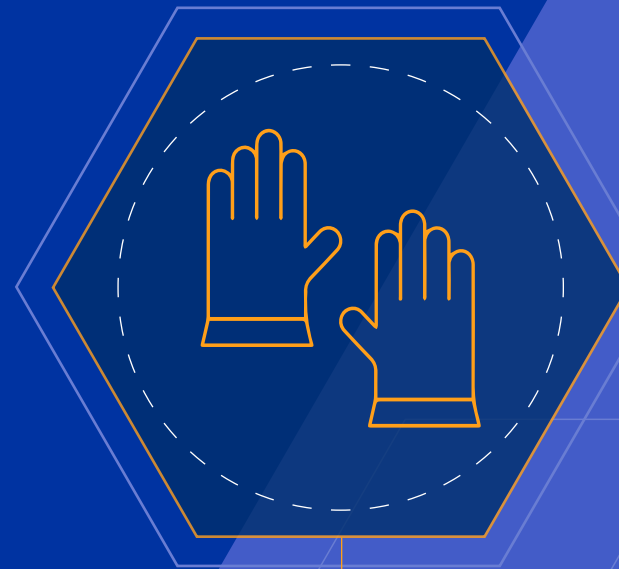


Safety InSite

Examining WH&S in Australian Construction

+ NOVEMBER 2019

PROCORE®



Introduction

The number one priority for both government and industry in the construction sector is ensuring that all employees are safe and healthy. While this has been the case since the advent of Work Health & Safety (WH&S) regulations, the processes, attitudes and behaviours to making safety a reality are complex and challenging.

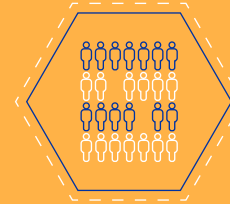
One of Procore's key goals is understanding what construction companies themselves face, by hearing their experiences and learning what WH&S practices look like in reality.

Our objective is to better understand the different attitudes to WH&S in the sector, and what impact these attitudes have on incident outcomes. We want to uncover any blind spots and establish how the industry can utilise significant technology advancements to better support WH&S efforts.

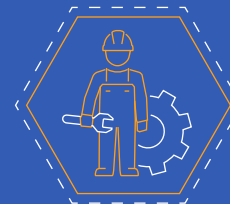
Australia has a global reputation for maintaining safe work sites and is still one of the safest countries for construction employees. With this in mind, we conducted this research to identify where changes can be made to hone best practices and ensure we maintain and improve our good record.

Tom Karemacher
Vice President of APAC
Procore Technologies

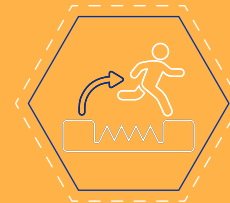
The report examines:



COMPANY BEHAVIOUR



ROLES AND RESPONSIBILITIES



THE HUMAN FACE OF SAFETY



TECHNOLOGY AND DATA



BUSINESS CONFIDENCE

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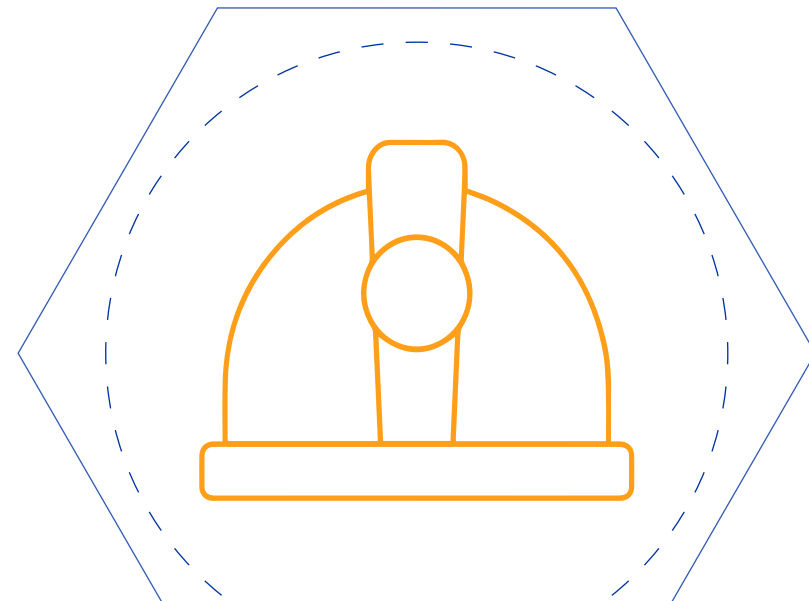
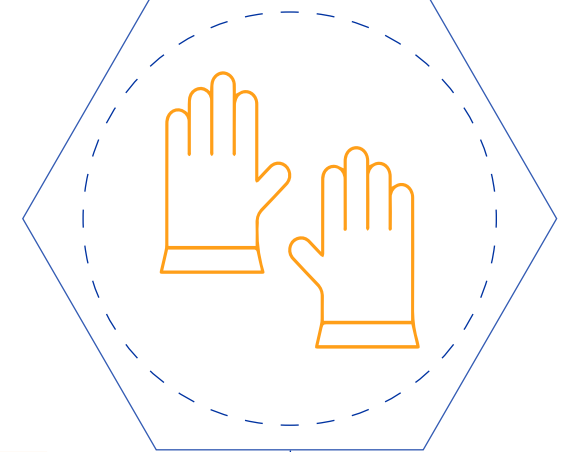
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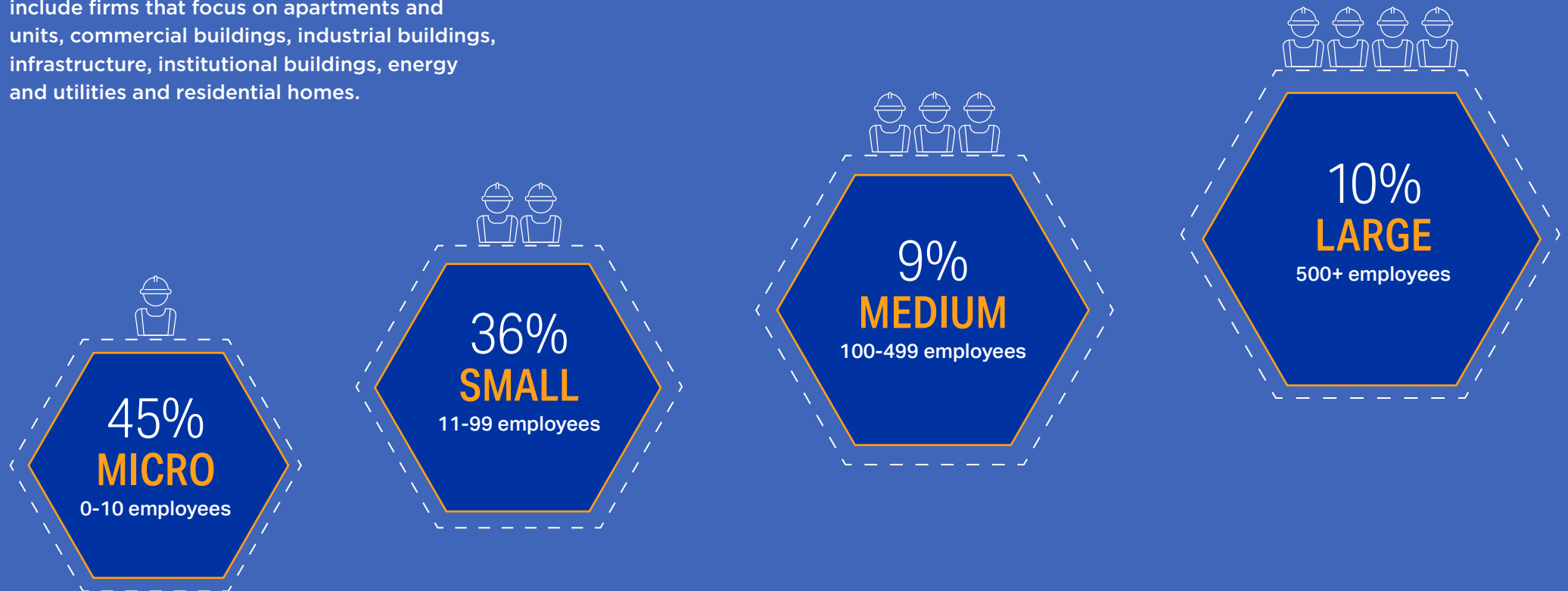


