

# BRIEFING TO THE INCOMING MINISTER

## Workplace Relations and Safety

27 October 2017

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Some redactions have been made to this document, in line with the provisions of the Official Information Act 1982.

*Whāia te iti Kahurangi, me he tuohu koe me he maunga teitei*

*Seek the treasure you value most dearly; if you bow your head, let it be to a lofty mountain*

# 1. Message from the Chair

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On behalf of the WorkSafe New Zealand Board, congratulations on your appointment as Minister for Workplace Relations and Safety. We look forward to working alongside you to lift the performance of health and safety at work and support New Zealand workers to actively strengthen and participate in health and safety in their workplaces.

WorkSafe is a Crown Agent – we are the primary regulator of health and safety at work in New Zealand. WorkSafe’s Board is responsible for WorkSafe’s functions.

We support your work and responsibilities as Minister by advising you on the operation of the health and safety at work system, recommending any changes to improve the system and making any recommendations on WorkSafe’s funding.

WorkSafe is focused on transforming the performance of health and safety at work to reduce the high death, injury and illness rates. Our three key roles – harm prevention, regulatory confidence and system leadership – are at the centre of our work to lift health and safety performance. This work supports New Zealanders to return home from work healthy and safe.

New Zealand has been implementing the most significant reforms to workplace health and safety in more than 20 years. The ‘Working Safer’<sup>A</sup> reforms respond to the recommendations of the Independent Taskforce on Workplace Health and Safety<sup>B</sup>.

One of the Board’s priorities for this year is working with you and the Ministry of Business, Innovation and Employment (MBIE) to deliver the Health and Safety at Work Strategy, which will set out the system, vision, direction and approach for improving health and safety at work. Options are also being explored to improve the harm prevention investment model.

WorkSafe has firm targets and priorities to transform New Zealand’s workplace health and safety performance. WorkSafe’s *Towards 2020* report<sup>C</sup> shows that the rate of fatal and serious injuries continues to decline and remains on track to

meet the target of reducing work-related fatalities and injuries by 25% by 2020.

Strengthening worker engagement, participation and representation and filling critical workforce capability gaps in health and safety are priorities for us. They are key aspects to growing a positive health and safety culture in New Zealand workplaces – strong worker engagement and participation leads to healthier and safer workplaces.

We are targeting drivers of harm in our priority sectors (agriculture, forestry, construction and manufacturing). There are signs of health and safety improvement, but a sustained effort is needed to transform performance in these areas. By working in partnership with industry, businesses, workers and unions we are helping to raise awareness and change health and safety practices in these sectors.

Improving work-related health is a priority for WorkSafe. Through our *Healthy Work* strategic plan<sup>D</sup> we are delivering targeted interventions and programmes designed to improve the management of work-related health risks.

Following the recommendations of the Royal Commission on the Pike River Coal Mine Tragedy<sup>E</sup>, WorkSafe provides regulatory oversight of high hazard sectors. We work closely with the extractives, petroleum and geothermal industries, as well as Major Hazard Facilities, where there is the potential for catastrophic harm to workers and the public.

Our specialist work in Energy Safety is continuing to safeguard people and properties from the dangers of gas and electricity, and is also looking to the future at how New Zealand can safely implement new technologies being developed.

This briefing provides an overview of our work programme and areas of focus. I look forward to meeting with you to discuss your priorities for how WorkSafe can work with you to help deliver improvements that will ensure more New Zealanders are healthy and safe at work.



**Professor Gregor Coster, CNZM**  
Chair, WorkSafe New Zealand Board

## 2. WorkSafe at a glance

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### 2.1. Who we are

WorkSafe was established on 16 December 2013. As a Crown Agent we are a standalone entity, led by a governing Board to deliver our strategic objectives. The Crown Agent role means our Board is made up of people with a broad range of health and safety at work expertise and our operational decisions are made at arm's length from the government. This independent status maintains WorkSafe's consistency and clarity of purpose and gives us credibility as a regulator – while still giving effect to government policy when directed by you as responsible Minister.

As set in legislation, our main objective is to promote and contribute to a balanced framework for securing the health and safety of workers and workplaces, as well as to promote and contribute to the safe supply and use of electricity and gas in New Zealand.

Our mandate is to lift New Zealand's health and safety performance as the regulator for health and safety at work and for energy safety both in homes and at work.

Our Board has seven 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. Our Chief Executive Nicole Rosie is employed by the Board to work collaboratively with WorkSafe's senior leaders and key stakeholders, align work programmes with our strategic goals, and lead WorkSafe's approximately 550 staff (see page 23). We are committed to maintaining open and effective communication between the Board, via the Chair, and you as Minister to ensure a strong working relationship and clear lines of accountability.

### 2.2. Our role

**WorkSafe's vision is that everyone who goes to work comes home healthy and safe.**

WorkSafe's mission is to transform the performance of workplace health and safety to reduce the high death, injury and illness rates arising from work. WorkSafe undertakes work-related health and safety operational functions and MBIE provides policy and regulatory advice and monitors WorkSafe.

WorkSafe's role is to:

- report on the performance of the Health and Safety at Work System
- work with other agencies and partners, particularly our social partners the New Zealand Council of Trade Unions and BusinessNZ
- provide leadership across the System and ensure a tripartite worker, business and government perspective on health and safety at work matters
- carry out a range of harm prevention activities with businesses, workers, worker representatives and ACC (engaging and educating on work-related health and safety)
- provide information, tools and guidance to clarify expectations
- undertake workplace assessments and investigations to encourage improved health and safety, and to monitor compliance and take enforcement action, where appropriate, for serious health and safety failures at work.

We also work with MBIE to:

- provide input from a regulator's perspective into the development of Health and Safety at Work legislation and regulation
- provide an Energy Safety perspective to the Minister of Energy and Resources
- give ongoing feedback on the workability of the regulatory regime and its funding
- jointly design the Health and Safety at Work Strategy for New Zealand with you.



## 2.3. What we aim to achieve

Every year, an estimated 600-900 people die prematurely as a result of work-related ill-health<sup>F</sup> and around 60 people are killed in work incidents. The Pike River Tragedy was New Zealand's most recent catastrophic event, with 29 workers losing their lives. The risk of further catastrophic events remains. The economic loss to New Zealand from deaths, injuries and ill-health arising from work is estimated at \$3.5 billion a year – but the real cost is paid by the families, friends and co-workers of people killed, seriously injured or suffering from work-related ill-health.

Our long-term goals are to achieve a reduction in work-related fatalities and serious injuries of 25% by 2020, zero catastrophic harm events, a downward trend in fatalities from electricity and gas accidents and a 50% reduction in deaths from asbestos-related disease by 2040.

## 2.4. How we undertake our work

We work with others to achieve the vision set out in our Strategic Framework (see page 10). Our core roles are harm prevention, regulatory confidence and system leadership.



We primarily support workplaces to be safe and healthy by helping PCBU<sup>1</sup> effectively identify and manage their critical risks. We influence system change by targeting our effort where we can make the biggest impact and difference, balancing a mix of education, engagement and enforcement levels.

We lead and work alongside a number of other health and safety system players to influence improved performance – including businesses, workers, unions, other government agencies, industry associations and the skills system.

- **Harm prevention:** Targeting risk (acute, chronic and catastrophic) and delivering interventions which change attitudes and behaviours and reduce harm.
- **Regulatory confidence:** Providing confidence that workplaces are managing their health and safety, confidence in WorkSafe as the regulator and confidence in the effectiveness of the health and safety at work regime.
- **System leadership:** Leading, influencing and leveraging the health and safety system to improve outcomes, promoting and supporting leadership from within the system (including other regulators) and leading by example within WorkSafe.

<sup>1</sup> A person conducting a business or undertaking. While a PCBU may be an individual person or an organisation, in most cases the PCBU will be an organisation (e.g. a business entity such as a company).

### 3. Current matters

#### 3.1. Opportunities and issues

*Below are short descriptions of immediate matters that may be of interest to you, which will be covered in more detail in separate briefings. Information on any other matters can be provided at your request, including advice from WorkSafe to support discussions on new Government initiatives.*

Subject	Description
<b>Priority issues</b>	
<b>Health and Safety at Work Strategy</b>	<p>The Health and Safety at Work Act 2015 (HSWA) section 195 requires you to publish a HSW Strategy setting out the Government's overall direction in improving the health and safety of workers. The HSW Strategy must be developed jointly with WorkSafe.</p> <p>The HSW Strategy will signal the future direction of the health and safety system, providing greater cohesion for how agencies work together. WorkSafe has been working with MBIE on the HSW Strategy and will be seeking your direction on next steps in its development. See page 12 for more details.</p>
<b>Investment model for harm prevention activity</b>	<p>The Accident Compensation Act 2001 requires that injury prevention spend must reduce ACC claims and levy rates. This requirement limits WorkSafe's ability to undertake broader harm prevention in areas that do not financially burden the ACC Scheme – fatalities, work-related disease, catastrophic harm, or injuries occurring in self-insured businesses. Behaviour change campaigns and workforce development initiatives are also difficult to fund because of their more indirect link to claims reduction.</p> <p>This model is not working effectively or efficiently. MBIE will be providing advice and options on improving the effectiveness of the investment model to you by December 2017. WorkSafe believes it is critical the flaws in the model are addressed so that the government's model can effectively deliver broad health and safety outcomes for the system.</p>
<b>Pike River</b>	<p>WorkSafe's role in relation to Pike River is to work with key players and other agencies as the leader of the health and safety at work system, ensure the role of technical experts on health and safety in mining/extractives is represented in discussions, and ensure that those with responsibilities for health and safety at the site know and are meeting their obligations, including those relating to the future safety of the public.</p> <p>WorkSafe is continuing to work with MBIE (lead agency for Pike River matters) in particular. The Pike River site is subject to a HSWA Improvement Notice relating to the sealing of the entrance.</p>
<b>Forestry</b>	<p>Forestry remains a priority area for WorkSafe, given it continues to have an unacceptably high rate of serious injuries and deaths (despite a 40% improvement in rates of serious injury since 2012).</p> <p>There have been five fatalities to date in 2017 and a 'levelling off' of the safety performance improvement over the last 12 months. There are critical risk areas in forestry, and WorkSafe has been working closely with the industry on improving health and safety performance. WorkSafe has a comprehensive intervention programme that will move into a third stage of delivery in 2018.</p>
<b>Agriculture</b>	<p>New Zealand employs a significant number of people undertaking animal farming and crop growing. The agriculture sector is a priority area for WorkSafe because the death and injury toll is high. There are a number of challenges that must be addressed to change the culture in agriculture and work with industry to improve the health and safety of farmers.</p>

