



RA  
Submission on  
**CICT Draft  
Culture  
Standard**



22 DECEMBER 2021

# Submission to the Construction Industry Culture Taskforce – Draft Culture Standard for the Australian Construction Industry

## Background

[Roads Australia](#) ('RA') is the peak body for roads within an integrated transport system, representing an industry that contributes \$236 billion annually to the economy and supports 1.4 million jobs. RA has over 150 members and brings industry, government, and communities together to lead the evolution of Australia's roads, integrated transport and mobility.

RA prides itself as a leader in the industry. The organisation strives to be at the forefront of setting the industry up for success and pioneering new ways to be able to attract and retain highly skilled people now and into the future. This is iterated in the [RA Strategic Plan 2021-2023](#) which outlines our four strategic values as being:

### The leader

**To be a leading voice of influence.**

RA is recognised by government, industry and the community and driving value and connectedness for the Australian roads and integrated transport sector.

### The facilitator

**To facilitate contributions to the industry and public policy.**

Develop and communicate sound, evidence-based policy solutions encompassing safety, capacity, transport reform, customer experience and sustainability.

### The collaborator

**To collaborate on the efficiency, development and national priority of Australia's roads and integrated transport systems which underpin the social, economic and cultural fabric of the nation.**

Promote recognition by government, industry and the community of the critical importance of Australia's roads and integrated transport in infrastructure assets and network.

### The champion

**To champion a diverse, inclusive, sustainable and values-led organisation and industry.**

Support our people to be high performing through our culture and systems.

Our main priority in embodying these characteristics is to make positive changes to the integrated transport system and our member organisations – both of which sit within the context of the construction industry.

## Setting the Scene: Shift in Expectations of Workplace Culture

There are three central reasons why RA supports the work of the CICT and believes that improving the culture of the construction and transport industries is critical: it is a **moral, business and a transport imperative**.

### 1. Moral Imperative

The discussion of workplace culture and standards of behaviour is a loud conversation that has been prevalent across industries in recent years. Australia's Sex Discrimination Commissioner Kate Jenkins' *Respect@Work Report* (March 2020) and the Australian Human Rights Commission's *Set the Standard: Report on the Independent Review into Commonwealth Parliamentary Workplaces (2021)* have provided robust insights into cultural norms that are no longer acceptable in workplaces across Australia, particularly regarding sexual harassment and gender inequality.

Kate Jenkins explained in her 2020 report that in some professions harassment is a systemic issue, which can be hierarchical in nature and exhibited primarily by men in senior roles, usually perpetrated in social interactions or in industries with a culture of long work hours, such as construction.

There has also been an increased focus on mental health and wellbeing in the workplace, particularly in light of the increased prevalence of mental health issues in the midst of the COVID-19 pandemic. According to the Human Rights Commission, approximately 1 in 5 Australian adults will experience a mental illness in any given year, and research shows that Australian businesses lose over \$6.5 billion each year by failing to provide early intervention/treatment for employees with mental health conditions.<sup>1</sup> Further, employers are obliged to do all that is reasonably practicable to eliminate and minimise health and safety risks in accordance with work health and safety obligations, which extends to the mental health and wellbeing of employees in the workplace.

It is clear that the cost of ignoring the problem is far greater than the cost of developing and implementing strategies to create psychologically healthy and safe workplaces. For example, research shows that every dollar spent on identifying, supporting and case-managing workers with mental health issues yields close to a 500% return in improved productivity (through increased work output and reduced leave).<sup>2</sup>

This societal shift places significant external pressure on companies to establish and live by minimum standards of behaviour.

If they do not, this will act as a disincentive to the next generation of workers in joining the construction industry. Historically, the construction industry has always shouted safety and whispered health, meaning that attention has not been adequately focused on all aspects of the wellbeing of its workers. With physical safety, we have always believed that near misses and small incidents are indicators of an unsafe culture that could lead to a fatality.<sup>3</sup>

Now approaching the end of 2021, this needs to move away from the traditional concept of physical safety on construction sites, to an increasingly well-rounded and broad notion of safety that extends to all aspects of a person and ‘near misses’ and ‘small incidents’ in the realm of inappropriate behaviour also cannot be tolerated. It is time for employers to ‘set the standard’ and the community demands it.

We have seen examples of this effort recently, such as Victoria’s *Building Equality Policy (BEP)*, which will apply to new government projects from 1 January 2022 and mandate female representation in at least 3 percent of each trade role, 7 percent of each non-trade position and 35 percent of management, supervisor and specialist labour roles.

As stated by Jacinta Allan, Minister for Transport Infrastructure:

*‘We need to make women aware that construction is an attractive and viable career option – and these targets will ensure women are proactively included and stay in the industry, with stronger career pathways.’*

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<sup>1</sup> <https://humanrights.gov.au/our-work/1-mental-health-workplace>.

<sup>2</sup> <https://humanrights.gov.au/our-work/1-mental-health-workplace>.