Who did we speak to?



Procore commissioned ACA Research to conduct primary research covering 287 construction businesses across a range of company types and sizes. The company sizes in this sample range from micro businesses with less than ten employees, up to large-scale commercial construction firms with more than 500 employees. The scale and type of work include firms that focus on apartments and units, commercial buildings, industrial buildings, infrastructure, institutional buildings, energy and utilities and residential homes.

287 CONSTRUCTION FIRMS



Segmentation

The research reveals three main categories emerging within the construction sector, based on varying WH&S attitudes, behaviours, practices and use of technology.

We categorise respondents with the highest commitment to WH&S as **Safety First** companies. Respondents with average commitment are classified as **Business As Usual**. Those who demonstrate the least commitment to WH&S are categorised as **Vulnerable**.

It's important to state that the Vulnerable category does not indicate lack of compliance or consideration of safety, but that our research identifies blind spots and areas for improvement across WH&S attitudes, policies and practices across this group.

By analysing attitudes, behaviours, practices across these three categories, we have extracted key traits that lead to best practices for WH&S in the industry.

Interestingly, the size of a company isn't the key predictor of commitment to WH&S. However, it is also important to interpret the data through this lens as it does provide insights into the way in which different sized organisations approach and deliver on their commitments.

SAFETY 1ST
COMPANIES HAVE
THE HIGHEST
COMMITMENT TO
WH&S

★★★
SAFETY 1st

BUSINESS AS USUAL
(BAU) COMPANIES
HAVE AN AVERAGE
COMMITMENT TO
WH&S

★★
BAU

VULNERABLE
COMPANIES
DEMONSTRATE
THE LEAST
COMMITMENT
TO WH&S

★
VULNERABLE

Company Behaviour Profile



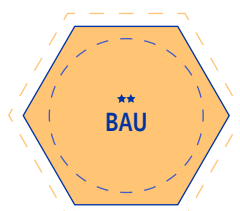
Safety First

These companies, representing around 30% of all respondents, lead the way in WH&S. They demonstrate a high and consistent level of commitment throughout their businesses. In this category, all levels of staff demonstrate high levels of commitment to safety, from the business leadership to site managers and team leaders, through to contractors, trades and office staff.

They report fewer workplace incidents across all categories and are confident their policies and processes are fit-for-purpose.

These organisations are also confident that their business-wide commitment to WH&S means they reduce their level of risk when facing external factors outside of their control. These factors can include weather events or unusually quiet or busy periods.

The **Safety First** cohort are very good at the 'communication' element of ensuring that safe work practices are understood and practiced across all parts of the organisation. They also use proactive management tools to help meet their overall goal of minimising workplace accidents.



Business as Usual

These companies represent the average level of commitment to WH&S. They are the largest cohort of our survey, comprising around 40% of the respondents.

They have an average level of commitment to WH&S at senior levels of the business (leadership and site management), with lower levels of commitment by site and office staff.

It is more common for these companies to be established businesses who operate largely in the commercial building space with above average turnover.

While still upholding very high WH&S standards, companies in the **Business as Usual** category have room for improvement, with around half of their employees committed to WH&S.

They are still very focused on WH&S, though admit to themselves they can do better.



Vulnerable

These organisations, representing around 30% of companies surveyed, have the lowest commitment to safety. Unlike those with high levels of commitment from all role types in the business, companies in this category have limited involvement with WH&S at primarily the leadership positions.

On average, these organisations are generating lower turnover but are represented by companies of all different sizes and locations. They are the least confident in their own ability to deliver 'extremely good' WH&S processes. They are also the group most likely to have experienced the most number of incidents (of all levels of severity) in the past three months.

