

WORKSAFE

Te tāuākī herenga mahi

Statement of performance expectations

WORKSAFE NEW ZEALAND

2024/25



Kupu whakataki Foreword



A handwritten signature in black ink, appearing to read 'JKerr'.

Jennifer Kerr
Chair



A handwritten signature in black ink, appearing to read 'BMoran'.

Bill Moran
Deputy Chair



This year marks a new start for WorkSafe New Zealand | Mahi Haumarū Aotearoa as we focus on delivering our core regulatory functions and implementing the new WorkSafe strategy: Engage, Enforce, Permit.



Safe and healthy work is everyone's responsibility. Safe, healthy workplaces benefit everyone: workers and their families, businesses, government.

WorkSafe's role is to influence organisations to carry out their health and safety responsibilities. As the government's primary regulator of work health and safety, WorkSafe develops requirements for how work should be carried out; permits certain high-risk activities; engages with communities, iwi, businesses and sector leaders; and takes enforcement action where needed.

WorkSafe takes a balanced and responsive approach to work-related health and safety regulation, assessing the risk of harm and delivering services that support industries to address that risk and keep their workers healthy and safe. WorkSafe focuses its efforts where rates of injury and harm are higher. This includes higher risk industries such as agriculture, construction, forestry and manufacturing.

Our approach is to understand where work-related harm occurs, design interventions to address the risk of acute, chronic and catastrophic harm, deliver services and evaluate the results of our interventions, adjusting our approach as needed. The mix of services WorkSafe delivers may therefore shift over the course of the year as new information comes to light.

WorkSafe is committed to implementing the recommendations from the *2022 Strategic Baseline Review* and demonstrating the value its work brings to New Zealanders.

This *Statement of Performance Expectations for 2024/25* sets out how WorkSafe will carry out its activities over the year to deliver on the new strategy and the *Health and Safety at Work Strategy 2018-2028*. It includes the results WorkSafe aims to achieve, prospective financial statements and how success will be measured. The *Statement of Performance Expectations* accompanies the *WorkSafe Statement of intent 2024/25-2027/28* and is part of the organisation's accountability to the public.



Te kawenga tauākī

Statement of responsibility

This statement of performance expectations sets out our proposed performance targets and forecast financial information for the year 1 July 2024 to 30 June 2025.

We are responsible for the financial statements and statement of non-financial performance expectations contained in this document. We consider that the financial statements and statement of non-financial performance expectations fairly reflect the organisation's expected financial position and performance results for the year ending 30 June 2025, in accordance with the Crown Entities Act 2004.



Jennifer Kerr
Chair
June 2024



Bill Moran
Deputy Chair
June 2024



Whāia te iti kahurangi, ki te tuohu koe, me he maunga tikitike

Follow your treasured aspirations; if you falter, let it be because of insurmountable difficulties

Tōia mai e te ao mārama
te ara whakakotahi
te ara ka haumarū.
I a tātou i te mahi
tiakina mai
kia hoki hauora ki te kainga,
kia kōrero mai
mō te haumarū o te tāngata
Haumi e, hui e, taikī e.

The world of light brings forth
a pathway of togetherness
a pathway that keeps us safe.
While we are at work
take care of us
that we may return home safe and well,
that we may ensure
the safety of the people.
Let it be affirmed, it is so.

We use te reo Māori throughout this document to acknowledge Māori as tangata whenua and te reo Māori as an official language of Aotearoa. WorkSafe is on a journey to build our capacity in te ao Māori and tikanga Māori capability and to use more te reo Māori.

We have translated key headings, quotes and words. Our approach is to put te reo Māori and English headings and quotes side by side. Where we have translated a key word, we will use te reo Māori and translate the word into English the first time we use it in each section. We will then use te reo Māori. This is part of our work to make te reo Māori part of everyday life at work at WorkSafe.



RĀRANGI TAKE

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Hei
whakarāpopoto
WorkSafe
at a glance

Every year we



Receive **9,500+** notifications of health and safety issues



Process **1,500+** authorisation applications



Investigate **100+** health and safety issues



Undertake **10,000+** assessments



Issue **9,000+** warnings and notices



Audit **100+** products



Conduct **700+** Energy Safety audits

To do this we have

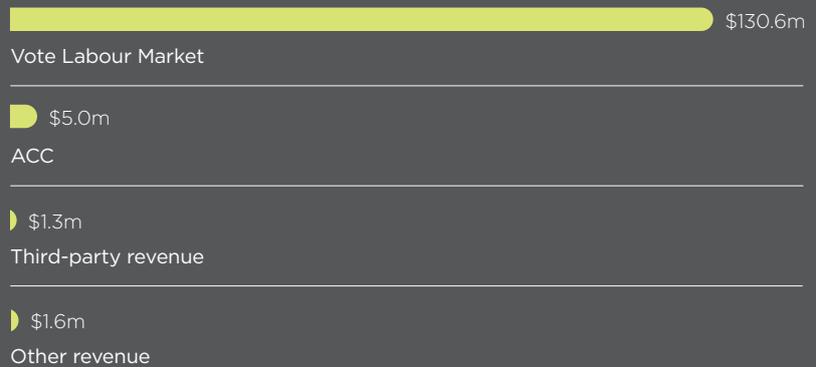
600

People working across Aotearoa

18

Locations across Aotearoa

Funding 2024/25





Purpose

WorkSafe was established under the WorkSafe New Zealand Act 2013, in the wake of the Pike River mining disaster. Its main objective is to promote and contribute to a balanced framework for securing the health and safety of workers and workplaces (see 'How WorkSafe's statutory functions link to its activities').

WorkSafe also has responsibilities under the:

- Gas Act 1992, enacted to protect the public in relation to gas and provide for the regulation, supply and use of gas
- Electricity Act 1992, enacted to protect the public in relation to electricity and provide for the regulation, supply and use of electricity.

WorkSafe is a Crown agent, monitored by the Ministry of Business, Innovation and Employment on behalf of the Minister for Workplace Relations and Safety. The organisation is governed by a board appointed by the Minister. Current Board members are listed in the table with dates of appointment and current term expiry.

