wide psychosocial risk assessment, supported by external experts. The review involved extensive consultation with staff, senior leaders, unions, and health and safety representatives. The assessment identified ten priority risks, with the following areas identified as some of the most significant risks:

- being a customer facing organisation providing services to the Australian community, staff can be exposed to customer aggression and vicarious trauma from complex customer interactions
- Job demands, driven by legislative complexity, workload pressures, and the pace of government program delivery
- the challenges of coordinating and implementing change initiatives across a large, complex organisation
- increasing demand for improving technology and systems driven by digitisation, automation, customer and staff expectations of service delivery, and increased efficiency.

Managing and Minimising Psychosocial Risks

In response, the organisation has built risk assessment explicitly into its systemic design processes. The design model requires that any new change initiatives are assessed for their impact on employee and customer safety. According to the manager, the decision to embed safety formally into decision-making is due in part to growing maturity of understanding WHS risk, which has been elevated by the introduction of the psychosocial hazards code of practice.

According to the manager:

“Managers are starting to accept that we have to look at safety in a more mature way than we might have done in the past. The code of practice has increased the focus across the agency on actively identifying risks and controls.”

Interventions and Systems

The agency draws on a range of mechanisms to identify and address psychosocial risks, including annual employee surveys, targeted pulse surveys, extensive consultation with staff, and workshops.

The manager reports that the recent introduction of a “wellbeing network” has proved to be particularly effective. The network includes representatives from each of the agency’s divisions. These representatives are supported by local “wellbeing warriors” who act as champions at the team level. This has been designed to embed wellbeing more firmly in the workplace and promote a ‘safe-to-speak’ culture.

As the manager puts it:

“Staff in the past report they weren’t being listened to and were fearful of raising issues. Now, the focus across the APS [Australian Public Service] is on creating psychologically safe environments where staff feel able to speak up.”

Leadership and Management Capability

A significant emphasis has also been placed on leadership and management capability. Senior leaders have been trained on their legislative obligations in relation to psychosocial risk, and more than 1,500 operational managers have also completed training to date.

In addition, the agency has developed HR-led masterclasses, with more than 15,000 participant attendances over the last year across a range of management fundamentals. These sessions blend legislative requirements with practical case studies and discussion, giving managers the confidence to manage risks proactively. According to the manager at the organisation, this has led to immeasurable improvements in managers’ confidence in creating psychological safety and managing psychosocial risks:

“I am pleasantly surprised at how confident leaders now feel in talking about psychosocial risk. Managers at all levels can identify hazard areas like trauma, customer aggression, harassment, support and job demand, and they are actively managing them.”

The improvement in confidence coincides with a growing awareness among employees of the importance of psychosocial risks, according to the WHS manager. However, the manager sees this as a positive development in terms of the open and honest culture the organisation is trying to create. As he explains:

“Staff are referencing psychosocial hazard areas in their discussion with their leaders when they have concerns about their leaders’ approach, which is actually good. We want staff to open up and to raise concerns because we want to reinforce a safe-to-speak culture. We have therefore got to try and reward this behaviour and not dismiss it.”

Outcomes and Next Steps

The organisation has seen an active shift in leadership and management awareness and capability, with psychosocial risk now part of everyday leadership discussions. The manager also claims that the availability of different practical resources, that include case studies, can be very helpful to public-sector organisations like his.

