

Phil Teece Advisor, industrial relations and employment phil.teece@alia.org.au

The total annual cost to the Australian community of workrelated injury and disease is estimated at up to \$57 billion.

## **OH&S: Avoiding disaster**

This month's *inCite* theme of disaster planning links directly to the importance of occupational health and safety (OH&S) management. Quite apart from vulnerability to legal challenge, organisations that pay insufficient attention to it run the real risk of major direct costs well beyond any imposed by courts of law.

Though workplace injury and accident statistics are as difficult to collate as most other labour market data, some basic figures from the National Occupational Health and Safety Commission demonstrate just what a problem workplace safety is. Each year, around 3000 Australians die in the course of their employment. One in 12 Australian workers suffer a work-related injury or illness. Around 9 million working days are lost in Australian workplaces due to work-related injury and illness - at least 10 times the amount lost through industrial disputes. The average cost of a workers compensation claim is around \$12 000. The total annual cost to the Australian community of work-related injury and disease is estimated at up to \$37 billion. With that background, it hardly needs saying that active OH&S risk management is far more than a mere fairness and equity issue. It goes straight to the fabled 'bottom-line'.

So what are the elements of effective management of the issue? The contemporary focus is very much on prevention rather than the after-the-fact investigations and compliance bias of earlier times. Central to this is participation, with legislation imposing obligations on employers to consult widely and involve staff in OH&S management. OH&S Acts in all states and territories make health and safety committees and employee representatives fundamental to ensuring staff are well informed about safety matters and therefore able to take an active part in managing them. To achieve this, employers are expected to provide training for those who take on these roles. Detailed information on employer obligations of this kind is available from Workcover offices in all states and territories http://www.workcover.vic.gov.au/ vwa/home.nsf.

Having met statutory requirements for participative structures and consultation, employers then need to move into practical risk management. This can never guarantee removal of every danger. Some accidents simply cannot be forecast. But sensible procedures can certainly go far to minimise and even eliminate foreseeable risks. It is important to emphasise that this is what the duty of care is all about: taking all reasonable steps to prevent incidents or injuries that could reasonably be foreseen.

This calls for several important steps. Hazard identification should be a continuing process of observing and inspecting work practices and the environment in which they are carried out. Workplace hazards are usually assessed in specific categories, not all of which are of equal significance in every workplace. They include physical hazards - such as noise, electricity, heat and cold; chemical hazards - such as toxic gases, noxious fumes and corrosive liquids; ergonomic hazards - such as the height of desks, chairs and shelves; radiation hazards - from technology, for example; psychological hazards - such as stress; and biological hazards - such as infected syringes or viruses from air conditioning systems.

*Risk assessment* means considering the extent and potential seriousness of all hazards found. This would usually require calculating the probability of accident or injury by scoring risks from 'highly likely', through 'likely' to 'highly unlikely'. Having done so, it is then necessary to assess the potential severity of identified risks and priorities for preventative action.

*Risk control* simply means adopting measures to eliminate or limit risks. *Monitoring and review* then creates a continuing cycle to ensure that measures are in place, are working and are identifying new hazards as they arise.

Compared to some of the horrific incidents the term 'disaster planning' suggests, workplace health and safety may seem like small beer, especially in the relatively benign surroundings of libraries. Yet a simple example of one employee who suffers a serious injury or illness in the course of her employment soon confirms the importance of OH&S. If there is initial extended absence from work, there might be up to six month's leave on full pay. Medical treatment may involve immediate hospitalisation for an extended period, with follow-up surgery or other treatment over many months or even years, all of which the employer must pay for. If the hapless employee is eventually rendered permanently incapacitated, partially or wholly, wages will have to be paid until that person reaches 65. Even if the employment ceases, the liability will remain.

Should an accident or incident produce multiple victims, costs of literally millions of dollars can easily be incurred, especially if negligence is asserted. In this regard, the difference in legal and financial vulnerability between employers who have made clear and serious attempts to reduce risk and those who have not is vast. Considered in that light, shortcomings in OH&S management can quickly be seen as risking outcomes, which is a disaster indeed.