

# STATEMENT OF INTENT

2014-2018

# VISION, PURPOSE, VALUES

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## OUR VISION

That everyone who goes to work comes home healthy and safe

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## OUR PURPOSE

To transform New Zealand's workplace health and safety performance

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## OUR VALUES

**Integrity** – being fair, firm, and consistent, showing respect for those we work with

**Courage** – standing up for health and safety

**Responsibility** – being accountable for what we do

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*Presented to the House of Representatives pursuant to section 149 of the Crown Entities Act 2004*

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# FOREWORD

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On behalf of the Board we are pleased to present the *Statement of Intent 2014-2018*, which maps out how WorkSafe New Zealand will lead the achievement of the Government targets to reduce workplace deaths, occupational diseases, and injuries through sustained, systemic change.

WorkSafe NZ was established in December 2013 to help transform the health and safety performance of New Zealand workplaces. The 2010 Pike River coal mine tragedy brought into stark focus New Zealand's unacceptably high workplace death and injury toll. Each year there are an estimated 75 work-related deaths and WorkSafe NZ is notified of approximately 6000 serious harm incidents. In addition, up to 900 workers die annually from diseases caused by long-term workplace exposures, while tens of thousands more suffer serious, chronic ill-health. All of this harm is preventable.

In April 2013 the Independent Taskforce on Workplace Health and Safety laid bare the fundamental flaws in New Zealand's workplace health and safety system. The social and economic cost is estimated at \$3.5 billion – about 2% of GDP annually. This does not begin to cover the huge emotional impact on individuals, families, whānau, and communities dealing with serious injury and loss.

The Government's *Working Safer* reform blueprint was published in response to the Taskforce report in August 2013. The reforms include a greater focus on high-risk workplaces and on occupational health, more worker participation in health and safety, and better co-ordination between government agencies. An overhaul of the law is central to the reforms, along with clearer guidance for businesses and a more focused intervention strategy to encourage improved management of workplace health and safety while holding duty holders to account. WorkSafe NZ will lead the achievement of the Government targets of at least a 25% reduction in workplace fatalities and serious injuries by 2020, and future occupational health targets.

We are working closely with the Ministry of Business, Innovation and Employment as our monitoring agency and supporting its work on the new legislation and regulations. With others, we are implementing the Government's *Working Safer* reform package to improve New Zealand's health and safety system performance.

WorkSafe NZ will be an intelligent regulator. Risk will be targeted and addressed in a proportionate manner. Regulation and enforcement alone are blunt instruments unless matched with engagement and education. WorkSafe NZ will help those willing to comply, and hold to account those who break the law.

## WORKSAFE NZ WILL LEAD THE ACHIEVEMENT OF THE GOVERNMENT TARGETS OF AT LEAST A 25% REDUCTION IN WORKPLACE FATALITIES AND SERIOUS INJURIES BY 2020.

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This *Statement of Intent* sets out our focus areas. Reducing work-related deaths, diseases, and injuries cannot be achieved by WorkSafe NZ alone - we must work in close partnership with others. Businesses, workers, worker representatives, contractors, partner agencies, and industry groups all have vital roles. WorkSafe NZ will lead and be a catalyst for change.

A key early priority is building WorkSafe NZ's capability to increase effectiveness. This *Statement of Intent* outlines the medium-term indicators - to 2020 - with which to measure our regulatory performance within the context of the workplace health and safety system. In the shorter term, the *Statement of Performance Expectations* sets out the plan, budget, and performance indicators for the year ahead.

WorkSafe NZ is better resourced than previous government workplace health and safety bodies, and will be supported by impending new law and regulations. We are committed to meeting the challenge put before us by the Government.



A handwritten signature in black ink that reads "Gregor D. Coster".

Professor Gregor Coster, CNZM, Chair



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

Ross Wilson, Deputy Chair



# 1

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## WHO WE ARE

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WorkSafe NZ is the primary workplace health and safety regulator. We seek to prevent harm to all people at work. WorkSafe NZ is at the centre of the most significant reforms to New Zealand's workplace health and safety system in 20 years. To meet the public's high expectations for change, we are evolving our approach to not only strengthen enforcement, but also educate, guide, and co-ordinate implementation across the system.

## **WORKPLACE HEALTH AND SAFETY FUNCTIONS**

We provide leadership, support, information, and enforcement activities to improve the health and safety of New Zealand's workplaces.

We undertake assessments and investigations at workplaces to monitor and enforce compliance with the law<sup>1</sup>. Lessons from our workplace visits inform our operational intelligence and regulatory reviews. New laws for health and safety at work are on their way. As well as contributing to the new legislation and regulations, we are preparing our people and others for this change.

We clarify expectations and, if appropriate, give duty holders a chance to put things right. We also hold people to account for breaches of the law and failure to make improvements. We do this through regulatory activities ranging from issuing notices to taking prosecution action.

To ensure that people in workplaces understand their health and safety obligations, we provide information and guidance. This work includes delivering codes of practice, standards, and guidance tools. We deliver our messages via our website, campaigns, and through our inspectors in workplaces. We also work through third parties like industry bodies and expert advisors<sup>2</sup>.

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<sup>1</sup> The Health and Safety in Employment (HSE) Act 1992 and the Hazardous Substances and New Organisms (HSNO) Act 1996.

<sup>2</sup> Our approach to education, information, and guidance will be outlined in our forthcoming intervention strategy.

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Many of our activities are delivered through national programmes which target areas where most workplace harm occurs: agriculture, forestry, construction, manufacturing, and occupational health.

We concentrate effort in the high-hazard sectors (petroleum, extractives, and geothermal industries) and major hazard facilities (sites that store large quantities of chemicals like fuels and fertilisers). Our work in these areas is focused on preventing low-frequency but high-consequence incidents (i.e. those involving multiple fatalities or serious community or occupational health problems).

We oversee the safety auditing of New Zealand's adventure activities to ensure that operators of those activities manage risks to the public effectively.

We are mandated to improve occupational health and will lead change in this area.

The full list of functions in the WorkSafe New Zealand Act 2013 is set out in Appendix One. We deliver the health and safety compliance activities and services previously carried out by the Ministry of Business, Innovation and Employment (MBIE) and, earlier, the Department of Labour.

## ENERGY SAFETY FUNCTIONS

We are also the regulator for the safe supply and use of electricity and gas. This work contributes to the continuing downward trend in public fatalities from electricity and gas. This part of our operations is not limited to workplaces; it has a public safety focus and spans public areas and private homes, and also involves the protection of property. We monitor compliance with and undertake enforcement activities under the Electricity Act 1992, the Gas Act 1992, and the provisions for the fuel gases of the Hazardous Substances and New Organisms (HSNO) Act 1996. This includes conducting investigations of accidents and unsafe situations involving electricity and gas.