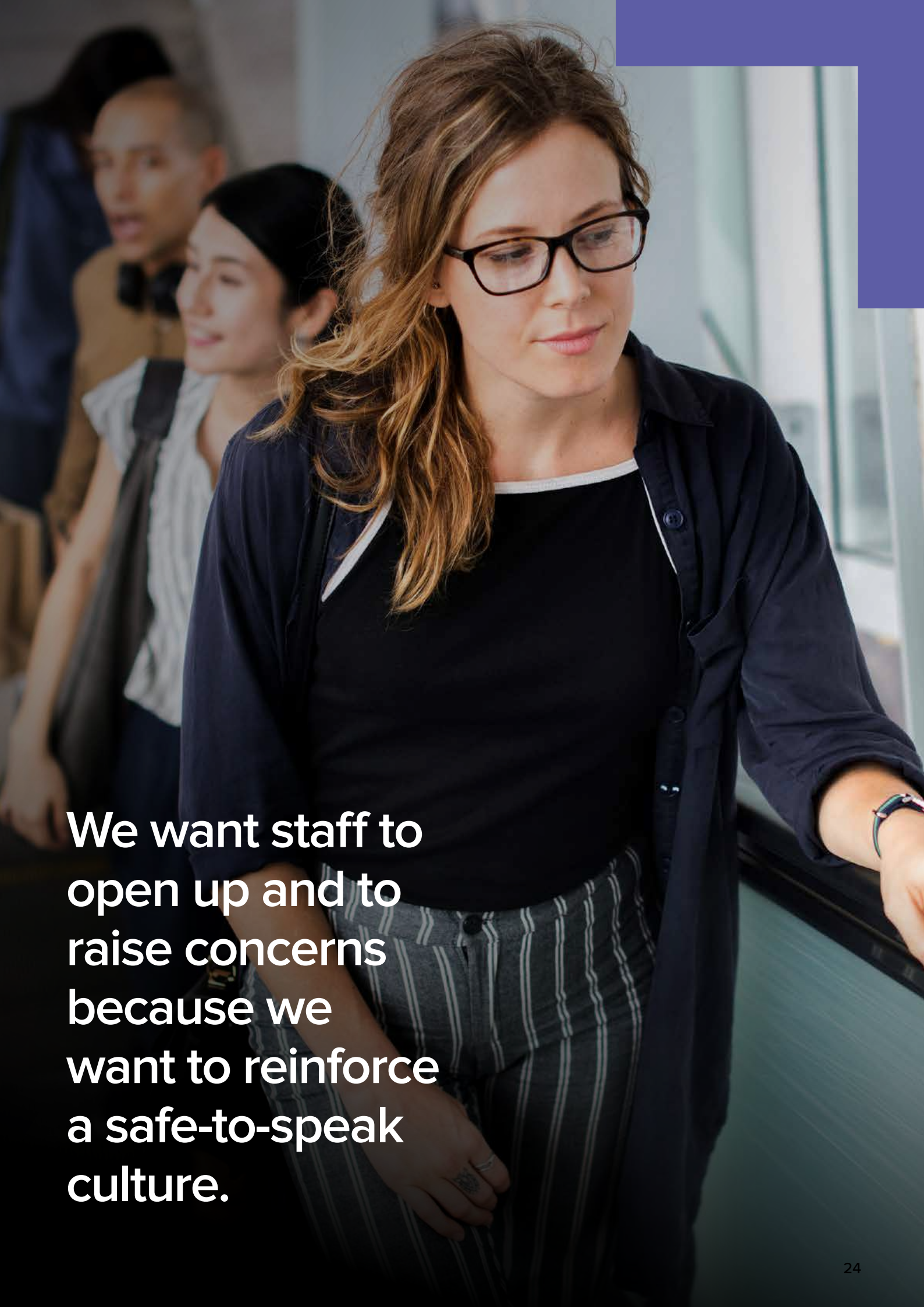
There has been a concerted effort across the public service to create resources to help agencies build psychologically safe workplaces through a speak up culture. This extends to resources that aim to help organisations adopt a consistent approach to managing psychosocial risk. More resources can be found on the APS Academy website for APS employees.

Looking ahead, the organisation’s focus will be on addressing job demand and internal work pressures, as well as embedding better capture of psychosocial hazard data in HR information systems.

As the manager concludes:

“Workplace health and safety is about continuous improvement. You’ll never get perfection because the environment keeps changing. But we are in a far better place than 12 months ago and will continue to mature as we deepen our understanding of risk.”



A woman with long, wavy brown hair and black-rimmed glasses is the central focus. She is wearing a dark navy blue button-down shirt over a black top and grey and white vertically striped trousers. She is looking down and to her right with a thoughtful expression. In the background, two other people are visible but out of focus: a man in a brown jacket and a woman in a light-colored shirt. The setting appears to be an office or a modern building interior with large windows. A solid purple rectangular shape is in the top right corner of the image.

**We want staff to
open up and to
raise concerns
because we
want to reinforce
a safe-to-speak
culture.**

Psychosocial Hazard Management Checklist

Psychosocial Hazard Management Checklist

Use this checklist to identify where your organisation may need to take action to meet WHS obligations and protect employee wellbeing.

Step 1: Identify Common Psychosocial Hazards

- High job demands (workload, time pressure, emotional labour)
- Low job control (limited autonomy or influence)
- Poor support from managers or colleagues Lack of role clarity
- Poor organisational change management
- Inadequate reward or recognition
- Unfair work practices
- Remote or isolated work
- Conflict or poor workplace relationships
- Bullying, harassment, or discrimination
- Exposure to traumatic events or material

TIP: Start with a simple employee pulse survey or focus group to uncover hidden risks. Use language your people understand and give them a safe channel to speak up.

Step 2: Assess Current Controls

- Do we have a documented process to manage this risk?
- Are employees aware of the available supports?
- Are leaders trained to identify and respond early?
- Are we monitoring for early warning signs (e.g. turnover, absenteeism, complaints)?

TIP: Review your HR policies and onboarding materials - are expectations and supports clearly communicated? Train frontline leaders to spot early warning signs before issues escalate.

Step 3: Review and Improve

- Have we consulted workers about psychosocial risks and control measures?
- Do we regularly review the effectiveness of our controls?
- Are incidents or complaints followed up with timely action?
- Are psychosocial hazards integrated into our broader WHS risk management process?

TIP: Don't wait for an incident to evaluate your approach. Regular check-ins with teams and anonymous feedback loops can help you stay ahead of emerging risks.

Need help identifying gaps or strengthening your controls?

Book a free consult with our psychosocial hazard specialists at DLPA.

<https://calendly.com/dlpa>



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