



Australian Government

Department of Employment and Workplace Relations
Office of the Federal Safety Commissioner

Master Builders Australia National
Conference and Awards

Speech by the Federal Safety Commissioner



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1. Introductory Comments

Good morning and thank you to Master Builders Australia for inviting me to speak here today.

I am here to discuss the changes in OHS in the building and construction industry and what that means for employers and employees.

I will briefly explain the Australian Government's reform agenda on occupational health and safety for the building and construction industry for those of you who are not as familiar with it and also what my role as Federal Safety Commissioner entails.

And I am sure that I could talk to you for far longer than forty minutes only about that, but I am more interested in listening to your ideas and prompting discussion. So rather than having myself talk to you for forty minutes, I hope that together we can discuss where the industry is headed, and hopefully you will share your thoughts and ideas on how we can improve OHS in the industry.

2. The Accreditation Scheme

Firstly, let me say up front that I believe that the building and construction industry is a dynamic and diverse industry that is of critical importance to our economy and our way of life.

OHS performance in the building and construction industry has, however, been the subject of some bad press. While acknowledging that we need to do

better, I don't want to dwell on the past, but will be concentrating on the positive steps the industry and the Australian Government are taking towards better OHS performance.

The Australian Government OHS accreditation scheme is one way the government has identified to help improve OHS in the industry. Under the new scheme, only companies that are accredited by the FSC will be able to tender for Australian Government building and construction projects.

The scheme is being implemented in two stages and will be directed at head contractors in the first instance.

Stage 1 will involve contractors wanting to tender for directly funded Australian Government work to the value of \$6m or more and will involve a provisional arrangement before full accreditation. Stage 2 will cover the remainder of the directly funded projects and the indirectly funded projects with some thresholds.

The Office of the Federal Safety Commissioner is now accepting applications from building and construction companies wishing to participate in the provisional accreditation process. Contractors may continue to submit applications for provisional accreditation until the end of January 2006, which is the final date for receipt of submissions in order to be granted provisional accreditation by the first of March 2006. Late submissions will be processed after this date.

Once the contractor has been assessed, an on-site audit of either an Australian Government site or commercial site will be undertaken by a Federal

Safety Officer (FSO) to verify the pre-assessment criteria. Most of these audits, including the reports, will be completed by the end of February 2006. If the audit and documentation satisfy the criteria, provisional accreditation will be awarded.

A provisional accreditation register will be operative from the first of March 2006 and all Australian Government client agencies will have to select contractors from the register.

For the provisional arrangements, accreditation will require:

- A certified OHS management system that meets AS 4801 or equivalent;
- Visible senior management commitment to OHS;
- Effective sub-contractor OHS management arrangements across all projects; and,
- An ability to effectively manage particular hazards.

We will also, of course, have significant regard to the past OHS performance of a contractor.

As far as the extra criteria for full accreditation scheme is concerned, there are five key focus points that we want to be able to see how you apply in your business.

The focus points are:

1. Tangible senior management commitment to OHS - the degree to which the commitment is visible to clients, sub contractors and workers;

2. Integration of design issues into the risk management process - the degree to which safe design is considered and incorporated in the planning and construction phases;
3. Whole of project consultation and communication - effectiveness of consultation and communication arrangements;
4. Sub-contractor OHS - effectiveness of management arrangements; and
5. Whole of project performance measurement - capability to collect, analyse and report OHS performance data.

3. Brief update on recent developments

I want to give you a brief update on what we have been doing more recently. We have established an industry reference group and a government agencies reference group, and they both had their inaugural meeting a couple of weeks ago on the 19th and 20th of October. We established the industry group to discuss the key issues for industry as we move towards implementing our accreditation scheme.

The purpose of the reference groups is also to develop partnerships so we can learn from industry and so that industry can have an understanding of the FSC. The reference groups allow us to seek input and advice and ultimately will help us develop constructive relationships to move forward within the industry.

And I must say that the industry representatives seemed to welcome the initiative. The results from the meetings were positive and many

achievements as well as challenges were discussed. The industry is obviously working very hard to improve OHS performance, and we want to work with them on that.

Let me state, however, that the reference groups do not replace bilateral discussions between all industry stakeholders and my office.

4. My role and hopefully your role – Partnership with the industry

Now, **my** main objective is to promote and improve occupational health and safety in the building and construction industry. But I do not see this purely as my goal. I hope that this is also your goal. I want to work cooperatively with companies and individuals within the industry, so that **we** can bring about sustainable cultural and behavioural change in the building and construction industry. The accreditation scheme is but an avenue to this goal.

Together, we can;

- Improve safety on building and construction sites,
- Foster a new approach where work must be performed safely,
- Have a positive impact on the industry's culture, and
- Promote a high level of OHS management in building and construction – not only on Australian Government projects but also across all projects.

As I have said on many occasions before, consultation will be a hallmark of the FSC and I have been speaking with many people in the industry. It is only through communicating with the industry that I can effectively work with the industry to bring about this change. And ultimately, it will be up to the industry to improve OHS performance. I can't drive the changes myself, and no ideas from the OFSC will make any difference - unless the industry supports it.

5. Benefits/ why this matters

Improving the way the industry deals with safety issues can reduce the number of fatalities and serious injuries. But also from a business point of view, better safety outcomes equals more successful operations, reductions in costs and improvement in commercial prospects for businesses involved in construction.

Put simply - safety improvements will not only benefit employees, but will directly impact the bottom line for employers. It is gratifying to see so many large contractors making efforts to improve OHS for all of these reasons.

