Jennifer Hewett: Hello and welcome to our studio audience today, as well as to those who are watching online. My name's Jennifer Hewett and I'm here to facilitate the discussion with our three panellists on the topic of Why Big Business Needs to Lead on Work Health and Safety. Before we start I would like to acknowledge that we are meeting on the traditional lands of the Gadigal people and to pay our respects to elders, both past and present.

The other issue I'd like to talk about initially is that 28th of April is World Day for Safety and Health at Work and Workers' Memorial Day. That's a day when we honour those who've died at work and think about how our actions can prevent future work related incidents, deaths and illnesses. We're going to talk about this today, and in particular we’re going to explore the role that big business has in taking the lead on workplace safety and health.

I think we should start with some of the research, which I think is extraordinarily telling. Safe Work Australia has estimated that the total cost for work related injury is nearly 62 billion dollars. That equates to a cost of over 116,000 dollars per workplace injury or illness. What we also know is that when a worker experiences an injury that takes them out of the workplace for a week or more, either productivity decreases or overtime has to be paid to others. Workers who experience an additional workload become fatigued and are more at risk obviously of injury themselves.

Workers compensation premiums go up, and there are medical costs and rehabilitation costs as well. There is also obviously the possibility of legal fees, fines and penalties for the organisation if the work and health and safety laws have been breached, and of course the reputational damage that can result. There are also other flow on costs, kind of more indirect. We know about them, the staff turnover, the retraining, the loss of corporate knowledge and of course, the loss of reputation. That does affect profit margins and the bottom line.

Safe Work Australia's research also shows us that taking work health and safety seriously offers many benefits to big business. Most obviously that's avoiding the direct costs of the injuries, but it's also that investors look also for information about how businesses look after the safety of their workers. They look for companies who manage risk well because they're more likely to have a more productive and more engaged workforce. Of course, they're less likely to suffer the costs of any safety failure. What we're going to do today is have this discussion with our three panellists and get their insights in how they think big business can take the lead, should take the lead, is taking the lead into these types of issues.

On my immediate left we have Diane Smith-Gander. She's Safe Work Australia's Chair, and she's also Chair of the Asbestos & Eradication Council. She holds Non-Executive Director roles for AGL Energy and Wesfarmers, and is a Board Member of Keystart Loans, Henry Davis York, and the Committee for Economic Development of Australia.

Then there's Dean Pritchard. Dean is a Non-Executive Director for Broadspectrum. He's occupied roles as chair and non-executive director across a range of industries. He also has an extensive career in the building/construction industry as an engineer and CEO. He holds particular interest in the area of corporate social responsibility.

Finally, Marcus Hooke is the Executive General Manager for Production and Logistics at News Corp. He's had more than 20 years of experience in operational leadership, and has a lot of knowledge driving work health and safety for improving operational outcomes. He's worked locally and internationally with a range of businesses including Colgate, Palmolive and News Corp Australia.

I am Jennifer Hewett. I work for the Australian Financial Review. I've long had an interest in the intersection of big business and policy. I'm particularly fascinated by the evolving nature of the pressures on big business in particular, including things like work safety and health, and how they are key, integral to the broader culture of the organisation.

Diane, I'd like to start by asking you, when you're sitting on top of a very big organisation, either as a board or even senior management, and you can be operating in a range of industries, sometimes across different countries, many different types of sites, how do you drive the standard safety culture and the understanding of those issues right through the organisation?

Diane Smith-Gander: Yeah, thanks Jen. Look, I think anyone who thinks that's an easy task is completely underestimating the size of the challenge. It's not something that's easy at all. I think anyone that thinks that you can sit at the top of the organisation and give out a set of edicts and then it will naturally just flow through, is also really kidding themselves. The first thing is, how do you build a culture in your organisation that allows everyone through the organisation to be a safety leader, because without that vigilance run through the organisation you're not going to get the outcomes you are seeking.

We live in a very complex world and we can't over complicate it, so you used a very important word when you said, "Standard" because I think having standardisation through your systems, safety designed in, and then standard outcomes that you're seeking is a very important part of this. And so, when you are dealing with a distributed organisation, as you said, perhaps across national boundaries as well, you need to make sure that you don't get cute and start to bend the rules, "Oh, it's a bit different in India," or, "Western Australia's got some particular challenges therefore we need to do things differently." When you start to put shades of grey in, it's very hard for people to interpret what it is you're looking for. I think the use of all of your staff as safety leaders, then the importance of standardisation are the two most important things in that setting.

Jennifer Hewett: Now, Dean of course we always hear though about the need for business to be more flexible. Diane’s saying exactly the opposite when it comes to safety. Do you agree with that?

Dean Pritchard: I don't think we're saying it's the opposite. I think the real issue is to take the best parts of your organisation, the performing parts to set the standards. Then try to get the rest of the organisation to perform in that way. That's where it's pretty tough, pretty hard to do. Culture's a pretty important part of it. As well, that strategy, I mean, two things have to work together, we need both strategy and culture. Getting the strategy right and the understanding of, this is what we are doing, these are the initiatives we are taking, this is how safety links into that. I think is pretty important. Flexibility is to me, the opportunity for change. That's important because there will be, as Diane said, different parts of the organisation performing to different levels in the safety area.

Jennifer Hewett: Marcus, on that point of course, I mean, you work at News Corp, so you're covering a range of sites.

Marcus Hooke: Yeah.

Jennifer Hewett: You'd think that many of the issues that would affect, say the production of newspapers is very different than those that would affect journalists for example, providing that content. How do you accommodate those types of differences and yet maintain a safety culture?

Marcus Hooke: It's a framework you put in place, so everything becomes a risk based conversation. The risk you're exposed to at print site might be moving equipment, whereas the risk you face with a journalist might be a war zone or a bikie that might want to attack you if you're taking a photo of him outside the court. It's being aware of the environment you're confronting and having a plan in place to deal with it. To the point about flexibility, I think the standards I agree with, you've got to have strict standards on some things, but that doesn't disable flexibility. Flexibility comes in some of the operational improvements you can make in an environment. Whereas, if you want to control and have a safe environment then you need to have standards in place there for people to abide by.

