

CLIENTS DRIVING INNOVATION

Keynote Address

OCCUPATIONAL HEALTH & SAFETY – THE CARING CLIENT

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1 INTRODUCTION

1.1 DOES ANYONE CARE?

When you look at occupational health and safety (OH&S) statistics in the construction industry – fatality rates three times the national workplace average; injury rates 50% higher than in other sectors; long term compensation claims double the national workplace average; and a plethora of long term health issues such as hearing loss – one has to ask whether anyone in the industry cares about occupational health & safety ... and unfortunately, I think that it is fair to say that many in the industry don't.

Certainly there are sectors of the industry that have very poor statistics, even against the low achievement of the construction industry itself. If these statistics are a measure of "Caring" in any significant way, then these sectors certainly don't care.

However, some parts of the industry do care.

In particular, we see clients who stand apart in the requirements they impose on themselves and their contractors and the effort they go to in order to improve safety in their operations.

1.2 THE IMPORTANCE OF "CARING CLIENTS"

One of the things that is abundantly clear in occupational health & safety management, is that success is driven from the top – in the client/contractor equation, by the client, and within the individual organisations, by senior management.

Therefore, when you see a very good OH&S performance on a venture or a project, you can be pretty sure that at the top of the structure is a "Caring Client".

You can also be pretty sure that as you go down the "food chain" you will find "Caring Contractors" – caring clients simply do not accept contractors who aren't, irrespective of commercial and other considerations. Of course in turn the caring contractors are "Caring Clients" to their subcontractors.

You will also find that in these "Caring" organisations, the responsibility for good OH&S behaviour is not just accepted by senior management, but it is

driven by those people personally. In such organisations it is usually the CEO or even the Chairman who is the champion of the “Caring” culture.

I will be therefore be talking today about “Caring Clients” and describing some of the things that caring clients, and caring contractors such as John Holland, do. A lot of what I say is really about “attitude”, because good OH&S behaviour is a culture without which good outcomes are simply not possible.

1.3 THE PRESENTATION

Before I look at particular “Caring Clients” and some of the things they do, I will talk a bit about the industry and some of the issues that now confront it.

I will mention my company John Holland, not just for the opportunity to get a plug in, but because I believe that we have established a position in the industry that entitles us to speak about some of the industry’s successes and its shortcomings.

I will talk a little about the Cooperative Research Centre for Construction Innovation (CRC-CI) and a project it is undertaking which probably illustrates how far we have to go in the construction industry.

In presenting an overview of the wider industry, I will present a few statistics and touch on some of the behavioural issues that we face. ...and while talking about behaviour, I will touch on a topic that is starting to get some real attention, and assuredly will get a lot more in the future. That is the changing compliance aspect of OH&S management. If the legislative requirements themselves do not impress on industry players the need to become “Caring”, I expect that some of the penalties applicable under new legislation may.

I hope that case studies on “Caring Clients” that I will present, will not only give credit to their achievements, but will show the way forward for others.

2 JOHN HOLLAND

2.1 JOHN HOLLAND’S HISTORY

Firstly, a bit about my company.

John Holland & Co. was founded in April 1949 and soon after began its first project, a woolshed on the property of former Prime Minister Malcolm Fraser at Nareen in Victoria. John Holland grew strongly in the post War years and through the 50’s and 60’s, came to be acknowledged as one of Australia’s leading engineering contractors.

After a period of difficulties and several ownership changes during the late 80’s and the 90’s, John Holland’s ownership changed again in February 2000. Now it is owned 70% by the listed Leighton Holdings Limited and 30% by Janet Holmes à Court’s family company Heytesbury Pty Ltd.

Over the past few years John Holland has undertaken a number of strategic acquisitions, including the rail equipment supplier and operator Loram, the building company Fletcher Projects, and another iconic Australian construction company, Transfield Construction.

John Holland Group once again is one of Australia's largest general contractors with uncompleted work in hand of more than \$2 billion and annual revenues of approximately \$1.7 billion. We directly employ 2,300 people, of which 1,100 are salaried staff.

As well as being one of the largest construction contractors, John Holland is arguably the most diverse.

John Holland is a leader in civil, structural mechanical and process engineering, and it has a large building business.

We are the industry leader in rail, tunnelling, water and power transmission systems.

John Holland prides itself on engineering excellence, professionalism, ethical behaviour and strong client relationships. We are recognised as an industry leader in occupational health and safety.

2.2 COMMITMENT TO SAFETY

At John Holland our commitment to the health and safety of our employees and others involved in our work is central to our business culture. We are determined not just to be, but to be recognized as the industry leader. We strive to achieve our vision of "no harm".

This preoccupation with safety is ingrained in John Holland. However such a company culture is not achieved or maintained unless it is driven personally by the company's leadership.

Without doubt the primary driver in our case over the past decade and a half has been our Chairman, Janet Holmes à Court. Janet has a fervently held belief that "we should send home our employees in the same condition they were when they came to work". She continually talks safety and, more importantly, she walks the talk. Janet visits sites, undertakes formal site safety inspections, and talks to staff and the industry about safety. She gets the message across, as much to the management and workforce of the company as anyone else, that John Holland demands a total commitment to safety.

