

# WORKSAFE

## Annual Report

2017-2018



# Vision

That everyone who goes to work comes home healthy and safe

# Mission

To transform New Zealand's health and safety performance towards world-class

# Values

**Integrity:** Being fair, firm and consistent, showing respect for those we work with

**Courage:** Standing up for health and safety

**Responsibility:** Being accountable for what we do





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### ACKNOWLEDGEMENTS

WorkSafe would like to acknowledge the efforts of all the staff who contributed to this publication.

*Whāia e koe ki te iti kahurangi, kia tāpapa koe, he maunga tiketike  
Follow your treasured aspirations, if you falter, let it be because of  
insurmountable difficulties*

*Presented to the House of Representatives pursuant to section  
150 of the Crown Entities Act 2004*

# Year at a glance 2017/18

## Harm in New Zealand

### SYSTEM TARGETS

AT LEAST A

# 25%

decrease in work-related fatalities and serious injuries by 2020

2 OF 3 INDICATORS ON TRACK



Fatalities from electrical and gas accidents trend down

ON TRACK

# 0

catastrophic events

ON TRACK

# 50%

reduction in asbestos disease by 2040

IN LINE WITH PREDICTIONS

Each year, too many people suffer serious injuries or die at work. Tragically, this year 49 workers never returned home to their families.

### FATALITIES BY SECTOR

9 AGRICULTURE

6 CONSTRUCTION

6 FORESTRY

5 TRANSPORT, POSTAL AND WAREHOUSING

4 ELECTRICITY, GAS, WATER AND WASTE SERVICES

3 MANUFACTURING

3 PUBLIC ADMINISTRATION AND SAFETY

3 WHOLESALE AND RETAIL TRADE

2 ACCOMMODATION AND FOOD SERVICES

2 ARTS AND RECREATION SERVICES

2 RENTAL, HIRING AND REAL ESTATE SERVICES

1 FINANCIAL AND INSURANCE SERVICES

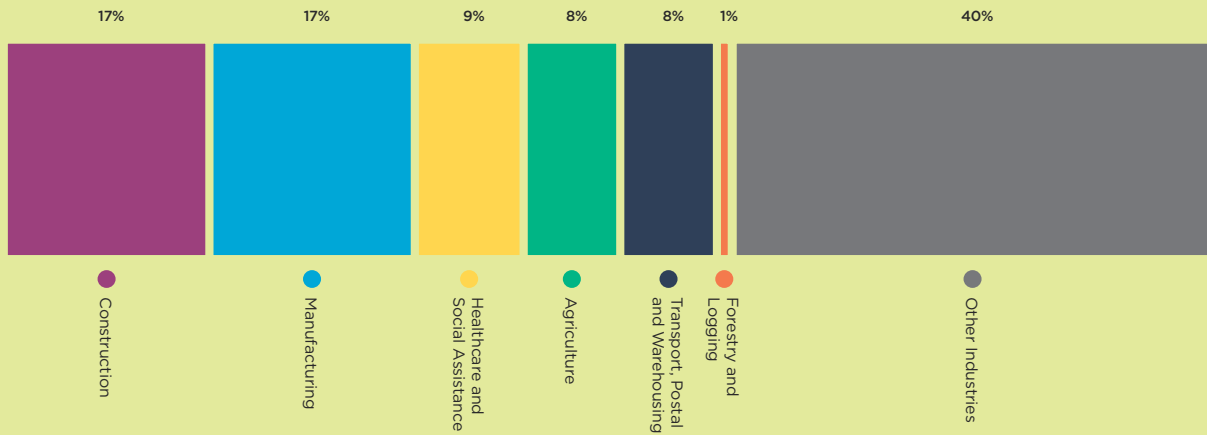
1 FISHING AND SHEARING SERVICES

1 MINING

1 UNKNOWN

Source: SWIFT; numbers are subject to adjustment.

## Workers are having to take time away from work



WEEK AWAY FROM WORK INJURIES BY SECTOR, 2017 CALENDAR YEAR, SWIFT

## New Zealand has a significant work-related health problem



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# Highlights for WorkSafe



**91% of people who  
interact with us say  
WorkSafe is fair**

as well as educative (69%), proportionate (72%)  
and performing effectively (66%)



WORKED WITH ACC TO AGREE

**\$4 m of funding**

for harm prevention initiatives



DEVELOPED

**WorkSafe's Strategy  
2018-2022**

setting out WorkSafe's direction for the next four years



REFRESHED WORKSAFE'S

**internal Worker  
Engagement system**

to better meet our own worker engagement,  
participation and representation needs and obligations



## 84% of people made changes to health and safety

to improve workplace safety and/or reduce risks to workers' health after interacting with WorkSafe



TRAINED STAFF AND KEY STAKEHOLDERS, AND HAD SYSTEMS IN PLACE TO SUPPORT THE

## new Hazardous Substances regime

in time for the regulations to come into force in December 2017



WORKED CLOSELY WITH MBIE TO DEVELOP THE DRAFT

## Health and Safety at Work Strategy 2018-2028

for public consultation, ahead of its introduction in November 2018



DESIGNED OUR INTERNAL THREE-YEAR

## Te Ao Māori capability programme

designed to uplift knowledge and understanding of Te Ao Māori and its relevance to the work we do in Aotearoa

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# From the Board



A handwritten signature in black ink that reads "Ross Wilson".

**Ross Wilson**  
Chair



A handwritten signature in black ink that reads "Paula Rose".

**Paula Rose QSO**  
Board Member

WorkSafe has been setting out the pathway to take New Zealand's health and safety performance towards world-class.

The end of 2018 will mark five years since WorkSafe's establishment, providing an important milestone for us to reflect on the progress New Zealand has made - and how that progress can inform what we do to improve health and safety at work in the future.

The WorkSafe Board takes very seriously the challenge of achieving the 'sustainable step-change in harm-prevention activity' and the 'dramatic improvement in outcomes' called for by the 2013 Independent Taskforce on Workplace Health and Safety.

Good progress has been made in reducing harm - New Zealand appears to be on track to meet the 25% system target. But there is a long way to go to reach our long-term goals: to have people



valuing health and safety, health and safety improving wellbeing and a collective approach to health and safety.

These goals are some of the key elements in WorkSafe's *Strategy 2018-2022*, which looked at the global, economic and social environment we operate in and set out clear focus areas for the

workers, representatives and unions, businesses and stakeholders directly.

The *Health and Safety at Work Strategy 2018-2028* is also an opportunity to accelerate the progress that has been made. Following the introduction of the *Health and Safety at Work Act 2015* some improvements

**WorkSafe has set ambitious goals both for ourselves and for the country – we will only achieve these goals through the commitment of all parts of the system to make sustainable, embedded change.**

next four years. Our strategy builds on the important progress made in 2017/18 to not only undertake our regulatory role, but look at how WorkSafe can accelerate harm prevention in the system to improve health and safety in Aotearoa.

As a system leader WorkSafe has had the opportunity this year to directly link our strategy to the Government's Health and Safety at Work Strategy, working jointly with the Minister for Workplace Relations and Safety and the Ministry of Business, Innovation and Employment on this ambitious 10-year platform for change. We will support the Government's objectives, in particular by helping to align critical parts of the system, working with

were reported in business' practices, but we need a transformational, cultural and system change in workplaces to achieve the dramatic improvement in outcomes we are working for.

The Board is also conscious of WorkSafe's role as the responsible steward for the health and safety at work system. WorkSafe is pleased that we have operated within budget this year as we work towards lifting the investment required to achieve a step-change in New Zealand's workplace health and safety performance.

**31 OCTOBER 2018**

# From the Chief Executive



**Nicole Rosie**  
Chief Executive

I am proud of the work our people have done this year to respond to growing system demands, using our resources in the best way possible.

New Zealand has seen reductions in fatal and serious injuries over recent years. We have also had no catastrophic events, and the harm from gas and electricity has continued to trend down.

While progress continues to be made on system measures, New Zealand's rates of harm continue to be high in relation to comparable OECD nations. This year 49 workers died in workplace incidents, and hundreds more died or were seriously harmed as a result of workplace health exposures.

Over the year there has also been increasing demands in the system - Major Hazard Facilities submitted safety cases for the first time this year, and new regulations and standards came into effect for hazardous substances.

At the same time, regulators and key players in the health and safety at work system (employers, workers, unions and others) have continued to build understanding and capability around the *Health and Safety at Work Act 2015*. By engaging, educating and enforcing, WorkSafe has supported businesses to build capability to respond to increased health and

safety expectations. This includes shifting focus from ‘hazards’ to thinking about risk across a range of areas – acute harm as well as health exposures and catastrophic risk.

WorkSafe has built on this momentum, working with and through others: leveraging the strength and capabilities of workplaces, workers, unions, government agencies and other key system players to make and lead this change.

As the system leader our role is to support and enable aligned leadership and targeted interventions. This is driven by the

Progress has also slowed in the rates of harm in these priority sectors. Forestry and agriculture both had increases in these rates, and little progress is being made in reducing overall claims to ACC for more than a week away from work. These trends suggest New Zealand is still in the early stages of its health and safety maturity and has more work to do.

Our people have worked hard to build WorkSafe’s capability and effectiveness over the year. We have met our key activity measures and have seen continuing improvements in our reputation and effectiveness scores in external surveying.

**A lot of hard work is detailed in the pages of this report, and it is through the dedication of our staff and the support of our system partners that we can look towards a future for New Zealand where everyone who goes to work comes home healthy and safe.**

best data and intelligence we have available on what works to improve health and safety outcomes.

Recent signs indicate that the positive progress in the system will be challenging to maintain.

Attitudes and behaviours to health and safety have been moving positively since WorkSafe’s inception, but our most recent data shows this focus has levelled off. Both employers and employees have applied less effort and attention to health and safety in the last year when compared to previous years – including in our highest-risk sectors.

Our role remains critical in ensuring ongoing focus and effort in health and safety. Many workplaces still report that they see health and safety as a compliance exercise rather than as part of core business and operational excellence activity. This emphasises how crucial it is to continue building a strong and capable regulator to support improved health and safety outcomes for New Zealand.

**31 OCTOBER 2018**

# Who we are



Our mission is to transform  
New Zealand's health and safety  
performance towards world-class.

## What we do

We are the system leader for health and safety at work. As the regulator, we contribute to, and promote, improved energy safety and workplace health and safety performance. We use our education, engagement and enforcement levers to support our three core roles: Harm prevention, Regulatory effectiveness and System leadership.

## Our scope

Our main objective is to promote and contribute to a balanced framework for securing the health and safety of workers. We also have an additional objective to promote and contribute to the safe supply and use of electricity and gas in New Zealand<sup>1</sup>. This means WorkSafe has a role to influence all the work that happens in Aotearoa, as well as supporting a safe infrastructure to power our homes and businesses.

Our legal responsibilities are primarily to administer the *Health and Safety at Work Act 2015* (HSWA), the *Gas Act 1992* and the *Electricity Act 1992*. We also administer a significant number of regulations related to the management of those Acts.

## Governance

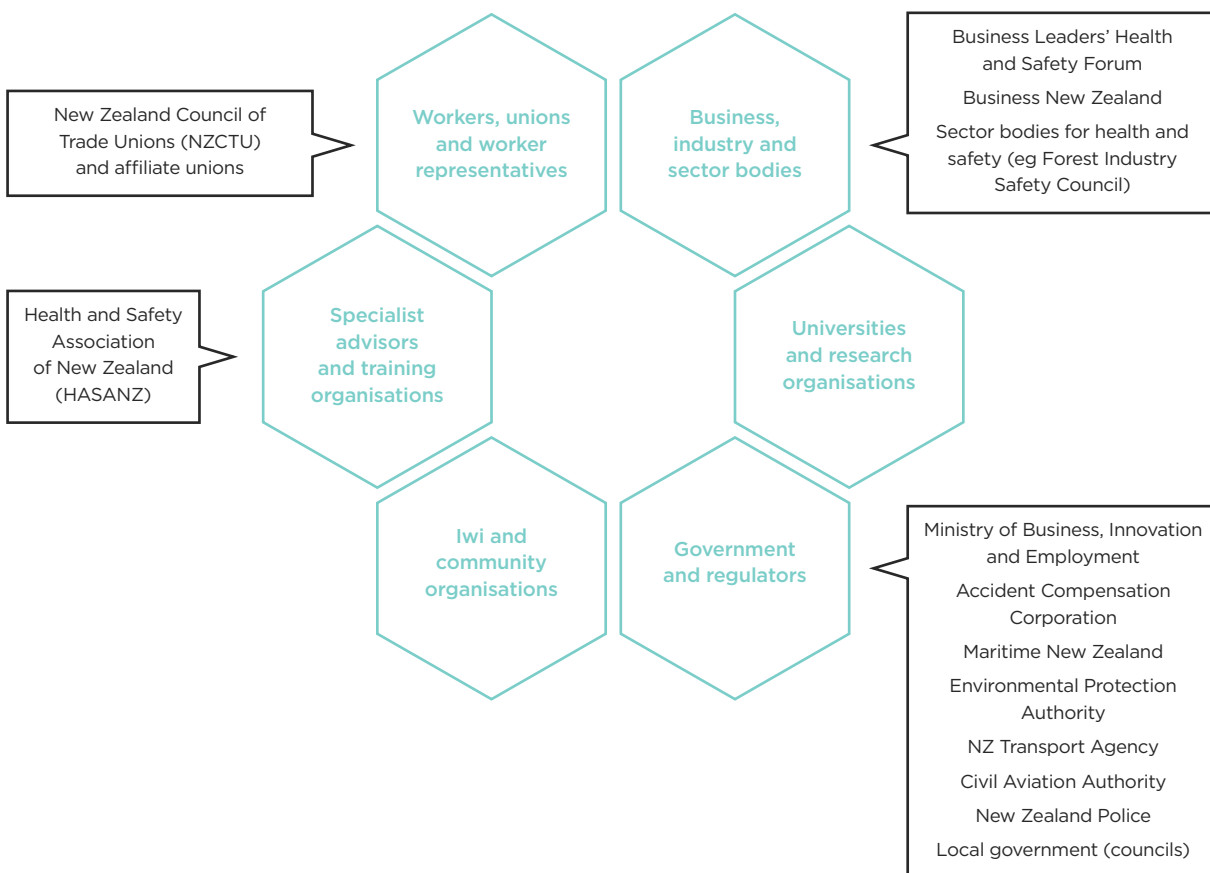
As a Crown Entity, WorkSafe is governed by the *Crown Entities Act 2004*, the *Public Finance Act 1989* and the *WorkSafe New Zealand Act 2013*. The Ministry of Business, Innovation and Employment monitors WorkSafe's performance on behalf of the Minister for Workplace Relations and Safety, who has ministerial responsibility for WorkSafe.

Our Board provides assurance that WorkSafe is achieving what was set out in our strategic documents and within budget. The WorkSafe Board has six members with a range of expertise across the public and private sector and a focus on the tripartite perspectives of workers and worker representatives, business and government.

<sup>1</sup> Section 9, *WorkSafe New Zealand Act 2013*.

# Our partners

We are the primary health and safety regulator and we work with other stakeholders and regulators across the health and safety system. The diagram below provides an overview of the key participants that have a role in improving health and safety outcomes.



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# Our funding

We are primarily funded through an appropriation set by Parliament. That is mostly made up of a portion of three levies, which also fund other regulatory activity. We also have some other sources of revenue, particularly that provided by ACC to fund harm prevention activity.

## Our funding sources

### CONTRIBUTE TO WORKSAFE'S APPROPRIATION

#### WORKING SAFER LEVY

A levy on all businesses to cover the cost of core activity undertaken by WorkSafe and designated health and safety regulators.

#### ENERGY SAFETY LEVIES

Levies to recover the cost of promoting and contributing to the safe supply and use of electricity and gas.

#### MAJOR HAZARD FACILITY LEVY

Levy to offset the cost of activity in the major hazard facility regulatory regime.

### OTHER REVENUE

#### ACC REVENUE

Revenue received from ACC to deliver harm prevention interventions and activity.

#### TARGETED FEES/OTHER

User charges to offset the cost of activity in specific regulatory regimes (eg safety cases).

Also includes interest revenue and tax-funded activities.

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**We invest our funding across our core roles to deliver our functions as the primary health and safety regulator.**

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# How we measure success

We measure our performance through a range of indicators. These reflect WorkSafe's activities, the impacts we are making and the behaviour changes we are influencing and observing, as well as showing the overall performance of the health and safety at work system in New Zealand.

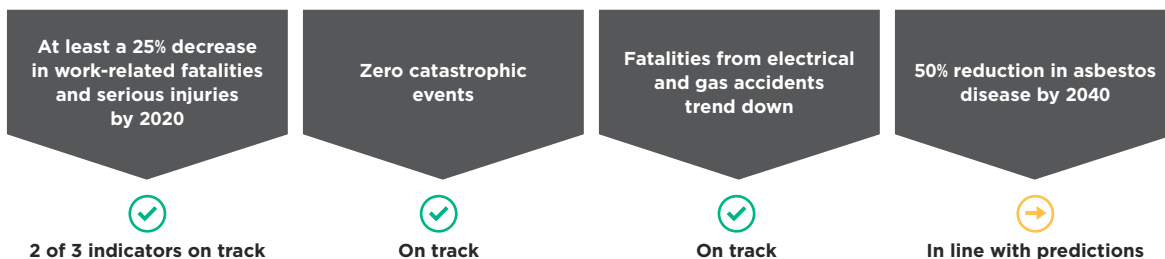
Our formal performance measures for 2017/18 were set out in our *Statement of Performance Expectations 2017/18*,<sup>2</sup> as summarised on page 17. Key results relating to these measures are shown throughout the report and measures are set out in full on pages 72-79 of this report.

<sup>2</sup> [worksafe.govt.nz/dmsdocument/815-worksafe-statement-of-performance-expectations-2017-2018](https://www.worksafe.govt.nz/dmsdocument/815-worksafe-statement-of-performance-expectations-2017-2018)



## Summary of results: WorkSafe’s performance framework 2017/18

### SYSTEM TARGETS



### HOW WE TRACK PROGRESS

**Behaviour changes**

<p><b>More people improve their health and safety practices</b></p> <p>Workers and employers change workplace practices to improve safety and reduce work-related health risks</p> <p> 84% made changes</p>	<p><b>More workplaces have health and safety systems</b></p> <p>Employers have processes in place to identify, assess and manage their main health and safety risks</p> <p> 81% had processes</p>	<p><b>More worker engagement and participation in health and safety</b></p> <p>Workers and employers agree that workers are involved and informed about decisions on workplace health and safety</p> <p>Workers and employers report an increase in participation practices</p> <p> 53% of workers and 81% of employers say there is worker involvement</p> <p> Participation at -50% for all measures</p>
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**Attitudes and awareness changes**

<p><b>Attitudes to health and safety improve</b></p> <p>Workers and employers have positive attitudes towards health and safety</p> <p>See page 29-31 for details on attitudes</p>	<p><b>Awareness of health and safety risk grows</b></p> <p>Workers and employers are aware of risk in their workplace</p> <p> 15% of workers and</p> <p> 5% of employers saw a moderate risk a worker would be seriously hurt in the next 12 months</p>	<p><b>More people are confident about health and safety</b></p> <p>Workers are confident they have the knowledge and skills to keep themselves safe and healthy at work</p> <p>Employers are aware of their health and safety obligations and understand how to meet them</p> <p> Worker confidence on health: 51% and safety: 66%</p> <p> Employer awareness and understanding: 65%</p>	<p><b>More people take responsibility for health and safety</b></p> <p>Workers and employers recognise that health and safety is a shared responsibility</p> <p> Instead of a shared level, both workers and employers say workers have the most responsibility, then bosses and management</p>
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**Effective enabler**

More people perceive WorkSafe is performing effectively

More people report WorkSafe is:

educative  69%	fair  91%	proportionate given the level of risk  72%	making a real difference to workplace health and safety  66%
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# Health and safety at work in Aotearoa





# The health and safety at work system

Some system targets are on track, but there is more work to do.

## Reduction in work-related fatalities and injuries

We need to make more progress so we can meet the 25% harm reduction target in 2020.

While two of the three indicators of progress towards this target are on track, recently released official data<sup>3</sup> indicates that fatalities and injuries resulting in more than a week away from work (WAFW) rates have slowed and that the serious non-fatal injury rate has increased.

After four years of improvements, these results may indicate that complacency is setting in.


# 25%

Indicator 1: Fatality rate: **on track** (39% ↓ baseline)  
 Indicator 2: Serious injury rate: **on track** (26% ↓ baseline)  
 Supp. Indicator: WAFW rate: **not on track** (4% ↑ baseline)

## Catastrophic events

Our predictive modelling indicates that, looking at 23 countries similar in size and development to New Zealand, we could expect eight deaths from catastrophic events over an average five-year period.

This risk highlights how important it is to capably manage catastrophic harm, which within WorkSafe's oversight includes mining and quarrying, the petroleum and geothermal sector and Major Hazard Facilities. We work with operators so that risks that have the potential to cause this harm are well managed.

 **No catastrophic events**  
in 2017/18

## Reduction in asbestos disease by 2040

Asbestos causes several diseases, with asbestos-related lung cancer and mesothelioma causing the most deaths.<sup>4</sup>

Mesothelioma deaths are used as an indicator of asbestos harm because they are more easily countable and attributable to asbestos. However, they only represent a minority of the total deaths.

Mesothelioma deaths are in line with the analysis behind the target-setting. Australian modelling suggests New Zealand is in the middle of the peak of mesothelioma deaths – we would not expect to see a continually reducing trend in fatalities until the 2020s at the earliest.

# 50%


Currently around 5% below baseline – this is **in line with predictions**. (84 mesothelioma deaths in 2014,<sup>5</sup> target ≤44 by 2040)

*For every one mesothelioma death there is estimated to be at least one (and possibly around four) asbestos-related lung cancer deaths.*

## Fatalities from electrical and gas accidents trend down

Gas and electricity fatality rates are ahead of targets and are at a very low level by international standards.

We need to ensure that as we embrace new technologies and energy infrastructures health and safety is built in from the beginning, to ensure we maintain our current safety record.

 Electricity fatality rate: **trending down**  
 LPG fatality rate: **trending down**  
 Natural gas fatality rate: **trending down**

<sup>3</sup> Statistics New Zealand, 29 October 2018 [www.stats.govt.nz/news/work-related-serious-non-fatal-injuries-increase](http://www.stats.govt.nz/news/work-related-serious-non-fatal-injuries-increase)






<sup>4</sup> Other diseases include asbestosis, laryngeal and ovarian cancer.

<sup>5</sup> More up to date data was provided by the time this Annual Report was published. It shows that there were 107 deaths recorded in 2015. This is around 20% above the baseline but still in line with predictions that a continually reducing trend will only begin from around 2020 onward.

