
Achieving World-class Safety in the Australian Building and Construction Industry
Contents

Overview .............................................................................................................................................. 8
Building and construction industry performance .............................................................................. 8
Progression of the Scheme ................................................................................................................ 8
Implementing findings .................................................................................................................... 8
OHS initiatives .................................................................................................................................... 9
Industry engagement .................................................................................................................... 9
Building relationships .................................................................................................................. 9

2. Challenges and achievements ........................................................................................................ 10
Completion of Stage One ................................................................................................................ 10
Assessments and audits ................................................................................................................ 10
Announcement of Stage Two .......................................................................................................... 10
OHS performance ........................................................................................................................ 11
  Notified fatalities for the construction industry by month and financial year ......................... 12
  Notified fatalities by month and year 2003/04 to 2006/07 .................................................. 12
Industry partnerships to improve performance reporting .......................................................... 13
Self assessment tool ..................................................................................................................... 14
Safety Effectiveness Indicators ..................................................................................................... 14
FSC review ....................................................................................................................................... 14
Contractors embrace the Scheme .................................................................................................... 15

3. The Scheme .................................................................................................................................. 17
Criteria ............................................................................................................................................. 17
The Building and Construction Industry Improvement Amendment (OHS) Bill 2007 ................. 17
Stage Two of the Scheme .............................................................................................................. 18
Regulations ....................................................................................................................................... 18
Sanctions .......................................................................................................................................... 19
National consistency ...................................................................................................................... 19
Industry support ............................................................................................................................ 20

4. FSC initiatives .............................................................................................................................. 21
Model Client Framework ............................................................................................................. 21
Model client initiative ................................................................................................................... 21
Subcontractor OHS performance ................................................................................................ 22
Redevelopment of the SubbyPack .............................................................................................. 22
Safe design ..................................................................................................................................... 23
Consultation on safe design ........................................................................................................ 23
Integration and alignment with Commonwealth and state initiatives ..................................... 23

5. Setting the standard .................................................................................................................... 24
Safety Principles and Guidance .................................................................................................. 24
Federal Safety Commissioner’s Safety Principles ................................................................. 25
Case studies ............................................................................................................................. 25
Awards .................................................................................................................................. 26
Site visits ................................................................................................................................. 27
Fact sheets ............................................................................................................................... 27

6. Partnerships and clients ....................................................................................................... 29
Reference groups ...................................................................................................................... 29
Accreditation event .................................................................................................................. 30
Australian Government agency workshops ........................................................................... 30
Guidance for client agencies ................................................................................................... 31
Seminar series .......................................................................................................................... 31
Construction Safety Competency Framework ....................................................................... 31
Construction Safety Competency Framework Implementation Project ............................... 31
Guide to Best Practice for Safer Construction ...................................................................... 31

7. The future ............................................................................................................................ 33
Beyond Stages One and Two of the Scheme ......................................................................... 33
Making a difference ............................................................................................................... 33
Service charter ......................................................................................................................... 33
Strategic plan 2007–08 ........................................................................................................... 33
Partnerships and clients .......................................................................................................... 33
2007–08 initiatives ................................................................................................................ 34
Industry champion initiative .................................................................................................. 34
Health .................................................................................................................................... 34
Traffic management ............................................................................................................... 34
Priorities for the future ......................................................................................................... 35

Appendix A .............................................................................................................................. 36
1. Appropriateness .................................................................................................................. 36
2. Effectiveness ......................................................................................................................... 36
3. Efficiency ............................................................................................................................. 36
Conduct of the review ........................................................................................................... 36

Appendix B .............................................................................................................................. 37
Service Charter ......................................................................................................................... 37
About the Office of the Federal Safety Commissioner .......................................................... 37
Federal Safety Commissioner ................................................................................................. 37
OFSC responsibilities ............................................................................................................ 37
Our clients and stakeholders ................................................................................................. 37
Our values ............................................................................................................................... 37
Our service standards ............................................................................................................ 37
Making a difference .............................................................................................................. 38
Freedom of Information ................................................................. 38
Appendix C ................................................................. 38
Publications produced by the FSC ................................................................. 38
Case studies ................................................................. 38
Fact Sheets—available in hard copy ................................................................. 39
Fact Sheets – published online only ................................................................. 39
Appendix D ................................................................. 39
Reference group membership ................................................................. 39
Industry Reference Group Australian Government Reference Group ................................................................. 39
Dear Minister

It gives me great pleasure to present to you my second Progress Report.

During my time as Federal Safety Commissioner (FSC), I have been greatly encouraged by increased support for cultural change for OHS in the Australian building and construction industry.

There is now growing consensus that OHS must be improved and this has been evident through consultation with industry over the past year.

Many senior executives, OHS managers and safety professionals are actively committed to the urgent need for cultural change. This motivation has been communicated to on-site supervisors and contractors as well as employees on building and construction sites who are most at risk of injury and death through workplace accidents. There have always been employees and employers who prioritise workplace safety and it is extremely heartening to know that their numbers are now growing across Australia.

The same priority now given to cost overruns and timeliness must be given to safety. Reassuringly, building and construction industry contractors, subcontractors, clients, architects and design professionals and their representative associations are now adopting this mindset. As the FSC, I act as a catalyst and facilitator for change.

Significant gaps still remain with on-site safety. We can feel optimistic about improvements in safety standards, but the continuing incidence of deaths and serious injuries on building sites remains unacceptable.

A single death or injury through a fall, by electrocution or faulty or improperly used equipment is one too many. On average there are 52 fatalities on construction sites each year. This year, I hope the efforts of the Office of the Federal Safety Commissioner and partner stakeholders have significantly decreased that number.

My goal is to promote the OHS message to the building and construction industry. In the past 12 months I have continued to deliver the key message that inadequately planned and poorly managed OHS not only costs more in time and money but may cost the lives of construction workers and devastate their families.

My Office’s commitment to working with companies and individuals to bring about sustainable cultural and behavioural change in the building and construction industry has paid substantial dividends.

The building and construction industry is now taking the initiative to improve OHS and this reflects a genuine willingness to improve construction site safety levels. In my inaugural progress report I noted that my Office stood ready to provide advice and tools to transform such willingness into positive action and results.

FSC internal analysis, based on figures provided by the Office of the Australian Safety and Compensation Council and the National Coronial Information System.
In the past year my Office issued a range of publications for the building and construction industry including the FSC’s Safety Principles and Guidance, case studies, guidance to assist Australian Government agencies in achieving best practice status, and research on how best to demonstrate senior management commitment to OHS.

The Australian Government, as a major client, has set the standard for the building and construction industry. In the past 12 months I have been heartened by the strong public support for the Australian Government Building and Construction OHS Accreditation Scheme.

Building on my first progress report, this report provides an insight into the building and construction industry’s OHS performance and discusses initiatives undertaken by my Office in partnership with the industry to ensure best practice safety standards.

This year, I will implement recommendations from the review of operations of the Federal Safety Commissioner, undertaken in consultation with stakeholders and the Department of Finance and Administration.

This will involve consolidation and enhancement of the Scheme and continued focus on the need for cultural change in the industry brought about by initiatives and partnerships to maximise safety standards on building and construction sites.

I welcome the opportunity to continue working with Australian Government agencies and the building and construction industry as we foster improvement in OHS performance and appreciate the opportunity to contribute to the improved performance of this vital industry.

Tom Fisher
Federal Safety Commissioner
17 December 2007

Tom Fisher, FSC, speaks at an industry event
Overview

The role of the Federal Safety Commissioner (FSC) was created in 2005 to foster improved OHS outcomes in the building and construction industry. This appointment arose from the Australian Government’s response to the Cole Royal Commission, which found that safety performance in the building and construction industry was unacceptable.

Building and construction industry performance

The building and construction industry continues to record a high number of fatalities each year. In 2004–05 the construction industry reported an incidence rate of 27.3 per thousand employees compared with the Australian average of 16.6\(^2\). Young construction workers are almost four times more likely to be involved in a fatal accident than all employees of the same age in Australia, and the fatality risk is even higher for older construction workers\(^3\).

The building and construction industry OHS performance remains unacceptable, with recent data showing that fatalities continue at an alarming rate, incurring significant human and financial costs to the nation.

Objectives of the FSC

Since his appointment, the FSC and his Office have effectively and efficiently implemented the Australian Government’s OHS reform agenda in the building and construction industry with the aim of reducing injuries and fatalities through improving health and safety.

The key functions of the FSC include:

- promoting world class OHS outcomes on Australian Government building and construction projects
- developing and administering the Australian Government Building and Construction OHS Accreditation Scheme (the Scheme)
- working with industry stakeholders to identify and progress initiatives that will lead to improved OHS performance
- helping Australian Government agencies be model clients in relation to OHS.

Progression of the Scheme

The key focus of the FSC’s effort has been the development and implementation of the Scheme. Through the Scheme, the Office is using the power and influence of the Australian Government as a major client and provider of capital in the building and construction industry, to promote and improve positive health and safety outcomes. This demonstrates the Government’s commitment to safety in the building and construction industry and to Priority 5 of the National OHS Strategy 2002–2012, to ‘strengthen the capacity of government to influence OHS outcomes’. The Australian Government, through the Scheme, now has the capacity to directly influence OHS outcomes on projects valued at over $1.59 billion. Research suggests that workplace accidents can contribute up to 8.5 per cent of project costs, yet effective management of OHS can return three dollars or more for every dollar spent.

