

WorkSafe Quarterly Report: Q4 1 April to 30 June

WorkSafe outlook

WorkSafe’s quarter was defined by COVID-19 and the April/May 2020 lockdown. We transitioned staff out of our offices and into remote work; we maintained our core regulatory activities as an essential service; and contributed to the all-of-government response at all levels.

WorkSafe continues to support the COVID-19 response, and workplaces, as part of our business as usual activities. We know that the nature of work and workplaces has changed, and support is needed to ensure health and safety in this uncertain environment.

Despite COVID-19, WorkSafe achieved a significant amount over the quarter and the year, including across our engagement, education and enforcement lever, and in growing our capacity and capability. We finalised our 2020/21 work programme and budget which will support our work towards becoming a modern, insights-driven regulator that makes a measurable difference. We progressed our Budget 2019 (B19) contingency funding draw down which will support WorkSafe to deliver work-related health initiatives and projects.

Delivery

Performance measures

13/15 Ministerial expectations on track

12/15 SPE measures on track

1 not available

2 impacted by COVID

We will report in full on our delivery over the year, and our performance measures, in our Annual Report.

5/9 SOI measures on track

1 measure results not comparable to target

3 no longer fit for purpose or not available

Highlights (issues, risks and actions) this quarter

A key feature of this quarter was our **response to the April/May 2020 lockdown**; we made a significant contribution to the all-of-government COVID-19 response.

We **produced a wide array of guidance, including general and sector-specific COVID-19 guidance, and subject-specific guidance** to support healthy and safe work.

We continued to deliver a range of initiatives and activities, including **making progress in our Mentally Healthy Work programme**.

We **progressed our planning and budgeting process to produce Taura Here Waka – Our One Plan to further our modernisation journey**.

Focus next quarter

We will **work with sector leadership groups to continue to support their response to COVID-19, and support their work to manage the impacts** in a healthy and safe way.

We will continue to build the capacity and capability to support our harm prevention programmes with a focus on **building a team to deliver on carcinogens and airborne risk**.

We will **socialise Taura Here Waka across the organisation, to engage all staff on our journey to become a modern, insights-driven organisation**, and consulting on our proposed new values.

We will **ensure that WorkSafe is “investment ready” before** requesting ministerial approval to draw-down of **the remaining contingency funding** to support our intelligence and ICT.

Finance

Working Safer Levy is within the 2% target range of net underspend overall across the organisation. Additional funding was received in June 2020 for COVID-19 and Refrigeration expenditure. An underspend will be transferred to reserves and carried forward to spend next year.

Vehicle fleet

54 diesel **5** hybrid **0** electric **158** petrol

Our next round of vehicle purchases will be 15 hybrids, expected on the road in August 2020.

ICT

We transitioned out of the office and into remote work and work from home during the April/May 2020 lockdown. We also worked towards bringing the ‘*Office 365 programme*’ back on track; this is our ICT migration from MBIE and upgrade. We are continuing work on the programme and work to service support for the draw down of Budget 2019 contingency funding which will support next steps.

Organisational risk

WorkSafe confirmed our risk profile and work is underway to ensure the right control assessments are in place. Specific regulatory risks have been considered through the recent 2020/21 planning and budget round. Our focus remains on building operational capacity and capability to address regulatory risk and investment has been directed towards managing those risks or is being flagged for future investment.

People, culture and property

A key feature of Q4 included the arrival of new Board and Executive Leadership Team members. We also now have draft new WorkSafe values for WorkSafe-wide consultation. Both are important steps in our organisational evolution. In Q4, we also developed and implemented new protocols for our 19 properties to comply with government guidance at each Alert Level; working through the complexities arising out of the various of leases.

Ministerial Expectations (1 of 4)

Red Not tracking to deliver on target
 Amber Off track to deliver on target
 Green On track to deliver or exceed target

Regulatory effectiveness	Deliverables 19/20	Q3	Q4	Highlights (issues, risks and actions)	Focus next quarter
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1. Work with other regulators to drive best health and safety regulatory practice	<ul style="list-style-type: none"> Strengthen purposeful and active relationships with strategic partners and stakeholders, including other regulators, MBIE, ACC, health and transport and our social partners (NZCTU and business) Execute two shared initiatives arising from the CE's forums 	●	●	<ul style="list-style-type: none"> Worked as part of the all-of-government COVID-19 response team providing leaders and technical experts, and customer service support for a range of response activities. Worked on the Chair's forum decision to scope work to support the development of regulatory practice capability for regulatory boards and monitoring practice. This expectation is red due to the challenges driving the establishment of a strategic work programme through the Chief Executive's forum; this was not achieved this performance year. It is likely to remain a challenge as the all-of-government COVID-19 response continues and deflects resources. 	<ul style="list-style-type: none"> There are a number of significant, planned engagements and initiatives in Q1. They include: <ul style="list-style-type: none"> continuing the joint agency energy safety project – <i>Product Safety Forum</i> - with MBIE, the New Zealand Customs Service and Commerce Commission. working with New Zealand Transport Authority (NZTA) and the New Zealand Police (Police) Commercial Vehicle Safety Team exploring ways in which we can collaborate more effectively together where we have joint or overlapping regulatory functions.
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2. Supporting health and safety regulatory reform including implementation	<ul style="list-style-type: none"> Support MBIE with the ongoing development of the Health and Safety Regulatory Framework (including Plant and Structures Regulation and Mining Regulations) 	●	●	<ul style="list-style-type: none"> Supported MBIE to complete a cabinet paper and discussion document for consultation on proposed updates to schedules of standards cited in <i>Electricity (Safety) Regulations 2010</i> and <i>Gas (Safety and Measurement) Regulations 2010</i>. Provided technical advice to MBIE for the forthcoming amendments to the <i>Health and Safety at Work (Hazardous Substance) Regulations 2017</i>. 	<ul style="list-style-type: none"> Continuing to support MBIE as it works on various pieces of work to support the regulatory reform package; in preparation for receiving direction and re-prioritising the programme post-COVID-19.
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3. Fulfil Energy Safety regulator role and enhance the energy safety regulatory framework	<ul style="list-style-type: none"> Promote and contribute to the safe supply and use of electricity and gas 	●	●	<ul style="list-style-type: none"> Completed the investigation into the 19 July 2019 Christchurch gas explosion. Participated in the Trans-Tasman electrical and gas regulators meetings; Electrical Regulatory Authorities Council; and Gas Technical Regulatory Committee. Provided input into a number of Standards New Zealand (Standards NZ) projects including to facilitate the safe supply and use of hydrogen. 	<ul style="list-style-type: none"> Engaging with, and input into, Standards NZ work, and working across WorkSafe to map out the regulatory responsibilities with regard to the storage, supply and use of hydrogen. Supporting the development of rules for the integration of the 'TT' electrical earthing arrangement into the electrical infrastructure.
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4. Build on new enforcement and legal tools in the Health and Safety at Work Act 2015	<ul style="list-style-type: none"> Use and build on our range of enforcement and legal tools including enabling duty-holders to self-review their health and safety practice and approving Enforceable Undertakings 	●	●	<ul style="list-style-type: none"> Continued developing an approach to the proactive prosecutions of businesses before serious harm or fatality occurs; allowing Inspectors to initiate a prosecution where duty holders ignore other interventions put in place to address health and safety issues. 	<ul style="list-style-type: none"> Continuing the suite of activities delivered by the Inspectorate and other teams, focused on harm prevention and the use of our enforcement tools. With a return to work, activities like Duty Holder Reviews can be re-started.
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Ministerial Expectations (2 of 4)

