



Report of the State Comptroller of Israel | May 2022

Ministry of Economy and Industry –
Labor Branch

Employee Safety in the Construction Industry



Employee Safety in the Construction Industry

Background

Employees may be exposed to various safety and health risks in workplaces in general and in the construction industry in particular. The workplace occupier (the employer) is responsible for ensuring the safety and health of the employees. The International Labor Organization identifies the construction industry as one of the most dangerous industries for its employees. In Israel, in the years 2020 and 2021, 32 employees were killed in workplace accidents in the construction industry, and from 2017 to 2020, the rate of employees who died in workplace accidents in the construction industry was more significant than the rate in the manufacturing, services, commerce and agriculture industries. Likewise, in an international comparison, the rate of fatalities in workplace accidents in the construction industry from 2011 to 2018 was higher in Israel – in some years, more than twice as much – than the average in the 28 European Union countries.

The main regulatory body in the field of workplace safety is the Safety and Occupational Health Administration in the Labor Branch at the Ministry of Economy and Industry (the Safety Administration). The Safety Administration's activities are intended to ensure that the employer provides maximum protection to the employee's safety and health, among other things, by initiating legislation and regulations, supervision and enforcement of the provisions of the various laws and regulations in these fields, and investigating workplace accidents and occupational diseases. The Safety Administration has work interfaces with other bodies for enforcement and punishment: it provides professional assistance to the Israel Police in investigating and clarifying the circumstances leading to workplace accidents; it delivers information to the Contractors Registrar at the Ministry of Construction and Housing (the Contractors Registrar) regarding contractors where systematic violations of the safety laws and the safety at work regulations occur on their sites, to take disciplinary measures against them on behalf of the Registrar; and since July 2020 it delivers information to the Accountant-General at the Ministry of Finance (the Accountant-General) to determine which contractors are eligible to be included in the list of recognized contractors.



Key figures

32	11 as opposed to 5	12,300	0.82
the number of employees killed in workplace accidents in the construction industry in Israel in each one of the years 2020 and 2021	the number of fatalities in workplace accidents in the construction industry per 100,000 employees in Israel, as opposed to the average in European Union countries (according to data from 2018)	the number of inspections conducted by the Safety Administration inspectors at construction sites in 2021	the ratio between the number of inspections in the construction industry and the number of recognized construction sites in 2020
NIS 42.7 million	only 5%	only 13	41
The sanctions sum imposed on employers by the Safety Administration for construction safety violations from 2018 to 2020	the sanctions rate paid of the total imposed by the Safety Administration on the construction industry employers from 2018 to 2020 (as of the end of 2020)	the number of safety cases in the construction industry that the Safety Administration delivered to the Prosecutions Unit for filing indictments from 2019 to 2021	the number of cases delivered by the Safety Administration to the Contractors Registrar to consider disciplinary measures against contractors for safety violations in the construction industry from September 2018 to June 2021

Audit actions






From March to December 2021, the Office of the State Comptroller examined aspects of the State's actions on employee safety in the construction industry. Among other things, it examined enforcement of the safety provisions over employers by the Safety Administration; the Contractors Registrar handling of contractors who committed safety offenses; the establishment of a particular Police Investigations Unit for investigating the



safety offenses in the construction industry; and the Accountant-General handling contractors who violated the safety provisions. Likewise, the audit included a follow-up on rectifying some of the deficiencies noted in the report published by the Office of the State Comptroller in 2018 on "Registration of Contractors and Aspects in Ensuring Quality and Safety in the Construction industry". The audit was conducted in the Labor Branch and the Safety Administration, at the Contractors Registrar and in the Accountant-General Department. Supplementary examinations were conducted at the Israel Police.