I believe that over the past four years I have strengthened this commitment even further. It is a strongly held view of mine that we, both as a company and personally, have a moral obligation to ensure that the health and safety of our people is the paramount consideration in all our operations. Our determination to be safe must be driven by a belief that safety is an end in itself, not just "good business".

I think that John Holland is a caring contractor and, to our subcontractors, a "Caring Client".

2.3 OH&S MANAGEMENT IN JOHN HOLLAND

John Holland recently undertook a full, formal review of our occupational health and safety performance, our management systems, and the way we go about planning for and implementing workplace safety.

This review quantified where we want to be on performance; it identified areas where we need to improve; and it established what we need to do to achieve the level of targets we had set ourselves.

Among the principles that drive our “Improvement Strategy” is that we want to be self motivated and self regulated. We want to have and maintain minimum standards for ourselves which apply no matter where we work, what type of project we undertake, or what the client and indeed legal expectations are.

I believe that this is also a key identifier of a “Caring Client”. It is a determination to set standards on the basis of your own belief in what is right, and to lead the way in implementing and enforcing those standards.

3 COOPERATIVE RESEARCH CENTRE FOR CONSTRUCTION INNOVATION

3.1 THE CRC

John Holland is one of the founding participants of the Cooperative Research Centre for Construction Innovation (CRC-CI). While we are engaged in the overall activities of the CRC-CI and directly participate in many of its research projects, of particular relevance to the topic of this paper is our leadership of the project titled *Safety Critical Positions: a Safety Management Competency System for the Construction Industry*.

3.2 THE SAFETY MANAGEMENT COMPETENCY PROJECT

Surprising as it may seem, our industry does not have a competency system in place. The industry does not have a “Standard” which for example sets down those positions considered “safety critical” and what competencies are required of the people in those positions.

Dean Cipolla, the John Holland Group Safety Manager, is the project leader for this research which is being carried out in conjunction with Bovis Lend Lease, the Queensland University of Technology and the University of Western Sydney.

Specifically, the project will identify and then set down implementation requirements dealing with:

- which management and supervisory positions are critical to safety performance;
- the tasks and functions of those positions;
- the skill and behavioural competencies required by persons who occupy each of the positions; and
- the training, exposure and experience required to achieve those competencies.

The ultimate goal is the development of an industry standard, *Construction Industry Safety Critical Positions and Required Competencies*. We hope to work with NOHSC to introduce these standards into the industry.

In this project, we are a “Caring Client” driving innovation in occupational health and safety.

4 THE CONSTRUCTION INDUSTRY – AN OH&S OVERVIEW

4.1 INDUSTRY BEHAVIOUR

The Royal Commission into the Building and Construction Industry in Australia found that:

“...the OHS performance of the building and construction industry is unacceptable”

and

“...the poor performance was found to be as a result of the industry striving to complete projects on time and on budget, and that too often these competitive forces work against OHS standards which are neglected as being too expensive and time consuming.”

Without wishing to disagree with the Royal Commissioner, I must say that I believe that the poor performance of the industry – and it is indisputably poor – is not a “result” of time, budget and competition issues, notwithstanding that they are substantial issues in the industry. The poor performance is a result of a lack of commitment to safety on the part of clients and contractors. If that commitment was there, then irrespective of other pressures, safety would be paramount, and we would be seeing a much better safety outcome.

It is about time that the industry stopped seeing other elements of the business such as profitability and performance as somehow necessitating that safety be disregarded. Safety is not inimical to profit and performance, in fact the contrary. Nor is safety something that can be given a lower priority when times are tough and other pressing issues occupy management time.

4.2 STATISTICS

4.2.1 Data

One thing that becomes very evident whenever one tries to present safety statistics is that there are plenty of them, but rarely are they consistent. Substantially different indices are collected, and very different definitions and data are used for what are, on the face of it, the same indices. Until this is resolved direct comparisons are very seldom useful.

Notwithstanding, we can only run with what we have, and hope that they tell a sufficiently accurate story.

4.2.1 Fatalities

There are more than 50 fatalities in the Australian construction industry each year. This fatality rate is comparable to the USA and Europe, but it is double that in the United Kingdom.

In 2002-2003 the incidence of workplace fatalities in the construction industry in Australia was 9.2 fatalities per 100,000 employees, which is nearly three times higher than the national workplace average of 3.1.

