MANAGEMENT OF CHANGE PROCEDURE

PILBARA PORTS AUTHORITY

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1. PURPOSE

This procedure provides an overview of the management of change process which will benefit PPA by ensuring:

o   proposed changes are authorised;
o   proposed changes are assessed for potential risks;
o   appropriate actions are taken to ensure existing health, safety, environment, community and performance levels are not compromised;
o   information on changes, both planned and unplanned, are communicated to all affected groups (as appropriate) including all relevant employees and stakeholders; and
o   changes are properly engineered.

2. OBJECTIVE

The key objectives of this procedure are to:

o   establish a consistent high level framework for managing all changes at PPA;
o   provide a clear definition of what constitutes a "change";
o   manage change systematically;
o   allocate roles and responsibilities for management of change;
o   ensure affected stakeholders are appropriately consulted prior to the implementation of change;
o   produce appropriate records for management of change; and
o   ensure efforts spent on managing change add value.

This procedure does not outline all the steps required to be followed for every type of change.

3. SCOPE

A person conducting a business or undertaking (PCBU) for or on behalf of PPA on a PPA site or operation, and all licensees and lessees, must comply with this procedure. When agreed with PPA, a PCBU, licensee, or lessee may have their own Management of Change Procedure, but it must at least meet legislative requirements and the standards set by this procedure.

Where a Significant Change relates to an approved PPA project request and Project Management Framework (PMF), then that change is managed using the PMF.

When a third party external to PPA advises a change is to occur, or makes a change that may impact PPA, the changes that will impact PPA are managed pursuant with this Management of Change Procedure. For guidance, this includes change such as changes to legislation.

4. DEFINITIONS

TERM	DEFINITON
Change Initiator	Person who identifies the initial need for a change.
Change Maker	Person who implements the change and risk controls.
Change Owner	Person who is accountable for the delivering the change.
Change	The transition from a current state to a future state or to make or become different.

Emergency	An abnormal occurrence that can pose a threat to the safety or health of employees, contractors, local communities, customers, or which can cause significant damage to assets or the environment.
Emergency Change	Change that is a shared change occurring during an emergency, or during a situation that requires immediate or urgent response to a threat.
Non-routine Change	Change that is not business as usual. Examples of Non-Routine Change may include modifying existing plant and changing Enterprise Resource Planning (ERP) software.
Routine Change	Change that can be expected to occur regularly. Examples of Routine Change may include changes to procedures and organisational changes.
Shared Change	Change that will have an impact plant, equipment, assets, parts, processes, people, other than where that impact is insignificant.
Significant Change	Change that is a shared change and is: • Non-routine; or • Where something entirely new will be done.
Simple Change	Change that has no or an insignificant impact to plant, equipment, assets, parts, tools, processes, people, systems, or external approvals /consents.

5. RESPONSIBILITIES

ROLE	RESPONSIBILITIES
Employees, Contractors and Licensees	Comply with the requirements of this procedure.
Managers, Superintendents and Supervisors	Ensure personnel under their control are aware of, understand and comply with the requirements of this procedure.

6. DOCUMENT LIST

The table below defines system and process documentation to be adopted in management of change.

DOCUMENT	PURPOSE
Management of Change Standard Work Instruction	Provides a graphical overview of the overall PPA Management of Change Procedure.

7. HOW WE MANAGE CHANGE AT PPA

Whilst some changes at PPA do not impact anyone else except the Change Initiator, other changes may affect other works groups, other companies and/or port users.

Where a change impacts others, we need to manage the process of making the change so that we undertake an assessment of how it may impact others. There are many reasons why PPA needs to advise others of changes we make that may impact them (for example: contractual conflicts, to retain probity, safety aspects or environmental

impacts). PPA may also be required to advise Vendors, PPA Leaseholders and PPA Tenants well in advance of proposed changes with potential third-party impacts. This is because, in these circumstances, PPA must ensure that any changes do not impact PPA Tenants or PPA Leaseholder's rights to quiet enjoyment.

There are two (2) types of change that PPA must manage:

o   Routine; and
o   Non-routine.

The level of management rigor applied (process adopted by PPA) should reflect the change type and resulting risk exposure the change creates for PPA.

PPA has formalised four (4) different processes to be followed dependent on the change type and resulting risk exposure the change creates:

o   Simple Change;
o   Shared Change;
o   Emergency Change; and
o   Significant Change.

The Management of Change Standard Work Instruction provides a visual representation of the relationships, which is also provided below.

