

WorkSafe

TE PŪRONGO O MAHI HAUMARU AOTEAROA

1 July – 30 September 2024

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Executive Summary

WorkSafe is moving into 2024/25 with a new strategy where it is shifting focus on four priority sectors where the greatest harm occurs (agriculture, construction, forestry and manufacturing). The focus is to influence businesses (which carry the primary duty of care) and workers through engagement, enforcement and permit functions.

The Q1 performance (for example, some targets were not met) was impacted by WorkSafe carrying a large number of vacancies for longer than expected. This is because consultation on the organisational re-design, due to proceed in August, was deferred following the recent Ministry of Education ruling by the Employment Relations Authority. Consultation will commence on 23 October. However, in the next six months, performance is expected to stabilise as the organisational design completes.

Quarter 1 at a glance

Delivering on strategy	The priority plans which enable delivery of the strategy were endorsed by the Board. Delivery of the priority plans commenced in Q1.
Regulatory activities	There has been an increased level of regulatory activities in comparison to the previous quarter, more workplace assessments were conducted, and more notices were issued.
Performance measures	Reporting has commenced on the 17 new performance measures with seven assessed targets met in Q1.
People	There were 586 FTEs at the end of Q1 2024/25, a decrease of 9 compared to 595 in Q4. Staff turnover was 15%, a decrease of 2.6% from Q4.
Finance	WorkSafe has a surplus of \$8.1m compared to a budgeted deficit of \$0.4m in Q1. This is mainly due to reduced consultant and contractor spend and higher vacancies.

Focus for the next quarter

- WorkSafe will progress inspector workforce planning to inform what future capabilities are needed to deliver effective, efficient and consistent assessments and investigations.
- Approach and plans to guidance (ie, how they will be updated) will be completed, with some new guidance released.
- Plans will be confirmed for permitting functions, including a compliance framework for the authorisations activities.
- Plans to fully implement and embed the key recommendations in the Strategic Baseline review (as identified in the progress review) will be developed and progressed.
- An organisational change process will commence in Q2. The change aims to align resources to deliver WorkSafe's new strategy.
- The new Chief Executive, Sharon Thompson starts on 29 October.
- WorkSafe will continue to support MBIE with the workplace health and safety system review with public submissions due to close on 31 October 2024.
- The Annual Report 2023/24 will be published during Q2.
- WorkSafe will appear before the Education and Workforce Committee on 3 December.
- Across the high-risk sectors, work to improve understanding of workers at greater risk and the worker engagement, participation and representation (WEPR) will commence in Q2. More information is available on the 'Delivering the strategy' section.

Priorities and key updates in Q1

Progress on the organisational priorities is reported in this section. Key activities and achievements during the quarter are also summarised.

Priorities and focus areas

Inspectorate capability

Building and strengthening the frontline (inspectorate) capability is critical for both WorkSafe and kaimahi. It will lead to improved performance, productivity and consistency. It will also align kaimahi with organisational objectives.

In Q1, initial scoping of capability uplift requirement has been undertaken and will continue through Q2.

Guidance

WorkSafe is reviewing its approach to providing guidance, focusing on:

- the end-to-end process to ensure a sustainable approach to the development and maintenance of guidance products
- identifying the opportunities to improve uptake and access to WorkSafe's guidance products.

Strategic baseline review recommendations

In early Q1, MBIE contracted SageBush to assess WorkSafe's progress on implementing the recommendations from the review. SageBush recognises WorkSafe has made significant progress on implementing the recommendations whilst further effort is required to fully implement the recommendations.

WorkSafe is developing a plan to address any remaining recommendations.

Organisational change

WorkSafe is currently working on a proposal for an organisational change to align the organisational structure to its new strategy. Following engagement with the Public Service Association and a change proposal document will be provided to kaimahi in Q2.

Key activities and updates

Launch of the priority plans

The priority plans which enable delivery of the refreshed strategy were endorsed by the Board in Q1.