6. How we achieve this

Achieving better OHS performance will involve a combination, and balance, of initiatives:

- I. **Leadership** (for example, the capacity of CEOs to influence OHS outcomes);

- II. **People and culture** (and more specifically - communication);
- III. **Systems** (To engrain a safety culture we need to take actions in a systematic way); and
- IV. **Measurement and reporting** (You can't be aware of issues that aren't being measured/reported)

I. Leadership

There is a challenge and an opportunity to bring safety in the building and construction industry up to acceptable Australian standards. I am hoping the major players in the industry will take this opportunity to embrace change. I am hoping to see innovative approaches to OHS. Essentially, I am hoping to see better leaders.

And I am pleased to say that some of the major players are already on their way to becoming industry leaders. I have been consulting with some of the major contracting companies and have been impressed with the initiative already being displayed.

As far as the industry in general is concerned, MBA in particular have addressed many issues in their recently released OHS policy blueprint and that indicates that they are prepared to play their part in leading the industry towards a better OHS culture.

Strong leadership means setting high standards and making changes. Leaders will show the way by setting positive performance indicators and benchmarks. They will share their successes and their lessons learnt from mistakes made.

And there will be mistakes and that is not necessarily a bad thing - providing we learn from it. As I have said before, we do not want to just isolate those who are not up to standard. As far as the accreditation scheme is concerned, we want companies to be accredited and will aim to work with them to get accredited.

Leaders should not dread the day the auditors come, but see it as an opportunity to show the progress they have made, the initiatives they have introduced and the culture they are proud to be a part of.

II. People and Culture

The change in culture that we want to bring about will be defined by;

- Its Reporting Culture - Organisations will not only have reporting systems in place, but also a culture where people seek to report unsafe conditions, near misses and any concerns they have about safety. This strong reporting culture will encourage people to report the good with the bad.
- Its Just Culture – A strong Reporting Culture must be backed up by a Just Culture, where people promote safety rather than allocating blame or punishment for reporting errors.
- And its Learning Culture – The building and construction industry will only improve OHS performance if it can be flexible and learn. Organisations that adopt a Learning Culture will report effectively and make appropriate changes accordingly.

The people within the industry will also play a pivotal role in defining its culture. Companies will have to engage not only middle-management but all employees and sub-contractors to create a ground-up approach to safety. Employees, and particularly sub-contractors, should be encouraged to be involved in safety matters. The attitudes of each and every member of the industry will be the most important factor in the cultural change we hope to see.

A practical way of doing much of this is through the Australian Government OHS accreditation scheme – but as I said before, no accreditation scheme can bring about this change on its own.

III. Systems

Effective occupational health and safety management systems are a vital aspect of any business. OHS management systems provide a framework for managing issues within the workplace. A certified OHS management system, AS4801 or equivalent, will recognise that the solid safety culture that we are aiming for incorporates a joint approach that involves employees and starts with their induction.

It provides for appropriate information and training and develops safe work methods.

Safe design will also be a component of any effective management system and will also be a key component of the Accreditation Scheme. As such, I will be actively promoting the principles of safe design within the industry. The

reason safe design is such a focus point in the scheme is that it provides an opportunity to address risk issues up front, and can reduce, if not completely eliminate, those hazards and risks prior to the commencement of building and construction work. The OFSC will work closely with the Office of the Australian Safety and Compensation Council (formerly the NOHSC Office), which has been pursuing safe design initiatives in OHS for some years, and with relevant professional associations – including engineers and architects.

IV. Measurement and Reporting

I want to talk a little bit about performance monitoring, and the issue of data reporting and collection. Contractors will need to ensure mechanisms are established to monitor OHS performance of direct employees and the performance of sub-contractors and provide OHS performance data during and at the end of the project. We certainly want to go beyond the workers compensation data that the government has tended to rely on to date.

So they could include (but are not restricted to):

- LTIs
- incident rates;
- medical treatment injuries;
- alternate work injuries; and
- notices issued by the appropriate regulatory authority.

The first three, together with some workers compensation data will be used in the provisional accreditation process.

Positive Performance Indicators (PPI) also play an important role in improving OHS and we will be interested to see what is included in the systems of individual contractors. Some examples of positive performance indicators relate to:

- system audits completed;
- number of project safety meetings held;
- safety committee inspections;
- number attending hazard specific and induction training; and
- hazards identified and the number rectified using an appropriate risk management approach.

The Learning Culture I spoke of earlier is reliant on effective measuring and reporting. But put bluntly, what we don't measure and report on will not be improved.

7. Recognise and Reward Excellence

One of the functions of the scheme will also be to provide for opportunities to improve and recognise good performance. For too long, we have been critical of the building and construction industry. Yes, it does need improving but we also need to celebrate the good things, recognise the champions and share these new practices.

And on that topic, as I understand it, Master Builders Australia will be introducing a national occupational health and safety award in 2006 which will

be a great opportunity for industry champions to be recognised for their leadership. I was also fortunate to attend Leighton's award night a little while ago. That was a good example of a company recognising the effort made to improve OHS.

8. Conclusion

In conclusion, we are working on the implementation of the OHS accreditation scheme; however our goals to improve OHS across the industry will not be achieved without your support and input.

I have outlined just a few of the things that will hopefully lead to better OHS and what a safety culture entails. But I can't drive these changes myself. I want to work with the industry to change the culture and behaviour in this industry and make it one we are proud of.