Jennifer Hewett: That's hard enough I would imagine in a big organisation to drive that right through every element and creating those safety leaders. You're also not just dealing with your organisation, you're dealing with the use of contractors, sub-contractors, really many small businesses. Many of whom I would imagine would argue that what's appropriate in a big business is not really appropriate for them. How do big businesses encourage that same attention to safety and the same types of procedures and processes?

Diane Smith-Gander: This is an area that I think there's been quite a lot of change over the period that I've been a non-executive director, so the last 10 to 15 years, because we've had a lot more conversation in the corporate social responsibility space about things like ethical sourcing, annual supply chain. We know that in Australia we have a very deeply layered contracting environment. When we work together at Broadspectrum and you would be the head contractor, but then you would be sub-contracting down.

We're a very large nation and we like to see activity in the regions. When you get out to regional Australia much smaller companies, but they're connected back to the large entity. Again, you can't say because it's a sub-contractor, "It's not my problem." Clearly legally you're not allowed to do that, but ethically you wouldn't do that either. And so, it requires a real understanding of what your supply chain looks like. What is the ecosystem in which your company's operating? Because you know you're going to get a range of outcomes, you're going to be measuring those outcomes, you want to be able to get a line of sight through the contractors as well. So, the first thing is, ensuring that you do understand what's going on and you're actually measuring it.

Dean Pritchard: It takes us back to our focus I guess, and that is, big business leading. I think this is a really practical example and the really good thing about the way in which big business is dealing with its sub-contractor marketplace. You said, "Encourage," encourage some of the smaller players to build their practises and improve their practises. It's an absolute requirement if you're going to do business with the leading companies, that sub-contractors and suppliers fit in with the appropriate standards of prequalification, induction, auditing. Even though they may well find that pretty frustrating and annoying, and seems very bureaucratic to some, in the end they come to realise that they make more money that way. For both parties that's an important thing. It's a very important role and I see a lot of companies really seeing this is an essential part of a partnership, more so than just a contractual relationship, and long term being rather than short term.

Jennifer Hewett: Dean was saying that to some people it might seem bureaucratic, but also I would imagine to some small groups, not only seems bureaucratic, it also seems something that they cannot afford in terms of expertise, time and resources, because they don't have all those layers to draw on. How does big business say to them, "I'm sorry but this is really important." How does sometimes the boards have to make a judgement of what is appropriate or not?

Marcus Hooke: I think as Dean was saying, it's the rules of engagement. Probably a good example is, we've got a fleet of vehicles that do a million kilometres a week delivering our papers around the country. Whether that's Toll or Australia Post vehicles, or a mum and dad driving a van, we've got a Kick the Tire Program, where we'll check and make sure that the lights work, that the tires aren't bald. There's a common standard across everyone. If anyone wants to deliver our papers, they got to meet that standard. They know when they come to work for us they're playing by our rules, so it's an expectation now that's just accepted.

Jennifer Hewett: Diane, you were talking about regional Australia, do you think that means that by necessity some of those businesses, do they actually learn to adjust or do the ones that don't learn to adjust inevitably cut themselves off?

Diane Smith-Gander: Certainly there are many examples of smaller contractors that companies aren't able to continue to work with because they fail to meet the safety standards. I think there are plenty of resources available for smaller companies. As Dean said, big business will encourage and be helpful, and reach out. I think just the rub off effect of some of the resources that are available within large business.

Government does a huge amount through Safe Work and the regulators in the various jurisdictions, there's an absolute wealth of resources available on many levels for people to be able to understand what they might be able to do to improve their safety system. What sorts of things they need to measure. How to build those systems into their business. I don't think it's inevitable that you have to have a big business of certain size to be able to work with big business, but you certainly have to have safety standards that are at a certain level.

Marcus Hooke: Indeed, I think the other role big business plays is to play the coach. As a small business you don't quite know what your obligations are, but as a large entity you're well versed. You've got more resources to look into it. We can see the expectation that we want to see this policy, we want to see this standard, we want to see this practise. The small business doesn't necessarily have to have that in their team. They can then utilise big business and their resources to help define what they need to have in place.

Diane Smith-Gander: A good tendering process and a good contracting process from a large business to a small business will cover all those sorts of things. I think sometimes we get a bit too excited about the legalese of our contracts. What is the intent of what we're actually trying to do, but you can certainly see some very ones that address a number of these matters.

Jennifer Hewett: Dean, do you think that big business has become more skilled at actually providing that education, that resource for small businesses over the years?

Dean Pritchard: By necessity, yes because that's where the benefits come. Part of the purchasing skill is really to determine who are the people that we are best able to invest in, because the big businesses are investing a lot in this area, for their own benefit, but you need to be sure that you're putting in your effort in the right place if you can.

Jennifer Hewett: How can you be sure that you're putting your effort in the right place? I mean, how do you measure that type of thing?

Dean Pritchard: I guess, to start you've got a lot of data. You've got a lot of statistical data, incidents, costs of incidents, the various frequency rates and so on. If you think about it, if you start from the board's perspective they will be thinking, "What's happening? What are the trends? What's going on?" This might be a long answer if that's all right?

Jennifer Hewett: No, no, that's fine, absolutely.

Dean Pritchard: So, data is an important part of it, but the more important part of it is getting out there and really trying to understand what is happening in the business. I'm particularly focused on in being part of boards where boards are very close to the action in the best way that they can. That's always difficult, but who spend time out in the businesses, out at the facilities meeting with people. Verifying that what is being said about the culture, that each board member has the responsibility of being satisfied that it is really happening.

