Protecting people
Health and safety as a performance imperative

Helping you protect your organisation’s most valuable assets

2015
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Health and safety: At the heart of it

Behind every incident is a person
While Australian workplaces have demonstrated a steady improvement in safety outcomes, over 180 worker fatalities still occurred in 2013. Behind the numbers and statistics is a person whose friends, family and co-workers will never be the same. As anyone who has been involved in a workplace injury or fatality can attest to, the emotional impact on all of those involved lasts well beyond any investigations that result.

The devastating stories behind workplace injuries, illnesses and fatalities has catalysed action in many leading organisations. The last decade has seen considerable innovation in approaches to the management of health and safety risk in many industries while at the same time Governments have continued to use their powers to reinforce the duty of care that organisations have to operating safely.

We help clients protect their people and optimise the return on the health and safety investment.
While many businesses have focused heavily on improving safety outcomes, the approaches that have achieved success in the past may not be fit for purpose in the future. In some cases, companies have also realised that in their desire to comply with regulatory requirements they ‘can’t see the forest for the trees’ and are buried in process that doesn’t necessarily enhance safety outcomes.

Improving health and safety performance and unlocking efficiencies requires a unique blend of skills and experience. Our multi-disciplinary team draws on our capabilities in strategy, leadership and culture, risk, technology and management consulting to help our clients achieve better health and safety outcomes. This helps our clients:
- protect their license to operate;
- optimise their ROI in health and safety;
- comply with their regulatory obligations; and
- most importantly, protect the people that they work with.

The total economic cost of Australian workplace injuries for the 2008–09 year is estimated to be $60.6 billion, representing 4.8 per cent of GDP.

THE COST OF WORK-RELATED INJURY AND ILLNESS FOR AUSTRALIAN EMPLOYERS, WORKERS AND THE COMMUNITY: 2008-09
Safework Australia 2012

Companies today are facing a range of opportunities and challenges
- Regulatory change (WHS Act)
- Cost of claims and insurance
- Proliferation of mobile devices and data
- Consumer pressure / licence to operate
- Behavioural change and leadership
- Bureaucracy and simplicity
- Duty of care
- Employee wellness and mental health
- Reliance on third parties / contracting
**Strategy through to execution**
We help our clients improve workplace health and safety outcomes in the following ways

**Aligning culture to safety outcomes**
We work with executive teams to identify and resolve cultural barriers to improving safety outcomes.

**Transforming safety functions to deliver greater value**
Through benchmarking, voice of customer analysis and other techniques we help safety functions identify opportunities to realise greater benefits for their businesses.

**Providing advice to Directors and Officers**
We provide an independent perspective to office holders on the mechanisms in place to ensure that they meet their duty of care.

**Harnessing technology and data to identify and target risk drivers**
Drawing on our actuarial and data science capabilities we interrogate disparate data sources to identify and target risk drivers.

**Responding rapidly to significant incidents**
We help our clients navigate the days following a significant incident and defining the short, medium and long-term actions required.

**Workplace productivity**
We help our clients identify step-change opportunities to improve both health & safety and business outcomes.
How we can help
Aligning culture to safety outcomes

Having the right safety culture is critical in driving safety performance.

We have a team of specialists focused on assisting clients with embedding their desired safety culture into working practices.

We can help you to:

• Clearly articulate, communicate and obtain buy-in for the future state in the context of organisational priorities.

• Identify root causes for poor safety practices and the “gap” that may exist between vision and policies, and how they play out in practice. In doing this, we conduct a diagnostic to understand:
  • Leadership and strategy
  • People and communication
  • Accountability and reinforcement
  • Risk management and infrastructure

In doing this, we look at the level of organisational maturity in underlying beliefs, skills and environment.

• Articulate both the desired and ‘derailing’ safety behaviours and embed the desired behaviours into day to day working practices and HR frameworks (eg. performance management framework, incentive plan designs, promotion criteria, talent selection criteria, etc.).

• Incorporate relevant leading and lagging safety KPIs into business dashboards.

• Align your desired safety culture across both your employees and your contractors.

• Determine how to most appropriately embed safe working practices in different jurisdictions, including developing countries.

• Make change relevant and personal to those involved to sustain the change.

Iconic Australian Firm
Bridging the gap between the current and desired safety culture

We worked with this company to help them assess and improve their safety culture going forward.

Our project was divided into 3 phases – (i) identify the desired future state, (ii) assess the current state, and (iii) develop a culture roadmap to implement.

As part of our review we developed a framework to identify and measure an effective safety culture. Following our review, the organisation had a clear understanding of the gap between the current and desired future state.