The priority plans focus on:

- the four sectors with the highest harm: *agriculture, construction, forestry, manufacturing*
- permit function
- organisational plan.

More information is available on the 'Delivering the strategy' section.

ACC funding

In August, WorkSafe signed a contract with ACC for \$6.5m injury prevention funding until 31 March 2025. The funding will be used to continue delivering some harm prevention activities including:

- Puataunofu Come Home Safely programme
- research on the use of drones in agriculture
- development of worker voice products.

A selection of ACC funded activities were reviewed to assess their effectiveness. Initiatives that WorkSafe has agreed to continue have been built into the proposed organisational structure. Work to further improve the 'engage functions' products and services will continue, once the organisational design completes.

Review of WorkSafe's prosecution function

WorkSafe received the report from the Crown Law Office (CLO) on its prosecution function in September. The review is part of CLO's oversight of all prosecuting agencies.

The review found WorkSafe compared well to similar agencies, having the framework, precedents and processes to conduct thorough investigations and reach decisions about whether to file charges and what they should be. The report noted that WorkSafe's legal team is one of the best among prosecuting agencies. It also identified issues (such as inspectorate resourcing, confusion about WorkSafe's remit and goals when it comes to enforcement, decision-making for amending and resolving charges), and noted that WorkSafe was taking steps to address many of these.

Delivering the strategy

WorkSafe focuses its effort on where it will make the biggest difference and contribute to equitable outcomes. WorkSafe is guided by evidence and insights about acute, chronic and catastrophic harm, and will focus on high-risk sectors – agriculture, forestry, construction, and manufacturing, and high-risk activities such as mining, adventure activities and work involving hazardous substances.

Focusing on high-risk sectors and activities

The sector plans cover the sectors where the most acute and chronic harm occurs, and the permit plan covers high-risk activities that can result in serious or catastrophic harm if not well managed.

1. Sector plans for high-risk sectors



Agriculture

support the sector-led 'Farm Without Harm' strategy, target high-risk areas of harm, align assessment and enforcement activities, and collaborate with trusted sources of influence to improve health and safety practices.

Initiatives	Progress
Give certainty to the sector through a clear and credible enforcement position.	Started drafting the agriculture sector enforcement position. In Q2, a communication plan will be developed, which will be shared with sectors as soon as the plan is ready (in between Q3 and Q4).
Target delivery of tailored programmes to reach workers at greater risk	Introduced WorkSafe's role as regulator to the future agriculture workforce studying at Massey and Lincoln universities



Construction

supports sector-led priorities by clarifying WorkSafe's role, target the management or risk and overlapping duties on complex sites, focusing on actions that only WorkSafe can take, and encourage large, influential businesses to lead improved health and safety practice.

Initiatives	Progress
Build understanding of workers at greater risk	Established a relationship with a sector provider, granting access to externally validated data on the size, scale, location of specific companies and construction projects in development and on site.



Forestry

support sector-led priorities by clarifying WorkSafe's role in the system, foster Kaupapa Māori approaches to drive locally led shifts in health and safety practice, and targeting interventions to address the most serious risks in forestry.

Initiatives	Progress
Share WorkSafe data and insights with the forestry sector leads	Worked with forestry sector leaders to confirm data and insights they are seeking. In Q2, a plan will be developed to identify what data WorkSafe can provide in the short term and what can be provided over time. Once this model is developed and tested, it will be extended to other priority sectors.
Complete the refresh of forestry guidance	In response to sector needs WorkSafe has revised the timeline and made progress to complete this work by the end of Q3, subject to Ministerial approval of an Approved Code of Practice.

Initiatives	Progress
Give certainty to the sector through a clear and credible enforcement position	Started drafting the forestry sector enforcement position. In Q2, a communication plan will be developed, which will be shared with sectors as soon as the plan is ready (in between Q3 and Q4).
Regional harm prevention approach in Te Tairāwhiti	Commenced the evaluation of Te Kawa a Tāne is due to commence in Q2. Health and safety governance wānanga and guidebook for iwi-Māori landowners is in progress.
Target safe tree felling practice	Started the review of the notification triage framework to ensure it aligns with priority focus.