Subject	Description
<b>Work-related health</b>	Work-related health is a key issue for New Zealand, especially as an estimated 600-900 people die of work-related diseases each year. WorkSafe's <i>Healthy Work</i> strategic plan and its themes of industry leadership, regulatory effectiveness and step change look to address the risks of work-related ill-health. Current key risk areas include noise, body stress, exposure to hazardous substances and psychosocial harm.
<b>Other matters</b>	
<b>Worker Engagement, Participation and Representation</b>	All business should have planned, well known ways to engage with workers and support their participation in health and safety matters. WorkSafe helps businesses to recognise their Worker Engagement, Participation and Representation (WEPR) duties and workers to understand their rights when it comes to collaboration about health and safety matters that affect people in the workplace.
<b>SafePlus</b>	<p>SafePlus is a voluntary educative performance improvement tool that supports businesses to improve their health and safety performance developed by WorkSafe, ACC and MBIE. SafePlus can be used by private and public sector organisations and will consist of three products: resources already available on WorkSafe's website, an onsite user-pays assessment and advisory tool using assessors, and an online self-assessment tool. See page 14 for more information.</p> <p>Planning is underway for a launch event for SafePlus. We would welcome your involvement in the launch and will be in contact with your office to confirm details.</p>
<b>Energy Safety</b>	<p>As Energy Safety regulator WorkSafe provides oversight of electrical and gas issues for workers and businesses, but also has a wider public safety role in buildings and homes.</p> <p>Key issues for Energy Safety at the moment include electric vehicles, cabling in buildings and livewire work. This work has connections to other portfolio areas (Energy and Resources, ACC, Transport).</p>
<b>Construction: Project evaluations</b>	<p>Canterbury Rebuild Evaluation: this work addresses the successes of the programme and areas that will be addressed under the construction programme now and in the future. A cost/benefit analysis was also conducted at the time of the evaluation.</p> <p>Falls from Height: NZIER/BRANZ released a cost/benefit analysis of WorkSafe's Falls From Height programme and guidance on 18 October 2017. There will be interest from the construction sector in the report.</p>
<b>Towards 2020 and injury information</b>	<p><i>Towards 2020</i> presents New Zealand's progress towards the 25% death and injury reduction target. Data from across the system provides the baselines and context for this progress. WorkSafe also collates other injury information that provides a wider context for injuries related to work activity.</p> <p>Updates to the official injury rate information were released in October 2017 with the most up to date data from 2016, which confirms that the interim 10% reduction target has been met. WorkSafe will use this data to refresh the <i>Towards 2020</i> report. See page 29 for more detail.</p>

Subject	Description
<b>Recent research survey results</b>	<p>Results from WorkSafe’s two national surveys provide important sources of evidence and measurement for WorkSafe. Results from 2016/17 have been summarised in A3s that will be provided to you. Both surveys show that direct interaction with WorkSafe leads to more positive views of WorkSafe, including that we are an organisation workers and employers have trust and confidence in.</p> <p><u>Attitudes and Behaviours Survey</u> results show signs of progress and improvement in the performance of the health and safety at work system and indicate ways that we can achieve improvement in our strategic priorities of leadership, worker participation and representation, workforce development and health and safety practices. They also show that workers’ and employers’ experience of WorkSafe is increasingly positive.</p> <p><u>Service Excellence Survey</u> results show that most people interacting with our inspectorate and 0800 Contact Centre and taking part in Duty Holder Reviews have a positive experience. There is scope, however, to improve the 0800 services. Results show an increasingly positive view of WorkSafe among workers and employers involved in assessments and investigations.</p>
<b>Other operational reporting</b>	<p><b>Required:</b> Annual Report, Quarterly reports, Hazardous Substances Safe Work Instruments</p> <ul style="list-style-type: none"> <li>▪ The WorkSafe Annual Report 2016/17 must be tabled and published. As responsible Minister the Crown Entities Act 2004 requires you to present the document to the House. A briefing on the Annual Report will be provided to you in early November, and WorkSafe and your office will coordinate with the Bills Office for the tabling process.</li> <li>▪ Hazardous Substances Safe Work Instruments (SWIs) have been developed to sit alongside the Hazardous Substances Regulations 2017 (see page 30 for more information on SWIs.). The SWIs will be submitted to you for approval prior to the commencement of the Regulations on 1 December 2017.</li> </ul> <p><b>On request:</b> Updates on significant operational matters relating to the Government’s priorities e.g. update on progress towards system targets, WorkSafe’s ICT Business Capabilities Programme. We will be discussing your priorities in this area in upcoming meetings.</p>



### 3.2. Upcoming milestones and decisions

Upcoming milestones/decisions			
Date	Subject	Description	Ministerial action
October/November 2017	<b>HSW Strategy</b>	Next steps for HSW Strategy development.	WorkSafe and MBIE would like to meet with you to discuss timing, direction of the HSW Strategy and agreement to a further meeting with interested Ministers.
Late 2017		Draft for your feedback, ahead of public consultation.	WorkSafe and MBIE would like your feedback on the draft HSW Strategy – this would also be an opportunity for you to talk to ministerial colleagues.
1 December 2017	<b>WorkSafe Website</b>	Soft launch of WorkSafe’s new website, which is intended to provide more accessible educative support to workers and businesses.	To note.
1 December 2017	<b>Hazardous Substances</b>	The Hazardous Substances Regulations 2017 come into force. These bring together and consolidate requirements for the storage, use, handling and manufacture of hazardous substances in the workplace currently set under the Hazardous Substances and New Organisms Act 1996.	To note.
By 4 April 2018	<b>Major Hazard Facilities</b>	MHF operators will be required to meet Part 4 of the MHF Regulations 2016 on this date. These specify control measures, emergency plans, ongoing review, establishing safety management systems and (for upper-tier MHFs) conducting safety assessments and implementing safety management systems	To note.
4 April 2018	<b>Asbestos</b>	The transitional elements included in the Asbestos Regulations 2016 expire on 4 April 2018. WorkSafe is communicating with industry on their obligations and setting processes up to ensure that asbestos removal work is done in accordance with the regulations.	To note.
June 2018	<b>HSW Strategy</b>	Proposed date for Cabinet approval for publication.	To be approved by Cabinet, subject to your agreement on timeframes.

### 3.2.1. MEETINGS AND EVENTS

*Upcoming meetings and events that you may wish to attend or be aware of.*

Upcoming meetings/events			
Date	Subject	Description/action	Attending
Late 2017 (TBC)	SafePlus	A public launch of the SafePlus Onsite Assessment and Advisory Service. The first group of Accredited Assessors will be introduced at the launch and there will be public release of SafePlus resources and guidance for business to use.	We would welcome your involvement in the launch and will be in contact with your office to confirm details.
7 November	Canterbury Rebuild Safety Charter	Charter to be publicly launched as an incorporated Society	WorkSafe SLT member
8 November	Site Safe NZ H&S Awards (Auckland)	Acknowledging innovation and leadership in helping to improve health and safety in the construction industry. WorkSafe sponsors the Safety Contribution Award.	Board Chair, Chief Executive
21 November	WorkSafe Board Strategy Day	Board to discuss plans for 2018, looking at WorkSafe's priorities, plans and resources.	Board, Chief Executive. WorkSafe would welcome the opportunity for you to open the Strategy Day and meet the Board if you are available.

We will coordinate with your office to establish regular meetings with you and the Board Chair and Chief Executive.

## 4. Priorities

### 4.1. Health and Safety at Work

New Zealand's work health and safety system has undergone significant reforms since 2013, including the establishment of WorkSafe and the introduction of the Health and Safety at Work Act 2015, New Zealand's workplace health and safety law, which came into effect on 4 April 2016.

A guiding principle of HSWA is that workers and others at work are given the highest level of protection from risks to health and safety, as is reasonable. WorkSafe helps people understand their duty of care and take action to manage risks at work; particularly critical risks that may kill or seriously harm people.

*For a snapshot of New Zealand's health and safety at work system see page 29.*

MBIE will provide you with an overview of the HSW policy environment. Broadly, HSWA:

- recognises that a well-functioning health and safety system relies on participation, leadership and accountability by government, business and workers;
- sets out the principles, duties and rights in relation to health and safety at work.

