



**CULTURE IN
CONSTRUCTION**
Time for Life. Wellbeing. Diversity.

A Culture Standard for the Construction Industry

Consultation Paper
October 2021



The CICT acknowledges the contributions of the late Dr Graeme Russell to the work of Taskforce, the development of the Culture Standard and his commitment to the construction industry in Australia.

Purpose of this Paper

This consultation paper is seeking feedback on the Draft Culture Standard for the Construction Industry ("the Culture Standard" or "The Standard") that has been developed by the Construction Industry Culture Taskforce (CICT).

Consultation closes on 30 November 2021 and submissions can be made through the CICT's website: www.cultureinconstruction.com.au

The paper summarises the key issues the Culture Standard is seeking to address and provides context to some of the challenges created by the culture in the industry.

We are seeking feedback from you and from a broad range of stakeholders to ensure that the Culture Standard is fit for purpose, scalable across the industry and that it targets the critical issues that will drive change and industry sustainability.

In addition to feedback through consultation, the Culture Standard is being piloted on several projects to measure its impact and ensure the contents have an evidence base for change.

A note on diversity

Developing a more inclusive society is a clear priority for most Australians. Creating opportunity for more diverse participation has become an objective for many industry sectors, including construction. In discussing diversity, this Culture Standard deliberately focuses initially on gender diversity. A number of measures common in procurement seek to address other aspects of diversity in the industry - for instance Aboriginal Employment Targets and Skills Legacy Programs targeting youth. We do not wish to duplicate them in the Culture Standard. Further, we believe, and evidence shows, that women in positions of influence lead the way in championing greater diversity, equity and inclusion.¹

¹ See, for example, July 2021 <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/women-in-the-workplace>

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Foreword

The Construction Industry Culture Taskforce is a unique collaboration between the construction industry, the NSW and Victorian Governments and leading academics. We were established in late 2018.

Our genesis is in the Construction Industry Leadership Forum (CILF) which has been working with governments to ensure the sustainability of the industry in major project delivery. CILF's reform priorities are threefold and interdependent - the commerciality of the procurement process, the skills and capability gaps in the industry and thirdly, industry culture. Our Taskforce was set up to focus on how to reform the culture of the construction industry.

Why is this important?

It goes without saying the construction industry is a huge contributor to jobs, GDP and the quality of life of Australians. It employs tens of thousands of committed, clever, generous, hard-working people who care deeply about their work and their contribution to our communities.

There are many great things to be said about construction, but it is out of step with most other industries in the way it operates - reflected in the lowest rate of female participation in the country at 12 per cent - so that's an industry comprising 88 per cent men. This compares with the mining industry which is now approaching 20 per cent gender diversity.

Construction is also characterised by high levels of family conflict and divorce, and unacceptably high rates of mental illness and suicide. You are six times more likely to die from suicide than from a workplace accident if you're a construction worker in Australia. Construction records the second highest suicide rate of any industry in this country.

The construction industry can of its nature be physically demanding, but those risks are unnecessarily compounded by:

- excessive working hours including, routinely, six-day work weeks (including Saturdays),
- an insufficient focus on mental health and wellbeing, and
- a working environment and a lack of successful role models that mostly stops women from joining it or if they do, from staying.

These deficiencies in the culture of the industry are deeply embedded and interrelated in cause and effect.

Physical safety has rightly been an intense focus of the industry over many years - and that effort must continue and strengthen. But the same effort must go into addressing the risks posed by other aspects of a damaging workplace health and culture which have, by comparison, been neglected. Some good work has been done over many years by governments, industry and unions in trying to identify and address wellbeing and mental health; and in other pockets, encouraging girls to study STEM subjects and women to enter into the industry.

Despite identifying these problems decades ago, nothing much has changed. In some respects, it's gotten worse. Our recently commissioned report showed the cost of doing nothing - simply letting the excessive hours, the mental health outcomes and the lack of diversity stay the way it is - is about \$8bn per year.

There is emerging work on regularising working hours to align with other major industries. The evidence so far indicates this would have a significant positive effect on wellbeing and diversity and would not materially affect project timeframes, costs and productivity is likely to improve.

The industry alone has not been able to reform our culture. The requirements of our clients have historically shaped delivery timeframes which, along with other dynamics, have perpetuated the behaviours of the industry. The way construction operates is largely unchanged, as many other industries have moved on.

Our Taskforce believes to truly address the issues and make a step change, to improve productivity, to provide opportunity and to reduce the harm to many in the industry, government needs to require change as part of its procurement for major projects. There is industry support for this so that the playing field is levelled.

Foreword (Cont.)

At the same time, many government clients are beginning to realise they, too, need to change how they assess success at project level and how the productivity and sustainability of the industry - as well as the cost of the project - is important for taxpayers and for the community at large.

To that end, the Taskforce has proposed a set of standards be incorporated into the procurement process, in the same way that Aboriginal Employment levels and Legacy Skills have been embedded into procurement in various jurisdictions.

The standards cover diversity, wellbeing and working hours. We are beginning a significant exercise to engage with stakeholders to finalise the elements of the standards, supported by evidence. Delivery agencies are working on their potential implementation and are beginning to pilot the Standard on various projects across the different contracting approaches. We thank all those who have contributed so generously to the development of the Draft Standard - governments, agencies, unions, industry and academic experts. Their contributions have been made with commitment to a better, more productive industry and to improving the lives of those working in it.

By 2023, Infrastructure Australia estimates there will be about 105,000 jobs in the construction industry required for our pipeline that will not be able to be filled on the current estimates. This of course directly impacts costs and productivity and risks the delivery of the massive national project pipeline worth \$218 billion over the next five years.

It is in all our interests to act on construction industry culture and to act on it as a national priority. We very much welcome your feedback on the Draft Culture Standard for the Construction Industry.

Gabrielle Trainor AO

Chair

Construction Industry Culture Taskforce



Introduction to the Culture Standard



The Culture Standard for the Construction Industry provides a framework for clients and contractors to work together to address significant challenges facing the construction industry.

The Culture Standard seeks to leverage procurement processes across the country to transform the capacity and effectiveness of the industry and improve the lives of those working in it. It is a key step to securing the sustainability of the construction industry and ensuring it can deliver the projects needed to shape Australia's future.

About the Construction Industry Culture Taskforce

The Construction Industry Culture Taskforce (CICT) is a collaboration between the NSW and Victorian public sectors, the Australian Constructors Association and leaders from industry and academia. It was established in August 2018 and arose from the outputs of the Construction Industry Leadership Forum (CILF).

We have been working to develop a Culture Standard for the construction industry to lift productivity and performance and address the major issues impacting our industry and its workforce, including excessive work hours and fatigue, poor mental health, and the failure to attract and retain a diverse workforce.

This Culture Standard seeks to support a construction industry where:

- everyone has a place and feels valued,
- wellbeing is prioritised across all job roles, and
- everyone has access to flexible work options and caps on working hours, so they have time for life.

The Social and Economic Significance of the Construction Industry

The construction industry is a significant driver of economic activity in Australia. It is Australia's third largest industry and directly employs over one million people (around 10 per cent of the total workforce).

The construction supply chain is complex and strongly interrelated, encompassing manufacturing (materials, equipment components), services (engineering, design, surveying, consulting) and traditional construction trades.

The pipeline of public sector construction projects is at record highs in several Australian jurisdictions – this work includes large road and rail projects, social infrastructure projects and power and water utilities. Figure 1 below provides an estimate of the value of construction work on major transport projects above \$2 billion based on known projects either completed, underway or expected to proceed.

This unprecedented pipeline of projects has the potential to increase the pressure and intensity of work practices within the construction industry. The ability to deliver these projects successfully will depend upon the industry attracting new workers and sustaining a healthy and productive workforce.

Introduction to the Culture Standard (Cont.)