NAME	DATE OF ORIGINAL APPOINTMENT	DATE OF EXPIRY OF CURRENT TERM
Jennifer Kerr, Chair	October 2022	October 2025
Bill Moran, Deputy Chair	June 2019	June 2026
Kristen Thompson	June 2019	June 2025
Bill Newson	March 2022	March 2025
Mark Leslie	July 2023	July 2026
Elena Trout	July 2024	July 2027
Kevin Jenkins	July 2024	July 2027
Paul Connell	July 2024	July 2027

WorkSafe has a particular role in the wider health and safety system: to engage, enforce and permit. WorkSafe focuses on industries where there is a greater risk of harm, such as agriculture, construction, forestry and manufacturing.

WorkSafe provides advice and guidance to support businesses and workers to stay healthy and safe at work. WorkSafe is also responsible for a range of authorisation regimes that help keep kaimahi healthy and safe at work and protect public safety. WorkSafe also assesses workplaces to monitor compliance with the law.



WorkSafe plays an essential role in ensuring that employers and businesses who do not meet their obligations are held to account in a fair and proportionate way. Enforcement activities are specific to the situation they seek to address and to the seriousness of the breach identified. When kaimahi are at risk or have been harmed at work, WorkSafe considers investigating, and takes enforcement action when needed.

We influence in three key ways:



ENGAGE

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



ENFORCE

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



PERMIT

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

WorkSafe works with others in the health and safety system

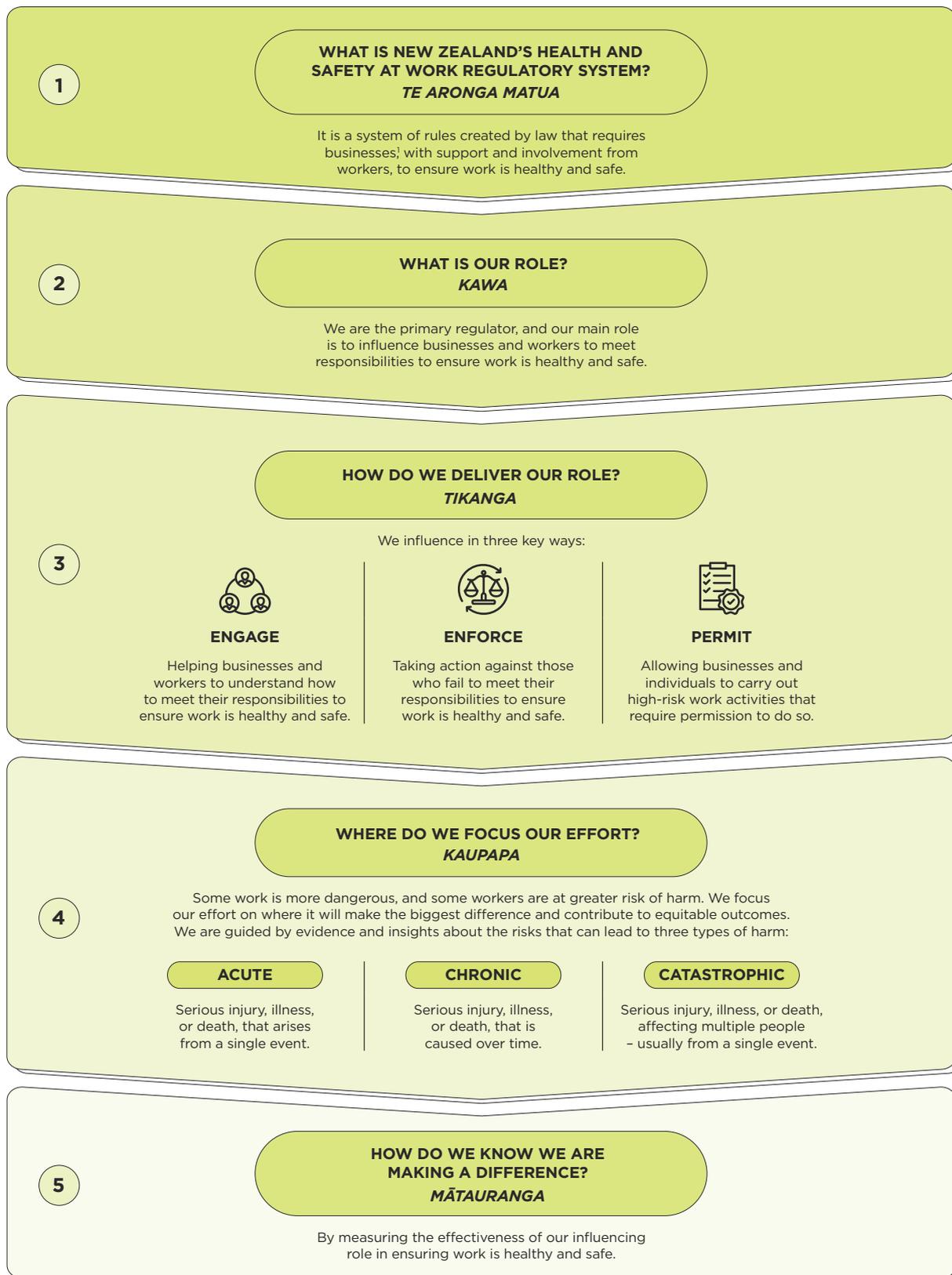
Workplace health and safety is everyone's responsibility. Safer, healthier work benefits not just workers, but also their whānau and hapori whānui (communities). WorkSafe's main focus is to influence businesses and other organisations to protect the health and safety of people in the workplace. WorkSafe engages with workers, iwi organisations, unions, employers, businesses and industry and sector bodies to achieve collective goals for worker health and safety.

WorkSafe also works closely with other government agencies in the health and safety system, including the Ministry for Business, Innovation and Employment (MBIE), the Accident Compensation Corporation (ACC), Maritime New Zealand, New Zealand Transport Agency Waka Kotahi and the Civil Aviation Authority of New Zealand (CAA).

Te mātai rautaki

Strategic directions and intentions

WorkSafe strategy



¹ In this context, we use the word 'businesses' as shorthand to refer to persons conducting a business or undertaking (PCBUs) as well as the officers of a PCBU, such as company directors.

Te tākina

Delivering on strategy

Strategic objectives

With others in the system, WorkSafe's activities contribute to reducing the risk of acute, chronic and catastrophic harm.

ACUTE

Serious injury, illness, or death, that arises from a single event.

