

## OCCUPATIONAL HEALTH & SAFETY – THE CARING CLIENT

### Case Study

### IMPLEMENTATION OF THE NATIONAL OHS STRATEGY 2002-2012

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#### **ABSTRACT:**

The National OHS Strategy 2002--2012 (the Strategy) is a landmark development signifying the commitment of all Australian governments, the Australian Chamber of Commerce and Industry and the Australian Council of Trade Unions, to work cooperatively on national priorities for improving OHS and to achieve minimum national targets for reducing the incidence of workplace deaths and injuries.

The five National Priorities are to: Reduce high incidence/severity risks; Improve the capacity of business operators and workers to manage OHS effectively; Prevent occupational disease more effectively; Eliminate hazards at the design stage; and Strengthen the capacity of government to influence OHS outcomes.

Statistics concerning the construction industry and its OHS performance include: the construction industry employed approximately 5% of the Australian workforce and accounted for 10% of new workers' compensation claims in 2001/2002; the incidence of workplace fatality in the construction industry in 2001/02 of 9 deaths per 100, 000 employees is more than double the Australian average for all industries of 3.6 deaths per 100, 000 employees; and by the year 2005/06 the construction industry will be the lead contributor to work-related deaths. A number of major activities already under way to achieve improvements in the Australian construction industry include: regulatory material for the construction industry, including a national standard and the integration of safe design into national standards. Such material, when given effect by all jurisdictions, would improve the industry's OHS performance by addressing major OHS problems in this industry.

Keywords: **Construction industry, OHS performance, national strategy, standards.**

## INTRODUCTION

The paper will provide an overview of three important national occupational health and safety initiatives that will directly impact on the building and construction industry. These are the National Strategy, the development of national regulatory material and role of safe design in reducing construction related accident and injury. Socially, politically and economically, Australia is in a fortunate position. The population is well educated, we have a good health system, there are effective social services and the rule of law applies. The population has reached twenty million, with a workforce of about ten million, so Australia has a strong internal market. Internationally the country is a significant trading nation.

Every year however, one in twenty workers will probably suffer a work related injury or disease. There will be over two thousand work related deaths this year, most from work-related diseases. Billions are spent by the nine governments, by employers and by the community in trying to reduce this toll. In a recent study<sup>1</sup> the cost of workplace injury and illness to the Australian economy for the 2000-01 reference year was estimated to be over \$34.3 billion or 5 per cent of Australian Gross Domestic Product (GDP). The economic cost of pain, suffering and early death is at \$48.5 billion. Australian employers paid \$7.5 billion in workers' compensation premiums in the 2000-01<sup>3</sup> financial year. In the construction industry the cost of insurance premiums (standard & self insured) for 2000-2001 was \$733 million.

The building and construction industry is high-risk. It is estimated that around 50 building and construction workers are killed at work each year. Data<sup>4</sup> in relation to people working in the industry suggest that they are more than twice as likely to be killed at work than the all-industries Australian average.

There is no quick solution to these problems. The challenges are compounded by many interrelated factors. The age and composition of our workforce is changing. The industry mix is altering rapidly and today over 90% of Australian businesses are small businesses. International trade and globalisation are making both borders and local regulation less relevant. Economic forces are changing the balance of power. New technologies are creating new industries and making many old ones and the skills associated with them irrelevant and unwanted. New ways of working are producing new hazards and risks. Increasingly, regulators, employers and workers are struggling to keep up with the pace of change. Many duty holders at workplaces do not know or understand their obligations, nor how to identify and address hazards and risks. Even where they do, there are frequently competing business pressures on them.

## THE NATIONAL STRATEGY

Against this background, in 2002 the National Occupational Health and Safety Commission (NOHSC) developed and adopted its National OHS Strategy (see

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<sup>1</sup> Costs of Workplace Injury and Illness: reviewing the estimation methodology and estimates of the level and distribution of costs, Report by Access Economics P/L, March 2004.

<sup>3</sup> The Workplace Relations Ministers Council (WRMC) Comparative Performance Monitoring report (CPM)

<sup>4</sup> *ibid*

Figure 1), which will operate for ten years<sup>5</sup> up to 2012. We also received the express commitment of all Australian governments and the ACCI and the ACTU to the Strategy.