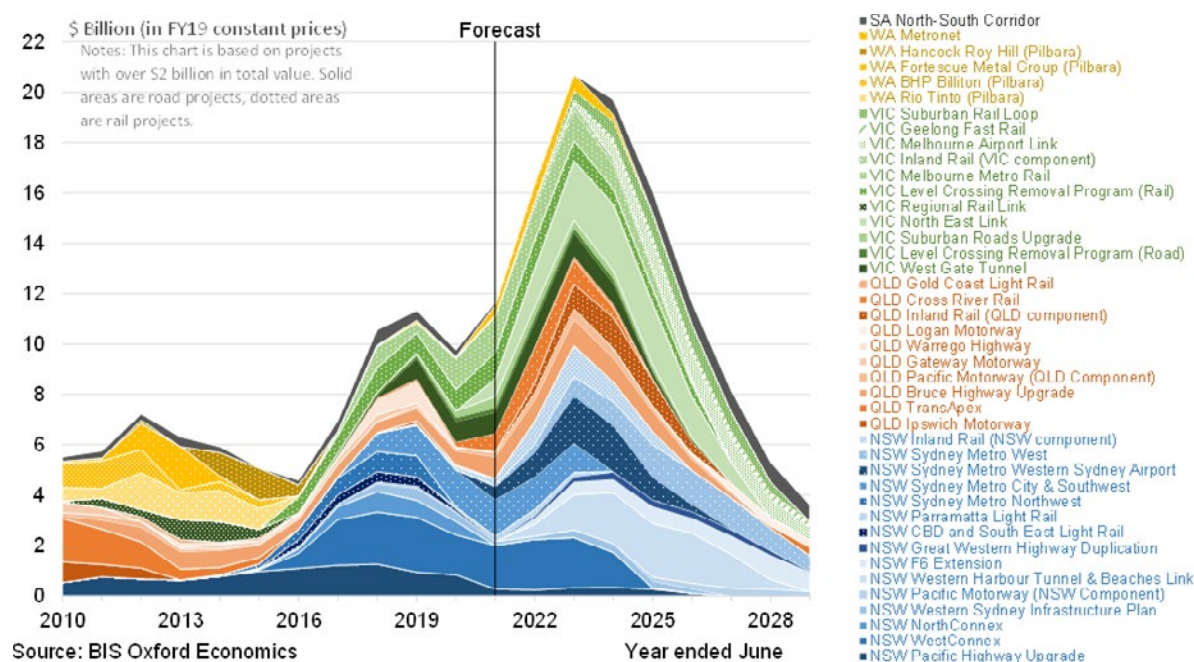


Figure 1: Project Pipeline Charts – BIS Oxford Economics

Additionally, the construction industry has recently been positioned to support Australia's economic recovery from COVID-19, creating urgency to address challenges impacting the industry and an opportunity to implement cultural reform to leave a legacy of positive change for the industry's workforce.

Challenges for the Construction Industry

The construction industry creates the communities, workplaces, homes, and infrastructure vital to the long-term economic growth of the nation. The industry is known to push boundaries, develop innovative solutions to problems and produce projects that define the way we work, live, and connect. Our achievements are tangible, defining the skylines of our cities and the reach of our transport network, however the industry experiences challenges to our sustainability that must be addressed to ensure we can continue to deliver the projects that will define Australia's future.

The construction industry is under pressure and is not viewed as an employer of choice. There are significant skill gaps within the industry which are projected to increase as the pipeline advances, and productivity in the sector is stagnant. The workforce experiences disproportionate wellbeing issues compared to broader society and severely low levels of diversity when compared to other industries. These problems impact the industry's ability to deliver the pipeline of work in the most efficient and effective way and attract and retain a healthy, well and diverse workforce.



Long working hours

- 64% report working >50 hours per week
- 59% unsatisfied with work life balance
- 14% construction industry employees experiencing presenteeism



Wellbeing

- 2x suicide rate vs national average
- 75% report moderate to high stress levels
- 46% experiencing burn-out



Lack of diversity

- #1 most male-dominated industry
- 12% of the workforce is female
- <2% of on-site roles occupied by women

Figure 2: Construction Industry Statistics

Introduction to the Culture Standard (Cont.)

As well as these workforce pressures, construction experiences structural inhibitors to culture change, including the current definition of value for money which focuses on time and cost above social factors such as industry sustainability and worker wellbeing.

We identified the following key challenges facing the industry that can be addressed through partnership between clients and contractors:

- **Long working hours:** Hours of work in the industry are excessive, resulting in high rates of turnover, absenteeism, and stress-related leave. There is an inverse relationship between hours worked and productivity per hour.²
- **Lack of diversity:** Failure to attract and retain a diverse range of people narrows the industry's talent pool and reduces its capacity to deliver projects
- **Wellbeing:** Research shows stress levels and suicide rates amongst construction workers are double the national average.

These three challenges form the focus areas of the Culture Standard. The goals and requirements included within the focus areas seek to address these challenges and support a sustainable construction industry across Australia.

Development of the Culture Standard

We have adopted a consultative and evidence-based approach to the development of the Culture Standard. The approach involves several components, including:



Figure 3: CICT Approach to Development of the Culture Standard

We know the challenges of working hours, wellbeing and diversity in the industry have entirely interwoven causes and effects. Addressing one will not deliver the change the industry needs. The Standard is an integrated way to make a step change in the way construction works in partnership with our clients, to the benefit of all.

The Culture Standard is based on domestic and international research, trend analysis and lived experience. It has been developed collaboratively by the CICT partners to reflect the construction industry across jurisdictions and from both the client and contractor perspectives.

We have interacted with key organisations and stakeholders on the development of the Culture Standard to ensure that it targets critical issues and that it is scalable to projects of different sizes and types.

The development of the Culture Standard will be supported by an extensive consultation program for the rest of the year. This consultation will engage a range of stakeholders and influencers, provide deep dives into its three focus areas and encourage a dialogue around the themes, goals and requirements included in the Standard.

At the conclusion of this consultation period, we will refine the Culture Standard based on feedback received and work with government agencies across Australia with the aim to launch it into a pilot phase in 2022 to test its implementation and evaluate its success.

² Triple Wins, Triple Wins: Work Hour Cultures for Health, Safety and Gender Equality in Construction

Construction Work Health and Safety Research @ RMIT, RMIT University: Helen Lingard, Andrew Nette, James Harley, Payam Pirzadeh, Jack Clarke
Research School of Population Health, College of Health and Medicine, Australian National University: Amelia Yazidjoglou, Lyndall Strazdins,
Ginny M Sargent

Figure 3. OECD data 2021 - GDP against hours worked per person

Research Approach & Outcomes

To underpin the development, piloting, and refinement of the Culture Standard, we are funding a research program involving academic leaders and universities across Australia. The research program is structured to ensure that the focus areas and requirements included in the Culture Standard are evidence-based and data driven.

This research program includes a variety of activities and aims to:

- understand the challenges facing the construction industry,
- explore the outcomes of initiatives undertaken nationally and internationally to address these challenges,
- canvass the perspectives of key stakeholders surrounding cultural change, and
- evaluate the effects of complying with the Culture Standard on the construction industry.

Two research projects have been completed thus far with reports available on the CICT's [website](#). A summary of the key outputs of these reports is provided below.

Triple Wins: Work Hour Cultures for Health, Safety and Gender Equality in Construction

Construction Work Health and Safety Research @ RMIT, RMIT University: Helen Lingard, Andrew Nette, James Harley, Payam Pirzadeh, Jack Clarke

Research School of Population Health, College of Health and Medicine, Australian National University: Amelia Yazidjoglou, Lyndall Strazdins, Ginny M Sargent

The Triple Wins report is a literature review of work hour reduction trials and their impacts on wellbeing, diversity, and productivity. The literature review:

- Evaluates research available both nationally and internationally that explores the issues and relationships between hours of work, diversity, and wellbeing,
- Details the outcomes of various industry interventions, and
- Indicates the gaps in the knowledge and evidence where further research is needed.

This report puts forward the position that a 'triple win' may be achieved where wellbeing, diversity and fatigue may all be addressed through focusing on addressing working hours. The review also found that, due to structural and commercial factors in the industry, clients are in a strong position to lead this change.

The report identified that:

- Long and inflexible hours of work have important implications for the health and wellbeing of workers, linking these to heightened stress, burnout, depression and anxiety.
- There is a direct link between long work hours and chronic diseases (such as cardiovascular disease and diabetes) and the risk of workplace injury also increases as work hours rise.
- Work hours in project-based construction workers are also linked to negative spill-over between work and family life (work-family conflict) which is also consistently linked to poor health outcomes.