We work to strengthen international regulatory co-operation and consistency. We apply internationally accepted standards to New Zealand's electricity and gas safety and supply quality.

Our operations include auditing energy networks, distribution systems, installations, and appliances. We also publicise safety standards, providing consumer advice and offering energy safety education.

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## NEW ZEALAND'S WORKPLACE HEALTH AND SAFETY SYSTEM

WorkSafe NZ is part of the wider health and safety system in New Zealand, which involves all people in workplaces, whether they are workers, contractors, supervisors, managers, or employers.

We are not the only workplace health and safety regulatory agency - the New Zealand Police, Maritime New Zealand, the Civil Aviation Authority and the NZ Transport

Agency play important roles too. We will work closely with these agencies to co-ordinate our efforts. Additionally, we are committed to working closely with the Accident Compensation Corporation (ACC), which administers functions and programmes that influence health and safety practices.

To achieve the reduction in acute, chronic, and catastrophic harm sought through the *Working Safer* reforms, all of the parties in New Zealand's workplace health and safety system need to step up.



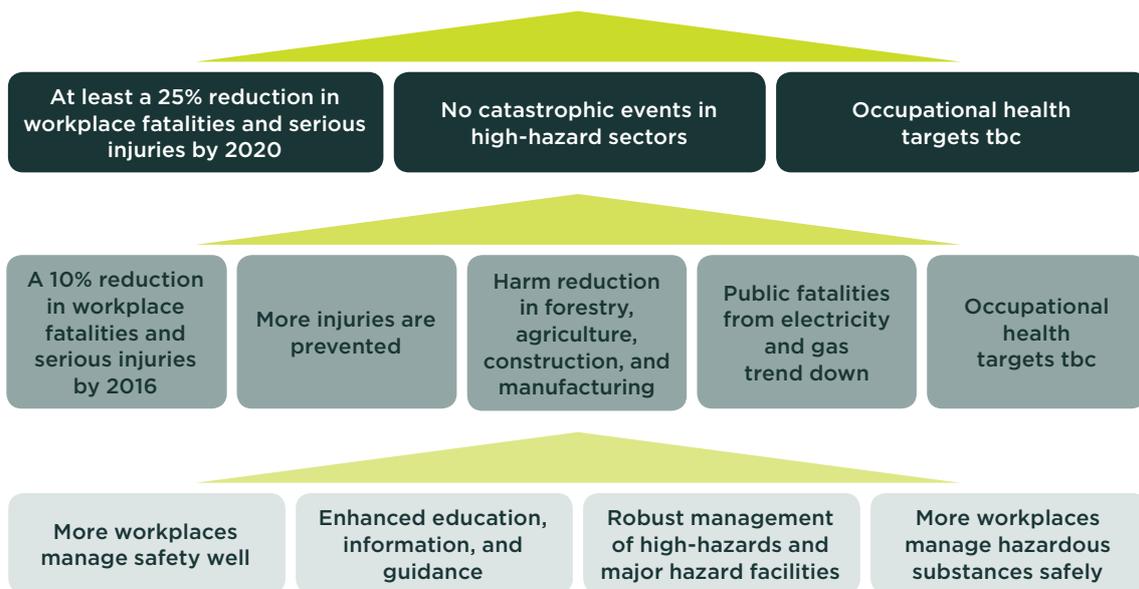
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## WHAT WE WILL ACHIEVE

We will work with others to ensure that risks to people in New Zealand workplaces are effectively managed. The diagram below shows the goals and objectives that we seek. The performance framework on page 16 sets out our role in the health and safety system in achieving the long-term vision that everyone who goes to work comes home healthy and safe.

### EVERYONE WHO GOES TO WORK COMES HOME HEALTHY AND SAFE



# OUR PRIORITIES

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WorkSafe NZ is committed to delivering the Government’s *Working Safer* reform package to create a system-wide approach to improving workplace health and safety in New Zealand. The improvements focus not only on enforcement, but also on education, guidance, and co-ordinated effort across the system.

Our strategic priorities are strengthening our organisation, working together, targeting risk, working smarter, and rebuilding Canterbury safely.

## STRENGTHENING OUR ORGANISATION

We are transforming the health and safety regulator into a high-performing organisation to achieve the changes set out in the *Working Safer* reform package. We will:

- › **build our own capacity and capability.**  
We will grow the number of our frontline staff and specialists (including our occupational health, research and evaluation, and high-hazards capability). We will recruit the best people we can and create a culture that retains them. We will also develop a comprehensive staff training and development programme (see the section on organisational capability and health for more details)

- › **provide fit-for-purpose systems and functions.** We will develop more methodical and efficient organisational systems, including transformative ICT systems. The quality of our expanded operational intelligence work relies on these systems. Other new and expanded functions will include research and evaluation and a larger standard-setting function. Where appropriate, we will share services with MBIE for cost effectiveness
- › **have comprehensive internal health and safety systems.** We will lead by example, establishing a top safety culture with our own people and using best-practice systems and processes to keep our people healthy and safe. A new staff participation system will be implemented in 2014.

## WORKING TOGETHER

Healthy and safe workplaces depend on all of us – people in workplaces, their representatives, iwi, families, communities, and the agencies tasked with oversight. A cultural transformation is needed. WorkSafe NZ will play a leadership role by:

- › **supporting the development of a new regulatory framework.** We are working with MBIE to provide a more effective regulatory framework that is appropriately supported by codes of practice, information, guidance, and education

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- › **increasing sector engagement** by working with those who can make a difference. We will work with key communities of interest, and support the Extractives Industry and Occupational Health Advisory Groups
  - › **supporting worker participation** by ensuring that, when visiting workplaces, our inspectors seek out opportunities to meet with health and safety representatives and discuss health and safety issues with them. Our standards and guidance will promote worker participation
  - › **strengthening social partnership.** We will actively work with social partners – Business New Zealand and the New Zealand Council of Trade Unions – and involve them in our key decisions and processes
  - › **improving the effectiveness of all health and safety regulators.** Effective operational relationships are crucial for aligned regulatory effort. We are seeking better and clearer operational arrangements with other regulators. These will be set in service agreements and memoranda of understanding
  - › **contributing to nation-wide strategies and action plans.** We will work with MBIE on the development of a national Workplace Health and Safety Strategy in 2014-15, continue to progress the joint workplace injury prevention action plan with ACC, and collaborate with both ACC and MBIE on developing the Safety Star Rating Scheme in 2014-15
  - › **supporting health and safety leadership amongst government agencies with high risks.** Demonstrate the Government's health and safety commitment by supporting key agencies working in high-risk areas (e.g. the Ministry of Defence and emergency services) to act as exemplars.

