



Te Pūrongo o Mahi Haumaru Aotearoa
WorkSafe Quarterly Report- Summary
(1 October to 31 December 2021)

WORKSAFE

Mahi Haumaru Aotearoa

Te Pūrongo o Mahi Haumarua Aotearoa

WorkSafe Quarterly Report (1 October to 30 December 2021)

Outcomes by Impacts

Our mahi takes us towards our goals that Aotearoa has healthy work, safe work, and equitable outcomes

Work-related risks are identified, eliminated or controlled

Health & safety is integrated into work design, set-up and practice

Capable workforce drives sustained H&S improvement

Workers are partners

H&S system works for Māori, Pacific Peoples and all workers

Knowledge & insights inform practice

Significant milestones and deliverables

Ongoing effects of COVID-19 continues to be the focus of WorkSafe's operating environment. The number of audits was lower than expected due to a reactive approach. WorkSafe closed seven complex Adventure Activity Operator complaint notifications in Q2.

Research and Evaluation have engaged a supplier to draft a new questionnaire for future Health and Safety guidance. A pilot survey is expected to be undertaken in Q3

Development of learning tools to support workers understanding of the COVID-19 Public Health Response Act (2020) is underway. Targeted regional visits to address energy safety practices are expected to be rolled out. This will entail providing education and engaging to promote safer outcomes.

The WorkSafe COVID-19 Vaccination Policy was finalised in December 2021 following engagement and consultation with workers. Conversations with workers will begin to address individual circumstances, to ensure a safe working environment

Kaupapa Māori based H&S programmes with a focus on Forestry, Construction and Food processing are underway in Northland and East Coast after a delay due to COVID-19. There are plans to implement this across other regions over the upcoming quarters.

Psychosocial Survey of New Zealand Workers completed – high level findings shared with WorkSafe's Senior Leadership Group and Mentally Health Work Team. Survey of Carcinogens Exposure at Work completed by supplier. Workforce Segmentation and Insights 2021 presented to Senior Leadership Group and SMEs. Report to be published on WorkSafe's website on January 22.

Core Regulatory Activities



Lead, engage and influence

[See page 4](#)



Educate, guide, inform and learn

[See pages 5](#)



Build capability and worker participation

[See page 6](#)



Innovate, design, implement and evaluate

[See page 7](#)



Authorise, oversee, assess and audit

[See page 8-9](#)



Investigate, enforce and hold to account

[See page 10](#)

Key enablers

Operations

Continued focus on COVID-19, as 1900 breach notifications of the Public health order were received.

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Digital Transformation

The teams continue to adapt to alternative ways of working to maintain momentum. Successful first programme showcase.

People

Relocation of the Auckland and Hamilton office in December. Workforce capability project established.

Risk

An Executive Leadership Team risk workshop facilitated to perform the annual review of the strategic risk profile.

Finance

WorkSafe has a deficit of \$0.2m which is \$0.3m lower than budget. Most of the underspend is in tagged fund and/or due to project delays, some of which have been impacted by COVID-19 and the focus on responding to COVID-19 non-compliance with the New Health Order.

SPE Measures on track for Q2

19
— **(67%)**
28

Panoni Matihiko

Digital Transformation

WorkSafe is improving the technology that supports our mahi (work) across WorkSafe, and with partners and stakeholders through our digital transformation programme.

Outlined below is our **Taura Here Waka: Te ahu whakamua - Progress against our Strategic Delivery Plan:**

Priority	Q1 Status	Q2 Status	Key message for the quarter
Digital Transformation	●	●	No further impact due to Covid. The teams continue to adapt to alternative ways of working to maintain momentum. If the programme teams are unable to collaborate effectively due to online working extending for long periods of time, there is a risk this might impact their velocity.

Outlined below is our **Progress Against Measures** for our Enabling Activities (of which there are four performance measures, as they relate to **Digital Transformation**)

Ko ngā inenga mahi

Our performance measures - Enabling activities

			Target	Benchmark	Q1	Q2
En1 (SPE-024)	The authorisation regime is live for online transactions with WorkSafe by 30 June 2022.	Overall, the Digital Transformation Programme is progressing well. The programme officially commenced in October with two delivery squads joining the team, a 3-week programme kick-off and the first value increment planning sessions. Value increment 1 was successfully completed at the end of November and increment 2 has commenced. Value streams underway include Authorisations, Self Service Portal and Enhance Payment Processing. Key achievements in Q2 include a successful first programme showcase with high engagement and feedback. The Digital Transformation connection site is now live. Outcome of the first value increment include; <ul style="list-style-type: none"> Creation of a foundation framework to enable front end portal use cases- 100% completed Demo an Application Prototype with the Authorisations officer and Senior assessor for feedback. 50% complete 	Achieved	New measure		
En2 (SPE-025)	The self-service portal for members of the public and persons conducting a business or undertaking is online by 30 June 2022.		Achieved	New measure		
En3 (SPE-026)	The core case management platform build has commenced by 30 June 2022.		Achieved	New measure		
En4 (SPE-027)	The Digital Independence discovery phase is complete by 30 June 2022.		Achieved	New measure		