<sup>3</sup> *Disrupting the System: preventing and responding to sexual harassment in the workplace*, Champions of Change Coalition (2020), Pp. 36.

Acceptance of everyday sexism and gender disparities creates an enabling culture for sexual harassment to occur, and so in order for initiatives like BEP to be successful, cultural issues in the industry need to be addressed to attract skilled female employees.

The Culture Standard for the Australian Construction Industry (**'Culture Standard'**) is an important piece of the puzzle in fostering an improved culture of diversity, inclusion, and wellbeing in construction into the future.

## 2. Business Imperative

The moral importance of addressing cultural issues in the construction industry is closely linked to the subsequent commercial imperative of taking action in this space. *Infrastructure Australia* presented some concerning statistics in October this year, namely<sup>4</sup>:

Labour shortfall of 93,000 workers in early 2023; 48% higher than projected supply

Ageing Workforce with 40% to potentially retire in the next 15 years

Female representation only 12% (public infrastructure workforce)

To successfully navigate the workforce and skills shortages predicted for the next five years and onwards, it is extremely important to change the industry's culture so that we can attract and retain the future workforce.

This will further support efforts to ensure that potential construction employees have a contemporary and accurate understanding of the industry and perceive it as an attractive and engaging place to work.

The construction industry is one of the only industries where a person can start as an unskilled worker, and progress to managing a multibillion dollar project or leading a company. This opportunity needs to be further emphasised to potential talent as well as supported by organisations.

Additionally, the construction industry plays an integral role enabling the function of society, and thus working in construction can provide employees with the chance to make a broader societal contribution.

We need to be an industry that proactively removes barriers and welcomes anyone who wants to join us. We need to demonstrate how our industry's workforce is leaving a tangible legacy that will be of benefit for generations to come.

To do this, we must improve the perceived culture of the construction industry so that businesses can attract and retain skilled workers now and into the future.

Getting this right will pay huge dividends in the race for talent.

Australia has the most highly educated and skilled prime age female labour force in the OECD. Last month, the ABS reported 50% of young women aged 25 to 34 have a university degree. Encouraging more women to consider a career in construction is one of the most effective ways to boost productivity and to ensure the industry's capacity to deliver the record pipeline of infrastructure projects.

But to participate in work, women (and men) need genuinely flexible work options, access to affordable care services, to be paid fairly, and ensure they experience respect at work.

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<sup>4</sup> Infrastructure workforce and skills supply, *Infrastructure Australia's Market Capacity Program* (2021), pp. 6.

On the other hand, we cannot afford to wait. It is evident that the monetary cost of failing to resolve cultural issues in the construction industry is exponential. *The Cost of Doing Nothing Report prepared by BIS Oxford Economics (May 2021)* found that there is an excess of \$7 billion annual cost to the economy due to workplace injuries, mental illness, long work hours and lack of diversity in the construction industry.<sup>5</sup>

Further, there is a \$6.1 billion economic cost of lost wellbeing from work-related fatalities, injuries and illnesses.<sup>6</sup>

It is clear from these statistics that a failure to proactively create culture change in construction will be of great cost to RA and our member organisations.

To do this, it is important for our industry and members to adopt a broader criterion for success. It is time to take a long-term view, beyond traditional KPI's and annual financial performance metrics; and place a high value on the potential benefits of spending the time and money to address current cultural issues now to guarantee a better future.

### 3. Transport Imperative

Transport is a key and universal service that should reflect the community in which it operates.

The International Transport Forum (ITF), a global transport think tank integrated with the OECD, of which Australia is a member, is engaged in developing responses to these issues.

The ITF points out that the policies and services along with the infrastructure we develop places limits on women's mobility as they do not consciously account for the different transport patterns and concerns of women using various modes of transport. Importantly, the ITF states that, *"(a)ddressing gender issues in transport will benefit not only women but all transport users, by encouraging a user-centric approach to provide high-levels of accessibility."*<sup>7</sup>

The transport construction industry has the same gender and diversity issues as the rest of the construction industry. This lack of diversity is also reflected in the transport operations and associated industries, for example the freight and logistics and public transport sectors.

Governments across Australia are increasing their spend on transport infrastructure. If it is to be considered, planned, designed, constructed and operated to support the community, then it is imperative to have people undertaking all of those roles drawn from the widest possible cross-section of the community.

Increasing the number of women working on and in transport infrastructure will ensure that the nation's ambitious transport infrastructure program is delivered in a way that makes it user friendly for all. Hopefully it will also increase female participation in other transport industries.

It is with this broader focus in mind that RA is delighted to make this submission on behalf of our members.

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<sup>5</sup> The Cost of Doing Nothing Report: Prepared by BIS Oxford Economics for the Construction Industry Culture Taskforce (CICT), Daniel Crook and Andrew Tessler (2021), pp. 14.