Red Not tracking to deliver on target **Amber** Off track to deliver on target **Green** On track to deliver or exceed target

Harm prevention	Deliverables 19/20	Q3	Q4	Highlights (issues, risks and actions)	Focus next quarter
5. Work closely with system partners to build complementary harm prevention capability	<ul style="list-style-type: none"> – Refresh and implement our harm prevention plans including ACC plan – Strengthen relationships with strategic partners and stakeholders – Sector specific programmes and cross-sector initiatives (vehicles etc.) – Co-design evidence-based harm prevention programmes 	●	●	<ul style="list-style-type: none"> – Confirmed the scope, phasing and funding requirements for the three work-related health sub-plans (carcinogens and airborne risks, musculoskeletal disorders and mentally healthy work (MHW)). – Worked with the Ministry of Health (MoH) and ACC on a clinical pathway so that workers can be tested for accelerated silicosis (paid for by ACC) with workers being identified and referred by WorkSafe. This project will provide a data and information gathering opportunity that will enable us to learn more about the size and complexity of this harm in New Zealand. – Continued work to develop the Good Work Design Strategy for musculoskeletal disorders which will also be useful for MHW and other harm prevention initiatives. 	<ul style="list-style-type: none"> – Expert input to support the establishment of the new team focused on carcinogens and airborne risks; the team’s work programme; and our position statement. – Engaging with a new Cross-Agency Group for Psychosocial Harm that seeks to ensure information sharing and consistency in the government response, and has undertaken to review the <i>COVID-19 Psychosocial and Mental Wellbeing Recovery Plan</i>.
6. Move towards improving outcomes in work-related health (including mental health and the reduction of psychosocial harms)	<ul style="list-style-type: none"> – Refresh and implement our harm prevention plans including ACC plan – Strengthen relationships with strategic partners and stakeholders – Scope and design in work-related health including psychosocial risk factors 	●	●	<ul style="list-style-type: none"> – Engaged an expert to support the establishment of the new team focused on MHW, the team’s work programme and our position statement. – Inducted the new, permanent MHW Lead into the team. – Progressed WorkSafe’s position statement on MHW working towards seeking Executive Leadership Team approval, and for future publication and dissemination. 	<ul style="list-style-type: none"> – On-boarding three new positions to the MHW team, round out the team and enable the delivery of the work programme. – Publishing our position statement on MHW, setting out WorkSafe’s stance and approach to engagement, education and enforcement.
7. Support improved health and safety outcomes for workers with greater needs (such as Māori, Pasifika and migrant workers)	<ul style="list-style-type: none"> – Implement programmes tailored to workers at greatest risk of harm (such as Māori, Pacific Peoples and migrant workers) 	●	●	<ul style="list-style-type: none"> – Engaged with the Forestry Industry Safety Council (FISC) on a joint approach to deliver the Te Ao Maruiti marae-based harm prevention programme in two regions. – Completed a forestry case study with Ngati Hine – including a video production; ‘<i>The Value and power of Engagement from a Te Ao Maori perspective</i>’. – Progressed Phase 2 of Puataunofu with a focus on “Train the Trainer”, that will enable Pacific People to train others to build health and safety capability in their workplaces. 	<ul style="list-style-type: none"> – Completing consultation and feedback process on final video production before delivering and distributing the video. – Delivering 1-2 Kaupapa Māori based programmes in Te Tairāwhiti and/or Te Tai Tokerau with FISC, to leverage off each organisation’s strengths and capabilities. – Utilising Te Ara Tuituinga (WorkSafe’s Māori engagement framework) to build strategic relationships with Māori. – Progressing the development of a draft Pacific Strategy with the Pacific Peoples Advisory Group.

Ministerial Expectations (3 of 4)

Red

Not tracking to deliver on target

Amber

Off track to deliver on target

Green

On track to deliver or exceed target

System leadership	Deliverables 19/20	Q3	Q4	Highlights (issues, risks and actions)
8. Actively contribute to the goals of the H&S at Work Strategy	<ul style="list-style-type: none"> Contribute to the goals of the Health and Safety at Work Strategy 	●	●	<ul style="list-style-type: none"> Delivered a range of work under the Strategy's seven priority areas including the initiation of two new workforce development projects led by the Health and Safety Association of New Zealand (HASANZ). Secured Ministerial agreement to the publication of the health and safety system dashboard.
9. Commitment to a collaborative close relationship with MBIE	<ul style="list-style-type: none"> Support MBIE with the ongoing development of the Health and Safety Regulatory Framework (including Plant and Structures Regulation and Mining Regulations) 	●	●	<ul style="list-style-type: none"> Liaised with MBIE on the next steps for the reform package considering the impact of COVID-19 on the policy work in these areas. Resources were diverted to support the all-of-government COVID-19 response, and MBIE is awaiting direction on next steps from Ministers and Cabinet.
10. Co-lead Health and Safety at Work Strategy Stakeholder Reference Group	<ul style="list-style-type: none"> Co-lead a Strategy Reference Group with MBIE 	●	●	<ul style="list-style-type: none"> Engaged with MBIE on their plans to re-compose and re-invigorate the Strategy Reference Group post the April/May 2020 lockdown and develop a framework for identifying a set of priority actions for implementing the Strategy. However, work remains ongoing and this is why we have rated this amber.
11. Strengthen health and safety engagement at an industry level	<ul style="list-style-type: none"> Strengthen relationships with strategic partners and stakeholders Implement sector specific programmes and cross-sector initiatives (vehicles etc.) 	●	●	<ul style="list-style-type: none"> Planned with the NZTA and Police the work programme to reduce harm in and around vehicles, with a focus on seatbelt use, which will also be a focus of our activities with Shop Care. Established the Supply Chain Project to explore supply chain issues as drivers of harm.
12. Strengthen the framework for worker engagement, participation and representation (WEPR)	<ul style="list-style-type: none"> Strengthen relationships with strategic partners and stakeholders Co-design and co-deliver WEPR pilots in forestry and agriculture 	●	●	<ul style="list-style-type: none"> Designed the WEPR community of practice programme focused on working with and building capability of health and safety reps across all sectors. Continued to support the work of our Toroawhi roving health and safety ambassadors in the forestry sector as they supported a safe return to work post-April/May 2020 lockdown.