## The changing work environment

The health and safety at work system is about more than achieving targets. New Zealand - and WorkSafe - has a number of challenges to address in workplaces because of the changing nature of harm. In our new four-year strategy developed over 2017/18 we set out some of the key challenges and opportunities Aotearoa must face as the working environment changes:

### WorkSafe’s operating context

 <b>CHANGING POPULATION DYNAMIC</b>	 <b>GROWTH IN KEY SECTORS</b>	 <b>TECHNOLOGICAL ADVANCEMENT AND INNOVATION</b>	 <b>CHANGING NATURE OF WORK AND THE LABOUR MARKET</b>	 <b>INCREASING PREVALENCE OF PSYCHOLOGICAL HARM</b>
<ul style="list-style-type: none"> <li>- Ageing and growing population</li> <li>- Increased migration</li> <li>- Increase in vulnerable working populations: young people, Māori and Pacific peoples</li> </ul>	<ul style="list-style-type: none"> <li>- Medium-term growth in construction, forestry, manufacturing, health, tourism, education</li> <li>- Increase in regional Māori development through Crown-Māori initiatives and more settled Iwi groups post-Treaty settlements</li> </ul>	<ul style="list-style-type: none"> <li>- Use of automation and artificial intelligence - may improve safety but change working conditions</li> <li>- Changing business models and employment relationships</li> </ul>	<ul style="list-style-type: none"> <li>- Focus on higher-skilled occupations</li> <li>- Increased mobility of the workforce</li> <li>- More fragmented labour market, challenges to worker engagement, participation and representation</li> </ul>	<ul style="list-style-type: none"> <li>- Global trends of increases (mental health, work-related stress)</li> <li>- Increasing demand on workers, job complexity and increased workloads</li> <li>- More focus needed on quality work that improves wellbeing</li> </ul>

*For more information, see WorkSafe’s Statement of Intent 2018/19-2021/22.*

Our work in the four years since WorkSafe’s establishment has shown that when we are able to invest in the right things we can help lead the system to address acute, chronic and catastrophic harm. This work ultimately supports the Government’s vision that New Zealand is among world leaders for healthy and safe workplaces.

# New Zealand is at a critical point for shaping the future of health and safety at work

Everything that contributes to safe, healthy workplaces – people, organisations and environment – is part of the wider health and safety at work system. Businesses and workers have had time to become familiar with HSWA and we are seeing some positive changes to practices at work. But more work is needed to embed long-term improvements and create a positive culture of health and safety at a system level.



Everyone in the system has a unique role to play in lifting the capability and performance of health and safety at work

## Health and Safety at Work Strategy

WorkSafe and MBIE undertook work this year to set out the strategic direction for the system. Work on the Government's *Health and Safety at Work Strategy 2018-2018* (HSW Strategy) began in late 2017 and involved collaboration with stakeholders across the system and a nationwide public consultation process, which resulted in over 120 written submissions. The goal was to consult with New Zealand about how people across the system can work together to address issues that cannot be fixed by legislation or a single organisation alone. The HSW Strategy will be launched in November 2018.

### Our strategy

Our refreshed WorkSafe *Strategy 2018-2022* has guided our organisational direction since early 2018. It sets out the improvements we need so that New Zealand can lift its health and safety at work performance towards world-class. The new framework is set out in our *Statement of Intent 2018/19-2021/22*, reflecting our current maturity level and setting out our context, priorities and impacts for the next four years.

As a system leader, we have an important role to play to bring the HSW Strategy to life. Along with work on the wider system strategy, we undertook work in 2017/18 to refresh our previous four-year strategic framework, looking at how we could accelerate momentum and performance across the health and safety system.

We have also simplified our priorities and better aligned them to longer-term outcomes for the system. In aiming for these long-term outcomes we have our sights set on transforming New Zealand's health and safety performance towards world-class. This means that everyone who goes to work will come home healthy and safe.



## Contributing to Government priorities

Our aim in 2017/18 was to deliver against the Government's priorities and expectations by:

- maintaining progress in reducing workplace fatalities, serious injuries and work-related health issues by supporting workplaces to improve their practices and build their health and safety capabilities, leading to more productive and safe workplaces
- ensuring that businesses and workers have timely access to the information, advice and support they need to put their health and safety responsibilities into practice, making it easier for them to do business
- minimising the potential for catastrophic harm to the public and workers in high hazard sectors by providing confidence that there is appropriate regulatory oversight.

Over the course of the year we also focussed our attention on worker engagement, participation and representation, an emerging focus on mental health in the workplace, and working with our tripartite partners to look at Government priorities for 2018.

We also took the opportunity in 2017/18 to ensure WorkSafe's *Strategy 2018-2022* was aligned with the new Government's agenda, including by integrating the wellbeing concepts of The Treasury's *Living Standards Framework*. Work is a key influence on living standards and the quality of life that workers experience. We know that good health and safety is important to creating access to high-quality work that improves the wellbeing of all workers - both now and for future generations.







This section details our work this year according to our core roles of harm prevention, regulatory effectiveness and system leadership. Our operational delivery underpins all our work.

# Our priorities in 2017/18





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# Harm prevention

Te ārai i te kino

## In 2017/18 we committed to:

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building harm prevention programmes and interventions

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embedding our work-related health programme

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using data and intelligence more proactively to target interventions, including using our Company Risk Model

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improving our research, intelligence and evaluation capabilities

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building the SafePlus tool.

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## HARM REDUCTION AND HEALTHY WORK

Delivering interventions to address drivers of workplace harm

### Higher risk sectors and cross-cutting risks

Our aim is to shift behaviours through targeted interventions, which we have developed as part of the joint Harm Reduction Action Plan with ACC. To maintain our impact in these areas, we need to ensure we have sustainable investment for this work. A key achievement this year was our work with ACC to secure funding for multi-year programmes into the future.

Towards the end of 2017/18 ACC provided \$4 m to advance work over several years, with an \$11 m of further funding agreed in August 2018. The funding supports delivery of the Harm Reduction Action Plan and will also kick-start important enabling activity such as projects on worker engagement, participation and representation (WEPR), workforce development, the Māori workforce, workers at risk and the *Healthy Work* work-related health strategic plan.

### Health and Safety Attitudes and Behaviours Survey

One of the main research surveys that WorkSafe has used over the last four years is the Health and Safety Attitudes and Behaviours Survey (A&B Survey), conducted by Nielsen. The A&B Survey looks at the priority sectors of agriculture, forestry, manufacturing and construction, asking workers and employers a variety of questions about what they think about topics like risk, harm prevention and engagement in their workplaces.

Some key sector insights from the 2017 A&B Survey are shown on pages 30-31 and more details are available on WorkSafe's website<sup>6</sup> Overall, the key themes from the survey are:

This year we continued our work to ensure our activities and interventions are linked to quality evidence, research and intelligence.

#### SECTOR VARIATIONS

The four sectors are performing at different levels. **Forestry** has faced up to its problems, made wide-ranging changes and leads the way. **Construction** has not made recent progress, having made few meaningful changes since 2014. **Agriculture** and **Manufacturing** trail on a number of measures. The challenge is to get all four performing at the same high level.

#### ON A PLATEAU

Performance has stalled in the four sectors. In the years anticipating HSWA coming into effect in April 2016, improvements were significant and steady. Since then, progress has levelled off or gone backwards slightly. Everyone needs to work to regain that momentum.




#### PERCEPTIONS GAP

Employers and employees have different perceptions about many aspects of health and safety at work, and the gap is widening in places. Employers' outlook is generally rosier, suggesting a need for more worker involvement in decisions affecting them and also more effective two-way communication.

#### WORKSAFE'S PERFORMANCE

Employer and employee perceptions of WorkSafe are generally positive, especially about agreeing that our work helps workers to be safe (58% agreed) and helps businesses to improve safety (61% agreed). There were slightly lower results in agreeing that our work helps workers be healthy at work (50% agreed). But overall levels of awareness are largely unchanged; WorkSafe must work harder to raise our profile.

<sup>6</sup> [worksafe.govt.nz/data-and-research/research/attitudes-and-behaviours-survey-2017](http://worksafe.govt.nz/data-and-research/research/attitudes-and-behaviours-survey-2017)

		 <b>AGRICULTURE</b>	 <b>CONSTRUCTION</b>	 <b>FORESTRY AND LOGGING</b>			
Work-related fatalities <sup>7</sup>	AV #	2014-16 <b>17</b>	2015-17 <b>14</b>	2014-16 <b>5</b>	2015-17 <b>5</b>	2014-16 <b>3</b>	2015-17 <b>5</b>
	RATE	<b>17.0</b>	<b>12.8</b>	<b>2.3</b>	<b>2.3</b>	<b>41.6</b>	<b>60.6</b>
Week away from work injuries <sup>8</sup>	AV #	2016 <b>2,325</b>	2017 <b>2,221</b>	2016 <b>4,416</b>	2017 <b>4,670</b>	2016 <b>124</b>	2017 <b>141</b>
	RATE	<b>20.0</b>	<b>19.5</b>	<b>20.2</b>	<b>19.9</b>	<b>16.7</b>	<b>18.6</b>
Key mechanisms of harm <sup>9</sup>		<ul style="list-style-type: none"> <li>- Being hit by moving objects (usually hit or bitten by animal)</li> <li>- Slips trips and falls</li> <li>- Body stressing<sup>10</sup></li> <li>- Vehicles</li> </ul>	<ul style="list-style-type: none"> <li>- Body stressing</li> <li>- Slips, trips and falls</li> <li>- Hitting objects with a part of the body</li> <li>- Being hit by moving objects</li> <li>- Vehicles</li> </ul>	<ul style="list-style-type: none"> <li>- Being hit by moving objects</li> <li>- Slips, trips and falls</li> <li>- Body stressing</li> </ul>			
Attitudes and Behaviours <sup>11</sup>		<p>The sector trails on many measures. Just 26% of workers and 59% of employers rank staying safe among their top three priorities.</p> <p>Agriculture workers have the lowest confidence in their knowledge of their legal rights and responsibilities. Employers' awareness of their legal obligations and how to comply with them is also the lowest of any sector.</p> <p>But unlike other sectors, employees are slightly more positive than employers about worker involvement in health and safety.</p>	<p>Formal health and safety training for workers is highest in construction. Despite this, few meaningful changes have occurred since 2014.</p> <p>One exception is the proportion of employers who rank health and safety in their top three priorities (up from 57% to 68%). But fewer workers now rate health and safety among their top three priorities.</p>	<p>Despite some significant gains since 2014, forestry has changed little since 2016.</p> <p>The notable exception is worker involvement in health and safety, where it tops all measures.</p> <p>The size of forests and whether corporate managers run them have a noticeable bearing on safety attitudes and behaviour.</p> <p>Workers in big, corporate-managed forests are more likely to have had recent training, received recognition for working safely and feel they have a say in health and safety decisions, but also more likely to work in ways that are risky.</p>			

### SNAPSHOT OF WORKSAFE'S ACTIVITIES IN PRIORITY SECTORS

Design of harm prevention initiatives in higher-risk sectors (agriculture, construction, forestry and manufacturing) commenced, with engagements across sectors and stakeholders to scope a number of initiatives and projects, for example the three-year *Safer Vehicles, Safer Farms* initiative that was launched this year.

A key focus was to work with sector leadership groups like the Forest Industry Safety Council and Agricultural Leaders' Health and Safety Action Group. We also helped with the establishment of Construction Health and Safety New Zealand, the construction sector's new peak leadership body. With ACC support WorkSafe was also able to expand its capability in Māori engagement (see page 47) and began development of a health economics model to determine the social and economic costs and benefits of investing in harm prevention programmes.

Working closely with social partners, a research brief was developed to create a harm prevention behaviour-change model covering all workers, employers and sectors. This will provide an evidence base for future programmes of work.


<sup>7</sup> SWIFT data, calendar years (previously reported figures used financial years). Rate per 100,000 FTEs in sector, average number of fatalities over the three-year period, rounded.


<sup>8</sup> SWIFT data, 2016 and 2017 calendar years. Rate per 1,000 FTEs in sector. Note that data may have been adjusted from previously reported figures.

<sup>9</sup> Analysis of injury mechanisms for the 2015-2017 calendar years.

<sup>10</sup> Includes injuries from lifting, carrying, putting down objects etc – often muscular stress.

<sup>11</sup> Health and Safety Attitudes and Behaviours Survey, 2017.

		 <b>MANUFACTURING</b>	
Work-related fatalities	AV #	<b>2014-16</b> 4	<b>2015-17</b> 5
	RATE	1.5	2.0
Week away from work injuries	AV #	<b>2016</b> 4,761	<b>2017</b> 4,528
	RATE	20.5	18.8
Key mechanisms of harm	<ul style="list-style-type: none"> <li>- Body stressing</li> <li>- Being hit by moving objects</li> <li>- Hitting objects with part of the body</li> <li>- Slips, trips and falls</li> </ul>		
Attitudes and Behaviours	<p>Manufacturing has made marginal progress in the past year and has a big job to improve its health and safety performance. Formal health and safety reporting is very high, yet workers are more likely to say they have had a serious accident than those in any other sector, and are more likely to say they have had a near miss than those in any other sector except forestry.</p> <p>The difference between employer-employee views is greatest in manufacturing, mainly because employers don't consider work pressures, risks, near misses and serious accidents exist to nearly the same extent as workers do.</p>		

		 <b>WORK-RELATED HEALTH</b>	
Fatalities	<b>600-900</b> PER YEAR <sup>12</sup> from work-related disease and ill-health		
Ill-health	<b>Thousands</b> of work-related ill-health cases every year		
Focus areas	<p>Exposures to dust, smoke/fumes, oils/solvents, noise and body stress/lifting at work cause health conditions that can impair peoples' health and stop them from working altogether.</p> <p>New Zealand, like many countries, is becoming increasingly aware of not just physical, chemical, biological and ergonomic risks to peoples' health, but the area of psychosocial harm.</p>		
Attitudes and Behaviours	<p>11% of workers and 7% of employers mentioned that workers experienced work-related stress or mental illness at work in the last 12 months.</p> <p>At a sector level, of the four priority sectors manufacturing reported the highest prevalence of work-related stress (16% of workers and 10% of employers). Mention of work-related stress at work was the lowest among agriculture workers and employers (8% and 5%, respectively).</p> <p>Internationally, sectors not at higher risk of acute harm report high levels work-related stress (eg social work, public administration). This is likely true of New Zealand - our work in 2017/18 to develop the Worker Exposure Survey will give us a better picture of work-related health risks in New Zealand. Survey results will be provided from February 2019.</p>		
Snapshot of WorkSafe's activities	<ul style="list-style-type: none"> <li>- Design of year two of the Noise programme. Guidance toolbox for PCBUs and workers will be launched in September 2018</li> <li>- Worker Exposure Survey developed</li> <li>- Provided submission to the Government's Mental Health and Addiction Inquiry</li> <li>- Investigation threshold for bullying complaints extended to include diagnoses from clinical psychologists and DHB mental health teams</li> </ul>		

<sup>12</sup> Ministry of Business, Innovation and Employment, (2012). *Work-related disease in New Zealand: The state of play in 2010*. Wellington.

## Research, intelligence and evaluation

We also worked in 2017/18 on formative research and evaluation projects to inform our approaches to targeting the drivers of harm.

We undertook reviews of risk factors to help target our interventions in sector-based programmes. In manufacturing the review highlighted several key, recurrent factors associated with increased risk for workers: high job demands, low job control, insecure work, shift work, and non-routine activity. We also undertook similar reviews of interventions in higher-risk sectors, identifying those with demonstrated effectiveness that will inform the development of future projects and work in those sectors.

We also undertook reviews of international practices, foundational and exploratory work on health and safety by design, surveys and monitoring of construction dusts and use of controls and evaluations of key projects like the Canterbury Rebuild Safety Charter, Puataunofu project, and Forest Industry Safety Council work programme.

One of our construction initiatives was also reviewed independently. NZIER and BRANZ released the research report *Falling from heights: Cost Benefit analysis (CBA) of scaffolding for single storey houses* in October 2017, showing in particular that the use of scaffolding is estimated to have prevented 400 fatalities and serious injuries from occurring. Feedback from the residential construction sector was also encouraging and indicated a positive and growing acceptance of the overall value of using scaffolding in residential construction.



### CASE STUDY

## Kaupapa evaluation of a marae-based learning pilot

One major evaluation undertaken last year was of our work partnering with workers, employers and iwi in Ruatoria to pilot a new approach to forestry.

### THE PROBLEM

Māori workers are more likely to be affected by serious injury and fatalities at work than anyone else in the New Zealand workforce.

### THE APPROACH

Interventions to reduce harm have been ineffective for Māori – we need to try a different approach. The pilot undertook a Kaupapa Māori approach and evaluation, a first for WorkSafe.

### THE PILOT

Four wānanga held over 2017 brought industry, workers, whānau and community together to focus on better health and safety outcomes.

Lifestyle values of manaakitanga (respect), awahi (to embrace) and whakawhanaungatanga (connections) were woven into the pilot. Embracing whānau and community provides broader support for the worker and means workers are more likely to make better decisions when it comes to health and safety at home and at work.

### SIGNIFICANT INSIGHTS FROM THE PILOT

- A Crown-Māori health and safety intervention relationship model for all sectors.
- A Crown-Māori health and safety intervention programme scalable for all sectors.
- A transferrable health and safety model co-owned and led by regions in partnership with communities.





We have also been working on how we can build our intelligence capabilities and tools to help identify and target our work to where harm is happening and could happen in the future. There are some constraints on our intelligence function, primarily due to the maturity of our systems and supporting infrastructure. However, prototypes of tools like our Company Risk Model (CRM), which brings together data about companies from WorkSafe, ACC, and the Companies Office, allow us to refine our data and analytics to support a more intelligence-driven approach to identifying risk. With further work and investment in the infrastructure to support tools like the CRM, we can identify 'at-risk' companies and improve how we track the effectiveness of our harm reduction programmes.

Along with tools to help identify risks and best address them, we want to enable businesses to review their practices and effectively engage with their staff to develop solutions to manage the critical risks that affect them. This is particularly important for smaller businesses, who may not have the resources to know where to start on their health and safety journey.

### SafePlus

This year WorkSafe completed development and beta testing work with ACC and MBIE on a major ICT project, the online self-assessment Workplace Health and Safety Performance Improvement Tool.

This was branded as SafePlus and made up of three products. Free resources and guidance and an independent onsite assessment and advisory service were released in October 2017 and a free online self-assessment tool was available from September 2018.


The online self-assessment tool is particularly targeted to small and medium-sized enterprises to help them assess their workplaces and get a 360-degree view of risk in their business.





### Resources and Guidance


- Free to use
- 10 performance requirements
- Vital to good health and safety
- Maturity scales to measure performance
- Examples and case studies of good practice
- Guidance on how to use the resources



### Onsite Assessment and Advisory Service

**Onsite assessment using interviews, focusing in-depth on three high-risk hazards**

- Accredited independent assessors
- Onsite assessment using interviews and focusing in depth on three risks
- Assess health and safety performance
- Tailored guidance and advice on where and how to improve



### Online Self-Assessment

- Free to use
- Enables 360-degree input, managers, workers and contractors
- Shows differences in opinion
- Provides performance information
- Gives advice and guidance on how and where to improve

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# Regulatory effectiveness

Te whai hua o te ture

## In 2017/18 we committed to:

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develop Safe Work Instruments and guidance information

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implement the new Hazardous Substances Regulations 2017

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work with stakeholders on broader hazardous substance reform

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work with MBIE to monitor and evaluate HSWA

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provide operational input on the Health and Safety at Work regulatory framework.

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## STRENGTHENING THE REGULATORY FRAMEWORK

Modernising and updating the regulatory framework

# We use regulatory levers to influence health and safety change at work.

Through our own work and by collaborating with MBIE as the policy agency, we shape and influence the HSWA and Gas and Electricity regulatory regimes.

### Hazardous substances

A key piece of work for 2017/18 was preparing for the implementation of the new Hazardous Substances regulations, which came into force in December 2017. The changes also meant a number of functions changed from being administered by the Environmental Protection Authority (EPA) to WorkSafe. The new regulations support a strengthened compliance certification framework and require a high standard of performance from compliance certifiers.<sup>13</sup>

On 1 December 2017 two registers were launched for compliance certifiers and compliance certificates. Training on the Hazardous Substances regulations was provided to all compliance certifiers, enabling them to support regulatory compliance by PCBUs.<sup>14</sup>

We also updated the Hazardous Substances Calculator to meet the new legislation. The tool assists PCBUs and especially small businesses to work out their compliance requirements. This tool was accompanied by a range of hazardous substance guidance material and videos.

### Safe Work Instruments (SWIs)

We developed a number of SWIs this year to provide technical details of compliance with aspects of the regulations. Fourteen SWIs were developed in 2017/18, all to support effective implementation of the new Hazardous Substances regulations. Over 12,000 stakeholders were notified over the consultation period and feedback was received from businesses and industry body representatives.

<sup>13</sup> Compliance certifiers have a regulatory role to provide third-party assurance about hazardous substance compliance.

<sup>14</sup> A person conducting a business or undertaking. A PCBU can be an individual person or an organisation, in most cases the PCBU will be an organisation (eg a company).

## Asbestos

The Asbestos regulations also came into full force last year. From April 2018 the regulations covering asbestos management plans, training, assessor licensing and certified safety management systems must be complied with. Significant work was undertaken to ensure people were aware of the changes. We engaged with hundreds of removalists, supervisors and assessors to ensure New Zealanders can be assured that people managing asbestos are fully trained and licensed.

We also produced targeted articles for industry publications, attended nationwide events run by the New Zealand Demolition and Asbestos Removal Association and produced a series of targeted e-newsletters and social media posts.

## Regulatory work programme

WorkSafe's advice is critical for the development of effective regulations, and MBIE relies on input from us in undertaking its regulatory work programme on behalf of the Minister. The Health and Safety at Work regulatory framework is only partly complete, with further regulations needed to replace outdated requirements carried over from previous regimes. This is a multi-year programme of work.

In 2017/18 we provided advice and expertise to MBIE on the current work programme, focussed on regulations about plant and structure, work at heights and scaffolding, excavation work, risks for young people involved in hazardous work and a post-implementation review of the mining regulations. We provided information on technical issues and how regulatory changes were likely to play out in practice.

### ADVENTURE ACTIVITIES

The registration scheme for Adventure Activity operators has now been fully operational for three years. Most operators registered at the beginning of the scheme were required to renew registration this year, providing an opportunity to ensure they had updated their safety management to reflect HSWA.

