

Contractor Health, Safety and Environmental Management



Couple of takeaways

- Contractor work must be risk-categorised to determine workplace management, supervision, and controls.
- **Job Managers** are responsible for correct categorisation and applying lifecycle requirements.
- Contractor HSE risks must be managed across all lifecycle phases, not just before work starts.
- Supervision and documentation requirements must be proportionate to risk and work complexity.



What Is This Procedure For?

This procedure defines the Hydro Tasmania Group's (Hydro) requirements for managing contractor Work Health, Safety and Environmental (HSE) risks across all contractor engagements.

It establishes:

- a structured contractor work categorisation process; and
- a consistent lifecycle approach for planning, supervising, monitoring, and reviewing contractor HSE performance from engagement through to completion.



What's Our Approach to Contractors HSE Management?

Hydro applies a proactive, risk-based approach to contractor HSE management across the full contractor engagement lifecycle.

This approach focuses on:

- early identification and assessment of hazards and risks
- clear allocation of responsibility and appropriate supervision; and
- continuous improvement through consultation, monitoring, and review.



What Are Hydro's Contractor Work Category Key Principles?

Hydro's contractor work categorisation process supports effective and proportionate risk management by determining:

- whether the work is a construction project valued at \$250,000 or more
- who is best positioned to manage the workplace
- the level and type of supervision required
- whether High-Risk Construction Work is involved
- potential impacts on essential or operational plant
- environmental or operational risk beyond the immediate worksite
- use of powered tools or machinery; and
- applicable regulatory, legal, or approval requirements.

Correct categorisation ensures appropriate controls, oversight, and accountability are applied.



How Is The Contractor Work Categories Determined?

The Contractor Work Categorisation Tool supports the **Job Manager** to determine the appropriate contractor work category through a structured, sequential, risk-based process, consistent with WHS obligations and ISO 45001 principles.

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Key Points

- The **Job Manager** is responsible for ensuring contractor work is correctly categorised, refer Figure 1- Contractor Work Categories Chart.
 - Questions must be addressed in sequence and with consultation as required.
- Contractor Work Category numbering does not indicate a risk hierarchy.
- Correct categorisation supports early risk identification, clear accountability, and consistent application of controls.

What Do the Contractor Work Categories Mean?

Categories 1, 2 and 3 – Hydro-Managed Workplace

- For Contractor Work Categories 1, 2, and 3, Hydro manages the workplace and provides general, direct, or continuous supervision of contractor activities.

Category 4 – Contractor-Managed Workplace

- For Contractor Work Category 4, the contractor is appointed to manage the workplace.
- Hydro's role is limited to HSE assurance and verification against agreed arrangements.

What Defines Contractor Work Category 1?

Category 1 covers low-risk work under normal operating conditions, including:

- administrative or office-based activities; and

- labour-only engagements under Hydro's direct or continuous supervision.

For contractors working solely in an office or under labour-only arrangements, a full Hydro employee-level induction is mandatory.

What Defines Contractor Work Category 2?

Category 2 includes moderate-risk activities, typically involving:

- physical work using powered tools, machinery, or equipment; and
- tasks requiring job-specific inductions, training, or risk assessments.

What Defines Contractor Work Category 3?

Category 3 encompasses high-risk activities, including:

- High-Risk Construction Work
- work that presents a risk to essential or operational plant; and/or work with significant environmental risk or external environmental approval requirements.

What Defines Contractor Work Category 4?

Category 4 applies where a contractor is appointed to manage a Hydro workplace. This includes:

- construction projects with a total value of \$250,000 or more, where a Principal Contractor is appointed; or
- non-defined construction projects or lower-value works where a Lead Contractor is appointed.

The contractor assumes primary responsibility for workplace HSE management, including the development and implementation of a WHS Management Plan and relevant environmental plans. Hydro provides oversight and assurance.