The report identifies and explores examples of client-led and contractor-led interventions to place upper limits on hours worked during project delivery. These interventions are often driven by fatigue management programs. Concerns about mental health and wellbeing have led several construction companies to implement a five-day (Monday to Friday) work week on some of their projects which the report also explores.

Research Approach & Outcomes (Cont.)

The report also found that:

- The industry's adherence to long and rigid hours of work is also likely to reinforce traditional gender roles in the household. Female partners are more likely than male partners to scale back their involvement in paid work and absorb the largest share of the domestic/household workload. This perpetuates salary inequity and the gap between women's and men's retirement savings accrued through superannuation contributions. The persistence of long work hours can therefore be seen as a source of structural economic disadvantage for women over time.
- There is consistent evidence that the construction industry bears significant cost from long, inflexible work hours. The consequent lack of diversity, poor mental health and work-family conflict impair workforce sustainability, adding to skills shortages and increasing turnover. Long work hours exclude those with caring responsibilities, a key factor in women's under representation in the construction industry. As a result, long work hours limit financial performance, hamper corporate social responsibility and innovation and fuel a high-pressure and high-conflict culture within workplaces, thereby impacting upon the cost and deliverability of projects in Australia.

The report concludes that this issue requires collaboration and engagement from all stakeholders – including clients, contractors, supply chain members and unions – to resolve. Further research and exploration of the impacts of mitigations are needed to test the success of a work hour reduction strategy, but the available research explored by this report suggests that such an intervention has the potential to be a triple win, in that reforming industry working hour culture will aid in addressing issues with industry diversity, health and wellbeing and the balance between the work and non-work lives of the workforce.



Research Approach & Outcomes (Cont.)

The Cost of Doing Nothing Report

BIS Oxford Economics: Daniel Crook and Andrew Tessler

This report examines critical issues within Australia's construction industry and the economic cost of doing nothing to address them. The report uses an economic welfare framework to examine the current state of play in the construction industry, focusing on impacts on:

- wellbeing,
- diversity, and
- long hours of work/fatigue.

The report analyses these impacts to demonstrate that society could be significantly better off if these industry issues were addressed.

Wellbeing

The report quantified the economic costs of the current construction work culture by investigating the loss of employee wellbeing due to work-related injuries, illnesses and fatalities. These incur significant economic costs including (but not limited to) impacts on:

- mortality,
- productivity
- morbidity (long term loss of quality of life), and
- medical and administrative costs.

The greatest cost of work-related injuries, illnesses and fatalities were estimated to be the impacts on lost productivity (\$4.2 billion in Net Present Value (NPV) terms) with 3,033 workers becoming partially or fully incapacitated. The morbidity cost of these was also significant, estimated to be \$1.4 billion in FY18. The administration and medical costs related to construction work-related injuries/illnesses in FY18 were estimated to be \$307 million and \$99 million, respectively, in NPV terms.

The report also examines the prevalence of ill-mental health and stress experienced by employees in the construction sector and the associated economic costs. The complex nature and limited understanding of what leads to construction employees suffering from ill-mental health prevents the report from discerning the ill-mental health economic costs that are a product of the construction culture from the construction employee ill-mental health economic costs that a result of non-work-related factors. However, mental ill-health directly impacts employee productivity through both increased absenteeism and presenteeism, impacting on the cost to the industry.

Diversity

The report analysed the costs of low female participation in the construction industry workforce. One of the major costs of the construction industry's inability to attract, recruit or retain female employees is the impact this has on labour supply.

The report found that labour shortage within the construction industry have been growing since 2013. In 2018 the proportion of labour vacancies filled reached a historic low, falling to 44 per cent. Skilled labour shortages can substantially increase labour costs due to increased competition between businesses for a limited number of staff. Labour shortages are also notorious for causing other adverse impacts on mental health and increased safety risk due to increased need for overtime and worker fatigue.

The COVID-19 pandemic and associated international border closure is expected to have exacerbated the current labour shortage. Although vacancies initially fell during the national lockdown during Q2 2020, the latest data from the ABS (2021c) shows vacancies in the construction sector have since rebounded strongly in early 2021, up 61 per cent on the same time last year.

Research Approach & Outcomes (Cont.)

The report identifies several difficult to quantify potential benefits of increasing female representation in the construction industry. These benefits include bringing about cultural and behavioural change (reported decreases in aggressive behaviour and bullying), improved attention to detail, planning and organisation and improved communication (advantages businesses when dealing with clients). These benefits could alternatively be potential costs to industry of failing to increase female representation.

Work Hours & Fatigue

The report highlighted that the construction sector is known for long working hours, particularly close to project deadlines. Although it may seem that drawing on existing full-time staff to work more hours to complete the projects avoids the cost of hiring and training new staff, the health and long-term productivity impacts far outweigh the short-term savings.

These impacts include fatigue, potentially leading to increased absenteeism and/or presenteeism, as well as increased chance of workplace injury and higher staff turnover. Evidence suggests that the Australian construction sector could gain economic benefits by addressing the current culture towards extended working hours.

Almost 35 per cent of construction employees averaged between 40 to 49 hours compared to 25 per cent of non-construction employees in FY18. The distortion is even more pronounced in employees working more than 50 hours per week, comprising of 23 per cent of construction employees compared to 14 per cent of non-construction employees.

It is well documented that the productivity of a construction worker reduces the longer they work extended hours. In general terms, there is a 1 per cent loss of productivity for each additional hour worked per week above a regular 40 hour working week.

Conclusion

Overall, the report found that the cost of the current culture of the construction industry in Australia regarding wellbeing, diversity and hours of work is approximately \$8 billion annually.

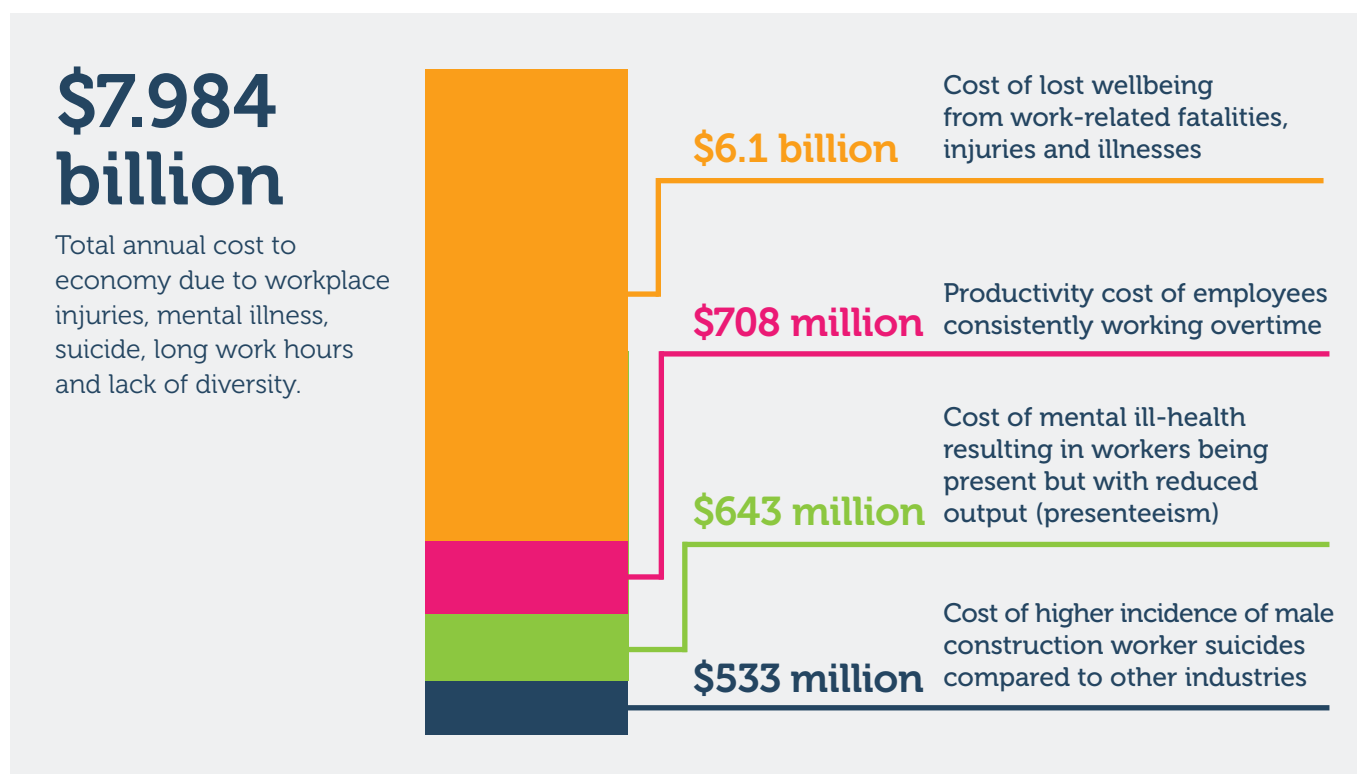


Figure 4: Summary of estimated costs of the current construction culture

Implementation



Our objective is for the Culture Standard to be implemented on public sector projects via the procurement process within each Australian jurisdiction.

