



14 July 2021

Mr John Alexander OAM MP
Chair
House of Representatives Standing Committee on Infrastructure, Transport and Cities
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Parliament House
Canberra ACT 2600

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Dear Mr Alexander

Inquiry into procurement practices for government-funded infrastructure

The Coalition for Dignity in the Built Environment partner, the Australian Human Rights Institute at UNSW, appreciate the opportunity to provide a submission to the House of Representatives Standing Committee on Infrastructure, Transport and Cities inquiry into procurement practices for government-funded infrastructure.

With the \$100 billion 10 year infrastructure pipeline committed to by the Australian Government, there is an urgent need and a unique opportunity for procurement policies to put the human and human dignity at the centre of infrastructure lifecycle – from investment and planning through to re-development. The construction sector is the third largest employer in Australia yet it remains the most male dominated sector in the country. Women's participation has actually tracked backwards in the last decade from 17% to 11% in the last decade despite the introduction of gender equality measures by large construction companies and government. In 2013, with the support of industry and the Australian Research Council, myself and a team of researchers from UNSW undertook a three year study to understand why women's participation in the construction sector was in decline. Women are leaving engineering and construction 38% faster than their male colleagues. (Our research focused on construction professionals not blue collar workers, where women's participation is only 1-2%).

Our research¹ set out to investigate women in construction, but we found ourselves spending long hours talking to men about the stresses their jobs were putting on their personal lives. Some were deeply concerned about their marriages, struggling to see children following divorce, or suffering from anxiety due to constant deadlines. Work conditions in construction have implications for the health and wellbeing of workers and are linked to heightened stress, burnout, poor mental health

- ¹ Galea, N., Powell, A., Loosemore, M. and Chappell, L. (2018) Demolishing Gender Structures. UNSW: Sydney.

and anxiety² and higher physical injuries than the general population. There are also persistent higher rates of serious mental health disorders and suicide in the construction sector compared to the general population and other occupations. In construction, suicide rates are 80% higher than the general working age population. The construction sector has the second highest suicide rate of any sector in Australia and this costs the Australian economy an estimated \$1.57 billion^{3 4}. There is also prevalence of high substance use amongst construction workers, especially young workers⁶. In our research, we found outdated, rigid modes of work and project delivery models that weren't working for men or women. Women were less willing and able to tolerate these work practices that don't allow them to combine work with care responsibilities. There were other factors women left the sector too – a tolerance of sexism, informal career paths and gender bias. The conclusion we came to was that *to increase the number of women in construction, we need to be willing to challenge the working conditions of men*. I am now studying the effects of a 5 day working week on construction workers and their families for Roberts Co and Health NSW. The results of this research will be made available at the end of 2021.

What we know is that there is an opportunity to ensure that our procurement practices that shape decisions about what we build, and how, and define the future we create should make people a priority.

In 2019, UNSW was a founding member of The Coalition for Dignity in the Built Environment. The Coalition of four founding partners – Australian Human Rights Institute at University of New South Wales, Australia; Institute of Human Rights and Business (UK) , Rafto Foundation (Norway) and Raoul Wallenberg Institute (Sweden) has harnessed the diverse and international expertise to establish a *blueprint that guides government and business to embed human rights across each stage of the built environment life-cycle*. Underpinned by a platform of interdisciplinary research and strategic communications, the programme is grounded in existing human rights principals and applies these to the built environment lifecycle. The blue print offers governments delivering infrastructure an opportunity to plan, design and build a built environment where everyone has the opportunity to thrive.

The advice in this submission is drawn from our coalition's consultations, research and engagements to date, globally, with all sectors of the building lifecycle in the development of a shared framework for action – Dignity by Design.⁷

Existing infrastructure pipelines and related supply requirements

National, regional and local governments play a fundamental role in defining the direction of the built environment. As 'investors of first-resort' they establish the regulatory framework, ensuring accountability and transparency, and shaping the direction of investment flows to create jobs directly and through supply chains.

