## PROCUREMENT AND RISK SHARING

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## OCCUPATIONAL HEALTH AND SAFETY: BUILDING AND **CONSTRUCTION INDUSTRY PERSPECTIVES.**

#### 1. INTRODUCTION

- 1.1. OVERVIEW OF OCCUPATIONAL HEALTH AND SAFETY IN THE CONTEXT OF THE AUSTRALIAN BUILDING AND CONSTRUCTION **INDUSTRY**
- 1.1.1. Historically, Australia's building and construction industry has had a reputation of having one of the highest incidences of workplace injuries and fatalities when compared with other Australian workplaces. This grave assessment still holds true today, with the Australian construction industry's incidence rates for injuries and fatalities, 25.1 injuries per 100,000 employees, being significantly greater than the Australian average of 14.1 injuries per 100,000 employees. Moreover, workplace fatalities, injuries, illnesses and fatalities impose significant costs on individuals, businesses, the community and the economy as a whole. The total economic cost of workplace injuries and fatalities has been estimated in excess of \$31 billion annually.2
- 1.1.2. Australia's 10 Occupational Health and Safety (OHS) regulatory regimes aim to address the risks involved in the workplace to prevent workplace illnesses, injuries and fatalities and impose a requirement on employers to adhere to minimum levels of OHS standards in their workplaces.
- **1.1.3.** The implementation of effective OHS policies, procedures and systems by an employer not only reduces their exposure to the economic and social costs of workplace accidents, but also has positive implications for their business and their commercial success.
- 1.1.4. As the benefits of an injury-free workplace are often intangible, it is increasingly popular to assign a benefit to OHS standard adherence to ensure compliance is maintained at the highest standard possible. To this end, it is becoming apparent that reward-based incentives incorporated into a

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<sup>&</sup>lt;sup>1</sup> National Occupational Health and Safety Commission, Preliminary Regulation Impact Statement: Draft National Standard for Construction. June 2004.

<sup>&</sup>lt;sup>2</sup> Productivity Commission Inquiry Report, *National Workers' Compensation and Occupational* Health and Safety Frameworks. No. 27, 16 March 2004.

- construction contract will ensure OHS standards are met and exceeded for the duration of a project.
- 1.1.5. In Australia, OHS is being embraced by employers and employee alike. It is a growth area, particularly in the building and construction industry. Recent developments in OHS include Government recognition of the need for tougher penalties for non-compliance, reform of the OHS regimes and implementation of national standards and codes of practice for particular workplaces and workplace hazards.

# 2. BUILDING OCCUPATIONAL HEALTH AND SAFETY STANDARDS INTO CONSTRUCTION PROJECTS

#### 2.1. LEGAL REQUIREMENTS VERSUS PRACTICAL REQUIREMENTS

- **2.1.1.** Implementing OHS standards in a workplace and ensuring OHS standards are maintained in a practical environment can prove challenging. Employers are advised to undertake a number of steps to ensure appropriate implementation of OHS standards.
- **2.1.2.** Employers should affirm their commitment to a safe workplace, through communication with employees, drafting of policies and procedures and employee training.
- **2.1.3.** Employers should ensure employee involvement in the creation of procedures and policies and ensure employees have opportunities to voice concerns. Most importantly, employers should address the OHS concerns of employee promptly and ensure follow-up on the progress of implemented solutions.
- **2.1.4.** Hazard management is vital to ensuring overall OHS standards are met. Where a specific hazard exists, a procedure should be drafted to manage that hazard. Audits of the workplace should be undertaken regularly to ensure identification of new hazards. Employers should maintain good communication with employees such that new hazards identified by employees are reported to the employer promptly.
- **2.1.5.** Maintaining safety records and information is also vital to ensuring OHS compliance. Safety records and information provide an objective assessment of the state of a company's OHS compliance, which may be used to boost employee morale about OHS, or act as a measure for improvement in OHS compliance.

## 2.2. THE IMPLEMENTATION OF REWARD-BASED INCENTIVES

#### 2.2.1. Contract-based Incentives

**2.2.1.1.** Fulfilment of OHS requirements does not produce a tangible, accountable benefit for a corporation. Compliance with OHS requirements usually results in "non-events", which are not self-reinforcing.<sup>3</sup> Therefore, the significant

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<sup>&</sup>lt;sup>3</sup> Angela O'Dea and Rhona Flin, *The Role of Managerial Leadership In Determining Workplace Safety Outcomes.* University of Aberdeen Research Report 44. 2003.