What people are telling them is happening in the field. You have to get out there. You have to become skilled as board members to be able to ask the right questions. To know what a HPI is, high potential incident. To know what that means. To challenge managers as to whether they really understand that and what they think about their businesses. It's a long answer because it's a big process, I think. All of those things have to come together.

Diane Smith-Gander: Marcus used the "Risk" word before. At court if you don't understand the risks in the business and you don't have a good risk appetite statement, you're not going to know whether you're focusing in the right area, then to the associated question of spending money. It's a very interesting line that you walk in trying to not run a cost benefit on safety, because if you think about that to its end incarnation, a cost benefit on safety is a sort of nonsense. You've got a safety standard, you've got to deliver that.

You can attach cost to incidents, as Dean has rightly said, but the notion of a cost benefit for safety outcomes just is, I think anathema to most thinking boards. How do you then ensure that you are investing enough in your safety function? That the way the whole system in your organisation runs, because everything you do is an investment in safety. I'm probably interested in what these guys think about that particular question, because it does come up a lot.

Marcus Hooke: Okay. It's funny because I remember listening to that opening blurb around the cost of injuries.

Jennifer Hewett: Yes.

Marcus Hooke: To me, that's not the conversation. My view is, you look at, safety is hard to lead but it's the most important thing to lead and everything else flows after that. If you're trying to build a culture or an environment in a workplace, you start with safety. Then you focus on your people. Then your efficiencies and your costs flow through. If you can't lead safety then you actually can't lead a business. You can't lead for efficient production. You can't lead for quality production.

When we get safety wrong, everything else goes wrong. You've got a distracted workforce who'll more likely have quality issues. More likely have breakdowns, down times, inefficient outcomes, which are really hard to measure in those strict costs. Getting safety right up the front actually leads to some really good outcomes that flow through. The dollar analysis I agree. I mean, I don't do safety because I'm worried about the cost of a worker's comp, or the cost of a potential fine against me, I do safety because it leads through every other aspect of the business, which delivers results.

Diane Smith-Gander: Yeah, so knowing my financial outcome's going to be better, the place is safer?

Dean Pritchard: Yeah. You take a business like Broadspectrum with a big range of operations, various sites, doing different things, and not all of them performing at the same level. There's a very strong correlation between strong safety performance and profitable business. The planning is better, the organisation is better, the culture is better. People are committed. They turn up every day. They love being at work, and they go home at night safe. It all goes together.

Jennifer Hewett: I guess, Marcus it also depends how broadly you define safety. I mean, I suppose in some ways it's easy to think about safety when you talk about no particular injuries at work, and to measure it like that, but you seem to be talking about safety in a much broader way.

Marcus Hooke: It is. I mean, you've got the physical wellbeing. You've got the mental wellbeing. You've got the general wellbeing. I think there's a journey you want to take all our people on. Whether it's, they're coming to work in a fit and mentally prepared way, it leads down to healthy eating and exercise. If someone arrives at work in a healthy condition then you're going to get a better outcome as well. Part of what I said we need to do is educate people on general preparedness for work.

It's much bigger topic now, I think it's getting better understanding the whole mental health issue. What are the lookouts for that? Because it's very easy to see if someone's broken a leg or it's very easy to see someone's cut a hand, but the triggers for mental health are something, I think we're still learning as a society. How we deal with that, because there's a lot more stigmas associated with that. I think there's a lot for us to get right in that field still.

Jennifer Hewett: Diane, you said that you can't treat safety as a cost benefit equation. I suppose I understand that, but if we start talking about fitness for work, mental health preparedness, you get into a much more fuzzy areas I think of measurement. You also might start to get this idea of how long is a piece of string? I mean ...

Diane Smith-Gander: Yeah. It's a very good point, but I don't think that's one that we can step away from. You know, this is difficult. It's the current, new frontier in some ways, but I think in Australia we do a pretty good job of measuring these types of things, and we have some good line of sight work that's been done around bullying. Some of the things that's been done on domestic violence, they're playing into this as well. We've done some really good research and built some very good resources through organisations.

For example, the People At Work project, which has a really good benchmark survey, which you can download. It's all free and funded on the Safe Work website, and on regulator websites, that allow you to run a test through your organisation to see what the stresses are in individual work roles, and so forth. I think we just need to recognise that we've still got a number of steps to go, but that we do have resources available in the area. It is still a difficult conversation to have with people, because this is very personal stuff.

You know, I was talking to someone last night who leads a business that's in food service, so they have a lot of people who are very passionate about food. For some of those people that translates into some weight problems. I mean, how do you have that conversation with people across a business without it stepping into the personal and becoming inappropriate? I think the senior management and the board have to provide the settings for leaders throughout the organisation to understand how to have those sorts of courageous conversations, if you will, with people that are going to step into these psychosocial areas.

Jennifer Hewett: Well-

Dean Pritchard: Sorry, could I just add this? Diane, one of way to help is to create a framework where that's what everybody talks about. The companies that invest, I'm thinking of mine sites when a change of shift at five in the morning or whenever, the first 15 minutes is spent with the physio and with some exercise. So, it becomes commonplace to talk about fitness for work and health. That improves the framework for being able to have those difficult conversations, I think. Everybody thinks about it, and my mates are thinking about it, and talking about it. "How fit am I?" "Boy, you were struggling today."

Jennifer Hewett: Do you think that runs the risks though of people seeing that as too intrusive on their own personal space, on their own privacy issues? How do you deal with that?

Diane Smith-Gander: I think it's what you as an organisation choose to give your people permission to talk about. We talk about this a lot in the gender diversity space, people have families. They have children. They have ageing parents. All of these caring responsibilities. If you don't talk about that openly in the workplace, most people feel there’s some sort of hidden agenda, ""Oh I'd better not talk about the fact that I'm thinking about having children, maybe they won't think I'm career minded," or whatever. If we don’t open the door on being able to talk about these things in a sensible way people are going to think it's not the fodder of the organisation. So, I think there is something about giving permission about what you will talk about.

