

Psychosocial Hazards at Work

What they are, why they matter, and what you must do as an employer

2026 Edition | For Australian small businesses & not-for-profits

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■ **Psychosocial hazards are now treated as seriously as physical hazards under Australian WHS law. Employers have a legal obligation to identify, assess and control them — in the same way they manage the risk of a slip, trip or fall.**

WHAT IS A PSYCHOSOCIAL HAZARD?

A psychosocial hazard is anything in the design or management of work, or in workplace interactions or behaviours, that may cause **psychological harm** — and potentially physical harm too.

Psychological harm can include anxiety, depression, burnout, post-traumatic stress, sleep disorders and other mental health conditions. It can also contribute to physical harm through fatigue-related accidents, musculoskeletal injuries and chronic disease.

THE 17 COMMON PSYCHOSOCIAL HAZARDS

Identified by Safe Work Australia — all must be considered in your risk management:

High or low job demands	Too much work, unrealistic deadlines, or too little meaningful work
Low job control	Little say over how, when or where work is done
Poor support	Insufficient support from supervisors or colleagues
Lack of role clarity	Unclear responsibilities, expectations or reporting lines
Poor organisational change management	Changes poorly planned, communicated or implemented
Inadequate reward and recognition	Efforts not acknowledged — financially or otherwise
Poor organisational justice	Decisions perceived as unfair or inconsistent
Traumatic events or material	Exposure to distressing events, situations or content
Remote or isolated work	Working alone, in remote locations or with limited contact
Poor physical environment	Uncomfortable, unsafe or poorly designed work environment
Violence and aggression	Physical or verbal threats from clients, customers or colleagues
Bullying	Repeated unreasonable behaviour that creates a risk to health and safety
Harassment (including sexual harassment)	Unwanted conduct based on protected attributes — proactive prevention now required
Conflict or poor workplace relationships	Unresolved interpersonal conflict between workers or managers
Fatigue	Excessive workload, long hours, shift work or insufficient recovery time
Job insecurity	Uncertainty about continued employment or changes to working conditions
Intrusive surveillance	Excessive monitoring that undermines trust and autonomy

Source: Safe Work Australia — Model Code of Practice: Managing Psychosocial Hazards at Work

YOUR LEGAL OBLIGATIONS AS AN EMPLOYER

Under the model WHS Act and regulations (adopted in most Australian states and territories), you must **eliminate psychosocial risks** where possible, or if that is not reasonably practicable, **minimise them as far as reasonably practicable**. This is the same standard that applies to physical hazards.

State-specific updates (2025/2026):

Victoria: OHS (Psychological Health) Regulations 2025 commenced 1 December 2025 — specific psychological health obligations now in force.

NSW: New WHS Regulations 2025 include strengthened psychosocial provisions. From July 2026, Codes of Practice carry greater legal weight.

All states: National Code of Practice on Sexual and Gender-Based Harassment commenced March 2025 — proactive prevention now required.

All states: Psychosocial risks are now enforceable — same penalties apply as physical WHS breaches.

THE 4-STEP PROCESS — WHAT YOU MUST DO

STEP 1: IDENTIFY HAZARDS

■ Talk to your workers

Ask about their experience of work — what causes them stress, frustration or discomfort. This is also your consultation obligation under WHS law.

■ Review your incident and grievance data

Look for patterns — repeated complaints, high sick leave, staff turnover.

■ Conduct a simple survey

An anonymous staff wellbeing survey can surface issues people won't raise face-to-face.

■ Walk through the 17 hazards list

Consider each hazard and whether it exists in your workplace.

STEP 2: ASSESS THE RISKS

■ Consider likelihood and severity

How likely is harm to occur, and how severe could it be?

■ Consider who is affected and how many

Some workers may be more at risk — e.g. those working alone, in client-facing roles, or in high-pressure positions.

■ Consider existing controls

What do you already have in place that reduces the risk?

■ Prioritise

Focus on the highest risk hazards first.

STEP 3: IMPLEMENT CONTROLS

■ Eliminate the hazard if possible

e.g. remove an unreasonable workload by redistributing tasks or hiring additional support.

■ Redesign the work

e.g. provide more autonomy, clearer role descriptions, better communication processes.

■ Administrative controls

e.g. clear policies, reporting processes, training, regular check-ins, flexible working.

■ Do not rely solely on EAP or wellbeing programs

These support affected workers but do not prevent harm. Regulators expect prevention as the primary approach.

STEP 4: REVIEW YOUR CONTROLS

■ Build in regular review

At least annually, or after any significant incident, change or complaint.

■ Seek worker feedback

Regular check-ins, surveys and exit interviews help identify emerging risks.

■ Update your WHS risk register

Document what you have identified and what controls are in place.

■ Keep records

Document your risk management process — this demonstrates due diligence.

MINIMUM POLICIES EVERY EMPLOYER SHOULD HAVE**■ Anti-Bullying, Harassment and Discrimination Policy**

Must reflect the positive duty to proactively prevent harassment — not just respond after the fact.

■ Grievance and Complaints Procedure

Clear, safe, confidential process for workers to raise concerns.

■ WHS Policy (including psychosocial hazards)

Explicitly address psychosocial risks — not just physical safety.

■ Code of Conduct

Sets clear behavioural expectations for all workers.

■ Mental Health and Wellbeing Policy (recommended)

Signals your commitment to psychological safety and sets out available supports.

■ OFFICER LIABILITY: If you are a director, business owner or senior manager, you have a personal duty of due diligence under WHS law. You can be prosecuted individually — separate from the business — for failing to exercise due diligence around psychosocial risks.

This resource is for general guidance only — not legal advice. WHS obligations vary by state and territory. Always verify your specific obligations with your state WHS regulator or a qualified professional.

Need help with your WHS policies or psychosocial risk management? Compliance Compass works with small businesses and not-for-profits across the ACT to get this right — practically, affordably and without the big-firm price tag.

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