

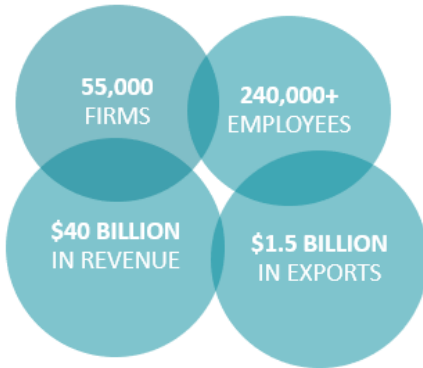


# **Culture Standard for the Construction Industry**

**SUBMISSION TO THE CONSTRUCTION INDUSTRY CULTURE TASKFORCE**

**December 2021**

## ABOUT US



Consult Australia is the industry association representing consulting businesses in design, advisory and engineering, an industry comprised of over 55,000 businesses across Australia. This includes some of Australia's top 500 companies and many small businesses (97%). Our members provide solutions for individual consumers through to major companies in the private sector and across all tiers of government. Our industry is a job creator for the Australian economy, directly employing 240,000 people. The services we provide unlock many more jobs across the construction industry and the broader community.

### Our members include:



A full membership list is available at: <https://www.consultaustralia.com.au/home/about-us/members>

## EXECUTIVE SUMMARY

Consult Australia supports the development of a Culture Standard for the Construction Industry and commends the Construction Industry Culture Taskforce (CICT) in recognising the need for change. The culture in the construction sector is in urgent need of reform and contractors taking ownership of the part they play in contributing a health industry is to be congratulated.

Consult Australia supports the three pillars, wellbeing, time for life, and diversity. These align with the strategies that we have been working on for a number of years within the consulting industry.

We believe that the Charter clearly articulates the vision for the construction sector. However, we would like to see much stronger recognition in the Charter of the responsibility of contractors to support a healthy culture across the industry, not only the relationship between client and contractor. Consult Australia's members are committed to improving culture not only in their own organisations but across the industry and we are willing and able to share our learnings to support the CICT and contractors.

### Gender Diversity

Consult Australia has long had a focus on people issues, recognising that people are at the heart of all we do. From diversity to mental health, our members have been on the journey for many years. Since 2012, our members have tackled the gender disparity in the consulting sector by committing to the [Champions of Change](#) initiative. While the initiative is deliberately focussed on gender diversity, members have seen wider positive impacts on cultural behaviour beyond gender. Our latest results are available in the Impact Report [here](#), see pages 124 to 135 for the Consult Australia group.

Therefore, our recommendation in response to the draft Charter is that the contractors (either through the CICT or the Australian Constructors Association) set up a Champions of Change Group via the Champions of Change Institute. This now global initiative will provide contractors with the research evidence, tools, and expertise to drive programmes have a proven track record to increase gender diversity. This will save the CICT considerable time and effort by joining a coalition of Australia's leading business organisations. It will also set constructors and consultants on the same path towards culture change by running complementary programmes under the umbrella and with support of the Champions of Change Institute.

### Mental Health

In terms of mental health, the Culture Standard discussion paper highlights that the construction industry has some of the highest rates of mental ill health in Australia. Consult Australia established a [Mentally Healthy Workplaces](#) campaign four years ago which includes a dedicated working group developing resources for member businesses and to engage in Australia's mental health policy approach. The Mental Health Ambassadors Network is a group of senior leaders willing to lead the mental health conversation to tackle and reduce the stigma that still exists today to share and talk openly about mental health. This work was most recently recognised in the National Mental Health Commission's Series on initiatives in Australia supporting mentally healthy workplaces, as one of only 13 case studies demonstrating how we are committed to striving for mentally healthy workplaces and successfully driving positive change.

However, despite this focus the mental health of the people working in consulting businesses we are seeing heightened concern for the mental health of employees across the Consult Australia membership (large, medium, and small business) because of the culture they encounter in commercial dealings with contractors.

It is no secret that Australia's building and construction industry is now one of the most litigious in the world and claims are getting larger. Whilst we understand that the draft Culture Charter seeks to raise the awareness amongst clients that their behaviour impacts on the culture of the construction sector, so too is the need for contractors to be accountable for their own culture and behaviours.

Therefore, our recommendation in response to the draft Charter is that the Culture Maturity Scorecard operate as a 360-degree review, where consultants, subcontractors, and suppliers would also be surveyed to provide feedback on the culture of contractors. Consult Australia's membership would also be willing to be surveyed in the same way so that the consulting industry also receives feedback on their culture.