Shown below is the **Performance measure- Enabling activities in relation to Pūmahara**

En5 (SPE-028)	Pūmahara (knowledge model) developed by 30 June 2022, to support effective use of WorkSafe data, evidence and expertise.	Stakeholder mapping completed and engagement commenced to identify interdependencies. Amber status as Pūmahara was delayed to align the project with the Digital Transformation Programme and to strengthen re-use opportunities between the two pieces of work.	Achieved	New measure		
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Arahanga, whakapāpā me te whakapakepake

Lead, engage and influence

Ko ngā inenga mahi

Our performance measures

			Target	Benchmark	Q1	Q2
L1	The proportion of partnerships funded by WorkSafe that meet or exceed the agreed partnership outcomes.	Information not yet available	100%	New measure		
L2	The number of collaboratively-designed health and safety partnership arrangements established under our Te Ara Tuituinga engagement framework.	In Q2 active partnership discussions continued in three regions with preliminary discussions planned for a further two regions beyond that. Discussions have focused on consolidating work, activities, and programmes which were already in place, acknowledging the importance of recognizing and formalizing existing relationships before introducing any new initiatives. This also provided the opportunity to promote the alignment of activities across the many different parts of WorkSafe, which in turn starts the conversation about possible co-design activities and approaches.	> 2	New measure		
L3	WorkSafe actively engages with government and industry leadership bodies to promote the integration of health and safety into work planning and design.	Information not yet available	Achieved	New measure		



Whakaako, ārahi, whakamōhio me te ako

Educate, guide, inform and learn

Ko ngā inenga mahi

Our performance measures

			Target	Benchmark	Q1	Q2
E1 (SPE-004)	The percentage of people who say our guidance is 'very useful'.	Research and Evaluation and supplier have drafted new survey questionnaire against. Testing of questionnaires undertaken by supplier. Pilot survey to be undertaken in Q3.	> 60%	60%		
E2 (SPE-005)	The percentage of people we directly engage with who agree WorkSafe educates.	Research and Evaluation currently setting up the impact effectiveness monitor which is being set up and will be in field in Q3.	> 65%	66%		
E3 (SPE-006)	The percentage of new harm prevention programmes that are evidence based.	Performance team working to establish a centralized tool to monitor and measure all harm prevention programmes across the organisation.	100%	New measure		
E4 (SPE-007)	The proportion of published WorkSafe guidance that is aligned to one or more of our priority areas: - higher risk sectors or industries - cross-sector event-types - work-related health exposures - workers at greater risk.	No update as this is an annual measure so will be reported In Q4	≥ 80%	New measure		
E5 (SPE-008)	WorkSafe informs the public about where health and safety harm is occurring by publishing monthly fatality and notification statistics.	Figures on our external facing Data Centre continue to be updated on a monthly basis.	Achieved	New measure		



Kia hangaia te kaha, kia kanohi kitea ngā kaimahi

Build capability and worker participation

Ko ngā inenga mahi

Our performance measures

			Target	Benchmark	Q1	Q2
B1 (SPE-009)	The number of active health and safety professional workforce development projects that have been co-designed by WorkSafe and the relevant association.	In Q2 2021/22 there are four active and one stalled co-designed workforce development programmes: <ul style="list-style-type: none"> Occupational hygienists –active 3-year project running through to end 2023/24. Occupational health nurses -active and expected to reach completion in Q4 2021/22. Human factors / ergonomics professionals –active and expected to reach completion in Q3 2022/23. Hazardous substance compliance certifiers –active. Health and safety generalists –currently stalled and refresh being discussed with stakeholders. 	> 3	New measure		
B2 (SPE-010)	The percentage of WorkSafe assessments that include interaction with a worker or representative.	This measure accounts for assessments that include interactions, where possible. The inspectors are required to ask if a worker or representative is available and if not, record this in Guardian. Despite Covid-19 alert level changes requiring more desk-based interventions to be carried out (where we would anticipate less availability of a worker or rep), we have retained our focus on WEPR engagement and stayed on track for the YTD. We are planning for any issues that may arise from desk-based interventions.	≥ 80%	79.3% (2019/20 result)		



