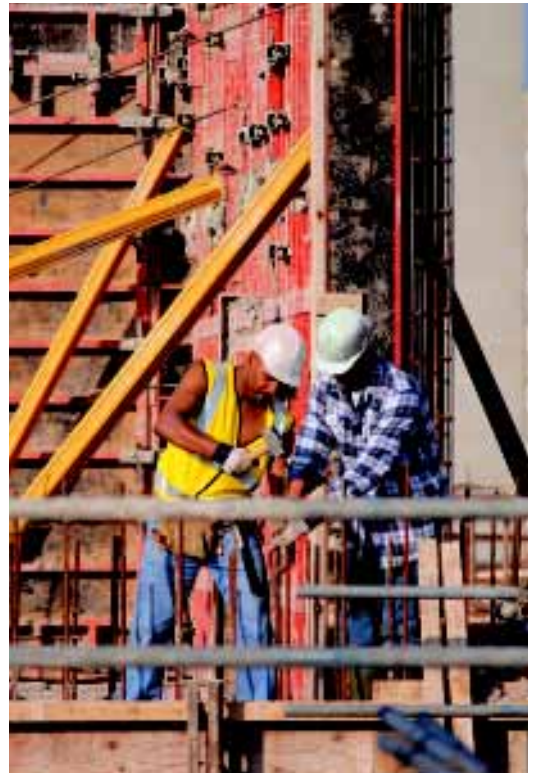


Health & Safety Strategy

Construction Industry in New Zealand

2005 – 2010





Foreword

In recent years the construction industry has had a high number of fatalities as well as a high injury rate rating – ranking third worst nationally among industry groups (Statistics New Zealand 2004). The outcome of the review of the Building Act leading to the Building Act 2004 included reports of a decline in skills and competencies across all sectors of the industry, which in all probability contributed to this poor record. The HSE Amendment Bill 2003 requires employers to consider particular health and safety responsibilities. This was reinforced by the New Zealand Injury Prevention Strategy Implementation Plan and Workplace Health and Safety Strategy for New Zealand to 2015 published by the Department of Labour in 2005.

The New Zealand Construction Industry Council (NZCIC) notes that there are a large number of unskilled and unqualified workers entering the industry and that workplace accidents still occur at an unacceptably high rate. Consequently, NZCIC members have determined that a health and safety strategy specifically for construction industry participants is needed for both individuals and companies involved in the industry, to direct attention on areas which will contribute to continuing reductions in workplace deaths and injuries.

The members of NZCIC, as representative bodies of key sector organisations in the construction industry, have undertaken to promote this Strategy and its application amongst their own constituents, and to report on initiatives taken by their sector in implementing the Strategy to achieve the Mission, Goals and Objectives.

This Strategy is intended to provide health and safety guidance to employers, workers, consultants, educators and professionals across commercial construction, residential construction and roading and civil construction.

John Pfahlert
Chairman
Construction Industry Council New Zealand

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1. The Vision is to Create

“A safe and healthy construction workplace”

The goals for 2005-2010, achievement of which would attest to satisfactory progress towards achieving the vision, are:

- To achieve and maintain zero fatalities annually
- To achieve at least a 10% reduction in workplace injury rates annually through to 2010;
and
- To achieve an industry wide safety culture.

2. The Strategy

2.1 There are Two Parts to the Proposed Strategy:

1. Recognising that achieving the Vision and Goals will require a change in culture and attitude that can only be initiated and driven by and from within the industry, the NZCIC will encourage and assist members to develop and implement their own Workplace Health and Safety Strategic Plans, which are relevant to their constituents' activities, and that:
 - a. Promote ongoing company management commitment to health and safety leadership and accountability
 - b. Promote the inclusion of health and safety competencies in all relevant qualifications, licensing and registration standards
 - c. Promote industry-wide use of independently-verified health and safety systems
 - d. Promote employee participation in developing, implementing and taking due responsibility for workplace health and safety strategies and practices
 - e. Promote recognition of high risk situations and development of practices to mitigate the risk
 - f. Promote consideration of health and safety during construction as part of the design process
 - g. Promote consideration of whole-of-life health and safety requirements as part of the design process; and
 - h. Promote consideration of health and safety during construction as part of the procurement process.
2. The NZCIC shall work with and encourage its key partners and stakeholders in implementing this Strategy (notably Department of Labour and ACC), to identify, collect, collate, review and evaluate all relevant data relating to workplace accidents to enable industry to identify situations and/or practices that lead to injury and death so that remedial action may be taken by the industry.

2.2 The Objectives of this Strategy are:

- To bring about a change in culture and attitude within the industry
- To obtain industry commitment to achieving the Vision by encouraging NZCIC members to initiate and drive this change through the development of Workplace Health and Safety Strategic Plans with their constituents
- To provide a mechanism for members to collect, collate and evaluate data to identify effective strategies and appropriate work practices that may be applied across the industry to achieve the Vision and Goals, and to share information.

