

**ANALYSIS OF BIENNIAL DATA FROM
ACCREDITED CONTRACTORS FOR THE
JANUARY TO JUNE 2011
REPORTING PERIOD**

Australian Government Building and Construction
OHS Accreditation Scheme

January-June 2011

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1 Executive Summary

This report provides an overview and analysis of data collected from companies accredited under the Australian Government Building and Construction OHS Accreditation Scheme (the Scheme) for the period January to June 2011. Comparisons are also made with data collected in previous biannual periods where appropriate.

Under their conditions of accreditation accredited companies are required to submit biannual reports twice a year, in addition to incident reports, Scheme project reports and end of project reports. This data used in this report has been collected from a combination of biannual, incident, and Scheme project reports.

1.1 OFSC Objectives

Established in 2005, the Federal Safety Commissioner (FSC) works with industry and government stakeholders towards achieving the highest possible occupational health and safety standards on Australian building and construction projects.

The key functions of the FSC (and the office) include:

- promoting sustainable OHS cultural change in the building and construction industry
- developing and administering the Australian Government Building and Construction OHS Accreditation Scheme
- identifying and progressing initiatives to improve OHS performance.

The Office of the Federal Safety Commissioner (OFSC) is part of the Department of Education, Employment and Workplace Relations. The OFSC promotes and improves OHS in the Australian building and construction industry, by providing administrative support to the functions of the FSC.

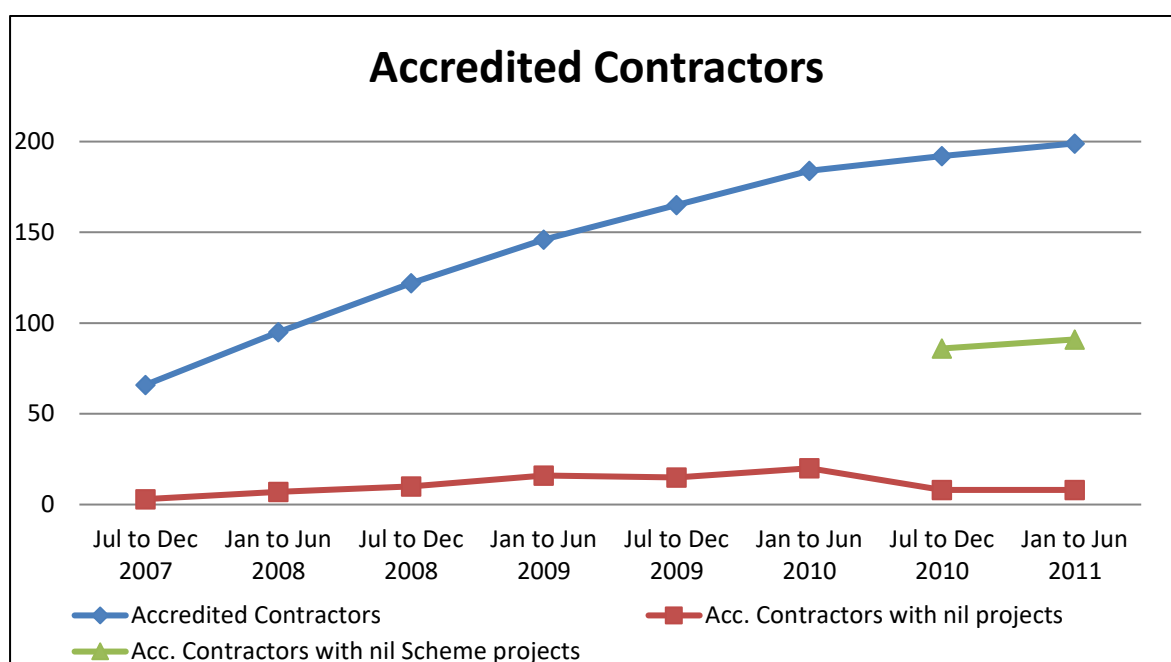
1.2 Limitations

Biannual reporting was introduced in the December 2007 reporting period. However, until recently, data was not split by type of project (Scheme/non-Scheme). As a consequence, direct comparisons between biannual data and annual data are not practicable. Amendments have also been made to the types and break down of data collected since the inception of the Scheme, resulting in a lack of data for all periods.