This doesn't mean **Vulnerable** companies are not considering safety or upholding regulation and compliance. The research simply identifies some blind spots and softer areas that can be improved to deliver more robust WH&S attitudes, behaviours and practices.

Safety First, BAU and Vulnerable

76% of all businesses surveyed are placing accident-free workplaces as their top priority, but which businesses are successful in steering their companies towards this goal? And how is that priority realised in reducing injury, creating safer work spaces, addressing stress and mental health and ultimately saving lives?

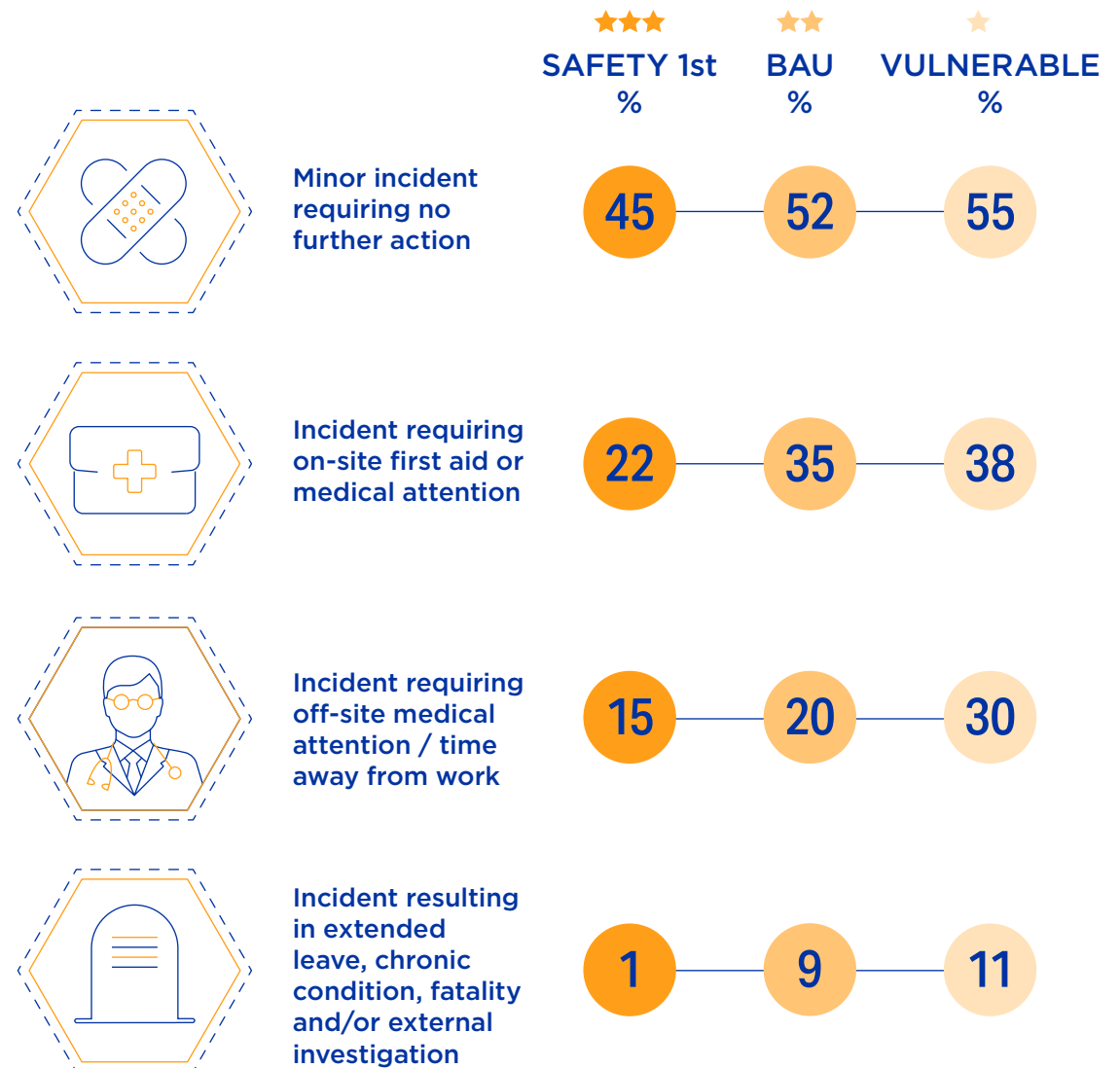
Overall, Safety First companies report fewer incidents across the board by a margin of around 10 - 15% against Vulnerable companies.

The expertise and high levels of commitment to WH&S are evident when it comes to measuring the occurrence of serious incidents on site, i.e those resulting in extended leave, chronic condition, external investigation and fatalities.

Just 1% of Safety First companies reported a serious incident in the last three months compared to 9% for BAU and 11% for Vulnerable companies.

What is the difference between Safety 1st and Vulnerable companies?

Occurrence of all incidents in past 3 months



Ownership and Agency

While WH&S is a top priority, organisations take different approaches when it comes to allocating responsibilities for its planning, implementation and ongoing management - leading to different outcomes.

Despite the majority of companies (83%) agreeing that WH&S should be a part of every employee's job, it is evident that current responsibilities vary as you move through each stage of the WH&S process.

Businesses who see the best outcomes from their commitment to WH&S have found ways to ensure that all members of staff, regardless of role, are engaged in work and safety efforts.