<sup>6</sup> The Cost of Doing Nothing Report: Prepared by BIS Oxford Economics for the Construction Industry Culture Taskforce (CICT), Daniel Crook and Andrew Tessler (2021), pp. 14.

<sup>7</sup> <https://www.itf-oecd.org/itf-work-gender-transport>

## Response to Key Questions for Consultation

### 1. Do you support the Culture Standard concept? Is this something you would proactively implement?

A core principle of the RA Strategic Plan is a recognition of the need to champion a diverse, inclusive, sustainable and values-led organisation and industry<sup>8</sup>.

RA has been committed to taking steps through policy, procurement and inclusion in order to address culture issues experienced at both an industry and organisational level. The creation and implementation of CICT's Culture Standard has been identified as a key factor in breaking through current barriers in improving culture + inclusion in the construction space.

Recommendation 19 of the *Roads Australia Procurement Reform Report (September 2020)*<sup>9</sup> supports this vision of working in collaboration with other relevant infrastructure industry associations, to work with CICT to further develop and refine its Culture Standard, and once developed, work with government and industry to promote its adoption.

### Proposed Strategies for Implementation

RA has a unique ability to set the standard within our industry and explore different ways of implementing it, which may include setting minimum requirements for members to meet and providing assistance and a pathway for all members, no matter their size, to achieving this, plus recognising best practice and leadership in the area.

RA has identified the following means to proactively implement and support the Culture Standard as a starting point:

- **Diversity & Inclusion Committee**  
RA has established a Diversity & Inclusion Committee as a sub-committee of the RA Board. The primary purpose of the D&I Committee is to:
    - Increase D&I within RA - including speakers, attendees, thought leadership and overarching values to set an example for those we represent.
    - Increase D&I within industry – bringing people together to cross promote best practice D&I initiatives and promoting the wider social impact in transport planning and investment.
    - Ensure accountability – holding RA and others accountable to create change.
  - **Develop a culture and inclusion performance framework**  
In conjunction with the Culture Standard, the selection criteria in procurement processes should be updated to mandate a certain level of performance in relation to culture and diversity. RA, in collaboration with other relevant industry associations would work with CICT and other stakeholders to propose a framework to measure and enforce culture and inclusion performance, which can be embedded in procurement processes. This proposed framework would then be discussed with all jurisdictions, to promote better outcomes nationally.
- In tandem with this, RA and other relevant industry associations can work with our members to help them develop the skills and resources to assist their development towards these goals.

<sup>8</sup> Roads Australia Strategic Plan 2021-2023

<sup>9</sup> Roads Australia Procurement Reform Report



- **Minimum standard for members**

In addition to the previous point, RA is reviewing a pathway towards implementing a minimum standard of diversity + inclusion and culture for member organisations to meet as a part of their membership commitment, which could include demonstrated compliance with the Culture Standard or a demonstrated commitment to working towards achieving compliance.

- **Partnerships and pathways**

To successfully implement the Culture Standard, RA as well as the broader industry needs to be future focused in its approach. It is important to find new ways to attract young workers entering the workforce and provide them with career avenues and opportunities for progression. This will foster the retention of highly skilled workers who are a strong cultural fit as they have been immersed in the new and improved culture from the start of their career in construction.

One way to achieve this is to establish partnerships with state education departments and vocational training providers (such as TAFE) to create clearer pathways to careers in construction for students leaving school. This would have even more impact if specifically targeted to rural and remote areas where there are high youth unemployment rates.

- **Invest in training and coaching to develop a more diverse workforce and better leaders**

The industry and government must invest in training, coaching and mentoring of project leaders and mid-level managers in order to gain real traction with improving workplace culture, with a focus on collaboration, transparency, inclusion, health and safety, and work-life balance.

In many organisations, the senior leaders are committed to diversity and inclusion but the implementation at an organisational level is hampered because mid-level and frontline leaders are stretched to capacity achieving their operational deliverables and financial KPI's. This group will particularly benefit from training and coaching to understand how a more inclusive culture will benefit them and make their role more successful.

Demonstration of these behaviours in line with the Culture Standard can then be rewarded and utilised as an example of good culture for others in the industry.

Ultimately, the key to proactively implementing the Culture Standard is collaboration between the CICT, RA and other industry associations to create an industry wide commitment to improving leadership and culture.

## 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?

RA supports the three focus areas of wellbeing, time for life and diversity. In our experience these three areas are preventing the construction industry from being an attractive employer of choice for a broader demographic group. Our members have confirmed that some of the key barriers to making construction an attractive industry include:

- Work-life balance and mental health challenges are an industry-wide issue, including long hours and a perception that the industry is not family friendly;
- A male dominated environment with a perceived lack of recognition of the value of female workers; and

- The industry's workforce is not diverse or inclusive enough of people more broadly when we look at Aboriginal and Torres Strait Island people, people with different abilities and age.

These views are intrinsic to the diversity + inclusion, wellbeing and time for life pieces that if implemented effectively, will make meaningful improvements to the cultural problems present in the industry.

