

3.6 billion Reasons why Safety makes good business sense

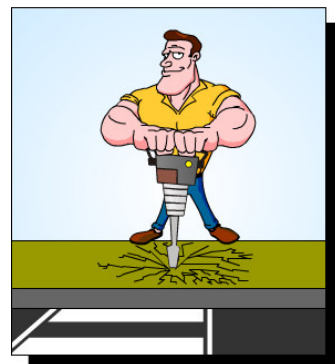
On 08.08.06 the H.S.A published their Report on the Economic Impact of the Safety, Health and Welfare at Work Legislation. The objective of the study was to



economically assess the effect, since the coming into operation of the Safety, Health and Welfare at Work Act 1989, of occupational safety, health and welfare law on the Irish economy, particularly on competitiveness. The study took into account not only current law, but also the provisions in the new Safety, Health and Welfare at Work Act 2005. The resources devoted to occupational safety health and welfare were also taken into account so as to identify any social and economic benefits.

A number of highlights emerged from the Report

1. Costs of work-related accidents and ill-health to the Irish economy = c. 2.5% of GNP or €3.3 - €3.6 billion.
2. Health and Safety compliance brings benefits. The Report examined the evidence on the cost and benefits of Health and Safety legislation and concluded that there has been a shift in the perception of employers that health and safety measures are a cost for companies to a belief that the benefits of regulations outweigh or equal the costs of compliance.
3. Improves working conditions in the construction sector and reduces the cost of accidents. The Construction sector employs over 250,000 people in high risk activities. The key findings of the construction industry survey were:
 - A majority of respondents (53.8%) believe that the legislation has led to a reduction in the cost of accidents;
 - A sizeable minority (39.6%) believe that Health & Safety legislation has led to a reduction in insurance costs, while just 5% felt that they had led to an increase;
 - Regarding the gross annual costs of complying with Health & Safety legislation, the estimated average cost for firms was 2% of annual labour costs in the construction sector;
 - The majority of construction firms believe that there has been a net benefit for their business arising from Health and Safety legislation
 - "Positive" responses on the impact of health and safety on various aspects of the business ranged from 59% to 82% of respondents



4. Overall the benefits of health & safety legislation outweigh costs.
- A majority of respondents believe that Health and Safety legislation has reduced accident related costs;
 - On the cost of compliance with Health & Safety legislation as a percentage of the total annual wage bill - estimated average 1%;
 - The vast majority of respondents believe that the benefits of Health & Safety legislation outweigh its costs.
 - "Positive" responses on the impact of health & safety on various aspects of the business ranged from 84% to 92% of respondents
 - There is considerable support for the legislation that has been introduced.



Commenting on the figures Minister for Labour Affairs Tony Killeen noted that

"The survey shows that firms can clearly identify where good health and safety practice is making a difference to their business. I am very encouraged by this shift in perception and it shows that business is taking the big picture into account by having worker safety strategies. Reducing accident and insurance costs has the potential for significant savings and can help maintain competitiveness."

The full report is available on the H.S.A website.