Why did NOSHC decide to take this step? Australia's constitutional arrangements distribute regulatory responsibility over nine governments. This puts us at risk of missing opportunities to align our efforts and share solutions and resources. The National Commission has always provided a forum for fostering this type of cooperation. Cooperation usually relied on a coincidence of interests at any given time rather than a planned program of activities that focused on the biggest problems. NOHSC felt confident in developing a National Strategy because it involved the efforts of members drawn from all Australian governments and the peak industry and union bodies. Since the Commission is accountable to the Workplace Relations Ministers' Council, we were also able to secure their support.



*Australian workplaces free from injury and disease*



Figure 1 - National OHS Strategy 2002 - 2012

## THE STRATEGY'S VISION

Our starting point for the Strategy was a shared national vision, namely, Australian workplaces free from death, injury and disease.

## IMPORTANCE OF DATA AND DEVELOPMENT OF TARGETS

NOHSC examined the available national data to identify the greatest causes of work-related injury and disease and we agreed on key emerging issues. The National Commission considered the trends and developed two initial minimum national targets for reducing the incidence of work-related deaths and injuries.

<sup>5</sup> NOHSC, *National Occupational Health and Safety Strategy 2002-2012*, Commonwealth of Australia, 2002.

The targets are to reduce the incidence of such fatalities by at least twenty per cent by 2012 and the incidence of work related injuries by at least 40 per cent. By 2007, the Commission expect a minimum improvement of one half of each target.

## **BENCHMARKING AUSTRALIA'S OHS PERFORMANCE**

There is an additional informal target. This reflects the concern about the shortcomings in benchmarking against Australia's own past performance. NOSHSC aims to have the world's best OHS performance, measured in terms of work-related fatalities and injuries. Therefore, the aim is to benchmark Australia against the rest of the world. This is very difficult as there are many gaps in the data used by various countries and differences in definitions, hazards and risks.

Even so, using non-standardised data, the ILO ranks Australia as the seventh best in the world.<sup>6</sup> If as a nation we are to become the world's best, making our Strategy work is even more important. This aim will only be achieved when everyone in Australia's workplaces takes the necessary action to make them the world's safest. To attain this outcome, improved hazard identification and control skills will be required in the workplace.

## **PRIORITIES UNDER THE STRATEGY**

After deciding on the formal targets, the National Commission used them to assist in settling on priorities for national action. In each case, the threshold question was how much action in a particular area, or in a combination of priority areas, would help to achieve the targets. This was a very powerful criterion. It allowed the Commission to bring greater objectivity to the decision-making on the priorities.

Five National Priorities were developed, relating to.

- reducing high incidence and high severity risks;
- giving business operators and workers greater capacity to manage OHS effectively;
- the more effective prevention of occupational disease;
- eliminating hazards at the design stage; and
- making governments better able to bring about good OHS outcomes.

## **NINE AREAS THAT UNDERPIN NATIONAL ACTION TO ACHIEVE THE PRIORITIES**

The Commission also decided on nine areas to be the focus of our work consisting of;

- comprehensive OHS data collections;
- a coordinated research effort;
- a nationally consistent regulatory framework;
- strategic enforcement;
- effective incentives;
- support for better compliance;
- practical guidance;
- OHS awareness; and
- OHS skills development.

They are mutually dependent, improvement in one area should lead to improvements in the others, and, equally, failure in any area will be a barrier to improvement in the others. These are substantial challenges for NOHSC. So how does this all impact on the OHS performance of the building and construction industry?

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<sup>6</sup> International Labour Organisation, *Yearbook 2002*, ILO, Geneva, 2002.

## REGULATORY MATERIAL DEVELOPMENT FOR THE CONSTRUCTION INDUSTRY

The Cole Royal Commission made a number of comments and recommendations in relation to the poor OHS performance of the \$46 billion building and construction industry. Although there are many problematic issues in the industry, one issue that NOHSC is giving a high priority to is the development of uniform national OHS standards and codes of practice. In June 2004 NOHSC released for public comment the draft National Standard For The Construction Work (National Standard) and the draft National Code of Practice for the Prevention of Falls from Height in Construction. The National Standard aims to identify and foster the uniform adoption of best practice approaches to OHS in the construction industry.