### **Areas for Consideration**

RA has identified some areas of consideration and/or improvement that can deepen the scope of the Culture Standard and further foster a culture of diversity and wellbeing in the industry.

- **Sub-contractor culture**

The lived experience of sub-contractors in the construction industry is one of the hardest challenges to overcome and may impact the effectiveness of the wellbeing and time for life initiatives included in the Culture Standard. Anecdotal evidence is that the standard of treatment of some of the lowest skilled sub-contractor job roles (eg drivers and machinery operators) is poor with inappropriate behaviour towards these workers. Unless a baseline minimum standard is put in place that helps everyone, we cannot genuinely pride ourselves on being best practice at an industry wide level.

Although the criteria included in the Culture Standard in its current format would likely have a flow-on effect on the experience of sub-contractors, the standard does not explicitly refer to sub-contractors. This is further exacerbated as sub-contractors are generally smaller firms that do not have the resources, capacity or knowledge to make cultural improvements that will have impact on the supply chain. In order to combat this, it would be

beneficial for partnerships to be created within the supply chain so that sub-contractors are included in and incentivised by making improvements to culture.

RA recommends that consideration be given to introducing some sub-contractor specific requirements, actions or outcomes into the Culture Standard in order to better address the cultural problems that exist in the industry in this space. This requires either measures that can be readily implemented and reported by all parties or requirements for appropriate support from prime contractors and government clients so that all parties can achieve and report on the measures that apply to them.

- **Diversity – equity of crucial importance**

As stated at 3.1 of the Culture Standard, an inclusive workplace supports the participation of people from all ages, genders, cultures, sexual orientations and heritages, including our First Nations People. The Diversity section of the Culture Standard, rightly, deals with gender disparity and provides objectives as to providing an inclusive environment for a diverse workforce.

RA's stance is that while the industry needs to have the inclusion of more women as the primary focus, it also needs to consider the concept of 'equity' as being of crucial importance. Women within the construction industry are diverse and have joined and stayed for different reasons.

Using language that speaks to the intersectionality of all people will be more inclusive than suggesting different strategies for different demographics.



In addition to engaging and retaining women the *RA Diversity + Inclusion Strategy 2020-21* includes strategies for other areas of diversity that would be of benefit for CICT to consider further incorporating into the Culture Standard, either now or into the future as the standard is embraced. These are:

- **Refugee and migrant career opportunities**

Linking skilled refugees and migrants with employment opportunities and enhancing their skills, capability and capacity will contribute to maximising social value. This could be done well through partnerships with organisations such as CareerSeekers, a non-profit organisation that supports Australia's refugees and asylum seekers into professional employment through work-readiness training and internships.

- **Supporting Indigenous engagement**

RA has also committed to increasing engagement with Indigenous industry participants and encourages CICT to incorporate similar initiatives into the Culture Standard. Some of RA's efforts in this space include:

- Providing opportunities for Indigenous businesses to be engaged and promoted within the RA network
- Developing a Reconciliation Action Plan
- Sponsoring an Indigenous Fellow in the Fellowship Program
- Promoting long term development opportunities

Expanding Culture Standard 3 to address additional aspects of diversity in a more inclusive way will help in fostering the desired inclusive workplace. Further, it would increase employment opportunities within the industry and assist in combatting

the apparent skills shortage expected to hit deeper in the coming year.

### 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?

Improving and hopefully achieving gender balance in skilled roles is linked to the percentage of women participating in training and education in those roles. Due to the lag in participation, we will not approach targets or quotas until the participation rate well exceeds those targets and quotas.

If the participation and completion rates in training and education are not sufficient to meet the any set targets or quotas, then we will end up with increased competition for women in construction. With the hyper-competitiveness in construction considered to be a negative influence on culture, targets or quotas that are unachievable and/or not supported by increases in training and education will have unintended negative consequences.

Proposed changes to working hours will have an impact on project timelines. Communities expect projects to be delivered "on time and on budget" and failure to do so carries significant political risks for government clients. Reduced timelines will lead to longer project delivery, increasing the community impacts from construction and increase the cost to complete projects.

Extended timelines on projects also opens them up to the possibility of unknowable escalation in prices to materials and supplies.

To manage this, the entire industry will need to work with communities, the media and others to balance potential negative coverage.

Additionally, productivity improvements and improved risk allocation through increased collaboration between government clients and constructors will assist in managing cost and time pressures.

Ways to achieve this have been outlined in RA's *Procurement Reform Report* and our *Submission to the House of Representatives Standing Committee on Infrastructure, Transport and Cities inquiry into Procurement Practices for Government-funded Infrastructure*.

As noted elsewhere in this submission, ensuring smaller organisations will be able to successfully implement the Culture Standard must be a large part of the focus on implementation.