Whakahou, whakahoahoa, whakatinana me te arotake

Innovate, design, implement and evaluate

Ko ngā inenga mahi

Our performance measures

			Target	Benchmark	Q1	Q2
I1 (SPE-011)	The number of harm prevention programmes targeting high-risk sectors or risks that are common across sectors.	The upstream Hoe Nuku targets risks are common across sectors. Findings from existing Construction, Forestry and Health and Disability sector projects are being generalised across other sectors. Gig economy workers generally are a high-risk population that spans sectors. Building understanding and effective interventions will likely involve cross-agency partnerships and public-private collaboration. The centralized reporting tool once developed, will be able to provide deeper insight into this measure and provide basis for continuing to monitor all harm prevention programmes.	4	New measure		
I2 (SPE-012)	The proportion of harm prevention programmes that actively consider health and safety outcomes for Māori and Pacific Peoples.	All harm prevention programmes actively considered health and safety outcomes for Māori and Pacific Peoples. Exploring the inclusion of questions in EPMO Project Toolkit documentation, to actively consider health and safety outcomes Māori and Pacific Peoples going forward.	100%	New measure		
I3 (SPE-013)	The percentage of WorkSafe General Inspectorate assessments that include a focus on work-related risks.	A large proportion of work carried out both in Q2 and YTD has focused on COVID-19 as a primary or secondary focus area – which is deemed to be a health risk. For the assessments that sit within our BAU work, we also continue to be insights led and use the Ma Taku Rourou Worklists to target PCBUs, with a focus on work-related health risks. YTD Asbestos, Wood Dust and Noise make up the next largest proportion of WRH focus after COVID-19.	≥ 65%	69.1% (2019/20 result)		
I4 (SPE-014)	The number of collaboratively designed kaupapa Māori health and safety programmes delivered.	Kaupapa Māori based health and safety programmes (with a focus on forestry, construction, and food processing) are currently underway in both Northland and the East Coast. The application of additional Kaupapa Māori health and safety programmes is being examined for other regions as well. Covid restrictions and impacts throughout 2021 did disrupt implementation and reduce delivery to some extent, but programmes were still able to be delivered.	≥ 3 programmes	New measure		



Whakamana, whakahaere, aromatawai me te arotake

Authorise, oversee, assess and audit

Ko ngā inenga mahi

Our performance measures

			Target	Benchmark	Q1	Q2
A1 (SPE-015)	The percentage of General Inspectorate assessments that are directed by the WorkSafe company risk model.	As expected, the arrival of the Delta and Omicron variants resulted in a change of the assessments focus from planned and proactive to reactive. This was in response to a surge of breach notifications in relation to the COVID-19 Public Health Response Act 2020. Ordinarily we would not engage in sectors such as Hospitality and Retail due to their low risk profile. WorkSafe was required to align resource to the current emerging risk, as we establish a dedicated COVID-19 response capability.	≥ 60%	New measure		
A2 (SPE-016)	The number of energy safety audits (of products, suppliers, networks, distribution systems, installations) completed.	<p>The number of energy safety audits undertaken has been lower than planned due to a combination of challenges around staff resourcing (vacancies, training and secondments) and the impact of the August lockdown restricting our ability to travel and undertake face-to-face audits. This number is not expected to be recovered. From internal analysis, we expect to be in a position to achieve >500 audits for the financial year.</p> <p>The impact of not achieving the expected audit targets is that there may be some product suppliers trading non-compliant products. To manage this impact, we have increased our focus on undertaking targeted desk-based audits of suppliers, products and high-risk installations. We are also planning for any risks/issues that may arise from desk-based interventions. Targeted regional visits are also scheduled for the coming weeks, however delivery of these may be impacted by any further changes to the COVID-19 protection framework settings as omicron spreads across New Zealand.</p>	≥ 650 audits	New measure		
A3 (SPE-017)	The percentage of high hazard sites inspected compared to annual operating plan targets for major hazard facilities, petroleum and geothermal, and mining, tunnelling, and quarry sites.	<p>The number of site inspections undertaken compared to annual operating plan is lower than the target due to the impact of the August lockdown restricting our ability to travel and undertake face-to-face inspections. This number is not expected to be recovered.</p> <p>The impact of not achieving expected site inspection targets is that we cannot physically verify that the sites are operating in line with their accepted safety case or Principal Hazard Management Plan, which has been observed to result in a decrease in the level of compliance at some high hazard sites. To manage this impact, we have undertaken inspections virtually where possible, and prioritised on-site inspections at the highest risk sites or in response to high potential incidents.</p>	100%	New measure		



Whakamana, whakahaere, aromatawai me te arotake

Authorise, oversee, assess and audit

Ko ngā inenga mahi

Our performance measures

			Target	Benchmark	Q1	Q2
A4 (SPE-018)	The percentage of corrective actions identified as part of the audit-process for hazardous substances compliance certifiers: - that are closed within the specified timeframe, or - where further action is taken.	WorkSafe completed eight audits in Q2. Corrective action was completed within the expected timeframes for all these compliance certifiers.	100%	New measure		
A5 (SPE-019)	The percentage of complaints or concerns which indicate a possible breach of obligations by an adventure activity operator (AAO) (or a person conducting a business or undertaking that should be registered as an AAO) that are: - closed within the specified timeframe, or - where further action is taken.	We aim to acknowledge receipt of a complaint or concern within three working days and close out our response within 20 working days (although more time may be needed for more complex situations). During Q2, 12 new complaints or concerns were received and three carried over from Q1. Of these 11 were closed, three referred to the Inspectorate and one remains open. The amber status of the measure reflects the complexity of seven of the closed files which resulted in the internal specified timeframe not being met.	100%	New measure		



Ketuketu, whakauruhi, me te noho haepapa

Investigate, enforce and hold to account

Ko ngā inenga mahi

Our performance measures

		Target	Benchmark	Q1	Q2
H1 (SPE-020)	The percentage of investigations where a final decision is made and communicated to victims and persons conducting a business or undertaking within 12 months of commencement.	A	89% (2019/20 result)		
H2 (SPE-021)	The percentage of energy safety investigations (notifiable/non-notifiable incidents and unsafe situations) involving gas and electricity that are completed within 60 working days.	≥ 80%	87% (2019/20 result)		
H3 (SPE-022)	The WorkSafe Te Mate Ohore protocol 16 is used as a guide for determining the approach to investigating fatalities involving Māori victims.	100%	New measure		
H4 (SPE-023)	The percentage of investigation files referred to WorkSafe's legal group to initiate a prosecution that meet agreed quality standards.	≥ 80%	New measure		

In Q2 there were 34 files requiring a final decision to be made and communicated to a PCBU. All 34 files were completed and WorkSafe communicated the decision to the relevant party within the timeframes required.