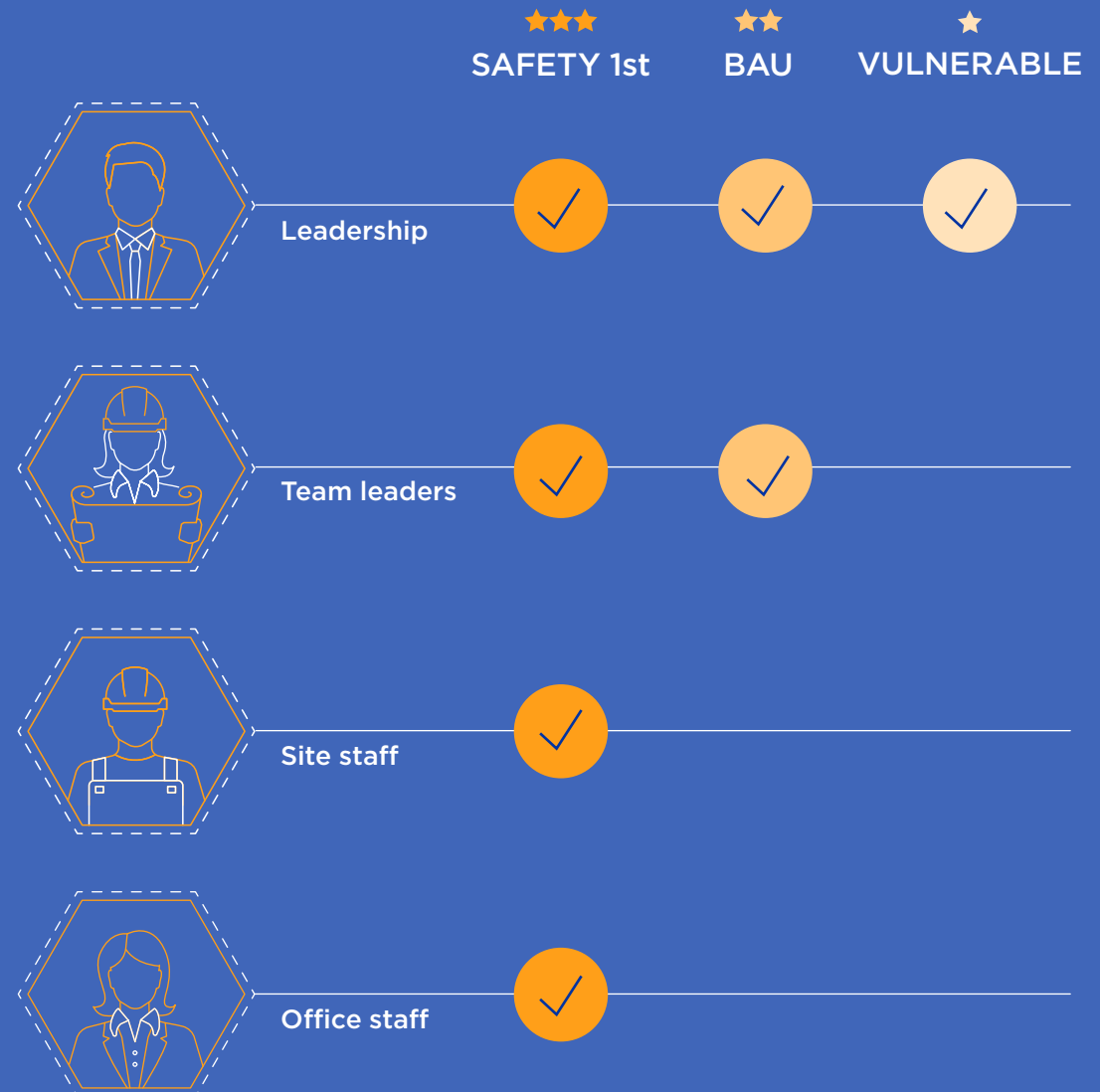
While Vulnerable companies may have leadership teams who are committed to safety, there is often a disconnect between senior leadership and frontline employees.

Business as Usual companies follow a similar pattern, with lower levels of commitment among site and office staff. For those organisations trying to tighten up their WH&S practices and outcomes, replicating the leadership's commitment to staff safety on the construction site and in the office will be vital.

Across Safety First companies, all teams are engaged in and are extremely committed to WH&S, including office staff.

Which teams are committed to WH&S?

Level of commitment to WH&S in construction companies



Leadership vs Site Management vs Subcontractor Responsibilities

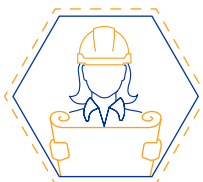
Around **83% of businesses believe employees need to be involved in making decisions around WH&S**. Questions arise as to who should be responsible for what.

In most companies, we find leadership and management are typically responsible for designing the policies and monitoring compliance, identifying risk, hazardous activities and then resolving issues.

However, there is a notable shift of responsibility on-site to place the onus of many of these responsibilities on the site manager, which is reasonable. But it is Vulnerable and Business as Usual companies that also are more likely shift these same key responsibilities on to subcontractors. In Australia, subcontractors can make up to 95% of an on-site workforce.

When we consider that leadership are more likely to be engaged and committed to WH&S, the reality that on-the-ground, time-pressured subcontractors are more likely to be given responsibility for WH&S outcomes reveals a vast disconnect.

Who is responsible for WH&S?



RESPONSIBILITIES

Management

	★★★ SAFETY 1st %	★★ BAU %	★ VULNERABLE %	MARKET AVERAGE %
Designing WH&S policies	59	63	59	61
Monitoring compliance	62	52	51	55
Identifying hazardous activities	44	44	40	43
Resolving WH&S issues	55	57	46	53

Site manager

	★★★ SAFETY 1st %	★★ BAU %	★ VULNERABLE %	MARKET AVERAGE %
Designing WH&S policies	44	42	39	42
Monitoring compliance	56	75	58	64
Identifying hazardous activities	64	75	63	68
Resolving WH&S issues	52	69	57	61

Subcontractor

	★★★ SAFETY 1st %	★★ BAU %	★ VULNERABLE %	MARKET AVERAGE %
Designing WH&S policies	6	17	19	14
Monitoring compliance	17	34	35	29
Identifying hazardous activities	38	60	52	56
Resolving WH&S issues	17	25	35	22

The Human Face of Safety

Across the board, one of the resounding messages to come out of the survey is that most construction businesses, regardless of commitment to safety, will eventually put the onus and cause of incidents onto the workers on site.