Manufacturing

support sector-led priorities by clarifying WorkSafe's role in the system, target interventions to address the most serious risks, and encourage culturally responsive worker engagement.

Initiatives	Progress
Share WorkSafe data and insights with manufacturing sector leads	Discussions are under way on WorkSafe data and insights to share with sector leads. This will help sectors to identify the key opportunities for action within their communities. Work on this will be progressed in Q2 workshops with sector leads.
Deliver tailored programmes to reach workers at greater risk	Engaged with two Auckland manufacturers that have the highest number of injuries for Pasifika workers. In Q2, WorkSafe will collaborate with these businesses on projects, at a worker, manager and strategic level.
Contribute to the government response to health risks from engineered stone	Completed the planning and design of the evaluation to assess the impact of the Accelerated Silicosis Project. Interviews with inspectors and key stakeholders have begun.
Deliver tailored programmes to reach workers at greater risk	Developed te ao Māori programmes in the manufacturing sector focused on Tāmaki Makaurau (Auckland) and Te Waipounamu (South Island). This builds on existing work with manufacturing workers through the Puataunofo Come Home Safely programme. More information is available on the 'Regulatory activities' section under Puataunofo Come Home Safely.

2. High-risk activities



Permit

set clear expectations for regulated parties, establish robust and consistent decision-making processes, and strengthen compliance monitoring for regulated high-risk work.

Deliverable	Progress
Develop Compliance Framework by 30 June 2025	The framework that outlines WorkSafe's approach to decision-making for entry and exit decision-making, and compliance monitoring for authorisations is being developed as part of the two-year Permit Priority Delivery Plan. The delivery plan will be submitted to the WorkSafe Board in November.

Regulatory activities

The WorkSafe New Zealand Act 2013 sets out 16 functions for WorkSafe to undertake as the regulator. Those functions describe the various ways in which WorkSafe is expected to 'promote and contribute to' – or influence – health and safety at work. Broadly, these functions can be grouped into three outputs that WorkSafe delivers – **Engage**, **Enforce**, and **Permit**



Engage

Helping businesses and workers to understand how to meet their responsibilities to ensure work is healthy and safe.

1. Education and training



Following four fatalities involving quad bikes in July, WorkSafe issued **a warning to help reduce the risks of harm on farms related to vehicles**, in particular quadbikes. In response to the fatalities, Safer Farms has convened a committee made up of 40 members and representatives from farming organisations. WorkSafe contributes to the committee's work by analysing data on quadbikes to identify trends, sharing knowledge about industry best practice and suggesting technological innovations such as drones to enhance safety.

Agriculture is a priority sector and farm vehicle incidents are one of the top two causes of workplace deaths. This is targeting the biggest risk and working with the sector to improve health and safety in agriculture.

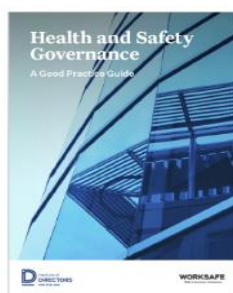
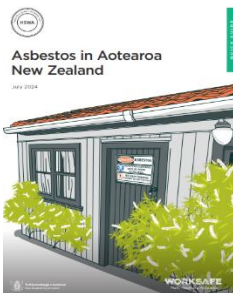
Delivered 30 **Puataunfo Come Home Safely workshops** reaching 438 workers in the following sectors: 10% manufacturing, 55% RSE* workers in agriculture, 25% warehousing, transport and logistics, and 10% construction. These workshops focused on building health and safety education and participation in developing safe practices in their work.

Delivered two workshops for directors in the forestry sector (**Te Tairawhiti Whenua Charitable Trust**) on governance health and safety leadership, reaching a total of 35 directors and covering 97,000 hectares of forestry land.

WorkSafe continues to educate and train workers and leaders

*Recognised Seasonal Employer

2. Information and resources



The **asbestos-related guidance** was updated, making it more accessible. The redeveloped guidance is being released in stages with four guides published in August and further guides in development and planned for release in 2025/26.