WorkSafe updated the safety audit standard in preparation for this cycle of auditing in the sector, leading to an improved level of assurance that operators are meeting current expectations. We engaged with over 190 operators in 2017/18 to help them renew registrations and demonstrate their continued commitment to providing safe, high-quality activities for tourists and locals in Aotearoa.





## Guidance and publications produced in 2017/18

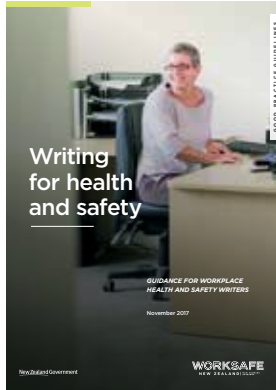
Along with guidance on the new Hazardous Substances regulations, we produced a number of publications to help people understand how to make health and safety work for them in their own workplace. This year we produced 52 guidance and education products, including:



### Moving and handling people in the healthcare industry

This Good Practice Guideline was designed with ACC to provide advice to PCBUs on building and maintaining robust systems as an integrated part of their larger health and safety management systems.

1,100 downloads

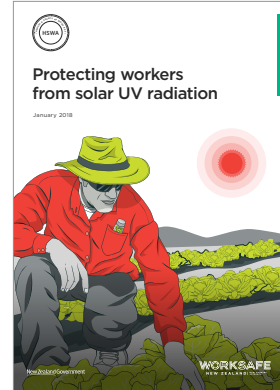


### Writing for health and safety

This Good Practice Guideline explains how businesses can develop health and safety documents.

20,020 downloads

*'Simple and informative. Just the essential information required to steer you in the right direction.'*



### Protecting workers from solar UV radiation Quick Guide

Released at the same time as a short tactical campaign using social media, media, stakeholder communications and web collateral to highlight this health and safety risk. Over the ten days the campaign reached over 150,000 people and currently has 5,550 downloads.



### Workplace fatigue

A suite of guidance and education tools to help PCBUs and workers to minimise the risk of fatigue, and eliminate the risk where it is reasonably practicable to do so.

7,350 downloads of fatigue guidance suite, 18,800 views of the fatigue section.

*'Very well documented and easy steps to understand fatigue and how to handle it.'*



### Geothermal guidance

A suite of guidance to support compliance with the Geothermal regulations, including two Good Practice Guidelines on shallow geothermal well systems and a Quick Guide on consents and reports required by the regulations. This guidance was also translated into Chinese and Korean, for the international regulatory environment.

3,100 downloads of new geothermal guidance products.



### Hazardous substances toolbox website

Helps businesses know how to work safely with hazardous substances and offers some key health and safety principles to help them comply with their legal responsibilities.

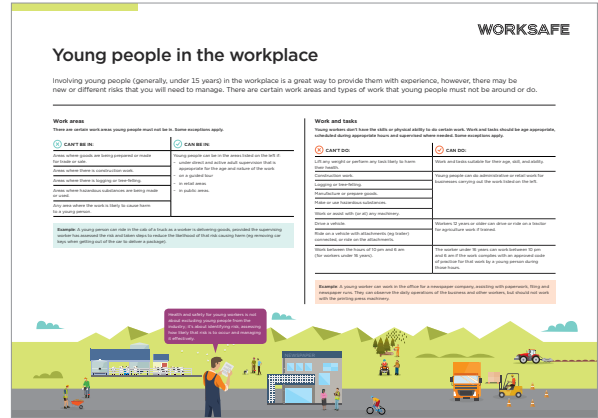
12,500 downloads of guide.



**Ports tool**

A practical, interactive online tool, created to improve health and safety in the ports sector, particularly identifying and managing critical risks.

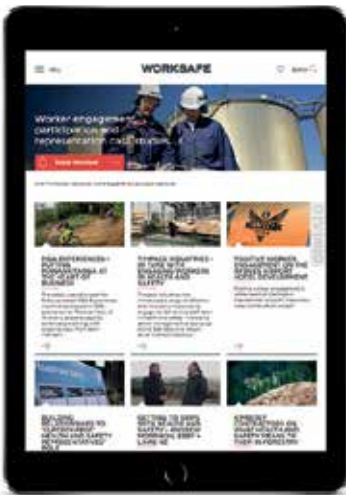
478 sessions from 322 users



**Young people in the workplace information sheet**

This covers the work areas and types of work that young people must not be around or undertake.

2,680 downloads



**Worker engagement and participation case studies**

A series of videos demonstrating how businesses are improving health and safety, including: Timpack Industries, MDA Experiences and Air New Zealand.

19,850 visits to case studies

*'Great story with some excellent ideas – fantastic to see this stuff happening in the construction industry and delighted that the story and initiatives have been shared.'*



**SafePlus onsite assessments**

The first part of SafePlus that was launched – an independent Accredited Assessor visiting a business to assess how well they are performing against the SafePlus performance requirements and to provide advice on how to improve.

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# System leadership

Kaiwhakahaere pūnaha

## In 2017/18 we committed to:

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work with MBIE and engage with stakeholders on the Health and Safety at Work Strategy

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work closely with regulatory partners on making it easier for businesses and workers to understand health and safety obligations

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provide guidance to the public sector on health and safety at work

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strengthen partnerships with Māori business leaders, iwi and 'champions'

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focus on enhancing worker engagement and participation and developing workforce capability.

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## HEALTH AND SAFETY AT WORK STRATEGY

Developing the Government's 10-year workplace health and safety strategy

Part of our role as system leader is to have stewardship of the health and safety at work system and draw together those who can help us lift New Zealand's performance.

We know we cannot make change alone – we must work with others in the system to drive sustained change.

### The Health and Safety at Work Strategy

HSWA requires the Minister for Workplace Relations and Safety to develop a long-term strategy for Health and Safety at Work.

The *Health and Safety at Work Strategy 2018-2028* aims to set out an ambitious vision and overall direction for work health and safety in Aotearoa over the next ten years and provide a firm platform for change where everybody in the system works towards a common vision and set of priorities.

The major milestone for our work in 2017/18 was to test and consult with Government, unions, industry and expert and community groups to develop the draft HSW Strategy. This draft was designed to:

- provide vision and direction for the overall improvement of health and safety at work in New Zealand
- align direction across the health and safety system
- enable coordination between people in the system and ensure there is clear accountability
- identify capability gaps and opportunities
- improve system measurement.

In April 2018 the Minister released the draft HSW Strategy. Over eight weeks WorkSafe and MBIE held seven consultation workshops across the country to get feedback and encourage people to submit written submissions on the draft.

The workshops were very successful, with around 500 people representing over 400 organisations attending. A total of 127 written submissions were received, reflecting a variety of interests.

In 2018/19 work began to analyse submissions and the final HSW Strategy will be launched in November 2018. Further work will take place over the next year to develop an action plan and performance framework to support the core HSW Strategy.

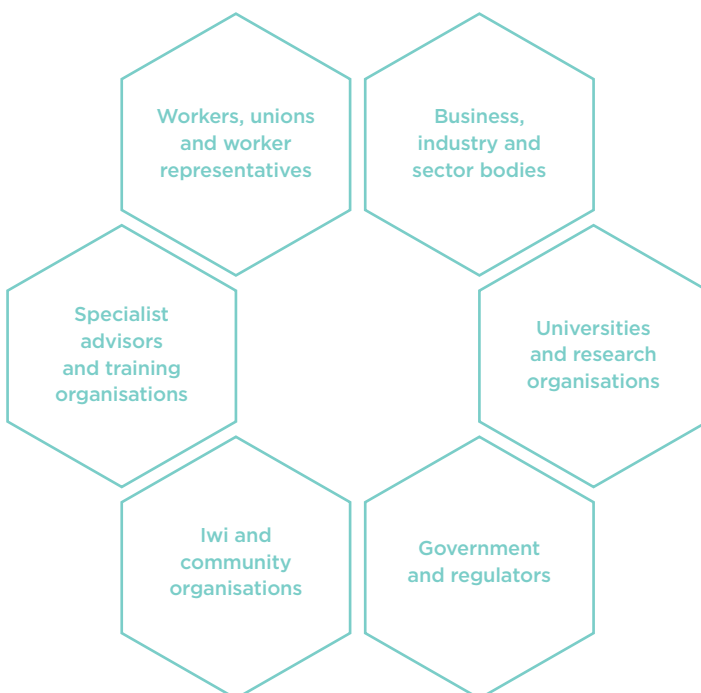


## Working with stakeholders

We engage with a range of stakeholders to improve health and safety across the system. This year we have taken our key relationships across the system to a new level of maturity, enabling us to take a stronger system lead role, to better align harm prevention initiatives, to work more effectively with and through others and to benefit from sharing insights and experience both in New Zealand and overseas.

- Built stronger ties with overseas counterparts, including through work with SafeWork New South Wales and WorkSafe Victoria to learn from and build on their work on Operator Protection Devices.
- Worked with the cross-sector Injury Information Working Group with partners including Stats NZ, MBIE and ACC.
- Engaged with our social union partner (NZCTU) through our service agreement on development of guidance.
- Worked closely with the Business Leaders' Health and Safety Forum, including through the Agriculture working group.
- Support to the Forest Industry Safety Council and the newly established Construction Health and Safety Group.
- Established regular fora with other regulators (Maritime NZ, Civil Aviation Authority, New Zealand Transport Agency, Environmental Protection Authority) to share information and collaborate at both strategic and practice levels.
- Updated memoranda of understanding with Police to address on-road vehicle activity and investigation protocols.
- Endorsed guidance material for the state sector on security-related risks.
- Working closely with the Government Health and Safety Lead initiative, which is making great strides in strengthening health and safety performance across the public service at both an individual agency level and collectively as a sector across 35 agencies.
- Involvement in Victoria University Wellington's development of occupational health courses.
- Held Noise technical forum with Massey and Otago Universities.

Our leaders reach out to a wide range of stakeholder audiences through our extensive events and speaking programme (eg joint national roadshow with the Institute of Directors, Small Business Roadshow with ACC and MBIE, Fieldays events, and conferences like Safeguard and HASANZ).



## Worker engagement, participation and representation

A genuine commitment to involve workers at all levels is critical to create healthier, safer and more engaged work and workplaces. It is essential for workers to participate and engage in the design and monitoring of health and safety policies and practices in the workplace. We are committed to delivering activities that improve worker engagement, participation and representation (WEPR) in New Zealand workplaces. Important initiatives are already underway, but there is still more work to be done.

	AGREE	WORKERS	EMPLOYERS	
More people think workers have a responsibility for health and safety than any other group (A&B Survey)	That <b>workers</b> have a very big responsibility	<b>83%</b>	<b>87%</b>	It is only by empowering and engaging with workers that people at senior levels can share responsibilities and ensure worker voices are heard on the health and safety issues that affect them.  This means PCBUs, workers and representatives communicating, sharing responsibility and actively collaborating on health and safety.
	That <b>immediate boss/supervisors</b> have a very big responsibility	<b>70%</b>	<b>77%</b>	
	That <b>top management</b> have a very big responsibility	<b>59%</b>	<b>58%</b>	

Better skills and processes are needed in WEPR – only half of both workers and employers report health and safety is discussed at regular meetings and that health and safety meetings are happening. There is also a significant gap between workers' perception of engagement practices and employers' – most employers state that workers always consider worker views, but only half of workers say the same.

Half of workers and employers report ongoing basic WEPR practices <sup>15</sup>	<b>81%</b> of employers say they engage with workers on health and safety	<b>ONLY 53%</b> of workers say employers engage with them <sup>16</sup>	Despite these results, workers generally feel comfortable raising issues with their boss and say that health and safety is openly discussed in their workplace.
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In 2017/18 we worked to ensure our programmes and interventions included WEPR elements, including working with the NZCTU on developing a WEPR assessment tool for WorkSafe's frontline and integrating WEPR as a key part of the SafePlus tool.

A regulatory framework alone is not enough to create healthier, safer and more engaged work and workplaces. Effective worker participation and representation requires leadership across the health and safety system to drive improvements across New Zealand sectors and within businesses. Collaboration and leadership with sectors, businesses and unions are all positive vehicles to stimulate effort in the system.

<sup>15</sup> Agree that health and safety is discussed at regular meetings (workers: 53%, employers: 53%). Agree that health and safety meetings happen regularly (workers: 52%, employers 52%), Service Excellence Survey (SES).

<sup>16</sup> 53% of workers agree that 'when my boss makes decisions about workplace health and safety, workers are always told how their views have been considered'. 81% of employers agree that 'our business always lets workers know how we have considered their views when decisions are made about workplace health and safety' (SES).

We facilitated a workshop with social partners and leading national and international academic experts to obtain insights from their experiences and initiatives to improve WEPR. The workshop highlighted that there is considerable evidence that worker participation, particularly with representation, improves worker safety and health protection.

We intend to do further collaborations with our social partners and leaders within sectors to develop a set of potential action and initiatives to continue to improve WEPR in Aotearoa. We are also committed to ensuring that worker perspectives and expertise are included in our interactions with businesses – last year around 85% of our assessments included an interaction with a worker or worker representative.<sup>17</sup> Over the year we also published a range of case studies that highlight a variety of companies and the approaches they have taken to improve WEPR.



<sup>17</sup> It is not always possible to meet with worker representatives, for example, in the case of self-employed people.



## CASE STUDY

### Timpack Industries: In tune with engaging workers in health and safety

Timpack Industries has introduced a range of effective and innovative measures to engage its 180-strong team in health and safety – including senior management dressing up as the Bee Gees in a ‘Stayin Alive’ themed roadshow.

“It was when HSWA came in,” said General Manager Jason Togia.

“We wanted to get across what the legislation really meant in everyday terms, including things like a PCBU and how to do a very simple risk assessment.”

“So, we put together a roadshow involving our Chief Executive Alan Walters, Quality Manager Andy Goodridge and myself dressing up and performing as the Bee Gee brothers. We took the roadshow to all the shifts at each of our seven sites. We based the messages on what the risks were to Alan dancing. The response was phenomenal.”

The roadshow is just one of the steps in a journey to lift health, safety and wellbeing, which Timpack began back in 2012. The changes put in place have seen the company’s overall lost time injury figures improve and provides a point of difference with major customers.

“We have quarterly reviews with some of our biggest customers,” said Jason. “Health and safety is always top of their agenda. We have to present our health and safety statistics and projects we are working on and they are very impressed.”

Established in 1984, Timpack is a leader in timber-based packaging in New Zealand, manufacturing and recycling pallets, bulk bins, boxes, crates and cable drums.

It has a head office and facility in Hamilton and sites in Auckland, Mt Maunganui, New Plymouth, Nelson, Dunedin and Timaru. Most of its employees work in the factories and 62% are Māori or from Pacific Island backgrounds. They work a two-shift roster, with the day shift from 7 am – 4 pm and night shift from 4 pm – 2 am.

The business’ major risks come from working with machinery and manual handling. Alongside engineering and guarding solutions to manage these risks, Timpack has also developed innovative approaches to engage its people in health and safety initiatives.

“We wanted to give our people a good understanding of what’s in the Act, not only from a compliance or business point of view, but also how the Act applies to the work they do,” said Andy Goodridge, whose role includes health, safety and wellbeing. “We worked with a Taranaki-based company called Creative Leap to develop an e-learning package.”

“Reading and working with numbers are a challenge for quite a few of our staff. Early on, we came to the quiz part and one of our people said to me ‘I can’t do the questions, I can’t read them’. So I read them to him and he knew all the answers. So then we introduced an audio narrative too, so people can either read or listen, and that has worked really well. We’re currently working on a manual handling module.”

The roadshow also resulted in workers sharing a lot of ideas.

“Out of that we developed some key messages,” said Jason. “Previously, if you saw someone doing something unsafe, it might have been seen as ‘narking’ on them but we introduced the concept of ‘giving a gift’ to a friend to save their life.”

“We set up ‘give a gift’ boxes – they look like yellow post boxes – and created a very simple form. People can record unsafe behaviour, a hazard, risk, near miss or opportunity to improve and pop the form in the box.”

Jason says the most important outcomes have been workers’ enthusiastic response to the initiatives and an overall reduction in lost time injuries, but there is also the potential to provide a business point of difference.



“We wanted to get across what the legislation really meant in everyday terms.”

Jason Togia  
General Manager





## Workforce development

One of the key elements of a mature health and safety system is access to specialist advice from qualified health and safety professionals. Health and safety can be a job that is interesting, rewarding, respected and part of a community of people working to improve workplace health and safety management. One of our roles to support the wider system is to help build this workforce.

This year, including through work on development of the HSW Strategy, we spoke to businesses about what kind of professional advice they need and how they engage with health and safety professionals, which helped us in the development of our tools and guidance for businesses, especially incorporating the needs of small businesses in tools like SafePlus and 'Around the Block'.

We also support the Health and Safety Association of New Zealand (HASANZ), an umbrella group of health and safety professional bodies. ACC and WorkSafe have funded the multi-year development of the HASANZ Register, a project which was finalised in 2017/18 and launched in July 2018. The Register provides businesses looking for advice on health and safety an incredible resource – a list of professionals across multiple disciplines who meet agreed levels of qualification, skills and experience. WorkSafe maintains close working relationships with the core specialist groups within HASANZ, so they can provide perspectives on our work and what their priority issues are in terms of making a difference to health and safety outcomes.

### IDENTIFYING GAPS IN THE OCCUPATIONAL HYGIENIST WORKFORCE

WorkSafe is working to identify high-priority gaps in the specialist health and safety workforce in New Zealand.

For example this year focus was given to occupational hygienists, who focus on identifying and controlling work-related health risks such as noise, chemicals, dust, fumes, temperature, lighting and body stressors. WorkSafe undertook a horizon scan to identify the issues facing that workforce in terms of the small number of professionals in New Zealand and difficulties accessing education and training pathways. It identified initial actions that could be undertaken to help support existing and new professionals.

Further research on other specialist workforce groups and the potential role of the primary healthcare sector in addressing work-related health harm is planned for 2018/19.

## Māori engagement

Māori workers are disproportionately harmed at work in New Zealand. Sustained investment is needed to support tailored and evidence-based approaches that best support the health and safety needs of Māori workers.

Good progress was made this year on WorkSafe's Maruiti 2025 strategy, working in close partnership with the Māori community to embed tailored interventions for Māori workers using culturally-appropriate methodology.

ACC also provided funding for some specific initiatives in 2017/18, allowing us to expand our Maruiti function and develop pilot approaches for more effective engagement with Māori. We want to use our influence and leverage to support regional development, delivery of key Government construction and forestry programmes and programmes reflecting the increased focus on improving mental health outcomes.

Key projects undertaken this year included:

- Building health and safety relationships with iwi and trusts on political, social and commercial aspirations that may have a future impact on the Māori workforce.
- Working directly with local Māori experts and training providers, to strengthen our understanding and approach to reducing work related ill-health risks Māori experience at work and home.
- Engaging businesses with a high Māori workforce to recognise and adapt their health and safety learning environment to improve health and safety.
- Adapting our Te Ao Maruiti Health and Safety Forestry learning pilot into a programme for national implementation, with strong leadership by industry and Māori communities to own health and safety improvement in regions.

Research is underway into the challenges of improving health and safety outcomes in an ethnically- and culturally-diverse context. We also have challenges when it comes to ethnicity data, as much of our injury data is only able to be sourced from ACC claims information. WorkSafe is looking at more innovative approaches to ethnicity data, for example by exploring Stats NZ's Integrated Data Infrastructure, which could provide a richer and more reliable source of information on vulnerable populations in Aotearoa.

We also undertook important work this year for our staff as part of the Te Ao Māori capability programme (see page 64). This included guidance work, for example on the Mate Ohore Māori (Māori Sudden Death Protocol). This provides information to inspectors on cultural practices and processes that should be followed when carrying out enquiries or an investigation in response to a Māori sudden death in a workplace.



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# Organisational enablers

**In 2017/18 we committed to:**

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making it easier for businesses and duty-holders to work with us

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strengthening how we communicate, engage and partner with stakeholders, including innovative ways to target businesses

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launching our new website

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developing our People Strategy

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strengthening key ICT capability projects

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making further progress in becoming a high-performing agency.

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**USER EXPERIENCE**

Improving clients' interactions with WorkSafe

In order for people to understand their responsibilities and what good health and safety practice looks like, we have to make it easy for businesses and duty-holders to interact with us.

We receive approximately 60,000 queries and concerns about health and safety through our Contact Centre and Response team every year, including approximately 10,000 relating to notifiable events and concerns.

These teams provide people with general information about health and safety and energy safety, the regulatory framework around HSWA and the Gas and Electricity Acts and tools and guidance we have available. They also receive and triage all incoming notifications and concerns, determine if they are in WorkSafe's jurisdiction and assign files to our Operations teams.

We need to ensure people are directed to the advice they need and can provide us with information on incidents of harm when they happen. This year we worked closely with MBIE, which provides our Contact Centre service, and our own Response team to improve the timeliness and quality of people's experience. There is still more work to do, especially as we look towards our future services, and we will continue to work to train and support staff to deliver a great service to New Zealanders.

**MOST PEOPLE EXPECT A HIGH STANDARD OF SERVICE. OF THOSE CONTACTING US:<sup>18</sup>**

<p><b>75%</b></p> <p>said they received good or very good service</p>	<p><b>45%</b></p> <p>said the service was better than expected</p>	<p><b>23%</b></p> <p>said the service was worse than expected</p>
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We also need to ensure people we are talking with in person understand and have an easy time working with us. Perceptions of WorkSafe are good from those who have interacted with our inspectors:

**PEOPLE INTERACTING WITH US THINK WE ARE:**

<p><b>91%</b></p> <p>fair</p>	<p><b>69%</b></p> <p>educative</p>	<p><b>72%</b></p> <p>proportionate</p>	<p><b>66%</b></p> <p>performing effectively</p>
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<sup>18</sup> SES (Contact Centre).

But this perception is more mixed in the wider community – only 51% of workers and 52% of employers surveyed in the general population think we are making a real difference.<sup>19</sup> We have more work to do to improve perceptions in the wider business environment.

We know continuous improvement is needed to work towards ‘operational excellence’ and that further investment is needed to be considered as trusted, flexible and intelligence-led – and help us make progress towards world-class.

## **FUTURE SERVICES**

Our work over this year improved people’s access to our tools, resources and information, but revealed a much larger programme of work we needed to begin to optimise the services we provide, and ultimately deliver the right mix of services in the right way.

We need to plan now for the future state of our services if we want to be an intelligence-led, targeted, evidence and risk-based regulator.

We have laid the groundwork in 2017/18 on our ‘Future Services’ project. Three main projects will be developed out of this work:

- A high-level roadmap for designing our external intervention work – showing where we are now, what we need to change and how to move forward.
- Development of a new Operations Operating Model, looking to design the way our Operations teams will work together and with others in WorkSafe.
- A new Regulatory Decision-Making Framework that will help us to make the difficult choices on what we will and won’t do with our limited resources, and the principles of how and when we will intervene.