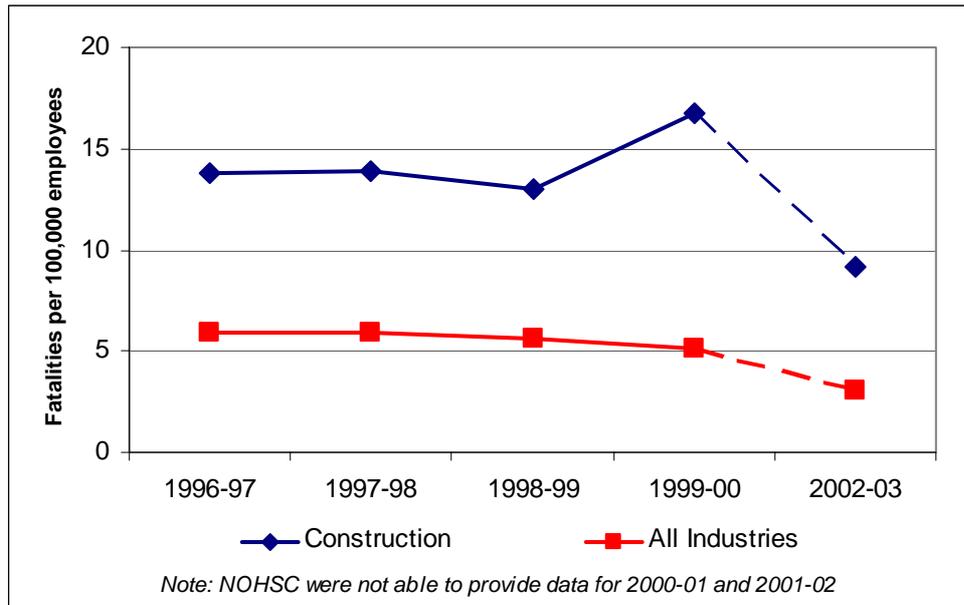


Figure 4.1 – Fatalities

4.2.2 Injuries

The usual industry measure of injury frequency, the Lost Time Injury Frequency Rate (LTIFR), is 50% higher in the construction industry than it is across all industries. (Refer Figure 4.4)

4.2.3 Compensation Claims

In 2002-2003 the construction industry employed approximately 5% of the Australian workforce but accounted for 9% of the accepted workers' compensation claims involving one or more weeks off work.

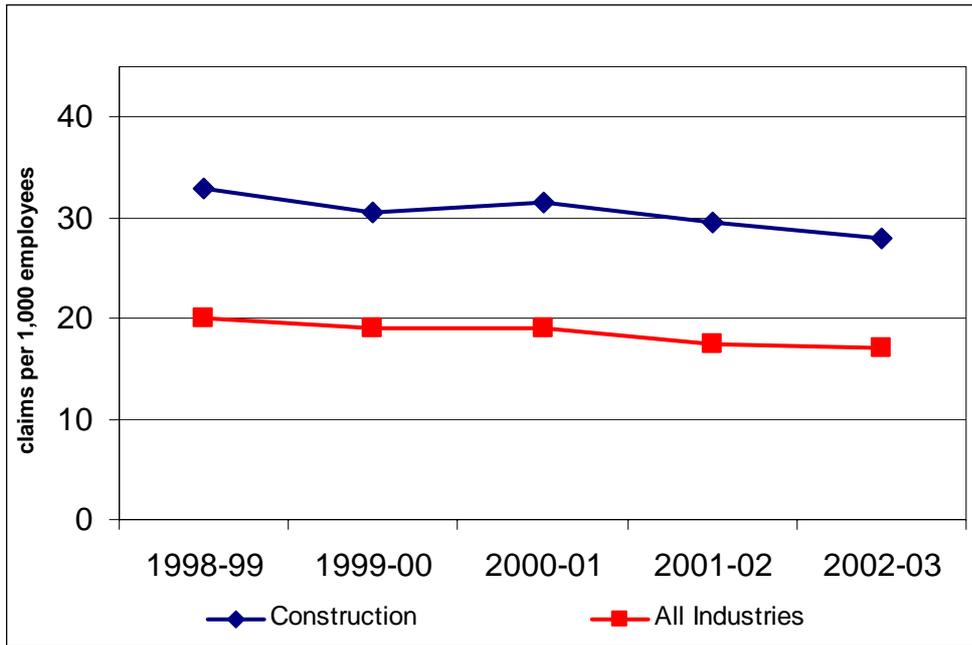


Figure 4.2 – Compensation Claims

Compensation claims in the construction industry for 2002-03 were 27 claims per 1,000 employees. While this was a decrease from a rate of 34 claims per 1,000 employees recorded in 1998-99, it is still much higher than the current national average of 16 claims.

When compared with particular industries, construction lags not only in its performance but in what we are doing about it. The mining industry for example has worked very hard over the past few years to improve its performance, and the results show that they are making progress.