Directors released the **Health and Safety Governance: A good practice guide**. The guide, produced in association with the Business Leaders Health and Safety Forum and General Manager Safety Forum, outlines a principles-based approach to health and safety and a focus on understanding and managing risk. The guide focuses on the legal obligations under the Health and Safety at Work Act 2015 and provides practical ways to achieve the outcomes intended by the law.

WorkSafe is also the regulator for ensuring the safe supply and use of electricity and gas in New Zealand. In August, it published the **Electrical and Gas Accidents 2023 Annual Report**. The report examines accidents involving members of the public for 2023 and gives an overview of the 31-year period from 1993 to 2023 identifying trends and highlighting risks in electrical and gas accidents.

3. Workplace assessments

Workplace assessment activity is either part of a planned programme or carried out as a response to a notification. Notifications are received from businesses and the public. Once received, they are reviewed for an appropriate course of action.

In Q1, approximately 20% more notifications were received, and 1% more assessments were conducted, in comparison to the previous quarter.

	2023/24				2024/25
	Q1	Q2	Q3	Q4	Q1
Notifications	2,317	1,384	2,465	2,155	2,537
Assessments	2,796	2,513	2,985	3,271	3,292

4. Advisory services

WorkSafe recommended the dairy industry reassess the **use of slide pulsators** (equipment used in milking systems), following a death in a Waikato milking shed. There is a risk posed by clothing becoming entangled in the exposed moving parts and WorkSafe has urged farmers to check their set-up is safe either by substituting them for an electronic pulsator, installing safeguarding to prevent access to moving parts, or removing them. This has generated helpful discussions within the sector on managing this risk.



Enforce

Taking action against those who fail to meet their responsibilities to ensure work is healthy and safe.

Where businesses and workers do not carry out their responsibilities as they should, some form of action will likely need to be taken to enforce compliance with the law. The type of action taken is intended to obtain compliance and to encourage others to comply. There are a variety of enforcement tools available to us to hold people to account and achieve the maximum influence. Enforcement tools include:

- Improvement notice: issued by a WorkSafe inspector directing that a work health and safety risk be addressed.
- Prohibition notice: issued requiring activity to cease immediately if a WorkSafe inspector determines that a serious health or safety risk is occurring or could occur.
- Infringement notice: requiring a responsible party to pay a fine for breaching specified health and safety obligations

In Q1, WorkSafe issued 1,924 notices in total. This was an increase of 32% from the previous quarter.

	2023/24				2024/25
	Q1	Q2	Q3	Q4	Q1
Improvement	1,214	1,410	1,160	1,259	1,653
Prohibition	272	220	201	201	267
Infringement	2	0	2	3	4
Total	1,488	1,630	1,363	1,463	1,924

In addition to issuing notices, WorkSafe also takes the following actions:

- Prosecution: WorkSafe files charges for breaches of the law which may result in the Court imposing financial penalties or other sanctions.
- Enforceable undertaking: Voluntary agreements between WorkSafe and a duty holder. They are legally binding and are generally used as an alternative to prosecution.

In Q1, there were 12 disposed prosecutions. In two cases, the prosecution was disposed as a result of WorkSafe entering into an enforceable undertaking with the PCBU.

	2023/24				2024/25
	Q1	Q2	Q3	Q4	Q1
Disposed prosecutions including enforceable undertaking*	15	16	25	13	12

*Figures may change subject to appeal

Some of the enforcement activities in Q1 were:

A health and safety consultant was sentenced and ordered to pay fines and reparations after a worker suffered a traumatic brain injury from being hit by the bucket of an agricultural vehicle. The consultant had identified a need for a traffic management plan and undertaken to provide one but had not done so by the time of the accident. This was the first successful prosecution of a health and safety consultant laid under the Health and Safety at Work Act 2015.