CHRONIC

Serious injury, illness, or death, that is caused over time.

CATASTROPHIC

Serious injury, illness, or death, affecting multiple people – usually from a single event.

REDUCING ACUTE HARM

High risk sectors include agriculture, construction, forestry and manufacturing, as well as key subsectors within these industries. Risks common across sectors include vehicles and machinery; falls from a height; falling and moving objects; and electrical and chemical hazards.

Kaimahi Māori experience a higher rate of serious injury than non-Māori across all industries and sectors nationally. The Māori population has a younger age profile than other populations within Aotearoa and young kaimahi are more likely to be injured at work. Māori are also disproportionately represented in many social and economic indicators (such as lower income and lower education levels) that correlate with harm and fatalities at work.

REDUCING CHRONIC HARM

An estimated 750–900 people die from work-related diseases each year, and 5,000–6,000 hospitalisations each year are associated with work-related ill health. A worker is 15 times more likely to die from a work-related disease than from a workplace accident. Estimates indicate that work-related exposures (such as exposures to chemicals and welding fumes) account for 4.4% of all health loss and 6.7% of modifiable health loss in New Zealand (the equivalent figure for smoking is 10%).

Cancer and respiratory disease cause the largest proportion of deaths, as a result of repeated exposure to asbestos; silica dust; welding fumes and toxic metals; engine exhaust fumes; and wood dust. Workers are most affected by exposures in construction, manufacturing and agriculture. WorkSafe will continue to engage with those industries to reduce the risk of harm and take enforcement action where necessary. Authorisation regimes (for example, for asbestos and occupational diving) also help keep kaimahi healthy and safe at work.

REDUCING CATASTROPHIC HARM

While catastrophic harm events are rare, their impacts can be severe and significant. With some activities, the risks of catastrophic harm are significant enough to require regulation. Regulations can include specific processes to reduce risks that could lead to events such as explosion, fire, collapse and chemical spills. Some regulations are focused at industry level such as mining or petroleum exploration, or at businesses with very large quantities of hazardous substances such as chemical plants (known as major hazard facilities). Others relate to specific activities, such as managing the risk of explosive atmospheres.

How WorkSafe’s statutory functions link to its activities

WorkSafe has a range of levers to improve health and safety at work. The table below shows how WorkSafe’s statutory functions (as stated in section 10 of the WorkSafe New Zealand Act 2013) link to the activity areas:

WORKSAFE ACTIVITIES	STATUTORY FUNCTIONS AS PER SECTION 10 WORKSAFE NEW ZEALAND ACT
 <p>ENGAGE</p>	<ul style="list-style-type: none"> - Advise on the operation of the work health and safety system - Make recommendations for changes to improve the effectiveness of the work health and safety system - Make recommendations about the level of any funding that WorkSafe requires to carry out its functions effectively - Provide guidance, advice and information on work health and safety - Promote and support research, education and training in work health and safety - Collect, analyse, and publish statistics relating to work health and safety - Promote and coordinate the sharing of information that contributes to work health and safety - Foster a cooperative and consultative relationship within the work health and safety system - Foster a cooperative and consultative relationship with the Environmental Protection Authority - Promote health and safety initiatives through partnership and collaboration
 <p>ENFORCE</p>	<ul style="list-style-type: none"> - Monitor and enforce compliance with relevant health and safety legislation - Publish information about its approach to enforcing compliance and performance standards for completing investigations
 <p>PERMIT</p>	<ul style="list-style-type: none"> - Develop codes of practice - Develop safe work instruments

In addition, WorkSafe must:

- perform or exercise other powers conferred by other Acts
- perform any additional functions directed by the Minister under the Crown Entities Act 2004.



WorkSafe’s approach

To address the three types of work-related harm, WorkSafe will focus on its core regulatory activities.

WorkSafe’s activities can be grouped into understanding risk and harm, designing interventions, delivering services, measuring impact, and organisational effectiveness. In 2024/25, WorkSafe will:

Understand risk and harm	<ul style="list-style-type: none"> - Collect information to form insights on why harm is occurring, the highest levels of risk, and the greatest inequities
Design interventions	<ul style="list-style-type: none"> - Design the mix of services WorkSafe will deliver for maximum influence with targeted businesses and workers - Ensure interventions can be successfully delivered by planning, communicating and preparing service delivery effectively
Deliver services	<ul style="list-style-type: none"> - Develop and disseminate information and resources to support work-related health and safety, and energy safety - Develop and deliver education and training - Develop and deliver marketing and communications campaigns to drive work-related health and safety, and energy safety - Plan and carry out workplace assessments - Identify and deliver immediate enforcement actions and monitor progress - Plan and conduct investigations - Prepare and deliver prosecutions - Assess, accept and monitor enforceable undertakings (alternatives to prosecution). - Issue, renew, monitor, vary and cancel authorisations - Grant, cancel and monitor exemptions
Measure impact	<ul style="list-style-type: none"> - Embed evaluation practices throughout the organisation, gathering information about the performance and influence of interventions and services - Use this information to adjust focus so WorkSafe can improve impact in the areas with the greatest harm, risk, and inequity, and to demonstrate the value of its influence
Organisational effectiveness	<ul style="list-style-type: none"> - Support the organisation to operate efficiently and effectively

Workplace assessments

WorkSafe inspectors carry out over 10,000 workplace assessments each year. Generally, these are proactive, planned visits, targeted to high-risk industries and businesses to assess the effectiveness of health and safety management and influence positive health and safety practices. Inspectors engage with employers and workers, educate people about their obligations, assess risks, recommend improvements and use enforcement tools when needed.

WorkSafe also conducts high hazard assessments, inspections and audits; completes regulatory visits to electrical suppliers; and audits electrical and gas appliances.

Inspections may also be triggered by intelligence; statutory notifications of illness, injury or incident; or reports of health and safety concerns. When WorkSafe becomes aware of a risk or harm, it makes an initial decision about whether to intervene by testing it against four decision-making criteria. WorkSafe may intervene when all of the following criteria are met:

- the risk or harm sits within WorkSafe's responsibilities
- WorkSafe is best placed to intervene (where there's an overlap with another agency's responsibilities)
- the significance of the risk or harm means it warrants intervention
- intervening is an effective use of WorkSafe's resources.