²Lingard H and Turner M (2015) Improving the health of male, blue collar construction workers: a social ecological perspective. *Construction Management and Economics* 33(1): 18–34. DOI: 10.1080/01446193.2014.997259.

Lingard H and Turner M (2017) Work and well-being in the construction industry. In: *Research Handbook on Work and Well-Being*. Edward Elgar Publishing.

³ Doran, C., Rod Ling., and Miner, A. (2015) 'The economic cost of suicide and non-fatal suicidal behaviour in the Australian construction industry by state and territory', *Mates In Construction*, <https://mates.org.au/media/documents/Cost-of-suicide-in-construction-industry-final-report.pdf>

⁴ <https://mates.org.au>

⁶ Ann M. Roche, Janine Chapman, Vinita Duraisingam, Brooke Phillips, Jim Finnane & Ken Pidd (2021): Flying below the Radar: Psychoactive Drug Use among Young Male Construction Workers in Sydney, Australia, *Substance Use & Misuse*, DOI: 10.1080/10826084.2021.1892139

⁷ <https://www.ihrb.org/focus-areas/built-environment/report-dignity-by-design-human-rights-and-the-built-environment-lifecycle>

The Government has an opportunity to intentionally use the power of public procurement with this investment to require the private sector, through contractual obligations, to demonstrably take responsibility for its supply chains. This includes the unethical sourcing and manufacturing of many common materials.

Challenges and opportunities with existing procurement practices including frameworks standards rules and norms, and intersections between tiers of government and the private sector

Under existing procurement practices, the incentives to act are lacking, given an over-emphasis on the maximisation of short-term profits, questionable relationships in many contexts between public officials and private actors, restrictions on civil society and lack of reliable information and data on social risks to guide decision-making.

Designers and construction firms' ability to embed human rights in their operations is often curtailed by market pressure and project time constraints. However, the time spent detailing with resulting issues of not dealing with this up-front, but during the project retrospectively and unplanned, still accrues to the project as delays and distractions – it is just not attributed as such.

Construction is an industry characterised by strong competition, thin margins and complex supply chains, which poses major challenges for upholding worker standards. Large segments of the workforce are informal workers and the nature of work is inherently difficult, dirty and often dangerous.

By considering the Dignity by Design framework into the building lifecycle of new projects, the opportunity exists to drive to a standard that decent work is advanced throughout the built environment sectors including dignity and respect for all workers and equal opportunities for women and men. Everyone has the opportunity to participate and engage meaningfully in the decisions that affect their neighbourhoods and lives. This includes women, children, minorities, migrants, refugees, indigenous peoples, persons with disabilities, older persons and others whose perspectives are often excluded.

- Sustainable outcomes will only be possible if women have agency and are able to play an active and decisive role throughout the built environment and particularly at decision-making level in the private sector and in elected office.
- Gender considerations must be embedded into decision making and integrated throughout project development as a standard, engaging women within government, industry and civil society.
- Fifteen percent of the World's population has some form of disability, and in Australia that is one in six people⁸ and yet too often disability access is an afterthought in built environment design. The WHO and World Bank have calculated that it costs 1% of the total cost of a project to meet accessibility costs if done at the outset but that retrofitting for accessibility can cost up to 20% of the original cost.

⁸ <https://www.aihw.gov.au/reports/disability/people-with-disability-in-australia/contents/people-with-disability/prevalence-of-disability>

- By embedding the need to consider disability at the project conception, this supports workers with disability to access a broader range of workplaces – as visitors and as employees.
- Many global areas have designated themselves ‘smart cities’, recognising the important role that technology can play in contributing to greater connectivity, efficiency and sustainability. As with any tool – technology can both harm and help – with the rise of urban areas have come major concerns about privacy, data protection and other digital rights and the risk of technology deepening rather than bridging existing inequalities. Engaging with digital rights experts and technology industries to advance a rights respecting approach to technology in urban contexts is essential for our connected world.
- Another key demographic trend globally and mirrored in Australia is the ageing population, which places growing numbers of people at heightened risk of vulnerability – a risk that has come to a head with the Covid-19 pandemic.⁹
- Nature based solutions built into planning and design can enhance biodiversity while contributing to social well-being, community cohesion and mental and physical health. From parks, urban orchards and allotments to office green walls and roofs, hospital gardens or prison micro-woodland the huge positive impacts must be shared equitably across all socio-economic and age groups.