Marcus Hooke: I think it links back to exactly what we're here to talk about today, that is the conversation that needs to occur. How you live outside work impacts how you work. If you're not coming to work in a fit and healthy condition, particularly if you've got a job which requires physical activity, then you're putting yourself at greater risk. For us to not confront that conversation means we're neglecting our duties. I think the role we've got to play is to start those conversations with people to say, "Look, I don't believe the way you're presenting is not necessarily suitable for the job you're seeking to do today." It is the next frontier of the conversations we need to have.

Jennifer Hewett: How effectively Marcus do think big businesses have been tackling that new frontier so far?

Marcus Hooke: Mixed. I agree with Dean. I was down in Tassie recently at Simplot, at their veggie factory down there. They start every team meeting with a 15 minute bend and stretch. They talk about what they're going to do for the day and before they walk out everyone stretches. It wasn't a tick and flick exercise; everyone is generally engaged in that program. There are good stories of the mining sites doing it. We've launched in news a few of areas doing Industrial Athlete, so we've got 40 plus year old printers who you think would mock this sort of thing, doing a bit of a bend and stretch before they start work. It evolves, but it starts with that risk base conversation where if you've got the ageing workforce how do you balance that?

Jennifer Hewett: Dean, do you think that at some level boards have also got to say, "Well yes, this is a journey. We're all constantly improving. This is evolving," but there is a limit to the amount of company resources that should be devoted to this area?

Dean Pritchard: There's always a limit, but in my experience that's not really been the issue in terms of the resources, because I mean, line managers are the key to this. They're probably some safety professionals here and they would truly understand the view that line management has to perform in this area. That's an appropriate way for us to be putting our effort. The line managers are there, we just want them to do this work better.

It's not necessarily a question of the board thinking, "We're not spending enough in this area," that's not ever been an issue in my experience. It's just how well people are doing it. The big thing, I mean, the issue for boards is, it's not what they think, what they do. It's exactly the same thing when you get into safety, it's not what people say about safety and what we believe and what our principles and things are, it's how we do it, and that doesn't cost any more money to do that, it's behaviour.

Jennifer Hewett: How do you avoid that there can be a certain element of tick a box compliance? How do you make sure that is not what is happening?

Diane Smith-Gander: I think what Dean said, it's what you do. If there had to be a test in the boardroom to see whether people might pass or fail on the way they think about safety. For me, it would be how they are able to express that risk appetite statement. Had they really, had they put the time in to truly understand what's going on in the business, the external influences that are on the business? Therefore, what are the true risks that need to be mitigated. How is the business operating to do that?

If a board is able to express that very clearly you know that they're going to steer the organisation towards the right activities to mitigate the risks. There won't be a cost conversation in there because this is the way we want to operate our business. And so, at the end of the day for me, that's the job of the director when it comes to this matter, is to have taken the activities, to inform yourself well enough to be able to express a proper opinion on the risk appetite statement.

Jennifer Hewett: I was struck by Dean talking in a sense about walk around management by going out and finding out exactly ... chatting to people, talking about what's going on. Yet, this is in an era where we've got far more automation, evolved and sophisticated technology, so it's that mix. How do you get that mix right, Marcus?

Marcus Hooke: You've got to touch the organisation, so Dean is exactly right. You can't check the business on a Google hangout or a video conference. You've got to get out there, talk to people. Ask them the question, what's working for them? What's not? Ask them, again those frontline leaders the key to success and failure. If your frontline leaders of an organisation know what they've got to do to deliver success, then you're going to be successful. So, you've got to test them in the roles that they're doing and test the people that report to them. Make sure that they're getting support they need. We've got a programme, which is Safety Leadership Walks, and most of our executives do two a year.

Jennifer Hewett: Safety Leadership Walks?

Marcus Hooke: Leadership Walks. You just walk out. You talk to someone on the floor. Ask them what's working, what's not. When we first kicked it off I think people were a bit sort of schtum, "Am I going to get in trouble if I give you my real point of view of this?" But there you get some quite frank conversations. You deal with those issues and people realise that, "Okay safety is a serious consideration for the business," so it's very simple to get the message and very simple to test the business on what's working, what's not.

Diane Smith-Gander: The insights can be super meaningful. I did a safety walk when I was on the NBN Co Board and I went to a construction site in suburban Perth. It was a really hot day, and so I was going out to interact with the supervisor and a couple of the construction guys. I thought I would be probably hearing about the heat and issues like that. When I got there they were sitting under a tree and I thought, "That's great. I'm glad they're under a tree, in shade, but I'd been even happier if they were doing some work."

We had a bit of a chat. I sort of wanted to know, "Why were you under the tree?" It turned out that when the design drawings had turned up and they'd scoped the work and got ready to go, they turned out to be wrong. The first premise they went to, it wasn't right and so they had to go and sit under the tree to wait. I asked the supervisor what he thought was the biggest hazard they actually faced as part of this conversation.

He said to me, "Well, this bad design is the biggest hazard I face because I get my crew here. We go through the safe work methods. They're all ready to go, and then all of a sudden we have to stop and sit under a tree. Then I've got to get them back up again ready to think about doing the job safely. If I have to do that two or three times a day," he said, "I know that by the time I get to third time I have got zero chance, we might as well go home because something is actually going to go wrong." The insight in that conversation for me because, "Okay, let's go back through the contractor chain what was actually causing that." These are the sorts of insights you get when you go and ask very simple questions out in the field.

Dean Pritchard: It works both ways though of course, because you're out there as a board member and you're displaying the culture of the organisation from the top. This is a really important part for board education training. Broadspectrum, we have, "Leader led safety conversations" is the terminology for the same sort of conversations with people about safety. We sent each board member out with our chief safety person, who was obviously very good at that, as a way of coaching and developing the skills, because not everybody has-

Jennifer Hewett: Not the skills of the board, but the board-

Dean Pritchard: Of the board members, yes.