In Q2 WorkSafe completed 92 % of investigations within 60 working days. The remaining 10 investigations remain active and ongoing for completion.

WorkSafe does not collect, or record ethnicity given the sensitivity around confirming ethnicity at the time of a fatal workplace incident. This result is calculated based on the application of the protocol to ALL fatalities indiscriminate of ethnicity of the victim. We are currently rolling out the training to all our frontline staff. At the end of Q2 all staff will have received the training. In Q3 we will be positioned to record the application of the protocol.

All files within this period met the agreed quality standards (AQS), relating to timeliness, consistency and quality. A small portion of files had the timeline renegotiated and reset due to several external factors. We deem these files to meet the timeliness requirement of the AQS as the timeline change was made prior to the passing of the date.

Te Tāngata, Te Ahurea, Te Marutau, me ngā Rawa

People, Culture, Safety and Property

Workforce Capability Project

This initiative builds on previous work i.e., Inspector pathway development, Te Ao Māori framework and the HRIS project; and brings together the underpinning systems and frameworks. This will ensure we can deliver on the people and culture commitment outlined in our new Statement of Intent (SOI) and mitigate the organisational risk around "people and capability". This initiative includes key systems / processes and frameworks to support a workforce planning and capability uplift, namely:

- Competencies (personal, professional, cultural and leadership)
- Development and talent management frameworks (using experience, exposure and training as a base for this)
- Career and workforce planning framework and supporting processes.

Over the last quarter, the workforce capability project has been established and completed the initialisation phase. A delivery capability lead has been appointed; an environmental scan of existing workforce capability initiatives has been completed resulting in the approval of the Project Management Plan and a high-level roadmap of deliverables, including a review of the existing leadership framework. Early engagement with Executive Leadership Team and Senior Leadership Group has received positive endorsement and support, recognising the project will act as a key enabler for future workforce capability initiatives. As the project is a combination of continuous process improvement (BAU) and transformation change (workforce capability uplift), existing resources from within WorkSafe have been utilised to form a project team, people advisory group and Project Steering Committee.

Learning and Development

- Work commenced to develop learning products to address knowledge and skills needed for application of COVID-19 Public Health Response Act (2020).
- A training module to upskill the organisation in Energy Safety practices was launched.
- Trainee Inspector Cohort 21 progressed as planned and will complete their formal learning early in Q3.
- Senior Leadership Group Cohort 3 completed their training in Q2. Cohort 4 to commence their journey in Q3.

Property and Facilities

- The National Property Strategy has been endorsed by the executive team and work has commenced on the 3-year plan.
- Relocation of the Auckland and Hamilton office occurred in December. Security systems have been established in line with our updated security standards and our property strategy.

Diversity, Equity & Inclusion

Work continues in line with the expectations set out in Kia Toipoto – Closing Gender, Māori, Pacific and Ethnic Pay Gaps - Public Service Action Plan 2021 – 24. Key initiatives underway to deliver on our expectations are:

- Data analysis will commence in Q3 2021/22 to understand our current position and inform our action plan;
- PSA/WorkSafe Remuneration Working Group – designing and developing WorkSafe's new Remuneration Framework; and
- Finalising our draft Diversity, Equity and Inclusion Approach – engagement will commence in February 2022 with our leaders and kaimahi on our draft approach.

COVID-19 Response

Our COVID-19 Vaccination Policy was finalised in December 2021 following engagement and consultation with our kaimahi.

- Our approach is based on the COVID-19 health and safety risk assessment undertaken and our own external guidance;
- The risk assessment determined the risk to our people, without using vaccination as a control, to be higher than an acceptable level for our work activities;
- Therefore, to ensure WorkSafe mitigates the risk of the spread of COVID-19 in the workplace, all employees must be vaccinated if their role requires them to attend a WorkSafe office.

WorkSafe kaimahi have until 17 January 2022 to have their first vaccination (if not already fully vaccinated). Engagement on an individual basis will occur following this first deadline.