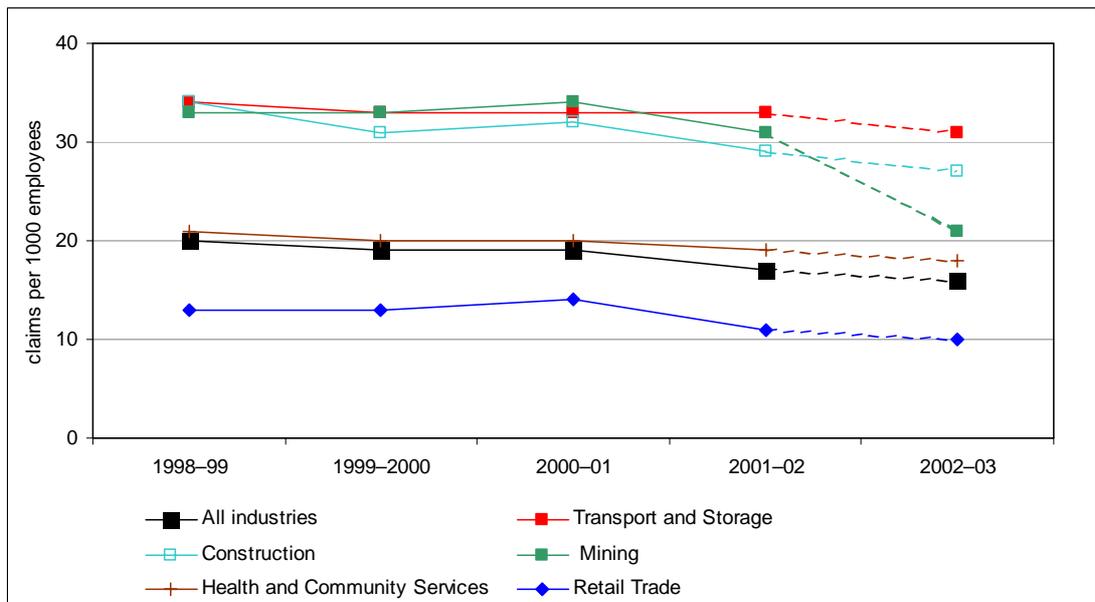


Figure 4.3 – Compensation Claims by Industry

4.3 THE INDUSTRY PLAYERS

4.3.1 Clients

Clients have differing standards and expectations. Many contractors in the construction industry change their level of safety management to suit the projects they are undertaking and the requirements placed on them by clients, contracts and base legislative requirements. This is across the industry, especially with medium and smaller contractors.

4.3.2 Contractors

The 15 or so largest contractors in Australia comprise the Australian Contractors Association (ACA), and they represent the large contractors. However, in total there are some 4,500 identified “construction contractors”, and they range from the members of the ACA, through smaller though nevertheless substantial firms, to a plethora of very small, even Ma & Pa organisations.

The industry is notorious for its low barriers to entry, and not only do we have these small operators, many of whom are undoubtedly efficient and honourable businesses, but we also have a full range of far less honourable operators, including the infamous ‘phoenix’ sub-contractors which were exposed in the recent Royal Commission.

In the absence of genuine client commitment to safety, and unless there are effective pre-qualification schemes in place to eliminate these companies that have no commitment to safety, then we will continue to see safety compromised in the interest of price.

The Australian Constructors Association has been addressing safety performance of the industry and a couple of years ago started to collect and compile the safety statistics of its members. It was not an easy exercise.

Firstly there was the inevitable difficulty with confidentiality – I guess members were either jealous of their own results or embarrassed by them. However, eventually a process was developed to everyone’s satisfaction whereby results would be collected and published in a way that showed the figures for the ACA in total by quartile performance. Each contractor was to be presented with his own figures so that he could compare them against the results of the unidentified others.

Then came the problem of what data was being collected, and what statistics should be compiled. There were as many options and views as there were members of the ACA. It was interesting to find that national standards were of little help.

Eventually it was agreed what statistics should be collected and how they should be defined and compiled, and the process was got underway.

It has been running now for a couple of years and the various problems are getting bedded down. The data is proving to be both enlightening and useful.

Eventually the ACA will be publishing the results, although not in a way that identifies individual performance. But of course that is enough, because each contractor knows that clients will eventually use this information in prequalification assessment and they will ask a contractor where he stands in comparison to the ACA figures.

The ACA is behaving as a “Caring Client” with this initiative. It is a great pity that the rest of the contractors, whose statistics are four or five times worse, do not have the same focus or interest.

