SAFETY MANAGEMENT AND OVERSIGHT

Some transportation operators are not managing their safety risks effectively, and many companies are still not required to have formal safety management processes in place. Transport Canada's oversight and intervention are not always effective at changing unsafe operating practices.

The situation

All transportation companies are responsible for managing safety risks in their operations.

Some companies consider safety to be adequate as long as they are in compliance with regulatory requirements, but regulations alone cannot predict all risks unique to a particular operation. That is why the Transportation Safety Board of Canada (TSB) has repeatedly emphasized the advantages of safety management systems (SMS), an internationally recognized framework that allows companies to manage risk effectively and make operations safer.

Although SMS has been on the TSB Watchlist since 2010, there has been little progress on expanding the application of SMS to a broader range of companies. In aviation, for instance, although many companies have begun to voluntarily implement SMS, over 90% of all Canadian aviation commercial operators are still not required by regulation to have an SMS.[1] Similarly, despite repeated calls from the TSB, many commercial marine vessels and the companies that operate them are not required to have an SMS.[2] By contrast, all federally regulated railways have been required to have an SMS since 2002—although recent TSB investigations[3] have found these are not always effective at identifying hazards and mitigating risks.

Requiring companies to have an effective SMS is only half of the issue, however: there must also be appropriate regulatory oversight. Numerous TSB investigation reports have found that Transport Canada (TC) is not always effective at identifying companies' ineffective processes and intervening in a timely manner. Moreover, when it does take action, there has sometimes been an imbalance between auditing company processes and the use of traditional inspections.[4]

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[1] TSB aviation investigation reports A13H0001, A14P0132, A15A0054, A15P0081, A15P0217, A15Q0120, and A16A0041.

[2] TSB marine investigation reports M15P0037, M15P0347, M16A0141, M16C0036, M16P0062, and M16P0162.

[3] TSB railway investigation reports R16C0065, R16E0102, R16V0195, R16W0074, and R16W0242.

[4] TSB aviation investigation reports A13H0001, A14A0067, A15Q0120, A15P0081, A15P0217, and A16P0186; TSB marine investigation reports M13L0067, M13M0287, and M16P0241; and TSB Railway Investigation Report R16H0024.

The risks to people, property, and the environment

Given that regulations alone cannot address all possible risks unique to a particular operation, the TSB has repeatedly emphasized the advantages of safety management systems. Going forward, companies without effective safety management processes will be unable to proactively identify and effectively manage the safety risks within their operation—possibly jeopardizing the safety of people, property, and the environment.

TSB recommendations

The TSB has issued a number of recommendations addressing this issue in the air, marine, and rail sectors.[5] While there has been progress in responding to some of these recommendations, it has been piecemeal.

Actions taken

In the **air sector**, TC has not extended mandatory SMS coverage beyond those companies originally required to have it. It has undertaken a number of activities to improve its oversight in this sector, including regular assessments of whether operators can effectively manage safety. TC has also adopted and implemented the requirements of International Civil Aviation Organization (ICAO) Annex 19 – Safety Management, and is examining how best to expand SMS to other sectors.

In the **marine sector**, progress has been limited. TC is in the process of amending the *Safety Management Regulations* to expand their application to vessels less than 500 gross tonnage that are not part of the International Convention for the Safety of Life at Sea (SOLAS). However, TC has not committed to making SMS mandatory for small passenger vessels, although it has stated its intention to re-examine the risks associated with these vessels.

In the **rail sector**, SMS has been required since 2002. Recently, TC and the Railway Association of Canada have co-hosted an SMS workshop with industry and other stakeholders, aimed at sharing ideas and best practices. TC has also made progress helping companies implement the requirements of the *Railway Safety Management Systems Regulations*, 2015 and completed at least one comprehensive audit for each federally regulated railway. Further, the results of these audits have been shared with the railways, including the list of required corrective actions.

Actions required

This issue will remain on the Watchlist until

- Transport Canada implements regulations requiring all commercial operators in the air and marine industries to have formal safety management processes, and effectively oversees these processes;
- transportation operators that do have an SMS demonstrate to Transport Canada that it is working—that hazards are being identified and effective risk-mitigation measures are being implemented; and
- Transport Canada not only intervenes when operators are unable to manage safety effectively, but does so in a way that succeeds in changing unsafe operating practices.

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5   TSB recommendations A16-12, A16-13, A16-14, M04-01, M17-02, and R09-03.