Implementing findings

A key achievement of the FSC over the past 12 months was the completion of a review of the operations of the FSC in May 2007. The review was undertaken by the Office, in consultation with building and construction industry stakeholders and the Department of Finance and Administration.

The review findings acknowledge the achievement of the FSC in implementing the Australian Government’s OHS reform agenda in the building and construction industry and included a number of recommendations to ensure continued cultural change. The FSC is currently implementing these recommendations.

A recent independent assessment by Orima Research of the efficiency of the Scheme identified that of the 41 contractors surveyed, most had improved their OHS management systems through participation in the Scheme, were positive about the on-site audits and agreed that the benefits of the Scheme outweighed the costs involved.

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Since implementing the Scheme, the FSC has awarded provisional accreditation to 58 contractors and full accreditation to 28 contractors (as at 30 June 2007). No Australian Government project has been delayed by the introduction of the Scheme, although applications have been prioritised to avoid delays to projects. In addition, a number of applicants advised that they had sought accreditation from a quality/preferred provider perspective, although they would not be tendering for Australian Government projects.

Initial analysis of the annual reports of accredited contractors suggests an improvement in their safety performance since the introduction of the Scheme (see chapter 2).

OHS initiatives
The Office has undertaken a number of initiatives to improve OHS in the industry. These initiatives have been and are being developed in consultation with industry participants and address issues such as:

- the collection of data on OHS performance
- safe design
- the commitment of senior managers to OHS
- investigating how subcontractors can more effectively take a systematic approach to OHS
- working with Australian Government agencies to strengthen their capacity to deliver effective OHS outcomes as a model client.

Industry engagement
The FSC and his Office have also presented at and participated in over 48 conferences, seminars and award ceremonies such as the Master Builders Australia 2006 National Building and Construction Awards, Leighton Contractor 2006 Safety Awards, Bovis Lend Lease 2006 Awards, Total Safety Leadership in the Public Sector Workplace seminar, the Cooperative Research Centre Construction Site Safety Symposium and the 2006 Visions Conference. These presentations play an important role in raising awareness of OHS in the industry and of the FSC initiatives. The Office has committed time to visiting sites and meeting with client agencies to affirm and strengthen partnerships while also helping agencies to become model clients.

The Office has worked closely across broad sections of the industry to foster support and involvement in the Scheme and the Office’s initiatives. For example, a number of national seminars were conducted to provide government departments, agencies and industry with information on the Scheme, auditing process and details of the FSC’s model client initiative.

Building relationships
Key industry stakeholders have embraced the work of the FSC and his Office. This has been demonstrated through public commitment to initiatives such as the FSC’s Safety Principles and Guidance, partnerships in research and case study projects, collaboration on recognising demonstrated excellence in OHS, and through the development of strong and effective relationships. A good example of stakeholder commitment to the FSC was through attendance and participation in the accreditation event, detailed in chapter 6.
2. Challenges and achievements

The key challenge over the past 12 months has been to build on initial building and construction industry support and success of the Scheme, while continuing to influence the behaviours and activities of key industry participants. Through this approach the FSC aimed to drive positive cultural change throughout the building and construction industry and continue the momentum needed to realise sustained improvements in OHS.

Completion of Stage One

The FSC has achieved a smooth introduction of the Scheme with a two-stage implementation process. Stage One commenced on 1 March 2006 and covers head contractors for directly funded Australian Government building and construction contracts with a value of $6 million or more. Stage One consisted of a provisional accreditation phase and a full accreditation phase, with the difference being the number of criteria to be addressed. The provisional accreditation phase ended on 30 September 2006 and the full accreditation phase commenced on 1 October 2006.

As at 30 June 2007, there were more than 86 applications for full accreditation. This reflects a genuine commitment from contractors to improving OHS in the building and construction industry. Industry has continued to embrace the Scheme and at the end of June 2007 there were 29 contracts in place to the value of $1.59 billion.

Assessments and audits

As noted earlier, the Office received a higher than expected number of accreditation applications. In response to this challenge the Office established a priority system to ensure timely processing and assessment of submissions. The success of this system is reflected in the fact that there have been no significant delays to contracts as a result of the accreditation process.

The FSC identified criteria critical for improving safety performance. These are detailed in chapter 3. To achieve accreditation, contractors must meet the requirements of the Scheme or fulfil the criteria, including possession of an OHS management system certified to AS/NZS 4801:2001 or OHSAS 18001. Possessing an AS/NZS 4801:2001 certified OHS system alone will not necessarily indicate that contractors will become accredited. Contractors must demonstrate ongoing commitment to OHS across a broad range of areas, including tangible senior management commitment to OHS and effective OHS management of subcontractors.

Accredited contractors undergo ongoing monitoring to ensure conditions and requirements of accreditation are met. Auditing forms a part of this monitoring process and identifies improvements over time. The FSC believes that contractors must meet this high standard of OHS performance to deliver safety outcomes and the cultural change needed in the industry.

To date, the Scheme assessments and audits indicate there is a disconnect between the evidence presented by applicants in their written applications and the actual implementation of those OHS management systems on site. The main evidence of this is following a desk assessment, the initial on-site audit identified major non-conformance in a significant number of cases.

The FSC is consulting with the industry on how best to improve the operation of the Scheme, particularly in relation to the application for accreditation and audit processes. One key issue, for example, is the management of the audit programme. The programme has increased as contractors are audited against full accreditation criteria, re-audits are conducted to address any shortcomings identified in initial audits and safety audits are conducted over the life of projects once contractors become accredited.

Announcement of Stage Two

One of the key achievements for the FSC was the announcement of the application of the Scheme to indirectly funded projects. In October 2006, launching Safe Work Australia Week, the then Minister for Employment and Workplace Relations, the Hon Kevin Andrews MP reiterated the Government’s commitment to improving OHS in the building and construction industry, and praised the work of the FSC, with particular reference to the establishment of the Scheme. He also announced arrangements for Stage Two, starting in October 2007.
Stage Two will apply to all contracts for building and construction projects funded directly or indirectly by the Australian Government subject to new thresholds. The $6 million threshold for directly funded contracts will reduce to $3 million. The Scheme will also cover head contractors on projects indirectly funded by the Australian Government where:

- the value of the Australian Government contribution to a project is at least $5 million and represents at least 50 per cent of the total construction value, or
- the Australian Government contribution to a project is $10 million or more, irrespective of the proportion of Australian Government funding.

**OHS performance**

A key challenge for the FSC has been to encourage improvement in OHS performance of the building and construction industry. Although the industry is making gains in some areas, there is still scope for significant improvement. On average, in the years 2002–03 and 2004–05 combined, between five to six fatalities occurred for every 100 000 employees in the industry.

Each year over 14 000 employees in the industry are injured badly enough to lose a week or more of work. In 2003–04 alone, 52 Australians were killed as a result of a construction site incident. In 2004–05, the construction industry reported an incidence rate of 27.3 claims per thousand employees compared with the Australian average of 16.6.

The statistics demonstrate that the building and construction industry is not achieving the level of OHS improvements, particularly in relation to fatalities, that other industries are achieving. For example, the number of building and construction industry compensated fatalities has decreased by 27 per cent between 1996/97 and 2002/03. During the same period, agriculture, forestry and fishing industry fatalities reduced by 43 per cent, mining by 54 per cent and manufacturing by 63 per cent.

In 2004–05 there were 14 460 accepted workers’ compensation claims that involved one or more weeks off work for employees in the construction industry, 10 per cent of the claims across all industries. This equates to 40 employees a day sustaining a work related injury or disease requiring one or more weeks off work. The industry recorded 27 claims per 1000 employees in 2004–05, the third highest incident rate of all industries.

The poor performance of the building and construction industry in recent years is reflected in the table below. The table shows that the number of notified fatalities (fatality details provided to OHS authorities under relevant regulations) has increased over the period of July to November 2006, compared with previous years. These figures emphasise the importance of improving safety performance as a priority for all stakeholders.

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7 FSC internal analysis, based on figures provided by the Office of the Australian Safety and Compensation Council.
9 FSC internal analysis, based on figures provided by the Office of the Australian Safety and Compensation Council.
Notified fatalities for the construction industry by month and financial year\textsuperscript{10}

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Notified fatalities by month and year 2003/04 to 2006/07\textsuperscript{11}

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\textsuperscript{10} FSC internal analysis, based on figures provided by the Office of the Australian Safety and Compensation Council.

\textsuperscript{11} FSC internal analysis, based on figures provided by the Office of the Australian Safety and Compensation Council.
To meet this challenge, the FSC has introduced a reporting framework under the Scheme, which will provide more timely information on the OHS performance of accredited contractors and their projects. The Office has been collecting data from accredited contractors since the inception of the Scheme and has prepared a report on the analysis of this data.