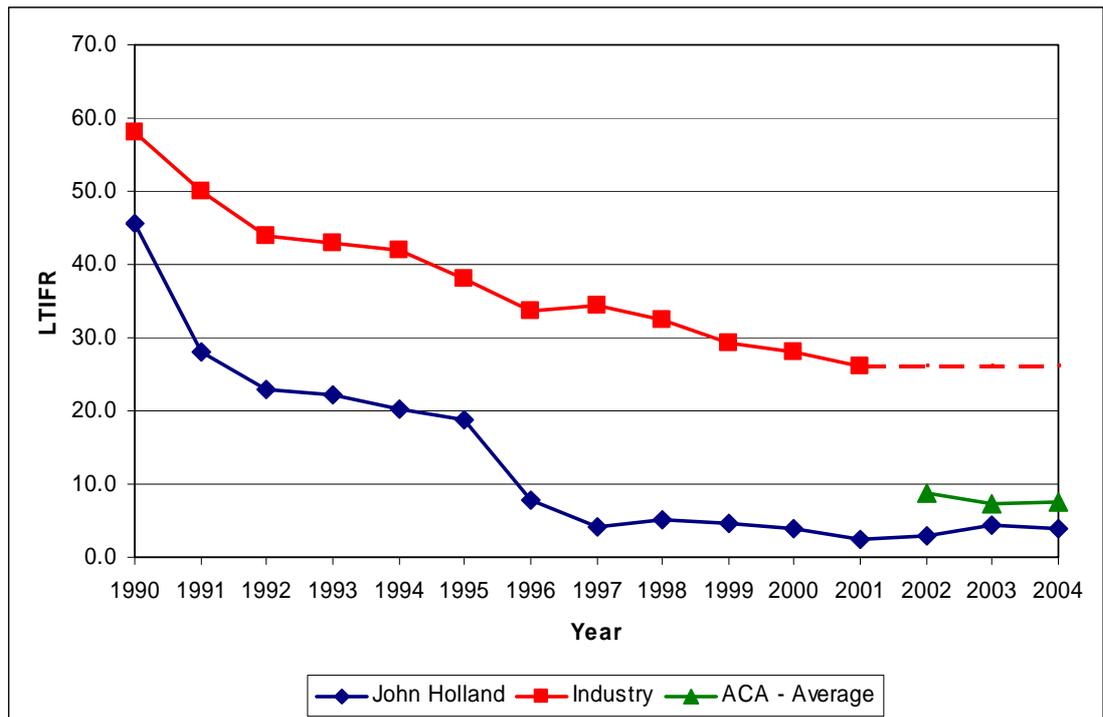


Figure 4.4 – Lost Time Injury Frequency Rate
(John Holland) figures after 1997 are for the financial year)

4.3.3 The Workforce

The workforce itself is probably one of the biggest difficulties. It is itinerant and there is a high degree of staff mobility, and this makes it difficult to instil a robust safety culture or to undertake effective training. Furthermore, much of the workforce is employed by first and second-tier subcontractors and is only indirectly responsible to the principal contractor. Those subcontractors each have their own safety culture, commitment and practices. Many have no interest in safety.

To make matters worse, sections of the union movement see safety as an industrial tool. They impose strikes and bans ostensibly on safety grounds, but really as industrial leverage. Some of the union organizers would not have done a proper safety inspection on a project in decades, but they are vocal and seemingly sincere about safety when they shut a contractor down for alleged safety breaches. More often than not the safety issue seems of secondary importance when negotiations start.

It is also amazing how many unsafe contractors and subcontractors, generally the smaller ones, seem never to have safety issues with the unions even though their safety performance is abysmal. Presumably they satisfy the unions in other ways.

If Governments are serious about safety they will legislate to prevent safety being used in this manner.

4.4 COMPLIANCE ISSUES

4.4.1 Establishment of FSC and a national code of practice

The Royal Commission recognised that *“Governments fund a significant proportion of building and construction activity ... and are therefore important clients of the industry.”* It proposed the introduction of a Federal Safety Commissioner (FSC) as part of a package to ensure that the Australian Government leads by example and fully uses its powers as a client to improve safety outcomes.

It is intended that the FSC will:

- develop a National Code of Practice for Safety on Commonwealth Government funded projects
- raise the level of consideration that is given at the design stage to reducing, if not eliminating, the OH&S risk in construction;
- manage an OH&S accreditation scheme for Australian Government building and construction work;
- build commitment to improved OH&S performance; and
- raise compliance levels with OH&S law.

This initiative has been adopted by the Commonwealth Government, and we hope to be involved in the development of the proposed Code of Practice and the associated audit processes.

If action in this regard does eventuate, then the Commonwealth Government will certainly be acting as a “Caring Client”.

4.4.2 Prosecution and penalties

In recent years there has been considerable pressure on State Governments from the community and from the union movement to introduce more stringent legislation and harsher penalties. Most of the States have either done so or are in the process of doing so.

This legislation is targeting not just the companies themselves, but their officers and directors.

Section 26 of the Occupational Health and Safety Act 2000 (NSW) for example states that:

“If a corporation contravenes, whether by act or omission, any provision of this Act or the regulations, each director of the corporation, and each person concerned in the management of the corporation, is taken to have contravened the same provision unless the director or person satisfies the court that:

- (a) *he or she was not in a position to influence the conduct of the corporation in relation to its contravention of the provision, or*
- (b) *he or she, being in such a position, used all due diligence to prevent the contravention by the corporation.”*

Whilst this Act provides one of the clearest and most direct statements of directors and managers liability, similar provisions exist in the Acts of other states and territories.

The penalties that can be applied for breach now are very substantial, and in a number of jurisdictions can include jail terms even for first offences. While no one can reasonably object to such penalties where management flaunts the requirements of good safety practice, there are elements of the legislation that seem directed more at placating the unions than ensuring that safety management is the real beneficiary.

One must be generous enough to say, however, that the States are behaving as “Caring Clients” in bringing in these changes. But it is a pity that there has not been more recognition given to what I believe are genuine concerns with some aspects of the legislation.

4.5 CONCLUSIONS

The construction industry’s OH&S performance is poor in comparison to that of other industries.

It is clear that the diverse and mobile nature of the construction industry presents it own problems in terms of effective management of health and safety, but this doesn’t excuse the poor performance.

The final report of the Royal Commission into the Building and Construction Industry stated that “*Too often safety is neglected.*” This is unfortunately true.

The whole industry must come to the understanding that legal compliance is necessary but not enough. Legal compliance may prevent prosecution but it will not prevent injuries and incidents. Furthermore, if we as an industry set our sights on legal compliance alone, we will ensure that increasingly onerous legal obligations and legal penalties are imposed.

Firms and the industry collectively must set their own standards that are substantially above those mandated by legislation. They must take it on themselves to be proactive in pushing the boundaries and finding ways to make their own operations safer.