Enterprise Change

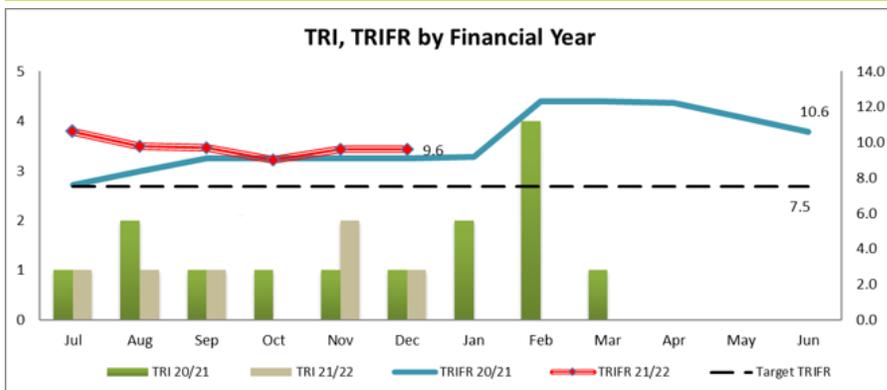
Continued work to build change management capability, competency and maturity across WorkSafe:

- Significant proportion of people leaders, staff and teams completed our in-house change management training and/or are booked on for Q3 2022 – pivoted to online-only training to meet demand.
- A full suite of ECM training programmes for 2022 was finalised and made available on Mahi.
- High staff engagement through our ECM SharePoint site, e-learning, and 'change community' meetings.
- Providing a key enabling/support role in PCSP initiatives such as the Workforce Capability project.
- Working with leaders and leadership teams to create action plans for change management.
- Working with Portfolio Change Leads on enterprise-level change management process and materials.

Te Tāngata, Te Ahurea, Te Marutau, me ngā Rawa

People, Culture, Safety and Property

Internal Health and Safety



WorkSafe's TRIFR is steadily decreasing, albeit still tracking above target. We have 3 Lost Time Injuries this quarter and no Medical Treatment Injuries. Of those TRIFR incidents reported in the last quarter, all are mental health related.

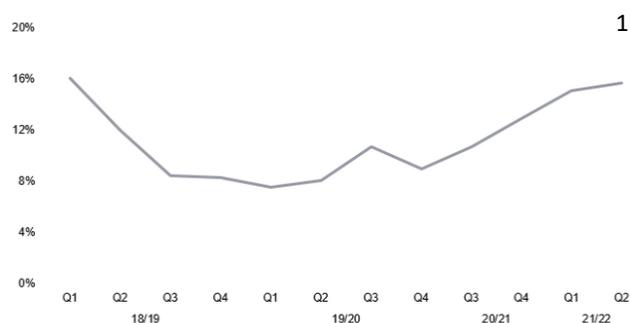
COVID-19 disruption continued through Q2 with changes in alert levels and the introduction of the Protection Framework, the focus remained on our people and how we operate, this saw us undertake a role-based risk assessment and implement a COVID-19 vaccination policy.

The Health, Safety and Wellbeing Management System project also saw its first document released for consultation; this was the Motor Vehicle and Driver Standard.

Note: Lost Time Injury Frequency Rate (LTIFR) is the number of lost time injuries occurring per million hours worked. Total Recordable Injury Frequency Rate (TRIFR) is the combined number of lost time injuries and injuries requiring medical treatment.

Turnover (Voluntary) and FTE

Organisation turnover (12 month rolling)



Q4 21

Q1 22

Q2 22

Commentary

10.0%

15.1%

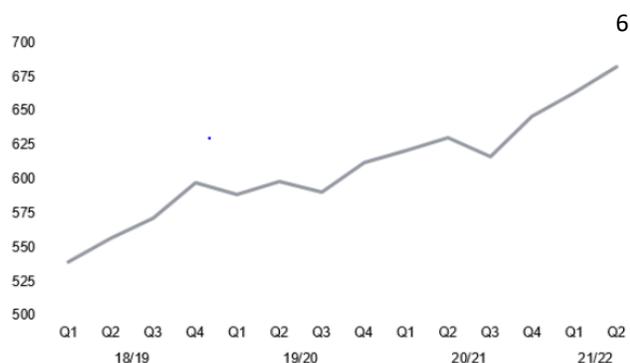
15.7%

Staff turnover for the 12 months to December 2021 was 15.7%. This is broadly in line with the Public sector turnover which is 15.4% as at December 2021. Historically we track at or slightly below Public Sector rate.

Of the 19 voluntary leavers in Q2 there are a mixture of anticipated and unplanned leavers. There is no specific trend across business groups or occupations.

As a part of the HRIS off-boarding module, we are improving our existing exit interview / survey processes to capture better information on turnover.

Organisation FTE* (perm and fixed)



646.6

663.8

683.0

Recruitment is ongoing for the Digital Transformation team including filling vacancies for new permanent roles in the ICT structure. Several new recruits have commenced with an increase to base numbers expected in Q3. The Health and Technical Services team is also building capacity and capability to deliver on our Health Strategy. The increased FTE associated with Comms and Marketing, Operations (including establishment of COVID-19 team), and People, Culture, Safety and Property changes are starting to be evident in Q2 with structures fully established by end Q3/ Q4.