Where possible, comparisons with industry-wide data are provided; however, the availability of this data is limited and is often not available until much later than the data reported by the OFSC.

2 Overview

2.1 Number of Accredited Contractors



There were 199 accredited contractors in the January to June 2011 reporting period, an increase of 3.65 per cent from the June 2010 period. Of the 199 accredited contractors reporting in this period, 8 reported nil projects, which is consistent with the previous period.

2.2 Applications

As at 30 June 2011, there have been 519 live applications for accreditation. Of these, 301 applications were accredited and 147 were in the process of accreditation. Of the 147 in the process, 113 were at audit stage and the remaining 34 were at the application stage of the accreditation process. Seventy one companies had withdrawn their applications. A study into the reasons for companies withdrawing from the Scheme revealed that the three leading causes were a lack of maturity of the WHS Management System, an applicant not being a builder for the purposes of the Scheme, and companies being in duress/dissolving.

The OFSC had received 100 applications for reaccreditation as at 30 June 2011. At this date, there were 92 reaccredited companies (including joint reaccreditations), 11 companies were at audit stage, and 2 were at the application stage of the reaccreditation process.

Period	Applications for First Accreditation	Applications for Reaccreditation	Total Applications
2006	24	0	24
Jan to Jun 2007	61	0	61
Jul to Dec 2007	50	0	50
Jan to Jun 2008	35	0	35
Jul to Dec 2008	41	0	41
Jan to Jun 2009	58	0	58
Jul to Dec 2009	48	17	65
Jan to Jun 2010	29	34	63
July to Dec 2010	39	30	69
Jan to Jun 2011	34	19	53
Total	419	100	519

2.3 Number of Projects

The OFSC had been notified of a total of 663 directly and indirectly funded contracts for building work with a combined value of \$34.67 billion that had been covered by the Scheme.

Of the 663 notified contracts, as at 30 June 2011:

- 189 were active and 474 were completed
- 367 (\$9.56 billion) were directly funded and 296 (\$25.12 billion) were indirectly funded.

The data gathered for this current reporting period includes non-Scheme projects valued at less than \$3 million. The data prior to the July 2010 reporting period only includes projects with a value in excess of \$3 million.

Period	Number of Accredited contractors reporting active Scheme projects	Number of active Scheme projects	Number of Accredited contractors Reporting non-Scheme projects	Number of non-scheme projects
Jul to Dec 2007	25	42	58	1,019
Jan to Jun 2008	32	71	85	1,212
Jul to Dec 2008	44	103	107	1,416
Jan to Jun 2009	61	128	124	1,730
Jul to Dec 2009	75	183	145	2,170
Jan to Jun 2010	94	249	153	2,255
July to Dec 2010	102	293	177	6,943
Jan to Jun 2011	108	329	185	7,861

2.4 Number Employed/Hours Worked

From mid 2009, accredited contractors were asked to report head contractor employees (overall) and the number of hours worked on both Scheme projects and non-Scheme projects valued at \$3 million or more.

In previous periods, accredited contractors reported the number of head contractor employees and subcontractors for both Scheme and non-Scheme projects. Collection of this data by accredited companies was discontinued in favour of the collection of hours worked data to provide more consistently accurate Lost Time Injury Frequency Rate (LTIFR) and Medically Treated Injury Frequency Rate (MTIFR) estimates. Hours worked data also had the additional benefit of providing a better indication of the size and level of activity on projects.

Total hours reported for the periods before July 2010 covers projects valued at \$3 million or more and therefore does not provide a comprehensive picture of accredited company activity. The figures for this current period incorporate all projects including those with a value less than \$3 million.

Period	Scheme projects (million hours)	Non-Scheme projects valued at \$3 million or more (million hours)	All projects (million hours)
Jul to Dec 2009	14.57	93.56	108.13
Jan to Jun 2010	22.92	127.58	150.50

Period (includes less than \$3 million)	Scheme projects (million hours)	Non-Scheme projects any value (million hours)	All projects (million hours)
Jul to Dec 2010	41.97	147.44	189.40
Jan to Jun 2011	26.29	135.95	162.24

3 Analysis/Findings

3.1 Fatalities

In line with the change to record hours worked rather than employees, the fatalities figures have been adjusted to show the fatalities frequency rate instead of the incident rate. These figures do not include heart attack or other natural causes.