Ministerial Expectations (4 of 4)

Red Not tracking to deliver on target
 Amber Off track to deliver on target
 Green On track to deliver or exceed target

Organisational excellence	Deliverables 19/20	Q3	Q4	Highlights (issues, risks and actions)	Focus next quarter
<p>13. Public confidence in WorkSafe's resource allocation and financial management</p>	<ul style="list-style-type: none"> Resource a Modernisation office Implement new funding initiatives Continue our Investment Advisory Committee that allocates resources and monitors benefits Regular reporting to ELT, Board, Monitor and Minister 	●	●	<ul style="list-style-type: none"> Delivered a governance framework and approach for the modernisation programme to address recommendations from the Gateway review. Delivered the role descriptions for the needed to support embedding the 'one plan' and our future work programme in the organisation. 	<ul style="list-style-type: none"> Developing the rebranding and packaging of our new operating model for wider internal consumption and use; this is an important communication piece that will help frame our THW and make it meaningful for staff across WorkSafe.
<p>14. Closely monitor any new investments with a focus on capturing the benefits achieved</p>		●	●	<ul style="list-style-type: none"> Continued developing systems and processes to support the one plan's success into the next performance year (and beyond). Applied the future state visions and six Focus Areas to the 2020/21 planning and budgeting process. 	<ul style="list-style-type: none"> Operationalising the governance and support the Executive Leadership Team will need to put in place, to ensure we are achieving the THW outcomes. Developing the governance investment and prioritisation framework that will support decision-making at a senior level, about initiatives and projects that are a priority and will make a measurable difference.
<p>15. Anticipate, forecast and adjust for emerging cost pressures so they are met within baseline funding</p>		●	●	<ul style="list-style-type: none"> Identified cost pressures in a number of areas as a result of the planning and budgeting process, and begun developing plan for how to address these. For this reason we have rated this area amber. Worked with the new Service Design team to ensure alignment to the future state vision. Populated the new Portfolio Project Management (PPM) tool with the 2020/21 initiatives set. Project managers will utilise this tool for monitoring and reporting. Established the intervention logic workstream Evidence Lead Decision and Risk Capability (ELDAR) as one of our key 2020/21 initiatives. A lead for the work has been identified and will be assisted by the Modernisation office. Progressed the development of 'Taura Here Waka - One Plan' (THW) through the 2020/21 planning and budget process and the ICT MBIE/WorkSafe disengagement plan to help set direction and drive decision-making. Appointed a THW manager to develop a clear, consistent, and effective way to both govern and deliver our work toward a unified WorkSafe work programme to make a measurable difference. 	<ul style="list-style-type: none"> Planning for the balance of the B19 Contingency drawdown, including completing the ICT roadmap with agreement with the dis-engagement with MBIE and a successfully completed the delivery of Office 365. Planning the approach to addressing the identified cost pressure for the 2020/21 financial year.

Home	Ministerial expectations	New funding initiatives	SPE measures	Organisational risk	People	Finance	System targets	SOI measures
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New funding initiatives - Application of Budget 19 appropriated funding for 2019/2020

Outcome	B19 \$m Allocation 2019/20	WKS \$m Actual 2019/20	B19 \$m Actual 2019/20	The commentary below details how WorkSafe has spent Budget 2019 funding for a range of cost pressures and new initiatives.
People Strategy	0.46	0.19	0.19	Implementation of the People Strategy is being progressed across multiple workstreams, with some planned work (refer B19 PIP key milestones), and the incurring of costs, will be undertaken in 2020/21.
Learning and development programme	0.74	0.26	0.26	Our Learning and Development Programme is delayed and underspent. Our planned capability framework development and training delivery has been delayed to 2020/21. In Q4, we concluded the negotiations and planning for the executive leader development programme, and endorsed the Operations competency framework.
Remuneration increase for all staff	1.25	1.67	1.25	We provided a remuneration increase for staff (of 2.8% on average) from 1 July 2019, along with performance based incentives for inspectors. The total cost was offset by surplus 'remuneration increase for the Inspectorate'.
Agreed remuneration increase for the inspectorate	0.4	0.26	0.26	This funding was applied to remunerations increases for the Inspectorate and also offset the total cost of the all staff remuneration increase referenced above.
Retention initiatives	0.2	0.65	0.2	The retention initiative costs pressure funding was applied to Staff Health Insurances (Wellbeing). Baseline funding was applied to meet the total cost.
Inspectorate	0.59	1.51	0.59	Funding was applied to develop operational capability aligned with business need - including Hazardous Substances Inspectors, a Major Incident Coordinator and a new mentally-healthy work (MHW) team lead who begun work in Q4 and will support our recruitment for additional team members and delivery of our MHW programme in 2020/21.
Modernisation office	2.24	1.98	1.98	Our Modernisation Office is in place and delivering enterprise Target Operating Model deliverables and supporting B19 Programme development. Detailed updates can be found under Ministerial expectations 13, 14 and 15 on page 5.
Increased capacity in research and intelligence	0.21	0.1	0.1	We appointed a new Data Analyst (December 2019) and Data Scientist (February 2020) to support increase in capacity, and have purchased new high technology laptops that will support our Advance Analytics and Artificial Intelligence work programme under the Regulatory Intelligence Strategy.
Increased capacity in 'better regulation' to develop educational materials	0.88	0.19	0.19	Temporary resources were put in place until permanent roles were advertised (in June 2020). Permanent appointments are anticipated shortly. This cost has not been effectively captured in our financial reporting system, and other funding spent was reprioritised to support Operations and Better Regulation projects.
Legal	0.14	0.09	0.09	A senior solicitor was appointed in December 2019.
Increased ICT operational expenditure	1.25	1.77	1.25	Funding was spent, aligned to our ICT strategy, on ICT operational costs and the progressive shift of ICT services from MBIE to WorkSafe management.
Inflation adjustment	0.5		0.5	Used for inflationary driven costs e.g. lease costs.
Implementation of HRIS and Payroll	0.15	0.13	0.13	Used to part fund the moving of payroll from MBIE to WorkSafe management.
Baseline deficit	0.5		0.5	Used to cover historical unfunded cost pressures.
Unfunded depreciation	2.17	0.11	2.17	Used to provide the appropriate level of depreciation funding to cover the capital investment programme.
Total	11.68	8.91	9.66	

Statement of Performance Expectations – Activity measures (1 of 3)

Harm prevention		Target 19/20	Actual	Commentary
1. Percentage of people who say our guidance is useful (this measure provides an indication of how we help all parts of the system understand what good health and safety practice looks like) (Annual)		Hold or increase (≥ 97%)	98%	● WorkSafe reports annually on guidance that was 'very useful' and 'somewhat useful'.
2. Percentage of assessments that include interaction with a worker or representative where available (Quarterly - YTD)		≥ 80%	79.3%	● Our result for the year shows our commitment to worker engagement, participation and representation. The General Inspectorate were exceeding the target for this measure prior to the April/May 2020 lockdown. The year-end result reflects the impact of COVID-19. During lockdown, inspectors completed remote assessments via phone making access to workers and their representatives more challenging, yet they came close to achieving their target.
3. Update and implement Healthy Work Plan and Harm Reduction Action Plan (Quarterly - YTD)	<p>Update Healthy Work Plan → Update Harm Reduction Action Plan →</p> <p>Implement Healthy Work Plan ✓ Implement Harm Reduction Action plan -</p>	Achieve	Achieved	● We have updated both plans. The <i>Harm Reduction Action Plan</i> does not contain initiatives for implementation. It is a strategic document developed with the Accident Compensation Corporation (ACC). We are planning to deliver three sub-plans under the Healthy Work Action Plan in 2020/21, subject to funding and the impact of COVID-19.
4. Percentage of assessments that include a focus on work-related health risks (Quarterly - YTD)		≥ 50%	69.1%	● We have exceeded this target, which is consistent with our increased focus on harm prevention and work-related health. It will remain a focus for the new performance year.