#### 4.1.1. KEY ELEMENTS OF HSWA

##### Everyone is responsible

HSWA shifts the focus from monitoring and recording health and safety incidents to proactively identifying and managing risks so everyone is safe and healthy. HSWA ensures that everyone has a role to play and makes everyone's responsibilities clear:

<b>Businesses</b>	Businesses have the primary responsibility for the health and safety of their workers and any other workers they influence or direct. They must also engage workers in health and safety matters and implement effective participation practices with workers. Businesses are also responsible for the health and safety of people at risk from the work of their business.
<b>Officers</b>	(Company directors, partners, board members, chief executives) must do due diligence to make sure the business understands and is meeting its health and safety responsibilities.
<b>Workers</b>	Workers must take reasonable care for their own health and safety and that their actions or inactions don't adversely affect the health and safety of others. They must follow any reasonable health and safety instruction given to them by the business and cooperate with any reasonable health and safety-related business policy or procedure. Workers and representatives should contribute to health and safety at their work and decisions that affect their health and safety on an ongoing basis.
<b>Other people</b>	People who come into the workplace, such as visitors or customers, also have some health and safety duties to ensure that their actions don't adversely affect the health and safety of others.

##### Managing risk

HSWA requires work-related health and safety risks to be managed. This means taking into consideration the potential for work-related health conditions (including both physical and psychological acute or long-term illnesses) and catastrophic harm, as well as the acute injuries that could occur.

##### Focus on work

Most responsibilities under HSWA relate to the conduct of work and how it can affect workers and others, however there are duties that relate to the physical workplace (where a worker goes or is likely to be while at work), as well as any place where work is normally carried out (e.g. vehicles, aircrafts, ships).

#### 4.1.2. CURRENT REGULATORY WORK

WorkSafe continues to develop information and guidance on HSWA legislation and regulations. The first phase of HSWA regulatory reform is complete, with the hazardous substances regulations coming into force in December 2017. The next phase of regulatory reform will be developed with you over the next few years, focusing on the biggest risk areas and sectors to improve health and safety outcomes and maintain momentum.

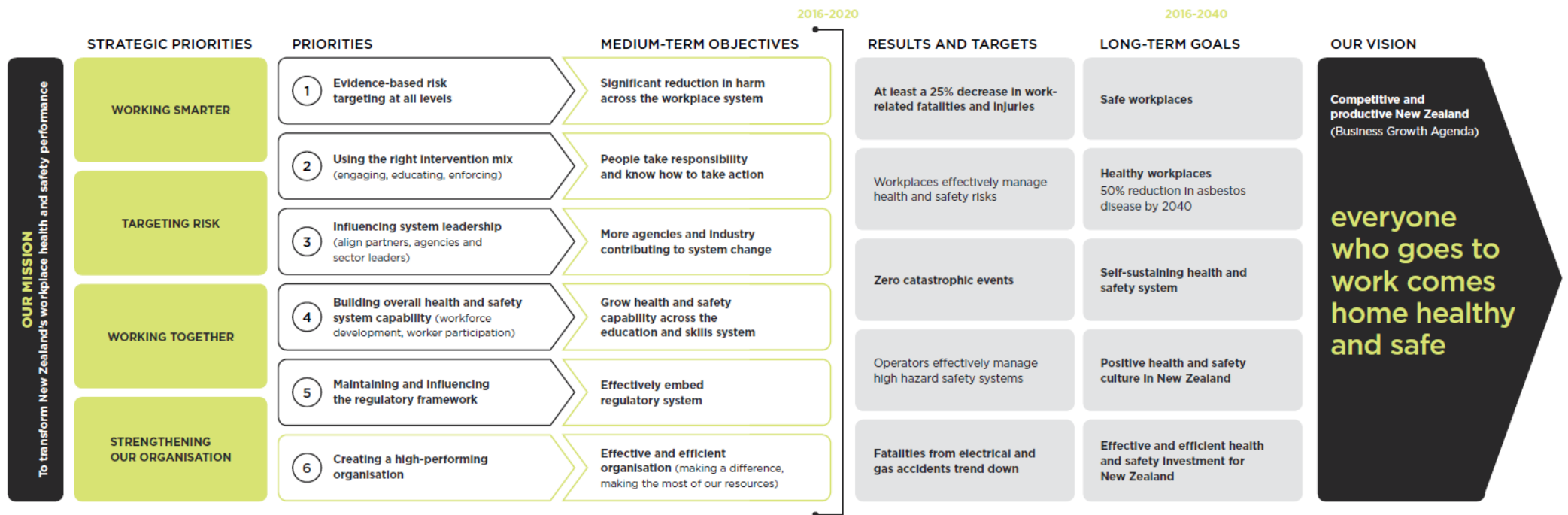
*For more information on legislative tasks associated with WorkSafe see page 30.*

## 4.2. WorkSafe’s Strategic Framework

HSWA is about making sure health and safety at work is cemented in New Zealand businesses. WorkSafe’s strategic direction framework sets out the Board’s longer-term priorities and outcomes to show how we will achieve this. The framework outlines the results and targets we seek to achieve so we can deliver on our vision of ensuring that everyone who goes to work comes home healthy and safe.

The way we will deliver against these priorities is through:

- **evidence-based targeting of risk** at all levels: system (cross-cutting), sector, regional, company and catastrophic
- **using the right intervention mix** (engaging, educating, enforcing) for the issues identified
- **influencing and incentivising system leadership** – aligning partners (businesses, unions), agencies and sector leaders to improve the health and safety system
- **building overall health and safety system capability** – supporting health and safety capability, enabling worker participation and enhancing health and safety governance and leadership
- **maintaining and influencing an effective regulatory framework** – creating a high-performing organisation.





### 4.3. Priorities for 2017/18

Our top priorities for the year are discussed in detail in WorkSafe's *Statement of Performance Expectations 2017/18*<sup>G</sup>:



#### HARM REDUCTION AND HEALTHY WORK

Delivering interventions to address drivers of workplace harm



#### HEALTH AND SAFETY AT WORK STRATEGY

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



#### STRENGTHENING REGULATORY FRAMEWORK

Modernising and updating the regulatory framework



#### USER EXPERIENCE PROGRAMME

Improving clients' interactions with WorkSafe



#### COMMUNICATIONS, MARKETING AND ENGAGEMENT

Strengthening how we communicate, engage and partner



#### PEOPLE STRATEGY AND CAPABILITY

Strengthening WorkSafe's capability and culture



#### ICT BUSINESS CAPABILITY

Enhancing ICT capability to support delivery



#### OPERATIONAL DELIVERY

- Assessments
- Engagements
- Investigations
- Duty Holder Reviews
- High Hazards
- Energy Safety

These priorities support WorkSafe to deliver against the direction in our *Statement of Intent 2016-2020*<sup>H</sup>.

*The following sections briefly cover the current status of these priorities and how WorkSafe will engage with you on current work programmes.*

### 4.3.1. HEALTH AND SAFETY AT WORK STRATEGY (HSW STRATEGY)

*Section 195 of HSWA requires you to publish a HSW Strategy setting out the Government's overall direction in improving the health and safety of workers. It must be jointly developed with WorkSafe.*

Significant progress has been made over the last five years to set the foundations and transform New Zealand's health and safety performance; however, greater effort at a system-wide level is required to achieve long term benefits.

The development of a national strategy that encompasses all stakeholders in New Zealand's health and safety system will provide for a greater collective ownership of outcomes, common direction and a clear framework for coordination and faster improvement of health and safety outcomes.

WorkSafe and MBIE have been working with other stakeholders (including other regulators, the New Zealand Council of Trade Unions, BusinessNZ and industry associations) to develop the HSW Strategy. The intention of the HSW Strategy is to drive a system-wide approach, lifting health and safety performance and providing greater cohesion in how agencies work together.

Specifically, HSWA requires that the HSW Strategy:

- identifies any significant issues relating to capacity or capability in the work health and safety system and any plan for addressing the issues;
- take account of ACC's injury prevention priorities; and
- must be developed by a process that involves consultation with regulatory agencies and other persons who have an interest in work health and safety in New Zealand or with organisations representing those persons.

There is general agreement from stakeholders that there needs to be shared ownership of a system-wide HSW Strategy, signalling the future of health and safety performance and providing a clear, coherent direction for all stakeholders within the system.

MBIE and WorkSafe are preparing a briefing for you with further details on the timing, development process and the draft HSW Strategy framework, which incorporates stakeholder views and analysis of research and evidence gathered to support it. A maturity model and system outcomes framework, to measure performance, is being developed in parallel to complement and support the HSW Strategy.

*HSWA requires that reasonable efforts are made to publish a strategy by April 2018. In order to allow for effective engagement with stakeholders and public consultation, the previous Minister agreed to move timeframes to seek Cabinet approval in June 2018 for publication, following public engagement.*

*We will be updating you on further details of the Strategy, including timeframes and draft content.*

### 4.3.2. HARM REDUCTION AND HEALTHY WORK

#### Harm Reduction Action Plan

*The Harm Reduction Action Plan is WorkSafe and ACC’s joint strategy to 2020 for reducing harm*

The Accident Compensation Act 2001 requires that WorkSafe and ACC have a workplace injury prevention action plan in place. We have jointly developed the Reducing Harm in New Zealand Workplaces Action Plan (HRAP)<sup>1</sup> with ACC, which includes programmes that address injury and ill-health from work. The combined skills, influence, incentives and tools of both agencies will have the biggest impact in supporting us to achieve health and safety targets.