Jennifer Hewett: Right.

Dean Pritchard: Because not everybody has the same level of skill and experience. That's the whole idea of a board to have a different perspective. That was very useful and helps when you've got a board that's going to be out there four or five times a year on sites, meeting with people, and you're terribly on show in that circumstance. You walk up the stairs without holding onto the handrail and the people you've been trying to talk safety to are saying, "Well hang on, what's going on here?" Some board members just think it's not serious. That's really critical that we get those common standards ... I'm really determined I think that boards really take on this responsibility, both checking and validating, but demonstrating the culture of the place, but with their own skills.

Diane Smith-Gander: Or the worst thing is someone makes a suggestion in response to, "How did you make the place safe" or whatever, and some bright spark says, "Well, what would that cost?" That's the one you're told, you never go to that question because it's not relevant in that setting. So, you do have to be really careful about that comes out of your mouth.

Jennifer Hewett: And to Dean's point, Marcus about demonstrating whether even walking down a staircase holding onto the rail. To what extent is this a show of solidarity almost a symbolic gesture, and how much is it really integral to the company's performance, do you think?

Marcus Hooke: It's going to come back to ... it's all the risk base. You put in safeguards around risks you've identified. If you've identified something's a risk, be it holding the handrails as you walk up and down, then that's the standard you live by. If you've identified the standard you're going to have then everyone buys up to it. You can't have standards that apply to some and not to others, because at what point do you say, "This rule is for me and it's not for you."? If the company's going to be serious about something, then everyone signs up to it.

It's always needs to be the right thing, and we've got to careful around when we put the rules in place or we make the design right. It's got to be the easy thing to do, because if we make it the hard thing to do, then human nature is to circumvent and find the easiest path. The challenge I think for business is to design safety is the easy outcome, and design safety is the right outcome. It then becomes a natural outcome. I think there is a risk we can either burden it if we make it too cumbersome, but if holding the handrail is something simple to do and if something's really easy to lead by.

Jennifer Hewett: Yeah, that's right. I mean, making something simple to do sounds great, but I think we've all come across circumstances where an organization's ... it's become not exactly a bureaucratic monster, but certainly a lot of what seem to be reasonable redundant overlays and repetitions. How do you avoid that type of issue? How significant an issue is it, or do you think it's just one of those in that sense the cost of doing safety business properly?

Dean Pritchard: I haven't seen an organisation that hasn't got the benefit from constantly reviewing the way it does things. Just finding a better way of doing it, an easier way, a simpler way. Generally it's best designed from the people closest to the action. That needs to be part of the DNA of the organisation, that they are constantly changing. They're looking for improvements. That means all of the process are up for grabs. Once they're agreed then that's the way that we should do it, but from time to time there has to be that systematic review.

Diane Smith-Gander: I think we're on the cusp of a lot of technology and automation improvements in this area. I was at one of AGL's plants just recently and there's a system there now when you do a safety walk, you see a hazard. You see something that looks like it needs a bit of maintenance. There's the photo and straight through the app, so you're not finding the issue of multiple observations of the same issue in a plant as people move around it and so forth. But I think people are finding it a bit harder to make the investments at the back end of the process where there's still a lot of paper and a lot of reports that are a bit dense and hard to get on to, so I'm looking forward to some automation in that sphere soon.

Marcus Hooke: I think a good example to explain what I mean is, Safe Work method statements was mentioned before. When you look at one of our areas in business, we had a pile this high that we expected people to understand to be able to do their job safely. We'd written in the same bit of information into about a 100 documents. Then people would have an injury and we'd say, "Well, it was written down in that document-

Jennifer Hewett: Why didn't you read it?

Marcus Hooke: ... how did you get injured?" We revised and we took about 1,500 safe work statements from around the country and dialled it down to 10. There's now 10 common standards that we expect everyone around the country to know, rather than 1,500. We've built a system that was technically safe but impractical, so we took that feedback, and to Dean's point, how do you simplify it and make it practical beast? 10 is quite an easy one for people to know. We made a system that in reality you couldn't expect anyone to follow, because it was too overburdened and so we had to come round and improve it. That's the challenge we've got to work to is, how do we look at what we've got and make it the easy thing to do and the right thing to do?

Dean Pritchard: Jen, it goes back ... you mentioned flexibility back earlier. In this situation what we're doing is also, and it's pretty consistent across a lot of businesses, I think becoming less prescriptive. And so, the procedures instead of describing exactly how everything is to be done sets the standards. The standards can be clearly understood. Then there's a greater degree of flexibility for the different places where there are different climates, risks, cultures, of being able to deliver that. There are certain immutable standards that we set.

Jennifer Hewett: Are these principles based safety?

Dean Pritchard: Yeah. That does help to make things much clearer, but it also helps us decide what's a given and where can I have flexibility? That's where with the creativity and innovation and change and improvement can come in that flexibility bit, so long as you get the standards absolutely clear, yeah.

Jennifer Hewett: Obviously technology is making a big difference in this area. Is it always a force for good in that sense, in making people understand things more easily or being able to check things more easily? Obviously we've seen some examples with the use of vehicles, as you were talking about. Where, how do you see that evolving?

Marcus Hooke: I mean, vehicles is a great example. I think one of the biggest risks we've got in a lot of workplaces is moving vehicles around people. We were talking about this before which was, I might work in a newspaper environment, someone else might work in a mining environment but they're still moving equipment and people, so what practises can you put in place?

There's good technology advances in that area where the vehicles will stop itself if it goes in the wrong area or if it hits something at a certain speed, it'll stop itself. Technology to me is an enabler to prove, it's an enabler to provide information to make better decisions. It provides information through to you so that you can be more educated on what's occurring out in the field. It's only going to help us going forward.