3. Roles and Responsibilities of Key Stakeholders

3.1 New Zealand Construction Industry Council [NZCIC] collectively

- To promote this Strategy among all members
- To encourage members, singly and/or co-operatively, to produce implementation programmes, key performance indicators and sub strategies relevant to their workplace
- To review this Strategy in 2009, or earlier if required to take account of any new government initiatives, plans or legislation affecting health and safety in the construction industry
- To review/endorse and/or publish health and safety plans, practices and/or reports which contribute to this Strategy
- To nominate representatives for working groups and government or national committees to represent construction industry health and safety issues, as appropriate.

3.2 Members of NZCIC

- To singly and/or co-operatively develop strategies and implementation programmes, relevant to their constituents' workplace and activities
- To implement any programmes developed against this Strategy and agreed by their constituents
- To report to NZCIC on programmes and initiatives they are implementing
- To represent NZCIC on working groups and government or national committees as agreed by the members of NZCIC.

3.3 Health and Safety Liaison Group

- To act as NZCIC liaison with Department of Labour and ACC to inform members of government initiatives and other industry-relevant information
- To assist gather, collate and disseminate data and share information amongst NZCIC members to enable changes in injury rate outcomes to be monitored over time and identify areas where improvements are required or may be made.

4. Key Partners for Achieving the Strategy

Key NZCIC partners in achieving the objectives of this Strategy include:

- Accident Compensation Corporation
- Department of Labour
- Council of Trade Unions
- Statistics New Zealand
- Other industry stakeholders

5. Commitment to the Strategy

NZCIC members undertake individually to support the Strategy as a whole, and to report their own actions towards its implementation in an open and transparent manner.

In addition, NZCIC members undertake to assist, as they are able, in gathering and disseminating statistical data relevant to construction workplace deaths and injuries, and identifying the need for improvement.

6. Reporting and Evaluation

NZCIC undertakes to request information on implementation of the Strategy from its members on a regular basis and to publish that information in a transparent manner. The first date for reporting will be six months from the date of approval of this Strategy.

Members of NZCIC are encouraged to develop their own evaluation framework for each of the eight objectives as are relevant to their own constituents. The reports by members will then provide the NZCIC and all stakeholders with information on:

- The success of the Strategy's implementation as a whole
- Measurement of progress towards achievement of the Vision and Goals
- Baseline measures before and during 2005 to enable changes in injury rate outcomes to be monitored over time.

7. Injury Statistics Report – December 2005

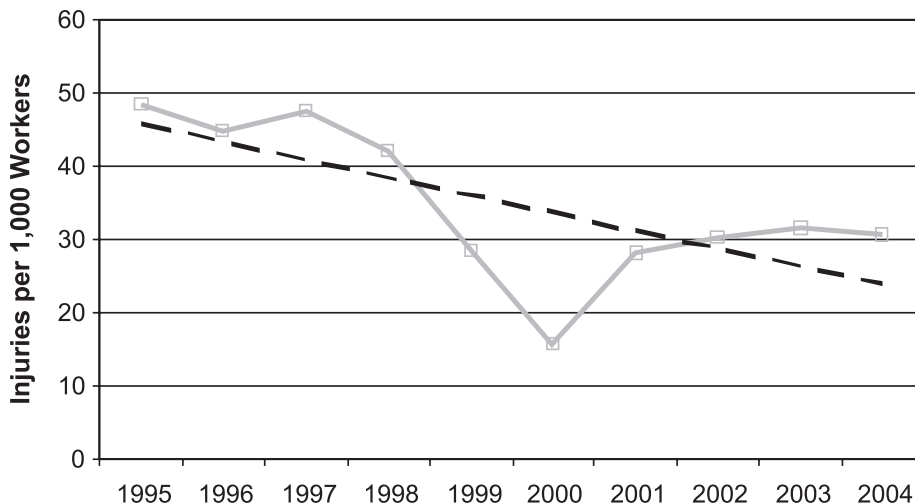
The following graphs derive from ACC Entitlement Claims Data analysed by Statistics New Zealand to establish injury rates in the construction industry.

ACC Entitlement Claims Data covers claims made to ACC for personal injury and excludes 'treatment only' and medical fee costs but includes such payments as assessments, weekly compensation (typically 70% of total costs), support for independent living, death benefits, hospital treatment, home help, rehabilitation and lump sums.

The total workforce numbers used in this Report are the sum of the total number of employees and total number of working proprietors based on Business Demographic statistics from Statistics New Zealand.

The graph below displays the injury rate per thousand workers for the Total Construction Industry, and is calculated from ACC Entitlement Claims Data.

Total Construction - Injury Rate



The injury rate for the industry as a whole for the 2004 year was approximately 30 injuries per thousand workers – meaning for every 1,000 workers in the construction industry in New Zealand in 2004, 30 suffered an injury requiring entitlements' claims. As can be seen, the rate of injury was relatively stable over the 2001-2004 period even though New Zealand experienced somewhat of a 'boom' period for the industry, with many new and inexperienced workers entering the industry.

The apparent anomalous figure in 2000 is attributed to unreliable data when the privatisation of ACC took place.