Headcount as at end of Q2 :

- Public facing / Frontline: 568
- Corporate (eg, HR, IT, Finance, Procurement and Strategy): 120

Ngā Tūraru ā-rōpū Whakahaere

Organisational Risk

During Q2 (December) the Risk team facilitated an Executive Leadership Team risk workshop to perform the annual review of the strategic risk profile. It is expected that this will result in a reduction in risks and clearer alignment with the current environment. Changes are in draft, with a plan for the refreshed risk profile to be presented in Q3 report following formal Board approval. Significant changes to the profile were deferred to allow growth and uplift in risk maturity along with consistent operation of the framework and processes. The operating rhythm and desired growth has been observed to allow the next phase of improvements to be implemented.

The top four risks remain static for this quarter as highlighted in the table below (11, 8, 2, 1). Significant work is underway through the Digital Transformation programme that will reduce the ICT and Processes risk (11). Further work is planned for regulatory failure (2) to quantify and assess the nature of the risk and associated operational components. This will ensure appropriate prioritisation and resources being focused in the right areas. Work is ongoing on the actions from the Laurenson and Strategic Baseline Review including communications which, will strengthen the controls to manage our Loss of support from authorising environment risk (1). Successful delivery of projects will be an ongoing challenge with a continued hot labour market and skill shortages contributing to increased labour costs. Lower than expected spend is resulting from design, planning and approval phases of projects taking longer. Delivering on improvements to project management disciplines, clear and consistent communications and tracking benefit realisation will be key to reducing the Project risk (8).

There are 26 controls managing the top four risks, 13 of these are effective (50%). Action plans are in place, being monitored and tracked to completion to improve the effectiveness of the remaining 13 ineffective controls. Once action plans are complete a reduction in the residual risk is expected (subject to an assessment).

Risk 12 is on watch with an increase in the number of threatening and aggressive behaviour incidents being reported by our frontline staff. This can be linked to the COVID-19 enforcement activities being undertaken.

Other insights highlighted (some of which are the same as Q1) by risk that have management plans in place include:

- Tracking and timely implementation of the required management actions and improvements associated with external reviews, whilst balancing delivery of BAU externally reported measures, transformation activities and the ongoing impacts of Covid-19.
- The broadening and expansion of the work we are required to do related to Covid is being completed at pace by our people. There are risks to do with the expectations on us and our ability to meet those expectations within the short timeframes.
- The continued focus on Covid-19 activities could impact broader H&S outcomes and performance measures.
- The need to be more proactive regarding planning, resiliency and continuity to ensure activity is planned and any impacts to our performance measures is limited.
- Continuing to support people through a high and sustained fast paced change environment.
- Clarity and consistency of messaging across all people in WorkSafe, our key stakeholders and the public.

#	Risk	Residual Risk
1	Loss of support from authorising environment	High
2	Regulatory Failure	High
3	External Engagement	Medium
4	External Culture Change	Medium
5	Prioritisation	High
6	Funding	Medium
7	Internal Identity	Medium
8	Projects	High
9	People & Capability	High
10	Internal Alignment	High
11	Processes & ICT Systems	High
12	Internal Health Safety & Wellbeing	High

Te Mahi Putea

WorkSafe Financial Performance

Finance Key Points

WorkSafe has a deficit of \$0.2m which is \$0.3m lower than budget.

Most of the underspend is in tagged fund and/or due to project delays, some of which have been impacted by COVID and the focus on responding to COVID-19 non-compliance with the New Health Order.

The Estimated Outturn figures reflect the additional \$3.5m operating and \$0.84m capital WorkSafe will receive in the second half of the year, in relation to their role within the COVID-19 Protection Framework.