Measuring the effectiveness of the Standard is very important. It will need to be concise, relevant and universal so that the whole industry can quickly begin measuring and reporting aspects of the Standard. A complex and unwieldy process in this area will see resistance because some may view difficult processes as just more work to do.

#### 4. What additional guidance or resources would support the implementation of the Culture Standard?

In general, to attract and retain women in construction, there is a need for young women to see a clear, viable career path is available to them in trades and professional roles. Without positive examples and clear pathways to future career opportunities, there is a large risk that the construction industry will not be able to encourage women to start training and education as the first step to working in the industry.

To adopt a well-used adage, "you can't be what you can't see", women need to also "see" the steps they could take to achieve (or

surpass) the accomplishments of any role models or mentors put forward.

More specific issues include:

- **Navigating the gender pay gap**

RA strongly supports Standard 3.6 regarding the elimination of gender pay gaps in the construction industry. In order to do this, and as required by the standard, organisations need to identify and disclose gender pay gaps across roles and develop and implement a plan to reduce gender pay gaps.

RA has seen through interactions with member organisations that there continues to be confusion around the difference between pay equity versus pay equality, and the impact that each has on addressing gender pay gaps.

Pay equity refers to equal pay for work of equal or comparable value.

Equal pay is not just about equal wages. Equal pay takes into account discretionary pay, allowances, performance payments, merit payments, bonus payments and superannuation. Unequal pay is just one of the many drivers of the gender pay gap.

The gender pay gap on the other hand measures the difference between the average earnings of women and men in the workforce. The gender pay gap is an internationally established measure of women's position in economy in comparison to men.

The gender pay gap is the result of the social and economic factors that combine to reduce women's earning capacity over their lifetime.

Closing the gender pay gap goes beyond just ensuring equal pay. It requires cultural change to remove the barriers to the full and equal participation of women in the workforce<sup>10</sup>.

According to the Workplace Gender Equality Agency (WGEA), technicians and trades workers have some of the highest gender pay gaps, coupled with unintended gender biases in hiring, promotion, performance and pay decision.<sup>11</sup>

Workplaces achieve gender pay equity when women and men receive equal pay for work of equal or comparable value. This means:

- Men and women doing the same work (or different work of equal or comparable value) and get paid the same amount
- Pay and conditions are assessed in a non-discriminatory based on skills, responsibilities and working conditions in each job
- Organisational structures and processes provide all staff equal access to training, promotions or flexible working arrangements<sup>12</sup>

This goes beyond the minimum legal requirement for providing equal pay to employees.

It would be useful for organisations adopting the Culture Standard to be provided with additional resources and guidance as to how to properly address gender pay gaps and to strive for best practice pay equity.

We also recommend that a single Australian standard approach be set for assessing matters such as gender pay gap

to provide a consistent benchmarkable approach. The WGEA is an established agency with a clear methodology and framework that many organisations already follow.

- **Standard contracts**

Another issue that RA has heard from member organisations is the lack of standardisation or simplified contracts. There is a real need for simplification and consistency of contract conditions across all jurisdictions. As outlined in RA's *Submission to the House of Representatives Standing Committee on Infrastructure, Transport and Cities inquiry into Procurement Practices for Government-funded Infrastructure* (July 2021):

*'Project contracts are becoming more bespoke, complex and difficult for industry to fully understand and comply...in many cases the commercial contractual conditions being used for projects are no longer fit-for-purpose.'*<sup>13</sup>

To drive successful adoption, especially by smaller players in the sector, Culture Standard contract clauses should try to be simple and fit within standard contracts as much as possible.

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<sup>10</sup> <https://www.wgea.gov.au/the-gender-pay-gap>

<sup>11</sup> <https://www.wgea.gov.au/pay-equity>.

<sup>12</sup> <https://www.fairwork.gov.au/tools-and-resources/best-practice-guides/gender-pay-equity>.

<sup>13</sup> Submission to the House of Representatives Standing Committee on Infrastructure, Transport and Cities inquiry into Procurement Practices for Government-funded Infrastructure (July 2021), pp. 12.

## 5. Are Mental Health First Aid training courses readily accessible to organisations in the construction industry?

The construction industry ecosystem is vast with a wide group of stakeholders. Therefore, to achieve measurable positive mental health outcomes, the industry will need to work with many partners including the media, the mental health sector and non-government organisations.<sup>14</sup>

*The Australian Building and Construction Industry's Blueprint for Better Mental Health and Suicide Prevention (2018-2022)* ('the Blueprint') identified the following systemic issues contributing to poor mental health in construction:

- 'Competitive and male dominated workplace cultures,
- Stigma and fear around the subjects of mental health and suicide,
- Ignorance of the increased risk of suicide and mental health issues in the industry,
- Failure by management to accept or apportion responsibility, and
- Higher levels of substance and alcohol misuse in the culture'.<sup>15</sup>

Further, the ability to seek help for mental health issues is a key step towards improving rates of mental health concerns experienced in the construction industry.