## TARGETING RISK

We will apply resources to where they make the most difference. We will:

- › **maximise our impact by targeting the highest-risk sectors,** which currently include agriculture, construction, manufacturing, forestry, and fishing<sup>3</sup>. We will use better intelligence to target high-risk areas and businesses. We will also target support for workers suffering higher levels of harm, including Māori, Pacific, migrants, and workers who are vulnerable because of age, inexperience, or conditions of employment
- › **strengthen the High Hazards Unit.** Low-frequency but high-consequence events are possible in the petroleum, geothermal, and extractives sectors and major hazard facilities. We are strengthening our High Hazards inspectorate to administer a robust regulatory regime for these sectors and facilities

<sup>3</sup> Maritime New Zealand has the legal HSE Act jurisdiction in the fishing sector.

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- › ***increase our focus on occupational health and hazardous substances.*** Occupational health hazards can cause a high level of harm within workplaces, but they are not always obvious. We are mandated to regulate these hazards but more needs to be done by all involved to raise awareness and provide health protection. Our overarching targets for this work will be confirmed by December 2014 and will form part of future updates to the *Statement of Intent*
  - › ***implement an effective hazardous substance regime.*** We will implement the refined regime relating to the safe management of hazardous substances in the workplace. From September 2014 we will transfer functions from the Environmental Protection Authority (EPA) to start streamlining the approach to hazardous substance management regulation in workplaces
  - › ***take a smarter intervention approach.*** We will take a risk-based, targeted approach to ensure that sectors and businesses that present higher risks receive an appropriate focus. The choice of intervention will be proportionate, consistent (but not uniform), and transparent. We are reviewing our intervention approaches – see page 29 for more details.

## WORKING SMARTER

The actions we take will motivate the changes in attitude and behaviour needed to make work safer. We will:

- › ***provide system-wide education.*** Our workplace visits and guidance material are vehicles for education. Our guidance and standards need to be targeted, relevant, and current, and we are strengthening our team to deliver these. Workforce development is a crucial part of improving the system, including up-skilling health and safety representatives, and working with the professional community and education providers to incorporate health and safety risk messages into their curricula. Our hope is that the Safety Star Rating Scheme will provide another tool for ACC and WorkSafe NZ to jointly use education and enforcement levers for incentivising businesses and workforce development
- › ***promote health and safety by design.*** We will work with businesses to promote the design of business processes that minimise or eliminate risk
- › ***influence supply chain practices to achieve better health and safety outcomes.*** We will work with businesses and government agencies to promote supply chain and procurement practices that enhance health and safety outcomes

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- › ***ensure more evidence-based decision-making.*** We need to base our decisions on good data, research, and evaluation. We need to know what works, why it works, and how we can replicate it. We will establish a Research and Evaluation Unit in early 2014-15
  - › ***build more occupational health capacity.*** WorkSafe NZ will build its capacity and expertise to address occupational health issues.
  - › ***monitor occupational health and exposures.*** We will increase our compliance activities, especially in relation to asbestos, and are implementing an inclusive and adaptive model for reducing harm from and exposure to hazardous substances
  - › ***support the Canterbury Rebuild Safety Charter.*** We will support, fund, and help to steer the Charter and its initiatives. This work involves working with ACC and representatives of businesses and workers to maximise our impact

## REBUILDING CANTERBURY SAFELY

The Canterbury rebuild includes high-risk activities on a scale unprecedented in New Zealand. We will:

- › ***target guidance to areas of high risk.*** We will provide industry briefings, guidance, and education for areas of high risk, including falls from height, managing asbestos, working with mobile plant, and excavation work
- › ***strengthen the inspectorate.*** We are strengthening our compliance activities by strengthening our Canterbury inspectorate team, particularly around demolition and construction
- › ***focus on high-risk populations.*** We will target more support for high-risk population groups, especially migrants, and workers who are vulnerable because of age, inexperience, or conditions of employment.



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## HEALTH AND SAFETY PERFORMANCE

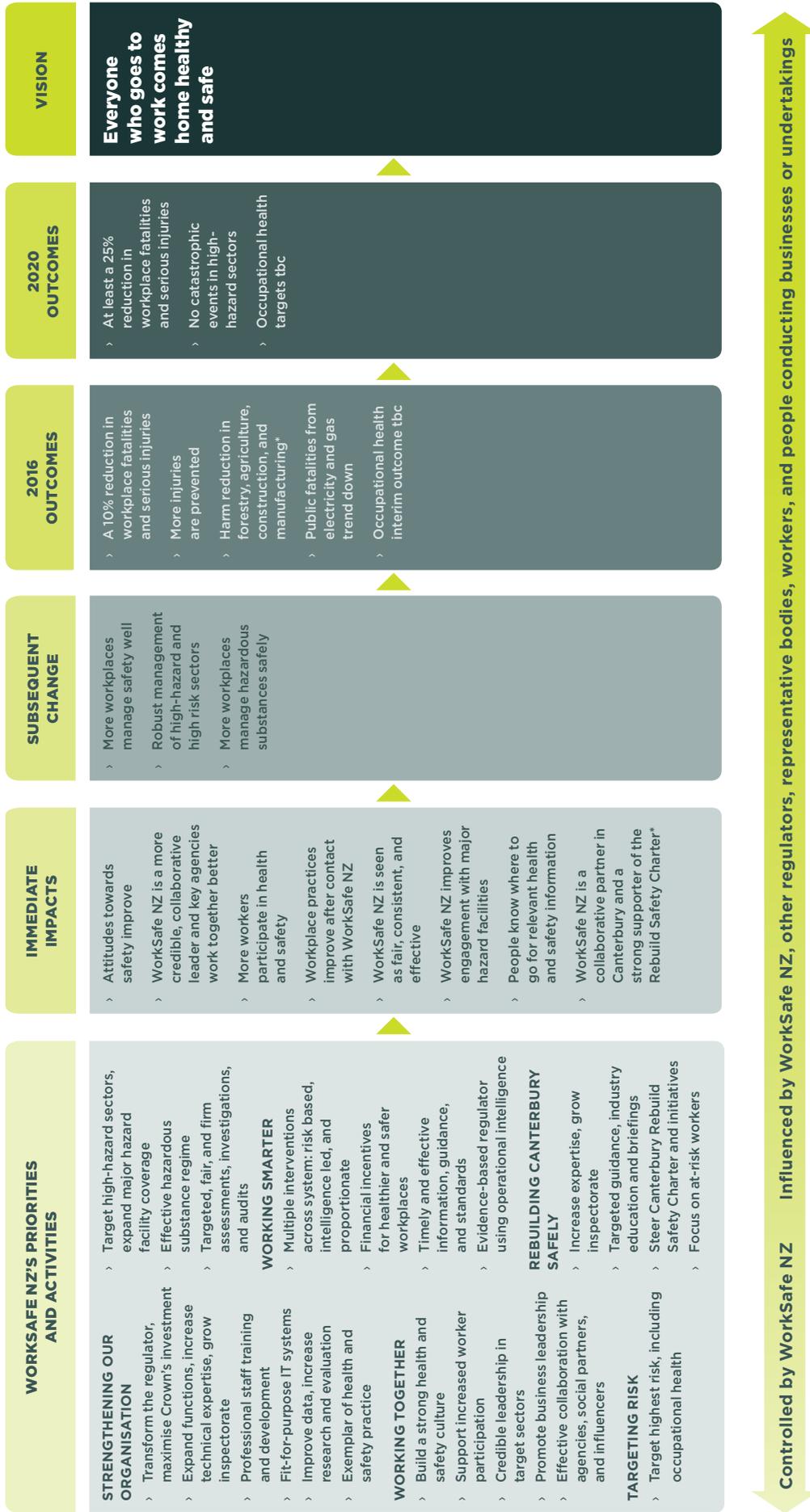
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As a priority, we have been strengthening our performance framework and indicators to monitor progress. The Royal Commission on the Pike River Coal Mine Tragedy observed that the former Department of Labour lacked adequate performance measures and that “as a consequence substantial problems with DoL’s health and safety regulatory performance were largely invisible”.