This will involve the following implementation pathway:

1. Clients prioritising the implementation of the Culture Standard early in the project lifecycle (e.g. from the business case development stage of a project) and highlighting this as part of the request for tenders.
2. Contractors providing a report on how they will achieve the requirements of the Culture Standard to the client as part of their tender material.
3. Clients evaluating these reports as part of decision making regarding the shortlisting and selection of the successful tenderer for the project.
4. Clients and contractor working together in the delivery of the project to ensure compliance to the Culture Standard objectives outlined in the report.

Detail on full scale implementation is a work in progress. We are working with state delivery agencies to develop materials and metrics to support the effective implementation of the Culture Standard by both contractors and clients, as well as establishing a reporting process to monitor compliance with the requirements of the Standard through the project lifecycle.

The Culture Standard will be piloted on projects to test implementation models and impacts. The outputs of these pilots will enable key stakeholders to input into the delivery of the Culture Standard. We hope and expect some firms will support and adopt the standards prior to their being required.

Establishing a mechanism for the future governance of the Culture Standard is a priority for the CICT to ensure the Culture Standard is prioritised and implemented effectively and updated regularly.

Key Questions for Consultation

The CICT is seeking feedback on the content of the Culture Standard through an interactive online tool accessible at www.cultureinconstruction.com.au. It is also accepting written submissions through the website portal between the 15th and 25th of November 2021.

Written submissions may contain observations on any aspect of the Culture Standard, however the CICT would appreciate comments on the following key questions:

1. Do you support the Culture Standard concept? Is this something you would proactively implement?
2. Will the Culture Standard's three focus areas address existing cultural problems that are preventing the construction industry from being an employer of choice? Are there any other areas that should be considered?
3. Are there any aspects of the Culture Standard that would be difficult to implement or would impact competition for projects tendered by government clients?
4. What additional guidance or resources would support the implementation of the Culture Standard?
5. Are Mental Health First Aid training courses readily accessible to organisations in the construction industry?
6. Regarding the draft requirement '**The Construction Industry Works Monday – Friday**', are you supportive of caps on the number of hours worked per week? Why/Why not?
7. Should the requirement against 'offensive material' on site be extended to include offensive language and behaviour?
8. Do you support the inclusion of targets under the requirements **Women are Represented in the Construction Industry** and **Women hold Leadership Positions in the Construction Industry**? Which of the three options provided in each of these requirements do you believe will drive change whilst enabling innovation and competition? Are any of the three options unfeasible? If a specific target should be applied, what should this be and why?
9. It is envisaged that the Culture Standard will change over time to reflect different focus areas and requirements. What governance processes are needed to ensure the Culture Standard reflects the most relevant issues impacting industry?
10. Implementation of the Culture Standard will be critical to its success in changing industry culture. What implementation processes are important to provide confidence that the Culture Standard will be effective?
11. What additional guidance or resources would support the implementation of the Culture Standard?



The Culture Standard for the Construction Industry

Section 1: Wellbeing

Section 2: Time for Life

Section 3: Diversity



Figure 5: Overview of the Culture Standard

Culture Standard 1: Wellbeing

The wellbeing of people employed in the construction industry must be a key priority for governments and industry stakeholders alike. The construction industry is one which “shouts safety but whispers health,” resulting in negative impacts to worker wellbeing. Prioritising wellbeing on a project requires a holistic approach and, if managed appropriately, will improve the productivity, attractiveness and retention rates of the construction industry.

The *wellbeing* component of this culture standard places requirements on both clients and contractors in three areas:



Mental Health

The construction industry has some of the highest rates of mental ill health including suicide across all industries in Australia. This has a profound impact on individuals, families and communities around the country, and results in a large economic and resource drain on society more broadly.



Occupational Health

Occupational health risks are often a secondary consideration to safety risks. A consequence of this is that the prevention, elimination and management of critical health risks are not as well understood or implemented as those pertaining to physical safety risks. This has the potential to leave people exposed to occupational health risks as part of their work in the construction industry, in turn impacting the wellbeing of the workforce.



Project Schedule

Current measures of the successful delivery of a construction project are time (delivering the project on schedule) and cost (delivering the project on budget). Defining success in this way impacts the people working in the construction industry, who are often required to work harder or longer hours to deliver projects to established timeframes and budgets. This has significant health ramifications for people working in the industry as well as reducing the ability of the industry to attract and retain its workforce.

The goals of the wellbeing component of the Culture Standard are:

- The Construction Industry Supports the Mental Health of its People
- Occupational Health Risks are Managed in Accordance with Leading Practice
- Worker Wellbeing is Prioritised When Setting the Project Schedule

1.1 The Construction Industry Supports the Mental Health of its People

Requirement	<p>Organisations will support the mental health of their workforce by:</p> <ul style="list-style-type: none"> • having programs in place (such as suicide awareness and prevention programs, resilience training, leadership development etc.) to identify and prevent mental health illnesses and support good mental health in a stigma-free space, • scheduling these programs to enable effective workforce participation, • ensuring Mental Health First Aiders are available to workers on the project.
Action to be taken	<p>Organisations will report to the client as part of their tender documentation on the program/s they will have in place on the project to support mental health and the provision of mental health first aiders on the project.</p> <p>Organisations will ensure that the program/s are accessible to those working on the project and that they seek to:</p> <ul style="list-style-type: none"> • identify and prevent mental health illness, and • support good mental health. <p>Organisations will communicate access to the program/s and provide an environment where the program/s can be accessed in a stigma free way.</p> <p>Organisations will ensure that trained mental health first aiders are always available to people on site for the duration of the project.</p> <p>Organisations will assess the effectiveness of the program/s (e.g. participation numbers and participant feedback) and report on this at least every 6 months.</p>
Why this is important	<p>The incidence of mental health issues within the construction industry is one of the highest of all industries in Australia. Mental ill-health can have profound impacts on the individual, their families, and the community, and directly impacts employee productivity.</p> <p>Implementing programs which support the mental health of the workforce will help to identify and address existing mental health issues and support prevention of future issues. In addition to the social benefits associated with addressing mental health concerns, this will also result in a more engaged and productive workforce, as well as industry wide improvements to attraction, retention and diversity.</p> <p>Mental Health First Aiders provide a point of contact for those suffering from mental health issues and can facilitate access to support programs. This helps to destigmatise discussions around mental health in the workplace.</p> <p>Measuring the effectiveness of mental health programs (including through monitoring of lead and lag indicators) assists organisations in supporting the wellbeing of their workforce and providing effective and productive programs.</p>
Benefits / Outcomes	<ul style="list-style-type: none"> • Improved mental health and wellbeing outcomes • Support for mental health conditions • Reduced suicides • Increased productivity • Improve safety and quality • Improved project diversity • Improved attraction and retention • Reduced stress and burn out • Social benefits (impacts to people, families and community) • Improved social relationships • Reduced costs associated with mental ill-health
Financial / Cost Implications	<p>Organisations will encounter costs to the implementation of this requirement in the following areas:</p> <ul style="list-style-type: none"> • Time and cost to plan, develop and report on mental health programs • Time and cost of training mental health first aiders • Time and cost to implement and promote mental health programs • Supervision/leadership time and costs to support implementation and accessibility