### **Creating a healthy and sustainable ecosystem**

We are all responsible for driving the change we wish to see. To create real cultural change, a holistic and collaborative approach is needed. This will be achieved when businesses operating within the industry:

1. Adopt as a strategic business imperative goals and objectives to create mentally healthy, diverse and inclusive workplaces
2. Champion and role-model the behaviours required to meet those goals and objectives through their senior leadership and put programmes in place to cascade this throughout the business
3. Commit to maintaining these positive behaviours both inside and outside their business
4. Set targets and measures

Consult Australia therefore recommends that the Culture Standard is not limited to the client/contractor relationship but is a commitment from contractors to its industry partners. Adoption of steps 1-4 above provides the framework that will lead to that outcome. Whilst there may be resource challenges in businesses implementing these steps in the current environment, particularly with a record investment in major infrastructure, it is important that we act together now as partners during this growth period, so we reverse the consequences of failing to change, which sadly sees some in our industry pay the ultimate price.

## RESPONSE TO THE KEY QUESTIONS FOR CONSULTATION

Please see below Consult Australia's response to the key questions for consultation contained in the discussion paper.

### **1. Do you support the Culture Standard concept? Would this be something you proactively implement?**

Consult Australia supports the Culture Standard concept. Regarding implementation, it does not appear that the Standard is open to consulting business. We note that the Standard is silent in respect of the design phases of a project. That said, our membership is already working towards mentally healthy, inclusive, and diverse workplaces and has made significant progress to date. We would like to partner with the construction sector to work together to implement a better culture not only during projects but in all our dealings.

It is our recommendation that:

- the Charter is a commitment from the businesses that make up the construction sector to adopt the goals and objectives as strategic business imperatives to ensure that business leaders across the construction sector take ownership of their role in setting the culture across the industry.
- the scorecard includes clear and measurable targets that are not limited to self-assessment but allow for 360-degree feedback from their partners, suppliers, and employees.

### **2. Will the Culture Standard's three focus areas address the existing cultural problems that are preventing the construction industry as being an employer of choice? Are there any other areas that should be considered?**

The three focus areas are symptoms of poor culture. Consult Australia applauds the work that the construction industry is doing to raise awareness within the government sector of the impact it can have in its role as a client on culture – noting Consult Australia's own [Model Client Policy](#). However, industry culture is not driven by clients alone and we must be prepared to hold up the mirror to look at our own behaviours and standards set within our organisations. Transforming culture requires strong leadership, collaboration, and tenacity. It requires investment in programmes and commitment to measuring outcomes and accountability. The Culture Standard will not achieve lasting change if it only applies at a project level. The Charter should be adopted at an organisational level so that behaviours become normalised across every aspect of the business and its dealings.

As a framework businesses operating within the industry should:

1. Adopt as a strategic business imperative goals and objectives to create mentally healthy, diverse and inclusive workplaces
2. Champion and role-model the behaviours required to meet those goals and objectives through their senior leadership and put programmes in place to cascade this throughout the business
3. Commit to maintaining these positive behaviours both inside and outside their business

#### 4. Set targets and measures

In the same way that safety equipment, reporting, and accountability is the responsibility of everyone working in an organisation, the same rigour needs to apply to the psychological safety of those that you work with both inside and outside your organisation.

We recommend that the standard is broadened so that contractors made a commitment to improving industry culture through their dealings with their partners and suppliers.

We recommend that the actions to be take include the adoption of collaborative contracting and dispute avoidance mechanisms between parties working on projects.

We also recommend that section 3 of the Culture Standard be expended to include commitments for inclusive organisational cultures to address bias and discrimination in addition to gender, for example age, disability, ethnicity, LGBTQIA+ etc. As advised above, our members have found that their investment in the Champions of Change has led to broader inclusive policies and behaviours.

Our goal should not just be to become employers of choice but to be an industry of choice.

### **3. Are there any aspects of the Standard that would be difficult to implement or would impact competition for projects tendered by Government clients?**

Cultural change takes time and commitment at the most senior levels of the organisation and investment in programmes that address bias with the organisation. We feel that working on a project by project basis will not deliver a wholistic approach that is need to shift culture on the scale that it required in the construction industry.

This is why we recommend that the construction sector looks at establishing a Champions of Change group, which would require the commitment of organisations and their leaders to drive change within the organisation for the benefit of all their employees. This would provide access to a substantial network of support and resources to provide the tools and programmes needed to increase diversity and create more inclusive cultures.

We are also concerned that attempting to implement programmes at a project level will add cost and duplication. Doing the work to improve culture and behaviour at an organisation level across the industry is a more efficient way to deliver change and lifts performance in a more consistent way that will create benefits across the broader industry.

If we can reach the stage where competition is based not on price but on quality, culture, and standards, we will have a much healthier and vibrant industry eco-system than we have today. Quality based selection is a far more desirable outcome for government clients because diverse teams are more innovative and are more likely to deliver to the time and budget agreed, as some of the CICT pilot programmes are beginning to show.

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

There is little detail in the draft standard setting out how the charter will be implemented. In our experience working on cultural change significant guidance and support is required starting with the leadership within organisations through to their employees.

