



## Watchlist Fact Sheet – Multi-Modal

### Safety management and oversight

Some transportation companies are not effectively managing their safety risks, and Transport Canada oversight and intervention has not always proven effective at changing companies' unsafe operating practices.

#### Background

Transportation companies have a responsibility to manage safety risks in their operations. Safety management systems (SMS) provide a framework to achieve this end, and many companies implement a formal SMS either voluntarily or to comply with Transport Canada's (TC's) SMS regulations. Even small companies need to have some safety processes in place to manage risk.

However, some companies consider safety to be adequate as long as they are in compliance with regulatory requirements. But these requirements alone cannot possibly foresee all risks. That is why the Transportation Safety Board of Canada (TSB) has repeatedly emphasized the advantages of SMS—because, when implemented properly, they allow companies to effectively manage risk and make operations safer.

Nonetheless, the move toward an SMS regime must be supported by appropriate regulatory oversight. Given that regulators will encounter companies with varying degrees of ability or commitment to effectively manage risk, this oversight must be balanced. It must include proactive auditing of companies' safety processes, ongoing education and training, and traditional inspections to ensure compliance with existing regulations.

Moving forward, three elements are key: a clear regulatory framework requiring companies to implement some form of SMS; SMS that are effective in identifying hazards and mitigating risks; and balanced regulatory oversight.

TSB investigations have revealed problems with all three of these elements:

- With respect to the regulatory framework, only in the railway industry are all operators required to have an SMS; in the marine and air industries, many companies are still not required to have formal safety management processes.
- With respect to effectiveness, TSB investigations into some marine, rail, and air accidents have found instances in which SMS processes were weak or not used.<sup>1</sup>
- With respect to Transport Canada oversight, two problems have been observed: a failure to identify companies' ineffective processes, and an imbalance between auditing processes versus traditional inspections.<sup>2</sup>

#### Solution

Transport Canada must implement regulations requiring all operators in the air and marine industries to have formal safety management processes. And Transport Canada must oversee these processes.

In all transportation modes, those companies that do have SMS must, in turn, demonstrate that it is working—that hazards are being identified and effective risk mitigation measures are being implemented.

Finally, when companies are unable to effectively manage safety, Transport Canada must not only intervene, but do so in a manner that succeeds in changing unsafe operating practices.

<sup>1</sup> TSB investigation reports M12N0003, M12N0017, M12C0058, M13N0014, R09T0057, R13D0054, A11H0002, A11O0031, A12P0008, and A12P0034

<sup>2</sup> TSB investigation reports M12C0058, M13L0067, R09T0057, R13D0054, A10Q0098, and A11O0031