

## **Senate Standing Committee on Education and Employment**

### **QUESTIONS ON NOTICE Additional Estimates 2016 - 2017**

#### **Outcome 2 - Workplace Relations and Economic Strategy**

**Department of Employment Question No. EMSQ17-001581**

**Senator Cameron provided in writing.**

#### **Question**

##### **Federal Safety Commissioner - Work Health and Safety Accreditation Scheme**

When the Federal Safety Commissioner accredits a builder under the Work Health and Safety Accreditation Scheme (Accreditation Scheme), what are they actually accredited for? Is it an accreditation that they actually apply safe systems of work on the job, or is it a box ticking exercise?

How is the performance of the Accreditation Scheme in improving safety assessed? Is it based on surveys of accredited builders?

Is the assessment of the performance of the Accreditation Scheme based on building companies self-reporting their impressions of how the scheme is working across the industry. How are those impressions tested against actual outcomes across the industry?

In what way, if any, does the Accreditation Scheme add to the obligations a builder already has under existing occupational health and safety law?

How do the statutory functions Federal Safety Commissioner work to reduce the rate of serious injury and death in the construction industry?

#### **Answer**

The Federal Safety Commissioner is not a regulator (states and territories administer WHS legislation). However, builders and constructors that wish to undertake most Commonwealth-funded construction projects (subject to financial thresholds) must be accredited by the Federal Safety Commissioner. There are around 415 accredited companies that undertake an estimated 40 to 50 percent of annual industry turnover.

The Accreditation Scheme requirements cover, and go beyond, minimum state and territory legislative obligations, including in areas such as senior management commitment, whole of project WHS consultation and communication, training, subcontractor management and safety in design.

The WHS Accreditation Scheme requires accredited companies to have documented safe systems of work, which are observed as being applied in practice on building sites. There are over 100 criteria under the Scheme.

The Federal Safety Commissioner can only accredit a company by having regard to the outcomes of site audits which are undertaken by Federal Safety Officers (contracted technical experts in auditing and the building industry). Companies undergo extensive multiple day site audits in order to first become accredited. On average, more than 30

corrective actions are identified at a first time site audit. The Office of the Federal Safety Commissioner works collaboratively with companies to rectify shortcomings whether related to documented safety systems or their application in practice on site. Corrective actions must be rectified (as evidenced through follow up site audits) before a company is accredited. Once accredited, all companies have their compliance monitored through regular reporting and further on-site audits.

A number of indicators suggest the Accreditation Scheme improves safety.

Federal Safety Commissioner accredited companies have fewer fatalities and injuries. Three of the 33 construction-related fatalities recorded by Safe Work Australia in 2015 were on accredited companies' sites (although any fatality is one too many). Accredited companies undertake around 40 to 50 percent of annual turnover in the industry.

Incident report data shows that the majority of accredited companies significantly lower injury rates and workers compensation premium rates within three years of becoming accredited. Average workers compensation premium rates are around 30 percent lower than the industry average. As above, more than 30 corrective actions related to safety systems of practices are identified for companies (on average) prior to accreditation – all of which must be rectified by the companies. Virtually 100 percent of companies have needed to improve safety systems and practices in order to become accredited.

The Office of the Federal Safety Commissioner conducts annual, anonymous surveys of accredited companies. 95 percent of small, and more than 80 percent of all, accredited companies say accreditation has improved their safety. More than 95 percent of accredited companies say that the Office of the Federal Safety Commissioner has improved safety in the industry.