The data identifies contractor OHS performance in areas such as Lost Time Injuries, Medical Treatment Injuries, Fatalities, OHS Improvement Notices (imposed by state/territory OHS authorities), prosecutions, indicators of positive OHS activity and management of specific hazards.

**Sixty accredited contractors provided data for the FSC’s Annual Contractor Activity Report 2006–2007. The analysis of data comparing OHS performance between 2005–06 and 2006–07 identified a reduction in the:**

- median Lost Time Injury Frequency Rate (LTIFR) of 41.52 per cent (from 11.97 to 7.00); and
- median Medical Treatment Injury Frequency Rate (MTIFR) of 31.82 per cent (from 28.78 to 19.62).

The Office, with the support of industry, will now be collecting this data on a bi-annual basis which will enable the analysis of the most up-to-date data on OHS performance in the building and construction industry in Australia. It will also give information on a range of measures related to non-government project activity, including:

- number of head contractor employees
- total number of subcontractor employees
- number of projects undertaken
- lost time injury frequency rate
- medical treatment injury frequency rate
- number of improvement, prohibition, infringement and other notices issued
- number and details of any prosecution action (pending or completed)
- number and details of any workplace fatality.

This information will provide an insight into:

- key issues and trends over time
- specific injury or disease mechanisms, for example being hit by moving objects
- common high risk hazards, for example falls from heights
- possible comparisons between Australian Government project and non-government project activity.

**Industry partnerships to improve performance reporting**

The FSC is working with industry to improve OHS performance and reporting outcomes, addressing issues such as consistency, robust reporting definitions, currency of relevant Australian Standards and measures that report on both lead indicators (actions that provide positive OHS outcomes) and lag indicators (OHS outcomes such as injuries and deaths). One such initiative embraced by peak industry bodies, is the development of a Data Dictionary, aimed at fostering consistency in OHS reporting terms. The Data Dictionary will equip companies to analyse and report on data, and use information to benchmark externally through the use of like measures.

The collection and reporting of robust building and construction industry OHS data by the FSC will also provide industry with the opportunity to access current and relevant information. This enables industry to better monitor, measure and plan their OHS improvement strategies, based on a reliable industry performance index.

It is likely to be some time before cultural or behavioural change impacts on industry OHS performance indicators. However, it is worth noting that industry recognises the relationship between improving OHS performance and bettering the working lives of employees, enhancing productivity, attracting and retaining a viable workforce and responding to client expectations for socially responsible investment. Industry looks to the FSC to lead and maintain sustainable OHS improvements while also measuring and reporting these improvements in a shorter timeframe.
Self assessment tool
The Office is developing a tool that will allow accredited contractors to access, monitor, benchmark and record their OHS performance by electronic means. Using aggregate and de-identified data collected under the Scheme, individual accredited contractors can compare their performance against all accredited contractors, using measures such as Lost Time Injury Frequency Rate and Medical Treatment Injury Frequency Rate. The tool will provide both a percentile ranking and a chart indicating the accredited contractor’s standing. This provides accredited contractors with an opportunity to benchmark and improve their OHS performance.

The aggregate data will be updated every six months, and will be the most current data available to industry. The Office will release the self assessment tool in 2007–08 and will consult with industry on any modifications and/or expansion of the tool in the future.

Safety Effectiveness Indicators
The Cooperative Research Centre for Construction Innovation (CRCCI) is developing Safety Effectiveness Indicators to demonstrate the effectiveness of key safety critical activities identified in the Construction Safety Competency Framework (detailed in chapter 6).

The project aims to deliver:
- a research report, including a literature review of existing Positive Performance Indicators, Safety Effectiveness Indicators and behaviours, findings, conclusions and recommendations
- a toolkit of all Safety Effectiveness Indicators and an explanation of how they can be implemented
- an Industry Summary Booklet with supporting presentation material suitable for delivery to industry, and an industry seminar.

While this is a CRCCI funded project, the Office is providing input into meetings, reviewing relevant documentation and contributing to the development of the Safety Effectiveness Indicators. The project is expected to finish at the end of 2008.

FSC review
A key achievement of the FSC over the past 12 months was the completion in May 2007 of a review of the operations of the FSC. The review was conducted in accordance with the terms of reference agreed between the then Minister for Employment and Workplace Relations, the Hon Kevin Andrews MP, and the Minister for Finance
and Administration, Senator the Hon Nick Minchin. The review was undertaken by the Office, in consultation with building and construction industry stakeholders and the Department of Finance and Administration.

The review findings acknowledge the FSC’s significant steps taken in implementing the Australian Government’s OHS reform agenda in the building and construction industry. To ensure that the momentum for effecting cultural change in the building and construction industry is maintained, the review made the following recommendations to the FSC:

- **Recommendations of the FSC review**
  - Extend the Scheme to apply to indirectly funded construction work (Stage Two).
  - Promote OHS priorities including safe design and subcontractor OHS performance.
  - Develop further practical guidance to support the FSC’s Safety Principles.
  - Use OHS performance data collected through the Scheme to inform and direct future initiatives.
  - Continue to provide regular progress reports to the Minister that identify the progress and achievements of the FSC and the industry.
  - Continue to develop initiatives in partnership with industry participants to realise sustained improvements in OHS.
  - Develop a service charter that includes benchmarks for processing applications for accreditation under the Scheme.
  - Continue ongoing monitoring of the requirements of the Scheme to ensure that the Scheme is achieving its goal of influencing the safety outcomes in the industry.

In accordance with the terms of reference, a report on the review findings was provided to the Minister for Employment and Workplace Relations, the Minister for Finance and Administration, the Prime Minister and the Treasurer.

The recommendations have since been endorsed by all involved and the Office is currently developing a work plan to implement them. Through this process the Office will ensure that industry participants are aware of review outcomes and understand future directions.

**Contractors embrace the Scheme**

The FSC was heartened by the positive reaction of contractors to the implementation of the Scheme. In February and March 2007, the Office surveyed provisionally accredited contractors to seek their views on the effectiveness and efficiency of the Scheme during its first 12 months of operation. Forty-five of the 58 accredited contractors were randomly selected to participate in the survey, with 41 contractors responding, representing a very high response rate.

The overall survey findings were very positive, indicating that the FSC is influencing safety outcomes.

Of the surveyed contractors:
- 85 per cent considered that the Office assessment processes were transparent
- 83 per cent indicated that they have made improvements to their OHS management systems through participation
- in the Scheme
- 75 per cent had a good understanding of the Scheme’s assessment process
- 73 per cent were positive about the quality of the on-site audit process
- 63 per cent agreed that the benefits of the Scheme outweighed its costs
- 60 per cent indicated that the Scheme had engendered a cultural change in their approach to OHS issues in their workforce and management that may lead to improved performance in the future.

The survey also identified some improvements for the Office to consider, including:
- streamlining processes between state and territory prequalification schemes and the FSC Scheme
- providing more detailed evidence and information to assist contractors to address corrective actions identified during on-site audits
- providing comprehensive and current information on the FSC website, particularly in relation to frequently asked questions about the application and assessment process.
The findings and suggestions for improvements are currently being considered and where possible implemented by the Office, particularly those relating to the Scheme. Further details on the steps the Office has taken and improvements for the future are provided in chapters 3 and 4.
3. The Scheme

‘The industry has been stressing the importance of maintaining the Australian Government Building and Construction OHS Accreditation Scheme as a key pillar of the construction industry reform programme.’

Wal King, Chief Executive Officer of Leighton Holdings. Words from his keynote address at Infrastructure Partnerships Australia’s ‘Partnership 2007 Infrastructure & Investment Conference’ on 1 August 2007.

Accreditation under the Scheme is a requirement of contracting for Australian Government building and construction projects. To assist Australian Government agencies in fulfilling this requirement, accredited companies are listed on the FSC website.

The Scheme ensures that only providers of construction services demonstrating a commitment to effective OHS systems are engaged to work on Australian Government construction projects. The model works to ensure assessment is based on demonstrated performance and commitment, rather than regulatory compliance.

Criteria
As part of the Scheme, essential criteria were identified to improve OHS performance in the building and

- construction industry:
- demonstrated senior management commitment to OHS
- integration of safe design principles into the risk management process
- whole of project OHS consultation and communication
- demonstrated effective subcontractor OHS management arrangements across building and construction projects
- whole of project performance measurement, and
- OHS training and competency to deal with safety risks.

These form part of the criteria for gaining accreditation under the Scheme. Applications are assessed against several criteria, both at the desktop and on-site audit assessments.

For accreditation, companies must meet the above requirements in addition to other assessment criteria, such as past performance history, certified OHSMS AS/NZS4801:2001 and OHSAS 18001 and management of hazards. To assist contractors in meeting these requirements the FSC developed a range of guidance and support material. In particular, the Documentary evidence guide, scheduled for release in the second half of 2007, provides contractors with specific examples of how to demonstrate they have met criteria.

The Building and Construction Industry Improvement Amendment (OHS) Bill 2007
The introduction of Stage Two involves amendments to the Building and Construction Industry Improvement Act 2005(BCII Act) and subordinate regulations.

The main object of this Act is to provide an improved workplace relations framework for building work to ensure that it is carried out fairly, efficiently and productively for the benefit of all industry participants and for the benefit of the Australian economy as a whole.