Statement of Performance Expectations – Activity measures (2 of 3)

Regulatory effectiveness		Target 19/20	Actual	Commentary																														
5. Percentage of prosecutions that are successful (Quarterly - YTD)		≥ 80%	88%	<p>● To year end, there have been:</p> <ul style="list-style-type: none"> • 67 prosecutions initiated • 77 disposed • 61 convicted • 9 withdrawn • 7 discontinued due to enforceable undertaking. 																														
6. Percentage of [formal] investigations where a final decision is made and communicated to victims and PCBUs within 12 months of commencement (Quarterly - YTD)		100%	95%	<p>● 109 of 115 decisions were communicated within 12 months, with two missing the timeframe by three days or less, and one being informally (but not formally) communicated within the timeframe.</p> <p>One decision was a result of delays with the Coroner's office, and reasons for the others currently being investigated.</p>																														
7. Percentage of energy safety investigations (notifiable/non-notifiable incidents and unsafe situations) involving gas and electricity that are completed within 60 days (Quarterly - YTD)		≥ 80%	87%	<p>● To year end, 735 of 845 investigations have been completed within 60 working days.</p>																														
8. Percentage of safety cases under review according to schedule (Quarterly)	<table border="1"> <thead> <tr> <th colspan="5">Safety case review schedule</th> </tr> <tr> <th>Step in cycle</th> <th>Dec 19</th> <th>Mar 20</th> <th>Jun 20</th> <th>Oct 20</th> </tr> </thead> <tbody> <tr> <td>Not yet begun</td> <td>10</td> <td>1</td> <td>0</td> <td>0</td> </tr> <tr> <td>In progress</td> <td>5</td> <td>6</td> <td>1</td> <td>0</td> </tr> <tr> <td>Further info required</td> <td>12</td> <td>1</td> <td>6</td> <td>0</td> </tr> <tr> <td>Completed</td> <td>30</td> <td>49</td> <td>56</td> <td>57</td> </tr> </tbody> </table>	Safety case review schedule					Step in cycle	Dec 19	Mar 20	Jun 20	Oct 20	Not yet begun	10	1	0	0	In progress	5	6	1	0	Further info required	12	1	6	0	Completed	30	49	56	57	100%	100%	<p>● We have met our end of year target with 100% of new Major Hazard Facility safety cases received under active review in 2019/20.</p> <p>Of the 57 new safety cases received, 56 have been completed and one has been referred back to the operation for further information.</p>
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Statement of Performance Expectations – Activity measures (3 of 3)

System leadership		Target 19/20	Actual	Commentary
9. The number and range of sectors supported by tripartite sector leadership groups (Quarterly)	<p>A horizontal bar chart with a grey bar extending to 6 on a scale from 0 to 5. A yellow box highlights the number 6. The target value of 5 is indicated above the bar.</p>	5 (increase by at least 2 from 18/19)	6 ●	A tripartite group comprises government, business and worker representatives. WorkSafe has supported the establishment of three cross-cutting tripartite groups this year; the Partners Council with a focus on working with Iwi and Māori, the Pacific Peoples Responsiveness Advisory Group and the Worker Engagement, Participation and Representation (WEPR) Community of Practice. These tripartite groups extend wider than individual sectors and all come with significant potential for supporting health and safety in their populations or areas of focus.
Percentage of people we directly engage with who agreed WorkSafe is: (Annual)		Target 19/20	Actual 19/20	
10. Educative	<p>A line chart with four lines representing different categories: Educative (blue), Fair (grey), Proportionate (orange), and Performing effectively (purple). The x-axis shows years from 16/17 to 19/20. The y-axis shows percentages from 40% to 100%. The 'Educative' line is the lowest, starting at ~65% and ending at ~66%. The 'Fair' line is the highest, starting at ~85% and ending at ~91%. The 'Proportionate' line starts at ~68% and ends at ~71%. The 'Performing effectively' line starts at ~65% and ends at ~72%.</p>	Increase (> 70%)	66% ●	We have not met our target for being “Educative” this performance year with the result falling just outside the margin of error.
11. Fair		Increase (> 91%)	91% ●	Due to timing, the result does not include the work we undertook to support the all-of-government COVID-19 response.
12. Proportionate		Increase (> 68%)	71% ●	All other results have been achieved, with WorkSafe meeting or exceeding the target.
13. Performing effectively		Increase (> 70%)	72% ●	
Organisational excellence		Target 19/20	Actual	Commentary
14. Staff engagement as measured in the ‘We Say’ survey results (Annual)	<p>A horizontal bar chart with a grey bar extending to approximately 60% on a scale from 0% to 100%.</p>	≥ 61%	N/A ●	WorkSafe agreed to delay the ‘We Say’ survey to Q2 2020/21 to gather these results in response to having four new ELT members, allowing time for the new executive direction to be set, and sufficient time post our initial focus on our response to COVID-19. We have initiatives underway to improve our staff engagement which were continued in Q4.
15. Progress toward achieving strategic goal of becoming a leader in New Zealand health and safety practice (Annual)	<p>A horizontal bar chart with a grey bar extending to approximately 75% on a scale from 0% to 100%. A dashed blue box highlights the end of the bar.</p>	Achieve ‘Performing’ level	Performing ●	WorkSafe’s latest online survey results (November 2019) show that the “Performing” level has been achieved. We continued to strive to maintain this level for the remainder of the performance year, with the result to be updated when we next run our survey, currently planned for September 2020.