It should be noted that previous frequency rates for accredited companies are significantly inflated as hours for projects less than \$3 million are not included even though all fatalities for these companies are included. However, from July 2010, data was collected for all projects regardless of the value, so this current period includes hours worked on projects with a value less than \$3 million.

Period	Number of Fatalities on Scheme projects	Scheme project Fatalities frequency rate	Number of Fatalities on non-Scheme projects	Non-Scheme projects Fatalities frequency rate	Number of Fatalities all projects	All projects Fatalities frequency rate
Jul to Dec 2007	1	NA	0	NA	1	NA
Jan to Jun 2008	0	NA	6	NA	6	NA
Jul to Dec 2008	0	NA	4	NA	4	NA
Jan to Jun 2009	1	NA	4	NA	5	NA
Jul to Dec 2009	0	0.00	1	1.07	1	0.92
Jan to Jun 2010	1	4.36	0	0.00	1	0.66
Jul to Dec 2010	2	4.77	2	1.35	4	2.39
Jan to Jun 2011	0	0.00	1	0.70	1	0.60

3.2 Injury Frequency Rate

As both Scheme and non-Scheme projects may have a few very high and very low LTIFR values, the Winsorized mean (see Glossary) is also calculated as it disregards extremely high and low numbers which may skew a sample size such as this.

Lost Time Injury Frequency Rate (LTIFR)

Period	Scheme project Median	Scheme project Arithmetic mean	Scheme project Winsorized mean	Non-Scheme project Median	Non-Scheme project Arithmetic mean	Non-Scheme project Winsorized mean
Jul to Dec 2007	0.00	6.94	4.04	4.65	10.06	7.52
Jan to Jun 2008	0.00	9.24	8.72	4.95	10.41	9.05
Jul to Dec 2008	0.00	7.44	6.21	4.65	12.22	7.36
Jan to Jun 2009	0.00	12.86	10.35	3.50	11.54	6.10
Jul to Dec 2009	0.00	9.36	7.68	3.00	11.61	8.28
Jan to Jun 2010	0.00	21.99	3.21	3.73	11.34	8.61
Jul to Dec 2010	0.00	5.54	3.43	0.00	13.83	4.76
Jan to Jun 2011	0.00	10.17	3.98	0.00	8.97	3.97

Medically Treated Injury Frequency Rate (MTIFR)

Period	Scheme project Median	Scheme project Arithmetic mean	Scheme project Winsorized mean	Non-Scheme project Median	Non-Scheme project Arithmetic mean	Non-Scheme project Winsorized mean
Jul to Dec 2007	0.00	12.06	9.53	19.90	26.23	23.32
Jan to Jun 2008	0.00	18.06	16.29	19.00	29.39	24.36
Jul to Dec 2008	2.78	21.79	14.50	13.18	21.10	16.67
Jan to Jun 2009	8.58	33.93	22.78	14.32	26.82	17.21
Jul to Dec 2009	13.04	21.84	16.62	18.17	38.51	28.73
Jan to Jun 2010	0.00	34.67	16.95	21.03	40.15	28.45
Jul to Dec 2010	0.00	11.30	6.44	12.71	63.91	21.07
Jan to Jun 2011	0.00	19.93	8.12	11.02	36.31	20.00

