



13.5 **PSYCHOLOGICALLY SAFE WORKPLACE POLICY**

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1. PURPOSE

- 1.1 To provide Council with the Psychologically Safe Workplace Policy and seek its endorsement.

2. EXECUTIVE SUMMARY

- 2.1 This report seeks the endorsement of a Psychologically Safe Workplace Policy that was developed in response to a previous Council resolution.
- 2.2 A psychologically safe workplace is a workplace where people feel safe and supported to voice thoughts, feelings and behaviours in a respectful manner without fear of any adverse consequences.
- 2.3 Psychological safety is an important part of creating a healthy and productive workplace, and to minimise the risk of psychological and physical injury. If Councillors and staff feel psychologically safe this improves well-being, morale, job satisfaction and productivity. It also increases Council's ability to attract and retain talented and diverse Councillors and staff.
- 2.4 The failure to achieve a psychologically safe workplace can have a detrimental effect on innovation, productivity, turnover and financial costs such as increased absenteeism and workers compensation claims.

3. RECOMMENDATION

That Council:

- 3.1 Notes the range of mechanisms Council currently has in place to support the psychological safety of Councillors and staff and the areas where further controls could be considered.
- 3.2 Endorses the Psychologically Safe Workplace Policy and authorises the CEO to make any minor editorial amendments required that do not alter the substantive intent of the policy.
- 3.3 Notes that any recommended changes to the Governance Rules and Media and Social Media Policy will be presented to Council for adoption.
- 3.4 Notes that further work will be undertaken to develop and implement a process to support the resolution of matters by the Mayor that may arise from time to time which fall outside of existing processes e.g. Councillors and staff / staff and the CEO.



4. KEY POINTS/ISSUES

- 4.1 The previous Council passed a motion requesting a policy for consideration by the new Council on the creation and maintenance of a Psychologically Safe Workplace.
- 4.2 This report not only provides a response to that motion, it also outlines future steps that will be undertaken to optimise psychological safety.
- 4.3 In developing this policy, it was important to understand the legal obligations on Council, the CEO and Councillors, and existing mechanisms that are in place to manage situations where psychological safety is not achieved.
- 4.4 While the CEO has primary responsibility to create a psychologically safe workplace for staff and Councillors as deemed employees, there is also an obligation on Council, as the employer of the CEO to create a psychologically safe workplace and to support the CEO in meeting their responsibilities.
- 4.5 Pleasingly, there are many instruments that are already in place that support our workplace to be safe, healthy and productive. These include, but are not limited to, the Councillor and Employee Codes of Conduct, Governance Rules, Councillor Conduct Guidelines, our safety management system and an employee assistance program.
- 4.6 This review also found that there were several further opportunities to strengthen psychological safety.
- 4.7 The result of this review is a Psychologically Safe Workplace Policy as outlined in **Attachment 1**. The key outcomes of this policy include:
 1. The prevention of psychological injury to Councillors, the CEO and employees of Council through the adoption of policies, processes and mechanisms that reduce the risk of psychological injury.
 2. Responding effectively to incidences of psychological injury to minimise impacts on the individual, Council and the wider organisation.
 3. Supporting Councillors, and staff to recover from incidences of psychological injury to minimise the impacts of psychological injury on individuals.
- 4.8 It is universally recognised that prevention is better than cure, and that early intervention is a key principle underpinning effective injury management.
- 4.9 The factors that contribute to psychological safety are many. This policy seeks to align relevant Council and Organisational policies to ensure there is a comprehensive and systemic approach to achieving psychological safety. It has a focus on prevention through the adoption of policies, processes and mechanisms that reduce the risk of psychological injury. It guides an effective response to incidences of psychological injury to minimise impacts on the individual, Council and the wider organisation. Furthermore, it outlines the approach to be taken to support Councillors and staff to recover in the unfortunate event that harm is caused to an individual.
- 4.10 It recognises psychological safety is an essential part of work health and safety, in the same way that physical safety is essential. It sets out to create and promote healthy, respectful and productive relationships between individual Councillors, between Councillors and staff, and between Councillors, staff and community members.



4.11 While Port Phillip already has many measures in place to optimise psychological safety, this policy identifies further steps that need to be undertaken to achieve a comprehensive approach to mitigate this risk.

4.12 Other steps to be considered and developed as part of this framework to provide the best chance of achieving psychologically safety include:

- Exploration of whether the any Governance rules could be applied to informal meetings of Council
- Exploration of a media and social media policy for Councillors.
- Review of the Councillor Contact Guidelines
- Development of a process to support the resolution by the Mayor of matters that may arise from time to time which fall outside of existing resolution processes e.g. Councillors and staff / staff and the CEO.

5. CONSULTATION AND STAKEHOLDERS

5.1 Consultation has occurred with Councillors. This consultation included discussions on what is already in place to mitigate and manage psychological harm, what external mechanisms exist in the event psychological harm is experienced and a discussion on identified gaps and opportunities for reform to further optimise psychological safety.

6. LEGAL AND RISK IMPLICATIONS

6.1 Failure to successfully mitigate psychological harm can result in noncompliance with various legislation and create reputational damage.

6.2 Specific legislation includes the Occupational Health and Safety Act 2004, Workplace Injury Rehabilitation Act 2014, Local Government Act 2020, Fair Work Act 2009 and the Equal Opportunity Act 2010.

7. FINANCIAL IMPACT

7.1 There are minimal costs with implementing and embedding this policy.

7.2 Failure to achieve psychological safety with Councillors, Council and staff can have significant direct and indirect financial impacts.

7.3 Examples of direct financial impact include absenteeism, workers compensation claims costs and poor organisational culture that leads to high staff turnover. Whereas indirect financial impacts include a loss of productivity, increase costs in complaint handling, dispute resolution, investigations, risk aversion with lack of innovation and poor engagement that translates to poor productivity.

8. ENVIRONMENTAL IMPACT

8.1 There is no environmental impact of this policy.

9. COMMUNITY IMPACT

9.1 The adoption of this policy formalises Council's position on the importance of ensuring psychological safety with interactions the community has with Council, Councillors and staff.



- 9.2 It encourages standards of behaviour and conduct and supports respectful relationships that Council, Councillors and staff have with the community or vice versa.

10. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

- 10.1 Strategic Direction 5 – Well Governed

11. IMPLEMENTATION STRATEGY

11.1 TIMELINE

11.1.1 The Psychological Safe Workplace Policy takes effect from the passing of this resolution.

11.1.2 It will be shared among Councillors and staff with the view to train respective stakeholders of its intention and their respective responsibilities.

11.1.3 Related policies and mechanisms will be presented at future Council meetings for adoption as required.

11.2 COMMUNICATION

11.2.1 As a key local public institution and employer, Council is committed to promoting the health, safety and wellbeing of all Councillors and employees.

11.2.2 We want to lead by example in providing a workplace where people feel safe and supported to voice thoughts, feelings and behaviours in a respectful manner without fear of any adverse consequences.

11.2.3 We want to achieve the best outcomes for our community by ensuring the creation of an environment where staff can provide frank and fearless advice to Council, thus resulting in better decisions and results for all stakeholders.

11.2.4 We need to ensure that Council as an employer complies with its obligations under the Local Government Act 2020 (LG Act), the Occupational Health and Safety Act 2004 (OHS Act), the Fair Work Act, the WIRC Act and other relevant legislation.

12. OFFICER DIRECT OR INDIRECT INTEREST

- 12.1 No officers involved in the preparation of this report have any material or general interest in the matter.

ATTACHMENTS

1. Psychologically Safe Workplace Policy