- consequences of non-compliance means that, for OHS standards to be maintained, tangible benefits must be incorporated into projects.
- 2.2.1.2. Reward-based incentives may be incorporated into a construction contract to ensure high OHS performance. In some instances, an appropriate incentive may be a contractual provision which establishes that part or all of an otherwise earned fee, fixed fee, profit or share of cost saving is subject to reduction by the principal or superintendent where OHS performance is below pre-set, expected levels. The use of this type of incentive integrates OHS into the overall construction contract and is particularly effective where there is a critical risk which must be properly managed.
- 2.2.1.3. In all circumstances, incentives should be structured to promote the integration of OHS into all aspects of contractors' work. To this end, OHS performance should be assessed at the end of each performance period, alongside other usual payment assessments. Not only does this system formally integrate OHS into usual work practices, but it also allows assessment of OHS performance on a step-by-step basis throughout the duration of the contract and acts as a constant check on performance.
- 2.2.1.4. It is imperative that the parties to the contract agree to objective standards for OHS to which they must comply. Such standards may include maximum hours of lost time for injuries, rates of injuries and illnesses. This is particularly relevant where there are specific risks to be addressed. The standards applicable to assessment of OHS performance should be able to be amended by the parties by agreement to adapt to the changing conditions of the work site. For example, a contract may stipulate different standards for different stages of the project; the parties may agree to amend applicable standards during the course of a project in light of variations to the contract work.

### 2.2.2. Other Incentives

- 2.2.2.1. There are numerous incentives outside the contractual relationship for good OHS performance. Primarily, decreased workers' compensation premiums for good OHS management and low injury rates is an incentive for good OHS and is also a major commercial incentive which serves as an ongoing reminder to firms of the value of making the workplace safe.
- **2.2.2.2.** The social and economic benefits of OHS performance provide further incentives for good OHS practice. These benefits are discussed in detail below.

### 2.3. APPROPRIATE MANAGEMENT OF RISK

#### 2.3.1. Risk Allocation

**2.3.1.1.** During the late 1980s and early 1990s, commentators suggested that there was a low base of expertise available within Australia for the management of major construction projects, so much so that many major projects were managed by expatriates.<sup>4</sup> However, in 2004, not only has the depth of

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<sup>&</sup>lt;sup>4</sup> See, eg., the Maddock Committee (1989, p2-8).

- Australian construction management improved, but so has the industry's knowledge of, and adherence to, OHS requirements.
- 2.3.1.2. Corporations today must ensure OHS risks and responsibilities are properly allocated given the significant consequences of OHS regulation breaches. To this end, corporations should ensure sufficient resources are directed towards OHS initiatives and personnel, the instruction, training and supervision of employees and third parties, the creation of clear policies, systems and procedures with respect to OHS which are applicable to all employees and third parties and encourage a workplace culture which is supportive of OHS initiatives.
- **2.3.1.3.** Management of risk also entails sharing the responsibilities of OHS compliance, accountability and responsibility. Each person in management should be aware of their OHS responsibilities and the responsibilities of those working under their management and maintain lines of communication between management and employees as regards OHS.
- **2.3.1.4.** Depending on the scale of any particular project, it is often cost-effective to have a designated OHS manager to ensure OHS compliance on site.

## 2.3.2. Balancing Risk and Cost

- **2.3.2.1.** The OHS incentives put in place by corporations should properly balance the benefits and costs of avoiding workplace injuries and fatalities. The high cost of workplace injuries is discussed below.
- **2.3.2.2.** Given the high cost to business and the community caused by workplace injuries, it is imperative that corporations address their OHS responsibilities responsibly and mindful of the cost benefits that a good OHS record can have.

# 3. THE SOCIAL AND ECONOMIC BENEFITS OF GOOD OHS PRACTICE

## 3.1. Social Benefits

## 3.1.1. Positive working environment and worker morale

- **3.1.1.1.** Occupational health and safety not only pays financially but it pays in terms of other non-tangible benefits such as customer satisfaction, corporate reputation, worker morale and worker motivation.
- 3.1.1.2. Accidents in the workplace often lead to poor worker morale, affecting productivity, motivation and behaviour in relation to safety. A positive approach to OHS in the workplace ensures greater workforce compliance and motivation to ensure reduced risk of injury and illness of workers. Increased understanding of the risks involved on site and how the employer addresses those risks will increase staff morale through decreased absence of workers due to illness and injury.