3.3 Incidents Reported

Total number of incidents

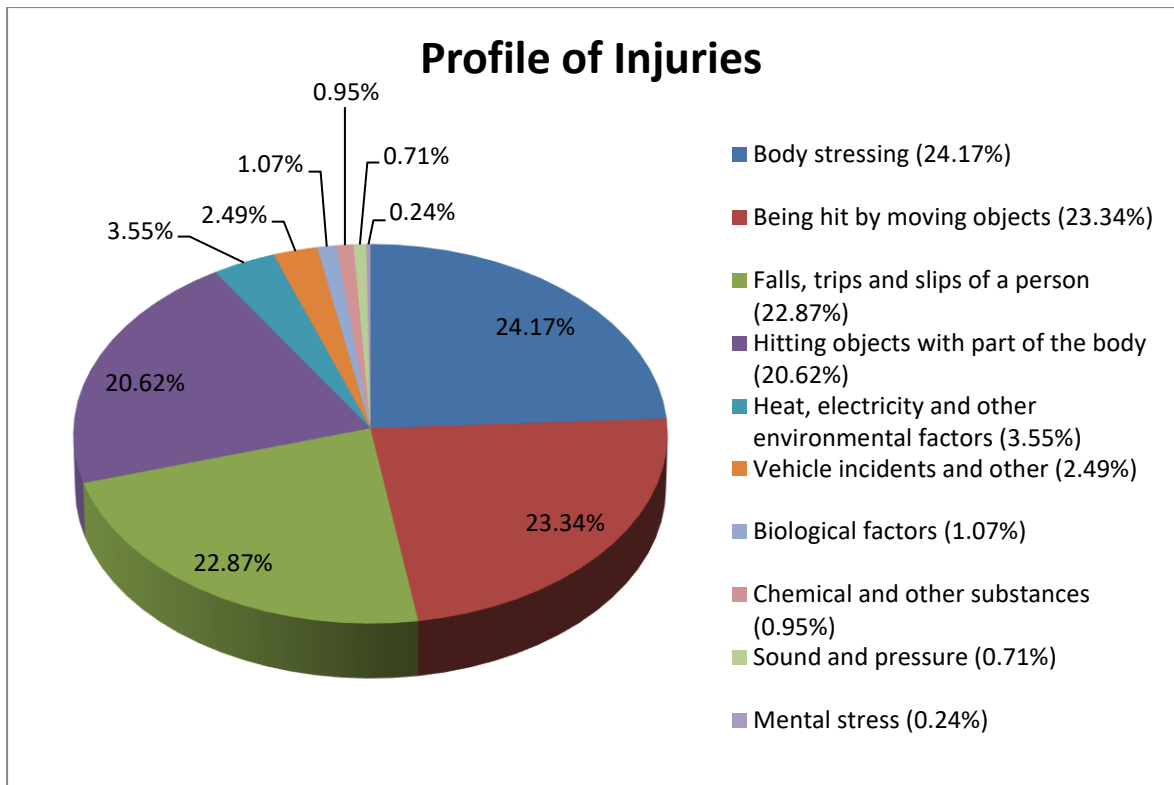
For the reporting period January to June 2011, 915 incidents were reported by 96 accredited contractors compared to 810 incidents by 97 accredited contractors in the December 2010 reporting period, an increase of 12.9% per cent in the number of incidents. One hundred and three accredited contractors reported no incidents during the period.

Mechanism of Incident

Accredited contractors are required to report lost time incidents based on the mechanism of incident classification groups contained in the *Type of Occurrence Classification System, Version 3.1* (TOOCS3.1) published by Safe Work Australia.

The *mechanism of incident* classification is intended to identify the overall action, exposure or event that best describes the circumstances that resulted in the most serious injury or disease. Accredited contractors report at the major group classification level (see Glossary).

- The top four mechanism of incident groups accounted for 91 per cent of all incidents for the January to June 2011 reporting period. The breakdown for these four groups is:
 - 24.17 per cent – Group 4 (body stressing)
 - 23.34 per cent – Group 2 (being hit by moving objects)
 - 22.87 per cent – Group 0 (falls, trips and slips of a person)
 - 20.62 per cent – Group 1 (hitting objects with part of body).