WorkSafe's Enforcement Decision-making Model (EDM) provides a framework that guides inspectors towards deciding on an enforcement response appropriate to the circumstances.

Ngā aronga matua

Focus areas
in 2024/25

The table below shows how WorkSafe will give effect to the *Health and Safety at Work Strategy 2018–2028* (HSWS) in 2024/25 through the priority actions it will undertake.

HSWS PRIORITIES	WORKSAFE PRIORITY ACTIONS 2024/25
Work-related health, including mental health	<ul style="list-style-type: none"> - Work with MBIE on the joint agency response to accelerated silicosis - Triage health notifications, and respond appropriately
Businesses with greater need: Sectors with highest harm and small businesses	<ul style="list-style-type: none"> - Undertake harm reduction initiatives aimed at priority sectors (forestry, construction, manufacturing and agriculture) - Workplace assessments by inspectors, targeted at high-risk industries and activities (such as tree felling and complex building projects) - Workplace assessments of high hazard facilities and high potential incidents - Responding to priority notifications of immediate risk of harm - Undertake investigations - Process authorisations and exemptions - Conduct energy safety audits and investigations - Prepare and review safe work instruments - Prosecute and undertake other enforcement action when poor practice is found
Workers with greater need: Māori and other workers at greatest risk	<ul style="list-style-type: none"> - Undertake harm reduction initiatives including for Māori workers, Pasifika workers, priority sectors and forestry sector interventions - Deliver Kaupapa Māori approaches to drive locally-led sustainable shifts in health and safety practice - Education initiatives
Encourage leaders at all levels to integrate health and safety	<ul style="list-style-type: none"> - Engage directly with sector lead groups to communicate WorkSafe's expectations
Enable workers to be represented, engaged and to participate	<ul style="list-style-type: none"> - Inspector engagement with businesses on promoting worker voice - Supporting health and safety reps via Connection Point and providing guidance - Education initiatives
Lift capability of health and safety practitioners	<ul style="list-style-type: none"> - Support capability building of health and safety practitioners through advice and engagement
Develop and share better insights to improve decision-making	<ul style="list-style-type: none"> - Publish research insights and evaluation reports - Publish notifications and activity statistics - Share data and insights with sector lead groups such as Safer Farms

WorkSafe is also committed to addressing the recommendations from the *Strategic Baseline Review* undertaken in 2022.

WorkSafe supports Māori-Crown relations

WorkSafe will continue to support the health and safety of kaimahi Māori, including in forestry, through engagement with Iwi leaders and by providing guidance, advice and education. WorkSafe will continue to deliver Kaupapa Māori initiatives, including Te Kawa a Tane in the forestry sector. WorkSafe will also complete the health and safety governance project underway with Tairāwhiti Charitable Trust and determine opportunities for similar initiatives in other regions with a high Māori workforce and iwi or community support.

WorkSafe's Board will continue to engage with Te Kahu Mātai (The Partners Council), an advisory group of iwi, business and union partners. The group provides a forum for dialogue and cooperation, as well as the opportunity to work in partnership with Māori to find sustainable community-based solutions to health and safety issues.

WorkSafe is a good employer

WorkSafe values the contribution of all kaimahi. WorkSafe has systems in place to provide a healthy and safe work environment that supports people to perform and meet their potential; maintain a diverse, equitable and inclusive workplace; address pay gaps; and ensure workers have a voice. WorkSafe is making ongoing progress to ensure the seven elements of a good employer are met (as listed below).

Leadership, accountability and culture

WorkSafe is rolling out a comprehensive leadership programme for all leaders, aimed at ensuring consistent leadership practice at every level across the organisation. WorkSafe has introduced core leadership capabilities to set the standard of skill and behaviour expected of leaders. These have also been embedded into recruitment practice.

Learning and resources are being developed for managers to upskill on practices such as performance conversations, risk acumen, financial literacy and managing conflict.

Recruitment, selection and induction

WorkSafe's inspector cohort recruitment is currently being adapted to be brought in-house, enabling the organisation to ensure a focus on diverse and inclusive selection and attraction of a wider pool of candidates.

A Workforce Planning tool is also being developed to ensure WorkSafe understands its current workforce and what skills and capabilities are needed of kaimahi for WorkSafe to be an effective regulator.

Unconscious bias training for hiring managers is still a focus. WorkSafe intends to provide foundational knowledge to enable WorkSafe leaders to understand, recognise and address bias, and make conscious recruitment decisions.

WorkSafe has revitalised its orientation day to set up new kaimahi for success from the outset. New starters gain invaluable insights into the organisation, including WorkSafe's strategy and regulatory role. WorkSafe also uses Mihi Whakatau guidelines to ensure kaimahi are welcomed in a culturally respectful manner.

Employee development, promotion and exit

There are regular and frequent opportunities for kaimahi to take on new roles in an acting capacity or pursue secondment opportunities throughout the organisation and within the wider public service.

WorkSafe has a dedicated Inspectorate Pathway programme to support the development of Inspectorate progression aligned with role competencies. While this pathway has been in place since February 2021, as part of its organisational change, WorkSafe now has a dedicated Inspectorate Training and Development team focused on Inspectorate training.

WorkSafe's improved exit process includes survey and interview questions to ensure greater insight into the reasons kaimahi leave WorkSafe. Data is reviewed regularly to identify areas of focus.

Flexibility and work design

WorkSafe continues to support kaimahi with flexible work arrangements, in line with the WorkSafe Flexible Working Policy. Hybrid work guidelines have been developed to provide people leaders with greater guidance around proactively leading hybrid teams.

WorkSafe is continually developing fit-for-purpose job descriptions to more accurately represent work-as-done, rather than work-as-imagined.

Remuneration, recognition and conditions

The collective employment agreement was ratified in 2023 which resulted in an increase of annual leave days to 25 days per year for all kaimahi.

Also in 2023, WorkSafe introduced its first gender and ethnic pay gap action plan, aligned with organisational values and the Public Service Pay Gap Action Plan, Kia Toipoto. This initiative targets the underlying factors contributing to gender, Māori, Pacific, and ethnic pay disparities.

WorkSafe's diversity, equity, and inclusion work continues to evolve, and involves kaimahi in the co-design of the approach.

Harassment and bullying prevention

A project is underway with the Public Service Association to enhance and improve how kaimahi raise complaints and concerns, so WorkSafe can continue to ensure a fair and safe process to address work-related issues.