The Building and Construction Industry Improvement (OHS) Amendment Bill (the Bill) was introduced into Parliament on 29 March 2007. It has four main purposes:

- to allow the Scheme to be applied to indirectly funded Australian Government projects
- to simplify the processes required to engage Federal Safety Officers (FSOs)
- to allow the disclosure of information between the FSC and the Minister for Employment and Workplace Relations
- to ensure that contractors maintain accreditation during the life of a government contract.
The requirements for accreditation will remain broadly the same as for Stage One meaning that amendments will not introduce any complexity to the Scheme, but provide greater coverage.

**Stage Two of the Scheme**

Under Stage Two the threshold for contracts directly funded by the Australian Government will be $3 million. For indirectly funded work, the Scheme will apply where the value of the Australian Government contribution to a project is at least $5 million and represents at least 50 per cent of the total construction project value, or the Australian Government contribution to a project is $10 million or more, irrespective of the proportion of Australian Government funding. Australian Government agencies will require the recipients of indirect funding for building and construction work to contract only with accredited contractors.

In implementing this next stage, the Office has consulted with the building and construction industry, Australian Government agencies administering relevant funding programmes and state and territory governments.

Stage Two will enable the Australian Government to increase its influence as a client and provider of capital to improve the building and construction industry’s OHS performance. As the Australian Government spends an estimated annual average of $5 billion on building and construction projects, it has an enormous capacity to influence the industry’s OHS practices.

**Regulations**

The administration of the Scheme is governed by the Building and Construction Industry Improvement (Accreditation Scheme) Regulations 2005 (the Regulations), pursuant to Part Two of the BCII Act. The Regulations establish an OHS accreditation scheme to be administered by the FSC for persons who wish to enter into building contracts with the Commonwealth or Commonwealth authorities.

The Regulations include descriptions of:

- how the FSC may accredit persons under the Scheme
- who may apply for accreditation
- the form that the application would take
- pre-accreditation audit processes for applicants
- conditions of accreditation.

Amendments to the Regulations came into effect on 16 December 2006. The new subregulations 8.1A and 8.1B enable the FSC to record and disclose what is otherwise protected information under the following circumstances:

- the information relates to the building work of an accredited person
- it is in the public interest to disclose that information
- the information would assist a Commonwealth agency or authority to assess the suitability of accredited persons
- when entering into Commonwealth building contracts, and/or
- the accredited person to whom the information relates has consented to the recording and disclosure of the information.


Regulation 24 specifies contracts to which the Scheme does not apply, while regulation 24(d) specifies that, subject to FSC approval, the Scheme does not apply to contracts between the Australian Government and a contractor where:

- the contractor will not carry out any building work (for example, the contractor is not a builder but is instead a developer or consortium), and
- the contractor agrees to only use an accredited builder/s to carry out building work.

The effect of regulation 24(d) is that the FSC may determine, on a case by case basis, that persons such as developers and consortiums do not require accreditation under the Scheme.
To support the implementation of the Scheme after 1 October 2007, the Office has developed model clauses to assist Australian Government agencies. These clauses can be included in contracts, funding agreements, Request for Tender documentation and advertisements. The model clauses will be released prior to 1 October 2007.

**Sanctions**

Accredited companies are required to comply with the Scheme requirements and conditions to maintain accreditation. The FSC has the power to issue compliance measures against accredited companies that breach these requirements and conditions.

The FSC has adopted a collaborative approach to OHS issues, by adopting a two-tiered system of administrative actions and sanctions. Administrative actions involve advisory notices and improvement plans designed to have cooperative, not punitive effect. Sanctions include further conditions, suspension of accreditation status or revocation of accreditation.

In most cases, a sliding scale approach will be used in determining the appropriate compliance measure. This means that administrative actions would be issued prior to sanctions being considered and revocation would be a last resort applied only when other compliance measures have been unsuccessful.

At 30 June 2007 no contractor had had their accreditation suspended or revoked, although some conditions had been imposed. The FSC has issued four compliance measures to separate accredited contractors including:

- one advisory notice
- one improvement plan
- two additional audits.

**National consistency**

An early focus for the FSC in establishing the Scheme, was to take into account the accreditation (prequalification) schemes already operating in the states and territories.

State and territory prequalification schemes seek to identify capable contractors during the tender stage. This has the advantage of expediting the tender review process. Conditions typically address financial viability, technical competence and elements of OHS, and aim to reduce procurement risks and costs for both industry and governments.

Although the aims of the state and territory schemes are similar, there are some crucial differences resulting in inconsistent OHS requirements across the states and territories. During the time these prequalification schemes have been operating, OHS performance has remained poor in the industry.

The prequalification schemes tend to vary in quality and depth, particularly in relation to OHS matters. This results in inconsistencies for companies operating across the states and territories. Currently, a construction company that operates across all states and territories would need to separately satisfy the requirements of all the various prequalification schemes.

The FSC’s Scheme goes beyond state and territory prequalification or OHS/WorkCover schemes. Unique features of the Scheme include:

- a focus solely on OHS
- a higher standard for managing OHS
- stringent auditing regime
- application in a nationally consistent manner.
Industry support
The FSC has publicly stated his belief that the Scheme will deliver outcomes at least equal to or better than the state/territory prequalification schemes. It is a goal of the FSC that accreditation under the Scheme be accepted as satisfying the OHS requirements of relevant prequalification schemes. The Office will continue to consult and work with the relevant state and territory agencies on this issue.

At the peak industry level, organisations such as the Civil Contractors Federation (CCF) of Australia have established voluntary OHS schemes. For example, the CCF Contractor Management Systems Program includes management system templates, management codes, systems auditing and certification consistent with national and international OHS and quality systems. The CCF has also expressed support for developing stronger links and integration with the Scheme and other FSC initiatives.

Feedback to the FSC indicates that industry supports the Scheme and the work of the Office to date. In particular, many companies appreciate the higher OHS performance benchmark set by the Scheme. Companies currently investing in OHS welcome the opportunity to tender for projects that prioritise safety, as well as time and cost. The Scheme measures how construction companies manage OHS (including risks and the cause of problems) on an ongoing basis. It recognises and builds on the OHS requirements in place, enhancing cultural change through scrutiny of issues such as senior management commitment, safe design, consultation, communication and the identification of hazards and risks specific to the building and construction industry.

Through the Scheme, the FSC has implemented the first national OHS evaluation programme aimed at improving safety performance in the building and construction industry. The fact that the Scheme focuses solely on OHS and the supporting management systems makes it unique to this industry.
4. FSC initiatives

The FSC and his Office have undertaken a number of initiatives in addition to developing and implementing the Scheme. These initiatives are consistent with the overall goal of the FSC to improve OHS performance in the industry.

Model Client Framework

The Office engaged the Royal Melbourne Institute of Technology to develop a range of resource materials to assist Australian Government agencies become model building and construction clients.

The Model Client Framework is the result of this project. The framework provides a systematic approach to enable clients to develop OHS processes for the management of construction contracts. This process adopts a project lifecycle approach, establishing the activities of a client from planning through to completion of projects.

Booklet 1 of the ‘Promoting safe construction’ series describes the framework, the key elements of the OHS processes, including a process map, and the 26 key management actions (KMAs) proposed in the framework.

Four subsequent booklets, providing more precise detail, as well as resource material, tools and strategies will be developed to link with the various stages of a construction project. The series will be progressively released over the coming 12 months and includes:

- Booklet 1: The Model Client Framework
- Booklet 2: Planning stage
- Booklet 3: Design and procurement stage
- Booklet 4: Construction stage
- Booklet 5: Completion stage

Model client initiative

The model client initiative is a key part of the Australian Government’s strategy to improve OHS performance in the building and construction industry. The chief objective of the model client initiative is to raise awareness of OHS and champion good practices and innovative solutions.

The Office identified a number of major purchasing departments well placed to show leadership in terms of OHS management and act as model clients in the construction industry. Client agencies were chosen based on whether they were undertaking, or were about to undertake, major building works requiring the use of accredited contractors.

As noted earlier, both the Department of Defence and the Department of Finance and Administration agreed to participate in this initiative and subsequently nominated the HMAS Creswell redevelopment and the Mint refurbishment as their respective projects.

These projects have excellent potential to address and highlight a number of different aspects of OHS, which may then form a diverse range of case studies and provide a useful tool for future projects.

As part of the model client initiative, a representative from the Office has been included on relevant Department of Finance and Administration and Department of Defence committees to assist with OHS management practices over the life of the project. To date, representatives from the Office have participated in relevant site visits and meetings in relation to these projects. The Office will also, over the life of the projects, promote consultation, provide guiding documentation and deliver OHS advice and training where relevant.

At this stage, potential outcomes of the model client initiative include:

- case studies on nominated projects circulated to Australian Government agencies and other stakeholders
- media coverage of Ministerial visits to the project to celebrate completion of milestones with positive OHS outcomes
- updates to other departments highlighting the successful management of OHS issues and general progress of the projects
• a guide for participating agencies on becoming model clients
• inclusion of Office representatives on relevant committees
• seminars, presentation or circulation of a paper canvassing the conclusions and lessons learned from the project.