Key findings

-  **Workforce scope in the Safety Administration** – the number of staffed positions in the Safety Administration increased from 95 in January 2019 to 148 in January 2021. Nevertheless, 28 of the 176 positions determined in the standard have not been filled, nor have seven of the 60 positions agreed upon with the Ministry of Finance in 2018 been added.
-  **Tracking over the employers' notices regarding the safety deficiencies rectification in construction sites, in cases where no orders were issued** – the Safety Administration tracks the employers' notices regarding the safety deficiencies rectification, in cases classified by the inspector as not severe to justify the issuance of an order, is non-systematic – it did not establish a tracking mechanism over the notices, and its computerized system has no characterization for displaying a warning or reminder when a notice has not yet been received as required. In 2020, the number of safety orders issued was over six times higher than those issued in 2017 (approximately 5,800 orders in 2020, as opposed to about 900 in 2017), and the number of Stop Work Orders increased by about 43% during such period (from 65 to 93 orders). The increase in the number of safety orders and stop work orders from 2017 to 2020 requires the Safety Administration to track the execution of the orders and the receipt of the notices concerning rectifying the safety deficiencies.
-  **Contractors financial sanctions scope** – the number of sanctions imposed by the Safety Administration in 2019 (approximately 150) was about one-quarter of the number of sanctions imposed in 2018 (about 600). In 2020 the number of imposed sanctions was similar to the number of sanctions imposed in 2018. Moreover, the number of safety orders issued in 2020 was five times higher than those issued in 2018 (approximately 5,800 as opposed to about 1,100). It was also found that upon 424 out of the 735 contractors (58%) who were sanctioned from 2018 to 2020 one sanction was imposed, and between three to ten sanctions were imposed upon 145 contractors (20%) during these years.



Collecting the financial sanctions – in 2018–2020, the Safety Administration imposed about 1,350 safety offenses sanctions in the construction industry – about NIS 42.7 million. By the end of 2020, about NIS 2.1 million sanctions were paid – about 5% of the total sanctions imposed. In October 2020, the Labor Branch began to transfer sanctions to the Centre for Fine Collection for its collection. By July 2021, about NIS 10.7 million were transferred for collection; however, most of the sanctions which were not paid by the end of 2020 and were not in appeal proceedings, about NIS 26.5 million (71% of the sanctions imposed), were still being handled by the Safety Administration. The Safety Administration manages the sanctions system, among other things, based on an Excel file whose data are manually entered into the collection system. It does not have a computerized system for managing the entire process of handling the sanctions, including sending and transferring them for collection.

Criminal investigation by the Safety Administration in suspicion of safety offenses cases – by October 2021, no dedicated unit for criminal investigations operated at the Safety Administration, despite the need for its operation raised by professional bodies, and criminal investigations were performed by the inspectors, in addition to their supervisory role. From 2018 to 2021, 26 investigations conducted by the Safety Administration were delivered to the Prosecutions Unit for filing indictments – 13 investigations in 2018, one in 2019, two in 2020, and ten in 2021. As aforesaid, the enforcement against the safety offenders was adversely affected due to the failure to operate a dedicated unit for criminal investigations.

Enforcement of a new standard for scaffolds – given the scaffolds complying with the new Israeli standard were approved only in February 2021, and their supply, by the date of the audit completion (December 2021), the conditions necessary for the commencement of enforcement by the Safety Administration of the obligation to install such scaffolds were not yet in existence, even though over two years had passed since the date this obligation entered into force. It was also found that in December 2021, seven scaffolds' models marketed by four different companies had been approved.

The Safety Administration conclusions from workplace accidents – the Safety Administration gathers fatal accidents data and their reasons and publishes the data in its annual report. Regarding other accidents and cases of "near misses", the Safety Administration does not gather data and does not analyze it for concluding. It was also found that investigations by the Police Unit for Investigating Offenses in the Field of Construction Industry Safety (the "Working without Risk" Division (PELES)) are not transferred to the Administration for study and assimilation.

Suspending contractors procedure from engaging with government ministries following safety violations – by the audit date (July 2021), out of the 20 cases delivered to the Accountant-General, four contractors were suspended under the suspension procedure; about three of them, the suspension was subsequently suspended due to a re-examination of the process. It should be noted that in August



2021, the number of recognized contractors for engagement with government ministries was about 770.



The Safety Administration's activity scope in the construction sites – from 2017 to 2020, the number of inspections in the construction industry increased by about 74%, from about 7,000 per year to about 12,250 per year. Likewise, the number of safety orders issued during these years increased – from about 900 in 2017 to about 5,800 in 2020 (over six times as many).

The activity of the PELES Division – the cooperation between the Police, the Safety Administration, and the Office of the State Attorney in establishing the PELES Division is commended. Likewise, in addition to the criminal investigation of workplace accidents, PELES formulates insights and reports from the cases it dealt with to reduce the number of accidents.

Taking disciplinary measures against contractors by the Contractors Registrar for work safety offenses – the activity of the Contractors Registrar and the Safety Administration's work safety advancement is commended.

Key recommendations



It is recommended that the Labor Branch and the Ministry of Finance fill the gap in the workforce standards in the Safety Administration according to the 2018 budgetary agreement between them; in addition, they should consider allocating 17 additional positions for the Safety Administration, and staffing the allocated positions.



