

## Managing Occupational Health and Safety on Queensland Government Building Projects – A Management Systems Approach

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## Overview

- Snapshot of the Australian BCI
- The Taskforce
- The PQC System
- Why the Management Systems Approach?
- The Role of the Client
- The New PQC OHS Requirements
- Lessons Learnt So far

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## Snapshot of the BCI

- 5% of Australian Workforce
- 9% of Workers' Compensation Claims
- 9 fatalities per 100,000 employees – Australian average is 3
- 15 workers aged 15-24 killed in the last 3 years

*(Source: National Occupational Health and Safety Commission)*

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## Snapshot of the BCI

- BCI employees are twice as likely to be killed at work
- 40 BCI workers are killed every year
- The industry averages 34 claims per day

*(Source: National Occupational Health and Safety Commission)*

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## Snapshot of the BCI

- Median cost per compensation claim
  - BCI - \$5592
  - All industries - \$4406
- Median duration of absence
  - BCI – 4.2 weeks
  - All industries – 3.8 weeks

*(Source: National Occupational Health and Safety Commission)*

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## Snapshot of the BCI

- Compensated fatalities
  - BCI – 4.7 (frequency rate per 100 million hours worked)
  - All industries – 1.8
- Compensated claims
  - BCI – 27 (incidence rate per 1000 employees)
  - All industries – 16

*(Source: National Occupational Health and Safety Commission)*

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## Building and Construction Industry (Workplace Health and Safety) Taskforce

### Terms of Reference

“-- provide advice on the setting of prequalification or tendering requirements that support contractors with proven workplace health and safety management systems and committed to high compliance with their health and safety obligations”

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## The Taskforce

### Recommendation 7.19

“That the Department of Public Works introduces effective workplace health and safety criteria into the prequalification tendering process and the monitoring of on-site performance of principal contractors on government projects----”

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## The Taskforce

“The design and adoption of a ‘systems’ approach to managing health and safety risk within the industry has the potential to generate sustained and meaningful change at all levels of the industry”

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## The PQC System

- PQC identifies
  - compliance
  - commitment to continuous improvement
  - experienceagainst prescribed criteria of
  - experience
  - systems
  - people
  - business
  - financial capacity (contractors only)

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## The PQC System

- 4 PQC Levels
  - 1 (effective work practices)
  - 2 (commitment to continuous improvement)
  - 3 (industry best practices)
  - 4 (world’s best practices)

313 contractors currently registered

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## Why the Management Systems Approach?

The Taskforce Final Report identified that the first iteration of the PQC System did not deal adequately with the OHS performance of prequalified building industry contractors and recommended that a systems approach to managing OHS on government building projects be adopted.

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## Why the Management Systems Approach?

National Prequalification Criteria Framework (APCC, 1998)

“Contractors can demonstrate their commitment to the development and continuous improvement of OHS&R with a specific (safety management) system.”

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## Why the Management Systems Approach?

National Code of Practice for the Construction Industry (APCC, 1997)

“Additionally, they (service providers) are expected to prove that they have an appropriate OHS&R management system operating within their individual enterprise.”

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## Why the Management Systems Approach?

AS/NZS 4801:2001 and 4804:2001 define an OHSMS as:

“That part of an overall management system which includes organisational structure, planning activities, responsibilities, practices, procedures, processes and resources for **developing, implementing, achieving, reviewing and maintaining** the OH&S policy and so managing the risks associated with the business of the organisation.”

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## Why the Management Systems Approach?

“Safely Building NSW”

- 25% improvement in management of OHS by MOU contractors
- 32% decrease in claims incidence for MOU contractors
- Decline in overall incidence rate for NSW construction industry from 58 per 1000 workers ('95/96) to 39.9 ('99/00)

(Source: WorkCover NSW, 2001)

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## The Role of the Client

The Final Report of the Royal Commission into the Building and Construction Industry (February 2003) noted that in some other countries (e.g. UK) “significant duties are imposed on clients” through OHS regulation.

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## The Role of the Client

“Safely Building NSW”

Major drivers of change in OHS management have been:

“increasing legislative obligations; changes to workers' compensation payment and levy systems; and **client expectations, especially government procurement requirements-----.**”

(Source: WorkCover NSW, 2001)

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## The Role of the Client

Cole Royal Commission on drivers of change:

“Clients can be a force for good in the industry. Too often they are not. It is time to bring clients into the requirement to promote occupational health and safety on their projects.”

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## The Role of the Client

Cole Royal Commission on drivers of change:

“The proposition that head contractors and subcontractors would be motivated to improve their occupational health and safety performance if they knew their capacity to obtain work would thereby be affected found broad support among the participants in the Workplace Health and Safety conference.”

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## The Role of the Client

National Occupational Health and Safety Strategy 2002-2012:

“Governments are major employers, policy makers, regulators and purchasers of equipment and services. They have a leadership role in preventing work-related death, injury and disease in Australia.”

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## The Role of the Client

National Occupational Health and Safety Strategy 2002-2012:

Outcome expected:

“Where practicable, governments, project managers and contractors improve OHS through use of the supply chain.”

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## New PQC (OHS) Requirements

Prequalification OHSMS requirement

- Must have a documented, implemented and maintained OHSMS that satisfies the OHSMS criteria set out in *AS/NZS 4801:2001 Occupational health and safety management systems – Specification with guidance for use*

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## New PQC (OHS) Requirements

PQC (OHS) Auditors

- Accredited providers under Workplace Health and Safety Act 1995
- OHSMS audits, assessment of Construction Workplace Plans and site inspections

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## New PQC (OHS) Requirements

### Project specific requirement

- Assessment of Construction Workplace Plan
- Site inspection once for every 13 weeks
- Site inspection report
- Corrective action notices
- Failed inspections can lead to sanctions

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## New PQC (OHS) Requirements

### Implementation schedule

- Level 3 and 4 contractors – 1 July 2004
- Level 1 and 2 contractors – 1 January 2005 but currently under review

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## Lessons Learnt

- Establishing an **effective** OHSMS takes commitment, resources and time
- Even established OHSMS can be non-compliant
- Motivational theory – are contractors doing it for the right reasons?

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## Questions?

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