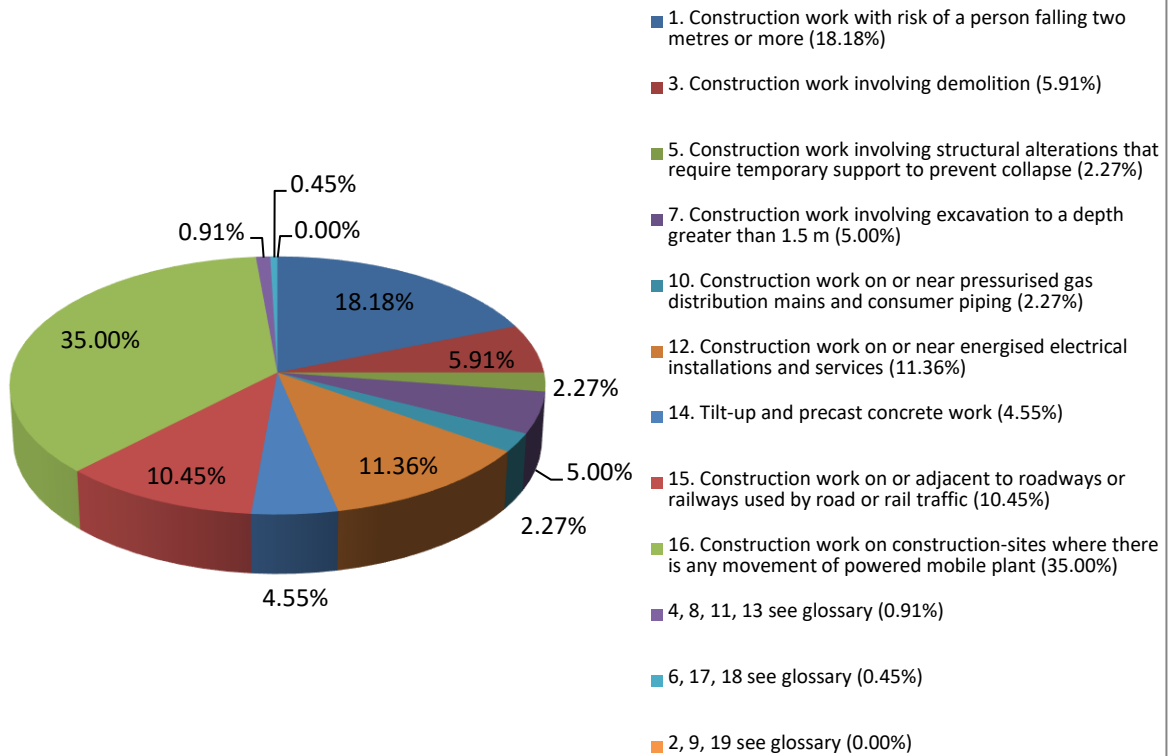
High risk construction work

Accredited contractors are required to report if they performed any *'high-risk construction work'* as described in the *National Standard For Construction Work* [NOHSC:1016 (2005)] published by Safe Work Australia, and indicate whether any such work resulted in an injury or near miss event that required the accredited contractor to notify the relevant OHS authority (under the OHS legislation covering notifiable incidents) in the jurisdiction in which the project was undertaken.

The objective of this national standard is to protect persons from the hazards associated with construction work. It assigns responsibilities to individuals to identify these hazards to eliminate them, or where this is not reasonably practicable, minimise the risks they pose. There are 19 hazards that have been identified as high-risk construction work (see Glossary).

Where contractors indicated that high risk hazard work was taking place during an incident, consistent with previous years work on construction sites where there is any movement of powered mobile plant was the most common incident; followed by construction work where there is a risk of a person falling two metres or more.

High Risk Construction Work Notifiable Incidents



3.4 Dangerous Occurrences

During this reporting period, 76 dangerous occurrences were reported by accredited contractors. Of those, 46 were reported on Commercial projects, 30 on Civil projects, and none on residential projects.

3.5 Number of Notices Issued

Each accredited company reports how many notices they (or the subcontractors working on sites where they are the head contractor) have been issued for each project valued at over \$3 million. The table below details how many notices have been issued during this current reporting period.

Period	Infringement Notices	Prohibition Notices	Improvement Notices	Other Notices (eg enforceable undertakings)
Jan-Jun 2011	10	63	140	7

4 Workers' Compensation

4.1 Accredited Companies

Period	Mean premium rate ACT %	Mean premium rate NSW %	Mean premium rate NT %	Mean premium rate QLD %	Mean premium rate SA %	Mean premium rate TAS %	Mean premium rate VIC %	Mean premium rate WA &
Jul to Dec 2007	5.589	3.069	2.675	1.346	2.940	.	3.098	2.496
Jan to Jun 2008	4.962	3.508	2.355	1.438	3.037	.	2.054	3.348
Jul to Dec 2008	4.274	3.106	2.261	1.568	3.750	1.087	2.297	2.066
Jan to Jun 2009	3.742	2.811	1.973	1.117	3.832	1.155	2.289	2.342
Jul to Dec 2009	3.849	3.351	2.376	1.424	3.695	1.302	2.202	1.948
Jan to Jun 2010	3.521	2.975	2.372	1.316	3.560	1.475	2.270	1.731
Jul to Dec 2010	3.025	3.051	2.389	1.548	3.845	1.015	1.980	1.896
Jan to Jun 2011	3.699	3.014	2.310	1.449	3.668	1.701	1.905	1.767