1.1 The Construction Industry Supports the Mental Health of its People

Performance Measurement

- Reporting on mental health program/s to be implemented on the project (tender phase)
- Reporting on attendance at the program/s and number of Mental Health First Aiders (delivery phase)
- Summary of mental health program/s and Mental Health First Aiders utilisation and impacts throughout the project (handover phase)
- Worker survey to test implementation

Behavioural Outcomes

- Increased utilisation of mental health programs
- People talk about mental health openly
- People report improved mental health and wellbeing
- People report feeling supported in the workplace
- Increased productivity
- People apply to work in the industry
- People choose to stay in the industry



1.2 Occupational Health Risks are Managed in Accordance with Leading Practice

Requirement	When assessing health risks on the project, organisations will include risk controls that reflect current leading practice.
Action to be taken	<p>Organisations will assess health risks for the project and report on these and their proposed risk controls to the client as part of tender documentation.</p> <p>Organisations will ensure that risk controls recommended and implemented on the project reflect higher order controls and current leading practice.</p>
Why this is important	<p>Occupational health risks can cause debilitating and chronic conditions for people working in the construction industry and have significant impacts on wellbeing.</p> <p>Undertaking a health risk assessment for a project and reviewing leading practice for identified health risks will assist in raising the capability of the industry regarding occupational health and will ensure that people working in the industry are protected by risk controls of the highest standard. This will support the people working in the industry to enjoy long, healthy and productive working lives.</p>
Benefits / Outcomes	<ul style="list-style-type: none"> • Improved physical health outcomes • Improved wellbeing outcomes • Increased productivity • Decreased fatalities • Improved safety • Improved attraction and retention • Decreased workers compensation claims
Financial / Cost Implications	<p>Organisations will encounter costs to the implementation of this requirement in the following areas:</p> <ul style="list-style-type: none"> • Time and cost to review risk controls for occupational health risks subject to a Health Risk Assessment • Time and cost of training surrounding the implementation of risk controls • Supervision/leadership time and costs to support implementation of risk controls • Capital investment in plant or equipment necessary to implement risk controls
Performance Measurement	<ul style="list-style-type: none"> • Occupational health risks on the project are identified and the process/approach to be undertaken to manage these mapped (tender phase) • Reporting to client outlining identified health risks and the risk control measure/s implemented on the project (delivery phase) • Worker survey to test implementation
Behavioural Outcomes	<ul style="list-style-type: none"> • Increased awareness of occupational health risks • Increased compliance with risk controls • Increased reporting of occupational health risks from project workforce • Decreased absences arising from occupational health risks • People apply to work in the industry • People choose to stay in the industry

1.3 Worker Wellbeing is Prioritised When Setting the Project Schedule

Requirement	<p>Organisations will develop the project schedule to support the health of their people by:</p> <ul style="list-style-type: none"> • considering <i>health risk mitigations</i> when setting the project schedule • effectively <i>managing workload pressures</i> through the project schedule • ensuring sufficient <i>recovery opportunities</i> through the project schedule <p>Organisations will demonstrate the above for consideration by the client as part of tender documentation.</p>
Action to be taken	<p>Organisations will ensure that the project schedule prioritises the wellbeing of the workforce by considering health risk mitigations (including fatigue, recovery, mental health and physical health) and effectively managing workload pressures.</p> <p>Organisations will report on this to the client in the tender stage of the project.</p>
Why this is important	<p>Requiring consideration of workload pressures and health risk mitigations as part of project programming will drive health and wellbeing outcomes by ensuring that the timeframes for deliverables are set with a focus on supporting the people working in the construction industry.</p> <p>This in turn will support the productivity of the industry by:</p> <ul style="list-style-type: none"> • improving workforce engagement, • improving attraction and retention and • reducing resource requirements in supporting people impacted by health conditions contributed to by project schedule pressure.
Benefits / Outcomes	<ul style="list-style-type: none"> • Improved mental and physical health outcomes • Increased productivity • Decreased fatigue and burn out • Improved safety and quality • Improved attraction and retention • Improved client/contractor relationship • Reduced stress levels • Increased diversity
Financial / Cost Implications	<p>Organisations will encounter costs to the implementation of this requirement in the following areas:</p> <ul style="list-style-type: none"> • Time and cost in developing the project schedule • Supervision/leadership time and costs to support implementation of the requirement
Performance Measurement	<ul style="list-style-type: none"> • A project schedule which considers health risk mitigations and workload pressures and takes steps to support the people working on the project (tender phase) • Discussion of health risk mitigations and workload pressure in meetings with clients around project schedule (delivery phase) • Worker survey to test implementation
Behavioural Outcomes	<ul style="list-style-type: none"> • Decreased absences • People apply to work in the industry • People choose to stay in the industry

Culture Standard 2: Time for Life

Ensuring that people working in the construction industry have adequate time to rest and pursue life activities outside of work is necessary for the ongoing sustainability of the industry and to support the wellbeing of the workforce, their families, and their communities.

A workforce with insufficient time away from work will affect the outcomes of projects including through reduced productivity, quality of work and safety as well as reinforcing beliefs that the industry is an unattractive place to work and that it does not provide opportunities for the participation of a diverse workforce.

The *time for life* component of this culture standard places requirements on both clients and contractors in two areas:



Work Periods

Many construction sites operate 6 – 7 days per week to meet delivery timeframes and because this is the industry norm. This creates a situation where the people working on these projects generally work more than 5 days per week and extended hours within those days, leading to issues including fatigue, burn out, mental and physical health impacts and relationship disruption. Even where there is a compelling reason to minimise disruption to critical rail or road infrastructure, projects are not generally scheduled to provide workers with adequate time off where weekend work is required.



Flexibility

It is difficult for people in the construction industry to have time for themselves or to undertake basic activities such as attending personal appointments or providing care for children or loved ones. Being unable to balance life has health and wellbeing ramifications and can cause stress, relationship issues and reduced productivity.

The goals of the time for life component of the Culture Standard are:

- The Construction Industry Works Monday – Friday
- All People in the Industry Have Access to Flexible Work Options

Leadership

Achievement of these goals requires leadership from both the client and contractor, with the primary ownership at different phases of the project being:

- **Business Case Development, Project inception:** Client ownership
- **Development of tenders:** Contractor ownership
- **Assessment of tenders:** Client ownership
- **Project Delivery:** Contractor ownership
- **Project Handover:** Client ownership

The behavioural expectations for the leaders indicated above include:

- Commitment from the client, contractor and project leader to delivery of the requirements
- Communicating the requirements and advocating for their delivery
- Ensuring priority is placed on delivery of the requirements at all stages of the project
- Proactively support the implementation of the requirements
- Seeking awareness and greater understanding on the issues
- Ensuring appropriate resources are provided to support the delivery of the requirements
- Setting the right culture to allow workforce to adopt flexibility options
- Celebrate or reward those providing a flexible work environment