NOHSC has also seized the opportunity to develop draft codes of practice that support the National Standard in the high risk areas of demolition and tilt-up construction, and construction induction training. The National Standard is the first tier of a national package of material for the building and construction industry, and contains the essential elements to be implemented by the jurisdictions. The proposed second tier of the national package is a series of national codes of practice addressing high-risk construction activities (for example, prevention of falls from height). The proposed third tier is a range of guidance material for performing specific construction tasks (for example, roof tiling). The National Standard is only enforceable by law when it is specifically included in a State/Territory health and safety regulation. An OHS regulatory compliance continuum including the hierarchical application of National Standards and Codes of Practice is set out below.

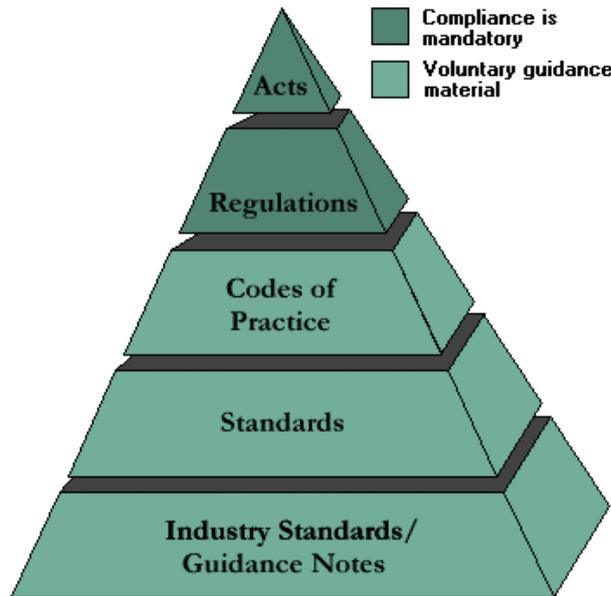


Figure 2 - The Australian OHS Legal Framework<sup>7</sup>

Australian health and safety law is governed by a framework of Acts, Regulations and support material including codes of practice and standards, as illustrated above. Each State/Territory has a central piece of law, the principal occupational health and safety Act.

<sup>7</sup> The Australian OHS Legal Framework - NOHSC 1998

The objective<sup>8</sup> of the National Standard is to provide a framework to assist in the protection of persons from the hazards arising from construction work by requiring duty holders to eliminate the hazards. Where this approach is not practicable, duty holders will be required to take steps to minimise as far as practicable the risks arising from the hazards, by ensuring that the hazards are identified and the risks assessed and controlled. The standard will also require the provision of information and training and will;

- form part of a construction work regulatory package and provide the basis for national codes of practice and guidance material;
- provide nationally consistent construction specific performance based requirements suitable for adoption by the States and Territories;
- require relevant persons in the construction workplace to identify hazards associated with construction work and minimise risks of injury, illness or fatality in construction work; and
- to allow for structures to be safely erected, maintained, repaired or altered, cleaned and demolished safe design information and obligations will be incorporate.

The draft National Standard proposes account be taken of emerging issues, such as the changed composition and mobility of the construction workforce. The need for a uniform standard for induction training, and mutual recognition of induction training across jurisdictions, has been identified, as has the need to address the safety issues of workers engaged under labour-hire arrangements.

It could be suggested that there is already a great deal of OHS regulation in place. However, a closer analysis of jurisdictional regulation would reveal that it is not only inconsistent, but there are large gaps in the coverage of hazards and risks. The adoption of uniform construction standards and codes of practice should reduce costs to industry, reduce uncertainty with compliance requirements and should have a tangible impact in reducing the industries high accident and injury rate. A number of industry consultative forums have expressed support for the development of standards and codes. One recent forum in June 2004 was the 'Improving Safety in the Building and Construction Industry Conference'. Participants included major construction companies, unions, employer associations, state and territory governments and architects. The principal aim of the conference was to strengthen industry commitment to work together to bring about significant and sustained improvements to safety performance in the building and construction industry. At the conclusion the conference released a communiqué setting out a number of agreed outcomes;