WorkSafe is improving its resources to upskill leaders on how to constructively address and manage conflict and interpersonal challenges. This includes the introduction of restorative conversations to maintain the mana of kaimahi and address challenges constructively.

Safe and healthy environment

Co-location of WorkSafe's national office to a new building in Wellington CBD has ensured the national office is now in an environment that is 130% of National Building Standards rating (seismic performance). There is improved accessibility and a variety of better workspaces for kaimahi to choose improved ways of working.

WorkSafe will report on its organisational efficiency and effectiveness annually through:

- the ratio of front-line staff relative to support staff (target: improvement from 2023/24)
- staff engagement scores (target: improvement from 2023/24)
- budget management (target: spend is within $\pm 2\%$ of budget)
- The cost of inspectorate activities (target: within 2% of 2023/24 costs)
- The cost of processing authorisation applications and renewals (target: within 2% of 2023/24 costs)



WorkSafe is improving its environmental sustainability

As WorkSafe implements its revised strategy it will work to ensure key sustainability considerations are integrated in the right areas. This will include pursuing durable emissions reductions in accordance with the Carbon Neutral Government Programme.

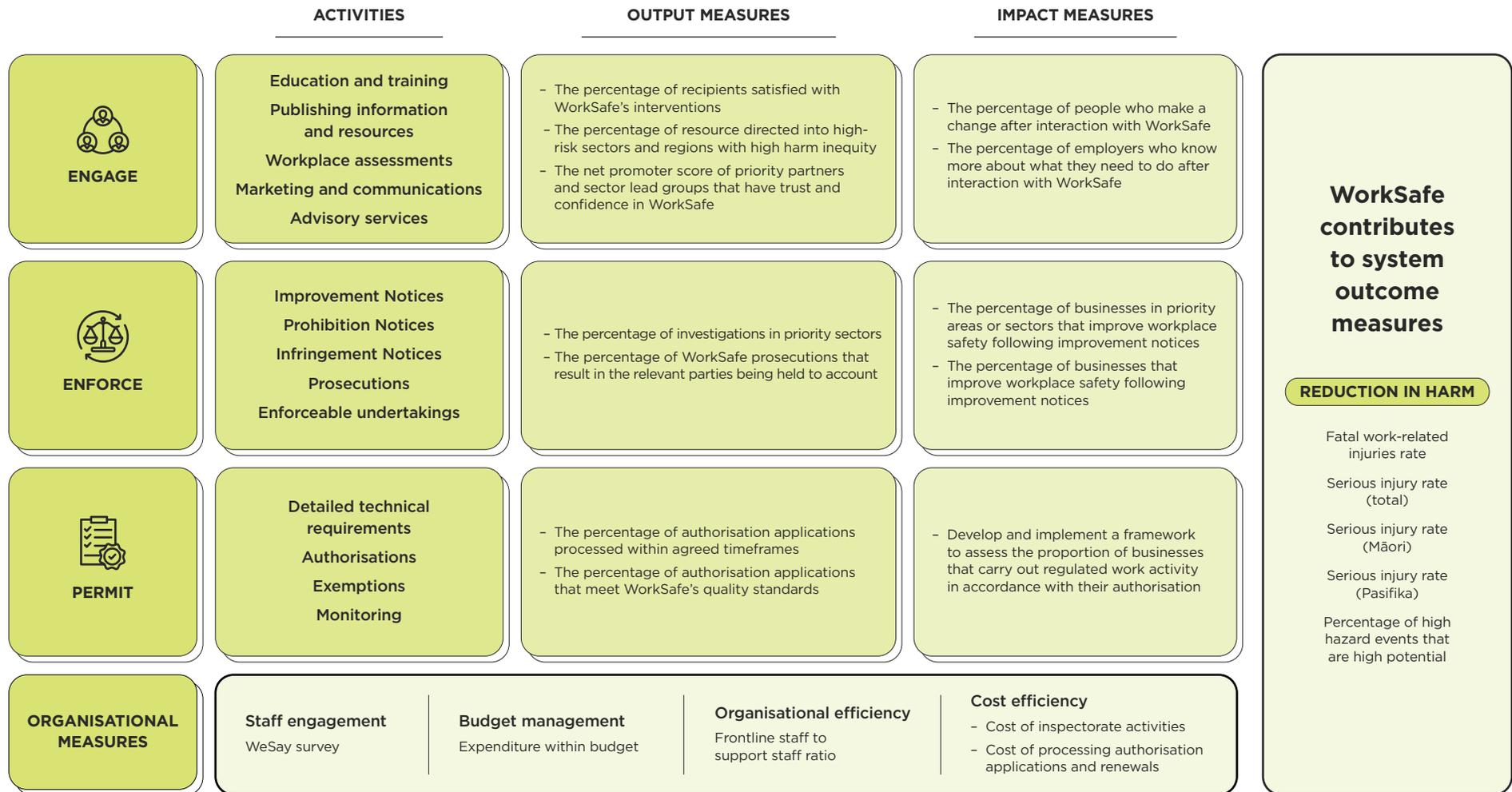
WorkSafe has received Toitū carbonreduce certification. This shows WorkSafe is measuring and managing its carbon footprint in line with international best practice. This is supported by WorkSafe's *Strategic approach to environmental sustainability* that recognises its operational impact on the environment and how the landscape WorkSafe operates in will change as a result of a changing climate. The organisational approach will allow WorkSafe to minimise its carbon footprint; continue to reduce emissions (with a focus on fleet and air travel); and consider sustainability in all of its work.

WorkSafe is targeting a 25% reduction in greenhouse gas emissions (compared to the 2018/19 base year) by 2025 and a 45% reduction in emissions by 2030. WorkSafe will continue to target reductions from vehicle fleet and business travel; over 80% of WorkSafe's emissions are related to how kaimahi travel across the motu. One-quarter of WorkSafe's fleet is now electric and this electrification will continue through an ongoing asset replacement plan out to 2026.



Te pou tātai
tūmahi

Performance
framework



Te pae arumahi kore utu

Statement of
non-financial
performance
expectations



This section sets out the core regulatory activities that WorkSafe is funded to engage in, in order to deliver outputs (goods and services) and the standards against which we will assess WorkSafe's service delivery performance.