A cultural change road map, including tangible actions, was developed for the organisation to pilot and test an implementation plan. To ensure success, it was critical the safety culture was embedded, and seen as part of, the overall organisational culture.
How we can help
Transforming safety functions

Driving and sustaining optimum safety culture within an organisation requires an effective safety function underpinning the change; one that is risk-based and fit-for-purpose.

Aligning the safety capabilities throughout an organisation in a way that maximises their impact and is aligned to the broader business operating model is a challenge for many organisations.

As many organisations increase the frequency and scale of change to stay competitive, safety functions also need to ensure that they adapt their operating models to keep up with this change.

We can help you to:

• Benchmark your safety function against global peers through our proprietary Saratoga global dataset.
• Undertake Voice of the Customer (VoC) analysis to understand the positioning of the safety capabilities throughout the organisation.
• Evaluate the operating model of safety functions and support the development and implementation of transformation roadmaps.

Australian and New Zealand industrial products company

We worked with a leading industrial products company to help them develop a roadmap to transform the operating model of their corporate and business unit safety functions.

Through a combination of focus groups, interviews and independent benchmarking we identified a range of recommendations that would not only strengthen the impact of the safety function but would also yield millions of dollars of savings for the business.
How we can help
Governance and assurance

With the arrival of the requirement for demonstration of positive due diligence by ‘Officers’ of organisations, there has never been a greater onus on making sure that your safety processes are not only well designed, but are being adopted and working effectively. This has been an area where we have demonstrated value by applying our health and safety and risk and control understanding to our client’s problems in areas such as contractor management, efficacy and reliability of safety performance information, training, incident management and design of due diligence frameworks and organisational safety strategy.

Safety performance data should provide a valuable insight in relation to the effectiveness of your strategy and processes. Safety performance also increasingly forms the basis of reward structures and offers investment analysts and stakeholders an insight into the effectiveness of your risk management processes. So clearly confidence in your safety data is king.

We can help you to:

• Identify and prioritize opportunities to enhance your governance and assurance processes so you can better understand whether your approach is resulting in the desired outcomes.

• Check the integrity of your safety performance data and the processes for generating it.

• Map your processes so you can understand how well your current approach is supporting you to discharge your due diligence obligations.

• Support you to design and execute your safety assurance framework to ensure it is aligned with risk.

• Develop executive reporting packs so you are provided with the information you need to not only assessing the effectiveness of your processes, but also where to deploy your resources.

So whether its checking the effectiveness of your processes or the integrity of your data, we have the experience and skills to assist you.

Global Mining Company – Work Health and Safety (WHS)

The Executive team of one of the Australian mine assets wanted to understand potential exposures that the harmonisation of the Work Health and Safety laws on may have on their rail and Port infrastructure.

We assisted management to identify key areas of exposure and how existing procedures, processes and contracting models could be enhanced to reduce potential liability. This included development of a high-level implementation plan to address our recommendations.
How we can help
Using Safety Risk Predictive Analytics to improve safety performance

There is a wealth of information that is captured in historical worksite, project, human resource, inspection reports and environmental data.

Traditional analysis focuses on what has already occurred - predictive modelling techniques used in Safety Risk Predictive Analytics can help identify high risk predictors of incidents before incidents occur, allowing companies to put strategies in place that focus on prevention.

We can help you to:

- Identify risk predictors and lead indicators of safety issues. Our assessment of risk begins by identifying the independent, quantitative risk predictors. Examples of predictors are project site, project size, team size, weather condition and project phase.
- Use the insights from the risk predictors and lead indicators to identify targeted areas or employee populations for wellness programs and dedicate appropriate safety resources to high-risk areas.
- Implement the strategies to improve safety practices based on insights gained from the analysis, such as increasing safety training and measures for high risk areas or targeting areas for wellness or safety awareness programs.

Implementation of Safety Risk Predictive Analytics can help improve safety and loss prevention programs, which in turn, can reduce costs and improve the sustainability of the organisation through enhanced employee satisfaction and employer corporate responsibility.

Safety Risk Predictive Analytics is part of PwC’s broader Governance, Risk and Compliance (GRC) framework, which starts with the risk strategy and covers governance, organisation and policies and change management.

Large Australian energy company

A large Australian energy company’s management needed assistance in understanding the implications of implementing a new fatigue management policy. This was driven by recent fatigue related incidents in the workplace.

PwC was able to show that longer periods of work and work performed during the night time are linked with increased levels of fatigue and incidents and that the organisation was operating with significant, sustained levels of OT.