A worker who finds themselves at the time and place of an incident will be singled out as the main cause of the incident in question. The final outcomes rest with the individual, but how do construction company WH&S policies then establish structures to support and protect them?

Bringing safety policies from concept into practice is difficult to execute, especially if there is little experience with the jobsite or the tools - as is often the case with subcontractors.

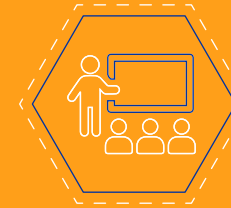
83% of businesses believe safety is an integral part of everyone's job and 79% say employees need to be involved in making decisions around WH&S.

However the findings in the survey show that support around these statements, especially where BAU and Vulnerable companies are concerned, is lacking.

What are the main causes of incidents on site?



1
**Lack of care
by the worker**



5
**Lack of training
or education**



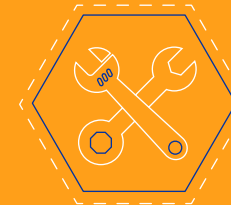
2
**Worker taking
unnecessary risks**



6
**Lack of
supervision**



3
**Lack of compliance
with PPE requirements**



7
**Not having the
right equipment**



4
**Unsafe work
practices**

Risk Management and Agility

Safety First companies have shown the ability to identify risk and soon include it in company WH&S policy.

The short gap between the identification of risk to policy consideration, indicates an agility when it comes to developing policy from experience and learning from incidents.

We can gather that employees who are engaged and committed to WH&S are also proactive communicators across the company, and have leadership that follow through with corrective action.

Policy plans need to be accessible and incorporate information quickly for the best business outcomes. Our Safety First cohort

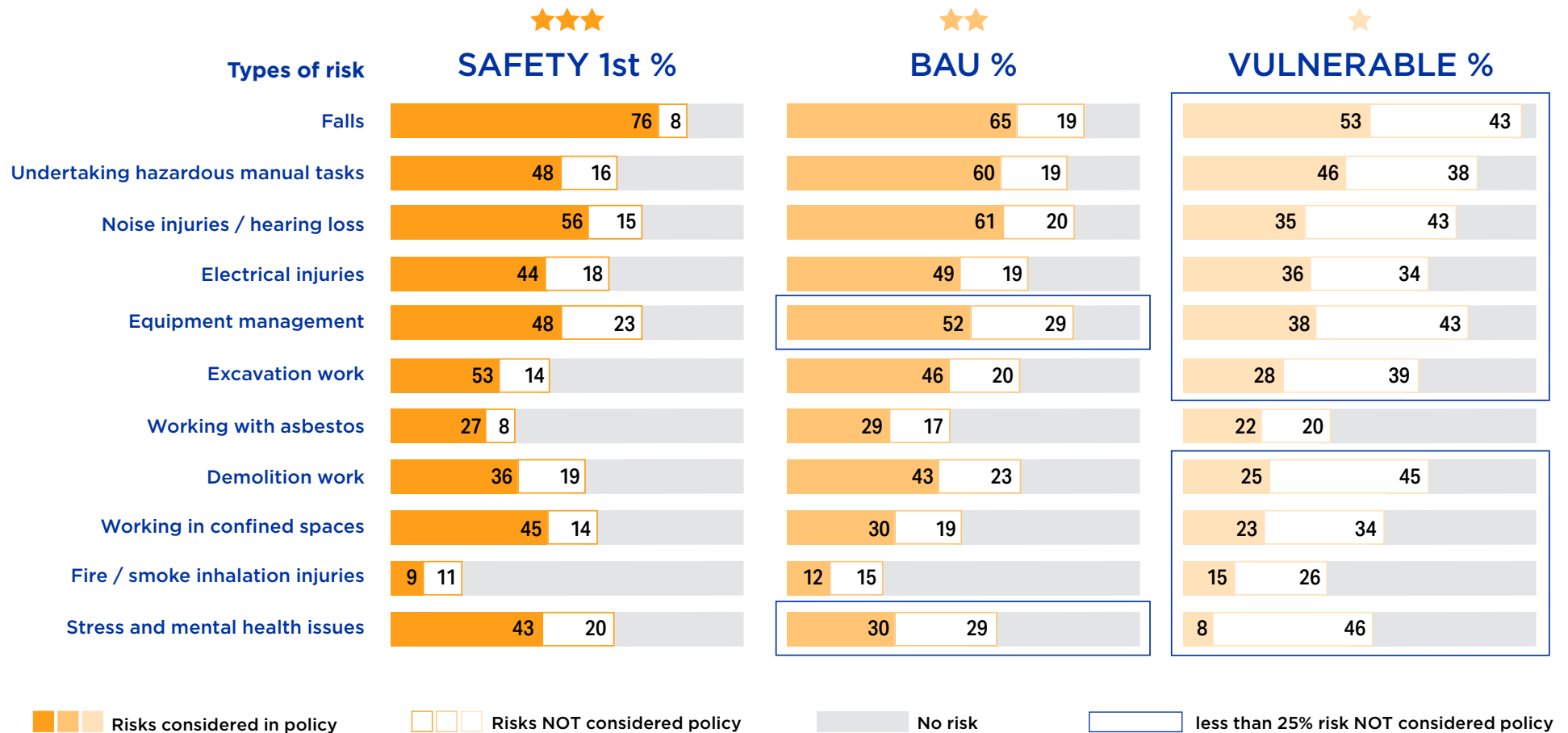
are particularly good at identifying risks, but also documenting a procedure or policy to address it. This agility is giving them a competitive edge in safety and their business.

The greatest agility gap across all categories of company comes from risks associated with stress and mental health.



Which risks are included in WH&S policy?

While some companies acknowledge risk, not all account for this in WH&S policy.



Mental Health and Wellness

Despite most companies acknowledging that stress and mental health issues pose a significant risk to safety on-site and in the office, the provision of safety policies in this area is still a lagging and neglected area of concern. **Less than half (40%) of the companies surveyed have a mental health strategy in place.**

Mental health issues are especially prevalent in construction where suicide rates are also unusually higher than other industries.