HRAP uses and builds our collective data and evidence base to best understand and tackle the causes of injury. It partners with others to design interventions that have the greatest chance of success. The focus areas for HRAP are:

Risk-based programmes	Systems change programmes
<p style="color: #00a651; font-weight: bold;">Sectors</p> <p><b>Focus on 5 sectors:</b> These programmes focus on key injury risks in sectors that represent 52% of the WAFW injuries in New Zealand.</p> <div style="display: flex; align-items: center; margin-top: 20px;"> <div style="font-size: 48px; font-weight: bold; color: #00a651; margin-right: 20px;">5</div> <div style="border-left: 1px solid #ccc; padding-left: 10px;"> <ol style="list-style-type: none"> <li>1. Agriculture</li> <li>2. Construction</li> <li>3. Forestry</li> <li>4. Manufacturing</li> <li>5. Healthcare &amp; Social Assistance</li> </ol> </div> </div> <p style="color: #00a651; font-weight: bold; margin-top: 20px;">Cross-Cutting</p> <p><b>Focus on 4 cross-cutting risks:</b> Areas where the risk is across multiple industries. The programmes will focus initially on high-risk and medium-risk industries (where appropriate) and then spread across all industry groups affected by the risk.</p> <div style="display: flex; align-items: center; margin-top: 20px;"> <div style="font-size: 48px; font-weight: bold; color: #00a651; margin-right: 20px;">4</div> <div style="border-left: 1px solid #ccc; padding-left: 10px;"> <ol style="list-style-type: none"> <li>1. Slips, Trips and Falls</li> <li>2. Working in &amp; around Vehicles</li> <li>3. Body Stressing</li> <li>4. Clean Air</li> </ol> </div> </div>	<p style="color: #00a651; font-weight: bold;">Systems Change</p> <p><b>3 areas to support all businesses to reduce injuries:</b></p> <div style="display: flex; align-items: center; margin-top: 20px;"> <div style="font-size: 48px; font-weight: bold; color: #00a651; margin-right: 20px;">3</div> <div style="border-left: 1px solid #ccc; padding-left: 10px;"> <ol style="list-style-type: none"> <li>1. Education &amp; Awareness <i>Working with small businesses</i> General Education &amp; Awareness Raising SafePlus</li> <li>2. Incentives Economic Incentives</li> <li>3. Enabling <i>Workforce Development &amp; Safety Leadership</i> <i>Worker Engagement &amp; Participation</i></li> </ol> </div> </div> <p style="color: #00a651; font-weight: bold; margin-top: 20px;">Key Focus</p> <p><b>Other key focus areas:</b></p> <div style="display: flex; align-items: center; margin-top: 20px;"> <div style="font-size: 48px; font-weight: bold; color: #00a651; margin-right: 20px;">2</div> <div style="border-left: 1px solid #ccc; padding-left: 10px;"> <ol style="list-style-type: none"> <li>1. Increasing our focus on work-related health</li> <li>2. Working alongside businesses with high injury &amp; harm rates</li> </ol> </div> </div>

In practice, HRAP works by:

- WorkSafe partnering with ACC, using each agency’s comparative strengths, to develop a suite of interventions to deliver significant and sustainable change to reduce work-related fatalities and serious harm.
- Injury prevention funding moving, via an investment framework, from ACC’s Work Account to WorkSafe.

- WorkSafe delivering targeted interventions through risk-based sector programmes in agriculture, construction, forestry and manufacturing<sup>2</sup>, as well as system change programmes such as the High Incidence Firms programme and SafePlus (see below).

WorkSafe’s focus for HRAP in 2017/18 is to:

- Work with MBIE and ACC to address issues with the current investment model, including requirements that any spend reduce claim and levy rates (meaning harm prevention work relating to fatalities, work-related disease, catastrophic harm or self-insured businesses cannot be funded).
- Re-framing the multi-year programmes for construction and agriculture and begin delivery.
- Reframe the forestry programme, giving greater focus to small-scale forestry operations. This will address the increase in forestry harvests because of the pending ‘wall of wood’.
- Deliver the first phase of our High Incidence Firms programme (targeting businesses with high numbers of injuries and/or fatalities), beginning with a potential meat industry pilot.
- Continue to support and work with industry bodies in health and safety (e.g. Canterbury Charter, Forest Industry Safety Council, Agriculture Leaders’ Health and Safety Group).

*MBIE will provide you with options for addressing the current harm prevention investment model by December 2017.*

*The agriculture and construction programmes will be implemented by December 2017.*

**SafePlus**

SafePlus is a voluntary educative performance improvement toolkit for business, developed by WorkSafe, ACC and MBIE in collaboration with health and safety experts and business stakeholders. It will provide a new nationally recognised definition of what good health and safety looks like that sits above minimum legal compliance.

The toolkit is made up of ten performance requirements fundamental to achieving good health and safety performance. These are organised into three core elements – leadership, worker engagement and risk management – and are underpinned by continual improvement. Each performance requirement then has four or five indicators that explore how a business performs against the requirements in more detail. Three levels of performance are used to illustrate performance: developing, performing and leading. This maturity scale helps support continual improvement and measure performance over time.

SafePlus will be available in three products:

 <p><b>Resources and Guidance</b></p> <p><b>September 2017</b></p> <ul style="list-style-type: none"> <li>- 10 Performance Requirements fundamental to good health and safety</li> <li>- Maturity Scales to measure performance</li> <li>- Examples and case studies of best practice</li> <li>- Guidance on how to use the resources</li> </ul>	 <p><b>Onsite Assessment and Advisory Service</b></p> <p><b>October 2017</b></p> <ul style="list-style-type: none"> <li>- Accredited and trained private market assessors</li> <li>- Behaviour-based onsite assessment</li> <li>- Tailored guidance and advice on where and how to improve</li> <li>- Measure health and safety performance</li> </ul>	 <p><b>Online Self-Assessment</b></p> <p><b>Mid 2018</b></p> <ul style="list-style-type: none"> <li>- Identify gaps in health and safety</li> <li>- Awareness of issues</li> <li>- 360 degree input from managers, workers and contractors</li> <li>- Advice and guidance on how and where to improve</li> </ul>
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<sup>2</sup> Work-related road safety does not come under HRAP. However, WorkSafe is part of a partnership programme with NZTA and ACC to deliver projects to prevent work-related harm on the road. NZ Police is the enforcement body for on-road incidents.



## Healthy Work

*Healthy Work is the ten-year strategic plan for improving work-related health in New Zealand.*

Ten times more people die each year from work-related diseases than work-related safety incidents and thousands of workers experience ill-health because of their work. It is estimated that work-related disease costs New Zealand \$2.4 billion<sup>1</sup> every year. There is a need for more focus and proactive leadership on work-related health in order to make a change in the way it is currently addressed.

*Healthy Work* is focused on the changes needed across the health and safety system and WorkSafe's role in supporting and enabling these changes. It reflects themes identified through research and from engaging with our social partners and stakeholders, and articulates our vision for the future and in the approach to achieve it.

### Our vision and desired outcomes for work-related health



2017/18 is the second year of *Healthy Work*. Our interventions build on last year and continue to lay the foundation for critical strategic activities in coming years. Under the three strategic themes, in 2017/18 WorkSafe's aims are to:

#### **Industry Leadership**

- Raise awareness of the importance of healthy work by collecting data on exposures to work-related health hazards and the impact of work-related disease and initiating an awareness campaign for business leaders and industry groups. We will also be undertaking our first work-related health exposure survey, led by Massey University.
- Influence the training of occupational hygienists and general practitioners to improve capacity and capability in work-related health.
- Promote our approach to 'Health by Design' and influence the inclusion of work-related health in the tertiary sector.

#### **Regulatory Effectiveness**

- Build the capability of WorkSafe staff in relation to work-related health by implementing the inspectorate capability framework for work-related health.

- Continue to proactively engage duty-holders on a range of work-related health risks through our inspectorate. Our aim is for at least 40% of assessments to focus on prioritised work-related health risks in 2017/18, increasing from the 30% target last year.
- Expand guidance on key work-related health risks and concepts.

**Step Change**

- Continue our targeted programmes on prioritised health risks.
- Development and initial implementation of a noise programme. A key component of the programme will be working with MBIE on any regulatory work related to noise.

## 4.4. Other operational matters

### 4.4.1. CATASTROPHIC HARM

*Catastrophic harm is the potential for harm where a number of people can be killed as a result of a single event. They can also sometimes involve other significant environmental or social impacts.*

The impact of a catastrophic event can be huge. A single event could cause multiple fatalities or widespread injury or serious illness, and may occur in industries that may not otherwise have particularly high injury or fatality rates.

This risk of catastrophic harm exists in some specific areas of work – the extractives sector (mining, quarrying and tunnels), petroleum and geothermal sector, and in relation to Major Hazard Facilities (MHFs)<sup>3</sup>. These areas are subject to specific process-safety requirements under HSWA, aimed at managing the potential for a catastrophic event. WorkSafe has a dedicated High Hazards Unit (HHU) of staff with specialist expertise that has regulatory oversight of these sectors.

WorkSafe and the wider HSWA regime also have a role in mitigating the potential for catastrophic outcomes in other types of businesses where there is a risk of high-consequence events e.g. adventure activities, amusement devices (e.g. fairground machinery, theme park rides) and hazardous substances.

WorkSafe's current focus in addressing areas of catastrophic harm is:

- Embedding the hazardous substances regulations by 1 December 2017 and continuing to educate people on the risks of hazardous substances;
- Embedding the new Major Hazard Facilities Regime;
- Supporting MBIE on its regulatory reform work and the priority areas of: risks from plant and structures, working at heights, work-related noise, mining and quarrying, geothermal, youth and other cross-cutting issues.

### 4.4.2. ENERGY SAFETY

*Our Energy Safety team supports the safe supply and use of gas and electricity in both workplaces and homes and public places in New Zealand.*

WorkSafe is responsible for providing an effective investigation, compliance, enforcement and conformance regime with a view to influencing electrical and gas safety outcomes. Our work is primarily carried out under the provisions of the Electricity Act 1992 and the Gas Act 1992.

The Energy Safety team undertakes regulatory activity for ensuring the safe supply and use of electricity and gas. We work with both the public and industry to create an environment in which people and property are safeguarded from the dangers of electricity and gas and where electrical and gas appliances, installations, electricity and gas supply and generating systems are safe.