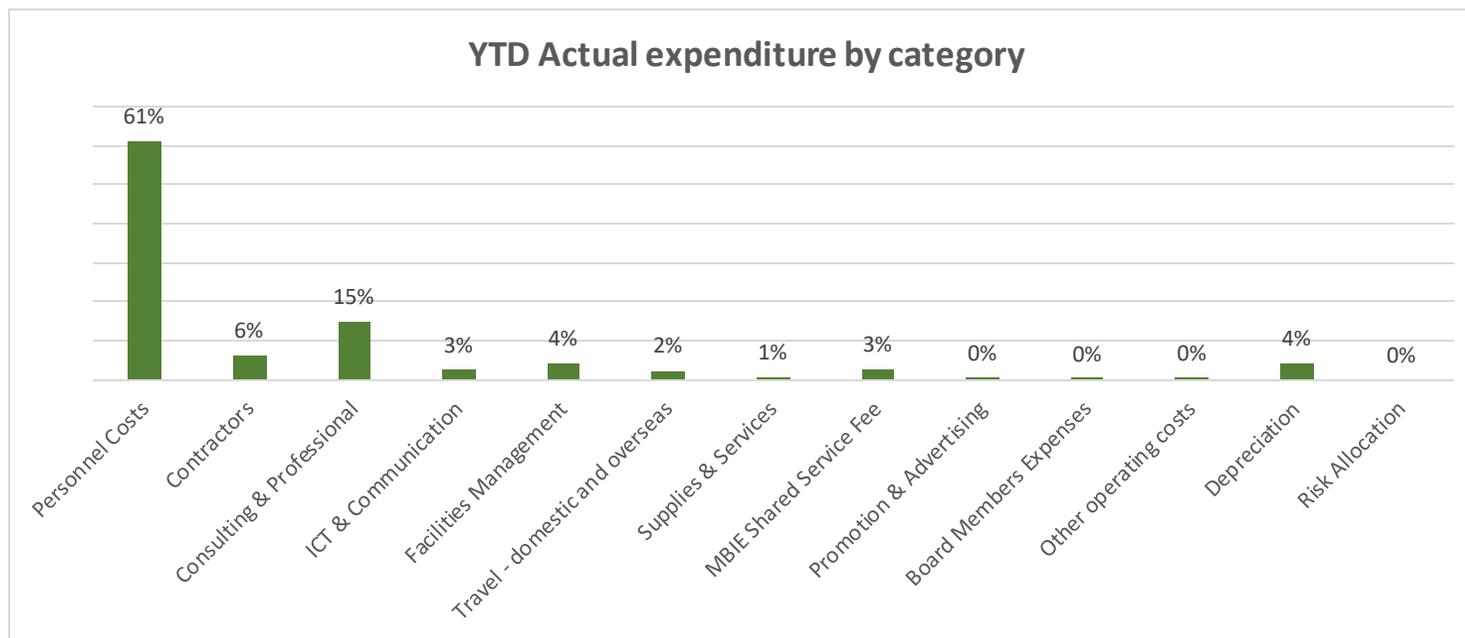
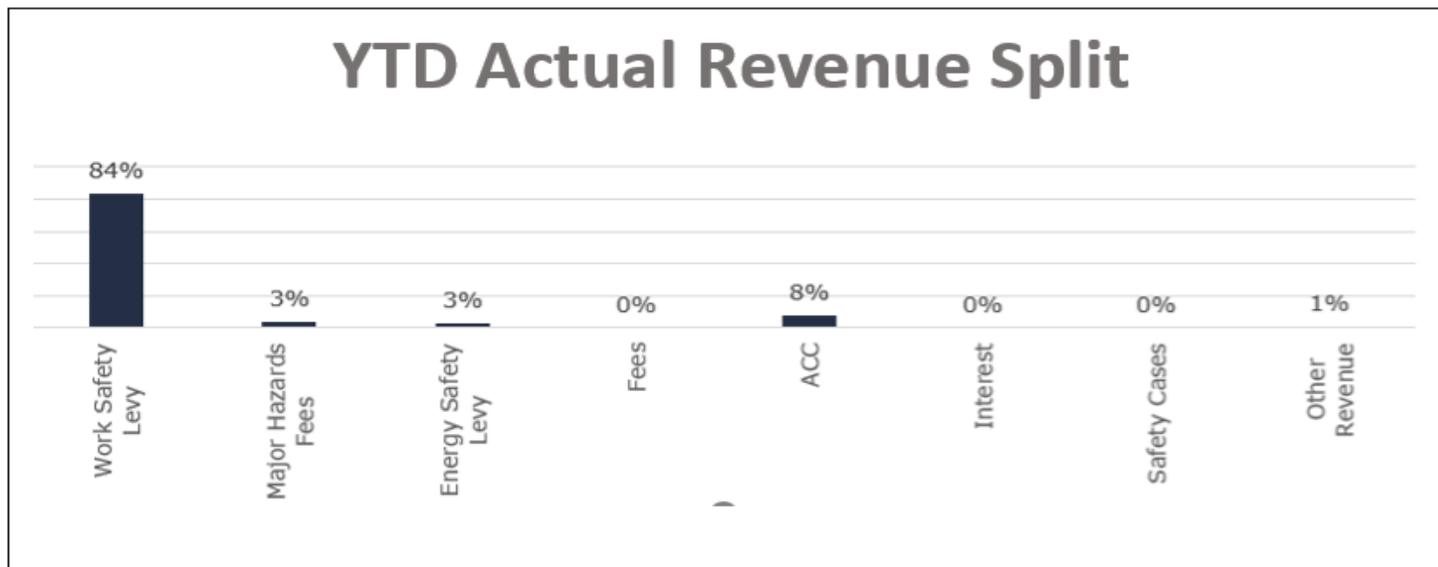
Financial Performance (Year to Date 31 December 2021)

	Actual \$000	SPE \$000	Variance \$000	Estimated Outturn \$000	Full Year SPE \$000	Commentary
Revenue						<i>Revenue:</i>
Revenue Crown	64,658	64,654	4	132,849	129,316	Other revenue is lower than budgeted due to reduced ACC programme spend.
Interest Revenue	144	125	19	250	250	
Other Revenue	6,793	9,764	(2,970)	14,368	18,681	
Total Revenue	71,595	74,543	(2,948)	147,467	148,247	
Expenditure						<i>Expenditure:</i>
Personnel	43,926	41,920	(2,006)	86,051	84,263	Personnel costs are high due to high recruitment costs and staff allowances.
Contractors	4,564	2,281	(2,283)	3,673	4,241	• Turnover at WorkSafe and across the public sector is much higher for multiple reasons, and as people have left, we have had to offer higher duties allowance and extra duties allowances to cover the vacancies.
Depreciation	2,983	3,304	321	7,355	7,355	• In addition, backfilling those people also requires tight turnarounds, so we had to use agencies.
Other expenditure	20,341	27,540	7,199	52,001	54,001	
Total Expenditure	71,814	75,045	3,231	149,080	149,860	
Surplus/(deficit)	(219)	(502)	283	(1,613)	(1,613)	Contractor costs are above budget due to the tighter than expected labour market and longer planning phases on capital projects.