This work, which will continue into next year, will help us understand where we have the right mix of products and services, where we need to make improvements, and where we have gaps.

<sup>19</sup> A&B Survey.



**COMMUNICATIONS, MARKETING AND ENGAGEMENT**

Strengthening how we communicate, engage and partner

To deliver transformational change we need to communicate and engage effectively with people and organisations.

In 2017/18 a significant focus in our communications was moving our activity from a largely stakeholder- and industry-focussed view to aiming to reach a wider range of New Zealanders through targeted, digital-led and media-driven channels.

A media strategy was developed, refocussing activity towards mainstream media outlets and a more proactive approach. A social media strategy was developed, confirming the purpose of our different social channels, the audiences being targeted, content mix and monitoring. This more strategic approach in social media has seen reach more than double and engagement levels dramatically increase.

LinkedIn has proved a successful channel to highlight WorkSafe’s system leadership role. This has included developing the ‘Insights’ webinar programme, where the Chief Executive interviews business leaders on a range of health and safety topics. This series has been extended through a partnership with NZ Management and NZ Business publications and will continue over 2018/19.

We have successfully partnered with other agencies including ACC, Maritime NZ and the Energy Efficiency and Conservation Authority to increase reach and ensure our messages are relevant to target groups.

We have also focussed on building industry and stakeholder engagement through our e-newsletter activity. We have had strong growth in subscribers and the range of newsletters offered. Newsletters have included targeted communications on adventure activities, construction, hazardous substances and a general health and safety update.

Our marketing focus continued from last year, particularly with the return of the ‘Use Your Mouth’ campaign. The campaign’s objective was to build awareness and drive traffic to the resources on our website. The campaign achieved 2.05 million video views, 73.6 million impressions and generated 117,000 clicks to the website.

A marketing campaign to build awareness of the changed Hazardous Substances regulations included digital, radio, print and social media. We aimed to reach as many small to medium-sized businesses as possible. The campaign had a small budget but exceeded all expectations, achieving 32.3 million impressions and driving 60,000 clicks to the website.

On average, our social media activity reaches in excess of 1 million New Zealanders a month.



# Getting the customer experience right – in person and online – is a priority for WorkSafe.

## Revitalising our website

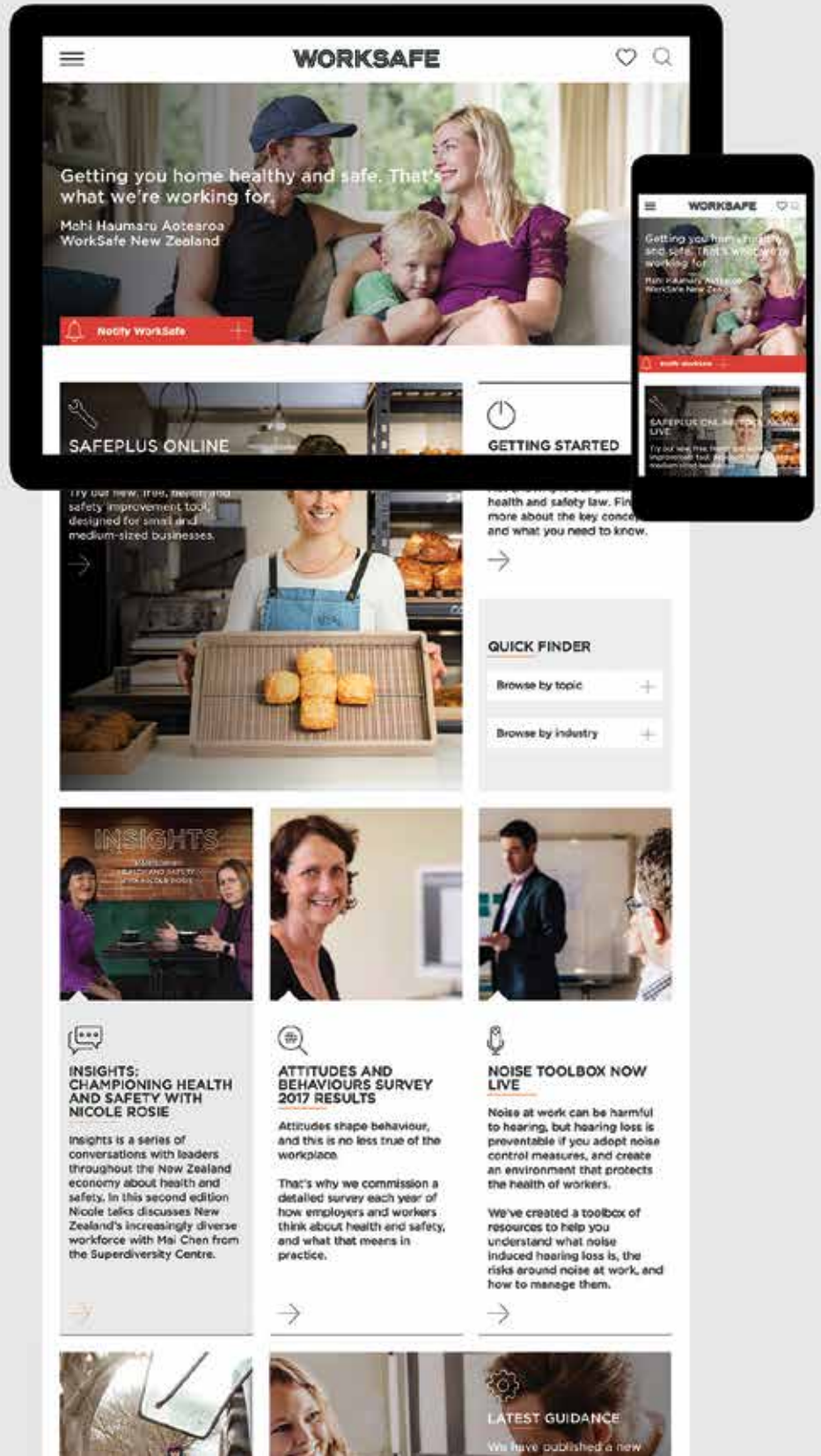
This year a major project involved redesigning our website to create a user-friendly and easy-to-navigate experience.

Our vision for the new website was to provide the right information, tools and resources to enable and empower people to actively participate in improving New Zealand's health and safety performance at work. The new site launched in November 2017.

There's also a wide range of people accessing our tools and resources – so last year we undertook work to better understand who they are, their goals and the experiences they were having with us online. This allowed us to define what a great experience looks like for each customer 'segment' and map this to our various digital channels.

We're also embracing smart and innovative ways to improve the quality of the experience and enable people to access and share our information. User-testing and research will enable us to be thoughtful with improvements. We've also put in measures and monitoring through a smart analytics dashboard and are tracking specific goals with our new online forms.

This work will allow us to be targeted about the next phase of the website's evolution, getting us closer to providing the kind of experience people want and need in order to keep healthy and safe at work.



## PEOPLE STRATEGY AND ICT BUSINESS CAPABILITY



Strengthening WorkSafe's capability and culture



Enhancing ICT capability to support delivery

WorkSafe has made good progress in establishing itself as a credible regulator, but there are increasing challenges to our ability to operate effectively and efficiently and to support Aotearoa to maintain and continue to improve its health and safety performance.

Our people and our organisational tools are essential to WorkSafe performing effectively and being able to directly impact health and safety performance in workplaces. We want to create a high-performing organisation that is effective and efficient – to make a difference and make the most of our resources.

In 2017/18 we undertook work setting out the key elements of where we want to be in the future. This was primarily through development work on our *People Strategy*, which will support implementation of our organisational strategy. We will publish the Strategy in 2018/19.

Our technology and infrastructure need to support future improvements and business capabilities. Work in 2017/18 identified improvements needed to our systems to enable WorkSafe to provide a more proactive, unified business process and provide global access to data. This will have a positive flow-on effect to our case management, operational and intelligence systems.

Our Digital and Information team was established in 2017/18 to work on assessing our maturity level and key ICT needs. This work has been critically important for existing ICT projects that progressed this year but did not meet key criteria that WorkSafe set and have had to be re-scoped. These improvements are still necessary and WorkSafe will be undertaking work on this in the coming year.

We want to be a data and intelligence led regulator and we must move away from legacy systems to enable us to respond proactively to emerging trends, new areas of focus and the expectations of the people we engage with across New Zealand.

Contract negotiations have been completed with the provider for our new case management solution. Design work will begin once prerequisite work, including a service optimisation roadmap, is complete and a sustainable funding pathway is available.



## OPERATIONAL DELIVERY

Delivery through our inspectorate

Our inspectorate work helps to provide regulatory confidence that health and safety at work risks are being appropriately managed and monitored. Frontline activity is delivered through our Operations branch – focussed on High Hazards and Energy Safety, Assessments, and Investigations and Specialist Services.

### Assessments

We undertake core assessment activity in workplaces to identify and help address health and safety concerns. We also take a strategic approach in order to use our resources the best way we can. In 2017/18 we undertook targeted assessment planning by identifying higher-risk sectors and critical risks. We completed 13,998 assessments last year, 96% of which were in these priority areas or other areas of focus.

Some of the targeted work we completed was to ensure that businesses looked at critical risks that can cause acute and chronic harm. There is much more work to do in Aotearoa to manage health risks at work and half of our assessments this year included a focus on work-related health risks, particularly agri-chemicals, noise and body stressing.

### Duty Holder Reviews

WorkSafe also has a key role to play when harm has happened in a workplace. In some cases we work with businesses as part of a Duty Holder Review (DHR). These help businesses review their own practices after an incident has occurred and identify what happened and how it can be prevented in future. WorkSafe has found DHRs have been particularly successful in getting businesses to engage closely with their staff about what improvements can be made.

Our survey results from those who undertook the DHR process also show the value of the work, with 97% making a change to their practices and 68% saying they now knew more about what they needed to do about health and safety at work. The DHR process is also a useful tool for helping the wider community. PCBU's can share what they've learnt about health and safety improvements with other businesses. They are also useful for WorkSafe to highlight in case studies, like the Real Pet Foods story on page 58.

### Investigation and enforcement

Our inspectors also investigate the most serious breaches of health and safety – where people have been killed or seriously injured at work. WorkSafe's role is to establish what happened, where the law may have been breached and take appropriate action to any breaches. This work also helps to understand causes of harm and any lessons that can be learned.

An investigation can lead to enforcement action being taken and over the year WorkSafe used its range of enforcement tools, including prosecution. HSWA is fairly new legislation and some aspects continue to be tested though WorkSafe's actions in holding duty-holders to account – the first trial under HSWA commenced in April 2018 and we brought the first prosecution relating to an upstream duty-holder.

## Perception of risk

### WORKERS

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94%

of workers are confident they can keep themselves safe

ONLY

15%

think an incident is likely to happen at their work in the next year<sup>20</sup>

### EMPLOYERS

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65%

of employers are confident they understand their health and safety obligations and how to comply

ONLY

5%

think an incident is likely to happen at their work in the next year<sup>21</sup>

Few workers or employers think there is a high level of risk of incidents happening to them in the near future – this may be a sign that people believe they are managing risks well, but could also indicate a level of over-confidence about risk.

WorkSafe is working with businesses and workers to help them identify critical risks in their business, and take the right steps to address them.

<sup>20</sup> Workers are confident or very confident they can keep themselves safe (94%) and healthy (85%), 15% saw at least a moderate risk that workers would be seriously hurt at work in the next 12 months (A&B Survey).

<sup>21</sup> 65% of employers are confident they are fully aware of obligations and understand how to comply, 5% saw at least a moderate risk that workers would be seriously hurt at work in the next 12 months (A&B Survey).

## Assessments and Investigations in 2017/18

OUR 183 ASSESSMENTS AND INVESTIGATIONS INSPECTORS UNDERTOOK

# 13,998

TARGETED ASSESSMENTS

96% in priority areas and 50% with a specific focus on work-related health risks like agri-chemicals, noise and body stress

CARRIED OUT

# 1,685

TARGETED ENGAGEMENTS

Where there were opportunities to improve performance or address risks to health and safety, 95% in our priority areas

CLOSED

# 257

INVESTIGATIONS

in relation to serious health and safety incidents and initiated 203 new cases

WE ALSO COMPLETED 67 PROSECUTIONS

# 96%

WHICH WERE SUCCESSFUL

and initiated 109 others that will proceed into 2018/19

# 84%

of people made improvements to health and safety after interacting with a WorkSafe Inspector (SES)

OUR SIX DUTY HOLDER REVIEW OFFICERS WORKED WITH BUSINESSES TO UNDERGO

# 399

DUTY HOLDER REVIEWS

following incidents; 97% of duty-holders made changes to their practices after the DHR process

WORKSAFE ALSO ACCEPTED

# 14

ENFORCEABLE UNDERTAKINGS

Where duty-holders set out ways to:

- address issues that led to breaches of the law
- take action to remedy the harm caused to victims, and
- promote the objectives and purposes of HSWA.





## High Hazards

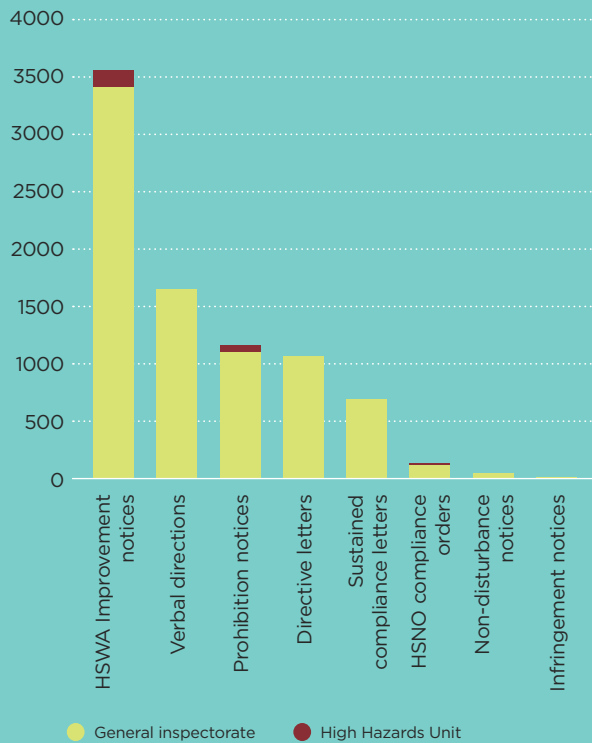
We have 21 Specialist High Hazards Inspectors who work to regulate the sectors most likely to experience catastrophic harm - extractives (mining, quarrying and tunnels), Major Hazard Facilities that store large amounts of chemicals, and petroleum and geothermal sites.

IN 2017/18 THE HIGH HAZARDS UNIT UNDERTOOK

# 291

INSPECTIONS

INSPECTORS ACROSS WORKSAFE ISSUED:



## Energy Safety

Our Energy Safety team works with the energy sector and the public to ensure that people are protected from the dangers of electricity and gas at work and at home.

ENERGY SAFETY'S WORK IN 2017/18 INCLUDED:

# 204

PRODUCT SUPPLIERS AUDITED

# 379

PRODUCTS AUDITED

# 75

WARNINGS ISSUED

# 14

INFRINGEMENT NOTICES FOR BREACHES OF ELECTRICAL OR GAS REGULATIONS ISSUED

# 422

GAS AND ELECTRICITY INVESTIGATIONS UNDERTAKEN

# 93%

OF THESE WERE COMPLETED WITHIN 60 WORKING DAYS





## CASE STUDY

### Duty Holder Review with Real Pet Foods

The Real Pet Food Company was offered the opportunity to participate in the DHR process, with a view to improve safety at its Christchurch and Auckland factory sites. This ultimately resulted in the company installing state-of-the-art BladeStop bandsaw technology.

The Real Pet Food Company has 81 staff in New Zealand, with 55 working in the factories producing its range of pet foods. The rest of the team work in sales, merchandising and administration.

Last year an accident occurred at the Christchurch factory, in which a staff member lost the tip of a finger.

“We have one bandsaw at each of the factories, to cut frozen blocks of meat,” says Real Pet Food Company HR and Safety Specialist Stacey Wyatt. “It’s a two-man operation. When the meat has passed through the bandsaw, it is picked up by a ‘catcher’ on the other side of the saw and put into a container.”

“Through a thorough investigation we managed to establish the root cause of the accident and implement corrective action. Our safety requirement is that the blocks are picked up singly. However, on this occasion the catcher was picking up two blocks at once in a scooping motion - resulting in the tip of his middle finger coming into contact with the small part of the blade which was not covered by the vertical guard.”

The company notified WorkSafe and, while the accident was below the threshold for formal investigation, it was recommended that they participate in a DHR. “That’s when we contact the business and look at how lessons can be learned to prevent accidents happening in the future,” says Christchurch-based WorkSafe DHR Officer, Tim Heyworth.

“Stacey was very open to the process of learning. They had good CCTV footage of the incident and were keen to share that and discuss how they could make their workplace safer. They had already put interim measures

into action, including lengthening the bench between the bandsaw and the catcher.”

The BladeStop bandsaw, developed by Scott Automation, was designed specifically for the meat industry to reduce risks of serious injury when the unit senses a person has come into contact with the blade. Upon sensing contact, the blade stops operating within 0.009 seconds - the difference between a small cut or an amputation.

“I already had experience of working with meat processing companies in implementing BladeStop,” says Tim. “In its early days it was usually too costly for small to medium companies, but it has come down in price. I made Stacey aware of the technology and whether they might consider it. The file was then closed - but the company continued with that process.”

“We were very open to assistance from WorkSafe and Tim’s advice was very good,” says Stacey. “Having been made aware of BladeStop, I discussed it with our team and we decided to put a proposal through to our Australian parent company to see if it was a viable option.”

“Then the decision was taken to replace both the New Zealand bandsaws and the one bandsaw in Australia with BladeStop technology. These cost \$86,000 each, and we replaced a new \$25,000 bandsaw we had installed in Auckland just three months before. From the get go, Real Pet Food Company has said health and safety is our number one priority - and it’s great to work for a company that really lives that value. When you weigh up the personal impacts of an accident, plus the productivity losses, the benefits far outweigh the cost.”

“Our staff really appreciate how the company responds to their concerns. They are very engaged in our ongoing education around health and safety and the technical improvements the business is investing in to drive a safer work environment. It’s very much a two way process.”



“It was a whole company achievement. We brainstormed it as something we could do to keep our staff safe and we discussed the potential benefits and disadvantages.”

Stacey Wyatt  
Company HR and Safety Specialist



## High hazards

There are also some specialist areas of New Zealand’s workplaces where the risk of catastrophic harm is the primary critical risk that needs to be managed.

This year specialist High Hazard Unit inspectors helped Major Hazard Facility operators to prepare for the MHF regulations coming into force after April 2018, requiring safety cases to be lodged with WorkSafe. We focussed on our operational approach to inspections, safety cases engagement, and enforcement so we could be clear on our priorities and approach. All safety cases for MHF came in to WorkSafe ahead of the April due date.

Planned site inspections of onshore petroleum and geothermal sites included workplaces like onshore drilling rigs, which work across both industries. WorkSafe also worked closely with national and international stakeholders in the petroleum and geothermal sector, attending the Joint Petroleum Operators and Regulators Issues and Practices Forum and working to create the International Geothermal Regulators Forum.

WorkSafe supported MBIE on work on the review of Mining regulations, which involved working closely with industry on what changes were being looked at. Other extractives work included supporting the process for quarry operators to gain certificates of confidence. We supported industry initiatives such as mentoring, training programmes and better employer preparation to help candidates prepare for the 195 oral exams held. 165 B-grade quarry manager certificates were issued, and pass rates improved from 41% to 58% over the year.

WorkSafe also has a role in reviewing dangerous precursor events in high hazard sectors and the response from operators to those incidents. Our analysis of the information reported by duty-holders in relation to precursor events has become more rigorous and now includes a review of the causes of the failure and the remedial measures identified by the duty-holder.

The results from this year indicate that work is still required to ensure that industry learns all possible lessons from incidents. We are working to improve performance in this area.

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OF  
**385**  
precursor events notified

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**77%**  
were responded to in an appropriate and timely way

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## Energy Safety

Our role in Energy Safety spans both workplaces and homes, and looks not only at the traditional areas of electricity and gas, but also emerging technologies. Work this year included the review of the electric vehicle charging safety guidelines, work on non-compliant building wiring cable in buildings across the country and continuing audits on electricity and gas networks, installations and equipment.

Enhancements of our data systems and intelligence also continued and work was undertaken to strengthen systems like Energy Safety Intelligence, the Electricity and Gas High-risk Database and the Gas Appliance Supplier Database.

We continued to support MBIE with the work programme to update gas and electricity regulations and address emerging issues. Energy safety is also an international issue – our participation in key trade negotiations and international agreements, as well as regulatory cooperation with key trading partners, is an important component of achieving and maintaining ongoing electrical and gas safety.

This year WorkSafe worked with overseas regulators from Australia and across the Asia-Pacific region in particular. We are continuing in our role as Chair of the Asia-Pacific Economic Cooperation (APEC) Joint Regulatory Advisory Committee electricity technical committee, supporting trade discussions in China and Taiwan, and providing ongoing support to the Association of Southeast Asian Nations (ASEAN) regarding electrical products.

### Claude the cat campaign

Our ‘spokescat’ Claude encourages safe use of gas and electricity at home and at work through YouTube videos, radio and digital advertising and billboards. A summer and winter campaign ran from November-February and May-June.

The overall objective was to encourage views of the video content. Over a million video views were achieved as well as 16.5 million impressions and 36,000 clicks to the website.

WorkSafe plans to develop more topics for the campaign to cover in future, to help people identify gas and electrical hazards around the home and at work.



Overall awareness and recall of the campaign has been very high.