The driving force for our performance plan is the *Working Safer* reforms. We have developed a performance framework and a comprehensive package of indicators to help us – and others – to monitor our performance in relation to health and safety system changes. Our methodology is new and evolving. As we mature we will refine our approach and place more emphasis on occupational health. We aim to simplify this framework over time.

## PERFORMANCE FRAMEWORK

A new framework for WorkSafe NZ's performance within the New Zealand health and safety system is set out below.



\* We will work with industry in top-priority areas (i.e. Canterbury and forestry) to set clear goals and targets.

In the short term we want to improve attitudes to safety, make a positive impact as a regulator, lift practices in the workplaces we target, and lay the groundwork for more widespread improvements.

The resulting change we seek is better safety management. Whether it relates to energy safety, safety in workplaces, major hazard facilities, high-hazard sectors, or adventure activities, improved safety management is the important link to the outcomes we seek for 2016 and 2020.

We are targeting a 10% reduction in workplace fatalities and serious injuries by 2016, with particular improvements in forestry, agriculture, construction, manufacturing, and fishing<sup>4</sup>.

At least a 25% reduction in workplace fatalities and serious injuries is the government's goal for workplace health and safety by 2020. Internally, we are striving for even bigger reductions that reflect our ambitious vision of all workers returning home healthy and safe.

We want to eliminate catastrophic events like Pike River. Reducing the chances of catastrophic events takes many years of regulatory effort.

Our vision is challenging, not least in keeping workers safe from harmful exposures. Considerable effort is required to build our occupational health capacity and a substantive work programme.

### Occupational health

Our longer-term targets for improving occupational health will be confirmed by December 2014.

In the meantime, we are undertaking activities to improve practices around hazardous substances in workplaces. We are reducing harmful exposures to hazardous substances within the collision repair, boat building, and metal coating and finishing industries, and high-risk sites within the manufacturing industry. We also monitor the rate of firms complying with hazardous substance controls and take enforcement action where there is non-compliance. In Canterbury we are working actively with industry to improve practices around asbestos. We are drawing on the expertise of the Occupational Health Advisory Group.

But more is needed to create, staff, and advance a work programme with more direction. As soon as possible we will incorporate occupational health targets into our performance framework.

<sup>4</sup> Maritime New Zealand has the legal HSE Act jurisdiction in the fishing sector.

## MONITORING PERFORMANCE

A series of performance indicators underpins our performance framework. The indicators are about not just WorkSafe NZ but also the changes required across the New Zealand health and safety system. Nor are they static. They will sharpen and we will learn how and where our performance needs to change. The logic for our interventions will be informed by an increasingly deep base of research and evaluation.

The *Statement of Performance Expectations* outlines the performance indicators to monitor shorter-term changes in the health and safety system.

## DATA INTEGRITY STATEMENT

*Working Safer* envisaged a significant improvement in data quality and access. When the Independent Taskforce on Workplace Health and Safety reported in 2013, one of its criticisms of New Zealand's health and safety system was the lack of quality data to create a clear, reliable picture of health and safety performance. Improvements have been made (e.g. agreeing official methods for measuring work-related fatalities and injuries, and commissioning WorkSafe NZ's Baseline Research on safety attitudes). But there is a long way to go.

The indicators underpinning our performance framework are a combination of official statistics, surveys, administrative data, and operational intelligence. There are strengths and weaknesses with each, so we encourage looking at the overall package of indicators and results. Over time our performance measurement methods will sharpen and will include more predictive data sources and lead indicators.

### **Serious Injury Outcome Indicators:**

The Serious Injury Outcome Indicators are published annually by Statistics New Zealand. They are the most reliable high-level indicators of trends in fatal and serious non-fatal (threat-to-life) work-related injuries.

**ACC Claims Data:** ACC collects compensation claims data for injuries and occupational diseases. This dataset excludes injuries and illnesses where claims have not been made. Work-related claims data are provided to Statistics New Zealand for publishing and to WorkSafe NZ for operational intelligence.

**National Survey of Employers:** This is a representative annual survey of approximately 1500 employers. It asks employers a broad range of questions about their workplaces, including about health and safety. For the 2012-13 National Survey of Employers the maximum margin of error for the total sample at a 95% confidence level was +/-4.2%. Margins of error are larger for sub-populations.