- safety is a priority for all participants in the construction industry. The industry wants to have a safety culture which makes it one of Australia's leaders in good health and safety performance;
- all parties support the National OHS Strategy and agree to reduce fatalities and serious injuries by at least 10% by June 2007;
- the industry should adopt a 'life cycle' approach to OHS in building and construction projects – recognising that designers should provide for the safety of those building, working, refurbishing and demolishing structures;
- governments need to use procurement processes to actively improve OHS, the current approaches do not significantly improve safety;
- the industry will raise awareness and understanding of the health effects of exposure to chemicals used in building and construction;

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<sup>8</sup> Draft National Standard for Construction Work – NOHSC June 2004

- all states and territories should work together to ensure a national approach to regulation of the building and construction industry across Australia;
- NOHSC will convene a number of forums on construction specific issues, including a CEOs forum.

## **THE INTEGRATION OF SAFE DESIGN PRINCIPLES INTO NATIONAL STANDARDS**

### **Construction Sector Injuries As A Result of Poor Design**

Some statistics concerning the construction industry and its OHS performance include: the construction industry employed approximately 5% of the Australian workforce and accounted for 10% of new workers' compensation claims in 2001/2002; the incidence of workplace fatality in the construction industry in 2001/02 of 9 deaths per 100, 000 employees is more than double the Australian average for all industries of 3.6 deaths per 100, 000 employees; and by the year 2005/06 the construction industry will be the lead contributor to work-related deaths and injuries in Australia if the industry continues along current trends for the ensuing years.

A recent study<sup>9</sup> found that design related issues were definitely or probably involved in at least half of all serious and fatal injuries in the construction industry. Although the OHS focus has traditionally been on the construction phase it is sometimes forgotten that building owners as end users inherit the legacy of an unsafe construction design that may only be discovered as the result of an accident or injury, which sometimes only occurs many years after it was built. As a consequence, the design deficiency may not become apparent until a particular work activity occurs such as maintenance or refurbishment. The building owner may then be potentially faced with the legal liability for the accident arising out of poor design. However there are other sound reasons for design decision makers upstream to adopt a systematic approach that incorporates safe design approach.

### **The Business Case**

Applying the Safe Design approach means controlling risk early in the design process. A Safe Design approach results in:

- simplified risk control;
- a more informed ability to meet legislative responsibilities;
- a greater ability to predict and manage production and operational costs across the life cycle of the designed-product;
- a greater ability to predict and minimise costs associated with injury and environmental damage; and
- a reduced need for redesign and retrofitting, and its associated costs.

Costs associated with unsafe design can be significant (e.g. retrofitting, workers compensation levies, environmental clean up costs). If these costs can be identified and avoided in the pre-design phase, then there is a clear business case for adopting the Safe Design approach. Figure 3 shows the relative cost advantages of applying a Safe Design approach.

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<sup>9</sup> The role of design issues in work-related injuries in Australia 1997-2002, NOHSC: July 2004

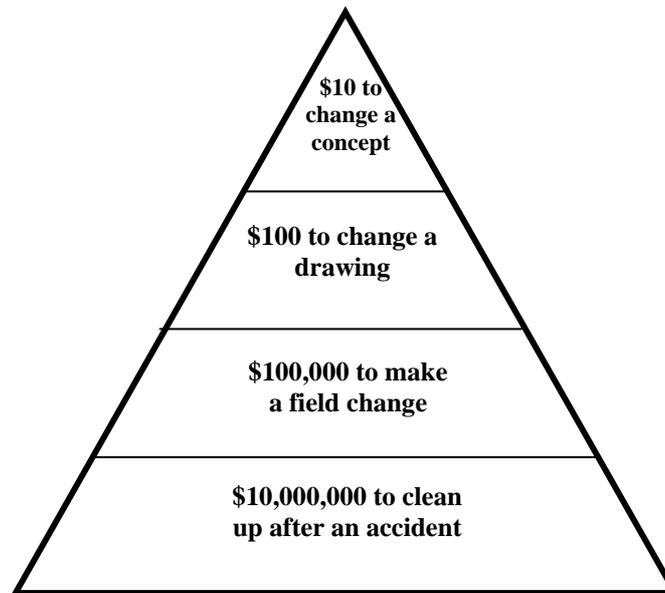


Figure 3 - Cost effectiveness of early intervention on safety problems in construction<sup>10</sup>