It is interesting and pleasing to note that other agencies have approached the Office with a view to participating in this exercise. The FSC hopes to make further announcements in relation to this proposal in the coming months.

Subcontractor OHS performance
In September 2005 Master Builders Australia released their ‘Master Builders Occupational Health and Safety Policy Blueprint 2005–2015’. Recommendation 5 stated ‘research the best way to assist small business should be an urgent priority of all stakeholders in the building and construction industry including work on a simple building and construction industry safety management system—this should be instituted by the newly appointed Federal Safety Commissioner and trialled with Master Builder members’.

The Office is currently undertaking a project aimed at assisting subcontractors to better understand their OHS obligations and to improve their OHS performance. As part of this project, the Office spent three months consulting with a wide range of industry participants, including regulatory authorities and employer and employee associations. Through this consultation, the Office gained an insight into potential arrangements to assist subcontractors through the development of specific guidance material.

The Office also implemented and managed a national survey of subcontractors starting in May 2007. The aim of the survey is to gain a better understanding of the requirements of subcontractors to improve their OHS performance through the implementation of relevant OHS strategies. The findings of this research will be detailed in the 2007–08 progress report.

Redevelopment of the SubbyPack
The Office, in consultation with the New South Wales Construction Safety Alliance (CSA), the Victorian Construction Safety Alliance (VCSA) and the Australian Constructors Association (ACA) is currently assisting in the review of the Sub-Contractors Safety Management Assistance Pack known as SubbyPack. The long term aim is to produce a nationally consistent tool which can be readily adopted by construction service providers. The pack will provide a generic approach to OHS and environmental risk management.

Staff from the Office met with representatives of the Housing Industry Association and NSW WorkCover to discuss ongoing and developing projects and issues relating to subcontractors. The meetings concluded with a commitment to continued communication and consultation. Representatives also agreed to provide input into the SubbyPack review during the appropriate consultation phase.

This work originated from discussions at the FSC’s Industry Reference Group (see chapter 6).
Safe design
The Office, in conjunction with the Office of the Australian Safety and Compensation Council (Office of the ASCC), initiated and managed research into design issues that impact on safe construction. The Open Mind Research Group was contracted to conduct face-to-face and phone interviews of building and construction industry participants, with a view to gauging the level of awareness, understanding and acceptance of safe design in the industry.

Representatives of industry and government agencies were included in the research which will form a report and work plan on effective communication methods and techniques to facilitate safe design. The report is complete and a work plan to progress safe design is being drafted. The plan will detail the most effective style with which to approach stakeholders, raise awareness and increase acceptance of safe design, draft policy documentation and target high priority areas.

Consultation on safe design
The Office met with the Association of Consulting Engineers Australia (ACEA), Engineers Australia (EA), Australian Council of Built Environment Design Professions (BEDP) and the Royal Australian Institute of Architects (RAIA) to gain an improved understanding of the objectives of these organisations, explain the functions of the Office, and seek feedback on safe design and future involvement in related projects.

The Office will initiate consultation with relevant building and construction industry stakeholders in the second half of 2007 with a view to providing information on the outcomes of safe design research and to seek input into the safe design work plan.

Integration and alignment with Commonwealth and state initiatives
The FSC has consulted widely with Australian Government agencies, state and territory OHS authorities and other agencies involved in administering prequalification schemes and other related OHS activities.

The Office works closely with the Office of the ASCC on OHS issues relevant to the building and construction industry. Examples include safe design, training and skills development, OHS data, research activities and sponsoring the Safe Work Australia Week 2006 launch. The Office also works with OHS authorities and has established solid working relationships with the states and territories. The FSC has arrangements in place with most OHS authorities to share information on auditing activities, major incidents and promotional activities.

The Office and the Office of the Australian Building and Construction Commissioner (ABCC) have started cooperative activities to support an improved understanding of the reform agenda and the respective roles and functions of the Commissioners. Some activities include hosting seminars, sharing audit programme schedules, conducting road shows and participating in the Code Monitoring Group.

As part of the national reform agenda, the John Holland Group gained eligibility to apply for a self-insurance licence with the Safety, Rehabilitation and Compensation Commission (SRCC). This means that employees will be covered by a national workers’ compensation scheme and national OHS legislation, rather than having to comply with the various jurisdictions’ OHS laws, as is currently the case. Licensees should gain the benefits of operating under one OHS scheme together with integrated prevention, compensation and rehabilitation arrangements.

The Office is liaising with Comcare on a compliance methodology to take into account the FSC audit programme and activities, to reduce the regulatory burden for industry. The aim is to reduce costs and produce better health and safety outcomes all-round, including for employees of the affected companies.

In announcing the expansion of the Scheme at the Safe Work Australia Week Launch on 23 October 2006, the then Minister, the Hon Kevin Andrews MP, noted that one way to improve the health and safety of the workforce, is to remove unnecessary obstacles and red tape so that employers can concentrate on improving their OHS systems. The FSC will use and enhance the industry relationships, including those with state and territory governments, to facilitate alignment and integration with industry schemes and other OHS improvement programmes.
5. Setting the standard

Over the past 12 months, the FSC has focused on providing useful, practical documents and developing innovative initiatives that will assist the building and construction industry to improve OHS. Staff from the Office have also participated in site visits, industry conferences and events, both as attendees and speakers. This participation ensures that the Office is aware of developing issues and that the objectives and work of the FSC are transparent and understood by stakeholders.

Safety Principles and Guidance

In September 2006, the FSC released the Safety Principles and Guidance—a practical guide for improving OHS in the building and construction industry. The eight principles provide guidance to stakeholders on how to demonstrate a real commitment to sustained improvement in OHS outcomes. The criteria applied under the Scheme are consistent with the Principles and ensure the message of the FSC is consistent and transparent.

The Principles cover safety culture, leadership, effective relationships, safe design and constructability, systematic approaches for OHS risks and hazards and whole-of-project focus. The Principles also identify those with leading roles: for example, Principle 2 states that ‘Clients should demonstrate OHS leadership at all stages of the construction process by acting as exemplars in their relationships with other industry participants’. A number of Australian Government agencies, including the Department of Defence and the Department of Finance and Administration, have demonstrated their commitment to improving OHS through their involvement in the model client initiative.

The industry was invited through this publication to identify specific initiatives that demonstrate commitment to the Principles. Industry has accepted this opportunity of embracing the Principles, with some major companies publicly announcing their commitment to the Principles.

In a speech at the launch of Safe Work Australia Week in Melbourne in October 2006, Mr Michael Loterzo, General Manager Legal, Risk and Southern States Operations at Grocon Pty Ltd, spoke of the importance his company placed on OHS, noting that ‘Safety should not be considered a cost to the business, instead safety as a core business value may in fact provide a competitive advantage, rather than competing on price alone’. Mr Loterzo noted ‘the Federal Safety Commissioner has recently released eight Safety Principles as a guide to improving OHS in the building and construction industry. Grocon is committed to these principles.’

As detailed in chapter 6, the CRC and Engineers Australia indicated support for the Safety Principles by incorporating and referencing the publication in the Guide to Best Practice for Safer Construction.
Federal Safety Commissioner’s Safety Principles

**Principle 1**
Industry participants should demonstrate a tangible commitment to developing a safety culture within their companies and across the building and construction industry.

**Principle 2**
Clients should demonstrate OHS leadership at all stages of the construction process by acting as exemplars in their relationships with other industry participants.

**Principle 3**
Industry participants should strive to develop cooperative business relationships to ensure that time, cost and quality objectives do not compromise a commitment to OHS.

**Principle 4**
Industry participants should ensure that safe design and constructability is considered at the planning and procurement stages to reduce or eliminate hazards and control risks before construction commences.

**Principle 5**
Industry participants should ensure that effective consultation and communication arrangements are in place so that all parties are aware of OHS considerations and of their responsibilities.

**Principle 6**
Industry participants should ensure that a systematic approach is taken to the management of OHS risks and hazards.

**Principle 7**
Industry participants should ensure they maintain effective OHS measures across the construction project life cycle and are able to respond to changes in the construction environment.

**Principle 8**
Industry participants should monitor, report and benchmark OHS at the site, project and company levels to improve and compare OHS performance.

Case studies
The Office is working with the building and construction industry to develop case studies on initiatives that have been used to address OHS issues. The case studies showcase practical ideas that can be adopted by industry to assist in their management of OHS issues.

The Office released seven case studies in 2006–07. The case studies detail the following initiatives (in order of release):
- ‘Passport to Safety Excellence’ safety training (John Holland Group)—a passport system designed to equip safety critical personnel with necessary skills and behavioural competencies
- Managing OHS in small business (D Williams Builders)—an OHS management system specifically developed to manage safety in a small building business
- Safety Index (Tullamarine–Calder Interchange)—a safety index that works by applying a weighted index structure to track the safety performance of a project on a monthly basis
- Work and Life Balance Programme (Probuild Constructions)—a programme developed to address issues associated with flexibility in the workplace through the establishment of a workplace culture supporting work and family balance
- Fall Protection in Formwork (Dalma Formwork)—a system of removable handrails and posts designed to increase the level of fall protection in formwork construction
- Incident and Injury Free (Bovis Lend Lease)—a programme designed to encourage a positive health and safety culture among employees
- Effective OHS Initiatives (A W Edwards: STAT-EAST Works)—a site safety plan created to address hazards and risks to employees

The Office will continue to work with industry to provide a range of case studies covering small, medium and large projects, including civil and commercial construction projects, and covering a range of sub-industries.
Awards

‘The safety of workers in the building and construction industry is of paramount importance to our members, and Master Builders Australia is proud to offer this [OHS] award in conjunction with the Federal Safety Commissioner.’