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**Service Excellence Survey:** Businesses visited by WorkSafe NZ inspectors, and people who have contacted the contact centre are surveyed annually about their experience with the services received. In the 2012-13 Service Excellence Survey approximately 400 respondents answered questions about their engagement with health and safety inspectors (the maximum margin of error for the total sample at a 95% confidence level was +/-4.5%). Approximately 100 answered questions about their engagement with HSNZ inspectors (the maximum margin of error for the total sample at the 95% confidence level was +/-8.0%).

**WorkSafe NZ Baseline Research:** Workers, employers, and self-employed people will be surveyed about workplace health and safety attitudes and behaviours, focusing on priority sectors (agriculture, construction, forestry, manufacturing, and fishing). The survey will be run annually for three years.

**Redevelopment of the Household Labour Force Survey:** Statistics New Zealand is reviewing the Household Labour Force Survey. WorkSafe NZ and MBIE are requesting that the redeveloped survey include annual questions about workplace health and safety.

**Survey of Working Life:** This survey of employed people was run as a 2008 and 2012 supplement to the Household Labour Force Survey, by Statistics New Zealand. The supplement asked people about their employment conditions, working arrangements, and job quality, including aspects of workplace health and safety.

**WorkSafe NZ activity data:** WorkSafe NZ has activity data such as the number of prosecutions, enforcement actions, investigations, incidents, complaints, and workplace assessments.

## INDICATORS FOR 2016

We expect by 2016 to see materially improved health and safety in New Zealand. In addition to indicators 1-11 profiled in the *Statement of Performance Expectations*, we will be using the indicators below to monitor health and safety in 2016.

### 12 10% harm reduction by 2016

We expect that:

- a) fatal work-related injuries per 100,000 workers will be no higher than 2.5. (The latest 2011 rate is 3.5)
- b) serious, non-fatal work-related injuries per 100,000 workers will be no higher than 14.5. (The latest 2012 provisional rate is 16.0)
- c) ACC claims for more than a week away from work per 1000 FTEs will be no higher than 7.6. (The latest 2012 provisional rate is 7.7.)

For more information see Appendix Two.

**BY 2016 WE WILL KNOW IF WE ARE ON TRACK TO THE GOVERNMENT'S 25% GOAL**

### 13 Harm reduction in forestry, agriculture, construction, and manufacturing

Significant safety improvements are required in the high-risk industries of forestry, agriculture, construction, and manufacturing. Progress will be monitored using ACC work-related injury claims for loss of earnings compensation (more than a week away from work) as an indicator of severe injury. This indicator is a subset of work-related injury.

Our aim is to reduce the unacceptably high rates of severe work-related injury to below these 2012 rates:

- a) 22.2 per 1000 jobs in forestry.
- b) 17.1 per 1000 jobs in agriculture.
- c) 14.4 per 1000 jobs in construction.
- d) 9.3 per 1000 jobs in manufacturing.

Sources: ACC work-related injury loss of earnings claims (numerator); MBIE estimate of jobs (denominator).

**INJURY RATES WILL ILLUSTRATE IF FORESTRY, AGRICULTURE, CONSTRUCTION, AND MANUFACTURING ARE BECOMING SAFER**

## 14 Public fatalities from electricity and gas trend down

We work through numerous stakeholders to try to prevent electricity and gas accidents. Progress will be monitored using five-year average fatality data per million people exposed to the different types of energy.

Our aim is that fatality rates are no higher than these averages from 2009 to 2013:

- a) 0.8 per million people exposed to electricity.
- b) 0.9 per million people exposed to LPG.
- c) 0.7 per million people exposed to natural gas.

Sources: WorkSafe NZ – fatality data, Statistics New Zealand – New Zealand population and number of households per residential dwelling, MBIE – number of domestic customers, and industry knowledge.



**OUR ENERGY SAFETY WORK SPANS WORKPLACES, PUBLIC AREAS, PRIVATE HOMES, AND THE PROTECTION OF PROPERTY**

## INDICATORS FOR 2020

By 2020 the *Working Safer* reforms will have been fully implemented. Many more workers and businesses will know what they ought to do to keep themselves and others safe. For the regulator and in workplaces, the path will not have been smooth. Preventable accidents will have occurred but at a much lower frequency. We will be using the indicators below to monitor health and safety in 2020.

### 15 **At least a 25% reduction in workplace fatalities and serious injuries**

The 25% reduction target is the government’s goal for workplace health and safety by 2020. Internally we are striving for the bigger reductions that we believe are necessary and possible. We expect that:

- a) fatal work-related injuries per 100,000 workers will be no higher than 2.1.
- b) serious, non-fatal work-related injuries per 100,000 workers will be no higher than 12.1.
- c) ACC claims for more than a week off work per 1000 FTEs will be no higher than 6.3.

For more information see Appendix Two.

**AT LEAST A 25%  
REDUCTION MEANS  
NO MORE THAN 55  
WORKPLACE FATALITIES  
BY 2020**

### 16 **No catastrophic events**

The catastrophic events on which we focus are those with the potential for multiple fatalities or serious community or occupational health problems. Pike River was the most recent catastrophic event, but there have been others in our high-hazard sectors in the past 100 years. Our aim is zero.

**NINE ACCIDENTS WITH  
MULTIPLE FATALITIES  
IN NEW ZEALAND MINING  
IN THE PAST 100 YEARS**

# 4

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## HOW WE WILL WORK

# ORGANISATIONAL CAPABILITY AND HEALTH

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## OUR PEOPLE

We will have a strong focus on building organisational capacity and capability, including lifting the overall capability of inspectorate and leadership positions. We will increase our core inspectorate capacity to 200 by 2016.

To build our credibility as a regulator, we will be enhancing the technical and specialist expertise within the organisation.

We aim to build a high-performing, well integrated organisation. To ensure that our people management practices and programmes directly support the organisation's priorities and performance objectives, we will develop a comprehensive people management strategy.

We will implement our obligations to be a 'good employer' and provide equal employment opportunities for everyone. We plan to review our workforce profile, and take action to ensure that we have eliminated any unintended barriers to equal opportunities. Success will be measured by a workforce that, throughout the organisation, closely reflects the wider community.

We emphasise the need and challenge of a step change in the effort and commitment that is required from all involved in the workplace health and safety system: employers, principals, workers, government, and communities.

## Creating career pathways

We are putting in place a comprehensive Inspectorate Development Framework, consisting of three core training programmes, to develop inspector capability to a level where they have expertise in industry health and safety practice and regulatory practice and can develop less experienced inspectors.

The framework focuses on the skills needed across all aspects of the inspector role – assessment, response, and investigation – and the technical knowledge needed in agriculture, forestry, construction, manufacturing, and occupational health. It is intended that the programmes will result in qualifications on the New Zealand Qualifications Framework.