A culture where mental health is not discussed or where seeking help is seen as a weakness can make this more difficult, for example, with males in particular generally less likely to seek support for mental health issues.<sup>16</sup> This is of particular relevance in the construction

industry due to the highly male-dominated nature of the workforce.

The Blueprint includes Mental Health First Aid as a key program that can help to improve mental health in construction and reduce stigmatising attitudes and increase confidence to offer help to someone experiencing a mental health problem.<sup>17</sup>

RA supports this assertion that Mental Health First Aid courses be made increasingly accessible in a consistent manner across the industry.

This would even more effective with louder role models and voices within the industry that advocate for mental health and speak out on the cultural issues that contribute to high rates of mental health issues.

The accessibility of Mental Health First Aid training courses for our members differs between organisations. For example, one member engineering company requires select leaders to undertake the training and tries to ensure that there is at least one mental health first aider in each project office. Other smaller member businesses do not have the time or resources to devote to prioritising these courses. This links back to the previous point made regarding the wide nature of organisations that are part of the construction industry, and the requirement for support to be provided so that consistent outcomes are met.

<sup>14</sup> The Australian Building and Construction Industry's Blueprint for Better Mental Health and Suicide Prevention (2018-2022) pp. 3.

<sup>15</sup> The Australian Building and Construction Industry's Blueprint for Better Mental Health and Suicide Prevention (2018-2022) pp. 3.

<sup>16</sup> The Australian Building and Construction Industry's Blueprint for Better Mental Health and Suicide Prevention (2018-2022) pp. 7.

<sup>17</sup> The Australian Building and Construction Industry's Blueprint for Better Mental Health and Suicide Prevention (2018-2022) pp. 15.

## 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?

It is well documented that the construction industry is known for long working hours, particularly in relation to close project deadlines. Almost 35% of construction employees averaged between 40 to 49 hours compared to 25% of non-construction employees in 2018.<sup>18</sup> Long working hours significantly reduce productivity of both employers and employees and largely increases the probability of injuries occurring.

For example, the estimated productivity cost of long work hours was \$708 million in 2018, which includes the increased absenteeism not accounted for by work-related injuries/illnesses as well as the presenteeism due to increased physical and mental fatigue.<sup>19</sup> These long working hours are also strongly associated with challenges in balancing work and family commitments, which is a particular barrier to women’s workforce participation with typical caring responsibilities within families.<sup>20</sup>

Further, long work hours are a disincentive to attracting young employees to the construction industry. There is a consistent expectancy of future generations entering the workforce that they are not required to work six or seven days per week and expect to have regular access to personal time.

*The Foundation for Young Australians* offers a transformative shift in thinking, instead of focusing on preparing for one dream job and career path, there is a new mindset of preparing for a dream ‘cluster’ of jobs based on

a person’s skills and interests.<sup>21</sup> The Foundation also explains that when a young person trains or works one job, they acquire skills that will help them get up to thirteen other jobs.<sup>22</sup> This new notion of undertaking multiple career options or interests simultaneously is complemented by caps on the working week so that the workforce can expand their skillset.

It is for these reasons in particular that RA supports a cap on the number of hours worked per week.

## 7. Should the requirement against ‘offensive material’ on site be extended to include offensive language and behaviour?

A culture of ‘offensive material’ on construction sites has historically been an accepted norm, largely exhibited in the form of language and behaviour. Although the situation has improved markedly over the last two decades, RA still hears about inappropriate and offensive behaviour experienced in the industry and understands that this culture plays a major role in difficulties retaining top talent, particularly female talent.

For example, there is still a ‘just joking’ culture alive and well in many workplaces where a sexually or racially offensive joke is told with the caveat ‘just joking’.

A focus on offensive material alone will not go far enough, inappropriate behaviour continues to permeate in words and actions and for real change to be achieved a holistic approach must be taken.

<sup>18</sup> Australian Quarterly Labour Force Survey, Australian Bureau of Statistics (2021b).

<sup>19</sup> The Cost of Doing Nothing Report: Prepared by BIS Oxford Economics for the Construction Industry Culture Taskforce (CICT), Daniel Crook and Andrew Tessler (2021), pp. 27.

<sup>20</sup> The Cost of Doing Nothing Report: Prepared by BIS Oxford Economics for the Construction Industry Culture Taskforce (CICT), Daniel Crook and Andrew Tessler (2021), pp. 27.

<sup>21</sup> The New Work Mindset: 7 new job clusters to help young people navigate the new work order (2016), pp. 14.

<sup>22</sup> The New Work Mindset: 7 new job clusters to help young people navigate the new work order (2016), pp. 14.

The construction industry will not achieve gender equality without addressing sexual harassment in all forms including that defined as offensive language and behaviour.