Internal Organisational Strategic Risks (1/2)

Strategic alignment	Critical risk category and description	Mitigations in place and under development
Right mix of services	<p><u>Risk of</u> loss of support from authorising environment <u>due to</u> lack of/or unclear strategic direction, governance, execution of strategy, operational and/or regulatory failure, poor stakeholder management and lack of staff capacity to deliver <u>resulting in</u> loss of confidence in WorkSafe, inability to influence harm prevention targets, Ministerial and Parliamentary scrutiny, loss of mandate and adverse media and negative reputational impact.</p>	<ul style="list-style-type: none"> - Strategic deep dive sessions are planned and underway for some key areas to ensure clarity and understanding of strategic direction for implementation. - Reporting and monitoring against the Sol 2018-2022, and SPE is embedded and operating effectively. This informs our planning, how we are tracking and any additional focus required to improve performance. - Investment prioritisation of “Regulatory Failure” initiatives FY20/21: Tranches 1 and 2 are progressing well to implement changes for prioritised actions agreed by Ministers. - Implementation of Stakeholder Engagement Policy & Management Approach: Monitoring is in place and a pulse check conducted to inform activities and complete framework development in alignment with our operating model. - External work related advisory groups including operational reporting in place with any issues elevated to Chair of the Board. - Feedback to date indicates a level of satisfaction with WorkSafe’s position that will support a reduction in the likelihood of this risk. This will be presented and considered by ELT as part of the challenge session, before being submitted to ARFC in November and Board in December.
Future-proof our organisation	<p><u>Risk of</u> inability to prioritise appropriately <u>due to</u> lack of/or unclear methodology, resourcing issues, poor implementation of decisions and operating in silo’s <u>resulting in</u> strategic objectives & initiatives not being delivered, loss of confidence in WorkSafe, Ministerial and Parliamentary scrutiny, loss of political capital, adverse media and negative reputational impact.</p>	<ul style="list-style-type: none"> - Clear accountabilities and leadership model at executive level has been refreshed including executive governance. Integrated delivery plan with shared accountability is in its final stages. - The operating model is being developed to set out a clear and practical pathway to becoming a modern intelligence-led regulator, including alignment with the integrated delivery plan and planning activities for 20/21. - Monitoring and reporting of prioritised initiatives are in place with further refinements to be incorporated. - Development of an Intervention Logic Framework, trialling and re-casting traditional priority sectors is progressing well with an underpinning model developed. - Enhancements to the planning process for 20/21 were rolled out. An organisational wide lens has been applied. Review and challenge took place by the Executive Leadership Team to ensure a consistent process was applied and funding allocation is being considered in relation to the right initiatives with alignment to the integrated plan. - Developing best practice approaches for designing and delivering our services for our clients and in a consistent way within the organisation. This means strategically aligning our existing processes and systems and effectively designing and delivering new services to drive improvement. - Work to improve the controls environment has progressed to a point where consideration to reducing the likelihood and consequence of this risk can be considered. This will be presented and considered by ELT as part of the challenge session, before being submitted to Audit, Risk and Finance Committee in November and Board in December. There are currently no major concerns that the exposure is not being managed adequately

Internal Organisational Strategic Risks (2/2)

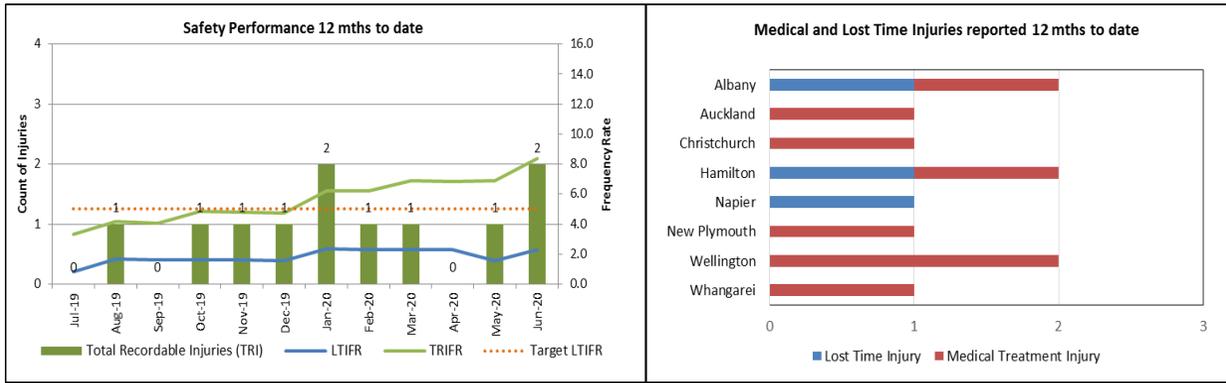
Enhance our technology, data and infrastructure

Risk of processes and ICT systems are not fit for purpose due to resourcing capability & capacity issues, lack of customer centric lens, third party failure, inability to respond to events and lack of clear business requirements to inform product selection resulting in privacy breach, non compliance with obligations, inability and/or delays to undertake core responsibilities, initiatives not being delivered and adverse media and negative reputational impact.

- Alignment of procurement to architecture roadmap and principles, and Technology Strategy is being embedded across enterprise.
- Certification and accreditation process in place and implemented to embed non functional requirements, mapping to agreed standards, controls in operation and what additional controls are required to be implemented.
- Ongoing investment profile for continuity of existing and new services is in place.
- An independent review is underway in relation to third party suppliers to inform a deeper understanding of risk and control environment gaps at operational and process levels. This will inform future focus for development and improvement of controls to manage the risk.
- Business continuity and disaster recovery plan in place and tested. Additional work to understand the effectiveness of this risk at operational and process levels is planned for 20/21.
- Recruitment for positions is underway to support the transition of ICT and ongoing support services to WorkSafe to ensure in-house capability and capacity.
- A WorkSafe wide integrated systems roadmap is almost complete to support the planned transition of technology services from MBIE.
- MBIE Governance and services management is being improved and the master services agreements are being updated to support services being transitioned to other vendor's.
- The improvement of the control environment for this risk is a key focus for WorkSafe. It is recognised that a large amount of risk is involved in transitioning services away from MBIE. The output of the independent review will be key in providing a view of the existing control gaps to enable effective mitigation plans to be implemented.
- Improvement to the control environment is underway and it is expected that the residual risk position will be improved by Q2 FY20/21. There are currently no major concerns that the exposure is not being managed adequately.

People

Internal health and safety



WorkSafe's lost Time Injury Frequency Rate (LTIFR) remains below target. However we have had three medical treatment injuries this quarter, and one medical treatment injury from January was mis-reported.

LTIFR equals the number of lost time injuries occurring per million hours worked Total Recordable Injury Frequency Rate (TRIFR) equals the number of injuries requiring medical treatment per million hours worked.