Mental health and stress symptoms can be more difficult to identify than physical injury. However the survey shows that more needs to be done to identify and proactively protect the worker from fatigue, bullying and undue stress, especially if they are held responsible for incidents and risk reporting.

Working time reduction policy is the most neglected WH&S policy across all three cohorts, followed by stress management policy.

What WH&S policies are currently in place for mental health and wellness?

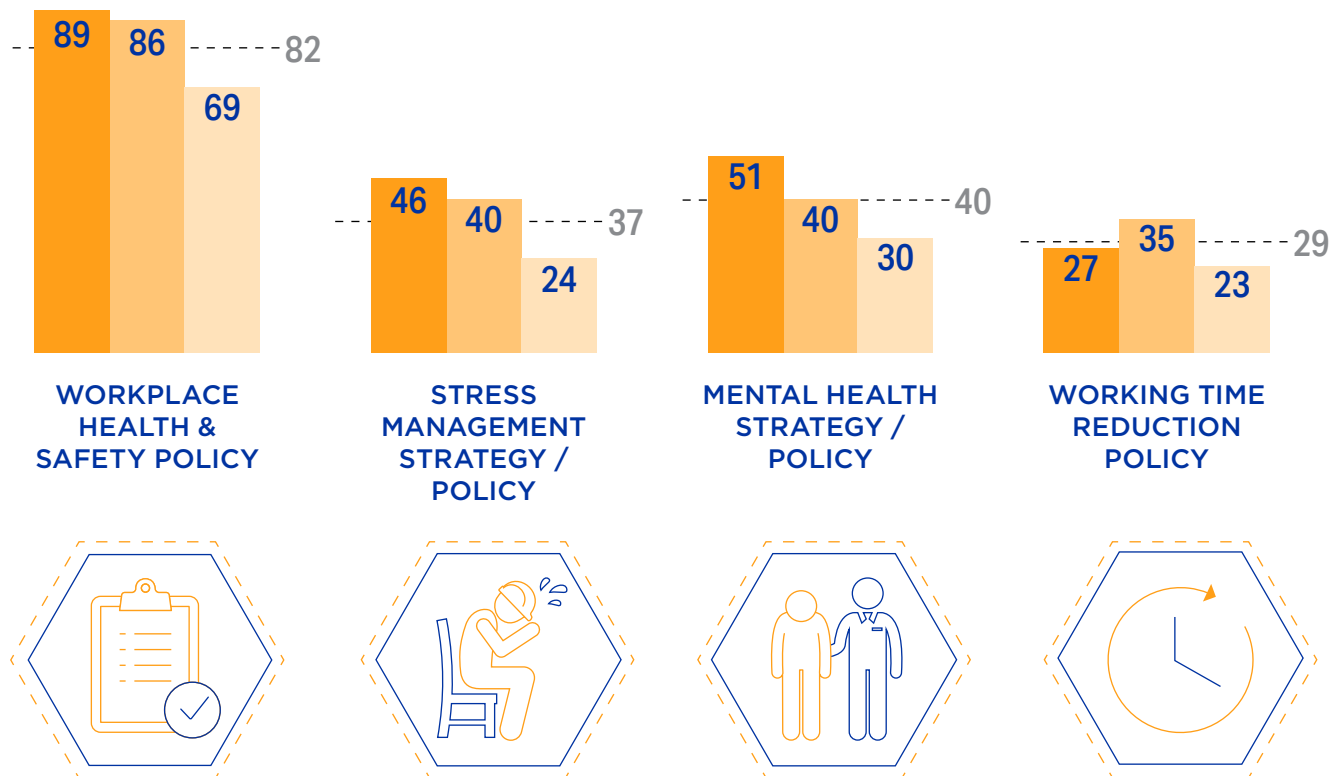
Policies in place in %

★★★ SAFETY 1st

★★ BAU

★ VULNERABLE

--- MARKET AVERAGE



Proactive Management Works

Consistency of WH&S training is key for the Safety First cohort as **66% of Safety First and 61% of Business as Usual companies hold training at regular intervals** throughout the year, ensuring that there is a regular and consistent focus on safety.

Safety First companies are most likely to have implemented proactive approaches to managing WH&S that include the use of data like analysing leading indicators of safety performance to identify potential risk areas. BAU companies appear more focussed on site-specific activities.

What are the most popular approaches to managing WH&S?



1

Company and
site induction
process



2

Toolbox
talks



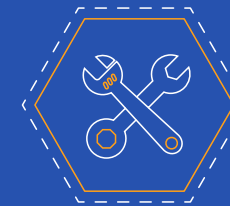
3

Regular staff
safety plans



4

Project specific
safety plans



5

Equipment
management
tools



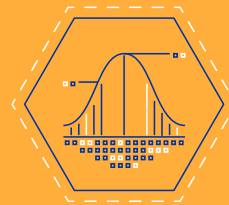
6

Proactive
inspections
and audits



7

Leading
indicators
of safety
performance
(e.g. near misses, training
records, risky employee
or contractor behaviours)



8

Regular analysis
and reporting
of data



9

Lagging
indicators
of safety
performance
(e.g. number of incidents
or injuries, days away
from work)



10

Specialist safety
software

Technology

How can
technology
help WH&S?



57% of companies surveyed believe new technologies will help them improve safety in their business. While the adoption of technology for construction is gaining momentum there is still an initial handbrake on development when it comes to its reliance on paper-based records.

One third of companies say they are still using paper-based records to manage safety. This indicates that there is clear headroom for digitisation and technologies to play a much greater role.

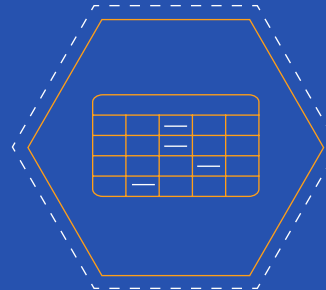
On average, **24% of companies use specialist safety software** that integrates with a construction management solution. **44% of companies use regular analysis and reporting of safety data** to inform decision making and policies.