## 3.1.2. Goodwill and Company Image

- **3.1.2.1.** An employer's positive and successful approach to OHS will also reap benefits for it in the marketplace.
- **3.1.2.2.** Companies with highly effective OHS systems and procedures in place will attract highly-skilled workers who require above-average OHS standards of their employers.
- **3.1.2.3.** Companies are often rewarded by governments for their achievements in good OHS records.
- 3.1.2.4. Furthermore, a positive OHS record will place a company in good stead in the marketplace, particularly with respect to tendering for projects and new clients. A company's OHS record is often recorded in its annual reports. The threat of negative publicity arising from a workplace incident is a strong motivator for OHS compliance. Having effective OHS policies and procedures, coupled with a strong OHS record, presents an image of a competent, successful and well-managed corporation to the marketplace and is a commercial advantage.

#### 3.1.3. Economic Factors

The impact of work-related illness and injury reaches further than the significant emotional and physical impact on workers and their families. It imposes a significant economic cost on workers, employers and the community. There is a commercial advantage for corporations in improving occupational health and safety performance, that is, the 'safety pays' argument, that accidents which generate costs could be avoided by expenditure on safety precautions, which would generally be lower than the overall cost of the accident.

By way of overview, it is estimated that 40% of the cost of a workplace injury is borne by employers, in the form of workers' compensation, loss of productivity and overtime costs; 30% is borne by the injured worker, by way of medical costs, loss of future earnings and pain and suffering and 30% is brine by the community, in the form of loss of human capital, social welfare, health and medical costs. Furthermore, figures drawn from the National Workers' Compensation Statistics Database indicate that the average workers' compensation claim cost for the construction industry was \$11,900 for the year 2001 – 2002, which is 23% higher than the all industry average of \$9,700.6

As will be seen by examining the costs of work-related illness and injury in Australia, adherence to good OHS practice is a necessary precondition for high productivity and commercial success.

#### 3.1.4. Improved Productivity

<sup>&</sup>lt;sup>5</sup> Industry Commission, 1995.

<sup>&</sup>lt;sup>6</sup> Preliminary Regulation Impact Statement, June 2004.

- 3.1.4.1. It has been estimated that the number of working days lost through injury is nearly 50 times greater than those lost through industrial action.
- **3.1.4.2.** Lost Time Injuries (LTIs) pose significant costs for employer construction companies. LTIs on site will impact the productivity of one or more trades affected by the injury or by the absence of the injured worker.
- **3.1.4.3.** Depending on the severity and frequency of LTIs on site, the project delays may result in financial penalty to the head contractor or sub-contractors. Furthermore, the head contractors and sub-contractors may incur additional cost by way of overtime payments of other employees to complete the work of the injured worker, as well as the costs of high employee turnover and recruitment of new workers.
- 3.1.4.4. A reduction in LTIs through effective OHS management will equate to improved productivity in the workplace.

#### 3.1.5. Reduced costs

- 3.1.5.1. A reduction in costs is a clear motivator to employers to improve OHS systems. Insurance costs may be reduced in recognition of good OHS performance, just as workers' compensation refunds may be received for a good OHS record.
- **3.1.5.2.** The employer will also incur intangible benefits, such as the reduction in costs of rehabilitation of ill or injured workers, as well as the absence of workers' compensation claims.
- 3.1.5.3. Good OHS practice also reduces the risk and potential cost of OHS prosecutions and penalties as well as the associated costs of investigation and reporting of the workplace incident.

## 3.1.6. Reduced Industrial Disputes

- 3.1.6.1. It is likely that a high proportion of industrial disputes in the construction industry would encompass, to some degree, OHS concerns at the workplace.
- 3.1.6.2. The Australian Bureau of Statistics reports that in 2002-03, industrial disputes in the Queensland construction industry reached the highest level in five years, at 57 disputes.8 Moreover, these industrial disputes involved 11,200 employees and resulted in 34,000 working days lost.9
- 3.1.6.3. The above figures illustrate the significant cost to employers of industrial action. Employers who adequately address OHS concerns of employees are likely to minimise the cost of workplace disputes in relation to OHS.

Australian Bureau of Statistics, ABS Year Book Australia 8931.0, Focus on the Queensland

BD67943.1

<sup>&</sup>lt;sup>7</sup> National Occupational Health & Safety Commission, Key Management Motivators in Occupational Health and Safety, Volume 1: Main Report. February 2001, at 29.

Construction Industry. May 2004.

<sup>9</sup> Australian Bureau of Statistics, ABS Year Book Australia 8931.0, Focus on the Queensland Construction Industry. May 2004.