The measures and standards have been developed in accordance with the Public Benefit Entity Financial Reporting Standard 48 (PBE FRS 48) Service Performance Reporting Standard.

WorkSafe has introduced several new performance measures this year, to measure the success of the new strategy.

Our service performance measures and standards have been developed in accordance with PBE FRS 48. We have also applied the following principles:

- present service performance information that is useful for accountability and decision-making purposes in the same report as the financial statements
- enable users to make assessments of our performance through the presentation of contextual information about what we are trying to achieve, service performance information, and financial statements
- apply the qualitative characteristics of information (relevance, faithful representation, understandability, timeliness, comparability, and verifiability) and the pervasive constraints on that information (materiality, cost-benefit and balance between the qualitative characteristics), in selecting and presenting service performance information
- apply qualitative characteristics and appropriate balancing of the constraints should result in service performance information that is appropriate and meaningful to users
- disclose the judgements we made in selecting and presenting service performance information that had the most significant effect on the information we are providing and are relevant to a user's understanding
- report comparative information for the preceding period
- report service performance information consistently and explain changes in what we report or how we report service performance information.

Measuring performance

WorkSafe's activities are grouped into three output classes: Engage, Enforce, and Permit. Impact measures for each are included in the *Statement of intent 2024/25–2027/28*.

OUTPUT CLASS 1: ENGAGE

This will include:

- providing advice and guidance, including through workplace assessments
- promoting and targeting guidance and education materials and tools
- building understanding of the system by learning from our engagements and regulatory activities
- developing and supporting harm prevention programmes that focus on reducing ill health, injuries and fatalities
- regionally based Kaupapa Māori harm prevention programmes in forestry, agriculture and manufacturing
- developing and supporting capability-building programmes for the health and safety workforce
- refreshing and formalising partnerships with sector lead organisations in high-risk sectors.

MEASURE	TARGET 2023/24	FORECAST ACTUAL 2023/24	TARGET 2024/25
1.1 The percentage of recipients satisfied with WorkSafe's interventions	New measure	New measure	70%
1.2 The percentage of resource directed into high-risk sectors and regions with high harm inequity	New measure	New measure	80%
1.3 The net promoter score of priority partners and sector lead groups that have trust and confidence in WorkSafe	New measure	New measure	>0

Note: 'Net promoter score' (1.3) is a market research metric based on asking respondents to rate the likelihood they would recommend an organisation, product or service to someone else. A positive score means there are more supporters than detractors.

Forecast revenue and costs for the year ending 30 June 2025

\$000	BUDGET 2023/24	FORECAST ACTUAL 2023/24	BUDGET 2024/25
Revenue			
Crown	57.327	55.829	58.221
ACC	15.000	11.326	5.000
Other	2.575	1.379	1.347
Total revenue	74.902	68.534	64.568
Expenditure	76.002	67.673	66.639
Net surplus/(deficit)	(1.100)	0.861	(2.071)

OUTPUT CLASS 2: ENFORCE

This will include:

- monitoring legislative compliance including taking enforcement action where appropriate
- WorkSafe inspectors responding to notifications
- holding those who do not meet their health and safety obligations to account
- using enforcement tools to improve health and safety practice and prevent harm
- agreeing enforceable undertakings, where appropriate, when work systems and processes require change
- issuing notices (which can include verbal directions, Health and Safety at Work Act improvement notices, directive letters and infringement notices)
- prosecuting where appropriate.

MEASURE	TARGET 2023/24	FORECAST ACTUAL 2023/24	TARGET 2024/25
2.1 The percentage of investigations in priority sectors (agriculture, forestry, manufacturing and construction)	New measure	New measure	≥85%
2.2 The percentage of prosecutions that result in the relevant parties being held to account (previously output measure 6.3)	>80%	80–85%	≥80%

Note: 'Held to account' (2.2) includes a conviction, an enforceable undertaking, a decision to withdraw charges (for example, as part of an arrangement to plead guilty to other charges or where it is no longer in the public interest to progress a prosecution) or another compliance outcome in the public interest (in line with the Solicitor-General guidelines).

Forecast revenue and costs for the year ending 30 June 2025

\$000	BUDGET 2023/24	FORECAST ACTUAL 2023/24	BUDGET 2024/25
Revenue			
Crown	58.987	60.017	56.429
ACC	-	-	-
Other	2.157	1.202	1.148
Total revenue	61.144	61,219	57.577
Expenditure	63.650	58.996	55.808
Net surplus/(deficit)	(2.506)	2.223	1.769

OUTPUT CLASS 3: PERMIT

This will include:

- authorising, permitting and monitoring
- overseeing authorisation regimes for regulated people and activities
- helping control hazardous substances
- providing exemptions from compliance with regulation provisions, where appropriate
- developing codes of practice, safe work instruments and standards
- assessing and auditing regulated people and activities
- developing legal standards (for example, prescribed workplace exposure standards for hazardous substances) and instruments to set minimum standards for health and safety at work
- supporting businesses and organisations to self-review to help them improve their health and safety practice.

MEASURE	TARGET 2023/24	FORECAST ACTUAL 2023/24	TARGET 2024/25
3.1 The percentage of authorisation applications and renewals processed within agreed timeframes	New measure	New measure	≥85%
3.2 The percentage of authorisation applications and renewals processed according to WorkSafe's quality standards	New measure	New measure	≥85%

Forecast revenue and costs for the year ending 30 June 2025

\$000	BUDGET 2023/24	FORECAST ACTUAL 2023/24	BUDGET 2024/25
Revenue			
Crown	22.332	21.824	20.385
ACC	-	-	-
Other	0.790	0.448	0.415
Total revenue	23.123	22.272	20.800
Expenditure	23.323	21.994	20.450
Net surplus/(deficit)	(0.200)	0.278	0.350

² Which hold authorisation.



He pūtea
tauākī

Financial
statements

In 2024/25, WorkSafe is funded through:

- Vote Labour Market (mostly through the Worker Safety Levy, supplemented by the Major Hazards Facilities Levy; includes \$4.4m through the Energy Safety Levy) - \$130.6m (94%)
- ACC injury prevention activity funding - \$5.0m (4%)
- third-party revenue - \$1.3m (1%)
- other revenue (interest revenue) - \$1.6m (1%).