The next graph shows the breakdown of the injury rates for the listed construction trades throughout the industry in 2004 (the last year for which data is currently available).

Considering the Residential Building and Construction sector as an example (a sector made up of House Construction, Residential Building not elsewhere classified, and Carpentry), an injury rate of approximately 38 injuries per thousand workers occurred in 2004 or for every 1,000 workers in this sector 38 suffered an injury requiring entitlements claims.

Note: The categories used in the previous graph comprise:

Residential Building and Carpentry = House Construction, Residential Building not elsewhere classified, and Carpentry

Commercial Construction = Non-Residential Building

Non-Building Construction = Road and Bridge Construction, Non-Building Construction not elsewhere classified, and Site Preparation

Related Structural Services = Concreting, Bricklaying, Roofing, and Structural Steel Erection

Plumbing Services = Plumbing Services

Electrical Services = Electrical Services

Building Completion Services = Plastering and Ceiling, Tiling and Carpeting, Painting and Decorating, and Glazing and Blinds Installation

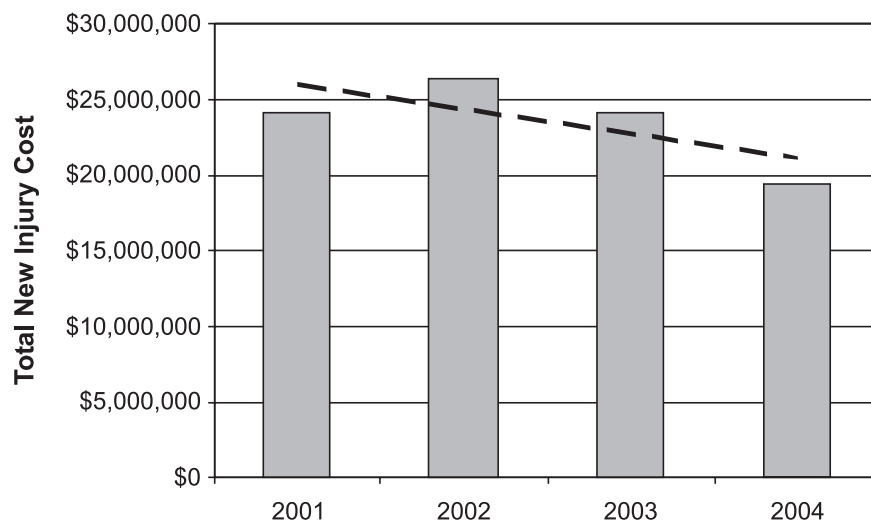
Building Installation Services = Air Conditioning and Heating, and Fire Sprinklers Installation

The final two graphs show the cost of injuries.

The first depicts the overall new injury costs for the industry over the period 2001 to 2004.

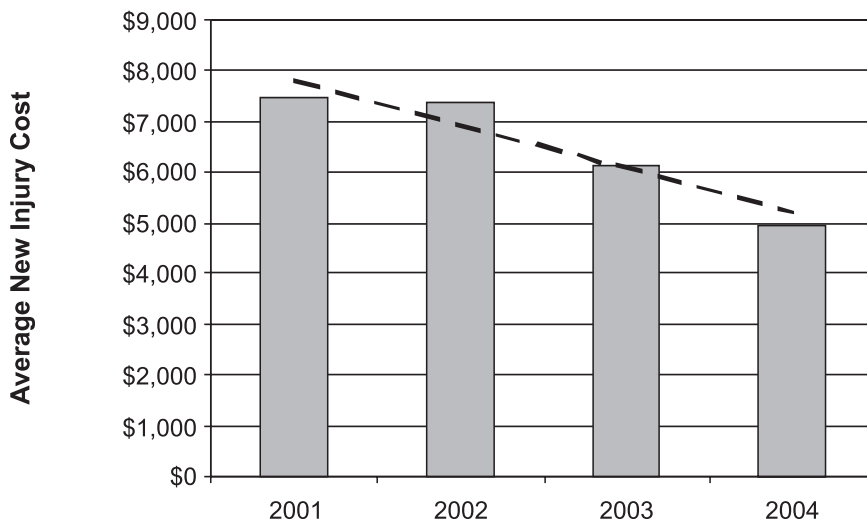
It is encouraging to see a downward trend.

Total Construction - Total New Injury Cost



The second graph shows the average new injury cost within the industry.

Total Construction - Average New Injury Cost



As an example, in 2001 the average new injury entitlement payments cost approximately \$7,500 per worker, whilst in 2004 it was \$5,000.

The ACC costs exclude other hidden costs of accidents that directly affect employers and the injured person. Research indicates that these costs, covering items such as replacement labour hiring, work interruption, repairs to plant and equipment, training new personnel, etc range from three to five times the ACC costs.

The reduction in costs of injuries appears to indicate that the severity of the injuries is reducing.

Overall the graphs demonstrate a positive and downward trend and represent a reduction in the severity and subsequent cost of injuries across the industry for the period.