Dean Pritchard: Another example would be the use of drones. The amazing use of drones to reduce the working at heights inspection of simple example, the high level gutters on buildings, being able to inspect without having to get people up there. There are lots of ways in which people are finding really clever things to do that take away the hazards that we've been used to and therefore, change the process.

Jennifer Hewett: Big business is always evolving its processes, learning a lot, but also big business is often acquiring other businesses, or it sometimes being acquired. We've talked about how you drive this down into contractors and sub-contractors, but what about if you've got a merger or a takeover, and you've got two different cultures, how do best to the get the best of both rather than the lowest common denominator?

Diane Smith-Gander: I think whenever there's those big changes in an organisation, you go into a new geography, or as you say, you acquire or you are acquired, if you're in a downsizing frame those big changes and disruptions really do change the safety dynamic, so it's a time when more vigilance is needed. When you think about the project plans that get put in place for these things there's not necessarily always a safety moment at the start of it to say, "Well what might the outcomes be?"

I think in organisations that are the big hazards, mining companies, airlines, these sorts of things probably a much greater propensity to think that through. I don't think we take enough heed to change. Even holidays, we ran quite a big campaign through Safe Work and the regulators at holiday time people are in a different mode, and so their head space might be quite different. I think this is the thing is, recognising that safety always needs to be given that number one ranking that Marcus was talking about.

Marcus Hooke: I think it's also asking the questions. In any situation where two companies are coming together it's dangerous to presume anything, so I think you need to understand what the cultures are of the two organisations. If there's nothing wrong with it right now, then there's a good period of understand about how they can get the best out of both. How you can end up with the best outcome.

If there's something fundamentally flawed with the organisation and they are entering people at a rate of knots and the systems are failing, then there's quite a triage needs to go on, you need to get in there and almost have that immediate change. I don't think there's one answer to it, but it's asking questions. Understanding what the history is, what the culture is, and what needs to change. If it's starting up at a high base then you merge slowly, you change slowly. If it's a low base then you get in actively and drive change quickly.

Dean Pritchard: If you go back to the start when the acquisition or the merger is being contemplated, boards put a huge amount of effort into really understanding the cultures of the two organisations, because that's the hard part. It may well be a strategic fit, but if the culture isn't right then the challenges are much greater. It might still be achievable, might still be the right thing for the company to do. When we talk about culture, safety culture is the easiest and best way to get a feel for what's really going on in a place. That due diligence is a pretty critical part.

Diane Smith-Gander: I have seen screening for acquisition targets by companies that are serial acquirers, it has the safety culture and the safety outcomes as a question in the screen, and a valuation at the beginning whether that company can actually fit into the environment. It certainly can be quite a prominent decision tool.

Jennifer Hewett: Do you think if it's regarded as not a good fit, does that often rule it out or do people just say, we're going to actually have impose our different standards as a culture?

Diane Smith-Gander: I think it can be used as definitely a rule out, but certainly if there's an ability to improve then it's a positive synergy for the acquiring company to be able to put their systems and processes through. But it certainly can be used as a reject in the screen. If you were looking at a couple of companies and one had a very bad set of safety outcomes and the other had a good safety outcome, in other reasons they were pretty much similar where you'd be jumping.

Dean Pritchard: What the board would expect to see if it were to proceed with challenges is, how are those challenges going to be dealt with. A really clear plan for tackling what might be a difficulty.

Diane Smith-Gander: You'll see a lot of this when you do the litigation review. You look back into the company's history and see what their workers compensation history has been. Whether they've got any large matters that have got a safety flavour to them. It definitely comes into that screen.

Dean Pritchard: Marcus will be saying though, you have to get out more and get into it, and find the place. You find out what a site on the ground, is that right?

Marcus Hooke: Yeah, we recently acquired a business, so we're gone from having seven print sights, now having 10. We're getting an independent audit conducted to do exactly that. Go around, these are the behaviours we've established we want in our business, so let's go and test the behaviours in that business and see if they meet our standards. These are the systems and processes we expect, so let's test to see whether the sites we've acquired stand up with that, because safety is something that's very easy to get a nice bit of paper and put it across the table and say, "Aren't we good?" Until you go and ask the questions and test what's actually happening, that paper might not actually fly down to the organisation and to everyone that's out there working. The specific we've done is just conduct an independent audit to see where they are and what we need to do.

Jennifer Hewett: In terms of such an order, again it's much easier to measure specific things like the rate of injury or even possibly time off work for illness reasons. But we're now talking about a changing world where there's a lot of periods at work where you're actually never off. That line between work and being at home, and private life is increasingly blurred. How do you accommodate for that? We talked a little bit about the new frontier, but this is as increasingly an issue, and how do you measure that type of issue?

Marcus Hooke: That's a very hard question. I think if I could answer that now, then there's probably a prize in there for me as well.

Jennifer Hewett: I'm sure we can find one.

Marcus Hooke: That's it. Look, it's a constant challenge, because we're expected to be responsive 24/7. We put a lot more in our leaders. We put a lot more in our frontline operators, so a lot of what I'm trying to design, our organisation at the moment is moving a lot more towards self-managed teams. Having fewer leaders to lead those teams. By design when you do that you put a greater expectation on those fewer leaders to be accountable for longer periods of time, so it's a real challenge. The conversation you have is to make sure when you go on holiday is you do switch off or when you're away for weekends you do switch off. That's leading by example. I'm actually going on holiday tomorrow. The phone's off. Out of office is on. I hope that lasts for two weeks while I'm away.

Jennifer Hewett: I've never managed it so far.

Marcus Hooke: Look, I'll tell you in two weeks’ time whether it worked or not. It's trying lead that by example, but it's getting harder and harder because the business does expect you to respond constantly. I'm not really sure we've got that right yet.

Jennifer Hewett: What do you think Diane?