Following the death of a student during a school trip, **a school board was sentenced** after pleading guilty to health and safety charges and ordered to pay over \$500,000 in reparations. WorkSafe is engaging with the Ministry of Education, Education Review Office and Education Outdoors NZ to raise awareness of the issues and drive improvements across the sector.

Following a fatal accident in 2022, **a roller door installer was sentenced** and ordered to pay \$200,000 in fines and reparations after a roller door fell from its fixing and crushed a person. The company was prosecuted under the Health and Safety in Employment Act 1992, the legislation in place at the time of the March 2009 installation. A similar failure occurring today would be subject to much tougher penalties under the Health and Safety at Work Act 2015.



Permit

Allowing businesses and individuals to carry out high-risk work activities that require permission to do so

Permitting activities in Q1 included:

- **Four safe work instruments (SWIs)** are being developed. SWIs for seamless steel gas cylinders SWI and Burners SWI are currently undergoing public consultation, and consultation on SWIs for research laboratories and mining and quarrying will start in Q2.
- 487 authorisations and three exemptions were processed in Q1.

Performance measures

This section reports on the measures and targets included in the Performance Framework from the Statement of Intent 2024/25-2027/28 (SOI) and Statement of Performance Expectations 2024/25 (SPE).

This is the first reporting against the new set of performance measures to reflect WorkSafe's new strategy. While some measures have not been met at this stage, the results establish a baseline for comparison in future quarters.

Overview of performance

	Total number	Number reported in Q1	Achieved	Not achieved
SOI measures (Impact)	5	3	3	-
SPE measures (Output)	7	6	3	3
Organisational measures	5	4	1	3
Total	17	13	7	6

Statement of Intent 2024/25-2027/28

WorkSafe has five impact measures. As at Q1, all three reported targets were achieved. Unreported targets are highlighted in yellow.

Impact measure	Q1 Result	Target
Engage		
The percentage of people who make a change after interaction with WorkSafe New Zealand	97%	≥85%
The percentage of employers who know more about what they need to do after interaction with WorkSafe New Zealand	65%	≥60%
Enforce		
The percentage of businesses in priority areas or sectors that improve workplace safety following improvement notices	-	≥95%
<i>Due to insufficient sample size and response rate, this measure cannot be reported in Q1.</i>		
The percentage of businesses that improve workplace safety following improvement notices	-	≥95%
<i>Due to insufficient sample size and response rate, this measure cannot be reported in Q1.</i>		
Permit		
Develop and implement a framework to assess the proportion of businesses that carry out regulated work activity in accordance with their authorisation	On track (see page 6)	By 30 June 2024/25

Statement of Performance Expectations 2024/25

There are seven output measures. These assess the quality and timeliness of activities delivered by WorkSafe. Unmet targets are highlighted in yellow and variance explanations are provided.

Output measure		Q1 Result	Target		
Engage					
1.1	The percentage of recipients satisfied with WorkSafe's interventions	85%	70%		
1.2	The percentage of resource directed into high-risk sectors and regions with high harm inequity	76%	80%		
<i>The Q1 result includes the conclusion of work outside the priority sectors. The WorkSafe Triage and Notification Decision Models is being re-developed to further align resource with priority sectors, and the target is expected to be met by year end.</i>					
1.3	The net provider score of priority partners and sector lead groups that have trust and confidence in WorkSafe	-	>0		
<i>Due to insufficient sample size and response rate, this measure cannot be reported in Q1.</i>					
<i>Financials (\$M)</i>					
Annual budget	66.639	Q1 actual	12.438	% budget spent	19%
Enforce					
2.1	The percentage of investigations in priority sectors (agriculture, forestry, manufacturing and construction)	82%	≥85%		
<i>Investigations typically relate to fatalities, high harm or serious risk, which are reactive by nature. While many investigations fall within the four priority sectors, not all efforts can be directed there, as fatal or serious harm events in other areas also require investigative resource.</i>					
2.2	The percentage of prosecutions that result in the relevant parties being held to account	83%	≥80%		
<i>Financials (\$M)</i>					
Annual budget	55.808	Q1 actual	10.665	% budget spent	19%
Permit					
3.1	The percentage of authorisation applications and renewals processed within agreed timeframes*	61%	≥85%		
<i>Embedding new processes for the Adventure Activities regime is taking more time than expected. Turnaround times will improve as these processes become more established and practiced.</i>					
3.2	The percentage of authorisation applications and renewals processed according to WorkSafe's quality standards*	100%	≥85%		
<i>Financials (\$M)</i>					
Annual budget	20.450	Q1 actual	6.227	% budget spent	30%