The main issues that Energy Safety is currently addressing are to safely implement technologies that have climate change or related objectives, which in most cases intersect with other portfolio areas. These include:

- The safety of electric vehicle charging equipment;
- Safety standards for battery energy storage systems for homes and businesses;
- Electrical appliances and installations – from domestic refrigerators to cool stores – that use flammable refrigerants as alternatives to conventional refrigerants that are being phased out to meet Montreal Protocol obligations.

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<sup>3</sup> Facilities that have significant inherent hazards due to the storage and use of large quantities of specified hazardous substances.

#### 4.4.3. STRENGTHENING THE REGULATORY FRAMEWORK

*The health and safety at work regulatory framework provides WorkSafe with the levers to influence change in New Zealand workplaces. Our goal is to drive quality improvements of these health and safety regulatory frameworks and their delivery.*

We work with MBIE and our own technical experts to shape the regulatory framework, including developing tertiary instruments (e.g. Safe Work Instruments) and providing input to MBIE's development of regulations.

This supports good regulatory decision-making, including providing sound analysis and frameworks to support, and improve, the quality of operational decision-making by WorkSafe's leadership team and frontline staff.

WorkSafe's focus this year is on:

- Developing tertiary instruments and guidance information to support the operation of the regulatory framework. We will also finalise and embed our regimes for certifications, approvals and registrations (including for asbestos licensing);
- Implementing the new Hazardous Substances regulations and working alongside the Environmental Protection Authority, the Ministry for the Environment, MBIE and local authorities on broader hazardous substance reform;
- Working with MBIE to monitor and evaluate the implementation of HSWA;
- Strengthening the regulatory framework by providing an operational perspective when working with MBIE on the second phase of regulatory development.

One of the key elements to support a strong regulatory system is the capability within the Health and Safety at Work system. WorkSafe is working to ensure people have the tools and guidance they need to increase the capability and contribution of workers and employers towards lifting health and safety performance. WorkSafe's focus this year is on:

- Influencing training and education opportunities to fill critical capability gaps among practitioners, managers, business leaders and workers;
- Targeting our work to address the capability gaps in workers who are more exposed to workplace harm. This includes undertaking research on at-risk workers;
- Improving access to quality health and safety advice and support provided by professionals and advisers;
- Working with employers, workers and industry to strengthen worker engagement, participation and representation;
- Providing more targeted guidance for health and safety representatives.

#### 4.4.4. ORGANISATIONAL ENABLERS

*Organisational success means WorkSafe is competently undertaking our core roles and working in an engaged, smart and targeted way. Our organisational enablers establish the building blocks we need to be a smart, targeted and engaged regulator.*

##### Service Optimisation Programme

Previously known as the User Experience Programme, this work is focused on reviewing and optimising WorkSafe's service delivery model to ensure we are providing the right range of services, through the right mix of channels, to support business, worker and stakeholder customers and achieve positive outcomes from their interactions with us. The focus for Phase 1 is on inbound interactions and how our digital, service centre, response centre and social channels operate more seamlessly together to support this.

- WorkSafe joined the **Result 9 Better for Business** programme in September 2016. We have a joint commitment with nine other agencies to reduce business costs from dealing



with government by 25% by 2020 and to have similar key performance ratings as leading private sector firms. Our Service Optimisation Programme embodies the work we are doing to contribute to these targets.

### **Communications, marketing and engagement strategy**

To deliver transformation change, we need to strengthen how we communicate, engage and partner with stakeholders with the main objectives of:

- Strengthening and maintaining our mandate to operate and lead New Zealand's health and safety system;
- Building and leveraging strategic partnerships and engaging with stakeholders to achieve system goals;
- Collaborating to deliver targeted, effective, user-centric interventions through the right channel mix.

We are developing more innovative and targeted ways to work with businesses, including small and medium-sized enterprises. We are putting additional energy into working across the public sector, including with the recently established Public Sector Leadership Forum and the functional lead for public sector health and safety, Ray Smith (Chief Executive, Department of Corrections). This work will support the public sector to become an exemplar of good health and safety practice and outcomes. We aim to target our messaging, advice and support to a broad range of workers and businesses in New Zealand. We are consolidating and improving our websites, using innovative communication channels to target our messages, advancing targeted national campaigns and enhancing our brand and user experience.

### **People and organisational capabilities**

WorkSafe needs to have the right people and the right tools to ensure we are a high-performing regulator:

- Our **People Strategy** directly enables external health and safety performance in workplaces. We will set out a clear vision and approach for WorkSafe's leadership, culture, organisational capability and employee experience.
- Our **ICT business capability** is fundamental to strengthening our business capabilities, allowing us to operate more efficiently and effectively. We are developing key ICT capability projects for new information management and payroll systems and improved operating and data collection systems.

There are also a number of strategic funding matters which will be worked through in due course. These relate to the funding of harm prevention programmes, accounting treatments following the impairment write-down of WorkSafe's initial case management system project, ICT systems and facilities capital requirements, a potential capital charge and workforce strategy development.

## 4.5. Key stakeholders

*To influence system change WorkSafe works with a number of partners and stakeholders with perspectives from workers, business and government.*

### Government agencies

Name	Description/Connection to WorkSafe	Portfolio
Accident Compensation Corporation	ACC is one of WorkSafe's main partners, particularly relating to the joint Reducing Harm in New Zealand Workplaces Action Plan (see page 13).	ACC
Civil Aviation Authority	The CAA is a Crown entity responsible for civil aviation matters and is a designated regulator under HSWA.	Transport
Environmental Protection Authority	The EPA is a Crown Agent responsible for regulatory functions concerning New Zealand's environmental management. This includes regulation of hazardous substances and hazardous waste exports and imports.	Environment
Fire and Emergency New Zealand	Fire and Emergency New Zealand was established on 1 July 2017, bringing together urban and rural fire services under a new funding model and the new Fire and Emergency New Zealand Act 2017.	Internal Affairs
Maritime New Zealand	Maritime NZ is a Crown entity responsible for domestic maritime matters and is a designated regulator under HSWA.	Transport
Ministry of Business, Innovation and Employment	MBIE works closely with WorkSafe in the stewardship of the work health and safety system. MBIE provides primary policy advice on the legislation and regulations and policy and strategic advice on the design and overall performance of the work health and safety system; MBIE also monitors WorkSafe as a crown entity, as the primary work health and safety regulator, and in its leadership in the work health and safety system.  WorkSafe also has a close relationship with the two work-related operational teams in MBIE – Immigration New Zealand and the Labour Inspectorate.	Economic Development
New Zealand Police	Police are often first responders to work-related incidents, and WorkSafe works closely with Police on investigative work, particularly the Commercial Vehicle Investigation Unit.  Police are also involved with work-related harm on the road as the enforcement body for on-road incidents. NZ Police is not a designated regulator and officers are not warranted under HSWA.	Police
New Zealand Transport Agency	The NZTA is a Crown entity responsible for land transport rules (road and rail), licensing standards enforcement, land transport funding and providing the legal framework for managing and funding land transport activities.  As a major procurer for civil construction activities NZTA has also been identified as a leader in setting prequalification (vetting and approval of contractors) standards in the construction sector.	Transport
Statistics New Zealand	Stats NZ is the department responsible for, among other things, the Serious Injury Outcome Indicators that measure the number and rate of work-related serious injury events in New Zealand.	Statistics
Transport Accident Investigation Commission	TAIC is a standing Commission of Inquiry and an independent Crown entity. It investigates significant aviation, rail and marine accidents and incidents to determine the circumstances and causes of accidents and incidents with a view to avoiding similar occurrences in future.	Transport

## Industry associations and specialist groups

Name	Description
<b>Social partners and health and safety leaders</b>	
New Zealand Council of Trade Unions	NZCTU is one of WorkSafe's social partners and the representative worker organisation for tripartite consultations in New Zealand. It is the largest democratic organisation in New Zealand. NZCTU represents approximately 360,000 workers.
BusinessNZ	BusinessNZ is one of WorkSafe's social partners and the representative business organisation for tripartite consultations in New Zealand. It is the largest business advocacy body, representing a combined membership of approximately 76,000 employers.
Business Leaders' Health and Safety Forum	The Business Leaders' Health and Safety Forum is a coalition of business and government leaders committed to improving the performance of workplace health and safety in New Zealand. The Forum was launched in 2010 and has approximately 230 members who are mostly CEOs or Managing Directors of significant New Zealand companies.
Strategic Reference Group	WorkSafe has set up an advisory group with members from CAA, Maritime NZ, NZCTU, BusinessNZ and the Business Leaders' Health and Safety Forum to enhance system-wide prioritisation and coordination of the development of the strategic direction for health and safety, policy and guidance.  The Strategic Reference Group will provide input to WorkSafe's strategic approach, contribute to system-level coordination and collaboration, review and apply a strategic view to WorkSafe's policies and positions, and provide other advice on the continuous improvement of guidance development.
The Health and Safety Regulatory Alignment Group	This group is part of WorkSafe's system leader role. It is a cross-agency senior managers group that ensures our agencies work collectively to implement our health and safety roles in an efficient and effective way. Core members include WorkSafe, Maritime NZ and the CAA, and the group has recently expanded to include the NZTA.
Health and Safety Association of New Zealand	HASANZ is the representative body for health and safety professionals, setting the standard for health and safety advice and service in the workplace and working to establish a high standard of consistency within the profession and a register of these professionals.  WorkSafe is working with HASANZ to develop support and credibility in the marketplace for HASANZ to become a leader in the sector, and to uphold competency and quality standards across the profession and provide professional pathways to improve standards of health and safety advice and services.
<b>Government</b>	
Government Regulatory Practice Initiative	G-REG is a network of central and local government regulatory agencies established to lead and contribute to regulatory practice initiatives. It was established following the July 2014 NZ Productivity Commission report <i>Regulatory institutions and practices</i> . It works on actions that improve leadership, culture, regulatory practice and workforce capability in regulatory organisations and systems.
Public Sector Leadership Forum	This group works together to address health and safety at work issues affecting public sector agencies, particularly focusing on risks to frontline staff. Ray Smith (Chief Executive, Corrections) has been selected as the functional lead for public sector health and safety.
<b>Sector-specific</b>	
Agriculture Leaders' Health and Safety Group	The Agricultural Leaders' Health and Safety Group is a subgroup of the Business Leaders' Health and Safety Forum that focuses on agriculture-specific health and safety issues.