Diane Smith-Gander: We know that workplace flexibility is really important in being able to engage employees, but when you think about the style of workplace flexibility that I might want might be quite different to what want, quite different to what the guys want. How do you manage in that environment as well? I think it brings in a whole lot of new challenges and certainly a lot more hand offs. We know that in process engineering world, the hand off is the thing that we want to get rid of. We want to have fewer hands off because wherever there's a hand off-

Dean Pritchard: Can you explain what a hand off is?

Diane Smith-Gander: A hand off is if I've got a piece the process, I finish my piece and to get the rest of the task done I need to hand it to Dean, so I hand it off to Dean. The way that that occurs, you know you can have slippage. My communication of what's going on maybe less than perfect, and so there's always a danger that comes into that either from getting a bad safety outcome, but just a bad process outcome.

When you think about workplace flexibility and also the fractionation of work, so as we have more automation the amount of work that needs to be done by a person may shrink, so some of our jobs may no longer be full-time jobs. I think this is a new arena that we're coming into that we haven't yet thought through all of the risks and hazards, and what the implications are going to be for safety outcomes.

Now, there's lots of industries of course that have been handling this sort of stuff all the time. When people say to me, "Oh it's difficult to job share." I say, "Well how do you think emergency surgeons and ICU surgeons handle this sort of stuff? They can't work until the patient gets better without a break, so at some point they have to hand off." I think there's lessons in other industries we can use, but we're in early days, infant days on this topic.

Jennifer Hewett: The other change that's occurring obviously in the workplace is the fact that people are tending to work longer. The idea that you'd retire at 55 seems to have completely vanished.

Diane Smith-Gander: What do you think about that?

Jennifer Hewett: How does that affect safety? I mean, I suppose you can say it's clearly more of a factor where there's physical effort required.

Dean Pritchard: More physical activity like mining or construction.

Jennifer Hewett: What about just even if you're doing screen work, how do companies deal with that?

Dean Pritchard: Are you asking me?

Jennifer Hewett: I am asking you.

Diane Smith-Gander: Neither of us are retiring at 55. That's way in the past.

Dean Pritchard: No, no. I mean, clearly my instant response is to think about the responsibility of the individual and if you expect to work longer then I think you have to be prepared to perform. This question of fitness for work is something that is clearly in your court as well as for the organisation. The organisation will create a culture in which you are encouraged, supported, helped financially even with health programmes and so on. I look really hard at the individual. If you want to work I think you got to be absolutely sure you present yourself in the right place and are able to make the contribution that's expected of you.

Jennifer Hewett: Marcus, do you see that as part of what you're talking about, having a more engaged workforce that also takes responsibility for themselves, as well as being encouraged to do that by the company?

Marcus Hooke: It is. I mean, there's the large education piece there, whereas the workforce contracts and the people are working harder, there are more strains on individuals or can be more strains on individuals, so they need to be aware of how they present for work. That is, stepping back to what we spoke about, about half an hour ago, that's a conversation that leaders need to have. I think as Diane touched on, it's quite hard to start a conversation with someone saying, "Your weight might be challenge for your job," or "It's posing health risks for you, which might have consequences outside of work." That's a conversation you have with someone you respect as well, because to me a lot of this is around how you care for your people. If you truly care for your people then you are going to have a conversation about what's best for them, or point out information that might be best for them. Whether they choose to act on that information is the next challenge.

Jennifer Hewett: Now, I'm conscious of the fact that we're trying to allow some time for questions from the audience. If there's anybody's who's got a question please raise your hand and I'll be happy to take it. The lady at the back there. There's a microphone. Please just say where you're from.

Liz Greenwood: Yes. Liz Greenwood from the New South Wales Business Chamber. The question I have relates to the new frontier of wellbeing, physical, mental and general wellbeing. You mentioned programmes where for example, the physio in the morning and people are encouraged to talk about themselves and their wellness. I guess the question then is, what then happens with that information? Do you ever come across a situation where employees sit down and they relax and they talk about their issues? Then perhaps afterwards think, "Oh gosh, maybe I shouldn't have said that." I suppose what do you do as employers to help make that discussion happen so that there are no ramifications or perceived ramifications for having that full and frank discussion?

Jennifer Hewett: Diane.

Diane Smith-Gander: Yeah, it's a very good question. I think this is something that's been in workplaces forever. That we can all think of settings, where sometimes the office holiday party, where behaviour will occur that made people feel a bit embarrassed about afterwards. It's got a very strong analogue with that type of behaviour, so how do you have a good holiday party is probably going to tell you how you have a good courageous conversation? We've talked a lot about frameworks and equipping individual team leaders and managers with the skills that they need to be able to have those conversations without causing damage in the organisation.

Because poorly planned and executed interventions of that nature into wellness, and so forth can be just as damaging and risky at work as our unsafe practise in another area. I don't think there's an easy answer, but I do think there's quite a lot of resources available to illuminate that. Particularly for smaller businesses that might not have the resources to have the conversation in the way that the big business does, but I think it's an evolving space. We're probably a six out 10 in this country at the moment. We need to do better.

Marcus Hooke: There's a good example if may? A parallel industry to mine, safety week a couple of years ago they did a survey of their staff. They had a free medical check-up. One of the bits of feedback came that about 60% of the workforce was overweight to obese and they had to some cardiovascular issues. They approached the site, they approached the union that represented the site.

Together the management and the union went out to the floor and they started the Biggest Loser board. Where anyone who wanted to could go up there and put their weight and then put their goals. As a site they then encouraged each other to lose weight, and generally across the site they lost some substantial weight. They used something that was a bit fun to address a serious issue and got a good result. I think depending on what the issue you're confronting is, you just got to be prepared to confront it.

Jennifer Hewett: Katie.

Katie Lahey: Thank you panel for a very interesting conversation. Katie Lahey from Star Entertainment Group. I just like you to tell us a little bit more about the role of the unions in health and work safety.

Jennifer Hewett: Dean.