2.1 The Construction Industry Operates Monday to Friday

Requirement	<p>Organisations will program their project to:</p> <ul style="list-style-type: none"> • target that all workers work 50 hours or less per week, and • ensure that no workers work over 55 hours per week, and • operate the site from Monday to Friday or, where this is not viable (such as projects requiring occupancy or continuous plant activity), demonstrate why and ensure all workers are working a five day per week program.
Action to be taken	<p>Organisations will develop and submit as part of tender documentation a project schedule which adheres to a Monday to Friday operational period, with the site being shut on Saturday and Sunday. Exceptions to this include where the organisation proves to the client that this is unviable.</p> <p>Reasons why a Monday to Friday operational period may be unviable include:</p> <ul style="list-style-type: none"> • maintenance of critical infrastructure (e.g., out of hours road or rail construction and maintenance) and • where work to be conducted is necessary to protect public safety (e.g., crane installations). <p>If an organisation demonstrates to the client that a Monday – Friday operational period is unviable, the organisation will develop the project schedule to ensure that a worker on the project works no more than 5 days per week.</p> <p>The project schedule will also target that people work 50 hour per week. Where this is not achievable, the organisation will ensure that no one works over 55 hours per week.</p> <p>The organisation will report to the client on compliance to the schedule in client reports during delivery.</p>
Why this is important	<p>Closing the site on the weekend enables all people on that site to have the opportunity to rest and recover appropriately during project delivery. Implementing a Monday to Friday project program will ensure that the work does not continue through the weekend rest period, including either on site or remotely via email or meeting arrangements.</p> <p>Providing this rest period will enable people to participate in social, community and family activities. This will also support wellbeing through improved mental and physical health outcomes. Organisations will additionally benefit from improvements in productivity attributable to a rested workforce with corresponding impacts to safety and quality.</p>
Benefits / Outcomes	<ul style="list-style-type: none"> • Improved work/life balance • Reduced fatigue • Improved mental and physical health and wellbeing outcomes • Improved safety and quality • Improved project diversity • Improved attraction and retention • Lower stress • Increased productivity • Improved social relationships and increased shared parenting and caring opportunities
Financial / Cost Implications	<p>Organisations will encounter costs to the implementation of this requirement in the following areas:</p> <ul style="list-style-type: none"> • Time to plan, monitor and report on compliance to the schedule • Supervision costs to ensure implementation and compliance • Cultural change training and support for team leaders and teams • Potential additional workforce to provide backfilling resources • Increases in Capex to projects where plant/equipment is required for longer periods

2.1 The Construction Industry Operates Monday to Friday

Performance Measurement

- Project schedule assessment (tender phase)
- Project schedule reporting of operational periods (delivery phase)
- Project schedule summary reporting (handover phase)
- Worker survey to test implementation

Behavioural Outcomes

- People apply to work in the industry
- People choose to stay in the industry
- Increased productivity and workforce engagement
- Improved diversity
- People report improved health and wellbeing
- People prefer to work on projects where this requirement is in place



2.2 All People in the Industry Have Access to Flexible Work Options

Requirement	<p>Organisations will develop and provide a flexibility plan outlining how it will support and promote flexibility for the project (including office and site-based roles).</p> <p>This plan will be drafted at tender stage and finalised 30 days after contract execution. Organisations will report performance against this plan as a standard item in client meetings and organisational leadership meetings.</p>
Action to be taken	<p>An organisation will develop and submit as part of tender documentation a flexibility plan that outlines how flexible work practices will be supported, promoted, and implemented on the project.</p> <p>The organisation will communicate the plan with the organisational and project team, implement the plan and monitor and document results.</p> <p>The organisation will report to the client against the plan in client meetings.</p>
Why this is important	<p>Providing flexible work options will allow the industry to attract people to the industry who would otherwise not consider a career in construction.</p> <p>Improved flexibility options will also encourage the existing workforce to choose to stay in the industry who might otherwise move to other industries. These improvements in attraction and retention will help to address capability and capacity constraints by keeping skills and learnings in the industry and bringing new talent into the sector.</p> <p>Flexible work options contribute to a work environment which supports health and wellbeing outcomes, reduces stress and fatigue and improves productivity and engagement.</p>
Benefits / Outcomes	<ul style="list-style-type: none"> • Improved attraction and retention • Improved diversity • Improved mental and physical health and wellbeing outcomes • Reduced stress • Increased productivity • Decreased safety incidents attributable to fatigue and/or distraction
Financial / Cost Implications	<p>Organisations will encounter costs to the implementation of this requirement in the following areas:</p> <ul style="list-style-type: none"> • Time to plan, monitor and report • Supervision costs to ensure implementation and compliance • Increase in project preliminary costs and overheads • Cultural change training and support for team leaders and teams • Potential IT costs if additional or new systems are required to manage flexibility • Potential additional workforce to provide backfilling of resources • Consequence and performance management where the plan is not implemented effectively
Performance Measurement	<ul style="list-style-type: none"> • A plan exists and progress reporting is regularly provided • Number of roles offered and operating flexibly • Survey to staff checking: <ul style="list-style-type: none"> - Workers know there is a flex plan - Workers say that they are using it and that there are no repercussions or stigma for using it
Behavioural Outcomes	<ul style="list-style-type: none"> • People work in a range of ways • People prioritise health and wellbeing • Managers have flexibility conversations with their teams • No negative banter or shaming around presenteeism (including flexibility and hours of work) • People return to work after having children • People apply to work in the industry • People choose to stay in the industry • People report improved health and wellbeing • Meetings are scheduled to consider flexibility

Culture Standard 3: Diversity

The Australian construction industry faces difficulty attracting and retaining a diverse range of people, especially women. This affects productivity, and the industry's capability and capacity to deliver projects.

The work environment for people working in the construction industry can be challenging, further deterring those considering a career path in the industry. To support a viable and inclusive industry, greater focus on implementing changes to address the obstacles to diversity is a key focus of this culture standard.

The *diversity* component of this culture standard places requirements on both clients and contractors in three areas.



Targeting Diversity

The construction industry is one of the lowest ranked industries in Australia for female representation in the workforce, at 12 per cent. The representation of women in roles involving strategic decision making and leadership is particularly low. This lack of visibility of female leadership negatively affects women's perceptions of the construction industry as an industry where they can pursue a successful career.



Inclusive Workplaces

The construction industry has made significant progress into improving the inclusivity of its workplaces, including through reducing the presence of offensive material in the workplace and providing adequate amenities to support a diverse workforce. However, this is still an issue which obstructs diversity, attraction, and retention of the workforce as well as perceptions of the industry in the community.



Remuneration

Women are not attracted to the construction industry for many reasons, one of which is the disparity in their pay when compared to their male colleagues.

The goals of the diversity component of the Culture Standard are:

- The Construction Industry Provides an Inclusive Work Environment
- The Construction Industry is Free from Offensive Material & Language
- The Construction Industry Provides Amenities to Support a Diverse Workforce
- Women are Represented in the Construction Industry
- The Construction Industry Has Eliminated Gender Pay Gaps
- The Construction Industry Employs People Without Bias
- The Construction Industry Has Achieved Pay Parity

Culture Standard 3: Diversity (Cont.)

Leadership

Achievement of these goals requires leadership from both the client and contractor, with the primary ownership at different phases of the project being:

- **Business Case Development, Project inception:** Client ownership
- **Development of tenders:** Contractor ownership
- **Assessment of tenders:** Client ownership
- **Project Delivery:** Contractor ownership
- **Project Handover:** Client ownership

The behavioural expectations for the leaders indicated above include:

- Commitment from the client, contractor and project leader to delivery of the requirements
- Communicating the requirements and advocating for their delivery
- Ensuring priority is placed on delivery of the requirements at all stages of the project
- Proactively support the implementation of the requirements
- Seeking awareness and greater understanding on the issues
- Ensuring appropriate resources are provided to support the delivery of the requirements
- Provide resources to ensure delivery against the requirement



3.1 The Construction Industry Provides an Inclusive Work Environment

Requirement	<p>Organisations will provide workplaces that enable inclusive participation by a diverse workforce, especially women, through self-assessing their current practices on the Culture Maturity Scorecard (see Culture Maturity Scorecard Consultation Paper) and developing a plan for achieving improvement on the project.</p> <p>Organisations will be required to show evidence to support their results.</p>
Action to be taken	<p>Organisations will undertake a self-assessment of their performance against the culture continuum.</p> <p>Organisations will report their current ranking and supporting evidence to the client during the tender stage.</p> <p>Organisations will develop a plan to improve their rank on the culture continuum on the project and provide this to the client for consideration as part of the tender.</p> <p>Organisations will report to the client on their progress against this plan during the delivery stage of the project and at project handover.</p>
Why this is important	<p>An inclusive workplace supports the participation of people from all ages, genders, cultures, sexual orientations and heritages, including Indigenous and First Nations People.</p> <p>Attracting more women to participate in the workforce will boost national productivity and benefit workplace culture.</p> <p>Inclusive work environments ensure that people feel valued and supported to pursue productive and lengthy careers. Providing inclusive workplaces will improve the attraction, retention and diversity of the industry, which will also assist in addressing capability and capacity constraints in the industry.</p> <p>This will also contribute to improved health outcomes for people working in the construction industry, (including both mental and physical health).</p>
Benefits / Outcomes	<ul style="list-style-type: none"> • Improved attraction and retention • Improved diversity • Improved mental and physical health and wellbeing outcomes • Lower stress in the workforce • Increased productivity
Financial / Cost Implications	<p>Organisations will encounter costs to the implementation of this requirement in the following areas:</p> <ul style="list-style-type: none"> • Time to understand and conduct the culture scorecard assessment • Time to monitor and report on the culture scorecard assessment • Time and cost to plan for improvement against the culture scorecard • Financial costs of implementing the plan to achieve the target ranking on the project • Time from leaders to promote and support the delivery of the requirement
Performance Measurement	<ul style="list-style-type: none"> • Reporting to clients regarding progress against targeted scorecard ranking • Workforce Survey
Behavioural Outcomes	<ul style="list-style-type: none"> • Workers return to work after having children • People apply to work in the industry • Workers choose to stay in the industry • Improved diversity • Workers report improved health and wellbeing