The holistic approach to the future infrastructure development, utilising this framework drives to the broader society opportunity where the built environment has a positive impact on physical and mental health.

How Australia can balance its international obligations with maximising local content opportunities, including by leveraging foreign direct investment.

All cities – not only those in coastal areas, will continue to experience climate impacts such as extreme heat, increased flooding and pressures from mass migration. Reducing emissions throughout the building lifecycle will be essential to meet our international obligations. Climate related investment in the built environment from both public and private sources is growing.

The increase in investments that apply ‘ESG’ (environmental social and governance) criteria within portfolios increased from 48% in 2017 to 75% in 2019 ¹⁰and indications are that this will continue to increase – as a May 2020 Financial Times article stats ‘Corona Virus Forces Investors to Rethink on Social Issues’.

Growing numbers of investors are requiring that projects they fund are certified to green building standards such as BREEAM (used in 86 countries and on thousands of projects) and LEED (applied to over 83,000 projects worldwide), within which there is an interest in strengthening standards as they relate to local communities and workers rights.

⁹ <https://www.census.gov/content/dam/Census/library/publications/2016/demo/p95-16-1.pdf>

¹⁰ “Advancing environmental, social and governance investing”, Deloitte, February 2020, at: <https://www.2.deloitte.com/us/en/insights/industry/financial-services/esg-investing-performance.html>

The growth in sustainably linked financing – Sustainable loans - where margin on debt is linked to the response a project delivers in the future against sustainability goals is already in action in Australia, as the recent Royal Adelaide Hospital project demonstrated. The worlds largest Sustainably Loan in the health sector at \$2.2bn.¹¹

Effective advocacy strategies can drive a shift in practices, but depend on an understanding of who owns and invests in what, within any given project or neighbourhood. A robust ‘follow the money’ mapping framework should be applied to future government funded projects, developed with the involvement of research and data partners to increase the transparency of ownership and assist local communities in escalating their priorities to those who have the most leverage.

Alternative procurement models including reference to international examples.

There is a enormous potential to channel investment in the built environment in a positive direction. The first step, however, must be a preventative one: mitigating social risk and avoiding harm to human rights.

High profile examples of human tragedy that result from cost-cutting and lack of accountability in the construction industries – such as :

- The Rana Plaza factory collapse in Bangladesh
- The Grenfell Tower fire in London
- The Opal Tower in Sydney
- The Champlain Towers South in Miami

should be sufficient reason to review if there is a better way to work holistically as an industry sector. The inter-connected lifecycle of the sector means that the accountability has to be driven from the top.

The Dignity by Design framework harnesses key areas of leverage among governments and industry which have ecome more resonant in the planned post-pandemic recovery. It provides a reference for decision-making and accountability. Following the six stages of the built environment lifecycle, it breaks down silos and creates space for collaboration fro project level to policy, from industry standards to innovation.

Other relevant matters.

The implications of Covid-19 have triggered devastating disruption in people’s lives and the global economy. This is a critical moment to assess what we mean by ‘resilience’, to recognise the disproportionate impact of the pandemic on the most vulnerable members of society and to initiate an equitable, sustainable re-balancing of the global economy in policy and economic responses. The pandemic has exposed direct links between the built environment, public health and human rights:

- In all impacted regions, people’s loss of income due to lock downs and the resulting economic downturn is connected to the fear they will lose their homes given the challenge of covering rent and mortgage payments – despite Government support packages

¹¹ <https://www.ampcapital.com/au/en/media/articles/2021/July/royal-adelaide-hospital-secures-the-worlds-largest-sustainability-loan-in-the-healthcare-sector>