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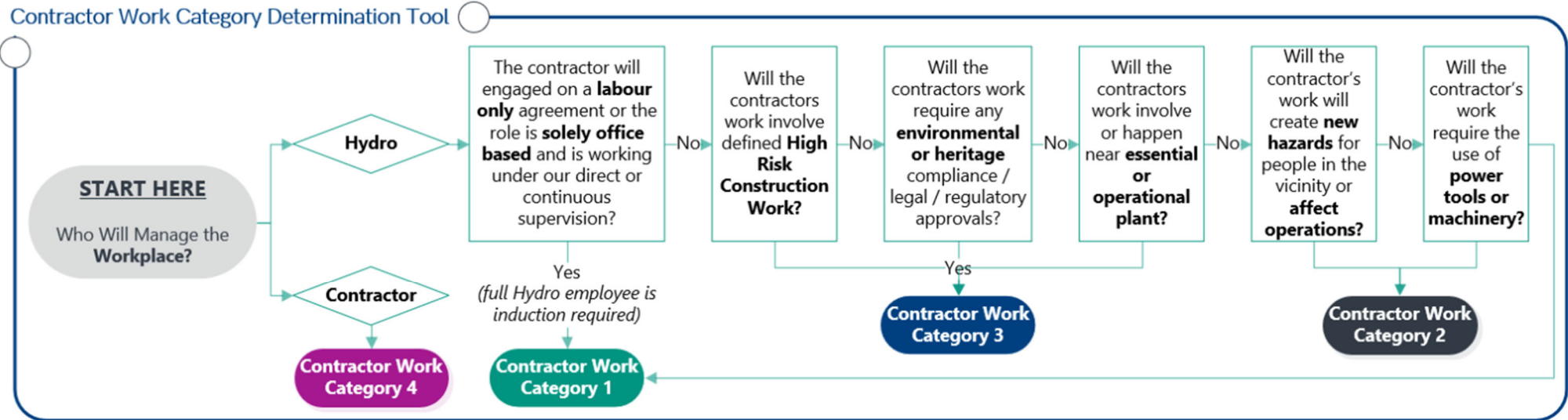


Figure 1- Contractor Work Categories Chart

Chart Definitions

- **Labour-only or solely office-based work under direct or continuous supervision** - Contractors engaged primarily to supply labour (rather than an independent service), performing office-based or similar work under Hydro’s direct and continuous supervision.
- **High Risk Construction Work (HRCW)** - Includes Safe Work Australia-defined HRCW and Hydro additions, including work involving:
 - abrasive blasting
 - silica dust
 - high-pressure liquids (e.g. hydraulic, oil, water, HPWJ)
 - high-torque equipment (e.g. HYTORC tools)
- **Essential or Operational Plant** - Any plant, equipment, system, or infrastructure that is operational (or capable of operation) and required to support ongoing operations, safety, or continuity of service.
- **Creates New Hazards or Affects Operations** - Activities that:
 - introduce non-routine hazards
 - increase risk to people, plant, assets, or the environment; or
 - disrupt normal operations, systems, or established controls

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- **Use of Powered Tools or Machinery** - Work involving powered tools or machinery beyond light-duty, low-energy hand tools, where misuse or failure could reasonably cause injury, damage, or affect operations.
 - Includes plant and tools powered by electrical, fuel, hydraulic, pneumatic, mechanical, or stored energy sources, but excludes incidental use of low-risk office or maintenance tools, where tool failure or misuse would not reasonably result in serious harm or operational disruption.

What Is The Contractor HSE Management Lifecycle?

The Contractor HSE Management Lifecycle defines the mandatory process for managing contractor health, safety, and environmental risks throughout the full duration of a contractor engagement.

Documentation requirements for all lifecycle phases are defined in Table 1 - Contractor HSE Management Required Documents Guide.

The lifecycle applies to all contractor activities and must be applied proportionately based on:

- contractor work category
- risk profile; and
- supervision model.

The lifecycle is supported by defined required, conditional, and recommended documentation.

What Are the Phases of the Contractor HSE Management Lifecycle?

Contractor engagements are managed through four lifecycle phases:

- Initiate
- Preparation

- Delivery
- Review

Each phase has defined objectives, responsibilities, and documentation requirements.

What Happens During the Initiate Phase?