# 4. NEW DEVELOPMENTS IN OCCUPATIONAL HEALTH AND SAFETY IN AUSTRALIA

## 4.1. TOUGHER PENALTIES FOR BREACHES OF OCCUPATIONAL HEALTH AND SAFETY REQUIREMENTS

#### INDUSTRIAL / CORPORATE MANSLAUGHTER

- 4.1.1. Several Australian jurisdictions have mooted the introduction a new offence of industrial manslaughter, aimed at holding directors and corporations criminally liable for workplace fatalities where the directors' policies and decisions have directly caused the workplace fatality, or where the directors have allowed development of a culture which disregards OHS. Industrial manslaughter would be created as a separate crime to overcome difficulties in the common law requirements of proof of manslaughter, particularly the issue of vicarious lability for criminal acts. The legislation aims to ensure that directors and employers can be held responsible for workplace deaths.
- **4.1.2.** The Australian Capital Territory (ACT)'s *Crimes (Industrial Manslaughter)* Amendment Act 2003 (ACT) was the first Australian legislation which provided for industrial manslaughter. The legislation, which commenced on 1 March 2004, ensures that an employer who is "reckless about causing serious harm to the worker... or is negligent about causing the death of the worker, by its conduct" can be held responsible for a workplace fatality. Omissions are included as "conduct".
- **4.1.3.** The Victorian government introduced a bill prior to the most recent state election, which sought to amend the *Crimes Act* 1958 (Vic) to introduce a new offence of 'corporate manslaughter' and 'negligently causing serious injury by a body corporate'. Notably, the bill provided for imposition of fines on a body corporate which were proportional to the size of the body, including its workforce, gross operating revenue and gross assets. The bill has not been re-introduced as yet.
- **4.1.4.** Queensland's *Workplace Health and Safety Act 1995* (Qld), in its current form, contains a penalty structure based on the seriousness of OHS breaches and includes as a sanction imprisonment at the discretion of the sentencing judge. This legislation maintains OHS issues within the specialist jurisdiction of the Industrial Magistrates Court.
- 4.1.5. New South Wales continues to debate the introduction of the offence of industrial manslaughter. Its introduction has been criticised by employer groups and the government and opposition alike. This opposition is supported by the principle that the best way of achieving high standards in OH&S is by focussing on the implementation of systems to provide safe methods of production and work, rather than focussing on sanctions. Moreover, prevention of workplace accidents and fatalities, rather than sanctions, are the driving force behind OH&S. Furthermore, criminal sanctions for breaches of OH&S requirements transports part of the specialist jurisdiction of workplace health and safety into the mainstream criminal law jurisdiction.

- **4.1.6.** The passing of the *Occupational Health and Safety (Commonwealth Employment) Amendment (Employee Involvement and Compliance) Bill 2002 (Cth) on 12 August 2004 increases the maximum criminal penalty from \$100,000 to \$495,000 for instances where an employer's negligence or recklessness causes a workplace death or serious bodily harm. The federal government's approach seeks to address OHS through the imposition of stronger penalties, without the introduction of an offence of industrial manslaughter.*
- **4.1.7.** The introduction of industrial manslaughter offences is also currently under debate in the United Kingdom and Canada, amongst other jurisdictions.
- 4.1.8. The legitimacy of an offence of corporate manslaughter is questionable in view of public policy. Whilst employers are required to be accountable for their safety systems, the introduction of the concept of corporate manslaughter regime would, in this author's view, be completely at odds with public policy in the presence of an Act, such as the Queensland Workplace Health & Safety Act, where the onus of proof has effectively been reversed. The offence of corporate manslaughter should not be introduced without allowing Criminal Code—type defences currently available to be used in connection with OHS prosecutions. Nor would it be possible to introduce such a concept in circumstances where the owners or directors of a company are the sole subject of charges.
- **4.1.9.** Should an offence of corporate manslaughter be introduced, it must extend to all persons in the safety chain, including the injured worker's co-workers, the OHS officers of the company and direct line managers. Regardless of whether or not an offence of corporate manslaughter allows the types of checks and balances referred to above, any such provision is an utter breach of civil liabilities.