*Two authorisation application processes will be measured in 2024/25: Asbestos and Adventure Activities.

Organisational health and capability

WorkSafe has five organisational health and capability measures. The staff engagement measure is based on the We Say survey. This survey has not been run this quarter.

The costs were lower than 2023/24 costs across WorkSafe, due to vacancies, resulting in three of the four measures not meeting the targets in Q1. Unmet targets are highlighted in yellow.

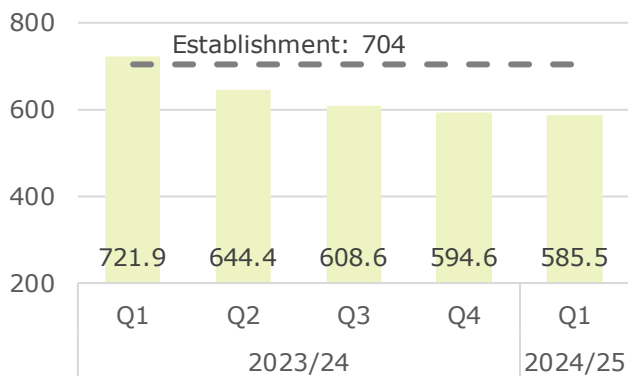
Organisational measure	Actual	Target
Organisational efficiency		
Frontline staff to support staff ratio	76:24	Improvement from 2023/24*
*As at 30 June, the ratio was 74:26		
Budget management		
Expenditure within budget	19.9%	Spend is within $\pm 2\%$ of budget
Cost efficiency		
Cost of Inspectorate activities	17.4%	Within 2% of 2023/24 costs
Cost of processing authorisation applications and renewals	3.6%	Within 2% of 2023/24 costs

Organisational health and risks

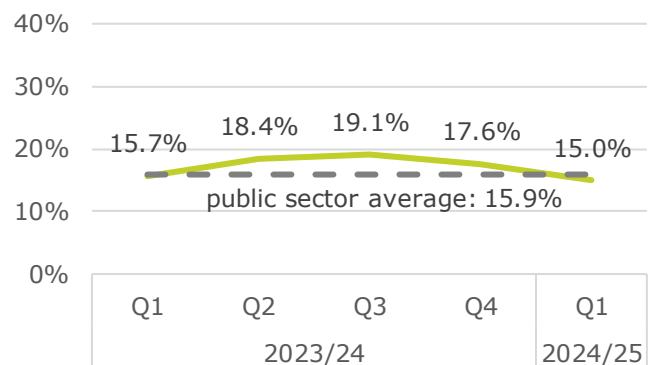
WorkSafe People

Staff numbers reduced by 9 FTEs and voluntary turnover also decreased by 2.6% from the previous quarter.

Staff numbers (FTEs)



Voluntary staff turnover



Inspectorate capacity

The total number of inspectors reduced by 4 from 201 in Q4 to 197 in Q1 and were all due to resignations.

		Ratio of inspectors per 100,000 workers		Total number of inspectors		
		Trainees included	Trainees excluded	Trainees	Inspectors	Total
2023/24	Q4	6.8	6.2	19	182	201
2024/25	Q1	6.7	6.0	19	178	197

Personnel expenditure

Total FTEs	Total salary*	Average salary*
585.5	\$74,774,790	\$127,711

*as per the Public Service Commission definition (ie, No casual or CE, and employees only)

Contractors and consultants

	Actual	Budget	Variance	Full year budget
Operational expenditure	1,469	3,053	1,584	11,684
Capital expenditure	245	1,060	815	4,240

- The ongoing pre-consultation engagement process prior to organisational change and impact on the implementation of the new strategy has resulted in variance of phasing of contractor/consultant spend from budget.
- The ongoing consultation process has delayed capital expenditure on contractors/consultants.