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WHEN SURVEYED

**85%**

of people who recalled a message remembered points relating to safety

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**“That safety is key and it gave me tips on things like not having a gas burner in an enclosed area.”**

**“Be careful to use the correct outdoor electrical connection.”**

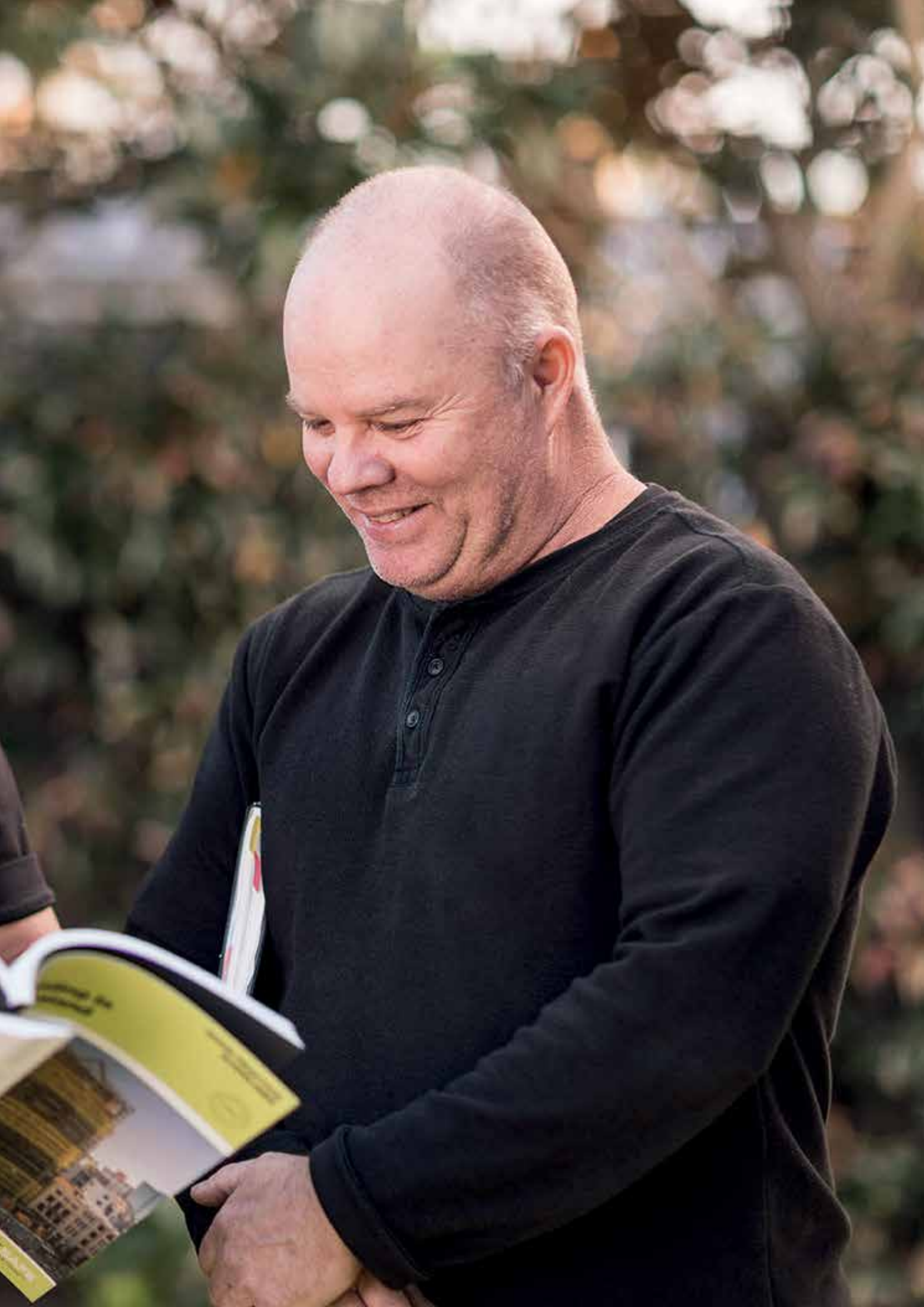
**“Be Safe when working in the garden and around the house this summer. Visit the WorkSafe website for information.”**

**“Very cute use of the cat to remind us to be safe when using power/gas/fire and climbing ladders!”**

Our people

WORKSAFE

WORKSAFE



# The commitment and drive shown by WorkSafe staff is fundamental to our success.

We are committed to supporting our staff to demonstrate our values of integrity, courage and responsibility every day.

## Driving organisational excellence

Along with development work on our *People Strategy* (as noted on page 53), this year we also undertook work to further invest in our organisational enablers to support WorkSafe to take a sustained approach for future performance.

## Strengthen our people and culture

In 2017/18 we focussed on:

- Strengthening our leadership capability at all levels: through a combination of organisation changes, development of our Te Ohonga leadership framework and development programme, a senior leadership cohort initiative and holding a leadership summit. These initiatives are intended to lift organisational performance.
- Improving the employee experience on the basis of indicators from our staff survey results. In particular we focussed on improving collaboration and organisation-wide communication, as well as perceptions about our internal health and safety practices, management of poor performance and leadership.
- Investment in our internal capability to understand and work with work-related health issues.
- A major piece of work was supporting the transition of the Hazardous Substances regulations to WorkSafe. This required significant training investment in our Inspectorate.

## Te Ao Māori capability

This year our Maruiti team designed our first internal three-year Te Ao Māori capability programme. The programme is aimed at uplifting knowledge and understanding of Te Ao Māori (the Māori world view) and its relevance to the work we do in Aotearoa. It emphasises our Treaty of Waitangi obligations as a Crown entity, to provide dedicated Māori capability and capacity to support WorkSafe's cultural growth.

Experts from Māori communities will provide targeted topics that are relevant to our corporate and operational roles. For example, insights into local regional Māori economy and its impact on the Māori workforce, education and embedding of the Mate Ohore (sudden death protocol) and Tikanga protocols when engaging with whānau pani (families who have lost a loved one), as well as development and implementation of policies affecting Māori wellbeing.



## Te Ohonga

Te Ohonga (the awakening) is WorkSafe’s leadership framework. It aims to ensure that we have the leaders we need to perform well as a regulator, now and in the future. It outlines the role of a leader in WorkSafe and the characteristics and behaviours that are indicators of good leadership at each level.

Te Ohonga was developed in-house over 2017/18 and introduced towards the end of the year. It recognises that everyone has a vital role to play in helping the organisation achieve our vision that everyone who goes to work comes home healthy and safe. By using Te Ohonga we can determine how we develop leaders, how we prepare people for future roles and how we recruit new people and introduce them to leadership at WorkSafe.

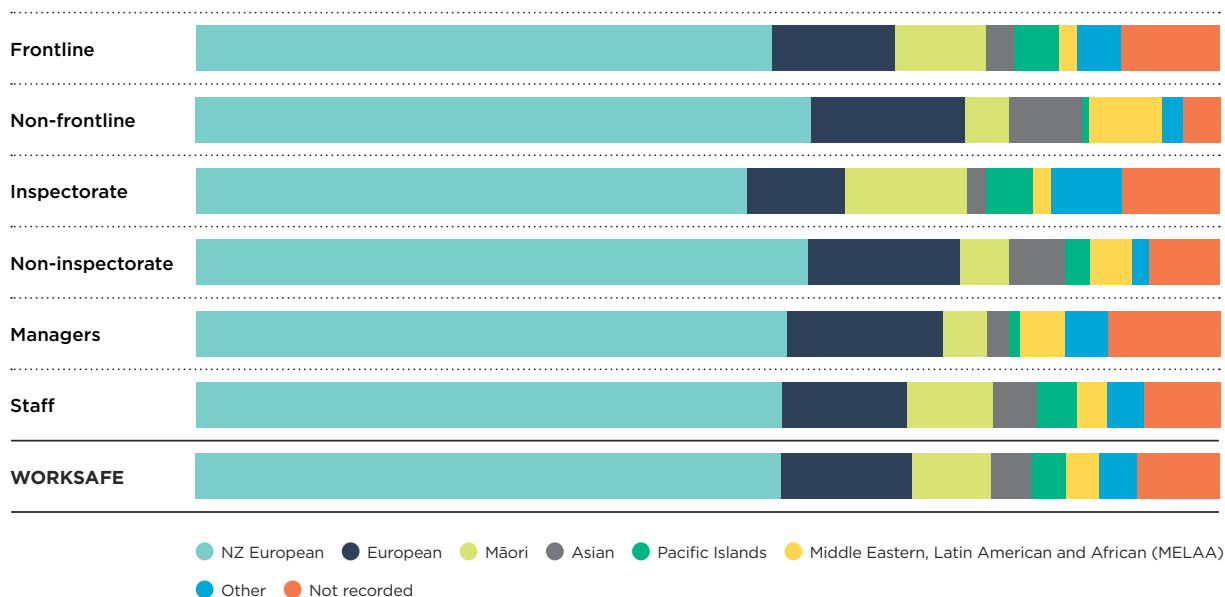


## Future-proof our organisation

We have an ongoing system of reviewing our internal policies and programmes so that we can be as up-to-date as possible with wider workforce trends and the needs of our people and demographics.

## Our workforce profile

Our success will be reflected in having a workforce that is able to connect with and influence a wide and diverse community in workplaces. Our approach is to attract workers with the right skills from a range of backgrounds as well as a mix of age, gender and ethnicity, and our recruitment processes are designed to ensure that WorkSafe is inclusive and supports these goals.



ETHNICITY	NZ EUROPEAN	EUROPEAN	MĀORI	ASIAN	PACIFIC ISLANDS	MELAA	OTHER	NOT RECORDED
Frontline	56.2%	12.0%	8.9%	2.8%	4.3%	1.8%	4.3%	9.7%
Non-frontline	60.0%	15.0%	4.3%	7.1%	0.7%	7.1%	2.1%	3.6%
Inspectorate	53.7%	9.6%	11.9%	1.8%	4.6%	1.8%	6.9%	9.6%
Non-inspectorate	59.7%	14.9%	4.8%	5.4%	2.5%	4.1%	1.6%	7.0%
Managers	57.6%	15.2%	4.3%	2.2%	1.1%	4.3%	4.3%	10.9%
Staff	57.1%	12.2%	8.4%	4.3%	3.9%	2.9%	3.6%	7.5%
<b>WorkSafe</b>	<b>57.2%</b>	<b>12.8%</b>	<b>7.7%</b>	<b>3.9%</b>	<b>3.4%</b>	<b>3.2%</b>	<b>3.8%</b>	<b>8.1%</b>

The proportion of men and women in WorkSafe changed very slightly this year, with 47% women and 53% men compared with 48% women and 52% men last year. While we have a fairly even gender split overall, there are greater variations in specific segments of our workforce. Non-inspectorate and managers' gender distribution have shown the greatest shift from last year, both improving in the ratio of women.

WorkSafe's average workforce age is 47.2 years, similar to last year. A higher proportion of our managers and Inspectorate staff are over 45 years compared with the rest of our staff. Our talent and succession management programmes are intended to ensure that we have the future capability ready to fill critical and leadership roles as some of our leaders and staff begin to transition to retirement.

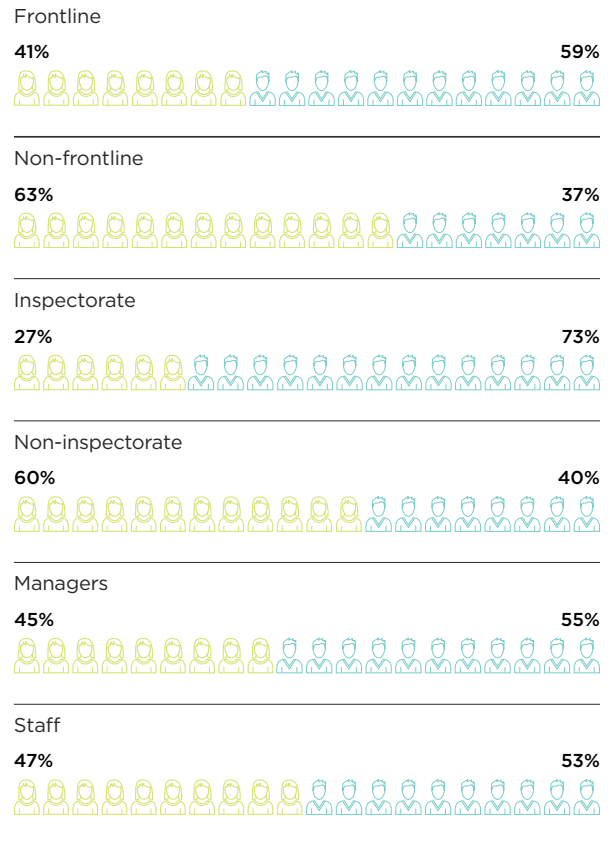
	AVERAGE AGE
Frontline <sup>22</sup>	48.2
Non-frontline	44.3
Inspectorate	48.4
Non-inspectorate	46.3
Managers	49.6
Staff	46.6
<b>WORKSAFE</b>	<b>47.2</b>

We do not collect statistical information on disability. WorkSafe aims to ensure disability requirements are incorporated as a matter of course (including if someone has a temporary impairment) and staff are also asked about specific needs or accessibility requirements when they are recruited. Additional accommodations are arranged on an individual basis.

TOTAL STAFF  
**545** FTEs

as at 30 June 2018 (does not include staff on parental leave or leave without pay)

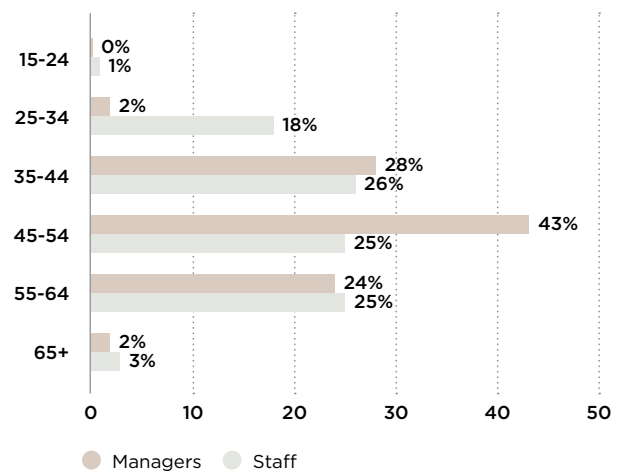
## Gender



### TOTAL WORKSAFE



## Age



<sup>22</sup> WorkSafe defines frontline staff as all positions that spend the majority of their time interacting directly with the regulated community or whose outputs are produced directly for the regulated community, as well as leadership positions that directly supervise these roles.

## Equal employment

WorkSafe is committed to being a good employer and ensuring our policies, practices and systems reflect key employment elements and are in accordance with the *Crown Entities Act 2004*. When policies are changed or updated we engage with our staff and the Public Service Association (PSA) to ensure their feedback is incorporated.

Our equal employment opportunities practices include:

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### LEADERSHIP, ACCOUNTABILITY AND CULTURE



- Coaching workshops to support development of effective leadership skills.
- Promotion of good health and safety practices.

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### RECRUITMENT, SELECTION AND INDUCTION



- Making every effort to ensure recruitment processes are free from all bias and monitoring key recruitment statistics relating to age, ethnicity and gender.
- A comprehensive, organisation-wide induction programme for new employees to help them start in their new roles. This includes e-learning, workshops and on-the-job tools and resources that are aligned to our vision, strategic priorities and values.

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### EMPLOYEE DEVELOPMENT, PROMOTION AND EXIT



- Talent and succession management practices to support staff to achieve career aspirations and enable strategic management of our people capability.
- A structured career progression programme for Inspectors.

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### FLEXIBILITY AND WORK DESIGN



- Health and safety risk profiling, including office security, ergonomic assessments and wellbeing.
- Actively support a number of non-standard work arrangements, where business needs can enable this, including part-time, flexible working hours, working from home and remote work.

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### REMUNERATION, RECOGNITION AND CONDITIONS



- A remuneration system that is market-aligned and provides visibility of linkages to career pathways.
- A performance and development process that incorporates learning and development opportunities.

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### HARASSMENT AND BULLYING PREVENTION



- Internal bullying policy and procedures aligned with WorkSafe's external guidance.

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### SAFE AND HEALTHY ENVIRONMENT



Our commitment to providing staff with a safe workplace and supporting their wellbeing is delivered through a range of support services including:

- internal health and safety training for all staff
  - the Safe Driver programme
  - the Situational Safety and Tactical Communication programme
  - ergonomic workstation assessments
  - health monitoring
  - influenza vaccinations
  - professional supervision for those potentially at risk of psychological harm
  - an Employee Assistance Programme.
-

## Keeping our people healthy and safe

WorkSafe is committed to creating a work environment that supports and grows our people and enables them to go home healthy and safe. We know we must lead by example and demonstrate good health and safety for our own people.

We want to build a workplace environment that encourages and supports our people to take responsibility for their own health, safety and wellbeing as well as supporting the health, safety and wellbeing of others they are working and engaging with. WorkSafe demonstrates this through three key areas: Risk Management, Leadership, and Engagement and Participation.

### RISK MANAGEMENT

WorkSafe puts its primary focus on better understanding and managing critical risks – those that have the most serious impact on our people. Through internal work with staff across all levels, we have identified four critical health and safety risks that affect our people:



#### Driving

Our staff are at risk of injury as a result of driving a WorkSafe vehicle in the course of their work.

We minimise this risk by providing 5-star safety rated vehicles, fit for purpose vehicles and safety equipment, verification and monitoring of drivers licences, as well as e-Learning and in-vehicle driver training.

This year we also replaced vehicles not deemed fit for purpose, introduced specific 4x4 wheel driving courses and improved reporting and investigation of driving infringements.



#### Aggressive and threatening behaviour

WorkSafe staff can be exposed to aggressive and threatening behaviour by duty-holders, employees and the public.

A national Situational Safety and Tactical Communications training programme has been undertaken for inspectors and is now part of the core inspector cohort training. It covers how to communicate to minimise unacceptable behaviour and if it occurs how to keep yourself safe.

We have also introduced a 'flag' system to the case management system to indicate individuals or sites where others had experienced aggressive behaviour.



#### Exposure to traumatic events

This risk is one that some staff are exposed to as part of visiting sites when investigating notifiable events. It is not limited to inspectors though, as other teams may review files or be closely involved in a case (eg legal staff).

Debriefing sessions are offered to those exposed to traumatic events. Those staff who have ongoing contact with victims, their families, colleagues and the legal process are encouraged to attend Professional Supervision.

A literature review has been undertaken to determine best practice post traumatic exposure management. This may result in changes next year.



#### Stress

Our staff are at risk of psychosocial harm as a result of work-related stress – the response people may have when presented with work demands and pressures that are not matched to their capacity (ie overload), knowledge, or abilities and which challenge their ability to cope.

Managers are encouraged to observe, coach and monitor their staff in terms of workload, ability to achieve expected outcomes and general wellbeing. There has also been a programme of reviewing annual leave balances and encouraging staff to take at least one period of two weeks a year.

Average annual leave balances have reduced from 14.8 days in June 2017 to 13.5 days in June 2018. This is better than the wider public sector average balance of 16 days.



## Key internal data

We track different incidences of harm and encourage reporting by staff of all injuries and near-misses. This enables us to identify risks and risk controls, as well as manage any treatment or rehabilitation if someone has been injured. In 2017/18 our staff reported 19 instances of injuries requiring first aid, 10 requiring medical treatment and 6 that resulted in time off work.

This resulted in a Total Recordable Frequency rate of 15.6 per million hours worked and a Lost Time Injury Frequency Rate of 5.9 per million hours worked. Our focus in 2018/19 is to reduce these rates by continuing to focus on our risk controls and actively manage our people's health and safety.

## Leadership

Our Board and senior leaders take an active role in monitoring and discussing our internal health and safety performance and culture. Each month the Board considers lead and lag indicators of internal health and safety, particularly in relation to our four critical risks. We also evaluate information to ensure we are complying with our duties and communicating and considering information about health, safety and wellbeing that affects our staff.

The National Health, Safety and Wellbeing Committee, which includes the Chief Executive, Senior Leadership Team members, Health and Safety Representatives (HSRs), PSA and key staff, also meet regularly to discuss health and safety within our teams. They focus on how WorkSafe demonstrates our commitment to good health and safety through good engagement, investing the right resources, focussing on outcomes, empowering staff, and treating our people with care and empathy.

In 2017/18 WorkSafe refreshed its approach to internal Worker Engagement, initiated with a workshop between the Senior Leadership Team, PSA and HSRs. This resulted in the establishment of the refreshed National Committee. Managers are responsible for health and safety in their own areas, but where issues can't be resolved an escalation process has been put in place to ensure concerns are resolved and fed back to local committees. Regional managers report to these meetings quarterly on how their local committees are functioning and successes and issues for escalation.

## Engagement and participation

Our goal is to empower and support our people to be successful. In order to achieve this we:

- Actively engage people in the identification, management, development and implementation of health, safety and wellbeing initiatives. This year the focus has been on our critical risks (including harassment and bullying as a form of psychological harm).
- Ensure meaningful consultation and engagement (including on any refreshing of policies) occurs across our organisation at all levels, cascaded through management and our WEPR structure.
- Encourage a culture where looking after your colleagues and reporting all incidents is the norm.
- Regularly evaluate engagement and participation to understand where further improvements can be made to achieve our goals.
- Retain and enhance our Health and Safety Committees as forums to enable discussion on – and ongoing management of – health safety and wellbeing issues within our workplace.

# Measures and results







## Our performance framework

Indicators from our *Statement of Performance Expectations 2017/18* are summarised in the tables in the following pages. Information about the data sources for all measures are included as endnotes to this section.

A number of indicators are measures by surveys and differences between results from each year are not necessarily statistically significant (ie statistical significance would be if the difference between results is unlikely to be due to chance alone and therefore indicates an actual change). Commentary on the measures therefore focusses on actual changes observed or trend information.

## Monitoring performance in 2017/18

WorkSafe's performance indicators all relate to the Vote Labour Market appropriation *Workplace Relations and Safety - Workplace Health and Safety* (for a breakdown of WorkSafe's activity split by Workplace Health and Safety and Energy Safety activities see page 105).

WorkSafe provides performance reports to the Minister for Workplace Relations and Safety each quarter, as well as in the Annual Report.

## Statement of responsibility

The Board is responsible for the preparation of WorkSafe's statement of performance and financial statements and for the judgements made in them. We are responsible for any end-of-year performance information provided by WorkSafe under section 19A of the Public Finance Act 1989. We have the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting. In our opinion, the statement of performance and financial statements fairly reflect the operations and financial position of WorkSafe New Zealand for the year ended 30 June 2018.



**Ross Wilson**  
Chair



**Paula Rose** QSO  
Board Member

**31 OCTOBER 2018**

Activity measures	RESULT 2014/15	RESULT 2015/16	RESULT 2016/17	TARGET 2017/18	RESULT 2017/18
Percentage of engagements with industry and PCBUs in priority sectors or other priority areas of focus <sup>A, 23</sup>				≥85%	95%
Percentage of assessments which include a focus on work-related health risks <sup>B</sup>		29%	36%	≥40%	50%
Percentage of assessment files reviewed that meet quality standards <sup>C</sup>			84%	≥80%	91%
Percentage of assessments that are in priority sectors or other priority areas of focus <sup>D</sup>		87%	93%	≥85%	96%
Percentage of people who say our guidance is very useful <sup>E, 24</sup>	53%	60%	57%	≥60%	57%
Number of voluntary Duty Holder Reviews of businesses' health and safety systems <sup>25</sup>			403	400-600	399
Percentage of files for prosecution that meet quality standards <sup>F</sup>		67%	78%	≥80%	80%
Percentage of prosecutions are successful <sup>G</sup>	91%	91%	88%	≥80%	96%
Percentage of energy safety investigations into notifiable/non-notifiable incidents and unsafe situations involving gas and electricity that are completed within 60 days <sup>H</sup>			91%	≥80%	93%
Percentage of people we directly engage with who think WorkSafe is educative, fair, proportionate and performing effectively <sup>I</sup>	See next page				

Previous years' results are shown where available. Where results from previous years were unaudited they are shown in blue.