Mr Wilhelm Harnisch, CEO of Master Builders Australia, announcing the winner of the FSC’s Excellence in occupational Health and Safety Award at Master Builders Australia’s National Awards dinner on 10 November 2006. The winner was A W Edwards Pty Limited for the STAT-EAST works of the Epping to Chatswood railway line.

The FSC strongly supports the recognition of excellence in OHS performance.

In addition to the release of tools and resources, the Office has presented (on request) at numerous conferences, seminars and award ceremonies such as the Master Builders Australia 2006 National Building and Construction Awards, Leighton Contractor 2006 Safety Awards, Bovis Lend Lease 2006 and 2007 Incident and Injury Free
Awards, Total Safety Leadership in the Public Sector Workplace seminar, CRC Construction Site Safety Symposium and the 2006 Visions Conference.

On 20 November 2006 the FSC presented the 2006 National Excellence in OHS Award at the Master Builders Australia National Building and Construction Awards. The winner was A W Edwards Pty Limited for the STAT-EAST works of the Epping to Chatswood railway line, Macquarie Park Station. The hazards that confronted A W Edwards in undertaking work in an underground tunnel were significant and included working at height within the tunnel and the need to constantly monitor air quality and velocity.

The FSC initiated this award for OHS in conjunction with Master Builders Australia, and worked in partnership to assess initiatives that had won recognition at the state and territory level. The FSC will also participate in the assessment process and present the FSC’s National Excellence in OHS Award at the MBA’s national awards in November 2007. The Office will continue to explore opportunities to promote OHS and reward best practice safety management through award initiatives in the future.

Site visits
In addition to consulting with industry, the Office has supported accredited companies through site visits. For example, the FSC and a number of representatives from his Office attended the beginning of major refurbishment works at the Royal Australian Mint in Canberra on 26 February 2007. Parliamentary Secretary to the Treasurer, the Hon Chris Pearce MP, and Parliamentary Secretary to the Minister for Finance and Administration, Senator the Hon Richard Colbeck, officially marked the commencement of works.

The FSC meets Senator the Hon Richard Colbeck MP (left), Parliamentary Secretary to the Minister for Finance and Administration, and the Hon Chris Pearce MP (centre), Parliamentary Secretary to the Treasurer

The Mint accepted an invitation from the Office to participate in the model client initiative, with the refurbishment project being a showcase for OHS management in the construction industry.

In addition, representatives from the Office accompanied a number of Department of Defence representatives on a site visit to the HMAS Creswell Redevelopment Project at Jervis Bay on 28 March 2007. The HMAS Creswell redevelopment aims to provide enhanced training facilities, upgraded infrastructure and engineering services, new and refurbished accommodation and upgraded physical fitness and waterfront facilities.

The visit provided an opportunity to view the site prior to the commencement of work and also provided representatives with a better understanding of the specific needs and requirements for the redevelopment process.

The Office also attended a meeting with the HMAS Creswell redevelopment project safety review board on 16 March 2007 and again on 18 June 2007.

Fact sheets
To promote a greater understanding of the background, objectives and its current initiatives, the Office released a number of fact sheets. The fact sheets are distributed through fsc.gov.au, at relevant conferences, meetings and exhibition booths and on request. The fact sheets provide simple guidance and encourage stakeholders with further questions or relevant information to contact the Office. The fact sheets will be continually reviewed to ensure that information is current and relevant.

These fact sheets are aimed at all areas of the building and construction industry and cover:
- the Federal Safety Commissioner
- definition of ‘building work’
- the Australian Government Building and Construction OHS Accreditation Scheme
- compliance measures under the Australian Government Building and Construction OHS Accreditation Scheme
- how to appeal a decision of the Federal Safety Commissioner
- powers of Federal Safety Officers
- site selection for on-site auditing for accreditation
- Federal Safety Commissioner’s Safety Principles
- Stage Two of the Australian Government Building and Construction OHS Accreditation Scheme.

Three further fact sheets were published on fsc.gov.au only. They were intended as temporary resources to assist in promulgating information about the transition arrangements for full accreditation and the amendments to the Scheme expected to come into effect on 1 October 2007:
- transition from Provisional to Full Accreditation
- Australian Government Building and Construction OHS Accreditation Scheme timeline
- Two brochures providing introductory information on the FSC were updated and re-issued:
  - Your guide to the Office of the Federal Safety Commissioner
  - The role and vision of the Federal Safety Commissioner.
6. Partnerships and clients

‘One consistent thing that the literature shows is that where we have this commitment and particularly where all sectors of the industry are working together with equal commitment and equal obligation to achieve better safety performance, then we do get better outcomes.’


Industry has commended the approach taken by the FSC as a model for OHS governance. Since June 2005, the FSC has consulted with many industry participants, including contractors, subcontractors, employees, unions, industry organisations and government agencies, to understand the OHS challenges and opportunities that confront the industry. These discussions have confirmed that, while the task confronting the industry is significant, there is strong support for better OHS outcomes and the work of the FSC. Underpinned by collaboration and communication, effective industry relationships have been established to support this work.

The FSC’s commitment to partnerships with industry is demonstrated through the consultation involved in developing the Scheme and establishing the reference groups for industry and Australian Government agencies. The Office has undertaken initiatives in partnership with industry stakeholders and developed tools and guidance material, where appropriate, to support industry in achieving improvements in OHS.

Reference groups

The FSC established the Industry Reference Group which provides feedback and assists in determining priorities for the Office and the industry. Since October 2005, the FSC has hosted five Industry Reference Group meetings. Outcomes to date include input into developing and refining the Principles, Scheme auditing and reporting systems, client agency guidance and the sharing of industry best practices.

The FSC also established a reference group made up of Australian Government agencies that meets three to four times a year to share their experiences and discuss issues in relation to the Scheme. Members also discuss initiatives to improve OHS.
Accreditation event

On 3 April 2007, in Sydney, the Minister for Employment and Workplace Relations, the Hon Joe Hockey MP, presented certificates of full accreditation to 12 companies. At the event, which included introductory comments from the Master Builders Australia CEO Mr Wilhelm Harnisch, the Minister highlighted the importance the Australian Government places on the Scheme in improving safety in the construction industry.

‘The scheme demonstrates the shared commitment of the Australian Government and the building and construction industry to improving occupational health and safety,’ Mr Hockey said.

‘The Howard Government will not do business with companies unless they provide workplaces for their employees that ensure the highest level of health and safety.

Put simply, the Government does not want unsafe contractors on its sites.’

The event also provided an opportunity for the Minister and the FSC to meet with key stakeholders in the building and construction industry and celebrate the achievement of full accreditation with the companies. Senior executives from other major construction companies who had applied for full accreditation also attended.

The Hon Joe Hockey MP, Minister for Employment and Workplace Relations and Tom Fisher, FSC with representatives of the accredited companies at the Accreditation event.

Australian Government agency workshops

The Office held two Australian Government agency workshops in 2007. The Department of Defence workshop was held on 11 May 2007 and the general Government agencies workshop on 7 June 2007. The aim was to introduce the Scheme to Government agencies in a workshop environment and promote discussion on the role of the Government agencies in the Scheme.

The June seminar attracted representatives from over 20 Australian Government agencies and was opened by the FSC. It provided an overview of the FSC’s vision for world-class safety throughout the building and construction industry. Presentations and information were also provided on:

- proposed Stage Two legislation
- auditing experiences from an FSO perspective
the model client initiative, including background, parameters and practical examples
perspective of a model client, with a Finance representative using the Mint refurbishment as an example.

Both forums were well attended and feedback from the general Government agencies workshop rated the workshop highly and suggested future workshops include case studies and short presentations from contractors.

Guidance for client agencies
A client agency guide entitled Guidance for Australian Government Agencies was provided to attendees at the general Government agency workshop. The guide provides assistance and information to agencies on their role and responsibilities under the Scheme with the aim of guiding cultural change in the building and construction industry.

Seminar series
The Office launched its 2007 seminar series, aimed at informing government departments, agencies and industry of Stage Two of the Scheme. The seminars started on 5 June 2007 and were conducted in all states and territories over four weeks.

Overall, the seminars were well attended and generally positively received by both industry and government. Attendees expressed interest in further seminars with detailed information targeted to potential Scheme applicants. This could include practical information about the accreditation process and the model clauses.

Construction Safety Competency Framework
The Construction Safety Competency Framework: Improving OHS performance by creating and maintaining a safety culture is the result of two years of input from the construction industry. The framework was developed by the Cooperative Research Centre for Construction Innovation (CRCCI) in partnership with industry stakeholders including the FSC, John Holland Group and Bovis Lend Lease. Office representatives provided input into the content, structure and appearance of the framework, in addition to advice from an OHS perspective.