FTE (permanent and fixed) by group	Last quarter	This quarter
Operations (High Hazards, Energy and Public Safety; General Inspectorate; Specialist Interventions; Health and Technical Services; Operational Excellence)	392.6	410.1
External Strategy & Engagement	57.4	57.4
Regulatory Effectiveness	61.2	61.0
Business Performance & Modernisation	24.5	23.1
People, Culture & Safety	21.5	24.5
Digital & Information Services	12.9	14.9
Legal	17.6	18.6
Office of the Chief Executive	3.0	3.0
Total	590.60	612.6

19/20 WorkSafe-wide focus areas	Measures	19/20 Result
Inclusiveness & diversity	Everything we do is consistent with WorkSafe's purpose, vision, principles and values We have clear and effective systems for dealing with intimidating behaviour and workplace bullying, which are applied consistently	WorkSafe has postponed the "We Say" survey to Q2 2020/21.
Empowerment	WorkSafe has a culture of empowerment that maximises the performance of staff WorkSafe supports people who come forward with new ideas	
Increase alignment	All teams have objectives that are aligned with those of other teams	
Minimise silos	There is a strong focus on working together as a team rather than operating in silos	

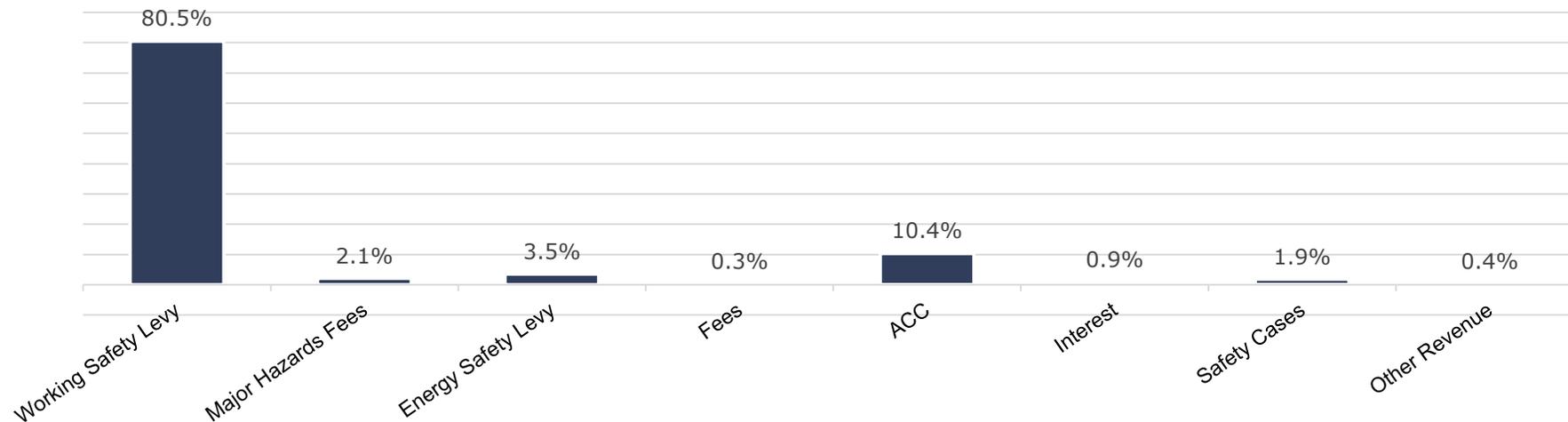
Turnover and FTE	Last quarter	This quarter	Commentary
<p>Organisation turnover (12 month rolling)</p>	10.7%	9.0%	Staff turnover for the 12 months to June 2020 was 9.0%. This has decreased compared to June 2019. It is expected to sit around 10%- 15% in the coming year. Unplanned turnover data includes permanent staff who left due to voluntary reasons, resignation, or retirement. It does not include redundancy, medical retirement, or end of contract.
<p>Organisation FTE (permanent and fixed)</p>	590.6	612.6	WorkSafe has received funding to build upon its existing capacity, with a particular focus on harm prevention. A small increase in our FTE over the course of the year was expected.

Finance (1 of 4) – WorkSafe financial performance

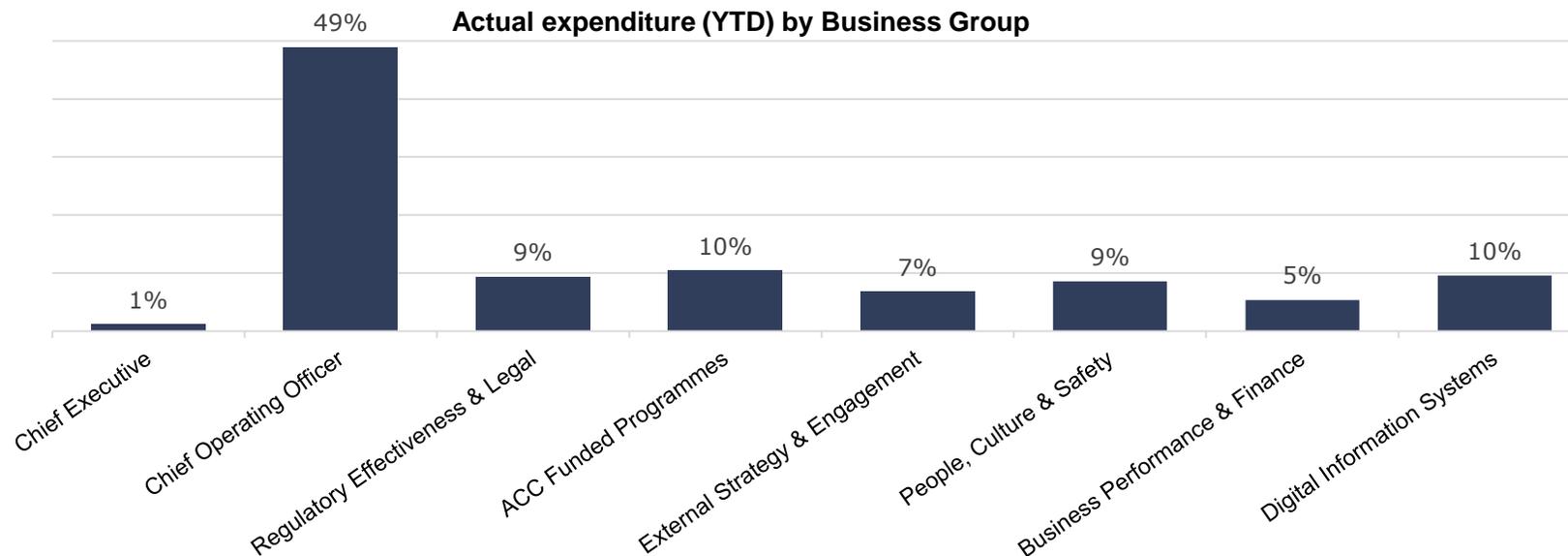
Financial performance (Year to Date 30 June 2020)				
\$000	YTD Actual	Full Year SPE Budget	YTD Variance	
Revenue				<p>The net surplus of \$1.9m is a \$5.9m favourable variance against budget. This variance is primarily in tagged funds (\$5.3m of \$5.9m) including:</p> <p>a) \$2.4m in depreciation. Project delays have resulted in an underspend in depreciation against Budget 2019 funded levels. We were funded for \$5.7m of depreciation, but have only spent \$3.3m. The difference will be transferred to the Asset Reserve to maintain future capital funding at planned levels.</p> <p>b) \$0.8m of the final surplus was due to late arriving funding for Refrigeration and COVID-19 which wasn't able to be fully spent by year end and will be carried into 2020/21.</p> <p>c) \$2.1m in Major Hazards Facilities and Energy Safety, with a surplus of \$1.1m compared to a budgeted deficit of \$1m, due to lower spend and faster Safety Case completion.</p>
Revenue Crown	107,890	106,282	1,608	
Interest revenue	1,065	753	312	
Other revenue	16,197	16,724	(526)	
Total Revenue	125,152	123,759	1,393	
Expenditure				<p>Working Safer Levy was \$0.5m underspent, with slower OPEX spend in ICT and Operations projects which has meant the incremental costs of Whakaari/White Island have been able to be absorbed</p>
Personnel and contractors	80,461	76,940	(3,521)	
Depreciation	3,393	5,109	1,717	
Other expenditure	39,437	45,709	6,272	
Total Expenditure	123,291	127,759	4,467	
Surplus/(deficit)	1,861	(4,000)	5,861	