3.2 The Construction Industry is Free from Offensive Material and Language

Requirement	Organisations will provide workplaces that enable inclusive participation by the workforce through ensuring there is no pornography or offensive material in the workplace.
Action to be taken	<p>Organisations will develop and implement a process on the project to ensure that there is no pornography or offensive material in the workplace. Organisations will report on this process to the client as part of tender documentation.</p> <p>Organisations should include as part of the process to be implemented an avenue for workers to report the presence of pornography or offensive material in a stigma-free way, and a mechanism for the timely removal of the offensive material from the workplace.</p>
Why this is important	<p>All people working in the construction industry should be supported to feel comfortable and included in their work environment. Removing offensive material from the workplace in a suitable timeframe will support a diverse workforce that views the industry in a positive light and as a place they can build a career.</p> <p>Removing offensive material from workplaces will also improve community perceptions of the industry, along with the ability of the industry to attract and retain people, particularly women, into its workforce.</p>
Benefits / Outcomes	<ul style="list-style-type: none"> • Improved attraction and retention • Improved diversity • Improved mental and physical health and wellbeing outcomes • Lower stress in the workforce • Increased productivity
Financial / Cost Implications	<p>Organisations will encounter costs to the implementation of this requirement in the following areas:</p> <ul style="list-style-type: none"> • Time to develop a plan/process for the removal of offensive material on that project • Time and cost to plan for implementing reporting mechanism • Financial costs for removal of offensive material • Time from leaders to promote and support the delivery of the requirement
Performance Measurement	<ul style="list-style-type: none"> • Reporting of offensive material • Survey to staff
Behavioural Outcomes	<ul style="list-style-type: none"> • People apply to work in the industry • Workers report offensive material as and if it occurs • Workers choose to stay in the industry • Improved diversity • Workers report improved health and wellbeing • Improved community perception of industry • Easier onboarding of new people into the industry

3.3 The Construction Industry Provides Amenities to Support a Diverse Workforce

Requirement	Organisations will provide workplaces that enable inclusive participation of a diverse workforce, particularly women, through ensuring appropriate amenities and personal protective equipment (PPE) are provided on the project.
Action to be taken	<p>Organisations will develop and provide to the client as part of tender documentation an amenities plan tailored to the size and scale of the project by undertaking an assessment of the amenities required on the project to support the participation of a diverse range of people in a safe and inclusive environment.</p> <p>Organisations will implement the amenities plan for the duration of the project ensuring amenities are kept in a condition that enables their safe and effective use.</p>
Why this is important	<p>All people working in the construction industry should have a work environment equipped to support their needs, including access to the appropriate amenities that they require.</p> <p>The quality of the amenities provided are a key factor in determining whether the work environment is considered supportive, with safety and privacy issues often raised as critical concerns by people working in the construction industry (examples of issues to consider include but are not limited to amenity location, accessibility, cleanliness and psychological safety of users).</p> <p>Providing the amenities needed to support a diverse workforce will enable a supportive work environment for people working in the construction industry. This will help to improve the productivity and engagement of the workforce, as well as impact upon the ability of the industry to attract and retain a diverse range of people.</p>
Benefits / Outcomes	<ul style="list-style-type: none"> • Improved attraction and retention • Improved diversity • Improved mental and physical health and wellbeing outcomes • Lower stress in the workforce • Increased productivity • Increased safety of workers from minority groups
Financial / Cost Implications	<p>Organisations will encounter costs to the implementation of this requirement in the following areas:</p> <ul style="list-style-type: none"> • Time to consider and plan amenities required for the project • Time to plan the location and access to the amenities • Potential cost of additional amenities
Performance Measurement	<ul style="list-style-type: none"> • Survey to staff • Physical amenities are on site in suitable condition
Behavioural Outcomes	<ul style="list-style-type: none"> • People apply to work in the industry • Workers choose to stay in the industry • Increased workforce productivity and engagement • Improved diversity • Workers report improved health and wellbeing and personal safety

3.4 Women are Represented in the Construction Industry

Requirement	Organisations will target the appointment of women across critical workforce segments and strategic decision-making roles and develop a plan for the project to achieve these targets.
Action to be taken	<p>Option 1: Self-Nominated Targets</p> <ol style="list-style-type: none"> Organisations are to undertake a <i>workforce assessment</i> for the project to: <ul style="list-style-type: none"> identify critical workforce segments, and identify which of those segments are strategic decision-making roles. This assessment will include both on and off-site roles. Organisations will set and disclose targets for: <ul style="list-style-type: none"> the appointment of women across all critical workforce segments, and specific targets for women in strategic decision-making roles. Organisations will develop a plan to achieve these targets on the project and will provide the plan and targets to clients as part of their tender documentation. <p>Option 2: Targets Linked Industry Average</p> <ol style="list-style-type: none"> Organisations are to undertake a <i>workforce assessment</i> for the project to: <ul style="list-style-type: none"> identify critical workforce segments, and identify which of those segments are strategic decision-making roles. This assessment will include both on and off-site roles. Organisations will submit a plan to the client outlining how they are performing against industry averages on gender diversity regarding these <i>critical workforce segments</i> and <i>strategic decision-making roles</i>, and how they will surpass industry averages for these roles as part of this project. <p>Option 3: Specified Targets</p> <ol style="list-style-type: none"> Organisations are to undertake a <i>workforce assessment</i> for the project to: <ul style="list-style-type: none"> identify critical workforce segments, and identify which of those segments are strategic decision-making roles. This assessment will include both on and off-site roles. Organisations will submit a plan to the client outlining how they will achieve or surpass a target of 20 per cent female participation in the identified <i>critical workforce segments</i> and <i>strategic decision-making roles</i> on this project.
Why this is important	<p>The setting of targets regarding the appointment of women, and reporting on these targets to clients, improves transparency and accountability around efforts to ensure women are represented in the construction industry, while also allowing individual organisations to consider what results they can achieve on a specific project. The requirement to include these targets in tender documentation adds a competitive element to both the setting and delivery of these targets.</p> <p>Increasing the number of women in strategic decision-making roles not only improves diversity of thought but is also a clear indication to women working in the construction industry that the industry provides career pathways that enable women to undertake these roles.</p> <p>The construction pipeline across Australia over the next decade is considerable, and meeting demand for construction services will require an increase in the number of people participating at all levels of the industry. The ability to attract and retain women will support the viability of the industry and the deliverability of the nation's construction pipeline.</p>

3.4 Women are Represented in the Construction Industry

Benefits / Outcomes	<ul style="list-style-type: none"> • Women are attracted to the industry • Improved retention • Improved project workforce diversity • Improved mental health and wellbeing outcomes • Lower stress • Increased productivity • Increased industry workforce and skills • Women with caring responsibilities stay in the industry • Increased innovation through increased diversity
Financial / Cost Implications	<p>Organisations will encounter costs to the implementation of this requirement in the following areas:</p> <ul style="list-style-type: none"> • Time to consider, plan and propose targets • Time and cost to monitor and report on targets • Potential cost to communicate and train project team regarding the target • Potential financial cost in pursuit of target (e.g. marketing, advertising and recruitment costs, mentoring and leadership training programs)
Performance Measurement	<ul style="list-style-type: none"> • Reporting of the target and progress to the client
Behavioural Outcomes	<ul style="list-style-type: none"> • Workers return to work after having children • Women apply to work in the industry • People choose to stay in the industry • Workers report improved health and wellbeing