## ENHANCING OHS AWARENESS

By raising awareness of the need to proactively identify and eliminate potential unsafe design issues at an early stage NOHSC hopes to minimize the number of construction and building industry incidents and injuries. The challenge for the Commission was to develop a strategic approach that would focus on risks involving design at a number of different levels.

To facilitate this the Commission has developed the *Safe Design Action Plan 2004 – 2012* (National Priority 4 of the National OHS Strategy) to guide the implementation of safe design into key national standards. Three high-risk national standards have been initially identified for the integration of the safe design concept. These are manual handling, plant and the National Standard for Construction Work. Underpinning the Safe Design Action Plan is a set of four Safe Design Principles the will be used to guide the integration of safe design into National Standards;

- (i) assign responsibility to parties with real control over particular design functions.
- (ii) adopt a life cycle approach to the designed-item to improve OHS for a range of people who will use or interact with the item.
- (iii) a 'designer' must ensure that a systematic OHS risk management process is implemented and ensure that those involved in design have the necessary, or access to, OHS knowledge and capability.
- (iv) ensure that key information is transferred from the design/planning phase and that those involved at later life cycle stages are informed about any residual risks that may affect their health and safety.

Nested within the Safe Design Action Plan are a number of regulatory framework initiatives that will lead the integration of safe design through;

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<sup>10</sup> adapted from Wakeling, H. & Knight-Jones, P. 2000, 'Site Safety by Design', in Gibb, A.G.F. Designing for Safety and Health Proceedings, 26-27 June 2000, London, European Construction Institute, Loughborough, UK, pp. 199-206.

- the development and promulgation of Safe Design Principles and definitions and the development of practical guidance on safe design;
- the review of regulatory framework and development of improvement options;
- encourage the introduction of safe design principles into management systems; and the incorporation of safe design principles into national, state and territory standards and codes of practice.

At the industry level key activities derived from the Safe Design Principles that will assist the integration of safe design principles into business management systems include;

- promoting the 'life-cycle' approach to OHS in building and construction projects – recognising that designers should provide for the safety of those building, working, refurbishing and demolishing structures;
- identifying opportunities to influence and incorporate safe design and OHS into key standards such as the Building Code of Australia (BCA) and the Future Building Code (FBC);
- the integration of safe design into higher education and professional development curricula for design professionals;
- the engagement of parties with real control in the design, planning and construction work particularly those with OHS risk management obligations, such as design professionals, building contractors and clients;
- ensuring that foreseeable risks are proactively and systematically addressed at the source throughout the construction or building lifecycle, but particularly as early as possible in;
  - the design stage;
  - procurement of materials and methods;
  - planning and organization of work; and
  - selection and coordination of contractors
- making sure that those involved in the design and planning of construction works have the necessary OHS competencies and knowledge to adequately address foreseeable risks that may arise;
- development of a culture of communication and cooperation that ensures that relevant OHS information is maintained and made available to parties involved in the service, maintenance and use of the building or construction.
- ensure that any residual risk is documented/filed and transferred from owner to owner throughout the lifecycle to the decommission/demolition of the building or structure.

From this approach NOHSC seeks to deliver a message that buildings and structures throughout their lifecycle are used as workplaces and therefore must not only be safely constructed but remain safe for those that work in them. To achieve this NOHSC seeks to encourage architects, designers, planners, contractors and clients to take a proactive and leading role in the recognition and implementation of safe design has an integral part of the construction design process.

## **CONCLUSION**

In conclusion the National Strategy, the advancement of safe design initiatives and development of regulatory material for state and territory jurisdictions is a systematic approach which NOHSC believes should deliver a focused and uniform outcome that will result in tangible improvements to OHS performance in the building and construction sector.