MANAGEMENT OF CHANGE PROCEDURE

Figure 1: Management of Change Standard Work Instruction
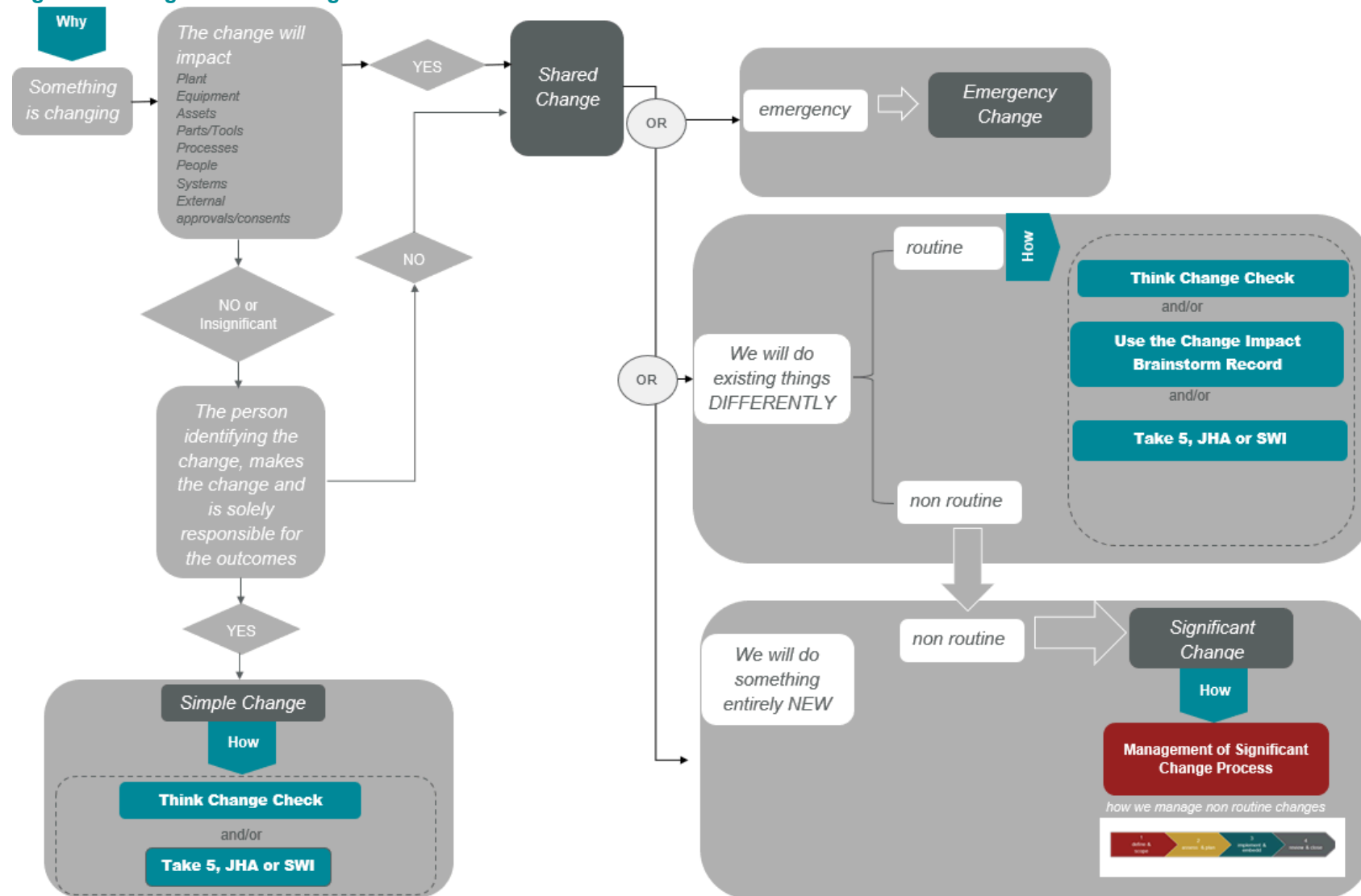
This Management of Change Procedure defines the processes illustrated in the Management of Change Standard Work Instruction. These are the key implementation documents for end users (Change Initiators) to start their change process.

Within all systems there may be some grey areas and further guidance and support in managing change is available from the Health and Safety team.

8.   RECORD KEEPING

All records must be managed in accordance with the Recordkeeping Plan.

The accountable parties defined in this procedure are accountable for retaining copies of documentation generated in accordance with the Recordkeeping Plan.

9.   DOCUMENT OWNER

The Director Health and Safety is responsible for this Procedure.

SECTION A: MANAGEMENT OF SIMPLE CHANGES

Simple Changes are the most common type of change at PPA and are managed by an informal process.

