

Check your organisation is ready to manage psychosocial risks for employees

New Victorian psychosocial risk regulations

The better the question. The better the answer. The better the world works.



Shape the future
with confidence

EY psychosocial risk management services

On 1 December 2025, new regulations come into effect to make clear the responsibility Victorian organisations have to manage psychosocial risks. Are you ready to meet your obligations?

Protecting the mental wellbeing of workers is not a new legislative requirement. However, the new regulations that come into effect on 1 December 2025 make clear the responsibilities of employers to proactively prevent the risk of harm posed by psychosocial hazards in the workplace. When similar regulations have been introduced across the country, regulators have historically targeted systems and structures to check compliance. When the regulator comes to your organisation, will you be prepared?

Quick diagnostic checklist

If you answered no to any of these questions, you may not be prepared to meet your regulatory obligations.

Occupational health and safety duties are non-transferable.

You may be held **personally liable** if you are not compliant.

Psychosocial hazard identification

Do you have processes to identify psychosocial hazards at your workplace?
Do you have processes to prevent psychosocial hazards from being under-reported?

Risk assessment

Are you aware of the considerations required to assess the risk of psychosocial hazards?

Control framework

Have you designed an evidence-informed psychosocial risk control framework that proactively reduces the risk from psychosocial hazards?

Monitoring and review

Are you operationally prepared to undertake regular monitoring and review of your systems that mitigate harm?

Consultation

Have you truly consulted with workers, or just sent a survey?
Do your governance structures support you to meet your due diligence obligations?

Documentation

Do you have evidence to demonstrate that your controls are effective?
Can you point to records that detail every stage of the risk management journey?

WorkSafe Victoria may issue Improvement Notices or initiate enforcement action if your organisation does not meet its obligations.

Refer to page two for a summary of your regulatory obligations and practical guidance on how you can meet them.

Practical guidance at each stage of the psychosocial risk management process

Best-practice framework

The EY framework simplifies the complexity of psychosocial risk management. The framework helps distil the complexity of psychosocial risk management, supporting you to understand what you :

- **Must have** to be compliant with regulation.
- **Should have** to best support your people.
- **Could have** to support leading practice psychosocial risk management.

By causally mapping the source of harm, the framework can support you in reducing the number of hazards on your register while better protecting your people from harm. **Ask us how.**

The 2025 Psychological Health Compliance Code outlines clear expectations for how organisations must manage psychosocial risks in the workplace. To help you navigate these requirements, we've grouped actions into three categories – **must-have, should-have, and could-have** practices.

What you **must** have: These are legal obligations under the new Psychological Health Regulations.

Processes to identify hazards

Employers must identify all reasonably foreseeable psychosocial hazards arising from the work carried out by your business or undertaking.

Psychosocial risk assessments

Once psychosocial hazards have been identified, the risk to workers' health and safety must be assessed. Employers need to consider the duration, frequency and severity of hazards as well as how hazards may interact and combine.

Control the risk

Employers must eliminate risks to health and safety if it is reasonably practicable to do so. Where it is not practicable to eliminate the risk, you must reduce the risk so far as is reasonably practicable by making alterations that limit exposure to hazards or minimise the effects of exposure. When implementing control options, consideration must be given to whether a control will introduce additional risks.

It's worth noting that under the new Victorian code, training, information and instruction may only be used as the sole control when altering the work is not reasonably practicable, and even then, it must be implemented in combination with other controls.

Ongoing monitoring, maintenance and review

Control measures must be regularly monitored, reviewed and maintained to ensure they are effective, performing as intended and continuing to eliminate or adequately reduce the risk of harm. Control reviews are also expected:

- Before making any change in the workplace that is likely to result in changes to psychosocial risk.
- If a new hazard or risk is identified or when an employee reports a psychological injury.
- When current controls are found to be ineffective.
- If a review is requested by an HSR.

Where a review finds that the control measures are not adequately eliminating or reducing the risk of harm, they must be revised.