The number of contractors remained unchanged.

	2023/24				2024/25
	Q1	Q2	Q3	Q4	Q1
Contractor numbers	36	20	15	15	15

Risks

WorkSafe’s internal and external environment continued to be subject to significant change and pressure which increased a rating of two strategic risks.

Organisational change process

As a result of the determination made in the Employment Relations Authority regarding the interpretation of pre-consultation engagement obligations before undertaking an organisational change process, details needed to be worked through with the Public Service Association. This created unexpected delays to the change process which has increased uncertainty. This is against a backdrop of significant public sector changes and ongoing cost of living pressures. WorkSafe has held many vacancies (over 100) for an extended period to minimise impacts to kaimahi through change, which has resulted in the People, Health and Safety risk increasing in the critical rating range.

Mitigations

The consequential issues are being managed and short- term mitigations implemented to support kaimahi. A reduction in the People risk can be expected in Q4, once the change proposal is delivered and the new structure stood up. In addition, work has been ongoing to:

- identify and manage operational risks
- standardise and improve organisational-wide processes
- reduce the increased regulatory risk by launching the priority sector plans.

It will take some time to achieve the desired future state and implement and embed sustainable controls consistently. However, overall, there has been significant progress in improving the entire control environment, which is trending positively, and other strategic risks have remained stable.

Financial performance

WorkSafe's quarter one result is a surplus of \$8.1m compared to a budget deficit of \$0.4m. The positive variance is mainly due to higher vacancies and attrition than anticipated, as well as reduced consultant and contractor spend.

Statement of comprehensive revenue and expenditure

\$000	Actual	Budget	Variance	Full Year Budget
Revenue				
Revenue Crown	34,744	33,759	985	135,035
Interest Revenue	648	392	256	1,569
Other Revenue	2,053	2,002	51	6,340
Total Revenue	37,445	36,153	1,292	142,944
Expenditure				
Personnel	21,468	24,646	3,178	95,732
Contractors	584	1,082	498	4,252
Depreciation	1,888	2,213	325	8,850
Other Expenditure	5,389	8,656	3,267	34,063
Total Expenditure	29,329	36,597	7,268	142,897
Surplus/(deficit)	8,116	(444)	8,560	47

Revenue by area

Crown revenue is higher than budget due to the Public Service Pay Adjustment contingency funding now being recognised as it was approved by Joint Ministers in August. Other revenue is above budget due to higher interest revenue. ACC revenue is also higher than budget, mainly due to revisions to the ACC programme, which aligns to ACC programme expenditure.

\$000	Actual	Budget	Variance
Working safer levy	32,968	31,923	1,045
Major hazard facilities levy	673	733	(60)
Energy safety levies	1,103	1,103	-
ACC	1,835	1,667	168
Fees and Other Revenue	866	727	139
Total revenue	37,445	36,153	1,292

Expenditure by area

\$000	Actual	Budget	Variance	Full Year Budget
Core Delivery <i>(excl. Depreciation)</i>	23,605	30,848	7,243	121,571
Depreciation	1,878	2,213	335	8,850
Specific Delivery <i>(tagged funds)</i>				
Whakaari	255	-	(255)	-
Energy Safety/ MHF/P&G	1,756	1,852	96	7,406
ACC Programme	1,835	1,667	(168)	5,000
Refrigeration	-	17	17	70
Total Specific Delivery	3,846	3,536	(310)	12,476
Total Expenditure	29,329	36,597	7,268	142,897

- Core Delivery (excluding depreciation) is \$7.2m below budget due to vacancies and continuation of strong cost controls from 2023/24.
- Core Delivery Depreciation is \$0.3m below budget, due timing of capital spends.
- Whakaari has spent \$0.3m in Q1 towards the coronial hearing which will be funded through the Whakaari contingency funding.
- ACC Programme is \$0.2m above budget due to rephased activities/work programmes being reviewed for 2024/25.