Reportable outputs

WorkSafe is funded primarily through the Vote Labour Market Appropriation: Workplace Relations and Safety - Workplace Health and Safety.

The appropriation is limited to information, education, leadership, guidance, support, and enforcement relating to the health and safety of workers and workplaces. This appropriation is intended to achieve healthier, safer and more knowledgeable workplaces.

The measure used to report against the appropriation is that 'More people improve their practices as a result of direct interaction with WorkSafe'.

	TARGET 2023/24	FORECAST ACTUAL 2023/24	TARGET 2024/25
Percentage of people (workers and employers) who made at least one change to improve workplace safety and/or reduce risks to workers' health, after interaction with WorkSafe	85%	85%	85%

WorkSafe has also received funding through Workplace Relations and Safety - Capital for WorkSafe.

This appropriation is limited to capital injections and loans to WorkSafe to support the delivery of its functions as the health and safety at work regulator. This appropriation is intended to achieve the design and implementation of an appropriate Information Technology system for WorkSafe that supports the processing of licences and authorisations, and to enable WorkSafe to administer the refrigeration licensing scheme in advance of fees being received.

The measure used to report against the appropriation is that 'any major capital project proposals are developed in accordance with Treasury business case guidelines'.

	TARGET 2023/24	FORECAST ACTUAL 2023/24	TARGET 2024/25
Any major capital project proposals are developed in accordance with Treasury business case guidelines	Achieved	Not applicable	Achieved

Performance information for this appropriation will be reported by WorkSafe in our annual report.

Cost of service statement

\$000	BUDGET 2023/24	ESTIMATED ACTUAL 2023/24	FORECAST 2024/25
Revenue			
Funding from the Crown	136,710	137,670	135,035
Interest revenue	1,000	1,651	1,569
Other revenue	14,709	12,704	6,340
TOTAL REVENUE	152,419	152,025	142,944
TOTAL EXPENDITURE	152,319	148,663	142,897
Surplus/(deficit)	100	3,362	47

Prospective statement of comprehensive revenue and expense for the year ended 30 June 2025

\$000	BUDGET 2023/24	ESTIMATED ACTUAL 2023/24	FORECAST 2024/25
Revenue			
Funding from the Crown	136,710	137,670	135,035
Interest revenue	1,000	1,651	1,569
Other revenue	14,709	12,704	6,340
TOTAL REVENUE	152,419	152,025	142,944
Expenditure			
Personnel costs	105,885	96,247	95,732
Depreciation and amortisation	8,241	8,290	8,850
Other expenses	38,193	44,126	38,315
TOTAL EXPENDITURE	152,319	148,663	142,897
Surplus/(deficit)	100	3,362	47
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	100	3,362	47

Prospective statement of financial position as at 30 June 2025

\$000	BUDGET 2023/24	ESTIMATED ACTUAL 2023/24	FORECAST 2024/25
Assets			
Current assets			
Cash and cash equivalents	12,183	27,730	21,047
Receivables and prepayments	2,250	4,273	4,257
Investments	22,800	10,000	15,000
TOTAL CURRENT ASSETS	37,233	42,003	40,304
Non-current assets			
Property, plant and equipment	12,507	12,620	11,295
Intangible assets	28,860	28,215	27,128
TOTAL NON-CURRENT ASSETS	41,367	40,835	38,423
TOTAL ASSETS	78,600	82,838	78,727
Liabilities			
Current liabilities			
Payables and provisions	10,049	8,942	5,201
Borrowings – current	5,000	5,000	5,000
Employee entitlements – current	6,884	7,428	7,643
TOTAL CURRENT LIABILITIES	21,933	21,370	17,844
Non-current liabilities			
Employee entitlements – non-current	430	591	591
Borrowings – non-current	14,873	14,526	12,945
TOTAL NON-CURRENT LIABILITIES	15,303	15,117	13,536
TOTAL LIABILITIES	36,487	36,487	31,380
Net assets	46,351	46,351	47,347
Equity			
Capital reserves	33,410	36,480	37,925
Memorandum accounts	1,108	2,349	1,853
Accumulated surplus/(deficit)	6,846	7,522	7,569
TOTAL EQUITY	41,364	46,351	47,347

Prospective statement of cash flows for the year ended 30 June 2025

\$000	BUDGET 2023/24	ESTIMATED ACTUAL 2023/24	FORECAST 2024/25
Cash flows from operating activities			
Receipts from the Crown	136,710	140,300	135,035
Interest received	1,000	1,822	1,571
Receipts from other revenue	15,946	18,964	6,356
Payments to suppliers	(44,235)	(42,979)	(40,490)
Payments to employees	(102,871)	(96,103)	(95,517)
GST (net)	-	(963)	(200)
Net cash flows from operating activities	6,550	21,041	6,755
Cash flows from investing activities			
Receipts from sale of property, plant and equipment	-	253	-
Receipts from/(payments for) term deposits	9,000	10,000	(5,000)
Purchase of property, plant and equipment	(4,061)	(5,120)	(2,801)
Purchase of intangible assets (ICT)	(5,502)	(4,014)	(3,637)
Net cash flow from investing activities	(563)	1,119	(11,438)
Cash flows from financing activities			
Proceeds from/(repayment of) long term loan	(350)	(350)	(2,000)
Proceeds from capital contribution	-	-	-
Net cash flow from financing activities	(350)	(350)	(2,000)
Net increase/(decrease) in cash and cash equivalents	5,637	21,810	(6,683)
Cash and cash equivalents at the beginning of the year	6,546	5,920	27,730
Cash and cash equivalents at the end of the year	12,183	27,730	21,047

Prospective statement of changes in equity for the year ended 30 June 2025

\$000	BUDGET 2023/24	ESTIMATED ACTUAL 2023/24	FORECAST 2024/25
Balance at 1 July	41,264	42,957	46,351
Total comprehensive revenue and expense	100	3,362	47
Owner transactions			
Capital contribution	-	1,643	949
Return of capital	-	(1,611)	-
BALANCE AT 30 JUNE	41,364	46,351	47,347

Key assumptions and changes

The following significant assumptions have been used in preparing the forecast information:

- financial information is prepared in accordance with generally accepted accounting practice
- revenue from multi-year programmes such as major hazard facility safety cases are recognised on a percentage of completion basis, with any unspent portion treated as income in advance
- accumulated surpluses are used where available to supplement revenue.