The primary aim of the framework is to provide the building and construction industry with a guide on how to create a positive safety culture by ensuring people who hold safety critical roles are aware of, and can execute, those tasks needed to effectively manage OHS. It promotes a consistent national standard for improved OHS competency and provides a process for significant cultural change and reduction of injury and incident rates. Through the framework, it is anticipated that construction organisations can train, coach and motivate employees to drive a positive safety culture.

The framework was launched by the Hon Kevin Andrews MP, then Minister for Employment and Workplace Relations, in Melbourne on 22 September 2006. It recently won the Victorian Chapter of the 2007 Australian Institute of Building’s (AIB) Professional Excellence in Building.

Construction Safety Competency Framework Implementation Project
This project aims to build on the Construction Safety Competency Framework. While industry reaction to the framework has been positive, the CRCCI and the Office have noted that many struggle with the concept of how to convert the framework into something useful and sustainable in the workplace.

The Office and the CRCCI are therefore discussing a new project aimed at the development of implementation guides and/or kits to assist industry in integrating the framework into their existing OHS arrangements.

This project is likely to run to December 2007 and will involve further consultation with major industry stakeholders.

Guide to Best Practice for Safer Construction
The Guide to Best Practice for Safer Construction originated from the CRC Safer Construction Taskforce. The CRCCI provided the industry research leadership in coordinating and funding this project. Additional industry supporters include the Australian Constructors Association, Property Council of Australia, Royal Australian Institute of Architects, Association of Consulting Engineers Australia and the Australian Procurement and Construction Council.
The Office observed a number of the taskforce meetings and welcomed the use of the FSC Safety Principles and Guidance in the document.

The Guide to Best Practice for Safer Construction integrates OHS into strategic decision making by clients, designers and constructors with the aim of reducing accidents and deaths in the Australian construction industry. The guide incorporates a number of best practice principles that are based on the FSC’s Safety Principles.

In appreciation of the senior level commitment to safety reflected in the development and work of the Safer Construction Taskforce, the Minister has agreed to launch the guide at an event on 12 September 2007.
7. The future

Beyond Stages One and Two of the Scheme
Discussions and consultation with industry in relation to improving the Scheme will continue in the next 12 months. Topics for discussion may include the impact of various roles in the building and construction industry and how best the Office can drive positive cultural change and help deliver sustained improvements in OHS outcomes.

Making a difference
The FSC and his Office have made significant progress in implementing the Australian Government’s OHS reform agenda in the building and construction industry. This progress was made possible through the development and enhancement of effective relationships with industry stakeholders. Effective partnerships are needed to improve the unacceptably high rate of fatalities and injuries in this industry.

Through introducing the Scheme and working in partnership with key industry participants, the FSC has influenced contractors in their management of OHS. This is particularly true of the 83 per cent of contractors surveyed who have made improvements to their OHS management systems through participation in the Scheme, and the 60 per cent of contractors surveyed who identified cultural change in both employees and management as a result of the Scheme.

Service charter
The review of the FSC, detailed in chapter 2, recommended that a service charter be developed that included benchmarks for processing applications. By developing this charter the FSC has begun to action and implement the recommendations of the review, reflecting a genuine commitment to high standards of service and continued improvement.

The FSC is due to release the charter in July 2007. It details the expectations of the FSC, both of his Office and the building and construction industry. While feedback has been positive on the whole and suggestions relating to the Scheme have been effectively implemented and addressed informally, the charter aims to ensure continued confidence from industry.

Strategic plan 2007–08
The FSC developed a strategic plan that details the role, achievements and objectives of the Office for the coming 12 months. The plan provides information on the specific deliverables of the FSC and the style in which the Office will operate. It is expected that the plan will be published in September 2007.

In developing the strategic plan, the FSC ensured that the priorities and intentions of the Office were transparent. This is demonstrated in the details on how the Office will operate and the commitment to specific benefits the FSC will deliver.

Priorities of the FSC include facilitating better mechanisms for the collection of data on OHS performance, assisting Australian Government agencies in becoming model clients and implementing the Scheme. The benefits of the work of the FSC are expected to include proactive OHS management by Australian Government agencies on building and construction projects and recognition of the importance of industry contribution in improving OHS.

Partnerships and clients
For the Australian Government, the Scheme carries an inherent responsibility to effectively manage OHS and to be a model client. The FSC is embracing this challenge and opportunities by undertaking a range of initiatives and activities. This is demonstrated through:

- a reference group of Australian Government agencies meeting three to four times a year to share experiences and discuss issues in relation to the Scheme and initiatives to improve OHS
- ongoing bilateral dialogue on a case by case basis to discuss particular issues with individual agencies
- development of programmes, guidance material and related tools to assist Australian Government agencies in becoming model clients in the way they manage OHS.
2007–08 initiatives

The Office has developed a booklet on ‘Positive Performance Indicators’ (PPIs), in partnership with the FSC’s Industry Reference Group. The PPIs provide OHS guidance to industry participants to assist with proactive management, reporting and benchmarking across a suggested set of lead indicators suitable for the construction industry.

As mentioned earlier, the Office has developed a Data Dictionary to provide comprehensive reporting definitions and parameters for accredited contractors and to encourage reporting consistency in the wider construction industry. The Data Dictionary was developed in consultation with the Australian Constructors Association and Master Builders Australia.

The Leaders in Safety guide was developed by the Office to identify organisational practices that lead to increased senior management commitment to safety. The guide identifies exemplary senior management behaviours in the building and construction industry. These documents will be released in the 2007–08 financial year.

Industry champion initiative

The Office explored the benefits and possible implementation techniques for developing an ‘industry champion initiative’. The initiative aims to promote best practice OHS in the building and construction industry, while working with industry stakeholders to identify initiatives that will lead to improved OHS performance.

As ‘industry champions’, individuals will meet project deadlines within budget and ensure that all work performed on projects is undertaken safely. The initiative will encourage industry participants to adopt an active role in OHS by promoting and rewarding those known for innovative and effective OHS practices. The Office plans to progress this initiative further over the next 12 months.

Health

To date, the Office has focused primarily on improving safety outcomes in the construction industry, principally through the implementation of the Scheme. The Office is also considering health issues that may impact on workers in the industry.

For example, the ASCC’s recently released Compendium of Workers’ Compensation Statistics Australia 2004–05 noted that deafness is more frequent in the construction industry (8 per cent of compensation claims) than across all industries as a whole (3 per cent of claims) and long-term contact with chemicals or substances was the most common cause of compensated fatalities in the construction industry between 2002–03 and 2004–05. In April 2007, the Office received a research report that identified key health issues in the building and construction industry, and programmes and initiatives that exist to address these issues.

The report, with feedback from Office stakeholders and internal OFSC research, will assist in developing an Office health work plan for 2007–08.

The plan will create the strategy for improving the health of construction industry participants, through collaboration with stakeholders and raising awareness of identified health issues. The plan is expected to include the following priority health issues:

- alcohol and other drugs
- noise-induced hearing loss
- exposure to hazardous substances
- fatigue
- mental health
- sun exposure.

Traffic management

In June 2007, the Civil Contractors Federation (CCF) raised the issue of a lack of a national approach to traffic management with the FSC. The Office also held discussions with WorkSafe Victoria regarding the operation of a
VicRoads Code of Practice, Worksite Safety Traffic Management, and campaigns to raise awareness of traffic management issues around worksites.

The issues raised in relation to traffic management in and around worksites relate to:
- a lack of national approach to the issue
- contractors not having an effective traffic management plan in place
- lack of appropriate training, for example for Stop/Slow bat operators
- motorists not adhering to speed limits through construction sites.
- The Office will continue to monitor the issues and facilitate consultation with stakeholders in 2007–08.

Priorities for the future
To ensure that the momentum for effecting cultural change in the Australian building and construction industry is maintained, in the coming year the FSC will:
- further develop the Scheme, particularly through the implementation of Stage Two
- monitor the requirements of the Scheme, including the auditing process and criteria such as AS/NZS 4801:2001
- develop and apply robust OHS data that provides timely analysis, reporting and benchmarking benefits for both industry and the FSC
- improve and highlight industry’s role as leaders in achieving and sustaining the positive cultural change in OHS performance
- identify and progress OHS initiatives that will lead to improved OHS performance
- support Australian Government agencies in their journey to becoming exemplars and model clients for OHS.

Tom Fisher, FSC, presents a certificate of accreditation to Geoff Bamsley, Executive General Manager, Northern Region Spotless and John Alston (left), National Risk Manager Spotless.
Appendix A


The terms of reference for the Review are to establish the appropriateness, effectiveness and efficiency of the Federal Safety Commissioner (FSC) to date. Specific considerations as part of the review are outlined below.

1. Appropriateness
   (a) the extent to which the achievements and progress of the FSC are consistent with the functions outlined in the Building and Construction Industry Improvement Act 2005
   (b) status of OHS performance within the building and construction industry, including issues that need to be addressed
   (c) the likely consequences of not addressing OHS problems
   (d) the existence of related or similar state government programmes/measure and:
   (e) the degree of any overlap between the FSC and state initiatives, and
   (f) the potential for integrating or aligning the Commonwealth and state initiatives.