## 'ENFORCEABLE UNDERTAKINGS' AS A PENALTY FOR BREACH OF OCCUPATIONAL HEALTH AND SAFETY REQUIREMENTS

- 4.1.10. In keeping with the notion of promoting OHS 'best practice', enforceable undertakings have been introduced, and widely used, as a penalty for breach of OHS requirements, whilst also providing a mechanism for improving compliance. Queensland is one such jurisdiction in which enforceable undertakings are commonly used as an alternative to fines or other penalties for breaches of OHS requirements.
- **4.1.11.** Enforceable undertakings focus on the nature of the breach and require an employer to undertake certain activities and meet set standards for a prescribed period. For example, an employer may be required to train employees on a particular hazard, create new work plans for the hazard and undergo an independent OHS audit at regular intervals for the hazard.
- **4.1.12.** Underlining the *Building and Construction Industry (Workplace Health & Safety) Taskforce Final Report* published in 2000, 10 was the premise that the public / commercial education of employees on safety was not working

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<sup>&</sup>lt;sup>10</sup> Building and Construction Industry (Workplace Health & Safety) Taskforce – Final Report, 2002, Department of Employment, Training and Industrial Relations, Queensland.

- sufficiently and that harsher penalties were required. The Report was driven by labour relation issues examining OHS practice. It essentially identified that a policy change was needed in enforcement of OHS and that a shift from a consultative education role to an aggressive prosecution role was needed.
- **4.1.13.** This resulted in the introduction of on-the-spot fines, an audit system, more stringent enforcement of the provisions of the workplace health and safety legislation and legislative amendment to include a better codification of the Act in order to facilitate easier prosecution and the imposition of higher penalties.
- **4.1.14.** The amendments, which came into force in 2003, did not actually expand the powers of the Act, but did provide inspectors with the ability to more easily establish a case against an employer, resulting in easier prosecutions for breaches.
- 4.1.15. Commerce Queensland supported the amendments, at least in part, largely on the basis of the enforceable undertaking provisions of the Act. It was anticipated by Commerce Queensland that those provisions would actually provide a useful incentive for employers to embrace OHS and to channel money into education, further training of their personnel and investment in better workplace systems, as opposed to expending those funds on a fine.
- 4.1.16. In practice, however, it is a different story. The regulatory guidelines and framework developed by the OHS authorities has meant that the utility of enforceable undertakings has been reduced. In most cases, the grounds for achieving an undertaking are far more oppressive than any fine would be. The costs associated with compliance with an undertaking, including independent audits, increased training and education of employees and amendment of work practices and procedures, often for prolonged periods, impose a great burden on employers. In addition to the financial costs associated with an enforceable undertaking, there is the intangible cost of having the details of the breach and the resulting enforceable undertaking being published. Consequently, the enforceable undertaking regime has the effect of operating as a disincentive for employers to improve their work systems, as the option of bearing a once-off fine becomes more attractive.
- 4.1.17. The enforceable undertaking regime also fails to allow an employer credit where the employer actually has very good OHS systems in place. This may often be the case where it is in fact the act, deliberate or otherwise, of an employee contrary to the employer's prescribed OHS systems, which results in the breach. In these circumstances, where the employer is vicariously liable for the breach, the enforceable undertaking fails to acknowledge the existence of the employer's systems and OHS record and past behaviour. This is in contrast to the situation where a fine is imposed, as these factors must be taken into account in the imposition of a fine.
- **4.1.18.** Improvement of OHS standards in the industry is dependent upon improved incentives for compliance. In circumstances where compliance with OHS does not produce any direct, tangible benefit, there are few tangible incentives for compliance. To this end, financial incentives would provide a real benefit to employers for compliance and must be identified. These may include workers' compensation insurance premiums / rebates or a 'credit

points' system for work completed without lost time injury, so that employers can actually see an added benefit for their efforts. Where additional incentives exist, employers would more actively seek to take their systems beyond what is reasonable, to 'best practice'. It is not appropriate to expect that the shadow of industrial action and increased workers' compensation premiums, which loom in the absence of an adequate system of OHS compliance, are sufficient incentives for employers to positively embrace the system and endeavour to achieve best practice.

4.1.19. Moreover, in circumstances where the private sector has identified the use of bonus and other financial incentives in order to achieve certain Key Performance Indicators on a project by project basis, there is no reason why government ought not to be able to adopt a similar model in terms of its workers' compensation or other administration. This would require a paradigm shift for government, particularly with respect to the administration of workers' compensation. The use of workers' compensation funds' consolidated revenue would need to be re-evaluated so that consolidated savings beyond the necessary actual funds required for fund operation, could be refunded to employers who achieve consistently high safety performance levels.