Are businesses using technology to manage WH&S?



34%

PAPER
RECORDS



33%

SPREADSHEETS



34%

SPECIALIST
SAFETY
SOFTWARE

MARKET AVERAGE

Leveraging Data Insights

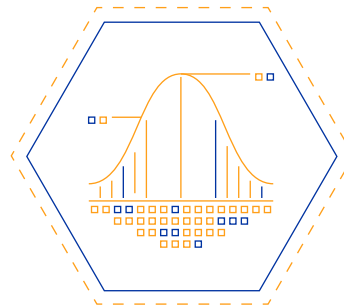
One of the most pressing issues for WH&S professionals today is how to collect and analyse the data that helps them make decisions. Many construction companies are new to data and analytics. While they are focusing on digitisation and hiring more professionals in this field, there is a long way to go.

Most struggle with how to capture the data in a manner that is consistent, and that extracting the right data under time pressures can be costly and time consuming.

In terms of company size, there is a clear step up from smaller to larger businesses when it comes to using data to foresee potential incidents. As a market average, **37% of companies are using data for predictive analysis** to mitigate risks.

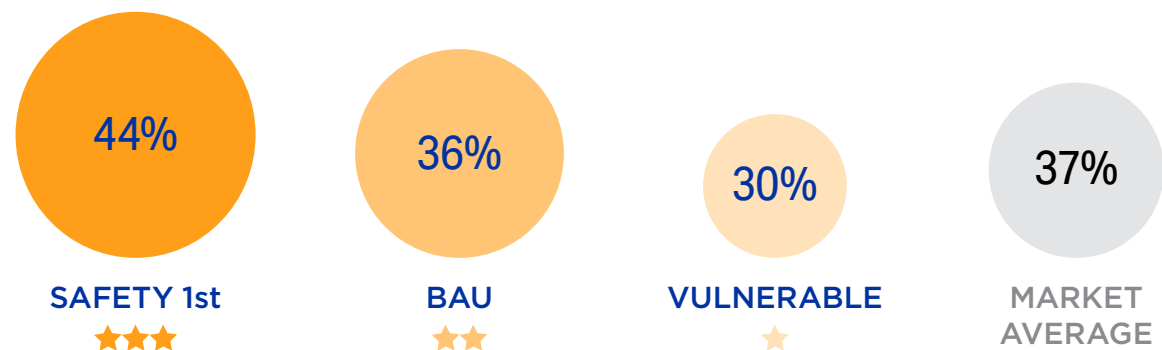
Among those that are using data, there is still a wealth of data collected but not yet utilised.

Until data capture and data analysis is fully realised in construction companies, they will continue to be vulnerable to adhoc auditing, insurance claims, legal issues and business critical events that can jeopardise not only their staff wellbeing but also the business itself.

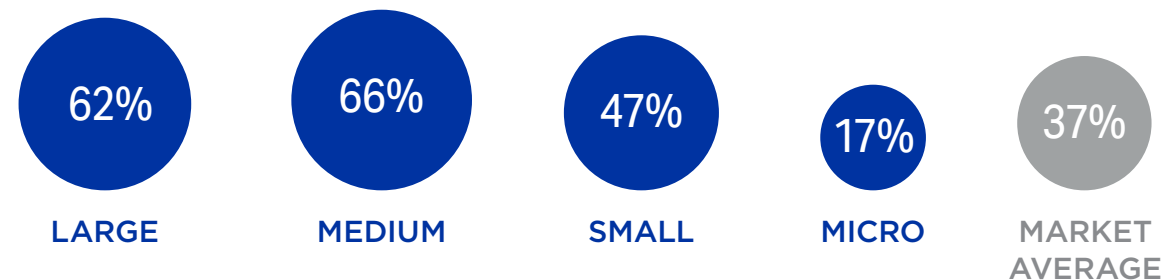


Who uses data to predict risk?

By safety rating of company



By size of company



Business Confidence with WH&S

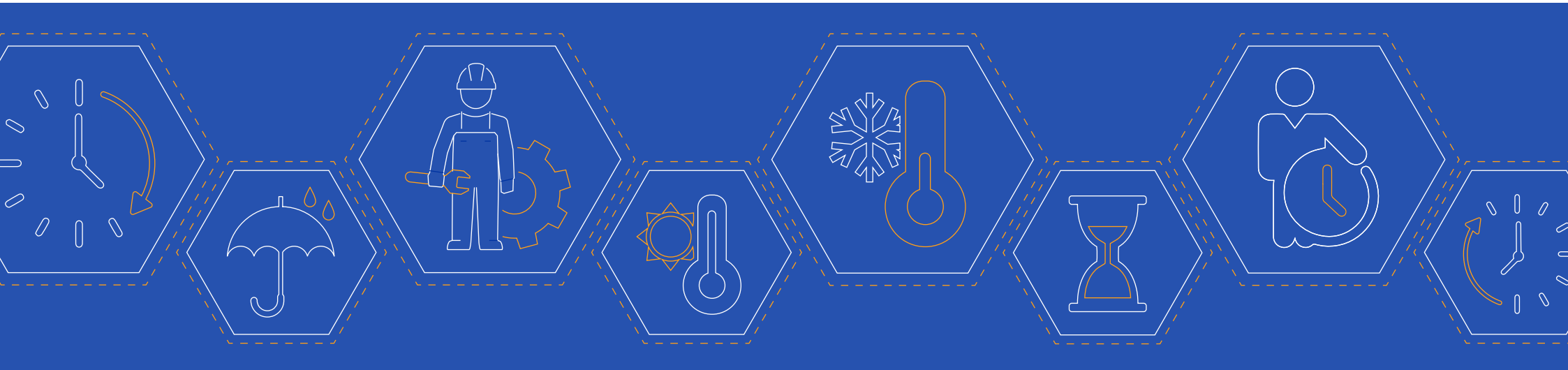
There is an opportunity to make significant WH&S improvements for the workforce by embracing digitisation. Businesses with a considered technology and data strategy will be more equipped to identify which safety approaches and technologies will help them to deliver better outcomes.