*Disrupting the System: preventing and responding to sexual harassment in the workplace* by the Champions of Change Coalition (2020) says:

*‘Sexual harassment is pervasive. It is inextricably linked to gender inequality. It can be overt or insidious. A sense of power over others and/or the abuse of power, alongside disrespect, sits at the heart of most cases of sexual harassment. Sexual harassment is also preventable’.*<sup>23</sup>

Although efforts have been made in reducing the presence of sexual harassment in workplaces, it is apparent that its presence while potentially more subtle, is still widespread.

The inclusion of offensive language and behaviour in the definition of ‘offensive materials’ would assist in creating a culture driven from the top down of calling out poor behaviour and demonstrating that it has no place in our industry.

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?

RA supports the inclusion of targets in order to increase the representation of women in the construction industry. RA has implemented

internal targets in the RA Diversity + Inclusion Strategy, for example:

- RA to adopt principles of the Panel Pledge – actively targeting 50% female presenters at all RA functions
- Target 50/50 gender representation across total speaker program
- RA currently has a minimum of 30% female representation on all RA Committees and Working Groups and it is anticipated the RA Board will be building on this in 2022.

What is required is a multi-pronged approach where targets and quotas are accompanied by opportunities for training, career progression and culture change.

While targets do open opportunities for women, they are not a silver bullet and unfortunately there will always be sceptics that try to undermine the target. Moreover, targets centred solely around recruitment of women into roles does not correspond with the subsequent retention of these employees. It may be beneficial to incorporate targets based on the success rate of a program or role rather than the number of women in that program or that role.

RA’s view on the three target options provided is as follows:

- **Self-nominated targets**  
RA’s view is that self-nominated targets are the weakest of the three options. Although it would allow organisations more flexibility and perhaps foster innovation and industry competition as to meeting a high target, it leaves a lot of room for organisations to set targets that do not reflect the nature of their workforce, or the demographic of the industry.

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<sup>23</sup> *Disrupting the System: preventing and responding to sexual harassment in the workplace* by the Champions of Change Coalition (2020), pp. 17.



Self-nominated targets will also lead to huge inconsistency between measurement and reporting making it hard for other organisations to benchmark themselves and we know that both a competitive spirit and transparency drive accountability and an achievement orientation.

- **Targets linked to industry average**

Where targets are industry related, it builds an acknowledgement of where the industry is up to regarding female employment and can provide organisations with a deeper understanding as to how they compare with the industry as a whole. Clear industry-based targets can be set that both build in an allowance for pragmatic industry challenges but also provide clarity and certainty on the goal posts plus a consistent tool for measuring progress and achievement.

- **Specified targets**

Specified targets do provide a level of consistency and certainty. On the other hand, these targets can be viewed as a ‘tick and flick’ exercise where organisations hire people to meet the quota required by procurement, and then once successful there is a lack of focus on retention and career development resulting in a cycle of highs and lows against the specified targets. A similar issue has also been articulated as a negative in the implementation of targets for the employment of Indigenous Australians on major projects.

It is for these reasons that if selected as the preferred approach, the scope of specified targets must be expanded to include data such as career progression, historic and current attendance and completion of training programs, and turnover/exit from an organisation in order to safeguard against this kind of manipulation of quotas.

Specifying targets for recruitment and ignoring the rest of the employee life cycle is not enough in promoting diversity and inclusion within the industry.

Additionally, it is important that the appropriate reporting framework and process for measurement is used consistently across the board to ensure that results are comparable. For instance, WGEA has a set framework for reporting data and reporting demographics by gender. It is important to have one consistent way of measuring demographics, otherwise different organisations will define roles and levels differently, and it makes it easier for the data to be manipulated to appear as though targets are being achieved. It will also be important for there to be an independent body that measures or assesses targets.

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?

Transparency and reporting on progress towards agreed milestones will be required to ensure that implementation is occurring as anticipated, as well as to help guide any necessary changes to focus and requirements as the industry adapts.

Industry associations, like RA, could play an important role in their part of the overall construction sector.

RA - with an intimate knowledge of the organisations working in the transport construction industry - could work with other relevant industry associations to collect, analyse and debate the outcomes over time.

Understanding how transport infrastructure construction is delivering outcomes compared with the overall construction industry would create important insights and allow for continuous improvements in implementation.

Key metrics from this “dashboard” would be reported regularly to the RA Board. Additionally, RA, will display relevant culture statistics at events and workshops.

Overall, the governance of the Culture Standard would be managed similar to a board where data inputs and analysis from each of the segments of the construction industry can be collected and new strategy devised.

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?

The implementation process of the Culture Standard will be essential in ensuring that it is effective. One query that RA has identified is how the CICT is going to enforce compliance with the standard while also recognising that the construction industry is extremely broad.

Our industry encompasses everyone from small privately owned companies to large ASX listed organisations, regional and remote companies and CBD-based and even multi-national organisations. This also means that there will be organisations that are only at an early stage of thinking about diversity + inclusion, and others who are already leaders in that space and modelling best practice. The implementation plan from CICT needs to account for the widespread difference in size, location, specialist focus area and maturity of organisations.