<sup>23</sup> 'Priority sectors' include agriculture, forestry, construction and manufacturing. Other priority areas of focus include particular regional or national sectors of concern (outside of the priority sectors) that present a significant actual or potential risk to workplace health and safety (eg hazardous substances, adventure activities).

<sup>24</sup> This is measured on a three-point scale, with 'very useful' being the highest score. The combined percentage of 'very useful' and 'somewhat useful' is significantly higher - 95% in 2014/15, 97% in 2015/16, 94% in 2016/17 and 97% in 2017/18.

<sup>25</sup> Target is a forecast; the number of DHRs is driven by demand.

## Initial impact

	RESULT 2014/15	RESULT 2015/16	RESULT 2016/17	TARGET 2017/18	RESULT 2017/18
<b>Attitudes to health and safety improve</b>					
Overall analysis of Health and Safety Attitudes and Behaviours Survey					See page 29 <sup>26</sup>
<b>Awareness of health and safety risk grows in priority sectors<sup>J</sup></b>					
<b>People who saw at least a moderate risk that workers would be seriously hurt at work in the next 12 months</b>					
Workers' response	17%	15%	14%	≥17%	15%
Employers' response	6%	5%	5%	≥6%	5%
<b>More people are confident about health and safety<sup>K</sup></b>					
<b>'Very confident I have knowledge/skills to keep safe'<sup>27</sup></b>					
Workers' response		65%	67%	≥67%	66%
<b>'Very confident I have knowledge/skills to avoid health problems'<sup>26</sup></b>					
Workers' response		52%	53%	≥53%	51%
<b>'Confident I am fully aware of obligations and understand how to comply'</b>					
Employers' response <sup>28</sup>		57%	58%	≥60%	65%
<b>More people take responsibility for health and safety<sup>L</sup></b>					
<b>'Workers have a very big responsibility'</b>					
Workers' response	84%	81%	83%	≥84%	83%
Employers' response	86%	86%	84%	≥86%	87%
<b>'Immediate boss/Supervisors have a very big responsibility'</b>					
Workers' response	71%	66%	69%	≥71%	70%
Employers' response	76%	74%	71%	≥76%	77%
<b>'Top management have a very big responsibility'</b>					
Workers' response	57%	54%	59%	≥59%	59%
Employers' response	58%	57%	54%	≥58%	58%
<b>More people perceive WorkSafe is performing effectively</b>					
<b>'WorkSafe is making a real difference'<sup>M</sup></b>					
Workers' response			53%	≥53%	51%
Employers' response			50%	≥50%	52%
<b>WorkSafe is educative, fair, proportionate and performing effectively<sup>N</sup> (workers' and employers' response)</b>					
<b>'I now know more about what I need to do about health and safety in the workplace'</b>					
			64%	≥64%	69%
'I was treated fairly'	77%	81%	88%	≥87%	91%
<b>'WorkSafe's response was in proportion to the level of risk or likely harm that the situation or issue posed to workplace health and safety'<sup>29</sup></b>					
			67%	≥67%	72%
<b>'WorkSafe is making a real difference to workplace health and safety in New Zealand'<sup>29</sup></b>					
			66%	≥66%	66%

Previous years' results are shown where available.

<sup>26</sup> More information is also available on WorkSafe's website: [worksafe.govt.nz/data-and-research/research/attitudes-and-behaviours-survey-2017](https://www.worksafe.govt.nz/data-and-research/research/attitudes-and-behaviours-survey-2017)

<sup>27</sup> These questions are measured on a five-point scale, with 'very confident' being the highest score. The combined percentage of 'confident' and 'very confident' is significantly higher, with results of 94% (keep safe) and 85% (avoid health problems) respectively in 2017/18.

<sup>28</sup> Note that in previous years 'fully aware of obligations' (2015/16: 65%; 2016/17: 66%) and 'understand how to comply' (2015/16: 59%; 2016/17: 61%) were reported as two separate results. The results here show the combined response.

<sup>29</sup> Note that to make these results comparable the results for people only interacting with WorkSafe about a HSNO issue or incident are excluded, because this group was surveyed separately in previous years.

## Behaviour changes

	RESULT 2014/15	RESULT 2015/16	RESULT 2016/17	TARGET 2017/18	RESULT 2017/18
<b>More people improve their health and safety practices</b>					
<b>After contact with WorkSafe, at least one change has been made to improve workplace safety and/or reduce risks to workers' health<sup>30</sup></b>					
Workers and employers' response	83%	75%	81%	≥73%	84%
<b>More workplaces have health and safety systems</b>					
<b>Have process for identifying, assessing and managing the business' main health and safety risks and also regularly review those processes and systems<sup>P</sup></b>					
Employers' response			79%	≥79%	81%
<b>More worker engagement and participation in health and safety<sup>Q</sup></b>					
<b>Engagement: 'When my boss makes decisions about workplace health and safety, workers are always told how their views have been considered'</b>					
Workers' response		52%	53%	≥53%	53%
<b>Engagement: 'Our business always lets workers know how we have considered their views when decisions are made about workplace health and safety'</b>					
Employers' response		78%	79%	≥79%	81%
<b>Health and safety is regular item at a team/group meetings</b>					
Workers' response	51%	59%	64%	≥64%	53%
Employers' response	47%	46%	56%	≥56%	53%
<b>Workplace/business has regular health and safety meetings</b>					
Workers' response	50%	58%	63%	≥63%	52%
Employers' response	36%	40%	51%	≥51%	52%
<b>More operators manage high hazard safety systems well<sup>R</sup></b>					
<b>More operators respond to potentially dangerous precursor events<sup>31</sup></b>					
Notify as per regulations	Not always 82 events	Not always 126 events	Not always 165 events	Always	Not always 385 events
Adequate response	99%	99%	96.4%	≥99%	77%
<b>More safety cases and Principal Hazard Management Plans (PHMPs) from operators meet requirements and are followed</b>					
Number of safety cases that met legal requirements on submission				Always	4 <sup>32</sup>
Number of cases of non-compliance relating to a breach of the requirements set out in safety cases or PHMPs subsequent to submission			4	0	12 <sup>33</sup>

Previous years' results are shown where available. Where results from previous years were unaudited they are shown in blue.

<sup>30</sup> This measure is used to report against the *Vote Labour Market - Workplace Health and Safety* appropriation 2017/18 (see page 105 for details).

<sup>31</sup> Dangerous precursor events are specified in HSWA and within regulations covering high hazard sectors. There is a regulatory requirement for operators to notify WorkSafe of these events and data is reported from WorkSafe's High Hazard Unit. Any event that should have been notified but is found not to have been is counted as a notification failure. A response is deemed adequate when the notification meets the requirements of the relevant regulation (eg timeliness and completeness) and the operator's investigation and preventive actions are considered appropriate by a WorkSafe inspector.

<sup>32</sup> Note measure has changed from the 2016/17 framework from 'first submission' to 'submission', ie this is the total number of safety cases that were accepted by WorkSafe in the financial year as having met legal requirements, on first or subsequent submission.

<sup>33</sup> Along with these cases, WorkSafe is aware of instances where directive letters (a non-statutory notice that provides a duty-holder with directive advice) have been used by inspectors in response to a breach of requirements. Our systems do not enable data on directive letters to be readily retrievable.

## System targets

	RESULT 2013/14	RESULT 2014/15	RESULT 2015/16	RESULT 2016/17	TARGET 2017/18	RESULT 2017/18
<b>At least a 25% decrease in work-related fatalities and injuries by 2020</b>						
<b>DATE OF DATA<sup>34</sup></b>	<b>2010-12</b>	<b>2011-13</b>	<b>2012-14</b>	<b>2013-15</b>	<b>2014-16</b>	<b>2014-16</b>
<b>Fatal work-related injuries (per 100,000 FTEs)<sup>s</sup></b>						
Rate	4.3	3.6	2.4	2.2	3.0	2.1 <sup>(P)</sup>
Difference from baseline 3.4 (2008-10)	28% higher	8% higher	28% lower	33% lower	10% lower	39% lower
<b>DATE OF DATA</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2016</b>
<b>Serious non-fatal work-related injuries (per 100,000 FTEs)<sup>T</sup></b>						
Rate	20.1	19.2	17.8	15.0	17.4 <sup>U</sup>	14.3 <sup>(P)</sup>
Difference from baseline 19.3 (2008-10)	4% higher	0%	8% lower	22% lower	10% lower	26% lower
<b>Work-related injuries resulting in more than a week away from work (per 1,000 FTEs)<sup>V</sup></b>						
Rate	10.7	11.2	11.9	12.2	10.2 <sup>U</sup>	11.7 <sup>(P)</sup>
Difference from baseline 11.3 (2009-11)	5% lower	1% lower	5% higher	8% higher	10% lower	4% higher
<b>Zero catastrophic events</b>						
Number of events <sup>W</sup>	0	0	0	0	0	0
<b>DATE OF DATA</b>	<b>2008-12</b>	<b>2009-13</b>	<b>2010-14</b>	<b>2011-15</b>	<b>2012-16</b>	<b>2012-16</b>
<b>Fatalities from electrical and gas accidents trend down<sup>X</sup></b>						
<b>Electricity (5-year average per million exposed)</b>						
Rate	0.42	0.32	0.27	0.27	<0.80	0.18
<b>LPG (5-year average per million exposed)</b>						
Rate	0.55	0.55	0.30	0.30	<0.90	0.29
<b>Natural gas (5-year average per million exposed)</b>						
Rate	0.00	0.00	0.00	0.00	<0.70	0.00
<b>DATE OF DATA</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2014</b>
<b>50% reduction on asbestos disease by 2040</b>						
Number of mesothelioma fatalities <sup>Y</sup>	94	71	75	90	≤92 <sup>Z</sup>	84
<b>DATE OF DATA</b>		<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2017</b>
<b>Harm reduction in priority sectors</b>						
<b>Work-related injuries resulting in more than a week away from work (per 1,000 FTEs)<sup>AA</sup></b>						
Forestry and logging rate		23.7	15.3	16.7	<2016/17	18.6
Agriculture rate		21.7	22.4	20.0	<2016/17	19.5
Construction rate		20.1	19.6	20.2	<2016/17	19.9
Manufacturing rate		20.2	19.5	20.5	<2016/17	18.8

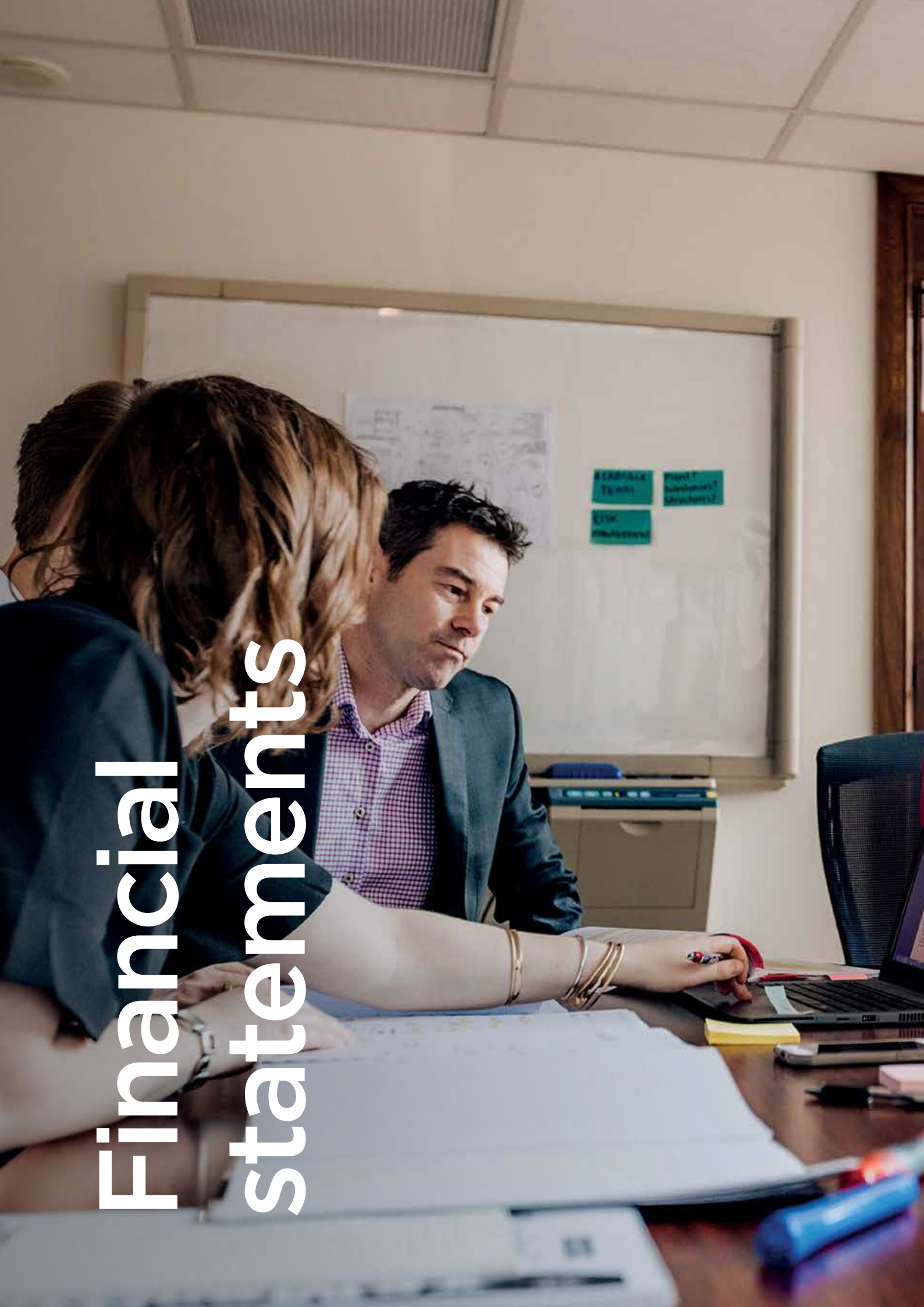
<sup>(P)</sup> Provisional.

<sup>34</sup> Note that WorkSafe now reports this measure with the data that was reported in the financial year in question, rather than the latest available results at time of publication. The results from previous years have been re-categorised on this basis.

## Data sources

- <sup>A</sup> WorkSafe Assessments data. Assessment inspectorate managers and inspectors undertaking engagement initiatives and/or presentations where there are opportunities to improve health and safety performance or address risks to health and safety.
- <sup>B</sup> WorkSafe Assessments data. Note that there was no target set for this measure in 2015/16 and in 2016/17 the target was 30%.
- <sup>C</sup> WorkSafe Assessments data.
- <sup>D</sup> WorkSafe Assessments data.
- <sup>E</sup> Service Excellence Survey (SES), undertaken December 2017-March 2018. The SES surveys workers and employers who have directly interacted with WorkSafe and covers all sectors (2017/18 n=526). In order to have each year's results comparable, all results from the SES come from the module/section of the survey that interviews people (employers, employees and self-employed) who have had recent contact with a WorkSafe Health and Safety Inspector during an assessment or investigation. NB: to make the 2017/18 results comparable with previous years', the results for people only interacting with WorkSafe about an issue or incident relating to the previous Hazardous Substances and New Organisms regulatory regime are excluded because this group was surveyed separately in previous years.
- <sup>F</sup> WorkSafe Investigations data.
- <sup>G</sup> WorkSafe Legal data.
- <sup>H</sup> WorkSafe Energy Safety data.
- <sup>I</sup> SES.
- <sup>J</sup> Health and Safety Attitudes and Behaviours Survey (A&B Survey), undertaken October 2017-January 2018. The A&B Survey is of people in our four priority sectors (agriculture, forestry, construction and manufacturing, as well as a control group) who may or may not have had any interaction with WorkSafe (2017/18 n=3,281 workers [including self-employed people], 1,900 employers).
- <sup>K</sup> A&B Survey.
- <sup>L</sup> A&B Survey.
- <sup>M</sup> A&B Survey. Note that respondents are those who were involved in a closed WorkSafe investigation from 1 October 2017 to 31 January 2018.
- <sup>N</sup> SES.
- <sup>O</sup> SES.
- <sup>P</sup> National Survey of Employers (NSE), undertaken January-April 2018. (2018 n=2,359).
- <sup>Q</sup> A&B Survey.
- <sup>R</sup> WorkSafe High Hazard Unit data.
- <sup>S</sup> Stats NZ, October 2017.
- <sup>T</sup> Stats NZ, October 2017.
- <sup>U</sup> Note that this target was re-calculated in October 2017 due to a revision of the whole data series, including the baseline, by Stats NZ. The percentage from baseline remains the same.
- <sup>V</sup> Stats NZ, October 2017.
- <sup>W</sup> WorkSafe data.
- <sup>X</sup> WorkSafe Energy Safety, Stats NZ (population and dwelling numbers) and MBIE (Energy file) data. Progress reported using five-year averages by calendar year. Note that 100% of the population is exposed to electricity; an estimated 75% of the population is exposed to LPG; and an estimated 15% of the population is exposed to natural gas. More up to date data was provided by the time this Annual Report was published. It shows that in the period 2013-17 the fatality rates were 0.13 (Electricity), 0.23 (LPG) and 0.00 (Natural gas), in line with the continually reducing trend.
- <sup>Y</sup> Mesothelioma mortality data, Ministry of Health. The baseline set for this indicator is the average number of mesothelioma deaths between 2009-2011. There is a three-year lag in reporting against this indicator. Note that the majority of mesothelioma deaths are attributable to work-related asbestos exposure, but some are due to non-work-related exposure. The work-related attributable fraction is very high (80-95%). Mesothelioma deaths are used as an indicator of WorkSafe's broader area of interest in work-related asbestos deaths and trends.
- <sup>Z</sup> WorkSafe's estimates in July 2017 indicated that the number of mesothelioma deaths would increase to approximately 92 for the 2014 year. This estimate was calculated based on linear extrapolation of mesothelioma deaths since 2000. The 2014 'target' was updated to reflect this projected increase and expected result.
- <sup>AA</sup> WorkSafe's System for Work-related Injury Forecasting and Targeting (SWIFT). SWIFT uses ACC work-related injury claims data combined with WorkSafe's notifications data. Note that some data reported in previous years has been revised, primarily reflecting improvements in the collection of injury data.

# Financial statements







LOCKED AT ALL  
TIMES  
PLEASE BRING THE KEYS  
TO THE ROOM

## Statement of comprehensive revenue and expense for the year ended 30 June 2018

\$000	NOTES	ACTUAL 2018	BUDGET 2018	ACTUAL 2017
<b>Revenue</b>				
Funding from the Crown	2	93,837	93,837	88,732
Interest revenue	2	821	400	592
Other revenue	2	3,514	5,153	3,408
<b>Total revenue</b>		<b>98,172</b>	<b>99,390</b>	<b>92,732</b>
<b>Expenditure</b>				
Personnel costs	3	62,765	67,060	60,162
Other expenses	4	30,440	29,581	30,450
Depreciation and amortisation expense	8, 9	1,760	2,315	1,032
Asset impairment	9	1,162	-	6,092
<b>Total expenditure</b>		<b>96,127</b>	<b>98,956</b>	<b>97,736</b>
<b>SURPLUS/(DEFICIT)</b>		<b>2,045</b>	<b>434</b>	<b>(5,004)</b>
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE</b>		<b>2,045</b>	<b>434</b>	<b>(5,004)</b>

Explanations of major variances against budget are provided in note 20.

*The accompanying notes form part of these financial statements.*

## Statement of financial position as at 30 June 2018

\$000	NOTES	ACTUAL 2018	BUDGET 2018	ACTUAL 2017
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	5	7,206	3,747	654
Receivables and payments	6	915	500	2,031
Investments	7	27,000	16,500	18,000
<b>TOTAL CURRENT ASSETS</b>		<b>35,121</b>	<b>20,747</b>	<b>20,685</b>
<b>Non-current assets</b>				
Property, plant and equipment	8	4,198	5,774	4,691
Intangible assets	9	7,133	12,114	3,111
<b>TOTAL NON-CURRENT ASSETS</b>		<b>11,331</b>	<b>17,888</b>	<b>7,802</b>
<b>TOTAL ASSETS</b>		<b>46,452</b>	<b>38,635</b>	<b>28,487</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Payables	10,12	5,224	6,750	5,700
Revenue in advance	2	7,294	-	353
Employee entitlements	11	4,082	3,750	4,089
<b>TOTAL CURRENT LIABILITIES</b>		<b>16,600</b>	<b>10,500</b>	<b>10,142</b>
<b>Non-current liabilities</b>				
Employee entitlements	11	748	740	840
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>748</b>	<b>740</b>	<b>840</b>
<b>TOTAL LIABILITIES</b>		<b>17,348</b>	<b>11,240</b>	<b>10,982</b>
<b>NET ASSETS</b>		<b>29,104</b>	<b>27,395</b>	<b>17,505</b>
<b>Equity</b>				
Capital reserves	15	25,934	19,832	16,380
Memorandum accounts	15	610	-	473
Accumulated surplus/(deficit)	15	2,560	7,563	652
<b>TOTAL EQUITY</b>		<b>29,104</b>	<b>27,395</b>	<b>17,505</b>

Explanations of major variances against budget are provided in note 20.

*The accompanying notes form part of these financial statements.*

### Statement of changes in equity for the year ended 30 June 2018

\$000	NOTES	ACTUAL 2018	BUDGET 2018	ACTUAL 2017
Balance at 1 July		17,505	17,409	22,509
Total comprehensive revenue and expense		2,045	434	(5,004)
<b>Owner transactions</b>				
Capital contribution		9,554	9,552	-
<b>BALANCE AT 30 JUNE</b>		<b>29,104</b>	<b>27,395</b>	<b>17,505</b>

Explanations of major variances against budget are provided in note 20.