The Initiate phase establishes the foundation for the contractor engagement by defining the work, identifying risks, and determining how those risks will be managed.

The **Job Manager** is responsible for ensuring the following activities are completed during this phase:

- defining the scope of work and intended outcomes
- identifying and assessing HSE hazards and risks across the full scope of work, including tasks, materials, plant, the work environment, and environmental values
- determining, through risk assessment, who is best positioned to manage risks arising from the contractor's work
- confirming the level of contractor capability and expertise required to manage identified risks
- determining the level and nature of supervision Hydro will provide, noting that responsibility for risk management is shared regardless of supervision model
- establishing communication and coordination arrangements for the work

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- determining whether the work meets the definition of a construction project; and
- identifying applicable inductions, licences, competencies, certifications, and regulatory or approval requirements.

All mandatory documentation must be completed and approved before the phase proceeds.

What Happens During the Preparation Phase?

The Preparation phase confirms that both Hydro and the contractor are ready to commence work safely and in accordance with agreed HSE requirements.

During this phase, the **Job Manager** must ensure that:

- contractor capability, experience, and HSE performance are assessed in relation to the scope and risk of the work
- required licences, qualifications, insurances, plant registrations, and approvals are verified
- contractor HSE systems, plans, and procedures are reviewed where applicable
- responsibilities for workplace management are confirmed and formally appointed where required; and
- performance monitoring, reporting, and review arrangements are agreed and documented.

Higher-risk works may require additional planning documentation, including WHS management plans, environmental management plans, or design and construction hazard studies.

All mandatory documentation must be completed and approved before work commences.

What Happens During the Delivery Phase?

The Delivery phase applies for the duration of the contractor's work activities.

Hydro retains a duty of care throughout this phase and must ensure that contractor work is effectively coordinated, supervised, and monitored to confirm that agreed controls remain effective.

During this phase, the **Job Manager** is responsible for ensuring:

- pre-start, handover, and permit-to-work requirements are completed prior to commencement of site activities
- work is conducted in accordance with approved plans, risk assessments, and procedures
- workplace inspections, reviews, and performance monitoring are undertaken at a frequency appropriate to the risk and work category
- incidents are reported, investigated, and managed in accordance with agreed arrangements and contractual requirements; and
- hazards associated with commissioning, energisation, or system handover are identified and controlled where applicable.

What Happens During the Review Phase?

The Review phase confirms whether HSE objectives were achieved and identifies opportunities for improvement.

This phase applies at the completion of work or at defined intervals for longer-duration engagements.

The **Job Manager** must ensure that:

- contractor HSE performance is formally reviewed
- lessons learned and improvement opportunities are identified and recorded; and
- outcomes are used to inform future contractor selection, planning, and engagement decisions.

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What Documentation Is Required to Support Contractor HSE Management?

The Contractor HSE Management Required Documents Guide defines which documents are:

- Required (R)
- Conditional (C)
- Suggested (S), or
- Not Applicable (N/A)

or each contractor work category.

Documentation requirements must be applied in alignment with the lifecycle phases described above and retained in accordance with Hydro's record-keeping and Contractor HSE Management requirements.

Where a required document is assessed as not value-adding for a specific engagement, a WHS Variance must be completed and approved to justify its exclusion.

What Additional Requirements Apply to Contractor Work Category 3?

The Job Manager is responsible for ensuring the following additional requirements are applied to Contractor Work Category 3 engagements, where site works exceed **five working days**, the following are required:

- Contractor Partnership Plan
- Contractor HSE Implementation Review
- Contractor HSE Performance Assessment

For engagements of **five days or less**, contractor safety requirements may be managed through approved risk assessments, SWMS, or equivalent documentation, unless risk or complexity warrants additional controls.

- The **Job Manager** may elect to use these forms for shorter-duration work where risk level, complexity, workforce size, or contractor interfaces warrant additional controls.