The person initiating the change thinks through the change and is encouraged to use the Management of Change Think Change Check Form.

No formal record of output from using the Management of Change Think Change Check Form is required however a diary note could be considered.

If the change is task related, then PPA's Take 5, JHA or SWI worksheet should be used as appropriate.

SECTION B: MANAGEMENT OF SHARED CHANGES

Shared Changes are very common at PPA due to the diverse nature and interdependence across port activities. These changes impact other people or sections at PPA.

Shared Changes are managed by processes that are representative of potential risk exposure to PPA. The parties initiating, managing and owning the change outcomes decide the degree of formality to be adopted. It is expected that stakeholders are suitably consulted prior to the implementation of change.

1.1 Changes to Existing – We will do something differently

If the Change is to existing PPA plant, equipment, assets, parts/tools, processes, people, systems, or external approvals /consents, then the Change Initiator, with verbal approval from their line manager where they do not have delegated authority, may elect to explore, identify and manage risks using any of the change management tools tabled below, in consultation with those who may be impacted by the proposed change:

Tool	Description	How to Use
Management of Change Think Change Check Form	Presents a series of enquiries for the Change Initiator to think through why they are making the change and review what happens after the change has been made.	Designed to be used informally for thinking through proposed Simple Changes.
Management of Change Impact Brainstorm Form	A table to explore what is changing and may be impacted at PPA. Management of impacts is then considered together with an identification of how risks will be identified and managed.	This tool may be used informally to provide structure to change management discussions, or it may be used to formally record outcomes from these discussions. The Management of Change Impact Checklist Form could also be perused for ideas of items to consider, discuss and record.

If the change is task related, then PPA's Take 5, JHA or SWI worksheet should be used as appropriate.

1.2 New Changes – We will do something entirely new

If the Change is new PPA plant, equipment, assets, parts/tools, processes, people, systems, or external approvals /consents, then the Management of Significant Change Process is initiated (see Section D below).

SECTION C: MANAGEMENT OF EMERGENCY CHANGES

An Emergency Change is a Shared Change occurring during an emergency, or during a situation that requires immediate or urgent response to a threat.

The real time and live changes are made under the relevant PPA emergency response procedure, Finance Delegation Manual or the Corporate Delegations Manual as relevant. Changes made during an emergency must be considered.

After an emergency, changes may have been made that will require new or sustained change. The Change Owner should review the change retrospectively using the suite of management of change tools to assess the impacts of the change.
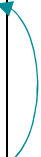
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SECTION D: MANAGEMENT OF SIGNIFICANT CHANGES

Significant Changes are managed by a more formal process at PPA. To provide structure to this process and to support communication, a process road map has been adopted:

define & scope ➤ assess & plan ➤ implement & embed ➤ review & close

The table below illustrates the process steps, accountabilities and hold points (identified with a hand symbol).

1.1   Management of Significant Change Process - Tabled

Accountable	Define & Scope	Assess & Plan	Implement & Embed	Review & Closeout
Change Initiator	(a) Define change (b) Line manager verbal approval ✋			
Line Manager	(c) Decide approach			
Change Owner		(d) Identify, assess & record risks ✋ (e) Identify risks to others (f) Plan risk management (g) Decide if governance is required (h) Key roles assigned ✋ (i) Agreement obtained (j) Change costed (k) Change reviewed (l) Obtain change approval (internal and external (if required)) ✋ (m) Confirm change maker		
Change Maker			(n) Implement (o) Embed	
Change Owner			(p) Check and track (q) where required, report any change to regulatory agencies	(r) Review impacts and value (s) Close out change

1.2 Management of Significant Change Process Description
Define and Scope

1 define & scope	2 assess & plan	3 implement & embed	4 review & close

(a) Define Change – 10 questions to start

Change Initiators must as a minimum, consider the following enquires in advance of approaching a line manager (where they do not have delegated authority) for approval to proceed with a change process:

- What is the change to?
  - Plant
  - Equipment
  - Assets
  - Parts/Tools
  - Process
  - People
  - System
  - External approvals /consents
- Where will it occur?
- Where will it not occur?
- When will it occur?
- Who might be impacted?
  - Me
  - Our work teams
  - Our department
  - An area of a port
  - Most of PPA
  - Parties external to PPA
- When might these parties be impacted?
- Why is this change required now?
- What value is added?
- What happens if we don't make this change now?
- Which Management of Change Procedure management tool is recommended?
- Who could be the Change Maker and Change Owner?