Consultation

Workers, at all levels, must be consulted at every stage of the risk management process as early as possible. This includes consulting with workers when changes are made to policies and procedures that relate to psychosocial risk management, when identifying psychosocial hazards, deciding on and reviewing controls, or making workplace changes.

The duty to consult in Victoria can also extend to independent contractors.

Commitment from leadership

The code stipulates that "effective management of OHS hazards and risks requires leadership commitment to prioritise a workplace safety culture". Leadership commitment can be built by helping leaders understand their duties under OHS laws and the risk management process.

What you **should** have: While not mandated, these are some recommended practices that support compliance and help build a psychologically safe workplace.

Full list of controls

In consultation with workers, employers should identify as many potential controls as possible to allow for the greatest scope to choose the most effective measures to eliminate risk.

Regular and flexible consultation

Good consultation should allow for differences in employee experiences and the way employees may describe hazards. It should also consider that some employees may not feel comfortable discussing psychosocial hazards. Consultation should allow for feedback to be provided privately and anonymously, in a way that feels safe.

Documentation

You should record your risk management process and consultation for all psychosocial hazards. Records of the risk management process and outcomes should be clear, accessible and consider employee privacy. While it does not mandate its use, the Victorian code suggests using WorkSafe's prevention plan template and maintaining a psychosocial risk register to document hazards, controls, and monitoring.

What you **could** have: These practices go beyond compliance to support best practice psychosocial risk management.

Dashboards and visualisation

Data that is collected semi-autonomously to provide continual oversight of the risk posed by psychosocial hazards at a team, divisional or organisational level.

External benchmarking

Understand best practice and performance from peers across your industry. Insight from other organisations can not only benchmark performance but also provide strategies to take management of psychosocial risk to the next level.

Contact our team

Want to learn more about how you can best prepare to meet your legislative obligations for psychosocial risk management? Ask us how.



Roberto Garcia

Partner, Climate Change and Sustainability Services,
Ernst & Young, Australia
roberto.garcia@au.ey.com

Roberto is a registered psychologist with experienced in helping business leaders understand their respective psychosocial risk management obligations via appropriate due diligence practices.



Karen Mealmaker

Partner, Climate Change and Sustainability Services,
Ernst & Young, Australia
karen.mealmaker@au.ey.com

Karen brings more than 25 years of experience in helping clients improve decision-making and outcomes through more effective and simplified work HSE governance and risk management processes.



Rebecca Dabbs

Partner, Climate Change and Sustainability Services,
Ernst & Young, Australia
rebecca.dabbs@au.ey.com

Rebecca has extensive knowledge and experience working on large-scale Health, Safety and Environmental (HSE) engagements, implementing requirements of HSE management frameworks, and working strategically with her clients to shift HSE culture.



Patricio Estevez

Partner, Climate Change and Sustainability Services,
Ernst & Young, Australia
patricio.estevez@au.ey.com

With over 15 years' experience in work HSE management, Patricio has developed deep knowledge in international regulation and standards such as ISO14001 and ISO45001, ISO 45003.

EY | Building a better working world

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multi-disciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

All in to shape the future with confidence.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

© 2026 Ernst & Young, Australia
All Rights Reserved.

EYSCORE 000182-26-AUNZ
ED None



In line with EY's commitment to minimize its impact on the environment, this document has been printed on paper with a high recycled content.

This communication provides general information which is current at the time of production. The information contained in this communication does not constitute advice and should not be relied on as such. Professional advice should be sought prior to any action being taken in reliance on any of the information. Ernst & Young disclaims all responsibility and liability (including, without limitation, for any direct or indirect or consequential costs, loss or damage or loss of profits) arising from anything done or omitted to be done by any party in reliance, whether wholly or partially, on any of the information. Any party that relies on the information does so at its own risk. Liability limited by a scheme approved under Professional Standards Legislation.

ey.com