Companies in the Safety First category are more confident in the systems they have in place. They believe they are far more resilient to the impact of external factors on WH&S.

As an example, the Safety First group are 26% less likely to have an incident during a busy period than the Business as Usual group.

Safety First are much less likely to see WH&S impacted by external factors such as wet weather, hot weather, end of shift, cold weather, start of shift and quiet periods. 62% of Business as Usual experience more incidents as a result of busy periods, however this drops down to 36% for Safety First.

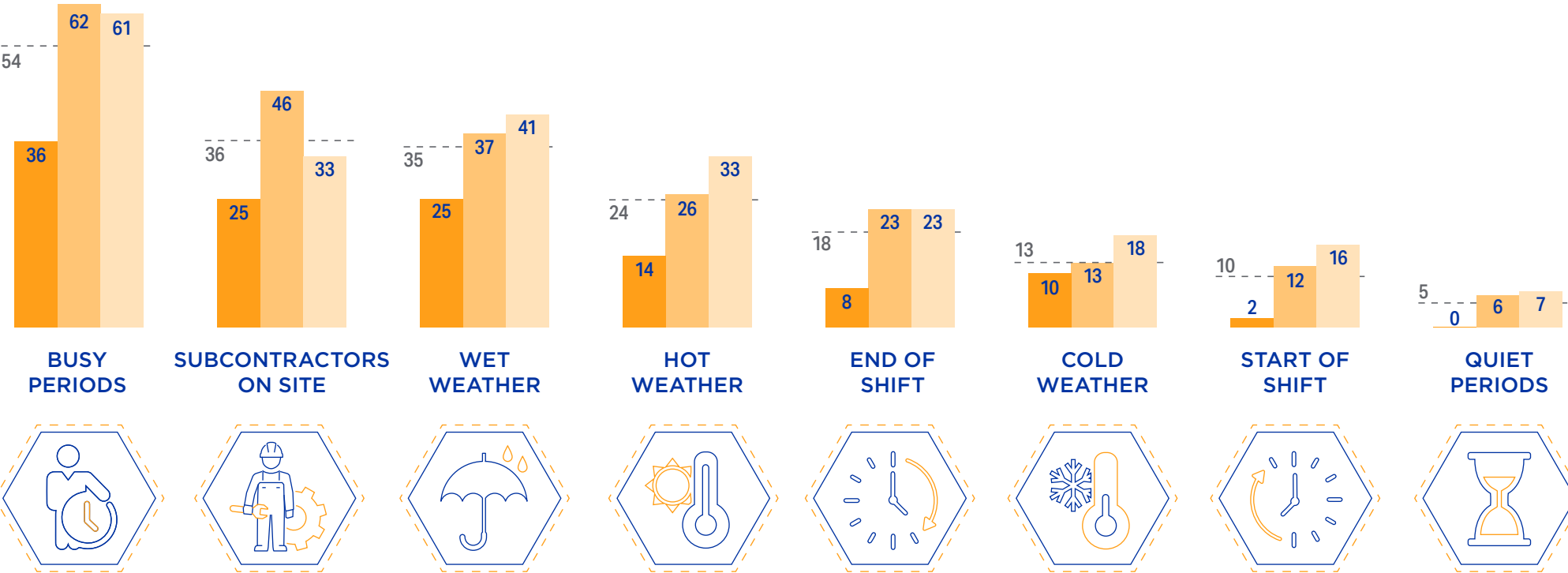
Does the commitment, attitude and behaviour of the Safety First cohort translate to fewer incidents on site? Across the board, yes. While the Safety First group reported fewer incidents across all categories, they are also far less likely to have had a very serious incident involving extended leave, a chronic condition or fatality.



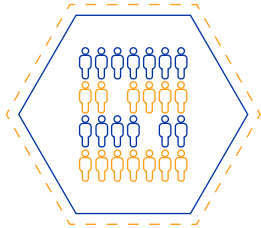
How are businesses affected by external factors?

Increase in incidents %

★★★ SAFETY 1st ★★ BAU ★ VULNERABLE --- MARKET AVERAGE

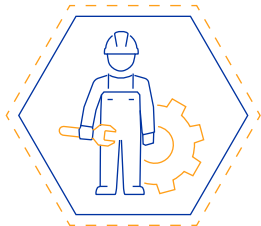


Report Summary



Market Segmentation

Australian construction businesses demonstrate inconsistent levels of commitment to the delivery of WH&S within their organisation. Safety First organisations have built a culture where all employees see the value of WH&S, and are committed to their role in delivering it for the business.



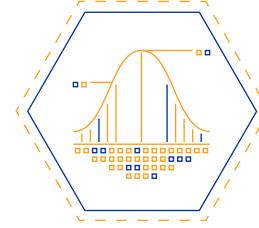
Attitudes

Whilst WH&S is a top priority, organisations take different approaches when it comes to allocating responsibilities for its planning, implementation, and ongoing management. Despite companies agreeing that WH&S should be a part of every employee's job, it is evident that current responsibilities vary as you move through each stage of the WH&S process.



Policies

While the construction industry as a whole is committed to WH&S, Safety First businesses appear to take a more holistic approach to managing employees' overall wellbeing. Despite some companies covering a lot of ground when it comes to what is considered in their WH&S policies, it is Safety First firms that are tailoring their policies to mitigate the most likely risks to be faced by front line workers in their business.



Technology and Data

With over a third of businesses still using paper-based records to manage safety and only 37% using data to predict risk, there is clear headroom for technology to play a greater role in WH&S. Embracing new technologies and digital construction could bring significant WH&S benefits to the workforce. Businesses with a considered strategy will be better equipped to identify which safety approaches and technologies will help them to deliver the best outcomes for their WH&S.



Outcomes

The confidence of Safety First organisations is well founded, with their business-wide commitment to WH&S reflected in the reduced level of risk when facing sub-optimal conditions. While they are still reliant on employees to comply with WH&S requirements, the use of proactive management tools appears effective in delivering to their overall goal of minimising workplace accidents.




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