For the Culture Standard to be broadly implemented, CICT will need to choose a consistent but agile (taking into account our

comments above) methodology that can be applied to all members of the industry. For it to have an impact, the standard will need either a compelling reward or recognition for complying or a meaningful form of penalty for not complying.

RA’s view is that a voluntary or non-compulsory scheme may be perceived as a nice thing to do, but it is unlikely that organisations across the industry that are not focused on diversity + inclusion and culture, or small privately owned organisations, would perceive adhering to the Culture Standard as an important priority.

This methodology will also need to account for the role that sub-contractors play in the construction industry and address cultural issues that we have identified in this area as discussed at 2.1(i) above. It is necessary for larger companies and government clients assist sub-contractors to achieve compliance to build widespread capability uplift and compliance.

Moreover, it will be highly useful to create consistent gender equality and inclusion metrics that are used across the industry in addition to the Culture Standard. This will allow the measurement and monitoring of equality and inclusion at all stages of the employee lifecycle from recruitment and selection to turnover and exit. WGEA lists two primary action items to make this possible:

- ‘Establish a gender equality reporting dashboard that measures, in real time, metrics and indicators of gender equality progression. Scan for, collate and regularly report on metrics and measures of gender equality throughout your organisation to the most senior governance body within the organisation (e.g., executive leadership team, CEO, board of directors); and

- Measure, monitor and improve gender equality metrics throughout the employee life lifecycle'.<sup>24</sup>

Without an accurate depiction of data across all diversity and inclusion areas, it is impossible to determine if the policies and practices like the Culture Standard are having a positive or negative impact upon strategic equality outcomes.<sup>25</sup>

This data could include metrics into areas including but not limited to: employee engagement; pay parity; training; progression; turnover; employee grievances; and exits.

We have seen evidence where implementing a strong methodology driven by data has effectively attracted more women to a male dominated industry, which in turn improves the overall culture. For example, WGEA conducted a case study on St Barbara, an ASX-listed mining company which is not dissimilar to construction, has a very low rate of female participation.

The main barriers identified included the perception of mining as a 'man's domain' with a 'blokey culture', a shrinking pipeline of qualified women for professional and technical roles, and difficulty retaining women.<sup>26</sup>

In addressing these barriers, the company identified four main action areas of female recruitment, retention of women, advancement into management roles and pay equity, with a strong commitment to regularly monitor and report on targets.<sup>27</sup>

The following are some steps in St Barbara's methodology that have been effective in improving its culture, regarding the inclusion of women in particular:

- Conducting an audit and eliminating gender-specific language from role descriptions
- Producing monthly reports for the executive team showing the gender breakdown of applicants and those shortlisted
- Training and development records are analysed to determine the ratio of women and men attending training
- A target of 25% female participants in any leadership development programs has been set
- Conducting monthly organisation-wide pay gap analysis and an annual like-for-like analysis<sup>28</sup>

This confirms RA's perspective that clear data driven metrics be implemented as part of the Culture Standard, in order to provide clear benchmarks for compliance across the industry and identify areas of further improvement.

It will be important that these metrics are capable of being tailored to be applicable to businesses of all sizes and stages of the diversity and inclusion journey.

<sup>24</sup> Employer of Choice for Gender Equality: Leading Practices in Strategy, Policy and Implementation, AIBE Centre for Gender Equality in the Workplace (2020) pp. 143.

<sup>25</sup> Employer of Choice for Gender Equality: Leading Practices in Strategy, Policy and Implementation, AIBE Centre for Gender Equality in the Workplace (2020) pp. 143.

<sup>26</sup> St Barbara case study: Attracting women to a male-dominated industry (2017) pp. 1.

<sup>27</sup> St Barbara case study: Attracting women to a male-dominated industry (2017) pp. 1.

<sup>28</sup> St Barbara case study: Attracting women to a male-dominated industry (2017) pp. 4.

## Conclusion

The Culture Standard is a very important step in overhauling the culture of the construction industry. For successful implementation, the CICT, RA and other industry associations need to have a future-focused approach based on investing in culture now so we can reap the benefits of this desired culture in the future. Industry data reflects a real need for the culture to be improved to support a highly skilled and productive workforce where inclusion and wellbeing is highly valued.

It is critical that CICT work together with RA and other organisations to best utilise resources and create a wide-reaching industry standard of appropriate behaviour.

RA is pleased to make this submission to the CICT and has made a number of recommendations throughout the submission for your consideration.

We look forward to working with the CICT to successfully implement the Culture Standard.




A photograph of three women in a professional setting, likely a meeting. The woman on the left has long brown hair and is wearing a white sleeveless top with a necklace. The woman in the middle has dark hair and is wearing a blue denim shirt. The woman on the right is partially visible, wearing glasses and a patterned shirt. They are all looking towards the left side of the frame with slight smiles. The background is a warm, textured wall.


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