5 “CARING CLIENTS” – SOME CASE STUDIES

5.1 COMALCO ALUMINA REFINERY

5.1.1 The Project

The new Comalco Alumina Refinery in Gladstone, Queensland was constructed under an Alliance comprising the client, his EPCM contractor and

a number of subcontractors. John Holland undertook a major portion of the structural steel fabrication and erection, pipe work installation, and the assembly, installation and alignment of pumps, materials handling and other process equipment.

Under the Cost Reimbursement Performance Incentive there was provision for reimbursement of direct and indirect costs, payment of a fixed fee and payment of an incentive based on performance. The payment based on performance took two forms: a payment based on performance against overall key performance indicators (KPI); and a bonus payment to the workforce teams under a Team Based Performance Incentive Programme.

The contracting arrangements were innovative and the outcome on the project was excellent, with the project completed on time and within budget.

Comalco and its parent company Rio are also extremely focussed on OH&S management and performance. They have a number of internal programs which are leading edge, including a comprehensive Behavioural Based Safety programme. They demand that their contractors and subcontractors are equally focussed, and will not tolerate behaviour that is less than the best. They are willing to pay for good safety performance, but on the other hand they demand it unequivocally.

5.1.2 Client Initiatives

Comalco set “zero incidents” as the target on the site and to support this “zero incidents” focus they established a number of initiatives.

The KPIs for both the company and the workforce teams had safety performance as the top weighted item. The impact of any safety lapse was financial and immediate.

Other initiatives demonstrated their commitment to the “zero incidents” goal:

- Safety was the first item on the agenda for every meeting held on site;
- Each construction group was assigned a Safety Advisor to work directly with their OH&S personnel to promote efficient open communication and speedy resolution of any issues as they arose;
- A process of managing safety (lead indicators) was employed instead of solely looking at the statistics (lag indicators). This was a key element of KPI assessments and the Team Based Performance Incentive Programme;
- Comalco actively promoted the People Based Safety Program (Behavioural Based Safety) which called for the involvement of all staff members. In John Holland’s case over 40 planned “job observations” were performed each week;
- Employees were empowered to participate in the programme and were provided with one-on-one feedback to constantly improve understanding of the process;
- All supervisory personnel actively participated in the Project Leadership programme as well as the training of Core Skills for Supervisors;
- Innovative ideas for improving safety in the workplace were encouraged and received from the workforce, and individuals received Excellence Awards for their contribution.

5.1.3 John Holland on the Comalco Alumina Project

In such an environment, it is not possible or acceptable for a subcontractor not to also be proactive in OH&S management. Accordingly, some of the Initiatives implemented by John Holland included:

- The use of Hazard Based Competency Assessments to ensure that operators were familiar with the occupational health and safety aspect of the machinery and tools that they were given to use;
- Information gathered during the job observation process and incident investigations was collated and fed back to supervisory personnel with daily reports. In turn they fed the information through to the workforce;
- A Hazard Status Board was posted at each work location and the team personnel recorded all hazards identified and the controls put in place to manage them. This information was used to develop a “living” risk profile for the various tasks undertaken;
- “Boot Camp” training for supervisors, designed to ensure that all supervisory personnel had achieved a common standard of understanding of the occupational health and safety requirements of the project and John Holland.

5.1.4 Performance

Table 5.1 – Occupational Health and Safety Performance, CAR Gladstone

Hours Worked (end of May)	821,755
Lost Time Injuries	1
Medical Treatment Incidents	3
Lost Time Injury Frequency Rate	1.22
First Aid Incidents	169
Job Observations	1,849
Competency Assessments	3,949
Minor Workers Compensation Claims	60

5.2 BWEA ALLIANCE

5.2.1 The Project

The BWEA Alliance has been established to upgrade three of Brisbane’s wastewater treatment plants and have those plants operating by October 2006. The principal objectives are to improve the water quality in Moreton Bay and to provide for future capacity with the best whole of life design.

5.2.2 Client Initiatives

This project is also being carried out under an Alliance, which includes the client, Brisbane Water, as an active participant.

Brisbane Water demands outstanding performance in several areas other than capital cost, and safety is one of the highest rated. To reinforce this demand, the alliance partners receive incentives for outstanding safety performance and are penalised for poor safety performance.

5.2.3 Alliance Partner Initiatives

The Alliance, has established a number of focussed safety initiatives:

- The Alliance Zero Harm Target is linked with Brisbane Water’s own Zero Harm Target;
- Systems of Brisbane Water and the BWEA Alliance are linked;
- Joint inductions are undertaken between Brisbane Water and the Alliance;
- The project team has been given a “Vision” for safety performance;
- Safety is treated as part of the total project delivery by incorporating safety in design, procurement, construction planning and operations;
- A reference group (BSAG) mobilizes input from the whole Alliance Team to provide guidance and strategic direction to the programme;
- The operations group is involved in all levels of the project delivery;
- Safety is the first item on all agendas.