Whilst the desired outcomes set out in the Charter are good, getting there can feel overwhelming for organisational leaders, particularly in an industry that has deeply entrenched behaviours.

Therefore, providing guidance and programme that create small scale change whilst working on bigger more challenging issues is a good step forward.

For example, contractors could consider their individual incentive approach. Much of Charter's focus relates to changing the project environment. These projects are run by key leaders in contractor organisations who control those projects/sites. Their individual reward and incentives may need realignment to different/extra outcomes. Anecdotally many rewards/incentives are targeted at cost saving and program time management, which translates to direct financial return for the individual. If this is indeed the case it needs to be broadened to other key outcomes to help drive change.

Industry information is also extremely compelling when building the case for change. Academic evidence on the productivity benefits can help persuade organisations to take this on, however there has already been much written about the productivity benefits of greater gender diversity in organisational leadership. More compelling is seeking feedback direct from female staff and other minority groups on the culture they experience within their organisation. Auditing of the bias in recruitment and gender pay gap in organisations for example (noting these are issues identified in the charter) also alerts senior leaders to some of the reasons why they are not increasing female participation or losing them from the business due to bias in leadership appointments and pay.

Consult Australia's members continue to work track and audit diversity and inclusion despite gains made noting again that culture change takes long term commitment to breaking down bias and stigma. For example, in the latter part of this year the Champions of Change group ran a major survey across their business to seek staff feedback on everyday respect within their organisations. In the mental health area, Consult Australia has produced a further six major business guides and resources for our membership to add to our Knowledge Hub to support our members strive for mentally healthy workplaces. We are developing plans for a major industry survey and launch of an education programme to assist further in this endeavour.

Our message is that the Culture Standard is a good starting point, but that significant work will be required to support business in turning around their culture.

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

Yes, however the uptake of these courses could be increased. We suggest incorporating this into professional development plans of future leaders as well as those responsible for workplace health and safety on site. By linking it with existing safety measures and training it shows a clear sign that worker's mental health is as important as their safety on site.

#### **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?**

We support the cap on hours proposed in the standard as all workers should be entitled to suitable rest periods, whilst getting to a Monday to Friday working week may not be possible in all cases, ensuring that individuals are not subject to excessive hours and burnout is critical, the same standard needs to be applied in commercial agreements between contractors, consultants, sub-contractors etc. Fundamentally, unreasonable deadlines need to be addressed for the health and safety of everyone involved in a project from the design phase through to construction.

Adopting a 'go slow to go fast' approach to projects, as recommended in Infrastructure Australia's 2021 Plan<sup>1</sup>, allows for more time at the beginning of a project for proper planning which will minimise delays and disruption later on during delivery.

Further, all workers are entitled to a well-earned rest over the Christmas period. Consult Australia's campaign to pause procurement processes over the end-of-year holiday period, which this year has been supported by the Australian Contractors Association, Roads Australia, the Australasian Rail Association and Engineers Australia, calls on the public and private sector to recognise the need to look after workers mental health by allowing them the time for an uninterrupted rest.

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

Yes. All workplaces should be free from offensive language and behaviours, extending the requirement to all workplaces will make a substantial difference to achieving the goals in the Culture Standard. The construction sector will not be able to achieve the cultural and reputational shift it wants unless it embraces change in behaviour across all its business, whether on site or off. Repercussions will need to be clearly communicated to workers to demonstrate that this behaviour is not tolerated in any workplace or professional interaction.

### **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?**

We support targets as a tangible way to achieve gender change and suggest that further thought be given to female leadership positions. As discussed above, the Champions of Change initiative is now well tested and drives results against targets. However, targets in and of themselves do not create change, it is the internal programmes to recognise gender bias and why it exists that are essential to creating organisational change. The initiative is more than setting targets, its about addressing the underlying issues and barriers to female participation including implicit bias.

### **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?**

Accountability is important, what accountability will there be if contractors sign up to the Charter but do not deliver the outcomes? For example, Consult Australia has a Code of Ethics that its members agree to adhere to as a condition of membership and their membership can be terminated in the event of a breach.

We do not believe that it is enough to self-assess. The construction sector must be open to constructive feedback from its partners, suppliers, and the people working within its organisations about culture in the industry.

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<sup>1</sup> [2021 Australian Infrastructure Plan | Infrastructure Australia](#)



Regular transparent reporting and industry surveys should be conducted to monitor the progress of the standard, reporting should not be limited to clients during tenders.

**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?**

Buy-in from industry must come from government clients, constructors, and consultants if culture change is to be realised. As mentioned, programmes like the Champions of Change and ongoing procurement reforms, industry guidance, and training will need to be adopted.

## **CONTACT**

We would welcome any opportunity to further discuss the issues raised in this submission.

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