(b) Line Manager Approval

Where they do not have delegated authority, the Change Initiator discusses proposed change with their line manager. The line manager confirms change type as routine or non-routine. The Management of Change - Change Type Guidance or the Management of Change Work Instruction may assist this process. Line manager must approve further exploration of the change before Change Initiator continues.

(c) Decide on Management of Change Approach

Before proceeding, the initial planned approach may be checked by a line manager to confirm it is still the best approach.

Depending on the agreed approach, a Change Maker and Change Owner may be nominated by the line manager. Alternatively, the Change Initiator may take on the functions of these three roles.

For business-critical changes the following tools may be considered:

Tool	Description	How to Use
Management of Change Change Planning Guide	Presents a series of enquiries for consideration of: Evaluation of the change impact and organisational readiness; and the Design and Implementation Strategy.	Designed to be used informally for thinking through proposed changes. From the list, a defined list may be agreed.

Assess and Plan

| 1 define & scope | 2 assess & plan | 3 implement & embed | 4 review & close |

(d) **Identify, Assess and Record Risks**

Risk assessment is an essential component of managing change. However, it is not practical or value adding for every change proposed across PPA to undertake a formal risk assessment.

Impacts of the proposed change are explored and the Change Maker completes an initial broad-brush impacts risk assessment with the Change Initiator before proceeding.

On completion of the broad-brush assessment, a decision is made by the line manager as to if further resources should be used to explore this change, and if yes, then the most appropriate risk assessment approach to manage the change is agreed with the Change Owner. A record of this initial thinking on a template is the minimum expectation with records retained as per the Recordkeeping Plan.

Risks are managed the same way across the business (Risk Management Procedure). Change management process for all approved Projects is defined under the Project Management Framework. The tools within this Management of Change Procedure may also add value to that process.

The decision on level of risk identification, assessment and recording format is made by the Change Owner, who is accountable for the outcomes.

(e) **Identify Risks to Others**
Changes can impact others and these parties must have knowledge of the change in advance to enable them to consider and if required, challenge the change. Simultaneous operations involving interfaces between PPA operations, tenants and other vendors must be considered. The Management of Change Impact Brainstorm Form or Management of Change Impact Form may be useful tools to identify impacts and risk to others.   Face to face conversations are also encouraged where practicable.

For organisation wide/complex changes, a Change Management Strategy and Plan may be required/requested by the PPA Executive (the Management of Change Impact Checklist Form provides guidance). PPA encourages an open source model for such changes to include stakeholder involvement and influence in the change process.

(f) **Plan Risk Management**
The PPA Risk Management Procedure defines expectations for a Treatment Action Plan (TAP). This level of management may be of value for some changes at PPA that have significant risk profiles.

The decision on level of risk management formal planning is made by the Change Owner, who is accountable for the outcomes.

(g) **Decide if Governance is Required**
If the impacts that the change creates can significantly impact PPA's ability to achieves its objectives, then it should be governed from a due diligence perspective. Note: Most changes across PPA do not require governance from the leadership teams.

The Area Manager where the change is to occur should be identified and advised as there may be a hand over of responsibilities at close out of the change. The Area Manager decides if others should also be notified, including the Executive Team. The Executive Team decides if the Board should be informed.

(h) **Key Roles assigned**
The management and accountability for the change is allocated to one PPA employee, the Change Owner.   The seniority level is dependent upon the complexity and scope of the change.

The Change Owner is accountable to ensure:

o   There is a common understanding of scope of the change;
o   There is value in making the change;
o   Affected personnel are engaged and communicated with;
o   Type and level of risk assessment is completed and recorded;
o   Required approvals are obtained;
o   The change is implemented (if approved); and
o   The change is closed out to enable business as usual to return.

(i) Agreement Obtained

If it was identified that the change will impact other work groups or sections across PPA, those groups are now recontacted and endorsement to proceed is obtained. This may require a revisit of the risk assessment. The Change Owner attempts to resolve any concerns, however if required may proceed to the next process step without obtaining agreement and ultimately request a change approval.

(j) Change Costed

Where it was identified there is a cost associated with a change (capital expenditure, operating expenditure, or costs to be met by a third party) the finer cost details are now considered and approved as per Finance Delegations Manual.

The Management of Change Impact Checklist Form is a resource that may assist in collating costs.

PPA has existing processes in place for financial approvals:

o   Finance Delegations Manual; and
o   Corporate Delegations Manual.

(k) Change Reviewed

Most changes do not require a formal review. Where a formal review is deemed as required by the Change Owner, they ensure that a review is completed and recorded. The following items provide guidance on what may be included in a review:

o   Life/health impacts;
o   Environment/heritage;
o   Business interruption;
o   Financial impact;
o   Reputation and confidence;
o   Shareholder/government impact;
o   Legal impact;
o   Statutory approval implications;
o   Conformance to policies and standards; and
o   Maintainability of change and risk controls.