We presented three options for reducing OT hours, and provided our client with an implementation roadmap that could provide its employees with a safer workplace in regard to fatigue management while being cost neutral.
**How we can help**

**Incident investigation and response**

Investigations are complex, costly and from our experience often ineffective at identifying and treating the ‘root cause’ of the issue. Some of the key reasons for this include:

- Not having the right mix of skills or level of independence within the investigation team. Everyone comes at a ‘problem’ with their own bias; therefore having a multi-disciplinary team who are independent of the area being investigated is critical.
- The recommendations generated often only address the symptoms rather than the issue; fail to account the ‘change’ related considerations and governance processes to monitor progress are ineffective.
- The data from incident investigations is not effectively used to inform areas of concern and potential future programmes and interventions.

The result? A reoccurrence of the incident, people hurt, productivity implications and the potential for regulatory action.

**We can help you to:**

**Investigate**

- Rapidly mobilise a team of independent multidisciplinary teams to establish the ‘facts’ without the fixed costs.
- Take a holistic approach to the generation of recommendations including consideration of the ‘change’, ‘complementary assets’ and governance mechanisms required.

**Challenge**

- Identify areas requiring future focus and additional resourcing but also challenge the ‘return on investment’ of existing interventions and programmes.
- Utilise our Safety Risk Predictive Analytics capability as a predictive tool of incident causation, as discussed in the previous slide.

So if you want to derive value from the investment made in relation to your incident investigations we have the people and tools to assist.

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**Leading communications company**

Following a serious incident to one of its contractors safety regulators required this client to identify the root causes of the incident and implement a plan to address the weaknesses identified.

We worked with the client over a 12 month period of time to help the client transform its approach to the management of contractor safety risk including redesigning aspects relating to its:

- Governance approach
- Roles and responsibilities
- Safety management system and
- Behaviours
How we can help
Workplace productivity

Best practice employers have a holistic approach to managing safety, productivity, injury prevention and workers’ compensation return to work programs. Understanding the key drivers of your company’s workplace productivity can provide actionable insights towards improving performance. Better performing employers have higher employee engagement, higher productivity and lower absenteeism and lower workers’ compensation insurance costs.

We can help you to:

• Identify the major drivers of lost productivity through absenteeism by linking employee demographics with safety incidents, sick leave, and workers’ compensation claims, to better isolate the human and social drivers of workplace absenteeism
• Use the insights from an understanding of the drivers of poor absenteeism experience to develop strategies that increase workplace engagement
• Develop monitoring systems around key items, such as sick leave, safety incidents, and workers’ compensation risks, aiming at identifying reliable predictors early, thereby providing the opportunity for continual improvement
• Understand the whole of industry trends, and their relevance to your company, using our knowledge and experience gained from our long standing relationship with most of Australia’s largest workers’ compensation schemes

We have seen that integrating prevention strategies and return to work programs into workplace culture and employee engagement programs has the potential to release significant amounts of cash to the business.

Improving return to work outcomes

There are wide ranging and challenging barriers in returning claimants to work. Using our knowledge of the drivers of the claims process, we developed a pilot program with our behavioural economics team, streaming case management to better match the claimant’s needs.

The trial demonstrated that appropriate cues from the line manager and the case manager can positively impact the outcome, reducing the cost of long term claims.
Thought leadership

These ‘10 minutes on...’ cover our points of view on the key services we can provide.

10 minutes on... Using data analytics to improve safety performance
July 2014
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10 minutes on... Self-insuring workers’ compensation under Comcare
February 2014
In December 2013, the Federal Government reopened the Comcare scheme to companies wanting to self-insure. Lifting the moratorium opens the scheme to eligible, multi-state employers to allow them national workers compensation coverage. The report outlines the financial and non-financial considerations of the Comcare self-insurance approach.

10 minutes on... Creating a mentally healthy workplace - Return on investment analysis
March 2014
This report outlines the technical background to the return on investment (ROI) analysis for creating a mentally healthy workplace. The aim is to estimate the ROI for employers investing in a mentally healthy workplace. The analysis estimates the cost to employers of mental health conditions and implementing workplace mental health actions.

Safety and Environmental Management in the Oil and Gas Industry: A New Model to Enable Line Performance
September 2013
Thanks to more rigorous guidelines, an increasing emphasis on personal and process safety programs, and better risk management practices, S&E performance is far better now than it used to be. Yet the ultimate goal—"zero harm" levels of performance—has remained out of reach in most sectors, as S&E performance has plateaued in recent years.
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