## 4.2. NEW NATIONAL CODE AND STANDARD FOR THE CONSTRUCTION INDUSTRY: THE PREVENTION OF FALLS FROM HEIGHTS

#### 4.2.1. The National Standard and Code

- **4.2.1.1.** The National Occupational Health and Safety Commission (NOHSC) is currently preparing a National Standard for Construction Work and National Code of Practice for the Prevention of Falls From Height in Construction Work.
- **4.2.1.2.** Central to the Australian building and construction industry's higher than the average Australian rate of workplace injuries and fatalities is the OHS issue of prevention of falls from heights.
- **4.2.1.3.** The National Standard generally seeks to:

"provide a framework to assist in the protection of persons from the hazards arising from construction work by requiring specified classes of persons to eliminate the hazards or, where this is not practicable, to minimise as far as practicable the risks arising from the hazards:

- (a) by ensuring that the hazards are identified and the risks assessed and controlled; and
- (b) by requiring the provision of information and training."<sup>11</sup>

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<sup>&</sup>lt;sup>11</sup> National Occupational Health and Safety Commission, *National Standard for Construction Work: Draft for Public Comment.* June 2004.

- 3.3.3.1 The National Standard will create a construction industry-specific framework for consistent national regulation of OHS, by considering stakeholders' responsibilities for safety management and the general and specific OHS responsibilities of managers in the construction industry, particularly with respect to control of specific hazards common to the construction industry.
- **3.3.3.2** NOHSC will be receiving public comment on its Draft National Standard until 8 September 2004 and is likely to publish the final National Standard and Code in late 2004.

### 3.3.4 Other Work in the Field

- **3.3.4.1** The Australian and New Zealand Joint Compliance Project on Falls Prevention in Construction was initiated by the Heads of Workplace Safety Authorities.
- **3.3.4.2** The Project aimed to conduct site inspections at over 920 sites during May 2004.
- **3.3.4.3** The primary focus of the inspections was housing construction sites and small-scale commercial construction sites up to \$2 million in value, particularly services installation work and finish and fit-out work.
- **3.3.4.4** The Project is yet to publish its results. 12

## 4.3. CREATION OF THE AUSTRALIAN SAFETY AND COMPENSATION COUNCIL (ASCC)

- **4.3.1.** In response to the Productivity Commission's report on National Workers' Compensation and Occupational Health and Safety Frameworks, the Australian Government announced on 24 June 2004 its proposal to establish a new tripartite body, the Australian Safety and Compensation Council (ASCC).<sup>13</sup>
- **4.3.2.** The ASCC will develop policy advice on workers' compensation and OHS programs for the Workplace Relations Ministers' Council, provide leadership and co-ordination of national efforts to prevent workplace death, injury and disease and improve workers' compensation arrangements. It will also provide a national forum for consultation and participation in development of OHS policies.
- **4.3.3.** The ASCC will also promote national consistency in OHS and worker's compensation regulatory frameworks, oversee collation of OHS data and promote best practice in OHS.

<sup>&</sup>lt;sup>12</sup> WorkSafe Victoria.

<sup>&</sup>lt;a href="http://www.workcover.vic.gov.au/vwa/home.nsf/pages/joint\_falls\_project">http://www.workcover.vic.gov.au/vwa/home.nsf/pages/joint\_falls\_project</a> Site Accessed 30 August 2004.

<sup>&</sup>lt;sup>13</sup> The Hon Kevin Andrews MP, *Joint Media Release: Response to Productivity Commission Report On Workers' Compensation and Occupational Health and Safety.* 26 June 2004.

- **4.3.4.** The ASCC will be comprised on an independent chair, one Australian Government member, one representative from each State and Territory, 3 employer representatives and 3 employee representatives, all appointed by the Minister for Employment and Workplace Relations. It will be supported by the Department of Employment and Workplace Relations.
- **4.3.5.** The National Occupational Health and Safety Commission (NOHSC) will continue its work under the new framework.

## 5. CONCLUSION

- **5.1.** Occupational Health and Safety is an issue relevant to all employers, however it is particularly pertinent to employers in the Australian building and construction industry, given that industry's record of high worker injuries and fatalities.
- **5.2.** Contract-based incentives along with economic and social benefits make compliance with OHS standards more attractive for business. The economic and social benefits of OHS compliance significantly outweigh the costs to employers of OHS compliance.
- **5.3.** Management of risk is also a key issue to be considered by employers when assessing their OHS responsibilities in the workplace.
- **5.4.** Government initiatives indicate that national consistency of OHS standards and regulation is on the agenda, which will ease the burden of compliance, particularly for inter-state employers and mobile workers.