On the successful completion of each programme, staff will progress to the next level with a change in position title and remuneration to reflect their level of expertise. On the completion of all three programmes individuals will be designated 'senior inspector' to recognise their knowledge and expertise.

The Inspectorate Leadership Development Framework will provide a tiered approach to developing leadership and management capability in roles ranging from entry-level positions to senior leadership roles. It is intended that this Framework will apply across all WorkSafe NZ leadership positions once established; however, the priority will initially be inspectorate leadership roles.

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### **STANDARDS AND GUIDANCE**

We will enhance our standards and guidance capability to assist duty holders in understanding and meeting their health and safety obligations. We seek to provide accessible, well targeted information through the right channels.

### **INTELLIGENCE AND EVIDENCE**

We will grow our operational intelligence capability in order to base our interventions on robust data and analysis. A new research and evaluation function will be established to ensure that our practice is evidence based. We will also publish data and research so that others operating in the health and safety system benefit from research findings.

### **HIGH ENGAGEMENT**

In partnership with our staff and their representatives, we have embarked on a comprehensive programme of work to develop and embed a high-engagement, collaborative approach to the way we solve problems, develop solutions, and design our functions.

### **OUR HEALTH AND SAFETY**

WorkSafe NZ has commenced work to develop a comprehensive internal health and safety system. Initial priority areas include the development of a worker participation system that collaborates on problem-solving and decision-making, involving all levels of the organisation.

We are developing a comprehensive and structured approach to identifying and managing hazards and risks at organisation, function, and site levels, and will be equipping our workers with the skills to respond effectively to the risks they encounter in undertaking their duties.

We are enhancing our incident reporting and investigation models to ensure that we have robust information to monitor the performance of our health and safety and to make continual improvements. We will be measuring our own health and safety performance against both national and international standards, demonstrating our commitment to exemplary workplace health and safety practice.

# PARTNERSHIPS AND CONSULTATION

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World-class workplace health and safety requires the efforts of many parties.

The biggest improvements will come when people in workplaces manage the risks they face effectively and regulators work together to contribute to injury prevention and a positive safety culture.

## **Businesses, workers, and their**

**representatives:** Those who create risks are often best placed to manage them effectively; we want to encourage and support business leaders to foster safety cultures in their firms. Our starting point is that most businesses and workers want healthy and safe workplaces. Many comply with the law without prompting, others will comply if their obligations are made clear to them, and a smaller group will fail to meet their obligations or deliberately flout the law. We will help those willing to comply and hold to account those who break the law.

We will work constructively with businesses, workers, and health and safety representatives by focusing on common goals. We will help 'People Conducting a Business or Undertaking' and workers to understand the new responsibilities and rights they will have under the new legislation. This will include increased provisions for worker participation in health and safety at their workplaces. To give support to those provisions, we will collaborate with worker representatives and other groups where appropriate, and our inspectors will actively engage with health and safety representatives.

## **Ministry of Business, Innovation and**

**Employment:** MBIE is our monitoring agency and reports to the Minister of Labour on our performance. MBIE is the primary policy agency for workplace health and safety; we work closely to ensure alignment between policy imperatives and operational realities. MBIE is also a provider of selected services to WorkSafe NZ. We have an open and trusting relationship based on no surprises, mutual problem-solving, and innovation.

**Other government agencies:** Our relationship with ACC focuses on injury prevention and financial incentives for businesses to create safer workplaces. We will work with ACC on a three-year joint workplace injury prevention action plan to create a partnership approach and a package of interventions to reduce the scale and severity of injury in the workplace. The Safety Star Rating Scheme is a key intervention to recognise and reward good health and safety and promote a safety culture. It is being developed between WorkSafe NZ, ACC and MBIE.

We are transferring functions from the EPA to streamline the approach to hazardous substance management regulation in workplaces. We will work with the EPA to integrate and implement hazardous substance provisions within the new Health and Safety at Work regulatory framework. We are also working on an ongoing basis with the EPA on the interface between workplace and environmental controls.

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We are increasingly turning our attention to the safety implications of land use decisions (e.g. sheer-slope forests and major hazard facility locations). We hope to discuss the approach to resource management with MBIE, the Ministry for the Environment, and local authorities, where appropriate.

**We also work with New Zealand's transport agencies:** The NZ Transport Agency, the Civil Aviation Authority, Maritime New Zealand, and the New Zealand Police. We seek to deliver complementary public services. We have memoranda of understanding with the government agencies with which we collaborate and sit on interagency steering groups to advance joint programmes.

**Work with iwi and Māori organisations.**

Māori businesses are a significant force in the New Zealand economy, and Māori workers are at greater risk than non-Māori workers of poor health and safety outcomes, in part due to the higher density of Māori workers in high-risk industries. We will work with iwi, Māori businesses, and representatives of Māori workers to improve health and safety outcomes for Māori.

# OUR INTERVENTION APPROACH

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Our focus will continue to be on sustainable harm prevention, emphasising proactive work while paying due attention to the importance of responding to events. The high-risk sectors that we currently target are our priorities. However, we are reviewing our general approach to choosing how to best achieve healthier and safer workplaces across all sectors with the resources we have. By 2015 we will have begun implementing our new intervention approach, which will set out how we will influence behaviour and outcomes and help us to make better strategic and operational decisions about what we do.

Stakeholders and staff throughout the country have been consulted on how we can most effectively operate as the government's primary regulator for workplace health and safety. Some consistent themes emerged:

- › The expectation of strong leadership from WorkSafe NZ.
- › The value of – and desire for – collaboration with partners, stakeholders, and all those who hold responsibilities for workplace health and safety.
- › The need for our actions to be intelligence led and targeted.
- › The benefits of a broad approach to health and safety education.
- › A demand for credible and balanced enforcement policies and practices.

At the heart of our new intervention approach will be a risk-based operating model. This will establish a consistent discipline of considering key questions relevant to any regulatory situation we might encounter.

This operating model will be underpinned by a set of principles and supported by frameworks to guide decision-making, which will include information about enforcement actions. The decision-making frameworks will include some mandatory standards but also allow discretion to take account of particular circumstances and contexts. Our approach will make considered use of a wide range of possible interventions and actions, chosen to be proportionate to the risk or severity of harm. Key features of the approach will be monitoring, evaluation, and intelligence feedback loops that will inform proactive and reactive targeting and drive continuous improvement.

Our intervention approach will include, where appropriate, prosecutions to deter non-compliance with New Zealand's health and safety laws. All prosecutions will be conducted in accordance with a prosecution policy that is currently being developed by WorkSafe NZ.