Finance (2 of 4) – Actual expenditure and revenue year to date

YTD Actual Revenue Split



Actual expenditure (YTD) by Business Group



Finance (3 of 4) – Changes in equity and balance sheet

Changes in equity (Year to Date 30 June 2020)

\$000	Actual	Full Year SPE Budget	Variance
Equity at beginning of year	28,757	27,404	1,353
Capital contribution	200		200
Net surplus/(deficit)	1,861	(4,000)	5,861
Equity as at end of period	30,818	23,404	7,414

Summary balance sheet (as at 30 June 2020)

\$000	Actual	Full Year SPE Budget	Variance
Assets			
Cash and bank	4,730	5,968	(1,238)
Investments	37,500	17,000	20,500
Debtors	1,796	1,000	796
Fixed assets	17,683	20,700	(3,017)
Total	61,709	44,668	17,041
Liabilities			
Creditors and payables	12,734	6,000	(6,734)
Employment liabilities	6,820	6,200	(620)
Income in Advance	11,337	9,065	(2,272)
Total	30,891	21,265	(9,626)
Equity			
Capital Reserves	26,134	25,934	200
Memorandum Accounts	4,545	1,562	2,983
Accumulated surplus/(deficit)	139	(4,092)	4,231
Grand total	30,818	23,404	7,414

The cash and investment position is higher than budget due to lower spend in both Operating and Capital. The higher cash is also reflected in:

- Lower fixed assets - less Capital spend due to delays in various projects (ICT down \$2.8m, vehicles down \$1m, facilities up \$0.9m)
- Higher income in advance - due to slower than expected spend on ACC funded projects, partly offset by the faster completion and release of Major Hazard Facilities Safety Case revenue.
- Higher equity - due to OPEX underspending plus \$0.2m capital injection
- Higher creditor and payable values - there is a high creditor and payables balance due to \$2.4m invoices from MBIE in relation to the purchase of existing laptop fleet and the transfer of leasehold and furniture & fittings assets and a further \$1.8m of accruals associated with charges yet to be invoiced by MBIE. There was also a pick up in spend toward the end of the year, with creditors including \$1.25m for marketing and promotion (including the COVID-19 campaign), \$2.0m ICT accruals associated with various capital projects and purchase of new laptops, and
- Lower employment liabilities - higher due to lower than planned leave being taken in the second half of the year due to COVID-19.

Finance (4 of 4) – Summary of cash flow

Summary cash flow (Year to Date 30 June 2020)			
\$000	Actual	Full Year SPE Budget	Variance
Operating Cash Flows			
Receipts from Crown	107,890	106,282	1,608
Receipts from Other Revenue/Interest Received	17,461	15,926	1,535
Payments to Suppliers/Employees	(113,141)	(121,288)	8,147
Net Operating Cash Flow	12,210	920	11,290
Investing Cash Flows			
Net Investments	(6,500)	10,000	(16,500)
Net Asset Purchases	(5,838)	(11,593)	5,755
Net Investing Cash Flows	(12,338)	(1,593)	(10,745)
Financing Cash Flows			
Capital Contribution	200	0	200
Net Financing Cash Flows	200	0	200
Cash Movement			
Net (decrease)/increase in cash	72	(673)	745
Opening Cash	4,658	6,642	(1,984)
Closing Cash	4,730	5,968	(1,239)

The movements in cash reflect the lower spend in capital and operating as described above

System targets

Reduction in fatalities and serious harm

Indicator 1	Target 2020	Actual	Commentary
Fatal injury rate Per 100,000 FTEs 3-year average (Annual - October) <i>NB: There is a considerable lag in available data, with Annual results being for the year prior.</i>	25% below baseline	36% lower than the baseline	The results for 2018 were released in October 2019. They show that the fatal injury rate remains below the target. However, the figures suggest that progress in reducing deaths has stalled. The result has been unchanged for two years.

Indicator 2	Target 2020	Actual	Commentary
Serious non-fatal injury rate Per 100,000 FTEs, annual rate (Annual - October) <i>NB: There is a considerable lag in available data, with Annual results being for the year prior.</i>	25% below baseline	9% lower than baseline	The results for 2018 were released in October 2019. The result from October 2019 is 9% lower than baseline, but the rate has risen for the past two years.

Supplementary indicator	Target 2020	Actual	Commentary
Week away from work (WAFW) injuries Per 1,000 FTEs, annual rate (Annual - October) <i>NB: There is a considerable lag in available data, with Annual results being for the year prior.</i>	25% below baseline	12% higher than the baseline	The results for 2018 were released in October 2019. The October 2019 result shows this indicator has remained the same or increased each year since 2011. To drive change across all these measures, WorkSafe is increasing its focus on harm prevention, but we cannot deliver system results in isolation. A concerted effort from all workplaces is required.

Asbestos-related deaths		Catastrophic harm		Reduction in energy related fatalities	
Target	Commentary	Target	Commentary	Target	Commentary
50% ↓ ●	There is a three-year time lag in results for this indicator with forecasting indicating we are likely to reach the 2040 target (≤ 44).	0 ●	The incident at White Island/Whakaari in December 2019 is a catastrophic event because more than five people were killed in an event that related to work (workers and customers). As a result, this measure will not be achieved	↓ ●	Electricity fatality rate: <i>trending down</i> LPG fatality rate: <i>trending down</i> Natural gas fatality rate: <i>trending down</i>

Statement of Intent - Impact (1 of 2)

People value health and safety: Our work supports people to value health and safety as part of good business

		Target 21/22	Actual	Commentary
<p>1. Percentage of workers in priority sectors who view health and safety as a top priority (Biannual)</p> <p>NB: This is a biannual measure, with no result reported this year.</p>		> 65%	49%	<p>● We are on track to meet the 21/22 Sol target with our 18/19 result (49%) being within the margin of error of our target of 50.75% for 19/20.</p>
<p>2. Percentage of employers in priority sectors who view health and safety as a top priority (Biannual)</p> <p>NB: This is a biannual measure, with no result reported this year.</p>		> 75%	59%	<p>● The result for 18/19 and 19/20 is not directly comparable to previous years or the target. The collection method has changed and the target population expanded to make the result more nationally representative.</p> <p>The result for all sectors was 48%</p>
<p>3. Percentage of people (workers and employers) who: Made at least one change to improve workplace safety and/or reduce risks to workers health (Annual)</p>		> 84.5%	83%	<p>● We are on track to meet the 21/22 Sol target with our 19/20 result (83%) being within the margin of error of our target of 84.5%</p>