5.2.4 Performance

Table 5.2. –OH&S Performance, BWEA Alliance

Staff hours	129,353
Direct Project Labour hours	69,506
Subcontractors hours	55,869
Total Manhours	254,728
Lost Time Injury Frequency Rate (LTIFR)	0
Medical Treatment Injury Frequency Rate (MTIFR)	11.77
Medical Treatment Injuries	3

5.3 WOODSIDE ENERGY LTD PHASE IV EXPANSION (TRAIN 4) FOR THE NORTH WEST SHELF VENTURE ONSHORE LNG PRODUCTION FACILITY

5.3.1 The Project

Train 4 is Woodside’s new LNG Production Facility on the Burrup.

John Holland’s was the contractor for the civil off plot works, which included the concrete foundations for the Power Generation and Acid Gas Removal Unit areas of the plant and all underground electrical and instrument cabling.

Safety in an operating LNG plant is paramount.

5.3.2 Client Initiatives

Woodside has one of the most demanding commitments to safety that I have observed. It demands the highest safety performance, irrespective of cost, and it really does practice the “it starts at the top” culture. It demands that its contractors behave as it does.

During the project, I personally attended site on a quarterly basis for “Sponsor Meetings”. These meetings went on for a fair part of the day and were meant to address all the project issues that involved the particular contractor. I and our senior regional management and our project manager would represent John Holland, and the General Manager Onshore Projects of Woodside and his senior staff and senior representatives of his contract superintendent all attended. A very high level meeting you would say.

There were usually many pressing issues – program, variations, budgets, industrial matters, technical difficulties, weather etc. However, and notwithstanding that by any measure there were no or very minimal occupational health and safety problems, we invariably spent most of the time, addressing OH&S performance and management.

On site, this attention showed. The site “house keeping” was impeccable, with many novel ideas being used to ensure that this was so.



Plate 5.1 –Site Housekeeping – Woodside LNG Train 4

The care taken to protect people working at height – any height - was extreme.



Plate 5.2 –Foundation Construction Access and Barriers Woodside LNG Train 4



Plate 5.3 – Foundation Construction Access and Barriers - Woodside LNG Train 4

All of the workers met in small groups each morning before work commenced for a ten or fifteen minute talk on the safety issues of the day. And these start meetings were attended by management representatives.

Woodside set the most rigorous occupational health and safety targets for the project and staff incentive schemes were designed to ensure that the importance of safety to the company would be reflected in the importance to staff personally.

Woodside initiated tools such as Step Back 5x5, and the Hazob (Hazard Observation/Improvement) Programmes.

Step Back 5x5

Based on the Dupont “Take Five” (minutes) system the Step Back 5x5 system calls for individuals to step back 5 metres and take 5 minutes to assess the risks. Workers carry a small booklet in their pocket which lists a series of questions to answer when doing a Step 5x5.

Hazob

The Hazard Observation / Improvement Programme provides a mechanism by which all individuals participate in identifying potential risks and hazards, and suggesting ways in which processes or practices can be improved. This system:

- promotes a 24-hour, 7-day philosophy to health, safety and the environment;
- empowers all individuals to be advisers on health, safety and the environment;
- raises awareness of others to accident potential, and captures the knowledge and experience of individuals; and
- promotes continuous improvement and accountability.

The number of Hazobs and Step 5x5's that workers did each week were measured.

5.3.3 John Holland Initiatives

Under the Woodside leadership, John Holland also pushed its safety management to the boundaries.

We initiated a system called OAR, an acronym for opportunity, authority and responsibility.

This system was designed to:

- assist the project in achieving goals and targets;
- to enhance the client initiated health and safety tools;
- to reinforce to individuals the newly learnt, project specific health and safety requirements and information;
- to formally pass on to each person working on the project the opportunity, authority and responsibility (OAR) to stop any undesired work practices, or have rectified any potential hazards or risks that the identified; and
- encourage individuals to objectively observe and evaluate their workmates undertaking activities, and to discuss with them the work

practices, methodology and health and safety requirements in relation to the task specific job safety analysis and the health and safety manual.

5.3.4 Performance

Table 5.3 – OH&S Performance, Woodside

Staff	18
Direct Project Labour (Peak)	100
Subcontractors (Peak)	40
Total	158
Total Manhours	193,000
Lost Time Injury Frequency Rate (LTIFR)	0
Medical Treatment Injury Frequency Rate (MTIFR)	10.4
Medical Treatment Injuries	2
Workcover Claims	0

5.4 BHP BILLITON PORT KEMBLA BAG HOUSE

5.4.1 Scope of the Project

The project entailed the erection of building steelwork and installation of mechanical process equipment for the Coal Fines Dryer.

5.4.2 Client Initiatives

The contract was with Dendrobium, a fully owned entity of BHPB. BHPB were directly in all aspects of safety management and performance on their site. They left nothing to chance and demanded very detailed and specific systems, safety deliverables and performance outcomes on John Holland before and during the delivery of this project.

Some of the key initiatives which BHPB initiated on this project were:

- They reviewed their operations and identified tasks and activities which contain hazards which have the potential to kill or maim, and have developed specific “Fatal Risk Protocols” which mandate detailed specific performance standards and requirements for each particular activity on their sites. The requirements within the “Fatal Risk Protocols” were mandatory across all operations.
- Their project construction manager was directly involved in all aspects of safety on site, was involved in all project planning meetings and ensured that safety was the first point on the agenda and considered in all planning activities.
- Safety was the first consideration for any activity to be undertaken. If a full risk assessment and control plan was not in place and approved then no activity was allowed to commence.
- All site managers, John Holland and BHPB were required to undertake formal safety inspections and observations on a daily basis and stay directly involved in workplace safety
- All incidents were investigated jointly by JH and BHPB.
- Employee input in all aspects of task and workplace planning and safety was mandatory.