*The accompanying notes form part of these financial statements.*

## Statement of cash flows for the year ended 30 June 2018

\$000	NOTES	ACTUAL 2018	BUDGET 2018	ACTUAL 2017
<b>Cash flows from operating activities</b>				
Receipts from the Crown		93,837	93,837	88,732
Interest received		782	400	527
Receipts from other revenue		11,208	4,963	3,400
Payments to suppliers		(30,423)	(28,009)	(30,982)
Payments to employees		(62,610)	(67,243)	(59,612)
GST (net)		2	-	97
<b>Net cash flow from operating activities</b>		<b>12,796</b>	<b>3,948</b>	<b>2,162</b>
<b>Cash flows from investing activities</b>				
Receipts from sale of property, plant and equipment		270	397	111
Purchase of property, plant and equipment		(870)	(2,439)	(937)
Purchase of intangible assets		(6,198)	(10,199)	(4,157)
Payment for new term deposits		(9,000)	(1,500)	1,000
<b>Net cash flow from investing activities</b>		<b>(15,798)</b>	<b>(13,741)</b>	<b>(3,983)</b>
<b>Cash flows from financing activities</b>				
Capital contribution		9,554	9,552	-
<b>Net cash flow from financing activities</b>		<b>9,554</b>	<b>9,552</b>	<b>-</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>6,552</b>	<b>(241)</b>	<b>(1,821)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>654</b>	<b>3,988</b>	<b>2,475</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>7,206</b>	<b>3,747</b>	<b>654</b>

Explanations of major variances against budget are provided in note 20.

*The accompanying notes form part of these financial statements.*

## Reconciliation of net surplus/(deficit) to net cash flow from operating activities

\$000	ACTUAL 2018	ACTUAL 2017
<b>Net surplus</b>	<b>2,045</b>	<b>(5,004)</b>
<b>Add/(Less) non-cash items</b>		
Depreciation expense	1,760	1,032
<b>Total non-cash items</b>	<b>1,760</b>	<b>1,032</b>
<b>Add/(Less) items classified as investing or financing activities</b>		
(Gains)/losses on disposal of property, plant and equipment	49	(4)
(Gains)/losses on impairment of property, plant and equipment	1,162	6,092
<b>Total items classified as investing or financing activities</b>	<b>1,211</b>	<b>6,088</b>
<b>Add/(Less) movements in statement of financial position items</b>		
(Increase)/Decrease in receivables	828	361
(Increase)/Decrease in prepayments	118	244
Increase/(Decrease) in payables	(8)	(473)
Increase/(Decrease) in revenue in advance	6,941	(434)
Increase/(Decrease) in employee entitlements	(99)	349
<b>Net movements in working capital items</b>	<b>7,780</b>	<b>47</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>12,796</b>	<b>2,162</b>

*The accompanying notes form part of these financial statements.*

# Notes to the financial statements

## 1. Statement of accounting policies

### REPORTING ENTITY

WorkSafe New Zealand is a Crown Agent as defined by the *Crown Entities Act 2004*, was established on 16 December 2013 and is domiciled and operates in New Zealand. The relevant legislation governing WorkSafe's operations includes the *Crown Entities Act 2004* and the *WorkSafe New Zealand Act 2013*. WorkSafe's ultimate parent is the New Zealand Crown. WorkSafe is funded primarily by government through Vote Labour Market.

WorkSafe's primary objective is to provide public services to the New Zealand public, as opposed to making a financial return. Accordingly, WorkSafe has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements for WorkSafe are for the 12 months ended 30 June 2018 and were approved by the Board on 31 October 2018.

### BASIS OF PREPARATION

The financial statements have been prepared on a going-concern basis and the accounting policies have been applied consistently throughout the period.

### Statement of compliance

The financial statements of WorkSafe have been prepared in accordance with the requirements of the *Crown Entities Act 2004*, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

These financial statements have been prepared in accordance with Tier 1 PBE accounting standards and they comply with PBE accounting standards.

### Measurement base

The financial statements have been prepared on a historical cost basis, except for some non-financial assets and liabilities, which are stated at fair value.

### Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000), unless otherwise stated. The functional currency of WorkSafe is New Zealand dollars (NZ\$).

### STANDARDS ISSUED AND NOT YET EFFECTIVE AND NOT EARLY ADOPTED

Standards and amendments issued but not yet effective that have not been early adopted (and which are relevant to WorkSafe) are:

#### PBE IFRS 9 Financial Instruments

*Financial Instruments* is a new standard on the accounting for financial instruments. This standard introduces a new model for classifying and measuring financial assets, a new and forward-looking impairment model based on expected credit loss, and a new hedge accounting model allows for a wider range of risk management strategies to be accounted for as hedges.

The standard is effective for periods beginning on or after 1 January 2021. However, early adoption is allowed. Due to the Treasury's decision to adopt this standard early, WorkSafe will be required to apply this standard for the year beginning 1 July 2018. WorkSafe has not yet assessed the effects of the new standard.

### SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a particular note are outlined below and have been applied consistently to all periods presented in these financial statements.

#### Foreign currency

Foreign currency transactions are translated into New Zealand dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

#### GOOD AND SERVICES TAX (GST)

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, Inland Revenue is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, Inland Revenue (including the GST relating to investing and financing activities) is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

### INCOME TAX

WorkSafe is a public authority and consequently is exempt from the payment of income tax. Accordingly, no charge for income tax has been provided for.

### BUDGET FIGURES

The budget figures are derived from the *Statement of Performance Expectations 2017/18* as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

### CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements we have made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed reasonable under the circumstances. There are no critical assumptions to detail specifically.

## 2. Revenue

The specific accounting policies for significant revenue items are explained below:

### Funding from the Crown

WorkSafe is primarily funded through revenue received from the Crown, which is restricted in its use for the purpose of WorkSafe meeting its objectives as specified in its Statement of Performance Expectations and Statement of Intent. Revenue from the Crown is recognised as revenue when earned and is reported in the financial period to which it relates.

### Provision of services

Services provided to third parties on commercial terms are exchange transactions. Revenue from these services is recognised in proportion to the stage of completion at balance date. The liabilities is shown in the statement of financial position as revenue in advance.

### Interest revenue

Interest revenue is recognised by accruing on a time proportion basis the interest due for the investment.

### Rental revenue

Lease receipts under an operating sublease are recognised as revenue on a straight-line basis over the lease term.

### OTHER REVENUE

\$000	ACTUAL 2018	ACTUAL 2017
Safety case revenue	437	175
ACC funding	1,838	2,079
Rent from sub-lease	541	381
Registration fees collected	275	376
Other revenue	423	397
<b>TOTAL OTHER REVENUE</b>	<b>3,514</b>	<b>3,408</b>



Funding from ACC projects and Safety Case reviews for Major Hazard Facilities is recognised in proportion to the stage of completion at balance date. The liability is shown in the statement of financial position as revenue in advance.

## REVENUE IN ADVANCE

\$000	ACTUAL 2018	ACTUAL 2017
Safety case revenue	2,719	-
ACC funding	4,533	353
Rent from sub-leases	42	-
<b>TOTAL REVENUE IN ADVANCE</b>	<b>7,294</b>	<b>353</b>

## 3. Personnel costs

### SUPERANNUATION SCHEMES

#### Defined contribution schemes

Employer contributions to KiwiSaver, the Government Superannuation Fund and the State Sector Retirement Savings Scheme are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

#### Defined benefit schemes

WorkSafe makes employer contributions to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme the extent to which the surplus/deficit in the plan will affect future contributions by individual employers, because there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

### PERSONNEL COSTS

\$000	ACTUAL 2018	ACTUAL 2017
Salaries and wages	53,245	49,080
Defined contribution plan employer contributions	1,767	1,586
Increase/(decrease) in net leave provision	(183)	238
Other personnel-related costs	3,464	2,545
Contractors	4,166	6,428
Restructuring costs	306	285
<b>TOTAL PERSONNEL COSTS</b>	<b>62,765</b>	<b>60,162</b>

#### Employee remuneration

	ACTUAL 2018	ACTUAL 2017
<b>Total remuneration paid or payable</b>		
\$100,000-\$109,999	24	24
\$110,000-\$119,999	24	29
\$120,000-\$129,999	43	36
\$130,000-\$139,999	18	20

	ACTUAL 2018	ACTUAL 2017
\$140,000-\$149,999	15	10
\$150,000-\$159,999	14	4
\$160,000-\$169,999	10	6
\$170,000-\$179,999	9	7
\$180,000-\$189,999	8	4
\$190,000-\$199,999	6	8
\$200,000-\$209,999	1	2
\$210,000-\$219,999	2	2
\$220,000-\$229,999	3	2
\$230,000-\$239,999	2	2
\$240,000-\$249,999	2	1
\$250,000-\$259,999	1	1
\$260,000-\$269,999	1	2
\$270,000-\$279,999	0	2
\$280,000-\$289,999	0	0
\$290,000-\$299,999	0	0
\$300,000-\$309,999	0	0
\$310,000-\$319,999	1	1
\$320,000-\$329,999	0	0
\$330,000-\$339,999	0	0
\$340,000-\$349,999	0	0
\$350,000-\$359,999	0	0
\$360,000-\$369,999	0	0
\$370,000-\$379,999	0	0
\$380,000-\$389,999	0	0
\$390,000-\$399,999	1	0
<b>TOTAL EMPLOYEES</b>	<b>185</b>	<b>163</b>

During the year ended 30 June 2018 there were two hurt and humiliation payments amounting to \$16,000 (2016/17 \$Nil) and sixteen cessation and settlement payments amounting to \$370,204 (2016/17 \$419,503).

#### Key management personnel compensation

	ACTUAL 2018	ACTUAL 2017
<b>Board members</b>		
Remuneration (\$000)	177	180
FTE members <sup>35</sup>	0.98	0.96
<b>Leadership members</b>		
Remuneration (\$000)	2,411	2,520
FTE members	8.33	9.29
<b>TOTAL KEY MANAGEMENT PERSONNEL REMUNERATION (\$000)</b>	<b>2,588</b>	<b>2,700</b>

<sup>35</sup> Board member FTE calculations are based on the assumptions noted in Cabinet Office Circular CO (12) 06.

Key management personnel include all Board members, the Chief Executive and members of the WorkSafe Senior Leadership Team.

#### 4. Other expenses

\$000	ACTUAL 2018	ACTUAL 2017
Fees to Audit New Zealand for Audit of financial statements	79	77
Staff travel	4,491	4,097
Advertising, publicity and sponsorship	1,829	1,870
Consultancy	6,002	6,427
Fees to Board members	177	178
Fees to Advisory Board members	89	106
ICT costs and technical support	952	862
Legal services	951	958
Shared services provided by MBIE <sup>36</sup>	6,893	6,644
Levy Collection (services paid to ACC)	869	869
Other expenses	2,715	2,837
Rental and leasing costs	4,591	4,864
Loss on sale of assets	49	-
Other property costs	753	661
<b>TOTAL OTHER EXPENSES</b>	<b>30,440</b>	<b>30,450</b>

#### Operating leases

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to WorkSafe are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the lease.

#### BOARD AND COMMITTEE REMUNERATION

##### Board members remuneration

\$000	ACTUAL 2018	ACTUAL 2017
Professor Gregor Coster (Chair), CNZM	31.9	45.0
Ross Wilson (Deputy Chair)	33.0	28.1
Christopher Ellis	22.5	22.5
Kerry Prendergast, CNZM	-	11.2
Paula Rose, QSO	22.5	22.5
Dr Jan White	22.5	22.5
Stephen Reindler	22.5	13.1
Nikki Davies-Colley	22.5	13.1
Ruth Smithers <sup>37</sup>	-	-
<b>TOTAL BOARD MEMBER REMUNERATION</b>	<b>177.4</b>	<b>178.0</b>

<sup>36</sup> MBIE provides support as part of our service-level agreement and this includes ICT, property services and accounting services.

<sup>37</sup> Ruth Smithers was not a Board member, but an adjunct observer and contributor to the Board as part of the Future Directors programme. She commenced in February 2017 for a one year term.

Changes from routine rotation of the Board occurred during the year, including Professor Gregor Coster resigning from the Board in March 2018; Ross Wilson commencing as acting Chair from March 2018; and Kerry Prendergast resigning from the Board in December 2016.

WorkSafe had Directors' and Officers' Liability and Professional Indemnity insurance cover during the financial year in respect of the liability and costs of Board members and employees.

No Board members received compensation or other benefits in relation to cessation (2016/17 \$Nil).

The Audit, Risk and Finance Committee is a sub-committee of the WorkSafe Board and Board members are not paid separately in addition to Board fees, except for Neil Stiles (Independent Chair), who was paid \$10,800 (2016/17 \$10,800).

There have been no payments made to committee members appointed by the Board who are not Board members during the financial year.

### Fees to Committee members

The following are fees over \$1,000 paid or payable to individual committee members:

\$000	ACTUAL 2018	ACTUAL 2017
<b>Occupational Health Advisory Group remuneration</b>		
George Adams (Chair)	1	6
Glenys Barker	-	2
Suzanne Broadbent	-	3
Associate Professor Ian Laird	-	3
Dr David McLean (fees paid to Massey University)	-	2
Dr Jim McLeod	-	2
<b>Total Occupational Health Advisory Group remuneration<sup>38</sup></b>	<b>1</b>	<b>18</b>
<b>Mining Board of Examiners remuneration</b>		
Stephen Bell	5	4
Michelle Crompton (fees paid to MITO)	5	5
Steven Ellis	-	4
Andy Loader	-	2
Bernie O'Leary	5	6
Marianne Rogers	6	4
Iain Simmons	-	2
Craig Smith	2	8
Dave Stewart	7	7
Professor John St George	2	4
Dean Torstonson	-	1
Ray Urquhart	-	5
Gordon Laing	4	5
Timothy Kennedy	6	-
Stephen George	5	-

<sup>38</sup> The Occupational Health and Advisory Group had one meeting in the financial year, with majority of fees below the \$1,000 disclosure threshold. As such, a decision was made that the group will meet on an annual basis and will be renamed as the Work-related Health Advisory Group going forward.

\$000	ACTUAL 2018	ACTUAL 2017
Brian Bouzaid	2	-
Garth Elliott	2	-
Rory Bishop	2	-
Neil Kydd	2	-
Raymond Haley	1	-
Paul Feaver	1	-
Jonathan Edwards	1	-
Darcy Maddern	1	-
Johannes Baker	1	-
Mike Higgins	1	-
Paul Matheson	1	-
<b>Total Mining Board of Examiners remuneration</b>	<b>62</b>	<b>57</b>
<b>Extractives Industry Advisory Group</b>		
Gavin Taylor (Chair)	4	8
Jonathan Edward	-	3
Tony Hunter	-	4
Tony King (fees paid to Solid Energy)	-	1
Jim Knowles	1	3
Les McCracken	2	3
Bernard O'Leary	1	-
Maxwell Murray	-	3
Craig Smith	-	3
Dave Stewart	2	2
Ged O'Connell	2	1
<b>Total Extractives Industry Advisory Group remuneration</b>	<b>12</b>	<b>31</b>
<b>TOTAL COMMITTEE MEMBER REMUNERATION</b>	<b>75</b>	<b>106</b>

## 5. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks and other short-term, highly liquid investments with original maturities of three months or less.

### CASH AND CASH EQUIVALENTS

\$000	ACTUAL 2018	ACTUAL 2017
Cash at bank and on hand	7,206	654
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>7,206</b>	<b>654</b>

Cash at bank earns interest at rates set from time to time by the banks with which we bank and invest. The carrying value of cash at bank approximates their fair value.

## 6. Receivables and Prepayments

Debtors and other receivables are measured at fair value, less any provision for impairment. A receivable is considered impaired when there is evidence that WorkSafe will not be able to collect the amount due. The amount of the impairment is the difference between the carrying amount of the receivable and the present value of the amount expected to be collected.

### RECEIVABLES AND PREPAYMENTS

\$000	ACTUAL 2018	ACTUAL 2017
<b>Receivables</b>		
<b>Total receivables comprises:</b>		
Prepayments	132	250
Receivables from the sales of goods and services (exchange transactions)	783	1,781
<b>TOTAL RECEIVABLES</b>	<b>915</b>	<b>2,031</b>

The carrying amount of receivables approximates the fair value. There is a \$36,000 impairment provision for receivables (2016/17 \$Nil).

The ageing profile of receivables at year end is detailed below:

\$000	2018			2017		
	GROSS	IMPAIRMENT	NET	GROSS	IMPAIRMENT	NET
Current	744	-	744	1,695	-	1,695
31-60 days	5	-	5	6	-	6
61-90 days	2	-	2	15	-	15
Over 90 days	68	(36)	32	65	-	65
<b>TOTAL</b>	<b>819</b>	<b>(36)</b>	<b>783</b>	<b>1,781</b>	<b>-</b>	<b>1,781</b>

All receivables greater than 30 days are considered to be past due.

## 7. Investments

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and shown as receivable.

### INVESTMENTS

\$000	ACTUAL 2018	ACTUAL 2017
<b>Current portion</b>		
Term deposits	27,000	18,000
<b>TOTAL CURRENT INVESTMENTS</b>	<b>27,000</b>	<b>18,000</b>

There is no impairment provision for investments.

The carrying amount of term deposits with maturities less than 12 months approximates their fair value.

## 8. Property, plant and equipment

The property, plant and equipment asset classes consist of furniture and office equipment (including building fit-outs), computer hardware, and motor vehicles. Property, plant and equipment are shown at cost, less any accumulated depreciation and impairment losses.

The cost of an item of property, plant or equipment is recognised as an asset only when it is probable that the future economic benefits or service potential associated with the item will flow to WorkSafe and the cost of the item can be measured reliably. Work in progress is recognised at cost less impairment and is not depreciated.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that the future economic benefits or service potential associated with the item will flow to WorkSafe and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive revenue and expenses as they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amounts of the assets. Gains and losses on disposals are included in the statement of comprehensive revenue and expenses.

### Depreciation

Depreciation is calculated using the straight-line basis at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of asset have been estimated as below.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

The residual value and useful life of an asset are reviewed, and adjusted if applicable, at each financial year end.

### IMPAIRMENT OF NON-FINANCIAL ASSETS

WorkSafe does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

Property, plant and equipment and intangible assets that have finite useful lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. Value in use is determined using an approach based on a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and the availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

## PROPERTY, PLANT AND EQUIPMENT

\$000	FURNITURE AND OFFICE EQUIPMENT	COMPUTER HARDWARE	MOTOR VEHICLES	WORK IN PROGRESS	TOTAL
<b>Cost or valuation</b>					
Balance at 1 July 2016	1,823	17	6,738	-	8,578
Additions	171	-	87	421	679
Disposals	-	-	(245)	-	(245)
<b>Balance at 30 June 2017</b>	<b>1,994</b>	<b>17</b>	<b>6,580</b>	<b>421</b>	<b>9,012</b>
Balance at 1 July 2017	1,994	17	6,580	421	9,012
Additions	-	-	-	482	482
Disposals	-	-	(489)	-	(489)
Transfers from work in progress	561	-	270	(831)	-
<b>Balance at 30 June 2018</b>	<b>2,555</b>	<b>17</b>	<b>6,361</b>	<b>72</b>	<b>9,005</b>
<b>Accumulated depreciation and impairment losses</b>					
Balance at 1 July 2016	1,360	17	2,418	-	3,795
Depreciation expense	113	-	602	-	715
Elimination on disposal	-	-	(189)	-	(189)
<b>Balance at 30 June 2017</b>	<b>1,473</b>	<b>17</b>	<b>2,831</b>	<b>-</b>	<b>4,321</b>
Balance at 1 July 2017	1,473	17	2,831	-	4,321
Depreciation expense	206	-	621	-	827
Elimination on disposal	-	-	(341)	-	(341)
<b>Balance at 30 June 2018</b>	<b>1,679</b>	<b>17</b>	<b>3,111</b>	<b>-</b>	<b>4,807</b>
<b>Carrying amounts</b>					
Balance at 30 June 2016	463	-	4,320	-	4,783
Balance at 30 June 2017	521	-	3,749	421	4,691
<b>BALANCE AT 30 JUNE 2018</b>	<b>876</b>	<b>-</b>	<b>3,250</b>	<b>72</b>	<b>4,198</b>

## ASSET CLASS

## DEPRECIATION METHOD

Furniture and office equipment

General: 5 years 20% straight-line (SL)

Leasehold improvements: The shorter of 10 years 10% SL or the remaining term of the lease of the building that has been fitted out

Computer hardware

4 years 25% SL

Motor vehicles

6 years 16.67% SL

No impairment losses were recorded in 2017/18.

There are no restrictions over the titles of WorkSafe's property, plant and equipment. No items of property, plant and equipment are pledged as security for liabilities.

WorkSafe does not own land or buildings. There was work in progress for leasehold improvements of \$72,000 at 30 June 2018 (30 June 2017 \$421,030).



## 9. Intangible assets

### SOFTWARE ACQUISITION AND DEVELOPMENT

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

The cost of internally-generated computer software represents expenditure incurred in the development phase of the software only. The development phase occurs after the following can be demonstrated: technical feasibility; ability to complete the asset; intention and ability to sell or use the asset; and development expenditure can be reliably measured. Expenditure incurred on the research of an internally-generated intangible asset is expensed when it is incurred. When the research phase cannot be distinguished from the development phase, the expenditure is expensed when it is incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

### AMORTISATION

Amortisation begins when an asset is available for use and ceases at the date that the asset is de-recognised. The amortisation charge for each period is recognised in the statement of comprehensive revenue and expense.

### INTANGIBLE ASSETS

\$000	ACQUIRED SOFTWARE	INTERNALLY -GENERATED SOFTWARE	WORK IN PROGRESS	TOTAL
<b>Cost or valuation</b>				
Balance at 1 July 2016	3,895	5,337	-	9,232
Additions	89	1,595	2,429	4,113
Disposals	(51)	-	-	(51)
Impairments	-	(6,092)	-	(6,092)
<b>Balance at 30 June 2017</b>	<b>3,933</b>	<b>840</b>	<b>2,429</b>	<b>7,202</b>
Balance at 1 July 2017	3,933	840	2,429	7,202
Additions	-	-	6,117	6,117
Impairments	-	-	(1,162)	(1,162)
Transfers from work in progress	40	6,240	(6,280)	-
<b>Balance at 30 June 2018</b>	<b>3,973</b>	<b>7,080</b>	<b>1,104</b>	<b>12,157</b>
<b>Accumulated amortisation and impairment losses</b>				
Balance at 1 July 2016	3,607	167	-	3,774
Amortisation expense	91	226	-	317
<b>Balance at 30 June 2017</b>	<b>3,698</b>	<b>393</b>	<b>-</b>	<b>4,091</b>
Balance at 1 July 2017	3,698	393	-	4,091
Amortisation expense	76	857	-	933
<b>Balance at 30 June 2018</b>	<b>3,774</b>	<b>1,250</b>	<b>-</b>	<b>5,024</b>
<b>Carrying amounts</b>				
Balance at 30 June 2016	288	5,170	-	5,458
Balance at 30 June 2017	235	447	2,429	3,111
<b>BALANCE AT 30 JUNE 2018</b>	<b>199</b>	<b>5,830</b>	<b>1,104</b>	<b>7,133</b>

The useful lives and associated amortisation rates of major classes of intangible asset have been estimated as follows:

ASSET CLASS	DEPRECIATION METHOD
Acquired computer software	2-5 years 20-50% SL
Developed computer software	5-8 years 12.5-20% SL

The impairment relates to the Project Maru payroll and human resources information management system. Both WorkSafe and the provider agreed to disengage from the contract and an impairment for \$1.162 million was made for work already undertaken.