The General Manager Corporate Affairs and Governance may mandate a change review for changes requiring approval at Executive level. This would only be warranted where a change may significantly impact PPA's ability to achieve its objectives. The Health and Safety Manager would then form a Change Review Group who will make a recommendation of either acceptance or rejection of the change.

After the review, the Change Review Group decides and notifies the Change Owner of the outcome.

(l) Obtain Change Approval

Significant Changes that impact PPA are to be approved by a responsible person to ensure risks are managed. The approval of some changes at PPA are pre-defined in the Corporate Delegations Manual and may require both internal and external approvals. For Projects managed under the PPA Project Management Framework, the approved project delegations are set out in the Project Business Plan. Approved project delegations amend any corporate delegations set out in the Corporate Delegations Manual. Where approval of a change is not pre-defined, the Change Approvals Matrix may be considered by the Change Owner if a higher level of approval is required.

Significant Change Approvals Matrix
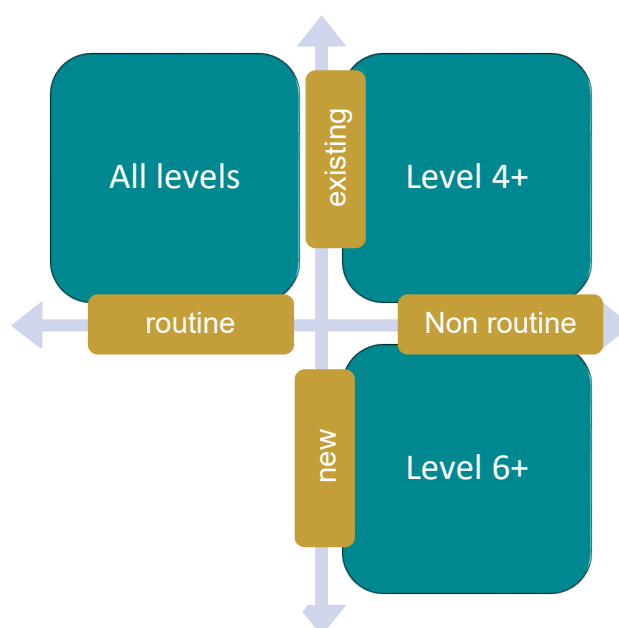
Level refers to an employee's employment level. Refer to Human Resources if it is not clear what level an employee is.

(m) Confirm Change Maker

The Change Owner retains accountability for any responsibilities delegated. A Change Maker may be delegated some of the Change Owners' responsibilities.

The Change Owner and Change Maker may be the same person.

Implement & Embed

The Change Maker implements the change after the Change Owner advises the change has been approved, which requires the Change Owner

to confirm all required internal approvals have been obtained and that adequate stakeholder consultation has been undertaken and documented.

(n) Implement

The Change Maker, as soon as reasonably practical, communicates to affected parties that the change is progressing, to enable enough time for the management of treatment actions and any other items identified.

(o) Embed

The Change Maker implements the change.

Any resistance to change is identified and managed by the Change Maker, supported by the Change Owner where needed.

Where critical controls were identified during the risk assessment process, then a visual check (or audit for larger changes) may be completed to provide assurance by confirming changes are as per plan/design and documents and drawings are updated.

(p) Check and Track

The Change Owner checks and tracks that the planned management is still relevant until the change is fully implemented. The original plan may have been agreed many months prior to the actual change occurring and some people, plant, equipment etc. may have changed during this time.

(q) Report on change to regulatory agencies

The Change Owner may need to report changes to an external regulatory agency under various relevant Acts or Regulations within certain periods after which the change is implemented. For example, under the Security of Critical Infrastructure, the addition of new assets may require reporting to the Department of Home Affairs. Similarly, a change to an asset may require reporting under an Environmental licence.

Review and Closeout

1 define & scope	2 assess & plan	3 implement & embed	4 review & close

(r) Review Impacts & Value

The amount of time and resources spent on the review should be representative of the scale of the change.

As a minimum, the following should be considered by the Change Owner:

o   Did the change occur as planned?
o   Has the change been adopted?
o   Is the change sustainable?

- o What ongoing controls are required?
- o Is a hand over required to enable the change to now be business as usual?

(s) Close Out Change

The change is closed out only after:

- o All planned and agreed elements are complete, including delivery of final manuals, plans, diagrams and documents, training, awareness, communications; and
- o If a hand over was required, this has been completed.