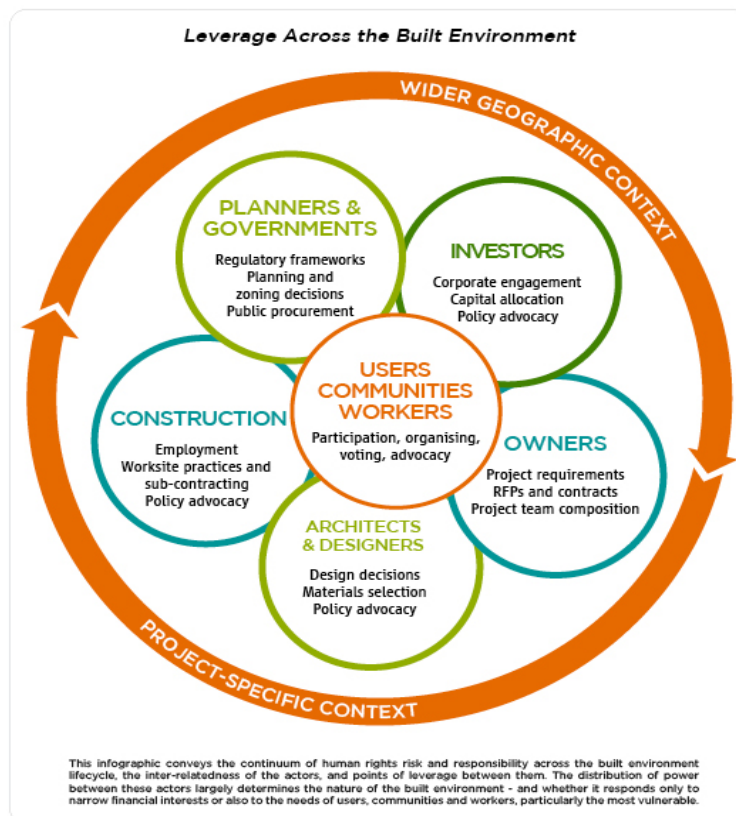
- Risks have been particularly start for migrant workers including those in the construction industry who often lack employment protections and healthcare, live in cramped conditions and have limited options to organise and advocate for their rights
- At the level of urban design, the pandemic has elevated the importance of access to public and green space and of taking physical and mental health into account in the design of health facilities, homes and office spaces
- Finally, the fundamental importance of responsive, accountable and resourced local governments working in tandem with governments at the national level has become abundantly clear.

An increasing drive to commoditise buildings and infrastructure in ways that prioritise short term financial gain over social outcomes has exacerbated human rights risks in the built environment, including the rights to housing, water, and sanitation. The pandemic, however, has reinforced the significance of the public realm: many regions have seen a recalibration between private and public interests – for example in the form of eviction moratoriums and rent protections, as well as within the approach to economic recovery in many contexts. This is a critical moment to shape relationships between people, governments and the private sector in the built environment in ways that respect and advance all human rights. There are multiple specific leverage points that can be harnessed to make this happen – from urban planning processes, to building codes, to public procurement process, to project contracts.

Addressing these issues will involve harnessing the leverage between powerful actors across the built environment lifecycle and ensuring that scaled investment into buildings and infrastructure to re-start economies incorporates climate action and respect for human rights.



Fig. The Built Environment Lifecycle



As part of our ongoing development of the framework we are working globally with leading educational institutions to create curriculum modules and lecture series around embedding human rights in the building lifecycle. This is in response to a pull by the education sector to do so, as the architects and engineers of the future seek to include these considerations as part of their future careers. As an additional nod to the value of considering this approach, the potential talent drain of these future career professionals to countries with industry sectors that do have these principles embedded is a professional risk to the sector.

We welcome the chance to undertake further discussions with the committee about the Dignity in the Built Environment blueprint and how it might be applied in the procurement practices of government funded infrastructure.

Regards

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