Complementary to our revision of WorkSafe NZ's intervention approach, we are working with other government agencies and social partners on the development of a coherent, overarching intervention strategy for workplace health and safety in New Zealand. This will be explicit about roles and responsibilities in the wider system, as well as acknowledge agencies' unique contributions and differences in approach. It will form part of the jointly led MBIE/WorkSafe NZ Health and Safety at Work Strategy envisaged by the Health and Safety Reform Bill.

# MANAGING RISKS

The list of risks below covers the highest-level category of risk. We monitor risks at all levels.

AREA OF RISK	CONSEQUENCES	MITIGATION STRATEGIES
Reputational risk if the new organisation does not deliver.	Loss of public confidence in the organisation and the changes made post-Pike River. Limited impact on reducing the number of fatalities and serious injuries.	Careful planning and setting expectations internally and externally. Close monitoring and full involvement of stakeholders. Monitoring against performance plan.
Failure to deliver effective health and safety services to support the Canterbury rebuild.	Lost opportunity to achieve a step change in health and safety practices. Targets unachievable due to high fatality and injury rates.	Prioritise Canterbury. Engage proactively and deeply with local stakeholders through industry briefings, the Canterbury Rebuild Safety Charter, and strengthening the inspectorate. Monitor performance of Canterbury rebuild activities through the Canterbury Steering Group.
Unable to build own organisational capability effectively and rapidly enough to meet growing service expectations.	Pressure on existing staff. Turnover. Loss of confidence in the organisation.	Develop comprehensive people management strategy and monitor against that plan. Implement Inspectorate Development Framework. Manage expectations with key stakeholders.
Failure to communicate effectively our intervention strategy and approach to compliance.	Lack of certainty among staff and duty holders. Confusion about rationale for programmes and decisions.	Involve staff and stakeholders to achieve sustainable harm reduction. Publish, implement, and monitor progress against our intervention approach/strategy.
Strategic and operational relationships with critical partners/stakeholders not in place or ineffective.	Partner agencies lose confidence. Continued fragmentation of regulatory effort. Reduced impact on workplace harm. Lost opportunity to leverage relationships.	Form and foster chief executives' connections between partner agencies. Monitor relationships. Memoranda of understanding with partner agencies. Board and technical advisory groups established. Formal and informal engagement mechanisms for social partners.
Inadequate systems, including IT systems, for the collection and analysis of workplace data to inform ongoing decision-making.	Unable to make decisions that are supported with evidence and unable to monitor progress.	Plan organisational systems in a more methodical way Invest in a purpose-built IT system. Improve data quality and use.
Catastrophic event in health and safety system.	Resources drawn away from change efforts to respond. Delays in achieving targets.	Implement whole-of-system workplace health and safety changes. Close Board and Chief Executive monitoring of and reporting on system performance, especially in high-hazard sectors.

# OUR CONTEXT AS A CROWN AGENT

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## CONTRIBUTION TO THE GOVERNMENT'S GOALS

WorkSafe NZ's strategic direction was developed within the context of the Government's priorities. These are to:

- › build a more competitive and productive economy
- › rebuild Canterbury
- › deliver better public services within tight financial constraints
- › responsibly manage the Government's finances.

WorkSafe NZ will support a more competitive and productive economy through the Business Growth Agenda. The Business Growth Agenda describes safe workplaces as non-negotiable - they are a given in advanced economies. Good health and safety practices are good for business.

In the wake of the global financial crisis, New Zealand's state sector faces prolonged financial constraint, increasing public expectations, and the need for improvements in addressing complex, long-term issues. The Better Public Services programme focuses on measurable results that matter in the day-to-day lives of New Zealanders. Creating healthy and safe workplaces fits within the Better Public Services framework through our:

- › focus on the complex problems that contribute to the work toll
- › collaborative and innovative approaches to tackling those problems
- › careful use of public resources, and commitment to measuring our work and whether we are making a difference to the wellbeing of New Zealanders.

## MINISTERIAL EXPECTATIONS

The letter of expectations from the Minister of Labour provided specific guidance to direct our activities:

- › **Support, incentivise, and showcase good practices:** Embrace our expanded education, prevention, and incentive functions to support those businesses and workers who want to do the right thing in relation to health and safety. For those who choose to ignore the law, WorkSafe NZ will take a suitably tough approach, holding people to account and providing deterrence. WorkSafe NZ will strive to ensure that its own health and safety policies and practices are exemplars of best practice.
- › **Focus on major harms:** Focus attention on addressing the major areas of acute, chronic, and catastrophic harm. We will ensure that any requirements for people are commensurate with the risks presented and do not impose an unnecessary burden.
- › **Foster positive attitudes:** Encourage a New Zealand culture that recognises that health and safety is not a burden but an aid to good business productivity, and reliability. We will provide the appropriate level of guidance and education to enable people to understand their obligations and comply, without being overly prescriptive and still allowing some flexibility.

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- › **Collaborate widely:** Work with and through others, building and maintaining quality working relationships with businesses and workers, and collaborating with the other government agencies involved in health and safety.
  - › **Plan strategically:** WorkSafe NZ's *Statements of Intent* will continue to have a strong focus on how the agency will deliver on the priorities outlined in *Working Safer* and how we intend to achieve the 10% and 25% harm reduction targets. WorkSafe NZ's *Statements of Intent* and business plans will recognise external stakeholder engagement as a priority and emphasise how the organisation will give effect to its operational leadership role.

By implementing *Working Safer*, WorkSafe NZ will give effect to the Minister of Labour's expectations.

## CONSULTATION WITH AND REPORTING TO MINISTERS

The Minister of Labour is the responsible Minister for WorkSafe NZ. As a Crown Agent, we must give effect to government policy. We also relate to the informal group of ministers who focus on building skilled and safe workplaces (of which the Minister of Labour is a member). We brief, consult, and report to ministers regularly. We take a 'no surprises' approach in our communication with ministers.

The Board is required to report annually to the Minister, other stakeholders, and the New Zealand public on full-year progress against the *Statement of Intent* and *Statement of Performance Expectations*, including reference to progress against key actions and priorities.

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## **CAPITAL AND ASSET MANAGEMENT INTENTIONS**

At 30 June 2014 the value of our capital assets is small. There will be a significant investment in capital, primarily ICT in the next three years. In Budget 2014, a capital contingency of \$17.5m was approved. A detailed business case will be developed by 30 June 2014 to enable the funding to be drawn down. The forecast drawdowns by category are detailed in the table below.