2. Effectiveness
   An outline of the measures and programmes that are being put in place and progressed by the FSC to promote OHS in the building and construction industry. This includes the contribution to Outcome Two (Higher Productivity, Higher Pay Workplaces) of the Department of Employment and Workplace Relations (DEWR), as indicated by:
   a) achievements against the legislated functions of the FSC, including progress against the function of rolling out an occupational health and safety accreditation scheme, and reasons for any delays
   b) connections between the functions of the FSC and other outputs within the portfolio
   c) the extent to which the FSC is achieving its objectives, including its impact on improving occupational health and safety on Commonwealth building sites
   d) the review will identify appropriate performance indicators to guide ongoing review of the extent to which objectives are being achieved
   e) the level of industry satisfaction with/industry views on the work of the FSC, and
   f) any unintended consequences (positive or negative).

3. Efficiency
   An outline of the FSC’s achievements commensurate with the resources utilised, including:
   (a) the impact of the FSC on costs borne by industry, clients, including in particular Commonwealth agencies, and other governments
   (b) budget performance and projections, and
   (c) identification of possible mechanisms to improve and streamline the efficiency and effectiveness of operations of the FSC.

Conduct of the review

Terms of reference for the review are to be agreed by the Minister for Employment and Workplace Relations and the Minister for Finance and Administration.

The review will be undertaken by the Office in consultation with Finance and other relevant stakeholders, such as the Industry and Australian Government Agency Reference Groups.

A report on the outcome of the review will be provided to the Secretaries and Ministers for Employment and Workplace Relations and Finance and Administration, respectively.
Appendix B

Service Charter

About the Office of the Federal Safety Commissioner

The Office of the Federal Safety Commissioner (OFSC) provides administrative support to the Federal Safety Commissioner (FSC) in achieving world-class safety throughout the Australian building and construction industry.

Located within the Department of Employment and Workplace Relations, the OFSC is directly accountable for its performance to the Minister, the Australian Government, and through them to the Australian public.

Federal Safety Commissioner

The role of the FSC is to use the influence of the Australian Government as a policy maker, a client and a provider of capital to foster improved occupational health and safety (OHS) performance in the building and construction industry.

In particular, the FSC works to ensure that contractors who want to work on Australian Government projects make OHS a key factor in the way they conduct their business.

The functions of the FSC include:

- promoting best practice OHS performance on Australian building and construction projects
- developing and administering the Australian Government Building and Construction OHS Accreditation Scheme (the Scheme) and
- working with building and construction industry stakeholders to identify initiatives that will lead to improved OHS performance in the industry.

The FSC consults widely with industry, OHS authorities and other relevant stakeholders, and champions a cooperative approach to improving OHS performance across the Australian building and construction industry.

OFSC responsibilities

Improving OHS performance in the building and construction industry is a shared responsibility. For our part, the OFSC will:

- provide accreditation services to contractors seeking to undertake construction work on projects to which the Australian Government contributes funding; and
- provide guidance and information on achieving better OHS outcomes in the construction industry.

Our clients and stakeholders

The OFSC’s clients and stakeholders include:

- government ministers
- Australian Government agencies
- state, territory and local government agencies
- construction industry contractors
- relevant industry associations, and
- other interest groups and individuals.

Our values

In accordance with our role in the Australian Public Service, our staff uphold their duties as set out in the APS Code of Conduct (www.apsc.gov.au/conduct) and APS values (www.apsc.gov.au/values).

In particular we strive to be:

- professional;
- transparent;
- consultative; and
- consistent.

Our service standards

In recognising the needs of our clients and stakeholders, we ensure that:
Federal Safety Commissioner’s 2006-07 Progress Report

- our documents and procedures are straightforward, transparent and publicly available, and
- the OFSC can be contacted if further information is required.

We are committed to delivering high-quality service and advice in relation to our functions. Our staff will:
- identify themselves and provide a contact name and telephone number in all written correspondence
- follow up your email and telephone messages within five working days
- acknowledge your letters within 10 working days and, where necessary, advise you of a likely timeframe for a full response
- finalise a response, which will be in plain language, within the indicated timeframe
- endeavour to refer you to the appropriate organisation if your enquiry is outside the OFSC’s scope
- ensure that all relevant public information is available on our website, and
- respect your rights to privacy and confidentiality.

Making a difference
The OFSC focuses on working with the building and construction industry to encourage them to strive for a high level of safety and to demonstrate commitment to the FSC’s Safety Principles and Guidance (the Principles).

The Principles go beyond compliance with legislative requirements and encourage industry participants to demonstrate a real commitment to sustaining improvements in OHS outcomes. The Principles are complemented by the focus points of the Scheme.

The Principles and the focus points are available from www.fsc.gov.au.

For the Australian Government sector, the OFSC:
- assists Australian Government departments and agencies in making OHS a key priority for all construction projects, and
- ensures that Australian Government funded construction work is only performed by those who take OHS seriously.

Freedom of Information
Freedom of Information (FOI) applications should be sent to:
The Team Leader
Administrative Law Team, DEWR
GC 11
GPO Box 9879
CANBERRA ACT 2601
To learn more about FOI, please visit www.ag.gov.au/foi. Fees apply.

Appendix C
Publications produced by the FSC
Case studies
- ‘Passport to Safety Excellence’ safety training (John Holland Group)—a passport system designed to equip safety critical personnel with necessary skills and behavioural competencies
- Managing OHS in small business (D Williams Builders)—an OHS management system specifically developed to manage safety in a small building business
- Safety Index (Tullamarine–Calder Interchange)—a safety index that works by applying a weighted index structure to track the safety performance of a project on a monthly basis
- Work and Life Balance Programme (Probuild Constructions)—a programme developed to address issues associated with flexibility in the workplace through the establishment of a workplace culture supporting work and family balance
- Fall Protection in Formwork (Dalma Formwork)—a system of removable handrails and posts designed to increase the level of fall protection in formwork construction
• Incident and Injury Free (Bovis Lend Lease)—a programme designed to encourage a positive health and safety culture among employees
• Effective OHS Initiatives (A W Edwards: STAT-EAST Works)—a site safety plan created to address hazards and risks to employees.

Fact Sheets—available in hard copy
• The Federal Safety Commissioner
• Definition of ‘building work’
• The Australian Government Building and Construction OHS Accreditation Scheme
• Compliance measures under the Australian Government Building and Construction OHS Accreditation Scheme
• How to appeal a decision of the Federal Safety Commissioner
• Powers of Federal Safety Officers
• Site selection for on-site auditing for accreditation
• Federal Safety Commissioner’s Safety Principles
• Stage Two of the Australian Government Building and Construction OHS Accreditation Scheme.

Fact Sheets – published online only
• Transition from Provisional to Full Accreditation
• Australian Government Building and Construction OHS Accreditation Scheme timeline
• The Building and Construction Industry Improvement Amendment (OHS) Bill 2007.
• Brochures
• Your guide to the Office of the Federal Safety Commissioner
• The role and vision of the Federal Safety Commissioner
• Miscellaneous
• Positive Performance Indicators
• Accreditation Scheme calendar card

Appendix D

Reference group membership
Industry Reference Group Australian Government Reference Group
Mr Jim Barrett
Executive Director
Australian Constructors Association
Associate Director—Construction and Infrastructure
Australian Industry Group

Mr Richard Calver
National Director Industrial Relations and Legal Counsel
Master Builders Australia Inc

Mr Dean Cipolla
Group Manager Safety
John Holland Group Pty Ltd

Mr Matthew Lloyd
Corporate OHS Risk Manager
Laing O’Rourke (BMC) Pty Ltd

Mr Brian Long
Head of EHS Asia Pacific
Bovis Lend Lease Pty Ltd

Mr Craig Long
CEO NSW
Civil Contractors Federation

Ms Anthea Michael
OHS Manager
St Hilliers Contracting Pty Ltd

Mr Chris Reynolds
National Quality Safety & Environment Manager
Baulderstone Hornibrook Pty Ltd

Mr Martin Smith
National Safety, Health & Environment Manager
Leighton Contractors Pty Ltd

Mr Graeme Terrell
Occupational Health & Safety Manager—NSW/QLD
Grocon Constructors Pty Ltd

Australian Government Reference Group
Mr Bob Baird
Director, Construction Contracts
Department of Defence

Dr Michael Barbour
Manager, Injury Prevention and Management Unit
Australia Post HQ

Ms Sarah Brasch
Director, Projects and Residual Issues
Department of Finance and Administration

Mr Steve Dollimore
Director, Property States Territories and Overseas Network
Department of Immigration and Citizenship

Mr Owen Hammond
Assistant Secretary, Major Projects Domestic
Department of Finance and Administration

Mr Stephen Hehir
Senior OHS Consultant
Australia Post HQ

Mr Antony Mikulic
Manager, Capital Works and Sustainable Environment
CSIRO

Ms Gail Stevenson
Director, AusLink Programme Support and Systems
Department of Transport and Regional Services

Mr Lindsay Vickers
Executive Officer, Directorate of Construction Contracts
Department of Defence
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