Name	Description
Canterbury Rebuild Safety Charter	<p>WorkSafe's Canterbury Rebuild Health and Safety programme was a direct supporter of the Charter – an agreement on health and safety between the leaders of government organisations and companies leading the Rebuild. The Charter includes a vision, values, ten aspirational commitments and detailed actions designed to meet those commitments.</p> <p>There are now more than 370 member organisations of the Charter, from small companies to large construction firms and from government organisations to NGOs.</p> <p>The Charter will be publicly launched as an incorporated society on 7 November 2017. The incorporated society will employ staff and manage its own finances. WorkSafe will continue to have membership on the Steering Group and Working Group as well as provide some funding for the Charter.</p>
Construction Sector Health and Safety Leadership	<p>In July and September 2017, senior construction leaders met to discuss health and safety leadership issues in construction. Both workshops were positive with agreement of the issues facing the industry. Attendees included representatives from SiteSafe, WorkSafe, The Construction Safety Council, NZTA and the Canterbury Rebuild Safety Charter.</p> <p>These senior leaders have now charged a smaller group to develop a strategic plan; develop a leadership structure for health and safety in construction; and charge any sub group/s to address any pressing issue/s in the interim, while the strategic plan and structure are being developed.</p>
Forest Industry Safety Council	<p>FISC is industry-led, supporting effective industry safety leadership in the Forestry sector. WorkSafe leaders participate in the governance and leadership of FISC and WorkSafe staff are active participants on its Technical Action Groups, which are responsible for developing and implementing FISC's work programme.</p>
Forest Owners Association	<p>Along with supporting and participating in FISC, WorkSafe also works with the FOA. The FOA is a significant centre of influence in the sector given its members scale, capability and position in the supply chain.</p>
Meat Industry Association	<p>MIA is the voluntary trade association representing New Zealand's red meat processors, marketers and exporters. It is one of the most prominent manufacturing representative bodies in New Zealand.</p>
<b>Work-related Health</b>	
Health and Wellbeing Leaders Network	<p>A group of industry health management professionals aiming to improve leadership and raise awareness of work-related health issues.</p>
Health Benefits of Good Work Strategic Steering Group	<p>Aims to ensure work is good to increase participation in employment – WorkSafe's interest is to ensure it includes managing work-related health risks.</p>

## 5. WorkSafe details

### 5.1. Our people

#### 5.1.1. WORKSAFE NEW ZEALAND BOARD

The WorkSafe New Zealand Act 2013 prescribes that the Board is to be made up of five to nine members who collectively fulfil the criteria in the Act. The Board meets monthly.

##### Current Members

<p><b>Professor Gregor Coster, CNZM Chair</b> (Contact: 9(2)(a) [redacted])</p>	<p>Professor Gregor Coster, CNZM, has been WorkSafe’s Chair since its establishment, and was Chair of the WorkSafe Establishment Board.</p> <p>He is Professor of Health Policy and Dean of the Faculty of Health at Victoria University of Wellington. He is a former GP and Professor of General Practice at the University of Auckland, and has been on the ACC Board and chaired two DHBs. He brings extensive experience in governance and health to the Board.</p>
<p><b>Ross Wilson, Deputy Chair</b> (Contact: 9(2)(a) [redacted])</p>	<p>Ross Wilson is a former president of the NZ Council of Trade Unions and a lawyer with a strong interest in employment and workplace health and safety law and practice. He brings a strong worker perspective to the Board.</p>
<p><b>Paula Rose, QSO</b></p>	<p>Paula Rose QSO is an independent consultant specialising in leadership, performance, safety and transport issues. Paula was also the Deputy Chair of the Independent Taskforce on Workplace Health and Safety.</p>
<p><b>Chris Ellis</b></p>	<p>Chris Ellis is the former Chief Executive of Brightwater Group and was inaugural Chairman of the NZ Business Leaders’ Health and Safety Forum. He trained as an engineer and has a long track record in the Australasian building products and construction industries.</p>
<p><b>Dr Jan White</b></p>	<p>A medical doctor by training, Jan has worked in medical and general management for over 20 years in both Australia and New Zealand. She has held a number of key health sector posts including six years as Chief Executive of the Waikato District Health Board and seven years as Chief Executive of the Accident Compensation Corporation (ACC).</p>
<p><b>Stephen Reindler</b></p>	<p>Stephen Reindler has a background in large-scale infrastructure and heavy industry manufacturing. He is also a director of Meridian Energy Ltd, Naylor Love Enterprises Ltd, Broome International Airport Group, Z Energy Ltd, Steel and Tube Ltd, Yachting NZ and Chair of Waste Disposal Services JV.</p>
<p><b>Nikki Davies-Colley</b></p>	<p>Nikki Davies-Colley has been involved in agriculture and business for over 35 years through sheep and cattle farming, silvicultural contracting and latterly small forest woodlot harvesting. She is Chair of Northpower Ltd, a founding director of the merged Farmlands Co-operative Society Ltd, chairing its People &amp; Performance Sub-Committee, and a director of Landcorp Farming Ltd, chairing its People &amp; Safety Sub-Committee.</p>
<p><b>Ruth Smithers</b> (Board participant)</p>	<p>Ruth Smithers is an Executive from New Plymouth with a background in health and social services. She is mentored by a WorkSafe Board member and participates in all Board meetings as an observer and contributor to discussions, as part of the Future Directors in the State Sector programme<sup>K</sup> over a 12-month period.</p>

### Board Committees and Advisory Groups

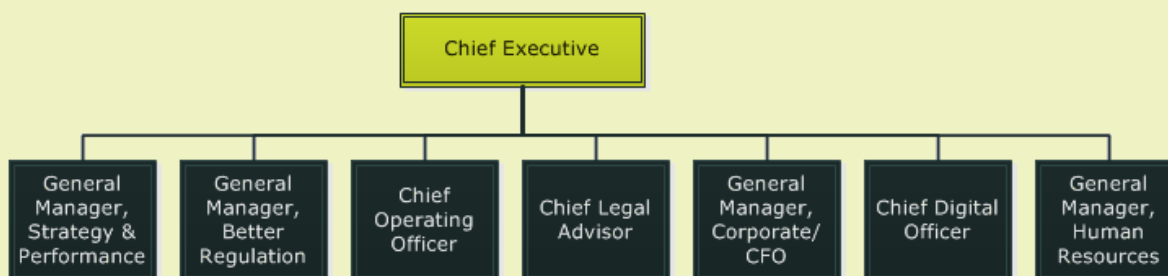
The WorkSafe New Zealand Act allows for the Board to establish Committees and Advisory Groups to provide advice on matters relating to WorkSafe’s functions. The Board has currently set up four groups:

<b>Audit, Risk and Finance Committee</b>	The Audit, Risk and Finance Committee provides independent assurance and advice on WorkSafe’s risk, control and compliance framework, and its external accountability responsibilities. It also monitors WorkSafe’s finances.  Neil Stiles (an external accountant) is the independent chair of the Committee.
<b>Remuneration Committee</b>	The Remuneration Committee provides advice on the Board skills matrix and the required skills sets for potential Board member and subcommittee candidates; succession planning, remuneration and performance for senior leaders; WorkSafe’s talent strategy and leadership pipeline; and WorkSafe’s remuneration, recognition and reward policies.
<b>Occupational Health Advisory Group (OHAG)</b>	OHAG provides independent perspectives on the implementation and impact of WorkSafe’s strategic activities within Healthy Work. It also provides strategic recommendations and advice to the Board in line with their annual strategic planning process.  George Adams is the independent chair of OHAG.
<b>Extractives Industry Advisory Group (EIAG)</b>	EIAG provides advice on the effectiveness of the extractives regulatory framework and WorkSafe’s administering and enforcing of it; specific aspects of the regime (e.g. emergency preparedness and response, the Board of Examiners); health and safety trends in the sector, both in New Zealand and overseas; and how WorkSafe can ensure that it responds appropriately to emerging health and safety issues and future developments in the extractives sector.  Gavin Taylor is the independent chair of EIAG.