Capital spend

\$000	Actual	Budget	Variance	Full Year Budget
ICT software	289	585	296	2,340
ICT hardware	-	75	75	300
Motor vehicles	-	430	430	1,720
Leasehold improvements	-	475	475	1,900
Total capital spend	289	1,565	1,276	6,260

- ICT software spend is lower due to Digital Transformation programme moving into continuous improvement.
- The purchase of motor vehicles has been delayed due to vehicle availability and rationalisation of organisational fleet requirements.
- Leasehold improvements underspend is due to the replanning of office requirements and lease timings.

Memorandum accounts

\$000	Total YTD Balance	YTD Actual	Prior Year Total YTD
Major Hazard Facilities Levies			
Revenue	20,706	1,538	19,168
Expenditure	(19,269)	(643)	(18,626)
Total surplus/(deficit)	1,437	895	542
Add Crown Account surplus/(deficit)	1,036	(865)	1,901
Total surplus/(deficit) - WorkSafe held levies	2,473	30	2,443

Current financial position: Statement of financial position

\$000	Actual	Budget	Variance	Full Year Budget
Cash and bank	45,638	24,449	21,189	21,047
Investments	-	10,000	(10,000)	15,000
Debtors	6,738	4,200	2,538	4,257
Fixed assets	36,859	43,848	(6,989)	38,423
Total assets	89,235	82,497	6,738	78,727
Creditors and payables	7,352	6,509	843	5,201
Employment liabilities	8,004	8,234	(230)	8,234
Crown loan	19,528	19,528	-	17,945
Total liabilities	34,884	34,271	613	31,380
Net assets	54,351	48,226	6,125	47,347
Equity				
Capital reserves	35,778	36,976	(1,198)	37,925
Memorandum accounts	2,473	1,853	620	1,853
Accumulated surplus/(deficit)	16,100	9,397	6,703	7,569
Total Equity	54,351	48,226	6,125	47,347

- **Cash and bank:** higher than budget mainly due to the timing of placing funds on term deposit, overall lower spending.
- **Investments:** lower than budget due to the timing of investing cash for short term deposits.
- **Debtors:** higher than budget mainly due to \$1.8 ACC revenue receivable at the end of the quarter and timing of other receipts.
- **Fixed assets:** lower than budget mainly due to timing of capital spends.
- **Creditors and payables:** higher than budget mainly due to timing of payments.
- **Employment liabilities:** lower than budget due to timing of use of annual leave and accrues salaries.
- **Crown Loan:** within budget. No transactions are expected until the end of the year.
- **Equity:** higher than budget due to actual surplus of \$8.1m compared to budgeted deficit of \$0.4m.

Statement of cash flows

The overall cash position is higher than budget, mainly due to lower expenditure. The individual differences reflect the variances discussed above in the Revenue and expenditure by area and the Statement of financial position.

\$000	Actual	Budget	Variance	Full Year Budget
Operating cash flows				
Receipts from Crown	33,684	33,759	(75)	135,035
Receipts from other revenue or interest	4,049	5,528	(1,479)	7,927
Payments to suppliers/employees	(30,303)	(40,958)	10,655	(136,207)
Net operating cash flows	7,430	(1,671)	9,101	6,755
Investing cash flows				
Net investments	10,008	-	10,008	(5,000)
Net asset purchase	(83)	(1,610)	1,527	(6,438)
Net investing cash flows	9,925	(1,610)	11,535	(11,438)
Financing cash flows				
Capital contribution	-	-	-	-
Crown loan paid, net	-	-	-	(2,000)
Net financing cash flows	-	-	-	(2,000)
Cash movement				
Net (decrease)/increase in cash	17,355	(3,281)	20,636	(6,683)
Opening cash	28,283	27,730	553	27,730
Closing cash	45,638	24,449	21,189	21,047