Lower than budgeted other expenditure is reflective of lower project spend, particularly in the ACC programme due to planning/scoping of the next 3-year programme taking longer than expected.

Te Mahi Putea

WorkSafe Financial Performance



Te Mahi Putea

WorkSafe Financial Performance

Summary balance sheet (as at 31 December 2021)

	Actual \$000	Budget \$000	Variance \$000	Estimated Outturn \$000	Full Year Budget \$000	Commentary
Cash and bank	1,276	4,735	3,459	4,445	4,125	Cash is less than budget and is reflective of the deferred billing to ACC and other working capital movements.
Investments	24,150	24,000	(150)	19,500	24,500	The first instalment of the B19 loan was received during the quarter.
Debtors	2,877	1,563	(1,314)	1,563	1,563	Prepayments is \$1.3m above budget due to higher software licenses due to organisational growth.
Fixed Assets	28,053	29,090	1,037	37,071	31,551	Under budget due to delays in capital spend
Total Assets	56,356	59,388	3,032	62,579	61,739	
Creditors and Payables	8,368	5,968	(2,400)	6,224	6,224	Reflects higher accruals, in particular due to timing of MBIE invoicing.
Employment Liabilities	5,464	6,404	940	5,990	5,990	
Income in Advance	2,731	4,145	1,414	1,068	1,068	Lower balance due to the budget assuming earlier invoicing of ACC as noted above, partly offset by lower ACC spend. With the current rate of spend in ACC, from February/March we will be spending WSL funds until ACC funding is received. The forecast and billing profile for the remainder of 2021/22 will be reviewed in Quarter 3.
Crown Loan	6,695	6,697	2	13,393	13,393	The first draw down of the B19 Capital Loan has taken place, with the next one scheduled for June 2022.
Total Liabilities	23,258	23,214	(44)	26,675	26,675	
Net Assets	33,098	36,174	3,076	35,904	35,064	
Equity						
Opening Equity	26,634	26,634	-	27,474	26,634	Last year's surplus and capital injection have been rolled into the opening balance.
Memorandum Accounts	6,683	10,043	3,360	10,043	10,043	
Surplus/(Deficit)	(219)	(503)	(284)	(1,613)	(1,613)	YTD Surplus.
Total Equity	33,098	36,174	3,076	35,904	35,064	

Te Mahi Putea

WorkSafe Financial Performance

Summary cash flow (as at 31 December 2021)

	Actual \$000	Budget \$000	Variance \$000	Estimated Outturn \$000	Full Year Budget \$000	Commentary
Operating Cash Flows						
Receipts from Crown	64,658	64,658	-	132,849	129,316	The movements in cash reflect the lower spend in capital and operating as described in page 16.
Receipts from Other Revenue/Interest	580	6,760	6,180	8,520	13,520	
Payments to Suppliers/Employees	(73,642)	(72,091)	1,551	(142,220)	(143,687)	
Net Operating Cash Flows	(8,404)	(673)	7,731	(851)	(851)	
Investing Cash Flows						
Net Investments	4,500	2,000	(2,500)	6,500	1,500	
Net Asset Purchase	(7,193)	(8,906)	(1,713)	(21,054)	(15,534)	
Net Investing Cash Flows	(2,693)	(6,906)	(4,213)	(14,554)	(14,034)	
Financing Cash Flows						
Capital Contribution	-	-	-	840	-	
Crown Loan	6,695	6,697	2	13,393	13,393	
Net Financing Cash Flows	6,695	6,697	2	14,233	13,393	
Cash Movement						
Net (decrease)/increase in cash	(4,402)	(882)	3,520	(1,172)	(1,492)	
Opening Cash	5,677	5,617	(60)	5,617	5,617	
Closing Cash	1,275	4,735	3,460	4,445	4,125	

Te Mahi Putea

WorkSafe Financial Performance

Summary capital spend (as at 31 December 2021)

	Actual \$000	Budget \$000	Variance \$000	Estimated Outturn \$0 00	Full Year Budget \$000	Commentary
ICT software	5,052	6,446	1,394	13,844	10,914	Slower than anticipated capital spend as several projects are in planning phase, and replanning of some programmes. However, spend is now ramping up, and with spend carried forward from last year is anticipated to increase in the coming months.
ICT hardware	160	150	(10)	300	300	
Motor vehicles	1,669	1,500	(169)	3,840	3,000	Vehicles ordered in FY20/21 were delivered in Quarter 2.
Leasehold improvements	1,646	810	(836)	3,070	1,320	Additional spend on office relocations was approved after the SPE was finalized, which has reflected in the actual and estimated outturn being higher than budget.
Other assets	78	-	(78)	-	-	Major Incident Alerting Platform & MHW Online form.
Total capital spend	8,605	8,906	301	21,054	15,534	

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Mahi Haumarū Aotearoa