It is recommended that the Safety Administration systematically track, by means of characterization in the computerized system, the receipt of rectification of safety deficiencies notices it requested of employers, and ensure it receives the notices as required.



It is recommended that the Labor Branch, in conjunction with the Centre for Fine Collection, improve the transferring of sanction funds whose final payment date has passed for collection via the Centre for Fine Collection, including automation of the entire process, to fully optimize the sanctions.

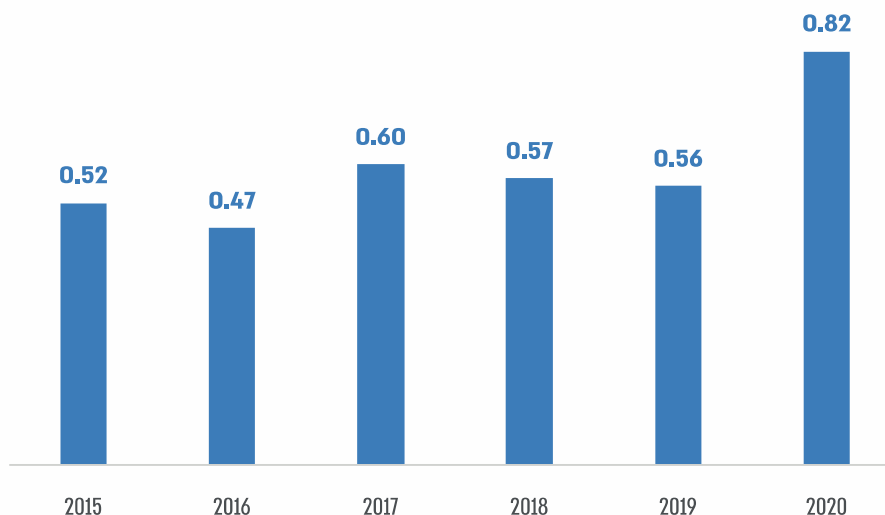


It is recommended that the Safety Administration complete what is necessary to operate the investigations unit, which will handle on an ongoing basis criminal enforcement and conduct criminal investigations on the required standard, for filing indictments against offenders in appropriate cases.



- 💡 It is recommended that the Safety Administration enforce installing scaffolds adjusted to the standard no later than the date it fixed – 28.2.22. It is further recommended that the Safety Administration and the Standards Institution of Israel advance an examination of additional models of scaffolds, to increase the supply of the approved models.
- 💡 It is recommended that the Safety Administration concentrate the insights from the PELES reports after the reports have been delivered and formulate recommendations based on these insights, in conjunction with PELES, to assimilate them. Likewise, it is recommended that the Safety Administration expand the processes of concluding the non-fatal accidents and the accidents defined as "near misses".
- 💡 It is recommended that the Accountant-General complete the examination of the procedure for suspending contractors from engagements with government ministries following safety violations to implement it regarding recognized contractors engaged by the State. It is further recommended that the Ministries of Finance, Construction and Housing and Interior, the Labor Branch, the Government Companies Authority, and local government representatives consider formulating an arrangement similar to the suspension procedure, subject to any law, relevant to all government companies, local authorities and their corporations, as the case may be, which engage with contractors, to increase safety in the work environment at sites where works are performed for public bodies.

The ratio between the number of inspections to the number of recognized construction sites (the visits ratio), 2015–2020



According to Safety Administration data, they are processed by the Office of the State Comptroller.



Summary

Given the number of injured in the construction industry since 2018, the State has taken some measures to increase safety in the construction industry and reduce the number of accidents, including expanding the scope of the Safety Administration's inspectors' activity in the construction industry; imposition of financial sanctions on employers in the construction industry who committed safety violations; establishment of a dedicated investigations unit at the Israel Police in the construction industry work safety; and taking disciplinary measures by the Contractors Registrar against safety offenses. The audit raised that despite the steps above, there are gaps in the supervision and enforcement system: the enforcement against criminal safety violations in the construction industry is not effective, and the activity of the Safety Administration concerning an analysis of the data and concluding workplace accidents requires improvement and expansion. The Safety Administration has not been allotted all the positions in the supervision over construction industry safety under the aforesaid budgetary agreement, and not all the positions allotted to it by the standard have been filled.

The Labor Branch and the Safety Administration, the Israel Police, the Contractors Registrar and the Ministry of Finance should rectify the deficiencies and examine the recommendations noted in this report to increase workplace safety in the construction industry in Israel.