The 2016/17 impairment relates to the Awhina case management system which cost \$6.8 m, but did not fully meet WorkSafe requirements. Of the planned 300 users, 10% of the staff now use the system. Therefore an impairment for \$6.1 m, being 90% of the cost, was made and the remaining \$0.7 m was capitalised.

Other internally-generated software additions relate to the Hazardous Substances Integration, SafePlus online tool and digital platform projects of WorkSafe's ICT Business Capability Programme.

There are no restrictions over the titles of WorkSafe's intangible assets. No intangible assets are pledged as security for liabilities.

Work in progress for 2017/18 for internally-generated software had additions of \$1.104 million as at 30 June 2018 and nil for acquired software. 2016/17 for internally-generated software had additions of \$2.429 million and nil for acquired software.

## 10. Creditors and other payables

### PAYABLES

\$000	ACTUAL 2018	ACTUAL 2017
<b>Payables under exchange transactions</b>		
Creditors	1,816	2,032
Accrued expenses	2,781	2,740
Other	98	174
<b>Total payables under exchange transactions</b>	<b>4,695</b>	<b>4,946</b>
<b>Payables under non-exchange transactions</b>		
Taxes payables (GST, PAYE and rates)	417	415
<b>Total payables under non-exchange transactions</b>	<b>417</b>	<b>415</b>
<b>TOTAL PAYABLES</b>	<b>5,112</b>	<b>5,361</b>

Creditors and other payables are non-interest-bearing and are normally settled within 30 days and their carrying value approximates their fair value.

## 11. Employee entitlements

Employee entitlements WorkSafe expected to be settled within 12 months of balance date are measured at accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date and leave earned but not yet taken at balance date.

WorkSafe recognises a liability and an expense for bonuses where it is contractually obliged to pay them or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

Employee benefits that are due to be settled beyond 12 months after the end of the period in which an employee renders a related service, such as long service leave and retirement leave, have been calculated on an actuarial basis. The calculations are based on likely future entitlements accruing to staff based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, contractual entitlement information and the present value of the estimated future cash flows.

## EMPLOYEE ENTITLEMENTS

\$000	ACTUAL 2018	ACTUAL 2017
<b>Current portion</b>		
Accrued salaries and wages	779	694
Annual leave	2,938	3,213
Retirement and long service leave	365	182
<b>Total current portion</b>	<b>4,082</b>	<b>4,089</b>
<b>Non-current portion</b>		
Retirement and long service leave	748	840
<b>Total non-current portion</b>	<b>748</b>	<b>840</b>
<b>TOTAL EMPLOYEE ENTITLEMENTS</b>	<b>4,830</b>	<b>4,929</b>

Melville Jessup Weaver completed a valuation of liability for the retirement and long service leave that was expected to be accrued by all eligible employees as at 30 June 2018. The amount noted above reflects the revised actuarial calculations provided by them, which are in accordance with PBE International Public Sector Accounting Standard 25 Employee Benefits.

## 12. Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

### RESTRUCTURING

A provision for restructuring is recognised when an approved, detailed, formal plan for the restructuring has been announced publicly to those affected, or its implementation has already begun.

WorkSafe's Chief Executive approved two detailed and formal restructuring plans, which were announced in May 2018 and June 2018. The restructure plans and associated payments are expected to be completed by November 2018. The provision represents the remaining estimated cost for redundancy payments arising from the restructure.

### ONEROUS CONTRACTS

A provision for onerous contracts is recognised when the expected benefits or service potential to be derived from a contract are lower than the unavoidable cost of meeting the obligations under the contract.

The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

WorkSafe has a non-cancellable lease for office space that is no longer used by WorkSafe due to seismic risk. The lease does not expire until 31 August 2018. A provision has been recognised for the obligation of the future rental payments.

**PROVISIONS**

\$000	ACTUAL 2018	ACTUAL 2017
<b>Current portion</b>		
Restructuring	64	-
Onerous lease	48	338
<b>Total current portion</b>	112	338
<b>TOTAL PROVISIONS</b>	112	338

Movements for each class of provision are as follows:

\$000	RESTRUCTURING	ONEROUS LEASE
Opening balance at 1 July 2017	-	338
Additional provisions made	64	-
Amounts used	-	(290)
Unused amounts reversed	-	-
<b>CLOSING BALANCE AS AT 30 JUNE 2018</b>	<b>64</b>	<b>48</b>

**13. Capital commitments and operating leases****CAPITAL COMMITMENTS**

WorkSafe did not have any capital commitments at balance date (2016/17 \$Nil).

**OPERATING LEASES**

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to WorkSafe are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the lease.

**OPERATING LEASES AS LESSEE**

Significant operating commitments are for office rents and car parks. There were no restrictions places on WorkSafe by any of its leasing arrangements.

\$000	ACTUAL 2018	ACTUAL 2017
No later than one year	3,577	2,870
Later than one year and not later than five years	10,813	3,763
Later than five years	1,351	375
<b>TOTAL NON-CANCELLABLE LEASES</b>	<b>15,741</b>	<b>7,008</b>

The above table also includes the rent for offices that WorkSafe leases in regional locations from MBIE.

Total future minimum sublease payments to be received under non-cancellable subleases for office space at balance date are \$0.110 million (2016/17 \$0.381 million).

**14. Contingent assets and liabilities****CONTINGENT LIABILITIES**

Current year contingent liabilities total \$92,000 (2016/17 \$Nil). These matters are sensitive in nature.

**CONTINGENT ASSETS**

There are no contingent assets for the current year (2016/17 \$Nil).

## 15. Equity

\$000	ACTUAL 2018	ACTUAL 2017
<b>Capital reserves</b>		
Balance at 1 July 2017	16,380	16,380
Capital contribution	9,554	-
<b>Balance at 30 June 2018</b>	<b>25,934</b>	<b>16,380</b>
<b>Memorandum accounts</b>		
Opening balance 1 July 2017	473	-
Net Memorandum account surplus for the year	137	473
<b>Balance at 30 June 2018</b>	<b>610</b>	<b>473</b>
<b>Accumulated surplus/(deficit)</b>		
Balance at 1 July 2017	652	6,129
Surplus/(deficit) for the year	2,045	(5,004)
Transfer of net memorandum account accumulated surplus for the year	(137)	(473)
<b>Balance at 30 June 2018</b>	<b>2,560</b>	<b>652</b>
<b>TOTAL EQUITY AT 30 JUNE 2018</b>	<b>29,104</b>	<b>17,505</b>

**MEMORANDUM ACCOUNTS**

Memorandum accounts reflect the cumulative surplus/(deficit) on those departmental services provided that are intended to be cost recovered from third parties through fees, levies, or charges. The balance of each memorandum account is expected to trend towards zero over time.

The levies collected are paid over to the Crown and then received through appropriation.

\$000	TOTAL BALANCE	ACTUAL 2018	ACTUAL 2017
<b>Memorandum accounts</b>			
<b>Major Hazards Facilities levies</b>			
Revenue <sup>39</sup>	4,830	2,636	2,194
Expenditure	(4,064)	(2,370)	(1,694)
<b>Total surplus/(deficit) - levies</b>	<b>766</b>	<b>266</b>	<b>500</b>
<b>Held by</b>			
Ministry of Business, Innovation and Employment (Crown account)	(99)		
WorkSafe	865		
<b>Balance at 30 June 2018 - surplus</b>	<b>766</b>		
<b>Safety case fees</b>			
Revenue	210	109	101
Expenditure	(366)	(238)	(128)
<b>Total surplus/(deficit) - fees</b>	<b>(156)</b>	<b>(129)</b>	<b>(27)</b>

<sup>39</sup> This reflects the total Major Hazard Facilities levies invoiced.

## 16. Related parties

WorkSafe is a wholly owned entity of the Crown.

Related party disclosures have not been made for transactions with related parties that are within normal supplier or client/recipient relationships on terms and conditions no more or less favourable than those that it is reasonable to expect WorkSafe would have adopted in dealing with the parties at arm's length in the same circumstances. Further, transactions with other government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

### SIGNIFICANT TRANSACTIONS WITH GOVERNMENT-RELATED ENTITIES

MBIE provided shared services to WorkSafe in 2017/18 as part of the shared services agreement that exists between the two organisations. Purchases totalling \$10.318 million (2016/17 \$10.184 million) included fees for property, legal services, IT, accounting services and seconded staff members. Owing to the nature of the relationship between WorkSafe and MBIE as our monitoring agency, as well as the inherent cost savings in using shared services, these services may be priced at levels different from those that arm's-length transactions would cost.

MBIE reimbursed WorkSafe costs totalling \$59,298 based on an actual cost basis (2016/17 \$31,186).

ACC has provided funding of \$6.021 million<sup>40</sup> to WorkSafe for the delivery of programmes including the Safer Farms, Safety Star Rating (now SafePlus) and Educative Collateral work (2016/17 \$2.078 million). WorkSafe has paid \$0.869 million (2016/17 \$0.869 million) to ACC for levy collection services.

WorkSafe reimbursed \$145,452 (2016/17 \$425,441) to the EPA for staff seconded to WorkSafe. Payment for the staff was based on actual salary reimbursements. Payments totalling \$15,834 (2016/17 \$38,001) were paid to the EPA for IT support.

## 17. Events after balance date

There were no significant events after balance date that required the financial statements to be adjusted.

## 18. Financial instruments

### FINANCIAL INSTRUMENT CATEGORIES

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

\$000	ACTUAL 2018	ACTUAL 2017
<b>Loans and receivables</b>		
Cash and cash equivalents	7,206	654
Receivables (excluding taxes receivable)	783	1,781
Investments - term deposits	27,000	18,000
<b>Total loans and receivables</b>	<b>34,989</b>	<b>20,435</b>
<b>Financial liabilities measured at amortised cost</b>		
Payables (excluding taxes payable)	4,807	5,638
<b>Total financial liabilities measured at amortised cost</b>	<b>4,807</b>	<b>5,638</b>

<sup>40</sup> Approximately \$4.533 million of this cash received remains as income in advance in 2017/18 (2016/17 \$0.353 million).

## FINANCIAL INSTRUMENT RISK

Our activities expose us to a variety of financial instrument risks, including credit risk and liquidity risk. WorkSafe has policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

## CASH FLOW INTEREST RATE RISK

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates.

WorkSafe has investment policies to manage the risk associated with cash flow interest rate risk. WorkSafe currently has no variable interest rate investments.

## CURRENCY RISK

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

WorkSafe makes purchases of goods and services overseas that require it to enter into transactions denominated in foreign currencies. As a result of these activities, exposure to currency risk arises.

WorkSafe manages foreign currency risks arising from contractual commitments and liabilities by entering into forward foreign exchange contracts to manage the foreign currency risk exposure. During 2018 no forward foreign exchange contracts were entered into by WorkSafe (2016/17 Nil).

## CREDIT RISK

Credit risk is the risk that a third party will default on its obligations to us, causing us to incur loss.

Owing to the timing of our cash inflows and outflows, we invest surplus cash with registered banks.

In the normal course of business, we are exposed to credit risk from cash and term deposits with banks, debtors and other receivables. For each of these, the maximum credit exposure is best represented by the carrying amount in the statement of financial position. We have experienced no defaults of interest or principal payments for term deposits. We hold no collateral or other credit enhancements for financial instruments that give rise to credit risk.

## CREDIT QUALITY OF FINANCIAL ASSETS

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard & Poor's credit ratings:

\$000	ACTUAL 2018	ACTUAL 2017
<b>Counterparties with credit ratings</b>		
Cash at bank and term deposits		
AA-	34,206	18,654
<b>Total cash at bank and term deposits</b>	<b>34,206</b>	<b>18,654</b>
<b>Counterparties without credit ratings</b>		
Debtors and other receivables excluding taxes	783	1,781
<b>TOTAL DEBTORS AND OTHER RECEIVABLES EXCLUDING TAXES</b>	<b>783</b>	<b>1,781</b>

## LIQUIDITY RISK

Liquidity risk is the risk that we will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and the ability to close out market positions. We primarily manage liquidity risk by continually monitoring forecast and actual cash flow requirements.

## CONTRACTUAL MATURITY ANALYSIS OF FINANCIAL LIABILITIES

The table below analyses financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

\$000	ACTUAL 2018	ACTUAL 2017
<b>Payables (excluding taxes payable)</b>		
Carrying amount, Contractual cash flows and Payables less than six months	4,807	5,638

## 19. Capital management

Our capital is equity that comprises accumulated funds. Equity is represented by net assets.

WorkSafe is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which impose restrictions in relation to borrowings, the acquisition of securities, issuing guarantees and indemnities and the use of derivatives. WorkSafe complied with the financial management requirements of the Crown Entities Act 2004 during the year.

We manage our equity as a by-product of prudently managing revenue, expenses, assets, liabilities, investments and general financial dealings to ensure that WorkSafe effectively achieves its objectives and purpose, while remaining a going concern.

## 20. Explanations of major variances against budget

Explanations of major variances from our budgeted figures in the Statement of Performance Expectations are as follows:

### STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

Revenue was lower than the original SPE budget by \$1.2 million, due to:

- \$3.1 million decrease in MHF Safety Case revenue, \$3.2 million revenue budgeted (based on timing of receipts), but only \$0.1 million reflected in the actual results (based on percentage of completion), offset by:
  - \$1.1 million increase due to higher ACC revenue, as limited programme based revenue (and expenditure) was included in the budget.
  - \$0.4 million increase due to higher interest revenue due to higher cash holdings.
  - \$0.4 million increase in other revenue such as new sub-lease revenue for Rotorua and Enforceable Undertakings.

Expenditure was lower than the original SPE budget by \$2.8 million, due to:

- \$4.3 million decrease in personnel expenditure, reflecting a slower recruitment of staff as new operating models have been developed and bedded in.
- \$1.2 million increase due to the impairment of the Project Maru human resources information management/ Payroll system.

### STATEMENT OF FINANCIAL POSITION

#### Assets

- Cash and investments are higher than budgeted due to investment of cash from operating and capital surpluses and income in advance.
- Property, Plant and Equipment and Intangible Assets are under budget due to delays in capital programmes as requirements are worked through, and the impairment of the Project Maru HRIS/Payroll system \$1.2 million (see note 9).

#### Liabilities

- Revenue in advance includes \$3.1 million of Major Hazard Facility Safety Case revenue, as noted above. The remainder is ACC revenue which has been received but work not yet completed.



## Equity

- The higher equity figures reflect the higher surplus.

## STATEMENT OF CASH FLOWS

The variances in the statement of cash flows follow explanations provided for the statement of comprehensive revenue and expense and statement of financial position.

## 21. Cost of service summary

The following tables show the activities of WorkSafe split by Workplace Health and Safety and Energy Safety activities:

\$000	ACTUAL 2018	BUDGET 2018	VARIANCE 2018	ACTUAL 2017	BUDGET 2017	VARIANCE 2017
<b>Health and Safety</b>						
Revenue - Crown	89,423	89,423	-	84,318	83,178	1,140
Revenue - other	4,333	5,553	(1,220)	3,998	7,983	(3,985)
<b>Total revenue</b>	<b>93,756</b>	<b>94,976</b>	<b>(1,220)</b>	<b>88,316</b>	<b>91,161</b>	<b>(2,845)</b>
<b>Expenditure</b>	<b>92,066</b>	<b>94,042</b>	<b>1,976</b>	<b>93,757</b>	<b>93,407</b>	<b>(350)</b>
<b>SURPLUS/(DEFICIT)</b>	<b>1,690</b>	<b>934</b>	<b>756</b>	<b>(5,442)</b>	<b>(2,246)</b>	<b>(3,196)</b>
<b>Energy Safety</b>						
Revenue - Crown	4,414	4,414	-	4,414	4,414	-
Revenue - other	2	-	2	2	-	2
<b>Total revenue</b>	<b>4,416</b>	<b>4,414</b>	<b>2</b>	<b>4,416</b>	<b>4,414</b>	<b>2</b>
<b>Expenditure</b>	<b>4,061</b>	<b>4,914</b>	<b>853</b>	<b>3,978</b>	<b>4,318</b>	<b>340</b>
<b>SURPLUS/(DEFICIT)</b>	<b>355</b>	<b>(500)</b>	<b>855</b>	<b>438</b>	<b>96</b>	<b>342</b>
<b>Total WorkSafe</b>						
Revenue - Crown	93,837	93,837	-	88,732	87,592	1,140
Revenue - other	4,335	5,553	(1,218)	4,000	7,983	(3,983)
<b>Total revenue</b>	<b>98,172</b>	<b>99,390</b>	<b>(1,218)</b>	<b>92,732</b>	<b>95,575</b>	<b>(2,843)</b>
<b>Expenditure</b>	<b>96,127</b>	<b>98,956</b>	<b>2,829</b>	<b>97,736</b>	<b>97,725</b>	<b>(11)</b>
<b>SURPLUS/(DEFICIT)</b>	<b>2,045</b>	<b>434</b>	<b>1,611</b>	<b>(5,004)</b>	<b>(2,150)</b>	<b>(2,853)</b>

## COST ALLOCATION

Where cost allocation is required, WorkSafe has derived the cost of service using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities based on the pro-rata costs of the activities.

The costs of internal services not directly charged to activities are allocated to significant activities based on the pro-rata costs of the activities.

There have been no changes to the cost allocation methodology since the date of the last audited financial statements.

## Statement of budgeted and actual expenses and capital expenditure against appropriations

The following table shows WorkSafe's appropriation:

\$000	ACTUAL 2018	APPROVED APPROPRIATION 2018	ACTUAL 2017
<b>Non-Departmental Output Expenses</b>			
Workplace Health and Safety	92,968	92,968	87,863
Health and Safety in Employment Levy – Collection Services	869	869	869
<b>Total Non-Departmental Output Expenses</b>	<b>93,837</b>	<b>93,837</b>	<b>88,732</b>
<b>Non-Departmental Output Expenses</b>			
WorkSafe capability change programme	9,554	9,552	-
<b>TOTAL NON-DEPARTMENTAL CAPITAL EXPENDITURE</b>	<b>9,554</b>	<b>9,552</b>	<b>-</b>

The Non-Departmental Output Expense appropriation *Workplace Health and Safety* is administered by MBIE and passed across to WorkSafe and treated as Crown Revenue. *The Health and Safety in Employment Levy – Collection Services* appropriation was accounted for in MBIE's financial statements in 2013/14 and has been passed through to WorkSafe since 2014/15.

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# Independent auditor's report

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

## **To the readers of WorkSafe New Zealand's financial statements and performance information for the year ended 30 June 2018**

The Auditor-General is the auditor of WorkSafe New Zealand (WorkSafe). The Auditor-General has appointed me, Ajay Sharma, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information, including the performance information for an appropriation, of WorkSafe on his behalf.

### Opinion

We have audited:

- the financial statements of WorkSafe on pages 82 to 105, that comprise the statement of financial position as at 30 June 2018, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and
- the performance information of WorkSafe on pages 17, 75 to 79 and 105 to 106.

In our opinion:

- the financial statements of WorkSafe on pages 82 to 105:
  - present fairly, in all material respects:
    - › its financial position as at 30 June 2018; and
    - › its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- the performance information on pages 17, 75 to 79 and 105 to 106:
  - presents fairly, in all material respects, WorkSafe's performance for the year ended 30 June 2018, including:
    - › for each class of reportable outputs:
      - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
      - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
    - › what has been achieved with the appropriations; and
    - › the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure.
  - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 31 October 2018. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements and the performance information, we comment on other information and we explain our independence.

## Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Responsibilities of the Board for the financial statements and the performance information

The Board is responsible on behalf of WorkSafe for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board is responsible on behalf of WorkSafe for assessing WorkSafe's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of WorkSafe, or there is no realistic alternative but to do so.

The Board's responsibilities arise from the Crown Entities Act 2004 and the Public Finance Act 1989.

## Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking the information agreed to in WorkSafe's Statement of Performance Expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of WorkSafe's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We evaluate the appropriateness of the reported performance information within WorkSafe's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on WorkSafe's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause WorkSafe to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

## Other information

The Board are responsible for the other information. The other information comprises the information included on pages 4 to 16, 18 to 74 and page 111, but does not include the financial statements and the performance information and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independence

We are independent of WorkSafe in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in WorkSafe.



Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand

## **Direction to support a whole-of-government approach to the New Zealand Business Number**

The New Zealand Business Number (NZBN) is a whole-of-government project that provides each business entity in New Zealand with a unique identifier (a 13-digit number) that can be used in business-to-government and business-to-business transactions. All New Zealand businesses now have NZBNs, and in time they will become the main identifier for businesses.

WorkSafe is one of a number of agencies party to a whole-of-government direction issued on 10 May 2016 setting out requirements for agencies to give effect or have regard to requirements to implement the NZBN<sup>41</sup>. WorkSafe has several ICT activities aligned to the implementation of NZBN. In 2017/18 we began work on defining our information architecture and its impact on systems, including work on our case management system. We have incorporated several changes to our online forms to include the NZBN and future 'customer'-facing environments will include this element. We have also already incorporated the NZBN into the infrastructure of our finance systems.

As we build our technological capability, both directly and with partners like MBIE, the NZBN will be incorporated in new projects and ongoing upgrades/replacements. Several of our systems are also owned or managed by MBIE, which will include NZBN integration activity.

### **Ministerial directions**

No directions were given to WorkSafe by a Minister in writing under any enactment during the year ended 30 June 2018 and no other such directions remain current.

### **Victims' Rights Act 2002**

The Victims Code<sup>42</sup> sets out how people can expect to be treated when they are a victim of crime. One element of the Victims Code explains that victims can make a complaint to the relevant agency if they believe their rights are not being met.

WorkSafe takes victim complaints very seriously. We need to know when people believe their rights have not been met so that we can identify what went wrong and address any concerns – as well as make any improvements needed. During 2017/18, we received three complaints from victims alleging a breach of rights under the Victims' Rights Act 2002. In all cases, WorkSafe worked with the complainant to resolve their concerns and no further action was required.

<sup>41</sup> <https://dpmc.govt.nz/publications/co-16-3-new-zealand-business-number-implementation-requirements>

<sup>42</sup> [www.victiminfo.govt.nz/assets/Publications/Victims-Code.pdf](http://www.victiminfo.govt.nz/assets/Publications/Victims-Code.pdf)









## Disclaimer

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