4.2 Industry

Period	Mean premium rate ACT %	Mean premium rate NSW %	Mean premium rate NT %	Mean premium rate QLD %	Mean premium rate SA %	Mean premium rate TAS %	Mean premium rate VIC %	Mean premium rate WA &
House construction September 2011 ¹	NA	5.040	NA	2.793	2.80	4.00	1.908	1.13
Non-residential construction September 2011 ¹	NA	3.928	NA	2.905	2.90	3.39	2.185	2.13

¹ Source: Safe Work Australia publication Comparison of Workers' Compensation Arrangements in Australia and New Zealand April 2012, Table 7.6 Selected Industry Premium Rates as at 30 September 2011, page 213.

5 Glossary

Arithmetic mean (average) - The mean is the sum of all the scores divided by the number of scores.

Dangerous occurrence - An incident where no person is injured, but could have been injured, resulting in Serious Personal Injury, Incapacity or Death. Also commonly called a "near miss".

Frequency rate - Frequency rates are calculated as follows:

$$\frac{\text{Number of incidences}}{\text{Number of hours worked}} \times 1,000,000 \text{ (hours)}^2$$

High risk construction work hazards –

1. Construction work where there is a risk of a person falling two metres or more
2. Construction work on telecommunications towers
3. Construction work involving demolition
4. Construction work involving the disturbance or removal of asbestos
5. Construction work involving structural alterations that require temporary support to prevent collapse
6. Construction work involving a confined space
7. Construction work involving excavation to a depth greater than 1.5 metres
8. The construction of tunnels
9. Construction work involving the use of explosives
10. Construction work on or near pressurised gas distribution mains and consumer piping
11. Construction work on or near chemical, fuel or refrigerant lines
12. Construction work on or near energised electrical installations and services
13. Construction work in an area that may have a contaminated or flammable atmosphere
14. Tilt-up and precast concrete construction work
15. Construction work on or adjacent to roadways or railways used by road or rail traffic
16. Work on construction sites where there is any movement of powered mobile plant
17. Construction work in an area where there are artificial extremes of temperature
18. Construction work in, over or adjacent to water or other liquids where there is a risk of drowning
19. Construction work involving diving

Incident - An incident resulting in an injury that is required to be notified by the OHS legislative requirement for notifiable incidents in the jurisdiction in which the project is being undertaken.

LTIFR (Lost Time Injury Frequency Rate) - The number of occurrences of lost time injury that result in a fatality, a permanent disability or time lost from work of one day shift or more in the period. The number of hours worked refers to the total

² Fatalities rate is per 100 million hours.

number of hours worked by all workers in the period, including overtime and extra shifts.

Mechanism of incident classification –

Major Groups

0. Falls, trips and slips of a person
1. Hitting objects with a part of the body
2. Being hit by moving objects
3. Sound and pressure
4. Body stressing
5. Heat, electricity and other environmental factors
6. Chemicals and other substances
7. Biological factors
8. Mental stress
9. Vehicle incidents and other

Median - The median is the middle of a distribution; half the scores are above the median and half are below the median. If the number of values in the data set is even, then the median is the average of the two middle values. The median is less sensitive to extreme scores than the average.

MTIFR (Medically Treated Injury Frequency Rate) - The number of occurrences of treatment by, or under the order of, a qualified medical practitioner, or any injury that could be considered as being one that would normally be treated by a medical practitioner. The number of hours worked refers to the total number of hours worked by all workers in the period, including overtime and extra shifts.

Non-Scheme projects – Projects where the accredited contractor is the head contractor, the value of building work is \$3 million or more, and the project is not a Scheme project.

Scheme projects - Projects that are directly funded by the Australian Government with a value of \$3 million or more, plus, projects that are indirectly funded by the Australian Government where:

- the value of the Australian Government contribution to the 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.

Winsorized mean - involves the calculation of the mean after replacing given parts of a distribution at the high and low end with the most extreme remaining values, typically replacing an equal amount of both ends. Often 10 per cent of the ends are replaced. The Winsorized mean is a useful estimator because it is less sensitive to outliers than the mean but will still give a reasonable estimate of central tendency.