Health and safety improves wellbeing: Our work enables good health and safety to improve people's quality of life

		Target 21/22	Actual	Commentary
<p>4. Percentage of employers who have a process for identifying, assessing and managing the business's main health and safety risks, who also regularly review the processes and systems (Annual)</p>		> 80%	N/A	<p>● We are on track to meet the 21/22 Sol target with our 18/19 result (84%) exceeding the target (80%).</p> <p>MBIE did not run the survey this year, meaning this result cannot be updated for 2019/2020.</p>

Statement of Intent - Impact (2 of 2)

Health and safety improves wellbeing: Our work enables good health and safety to improve people's quality of life		Target 21/22	Actual	Commentary																											
<p>5. Workers who agreed their workplace has ways for workers to participate in health and safety and raise issues (Biannual)</p> <p><i>NB: This is a biannual measure, with no result reported this year.</i></p>	<table border="1"> <caption>Data for Item 5: Workers who agreed their workplace has ways for workers to participate in health and safety and raise issues</caption> <thead> <tr> <th>Year</th> <th>Result (%)</th> <th>Target (%)</th> </tr> </thead> <tbody> <tr><td>14/15</td><td>80</td><td>90</td></tr> <tr><td>15/16</td><td>82</td><td>90</td></tr> <tr><td>16/17</td><td>85</td><td>90</td></tr> <tr><td>17/18</td><td>82</td><td>90</td></tr> <tr><td>18/19</td><td>87</td><td>90</td></tr> <tr><td>19/20</td><td>-</td><td>90</td></tr> <tr><td>20/21</td><td>-</td><td>90</td></tr> <tr><td>21/22</td><td>-</td><td>90</td></tr> </tbody> </table>	Year	Result (%)	Target (%)	14/15	80	90	15/16	82	90	16/17	85	90	17/18	82	90	18/19	87	90	19/20	-	90	20/21	-	90	21/22	-	90	> 90%	87%	● We are on track to meet the 21/22 Sol target with our 18/19 result (87%) exceeding the 18/19 target (84.75%).
Year	Result (%)	Target (%)																													
14/15	80	90																													
15/16	82	90																													
16/17	85	90																													
17/18	82	90																													
18/19	87	90																													
19/20	-	90																													
20/21	-	90																													
21/22	-	90																													
<p>6. Employers who agreed their workplace has ways for workers to participate in health and safety and raise issues (Biannual)</p> <p><i>NB: This is a biannual measure, with no result reported this year.</i></p>	<table border="1"> <caption>Data for Item 6: Employers who agreed their workplace has ways for workers to participate in health and safety and raise issues</caption> <thead> <tr> <th>Year</th> <th>Result (%)</th> <th>Target (%)</th> </tr> </thead> <tbody> <tr><td>14/15</td><td>75</td><td>90</td></tr> <tr><td>15/16</td><td>75</td><td>90</td></tr> <tr><td>16/17</td><td>80</td><td>90</td></tr> <tr><td>17/18</td><td>80</td><td>90</td></tr> <tr><td>18/19</td><td>86</td><td>90</td></tr> <tr><td>19/20</td><td>-</td><td>90</td></tr> <tr><td>20/21</td><td>-</td><td>90</td></tr> <tr><td>21/22</td><td>-</td><td>90</td></tr> </tbody> </table>	Year	Result (%)	Target (%)	14/15	75	90	15/16	75	90	16/17	80	90	17/18	80	90	18/19	86	90	19/20	-	90	20/21	-	90	21/22	-	90	> 90%	86%	● The result for 18/19 is not directly comparable to previous years or the target. The collection method has changed and the target population expanded to make the result more nationally representative.
Year	Result (%)	Target (%)																													
14/15	75	90																													
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16/17	80	90																													
17/18	80	90																													
18/19	86	90																													
19/20	-	90																													
20/21	-	90																													
21/22	-	90																													
<p>7. More operators respond to potentially dangerous precursor events: Percentage of all precursor events that were adequately responded to (Annual)</p>	<table border="1"> <caption>Data for Item 7: Percentage of all precursor events that were adequately responded to</caption> <thead> <tr> <th>Year</th> <th>Result (%)</th> <th>Target (%)</th> </tr> </thead> <tbody> <tr><td>16/17</td><td>65</td><td>99</td></tr> <tr><td>17/18</td><td>65</td><td>99</td></tr> <tr><td>18/19</td><td>63.5</td><td>99</td></tr> <tr><td>19/20</td><td>-</td><td>99</td></tr> <tr><td>20/21</td><td>-</td><td>99</td></tr> <tr><td>21/22</td><td>-</td><td>99</td></tr> </tbody> </table>	Year	Result (%)	Target (%)	16/17	65	99	17/18	65	99	18/19	63.5	99	19/20	-	99	20/21	-	99	21/22	-	99	> 99%	63.5%	● The results to date are not comparable to the target measure as the definition of precursor event was changed. To date there are: <ul style="list-style-type: none"> • 377 events total • 352 events with a determined outcome. Of those with a determined outcome: <ul style="list-style-type: none"> • 226 events were adequately handled • 126 events were not adequately handled. 						
Year	Result (%)	Target (%)																													
16/17	65	99																													
17/18	65	99																													
18/19	63.5	99																													
19/20	-	99																													
20/21	-	99																													
21/22	-	99																													
Collective approach to health and safety: Our work leads the health and safety system towards shared goals		Target 21/22	Actual	Commentary																											
<p>8. Percentage of people (workers and employers) we engage with who agreed that WorkSafe is making a real difference to workplace health and safety in New Zealand (Annual)</p>	<table border="1"> <caption>Data for Item 8: Percentage of people (workers and employers) we engage with who agreed that WorkSafe is making a real difference to workplace health and safety in New Zealand</caption> <thead> <tr> <th>Year</th> <th>Result (%)</th> <th>Target (%)</th> </tr> </thead> <tbody> <tr><td>14/15</td><td>80</td><td>75</td></tr> <tr><td>15/16</td><td>75</td><td>75</td></tr> <tr><td>16/17</td><td>78</td><td>75</td></tr> <tr><td>17/18</td><td>80</td><td>75</td></tr> <tr><td>18/19</td><td>72</td><td>75</td></tr> <tr><td>19/20</td><td>-</td><td>75</td></tr> <tr><td>20/21</td><td>-</td><td>75</td></tr> <tr><td>21/22</td><td>-</td><td>75</td></tr> </tbody> </table>	Year	Result (%)	Target (%)	14/15	80	75	15/16	75	75	16/17	78	75	17/18	80	75	18/19	72	75	19/20	-	75	20/21	-	75	21/22	-	75	> 75%	72%	● We are on track to meet the 21/22 Sol target with our 19/20 result (70%) exceeding the 19/20 target (70.5%).
Year	Result (%)	Target (%)																													
14/15	80	75																													
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