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Contractor HSE Management Required Documents Guide

Document	Contractor Work Category			
	1	2	3	4
Preliminary Management of Workplace Risk Assessment Tool	Not Applicable	Not Applicable	Not Applicable	Mandatory
Contractor Hazard Communication Form	Suggested for use	Mandatory	Mandatory	Mandatory
Contractor Management of Hydro Workplace Checklist	Not Applicable	Not Applicable	Not Applicable	Mandatory
Contractor HSE System Evaluation Form	Suggested for use	Suggested for use	Suggested for use	Mandatory
Contractor Management of Hydro Workplace Appointment Form	Not Applicable	Not Applicable	Not Applicable	Mandatory
Contractor Management of Hydro Workplace - Handover and Return	Not Applicable	Not Applicable	Not Applicable	Mandatory
Contractor Partnership Plan	Suggested for use	Suggested for use	Conditional	Mandatory
Contractor Pre-start Checklist	Suggested for use	Suggested for use	Mandatory	Mandatory
Contractor-In-Charge Incident Reporting Tool	Not Applicable	Not Applicable	Not Applicable	Mandatory
Contractor HSE Maintenance Review	Not Applicable	Not Applicable	Conditional	Mandatory
Contractor HSE Implementation Review	Suggested for use	Suggested for use	Mandatory	Not Applicable
Contractor HSE Performance Assessment	Suggested for use	Suggested for use	Conditional	Mandatory

GLOSSARY

- Suggested for use
- Mandatory
- Conditional (refer CWC3 notes)
- Not Applicable

Table 1 - Contractor HSE Management Required Documents Guide

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What Is A Construction Project?

A Construction Project refers to any undertaking that involves construction work that is valued at \$250,000 or greater.

Construction Work broadly includes:

- The erection, alteration, conversion, fitting-out, commissioning, renovation, repair, maintenance, refurbishment, demolition, decommissioning, or dismantling of a structure.
- Work associated with a structure, such as site preparation, excavation, clearing of land, landscaping, or the installation of services (e.g., water, gas, electricity, telecommunications).
- The assembly of prefabricated elements to form a structure, or the disassembly of prefabricated elements.
- Work that is consultative or supervisory, or involves the design of or testing, inspection, or commissioning of construction work.

What is generally NOT considered Construction Work?

Activities that are generally not considered a construction work would include:

- Routine, minor maintenance and cleaning.
- Manufacturing of goods off-site.
- Purely administrative or design work performed off-site and not directly supervising or inspecting actual construction work.
- Operating a finished facility.
- Minor fitting or assembly of movable items.

Where can I find out more information?

- Contact your Work Health and Safety representative.
- Construction work: Code of practice.

- Work Health and Safety Act 2012 (Tas).
- Work Health and Safety Regulations 2022 (Tas).

What Are Our Obligations Of A Construction Project?

If the project involves construction work and is valued over \$250,000, a Principal Contractor must be appointed. If we do not officially appoint one, Hydro automatically becomes the Principal Contractor.

The Principal Contractor holds the main responsibility for overall site safety. This includes:

- Developing, maintaining, and reviewing the Work Health and Safety Management Plan (a document outlining how safety will be managed across the entire site).
- Developing, maintaining and reviewing the Project Environmental Impact Assessment (EIA) or for larger scale works Construction Environmental Management Plan (Construction Environmental Management Plan (CEMP)) (a document outlining how environmental risks will be managed across the entire site).
- Managing and coordinating site-wide risks that affect everyone (e.g., traffic management, site security, amenities).
- Ensuring clear communication and coordination between all contractors and trades on site.
- Setting up and maintaining site safety rules, induction processes, and emergency plans.
- Monitoring and reviewing the safety and environmental performance of all contractors on site.

Construction projects demand a proactive, coordinated, and well-documented approach to safety and environment, with the Principal

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Contractor playing a crucial, leading role in orchestrating the overall safety framework and ensuring compliance across the workplace.

What Supervision Is Required?

When engaging contractors, effective safety and environmental supervision is essential. The appropriate level of supervision must be determined by the nature of the project, the sensitivity of asset management, associated risks, project complexity, and the contractor's level of experience.

What Determines Supervision?