#### 5.1.2. WORKSAFE SENIOR LEADERSHIP TEAM

<p><b>Nicole Rosie</b> <b>Chief Executive</b> 9(2)(a) [redacted]</p>	<p>Nicole is a highly experienced executive who brings a unique and valuable mix of talents to lead WorkSafe’s SLT. Her background includes leading health and safety and major change programmes; working in ACC and injury management, forestry, transport infrastructure and energy; and managing strategic relationships with industry in her roles in transport, energy, and at Fonterra.</p> <p>Nicole is a committee member on the Business Leaders’ Health and Safety Forum and the Agricultural Leaders’ Health and Safety Advisory Group. She is also a member of the Government Health and Safety Lead Chief Executives’ Leadership Group.</p> <p>Previous roles included work with Vector, KiwiRail, Toll NZ, Tranz Rail and Fletcher Challenge Forests, as well as experience with WorkCover Queensland.</p>
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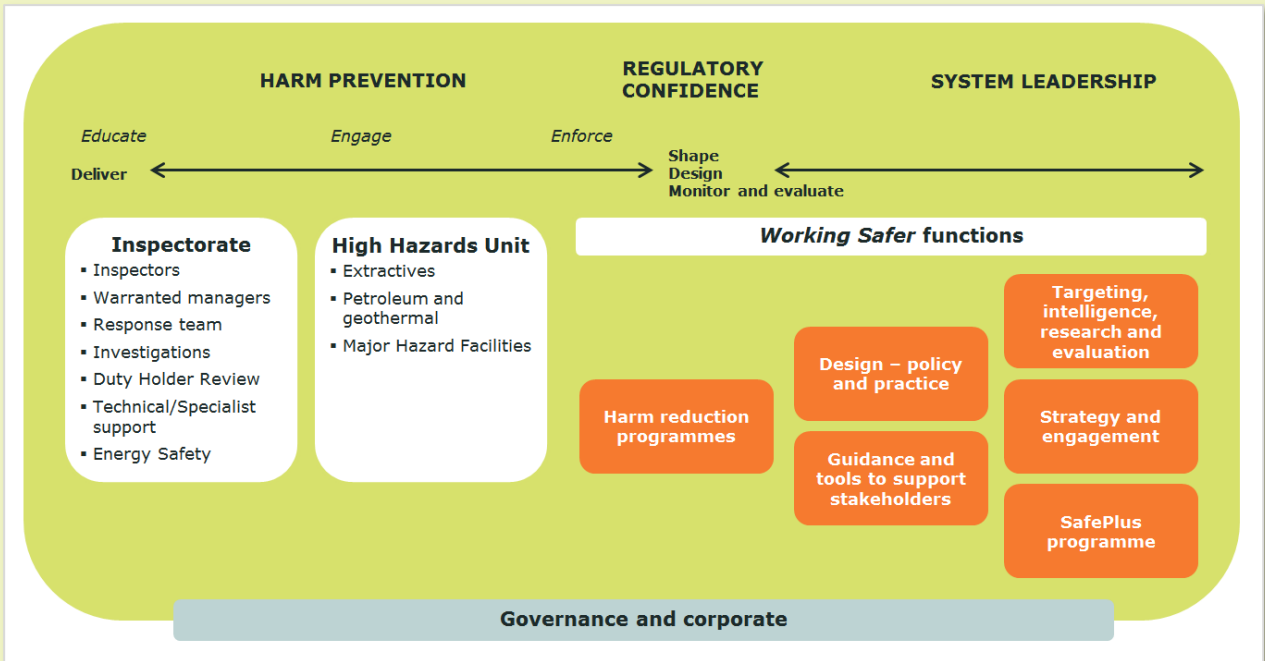
A new SLT structure has recently been confirmed. It is made up of the Chief Executive and seven direct reports, as shown below.





### 5.1.3. WORKSAFE STAFF

WorkSafe key functions are structured around its core roles of Harm prevention, Regulatory confidence and System leadership. The diagram below outlines our functions that embed these core roles, supporting progress towards WorkSafe becoming a high-performing regulator.



As at 31 September 2017 WorkSafe has 558 permanent staff.

WorkSafe's current Health and Safety inspectorate (excluding vacancies and support staff) is made up of 217 people:

- **179 Inspectors** made up of Assessment, Investigations and Response Inspectors (176) and Maru Toa/Māori Champions (3). There are also 5 Duty Holder Review Officers, who are not warranted.
- **5 Chief Inspectors** (Assessments – Northern; Assessments – Central; Assessments – Southern; Investigations and DHR; and Investigations and Response)
- **28 Inspectorate Managers** (Assessments – Northern; Assessments – Central; Assessments – Southern; Investigations and DHR; and Investigations and Response)

In addition, the **High Hazards Unit** includes **28 Specialist Inspectors**: 1 Chief Inspector (Extractives), 4 Deputy Chief Inspectors (1 Petroleum and Geothermal; 2 Major Hazard Facilities, 1 Extractives) and 23 Specialist High Hazard Inspectors.

The **Energy Safety team** includes **nine specialist technical officers** who undertake frontline regulatory activity under the Gas Act 1992 and Electricity Act 1992.

A map of WorkSafe offices and regions is shown below:



N.B. The Dunedin site is a 12-month lease while a new site is being prepared for staff to relocate to in early 2018. A new Albany site has been leased following the closure of the previous office due to earthquake/engineering concerns; the new site is not yet occupied and staff are using alternate site options.

## 5.2. Finance summary

WorkSafe is primarily funded through a Non-Departmental Output Expense appropriation in *Vote Labour Market – Workplace Health and Safety*.

\$m	Forecast 2017/18
Crown Revenue	93.837
Interest Revenue	0.400
Other Revenue	5.153
<b>Total Revenue</b>	<b>99.390</b>
<b>Total Expenditure</b>	<b>98.956</b>
Surplus/Deficit	0.434

Crown Revenue is received through MBIE and is generated through different mechanisms:

- The Health and Safety at Work levy (collected by ACC) recovers the Crown's costs of WorkSafe delivering work health and safety services. The Health and Safety at Work levy is currently set at 8 cents per \$100 of liable earnings.
- Energy safety levies on electricity and natural gas supply (collected by MBIE) recover the Crown's costs of WorkSafe delivering Energy Safety services.
- Major Hazards Facilities Levies (collected annually by MBIE through WorkSafe) recover the cost of the additional regulatory oversight involved with these facilities. The levies range from \$12,500 to \$34,000 plus GST per facility. The overall activity on Major Hazard Facilities is funded by a combination of base Health and Safety at Work Levy, these additional Major Hazard Facility levies and fees for the review of Safety Cases.
- General taxes (collected by Inland Revenue) fund the costs of administering the test certification regime and other functions relating to hazardous substances and new organisms.

The table below details revenue from the Crown for the current and following three financial years:

Operating Funding (\$m)	2017/18	2018/19	2019/20	2020/21
Workplace Health and Safety	84.334	84.654	85.099	85.599
Energy Safety	4.414	4.414	4.414	4.414
Major Hazards Facilities Levies	2.690	2.690	2.690	2.690
Hazardous Substances and New Organisms	1.530	1.530	1.530	1.530
ACC Levy Collection Charge <sup>4</sup>	0.869	0.869	0.869	0.869
<b>Total Operating funding (excluding fees)</b>	<b>93.837</b>	<b>94.157</b>	<b>94.602</b>	<b>95.102</b>

### Other Revenue

WorkSafe also directly receives a number of fees for services charged on a cost recovery basis. These services include safety case assessments for Petroleum and Major Hazard Facilities operators and fees for registrations, certificates of competency and licenses.

WorkSafe also receives funding from ACC for specific work programmes. ACC work programmes are funded based on business cases developed in conjunction with ACC, and vary over time. As noted above, the process for ACC's injury prevention spend is not working effectively or efficiently. MBIE is considering policy options (by December 2017) to resolve the model. WorkSafe believes it is critical the flaws in the model are addressed so that the government's model can effectively deliver broad health and safety outcomes for the system.

<sup>4</sup> This charge is funded through the Health and Levy, but is a separate appropriation in the Estimates.

WorkSafe had additional capital funding approved in September 2014 as follows:

Capital Injection (\$m)	2014/15	2015/16	2016/17	2017/18	Total
ICT Business Capability	6.000	5.000	3.000	0.000	<b>14.000</b>
Motor Vehicles and Equipment	2.428	0.797	0.000	0.000	<b>3.225</b>
<b>Total Capital Funding</b>	<b>8.428</b>	<b>5.797</b>	<b>3.000</b>	<b>0.000</b>	<b>17.225</b>
Actual Draw Down	1.876	5.797	0.000	9.552	<b>17.225</b>

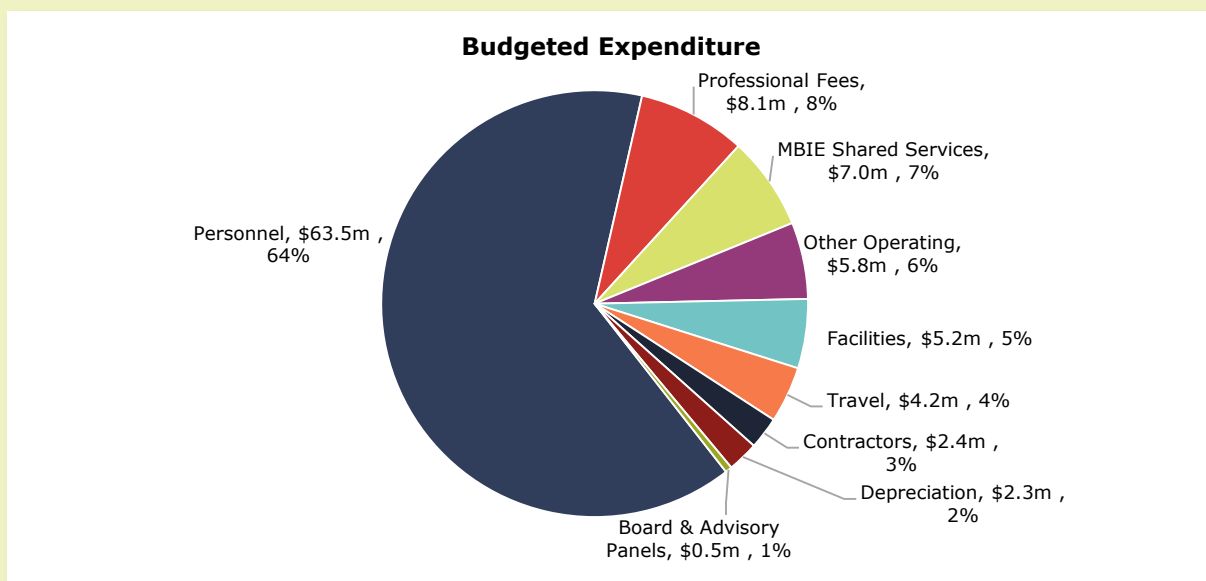
The actual draw down of capital funding was slower than planned due to timing of the ICT Business Capability Programme and utilisation of cash reserves.