CATEGORY	2014/15	2015/16	2016/17
Supporting ICT business capabilities	\$6.0m	\$5.0m	\$3.0m
Vehicles and office equipment for additional staff	\$1.5m	\$2.0m	-

The forecast net book value of our fixed assets at 30 June 2014, and our capital investment intentions to 30 June 2018, are detailed below.

CATEGORY	FORECAST NET BOOK VALUE @ 30 JUNE 2014		PLANNED INVESTMENT		
	2014/15	2015/16	2016/17	2017/18	
Property fit-outs	-	-	-	-	-

We lease most of our property through MBIE. MBIE funds and owns our property fit-outs. They recover this cost by invoicing us the annual depreciation and capital charge on the fit-outs as an operating expense. In the next four years there will be some instances where we enter into property leases directly - MBIE will continue to fund and own the fit-outs and recover the costs through the existing process.

ICT - incl. computer software	\$0.3m	\$6.829m	\$6.0m	\$4.0m	\$3.0m
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MBIE provides our core ICT services (including ICT infrastructure) through a shared services arrangement. We pay for those services as an operating expense.

The forecast book value at 30 June 2014 represents the value of our WorkSafe NZ-specific applications and software, such as our current case management system. The investment from 2014/15 (funded primarily by the capital contribution approved in Budget 2014) is for the development of applications and solutions to enable more effective:

- › education and guidance
- › operational intelligence
- › understanding and evaluations of impacts, allowing WorkSafe NZ to adapt as necessary
- › prevention and incentive functions, including the Safety Star Rating Scheme
- › communication with people right across the system.

A detailed business case will be developed by 30 June 2014 to finalise the costs and the funding drawdown. The latest estimates by capability are detailed in the table opposite:

ICT ESTIMATES BY CAPABILITY	2014/15	2015/16	2016/17
Operational intelligence, research and evaluation platform	1.2m	1.1m	1.0m
Relationship management	1.0m	1.0m	-
Case management and workforce planning	1.5m	1.5m	1.0m
Safety Star Rating Scheme	0.3m	0.4m	1.0m
Mobile workforce, integration, automation	1.25m	0.5m	-
Online presence	0.75m	0.5m	-
	<b>6.0m</b>	<b>5.0m</b>	<b>3.0m</b>

CATEGORY	FORECAST NET BOOK VALUE @ 30 JUNE 14	PLANNED INVESTMENT			
		2014/15	2015/16	2016/17	2017/18
<b>Motor vehicles</b>	2.7m	1.8m	2.5m	1.0m	1.0m
This is for the replacement of assets at the end of their useful lives and the purchase of new assets to support the increase in the inspectorate.					
<b>Furniture and fittings</b>	0.3m	0.3m	0.3m	0.3m	0.3m
This is primarily for the replacement of assets at the end of their useful lives.					
<b>Office equipment</b>	0.5m	0.5m	0.3m	0.3m	0.3m
This is for the replacement of assets at the end of their useful lives and the purchase of new assets to support the increase in the inspectorate.					
<b>Plant and equipment</b>	0.2m	0.3m	0.3m	0.3m	0.3m
This is primarily for the replacement of assets at the end of their useful lives.					
<b>Total</b>	4.0m	9.729m	9.4m	5.9m	4.9m

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## APPENDICES

# APPENDIX ONE

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## WORKSAFE NZ'S FUNCTIONS – WORKSAFE NEW ZEALAND ACT 2013

Our functions are to:

1. advise government on the operation of the workplace health and safety system, including co-ordination across the different components of the system
2. make recommendations for changes to improve the effectiveness of the workplace health and safety system, including legislative changes
3. monitor and enforce compliance with relevant health and safety legislation
4. make recommendations about the level of any funding (including fees or levies) that WorkSafe NZ requires to carry out its functions effectively
5. develop codes of practice
6. provide guidance, advice, and information on workplace health and safety to persons who have duties under the relevant health and safety legislation, and the public
7. promote and support research on, education on, and training in workplace health and safety
8. collect, analyse, and publish statistics and other information relating to workplace health and safety
9. engage with, promote and co-ordinate the sharing of information with other agencies and interested persons that contribute to workplace health and safety
10. foster a co-operative and consultative relationship between persons who have duties under the relevant health and safety legislation and the persons to whom they owe duties and their representatives in relation to workplace health and safety
11. promote and co-ordinate the implementation of workplace health and safety initiatives by establishing partnerships or collaborating with other agencies or interested persons in a coherent, efficient and effective way
12. perform or exercise any other functions or powers conferred on WorkSafe NZ by or under any other enactment
13. perform any additional function that the Minister directs under section 112 of the Crown Entities Act 2004.

# APPENDIX TWO

## MEASURING NEW ZEALAND'S WORKPLACE HEALTH AND SAFETY OUTCOMES

TARGET INDICATOR	BASELINE	2010	2011	2012	2016 TARGET 10% REDUCTION	2020 TARGET 25% REDUCTION
Age-standardised rate of fatal work-related injury (per 100,000 person years at risk) <sup>1</sup>	2.74 (2008-2010 average)	4.0	3.5		2.5	2.1
Age-standardised rate of serious non-fatal work-related injury (per 100,000 person years at risk) <sup>1</sup>	16.09 (2008-2010 average)	15.5	16.4	16.0	14.5	12.1
Rate of ACC claims for more than a week away from work (per 1000 FTEs) <sup>2</sup>	8.41 (2009-2011 average)	8.4	7.9	7.7	7.6	6.3

The rate of fatal work-related injury uses a three-year moving average that reports against the middle year e.g. the 2011 rate is the average for 2010-2012. The latest data is for 2012 (provisional). There is no rate for 2012 for fatal work-related injury because the three-year average would require 2013 data (average for 2011-2013). The rates for 2010 and 2011 include the 29 deaths from the 2010 Pike River coal mine tragedy. However, these are excluded from the baseline. The rates for 2010 and 2011 include 59 work-related deaths from the 2011 Canterbury earthquake.

<sup>1</sup> Statistics New Zealand (2013) Serious Injury Outcome Indicators: 2000-2012. Statistics New Zealand, Wellington.

<sup>2</sup> ACC; Statistics New Zealand.

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## DISCLAIMER

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ISSN 2382-0624 (print)

ISSN 2382-0632 (online)

Published: June 2014

PO Box 3705, Wellington 6140, New Zealand



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ISSN 2382-0624 (print)  
ISSN 2382-0632 (online)