The level and type of supervision required for any work activity, including those involving apprentices and licensed electrical work, shall be determined by a comprehensive assessment of the following factors:

Project Type

- For construction projects exceeding an estimated value of \$250,000, a designated Principal Contractor shall be appointed, bearing primary responsibility for overall site safety management and the establishment of appropriate supervision frameworks. For projects of a smaller scale or specific work packages, the supervision requirements may be managed by Hydro or a Lead Contractor, who will be responsible for ensuring safety within the defined scope of work.

Risk & Complexity of Work

- Work activities identified as high-risk or inherently complex, regardless of project size, shall necessitate a higher degree of direct and continuous supervision. This includes, but is not limited to, live electrical work, work at heights, confined space entry, and activities involving hazardous materials.

Contractor and Worker Experience/Competency

- The experience, qualifications, and demonstrated competency of the contractor and individual workers performing the tasks shall directly influence the level of supervision required. Newer contractors, less experienced workers, or those undertaking tasks for which they have limited prior experience will require closer guidance and oversight.
- *For apprentices*, supervision must always align with their training plan and the requirements of relevant apprenticeship legislation and regulations. For licensed electrical work, supervision must be provided by an appropriately licensed and competent electrical worker, as stipulated by relevant electrical safety regulations.

Shared Responsibility

- It is a fundamental principle that safety and effective supervision are a collaborative responsibility shared amongst all parties involved in the project, including clients, principal contractors, lead contractors, contractors, subcontractors, and individual workers. All parties are obligated to actively participate in identifying hazards, assessing risks, and implementing appropriate control measures, including robust supervision.

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Contractual Chain

- The supervision type must also reflect the shared responsibility throughout the contractual chain, ensuring collective workplace safety and environmental management. Refer to Figure 2 for Person Conducting a Business or Undertaking (PCBU) duties in a contractual chain.

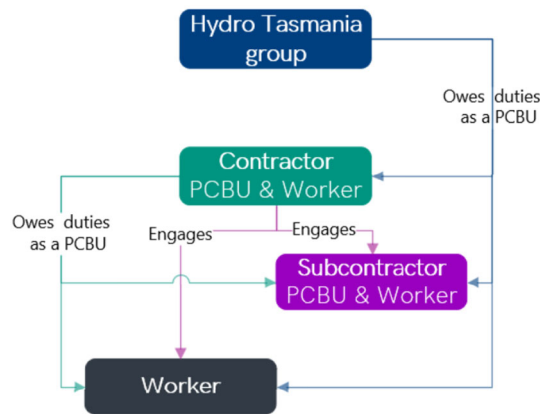


Figure 2 - Example of who may owe duties as a PCBU in a contractual chain!

WorkSafe Tasmania provides Codes of Practice that explain how responsibilities are shared in the workplace, especially in construction.

These include:

- Construction Work Code of Practice.
- Managing the Work Environment and Facilities.
- Work Health and Safety Consultation, Cooperation and Coordination.

Supervision Types?

Before we give work to contractors, we need to make sure the right level of supervision is considered and in place. The amount of supervision

depends on how risky or complex the job is, and how experienced the contractor is, below are the main types of supervision.

General Supervision

- You check in now and then, but you do not need to be there all the time.
- Best for experienced contractors doing routine or low-risk work.

Direct Supervision

- You are regularly on site and keeping an eye on the work.
- Good for jobs that are a bit more complex or when the contractor is new to the site.

Continuous Supervision

- You are there the whole time, watching the work closely.
- Needed for high-risk tasks or when someone is learning or not fully qualified.

What Does This Procedure Achieve?

The Hydro Tasmania Group’s Contractor HSE Management Procedure establishes a clear, structured, and risk-based framework for managing contractor health, safety, and environmental responsibilities across all phases of engagement.

By applying consistent work categorisation, determining appropriate levels of supervision, and defining lifecycle-based requirements and documentation, the procedure enables effective identification, management, and review of contractor HSE risks. Through clear accountability, collaboration, and proportionate oversight, contractor activities are managed in a way that supports compliance, continual improvement, and safe, sustainable outcomes aligned with Hydro’s values.