5.4.3 John Holland Initiatives

A full project risk assessment was undertaken before mobilisation to site. The risk assessment included identifying the risks involved with all project scope activities and hazards which are not normally covered by the John Holland Safety Management System and included them in the development of the Project Safety Management Plan and Procedures.

As a part of this process we also reviewed the BHPB Fatal Risk Protocols and ensured that we had integrated their specific requirements as well.

5.4.4 Performance

Table 5.4 – OH&S Performance, Port Kembla Bag House

Total Manhours	49,481
Lost Time Injury Frequency Rate (LTIFR)	0
Medical Treatment Injury Frequency Rate (MTIFR)	40.4
Medical Treatment Injuries	2
WorkCover Claims	0

5.5 JOHN HOLLAND GROUP BOARD SAFETY SUB-COMMITTEE

5.5.1 Background

With the increasing personal liability that company directors and officers are facing in respect of their roles in companies, we are starting to see in business generally a reluctance on the part of such people to undertake particular roles which increase their personal exposure. In the area of safety management, we can expect more of this “risk aversion” as legislation progressively increases the risks and penalties to which individuals are exposed.

Against this trend, the John Holland Board has actually moved into a more direct role in safety management by establishing a Board Safety Sub-committee. John Holland is a leader in doing this and unique within the construction industry.

The Board decided to take this innovative step, not only because members of the Board feel very strongly about the health and safety of John Holland’s workforce, but because some of them in particular felt that people needed to show leadership in this area and be prepared personally to do something about the poor safety performance of our industry.

5.5.2 Sub-committee Composition and Meetings

The Sub-committee comprises three non executive directors, one of whom is the Sub-committee Chairman, the John Holland Group Managing Director, the Managing Director of John Holland Construction, the Corporate General Manager HR/IR/Safety and the Group Manager Safety.

The Sub-committee meets at least quarterly, at the time of Group Board Meetings.

The meetings are of a day's duration and include site inspections, generally of one or two projects, and a formal Sub-committee meeting. Other company officers and sometimes a specialist advisor are invited to meetings.

The report of the Sub-committee is an agenda item at the main Board meeting.

5.5.3 Committee Charter

At the inaugural meeting the Sub-committee established a charter which specifically sets and communicates the committee's purpose and intent across the Group.

The key elements of the charter are:

- oversight of the company's occupational health and safety strategy and performance; and
- ensuring that the company's commitment to safety is visible and effective.

The Sub-committee members:

- undertake specific training in occupational health and safety at a level appropriate to Sub-committee membership;
- must become and remain aware of relevant regulatory changes which may affect the Company in relation to occupational health and safety;
- review and authorise the Group Occupational Health and Safety Strategy and monitor its implementation;
- review the Company's safety statistics and performance;
- review all Class 1 and Class 2 actual and near miss incidents, and assess corrective actions arising from the investigations;
- participate in activities designed to demonstrate management's commitment to safety including recognition activities, safety inspections and face to face discussions with Company employees;
- must become and remain aware of world class safety organisations and initiatives across all industries.

As can be seen, these are onerous obligations and require a serious commitment on the part of the Sub-committee members.

It is a source of great pride to me that our Board has members who are prepared to enter into such commitment.

5.6 JOHN HOLLAND & NATIONAL OCCUPATIONAL HEALTH & SAFETY COMMISSION (NOHSC)

In June 2004, a landmark conference brought together governments, industry and unions to push for improved occupational health and safety performance in the building and construction industry. Since the industry has a reputation as among the worst OH&S performers, this was a great opportunity for all parties to do something about it.

For its part, the NOHSC is working to conduct forums to engage the building and construction industry on safety issues, particularly at CEO level. John Holland Group will be working in partnership with NOHSC on this and other

initiatives to promote health and safety in the building and construction industry.

6 CONCLUSION

If the safety performance of the Australian construction industry is to improve, we need more “Caring Clients” and “Caring Contractors”. We need to get rid of those who don’t care.

Governments fund a significant share of construction activity and are the most influential clients of the industry. All the individual governments do to some extent use their buying power to drive improved industry performance in health and safety. However, much needs to be done nationally to further this approach. The creation of the position of Federal Safety Commissioner and the development of a National Code of Practice may be a step in this direction.

Whilst I have significant issues with some aspects of the “industrial manslaughter” type legislation that is currently being promulgated, I certainly believe that the time has come for a substantial tightening of legislation to increase the obligations of all the industry players, from clients and designers, to contractors, and to employees and unions.

For many, occupational health & safety has become a plaything. The industrial relations games that are played by some unions must cease; the lip services that is given to safety by too many clients and contractors must cease; the political point scoring that is engaged in by Governments (at all levels and of all persuasions) must cease.

More “Caring Clients” would be a good start.