### Expenditure

For 2016/17 WorkSafe is forecasting a small surplus of \$0.434m due to revenue from Major Hazard Facilities Safety Cases, which are starting a five-year cycle where revenue is primarily generated at the start of the cycle. This is partly offset by the use of surpluses in Working Safer and Energy Safety activities. The different funding sources and their expenditure are tracked and monitored separately.

Financial results are reported through a quarterly report published on WorkSafe’s website.

The graph below details the proportion of 2016/17 budgeted expenditure by expenditure type. Personnel costs make up the largest proportion of WorkSafe’s costs.



### Shared services with MBIE

WorkSafe has a shared service agreement with MBIE which has recently been updated and renewed to 30 June 2020. It covers a range of services including Information Technology support, facilities (for shared premises), payroll, contact centre and financial systems services. Work is under way to transition payroll and financial systems services out of the shared service arrangement.

### 5.3. Performance monitoring and reporting

The Board will provide you with WorkSafe’s Annual Report in November 2017, detailing our progress, performance and key achievements for 2016/17. We will also coordinate with MBIE as our monitor to provide you with quarterly reports on progress against our performance framework and priorities for 2017/18.

# Appendix 1: Snapshot of health and safety at work

## Context for New Zealand’s health and safety at work system

The decision to establish a stand-alone regulatory entity for health and safety at work and to introduce the new HSWA legislation were a direct response to the recommendations of the Royal Commission on the Pike River Coal Mine Tragedy and the Independent Taskforce on Workplace Health and Safety. These documents, along with the Government’s response to those recommendations in 2013, *Working Safer*, formed the foundations of WorkSafe’s goals. Our mission is clear and focused – to drive the transformation of New Zealand’s health and safety performance.

Overall, we have seen emerging signs of progress, with early indications of a shift in health and safety performance in workplaces. However, the level of work-related harm still remains at an unacceptable level, and more work is needed to lift health and safety performance, particularly focusing on how workplaces manage their critical risks.




Achieving sustained change in health and safety performance is something we cannot do alone. It requires everybody collectively working to drive positive change that will lift performance. Workers, businesses, unions and industry each have a critical part to play in lifting health and safety performance.

### PROGRESS TOWARDS WORKING SAFER TARGETS

WorkSafe’s *Towards 2020* Report provides an overview of the state of New Zealand’s health and safety at work across the system and shows progress towards the 25% harm reduction target. Official data is produced by Stats NZ and is lagged to allow sufficient time for collation and data accuracy processes. The most recent official (provisional) data available for the indicators is for the 2016 calendar year and was released in October 2017.

More detail about the indicator rates, data sources, timing of data releases and trends is provided in *Towards 2020*; the document will shortly be refreshed to include the most current data. Overall:

- As of 2016 the fatal and serious non-fatal injury rates are lower than both the 2016 interim and 2020 targets.
- After four consecutive years of increase, the supplementary indicator – the rate of injury resulting in more than a week away from work (WAFW injury) – has reduced slightly in 2016, but remains above the interim target.

			Trend	
<b>Progress towards 25% reduction</b>	<b>Target indicator 1: Fatal work-related injury rate</b>			
	2016 target: 10% below baseline 2020 target: 25% below baseline	Latest result: 39% below baseline (2014-16 rate)		
	<b>Target indicator 2: Serious non-fatal injury rate</b>			
	2016 target: 10% below baseline 2020 target: 25% below baseline	Latest result: 26% below baseline (2016 rate)		
	<b>Supplementary indicator: WAFW injury rate</b>			
	2016 target: 10% below baseline 2020 target: 25% below baseline	Latest result: 4% above baseline (2016 rate)		

## Appendix 2: Ministerial responsibilities and requirements

WorkSafe is mindful of how our decisions and actions may impact on wider government policy issues. We will advise you of issues that may be discussed in the public arena or require a response from you and will inform you of any major strategic initiatives we undertake. The next annual Letter of Expectations from yourself to the Board Chair will clearly set this out.

Crown Agents also undertake Ministerial directions that give effect to government policy. WorkSafe will work with you and MBIE to provide advice and resources to support this work. This includes crossover work with other elements of the Workplace Relations and Safety portfolio, like the Labour Inspectorate, as well as any work with the ACC, Transport, Energy and Resources and other relevant portfolios.

Along with the [Health and Safety at Work Act 2015](#), there are a number of pieces of legislation that relate to the operational functions of WorkSafe – the following are of most relevance:

- [WorkSafe New Zealand Act 2013](#) (which includes information on WorkSafe’s main objective and functions)
- [Hazardous Substances and New Organisms Act 1996](#) (HSNO)
  - HSNO requirements have been transferred to HSWA and WorkSafe has been working closely with MBIE on the new set of Hazardous Substances Regulations.
- [Electricity Act 1992](#) and [Gas Act 1992](#).

Most legislative Ministerial tasks will be facilitated through MBIE, and there are some key approvals and responsibilities that relate to WorkSafe and the health and safety at work system, as below.

Item	Description
Appointments / reappointments to the WorkSafe Board	Under the WorkSafe Act you must appoint at least five, but not more than nine, people as members of the Board. MBIE will facilitate this process with you as the need arises.
Letter of Expectations	Following on from the Prime Minister’s enduring Letter of Expectations to Crown Entities that will be expected, Ministers with responsibilities for Crown Agents set out a Letter of Expectations to the Board Chair that clearly sets out your areas of interest, your performance expectations and everyone’s roles and responsibilities. This letter is drafted by MBIE at your direction.
Approved Codes of Practice (ACOPs)	ACOPs are practical guides produced by WorkSafe and approved by you on how to comply with legal duties under the Act and regulations.  They can be used in legal proceedings as evidence of whether or not a duty or obligation under HSWA has been complied with.
Safe Work Instruments (SWIs)	SWIs set out technical rules in relation to matters covered by regulations, for example variations to control measures for specific substances. SWIs are developed by WorkSafe and approved by you (including amendments and revoking of SWIs). Prior to approving an SWI you must be satisfied that appropriate persons and organisations have been consulted.
Annual Report	As Minister you present the Annual Report from WorkSafe to the House. The 2016/17 Annual Report is currently being finalised and will be sent to you in November (see page 28).
Statement of Performance Expectations (SPE)	WorkSafe’s SPE 2017/18, setting out the Board’s priorities for the current financial year, was published in July 2017. As Minister, you formally present the SPE to the House; this process is being combined with the Annual Report tabling.  WorkSafe reports progress against each year’s SPE in quarterly reports from the Board that are published on our website. This work culminates in the Annual Report for the year.



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**ENDNOTES**

<sup>A</sup> *Working Safer – A blueprint for health & safety at work*, MBIE, August 2013; <http://www.mbie.govt.nz/info-services/employment-skills/workplace-health-and-safety-reform/document-and-image-library/working-safer-key-documents/safety-first-blueprint.pdf>.

<sup>B</sup> *The Report of the Independent Taskforce on Workplace Health & Safety*, April 2013; <http://hstaskforce.govt.nz/documents/report-of-the-independent-taskforce-on-workplace-health-safety.pdf>.

<sup>C</sup> *Towards 2020 – Progress towards the Government’s Working Safer fatality and serious injury reduction target*, WorkSafe, June 2017; <https://www.worksafe.govt.nz/worksafe/research/health-and-safety-data/towards-2020/towards-2020-may-2017.pdf>.

<sup>D</sup> *Healthy Work, WorkSafe’s Strategic Plan for Work-Related Health 2016 to 2026*, WorkSafe, August 2016; <https://www.worksafe.govt.nz/worksafe/information-guidance/work-related-health/documents-and-images/wrh-strategic-plan-healthy-work-2016-2026.pdf>.

<sup>E</sup> See <http://pikeriver.royalcommission.govt.nz/>.

<sup>F</sup> *Work-related Disease in New Zealand*, MBIE, 2013; <http://thehub.superu.govt.nz/sites/default/files/Work-related%20disease%20in%20New%20Zealand.pdf>.

<sup>G</sup> *Statement of Performance Expectations 2017-2018*, WorkSafe, July 2017; <http://www.worksafe.govt.nz/worksafe/about/publications/documents/worksafe-nz-statement-of-performance-expectations-2017-2018.pdf>.

<sup>H</sup> *Statement of Intent 2016-2020*, WorkSafe, July 2016; <http://www.worksafe.govt.nz/worksafe/about/publications/documents/worksafe-nz-statement-of-intent-2016-2020.pdf>.

<sup>I</sup> *Reducing Harm in New Zealand Workplaces – an Action Plan 2016-2020*, WorkSafe and ACC, July 2016; <https://www.acc.co.nz/assets/business/action-plan-reduce-harm-NZ-workplaces.pdf>.

<sup>J</sup> O’Dea, D. and Wren, J., 2012; *New Zealand Estimates of the Total Social and Economic Cost of Injuries. For All Injuries, and the Six Injury priority areas. For Each of Years 2007 to 2010. In June 2010 dollars. Report to New Zealand Injury Prevention Strategy.*

<sup>K</sup> See <https://www.futuredirectors.co.nz/>.