3.5 Women hold Leadership Positions in the Construction Industry

Requirement	Organisations will target the appointment of women on their leadership and governing bodies/ advisory boards and demonstrate commitment to this.
Action to be taken	<p>Option 1: Self Nominated Targets</p> <p>Organisations will:</p> <ol style="list-style-type: none"> 1. Identify the leadership and governing bodies that exist within their business 2. Identify the gender distribution on these leadership bodies 3. Specify targets for female participation on these bodies 4. Report on these targets to clients as part of tender documentation, including providing information on the progress and activity of the organisation in reaching these targets. <p>Option 2: Targets Linked Industry Average</p> <p>Organisations will:</p> <ol style="list-style-type: none"> 1. Identify the leadership and governing bodies that exist within their business 2. Identify the gender distribution on these leadership bodies 3. Submit a plan to the client outlining how they are performing against industry averages, and actions being taken to surpass industry averages for these roles. <p>Option 3: Specified Targets</p> <p>Organisations will:</p> <ol style="list-style-type: none"> 1. Identify the leadership and governing bodies that exist within their business 2. Identify the gender distribution on these leadership bodies 3. Submit a plan to the client outlining how they will achieve or surpass a target of 20 per cent female participation on leadership bodies.
Why this is important	<p>Statistics show that women are underrepresented in leadership roles across most Australian industries, including the construction industry. Statistics from the Workplace Gender Equality Agency (WGEA) indicate that, although women make up half of the workforce, they comprise:</p> <ul style="list-style-type: none"> • 32.5 per cent of key management positions • 28.1 per cent of directors • 18.3 per cent of CEOs • 14.6 per cent of board chairs <p>Additionally, in 2021, women hold only 6 per cent of Chief Executive Officer (CEO) roles and 26 per cent of positions in Executive Leadership Teams in ASX300 companies.</p> <p>The construction industry rates well below these levels in all categories.</p> <p>Setting targets, monitoring progress and reporting on outcomes will help drive change across the industry and increase the visibility and prevalence of women in positions of leadership across the sector.</p> <p>Allowing organisations to self-nominate these targets and demonstrate their commitment allows for innovation and flexibility in the approach to achieving this change and ensures that organisations can adopt approaches that are suitable to their business.</p>
Benefits / Outcomes	<ul style="list-style-type: none"> • Women are attracted to the industry • Improved retention - women see successful role models • Improved project workforce diversity • Increased productivity • Increased industry workforce and skills • Women with family responsibilities stay in the industry • Increased industry diversity

3.5 Women hold Leadership Positions in the Construction Industry

Financial / Cost Implications

Organisations will encounter costs to the implementation of this requirement in the following areas:

- Time to analyse the organisation's leadership structure, set targets and develop a plan to achieve these targets.
- Time and cost to monitor and report on targets

Performance Measurement

- Reporting of the target and progress to the client at the tender stage

Behavioural Outcomes

- Workers return to work after having children
- Women apply to work in the industry
- People choose to stay in the industry
- Increased industry productivity and engagement



3.6 The Construction Industry Has Eliminated Gender Pay Gaps

Requirement	<p>Organisations are to:</p> <ol style="list-style-type: none"> 1. Identify and disclose <i>gender pay gaps</i> across job roles. 2. Develop and implement a plan to reduce <i>gender pay gaps</i>.
Action to be taken	<p>Organisations will assess the pay of their male and female employees within job roles to identify gender pay gaps that exist within their organisation.</p> <p>Organisations will ensure all gender pay gaps are removed for project personnel immediately.</p> <p>Organisations will develop a plan for the removal of identified gender pay gaps company wide.</p> <p>Organisations will report on the outcomes of this assessment and their plan to remove any company wide gender pay gaps as part of their tender documentation.</p>
Why this is important	<p>Removing gender pay gaps will improve the ability of the industry to attract and retain women by providing an environment where women feel included, respected, and rewarded for their contributions.</p> <p>An increased ability for the industry to attract and retain women will improve diversity within the industry. This has a multitude of benefits including on productivity, innovation, and skills.</p> <p>Removing gender pay gaps also provides an acknowledgement that the work of men and women are equally valued by society. Taking this step will improve community trust in the industry and help support a viable and sustainable construction industry in Australia.</p>
Benefits / Outcomes	<ul style="list-style-type: none"> • Improved attraction and retention • Improved project workforce diversity • Improved mental health and wellbeing outcomes for workforce • Lower stress in the workforce • Improved workplace relationships • Increased productivity
Financial / Cost Implications	<p>Organisations will encounter costs to the implementation of this requirement in the following areas:</p> <ul style="list-style-type: none"> • Time to understand and conduct the gender pay gap assessment • Time to monitor and report on gender pay gap assessment • Financial costs of addressing gender pay gaps through increase in wages
Performance Measurement	<ul style="list-style-type: none"> • Gender pay gaps are reported to the client • Gender pay gaps are reducing as per organisation reporting • WGEA reporting results • Organisations to provide an assurance to the client that their organisation is compliant with pay parity requirements
Behavioural Outcomes	<ul style="list-style-type: none"> • Workers return to work after having children • People apply to work in the industry • Workers choose to stay in the industry • Increased industry productivity and engagement • Workers report improved health and wellbeing

3.7 The Construction Industry Employs People Without Bias

Requirement	Organisations are to create and implement professional standards for the interviewing, shortlisting and selection of people.
Action to be taken	<p>Organisations will develop professional standards to be implemented by the organisation for the interviewing, shortlisting and selection of candidates.</p> <p>These professional standards should seek to reduce the impact of conscious and unconscious bias present through the employment process.</p> <p>Organisations will provide information on their standards to the client as part of tender documentation.</p>
Why this is important	<p>Removing conscious and unconscious bias present in the interviewing, shortlisting and selection of people to work in the construction industry will remove barriers to employment which are often faced by a diverse range of workers.</p> <p>Removing these barriers through the development and implementation of professional standards for employment will assist the industry to attract and retain a diverse workforce, improving the engagement, productivity, and sustainability of the construction industry.</p>
Benefits / Outcomes	<ul style="list-style-type: none"> • Improved attraction • Improved project workforce diversity • Improved mental health and wellbeing outcomes • Lower stress • Increased productivity • Increased industry workforce and skills
Financial / Cost Implications	<p>Organisations will encounter costs to the implementation of this requirement in the following areas:</p> <ul style="list-style-type: none"> • Time and cost to develop professional standards • Time and cost to implement professional standards • Potential cost to communicate and train project team • Leadership time to promote and prioritise the implementation of the professional standards
Performance Measurement	<ul style="list-style-type: none"> • Reporting of the professional standards and implementation pathway to client • Survey to staff (independent)
Behavioural Outcomes	<ul style="list-style-type: none"> • Workers return to work after having children • Diverse range of people apply to work in the industry • A diverse range of people are employed in the industry • People choose to stay in the industry • Increased industry productivity and engagement • Improved diversity • Workers report improved health and wellbeing

Conclusion

The Culture Standard for the Construction Industry, in conjunction with the CICT's program of research, pilots and consultation, is seeking to address significant challenges created by the culture of the industry and provide sustainable benefits to industry, clients, the workforce and their families.



Benefits for industry

- ✓ Lift productivity
- ✓ Attract new workers to rewarding and essential jobs
- ✓ Improve workforce retention rates



Benefits for customers

- ✓ Increased capacity to deliver \$218 billion infrastructure pipeline
- ✓ Industry positioned to support economic recovery from COVID-19
- ✓ Purchase services that provide diverse, safe and healthy workplaces



Benefits for workers

- ✓ Improved quality of life
- ✓ Workplace that supports health and wellbeing
- ✓ Workplace where everyone has a place and feels valued

Figure 6: Benefits of addressing industry culture

Your input on the Culture Standard and the Culture Maturity Scorecard will help ensure these benefits are realised.

For information on consultation opportunities surrounding the Culture Standard and the Culture Maturity Scorecard, or to get in contact with the Construction Industry Culture Taskforce, please visit www.cultureinconstruction.com.au



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Time for Life. Wellbeing. Diversity.