Dean Pritchard: Thank you. A very interesting question. You ask a person who grew up in construction and building and engineering as a civil engineer and contractor for a long time. Has been involved as a non-executive director with quite a few companies in highly unionised areas as well. I just wish it was much better. It's pretty tough, unfortunately safety is a bargaining tool rather than a focus for real improvement. I think we in this country, we have a huge opportunity to bring about a place where unions take a different role with respect to building safety cultures than they do at present. I might say that I'm pleased that I'm not directly involved in it anymore.

Jennifer Hewett: Diane.

Diane Smith-Gander: I think that Dean is right in saying that the role that unions and employers together, the way that they've parcelled out that set of responsibilities is probably not in an optimum place. Clearly unions have to have a role, vis-à-vis safety, they're the representatives of the workers, so it would be crazy to think they're not going to be intimately interested in this topic. I think we have, through a bit of a lack of intestinal fortitude on both sides, sort of ended up with safety becoming involved in bargaining. It shouldn't be, it should be completely separated over to one side.

I certainly believe that unions could take a role in safety training. As long as those organisations are very much arm’s length and have the right sort of expertise, there's no reason why that shouldn't occur. Many people would know I'm a bit of a windmill tilter, you know I haven't found a windmill I don't want to hop on my horse with my sword and have a bit of a joust at. I do think we could try to step towards a much different sort of arrangement. I think it's open. It's partnering. It's about trying to drive towards the outcomes, but suggesting there's no role, this is clearly not an option. I don't think that's what Katie was suggesting either. I think she was just asking what's the right role.

Marcus Hooke: Yeah.

Jennifer Hewett: I think we might have time for one last question. Down here.

Steph de Sousa: Hi, I Steph de Sousa from Thomson Reuters. Safe Work Australia's study last year indicated that women suffered more bullying in the workplace than other demographics. That was unwanted sexual behaviour, unfair treatment due to their gender or even physical threats. What can big businesses do to lead and protect the health and safety of those workers, but anybody who's bullied in the workplace?

Diane Smith-Gander: Look, I think you said the important thing right at the end of your question there, everyone needs to have a safe workplace that's free from bullying and any sort of violence, and so business doesn't discriminate in that way. Why more women than men? I think this is really an artefact of the fact that we don't have gender equity in our workplaces, so 46% of the Australian workforce is female, but only 10% of leadership positions in large companies. So, it does create a different dynamic. I think that's what's at play. Fix the root cause of gender equity and participation, fast-forward 25 or 30 years, sorry it's going to take that long, this won't be a topic.

Marcus Hooke: It also zero tolerance, but I agree with Diane, it's zero tolerance against all incorrect behaviour. I think as soon as a leadership team allows the wrong behaviours to creep into an organisation then the doors open up to all the wrong behaviours. As soon as you are very blunt that these are our standards, we're not going to let them slip. Whether that's bullying and harassment against anyone in the organisation then you remove the problem. I think that being much firmer on your standards is the key thing.

Jennifer Hewett: We're just going to squeeze in one last question.

Nina Puckeridge: Hello. Nina Puckeridge. Work health and safety consultant. As a work health safety consultant working for a large organisation my biggest barrier to improving safety is the lack of ready access to dollars. I always have to go with cap and hand to middle management for safety improvements. Keeping that in mind, how would you react to a proposal to link CEO or director bonuses to an improvement and agreed safety KPIs and not just increase in profits?

Jennifer Hewett: Dean.

Dean Pritchard: Well they already are, with most CEOs in my experience an essential part of their KPIs for short-term bonuses is safety performance. Often it's a mixture of lag indicator and lead indicator to try and balance the focus, but that's a very big part of the bonus assessment for, I would say, all big business across the board.

Diane Smith-Gander: Yeah, the conversation then I'm often part of is, should safety be a modifier to the overall incentives scheme, however that operates or is it one of the parts of that scheme? I think companies have a big conversation with themselves about that particular factor, and that's an important one, because the idea of paying for safety doesn't sit well in all the conversation we've been having so far and so I think people are very interested in this idea of modifying outcomes. Then how do you determine how that should actually work because how you get the outcomes is as important as the outcomes you get.

Jennifer Hewett: We're coming to the end of our discussion. I'd just like to finish it off by asking each of the panellists, what's the biggest change they expect to see in five years’ time if we're talking about safety and culture?

Marcus Hooke: I think we touched on it a bit before, which is the whole mental health issue and how we support people from that aspect? Whether it's always been there and we haven't understood it, or whether it's some of the society pressures we're now getting around that constantly accessible 24/7. I think, that to me is the frontier we need to understand more and really provide good networks to support mental health, so I hope in five years’ time organisations have a much better handle on how they're going to look after people from a mental angle. How they're going to have processes in place to support them. How they are going to let people switch off because I think the point you raised before about people being there 24/7 and you haven't had a break when you go on leave, that's the bit we're got to get right, so we do support people mentally.

Jennifer Hewett: Dean.

Dean Pritchard: I'd like to see all the stakeholders a bit better aligned with what we're trying to do in safety. I mean, the opportunity with the unions we've raised via a question, but with our shareholders and the various activists, the other stakeholders in our business, clearly we engage a lot with our employees, but to see all of the stakeholders much better aligned and being able to value this kind of ... The things we've been talking about today, they make a real contribution to everybody's lives if done well. If we could all get aligned there, and hopefully that would be an aspiration for the next five years for me.

Jennifer Hewett: Diane.

Diane Smith-Gander: I'm hoping for data analytics to play a big role so that the wealth of information that we've got about safety outcomes and about hazards is more penetrable, so that we can use it to really guide decision making. We can use it to guide design in systems so that safety outcomes get better.

Jennifer Hewett: Okay, well I think it's been an absolutely fascinating discussion. I appreciate you all joining me, in the studio audience at least, in showing your appreciation. Thank you very much to the panel.