He tauākī mō ngā kaupapa here kāute

Statement of accounting policies

Reporting entity

WorkSafe New Zealand is a Crown Agent as defined by the Crown Entities Act 2004, was established on 16 December 2013 and is domiciled and operates in New Zealand. The relevant legislation governing WorkSafe's operations includes the Crown Entities Act 2004, the WorkSafe New Zealand Act 2013 and the Health and Safety at Work Act 2015. WorkSafe's ultimate parent is the New Zealand Crown. WorkSafe is funded primarily by government through Vote Labour Market.

WorkSafe's primary objective is to provide public services to the New Zealand public, as opposed to making a financial return. Accordingly, WorkSafe has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The Board authorised these prospective statements for issue on 21 June 2024.

Basis of preparation

The financial statements have been prepared on a going-concern basis, and the accounting policies have been applied consistently throughout the period.

STATEMENT OF COMPLIANCE

The financial statements of WorkSafe have been prepared in accordance with the requirements of the Crown Entities Act 2004, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

These financial statements have been prepared in accordance with Tier 1 PBE accounting standards and they comply with PBE accounting standards.

MEASUREMENT BASE

The financial statements have been prepared on a historical cost basis, except for some non-financial assets and liabilities, which are stated at fair value.

FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000), unless otherwise stated. The functional currency of WorkSafe is New Zealand dollars (NZ\$).

Standard issued and not yet effective and not early adopted

WorkSafe has not early adopted any relevant standards and amendments issued but not yet effective.

Initial application of new, revised or amended PBE standards

PBE IPSAS 41 FINANCIAL INSTRUMENTS

PBE IPSAS 41 Financial Instruments is effective from 1 January 2022 and was adopted by WorkSafe on that date. PBE IPSAS 41 replaces PBE IFRS 9 Financial Instruments. The adoption of PBE IPSAS 41 has not had a material impact on these financial statements as the requirements are similar to those contained in PBE IFRS 9, which WorkSafe had previously adopted.

PBE FRS 48 SERVICE PERFORMANCE REPORTING

PBE FRS 48 Service Performance Reporting is effective for periods from 1 January 2022 and was adopted by WorkSafe on that date. PBE FRS 48 requires specific disclosures for the reporting of service performance information, which have been provided in the statement of performance.

Significant accounting policies

REVENUE

Revenue is measured at fair value and is recognised when earned. It is reported in the financial period to which it relates.

Funding from the Crown

WorkSafe is primarily funded through revenue received from the Crown and is restricted in its use for the purpose of WorkSafe meeting its objectives as specified in its Statement of Performance Expectations and Statement of Intent.

WorkSafe considers there are no conditions attached to the funding, unless specified, and it is recognised as revenue at the point of entitlement. This is considered to be the start of the appropriation period to which the funding relates. The fair value of funding from the Crown has been determined to be equivalent to the amounts due.

Provision of services

Services provided to third parties on commercial terms are exchange transactions. Revenue from these services is recognised in proportion to the stage of completion at balance date. The liability for any revenue not recognised at balance date is shown in the statement of financial position as revenue in advance.

Interest revenue

Interest revenue is recognised by accruing on a time proportion basis the interest due for the investment.

Rental revenue

Lease receipts under an operating sublease are recognised as revenue on a straight-line basis over the lease term.

OPERATING LEASES

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to WorkSafe are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the lease.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held on call with banks and other short-term, highly liquid investments with original maturities of three months or less.

RECEIVABLES AND OTHER RECEIVABLES

Short-term receivables are recorded at the amount due, less an allowance for credit losses. WorkSafe applies the simplified expected credit loss model of recognised lifetime expected credit losses for receivables. In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

INVESTMENTS

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and shown as receivable.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of furniture and office equipment, leasehold improvements, computer hardware and motor vehicles.

Measurement

Property, plant and equipment are measured at cost, less any accumulated depreciation and impairment losses.

Additions

Items of property, plant or equipment are recognised at cost and where it is probable that the future economic benefits or service potential associated with the item will flow to WorkSafe and the cost of the item can be measured reliably. Work in progress is recognised at cost less impairment and is not depreciated.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that the future economic benefits or service potential associated with the item will flow to WorkSafe and the cost of the item can be measured reliably.

Capital expenditure for property, plant or equipment that are not in use or completed at the balance sheet date are recorded in work in progress. Items are transferred from work in progress into the asset classes when completed or available for use.

The costs of day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive revenue and expenses as they are incurred.

Depreciation

Depreciation is calculated using the straight-line basis at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of asset have been estimated as below.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

The residual value and useful life of an asset are reviewed, and adjusted if applicable, at each financial year end.

ASSET CLASS	DEPRECIATION METHOD
Furniture and office equipment	General: 5 years 20% straight line (SL)
Leasehold improvements	The shorter of 10 years 10% SL or the remaining term of the lease of the building that has been fitted out
Computer hardware	4 years 25% SL
Motor vehicles	5–6 years 16.67% – 20% SL

Disposals

Gains and losses on disposal of an item of property, plant and equipment represent the difference between disposal proceeds, if any, and the carrying value of the asset at the time of disposal and are recognised in net surplus or deficit.

Impairment

Property and equipment are reviewed for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If an asset's carrying amount

exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to its recoverable service amount.

INTANGIBLE ASSETS

Measurement

Intangible assets are measured at cost, any less accumulated amortisation and impairment losses.

Additions

Purchased computer software is capitalised on the basis of the costs incurred to acquire and bring the software into use. Costs of software updates or upgrades are capitalised only when they increase the usefulness or value of the software.

Internally generated intangible assets are recognised at the cost associated with bringing the asset into use, including the cost of all materials used in construction and employee costs.

Capital expenditure for intangible assets that are not in use or completed at the balance sheet date are recorded in work in progress. Items are transferred from work in progress into the asset classes when completed or available for use.

Expenditure incurred on the research of an internally generated intangible asset is expensed when it is incurred.

When the research phase cannot be distinguished from the development phase, the expenditure is expensed when it is incurred.

Staff training costs are recognised as an expense when incurred. Costs associated with maintaining intangible assets are recognised as an expense when incurred.

Amortisation

Amortisation begins when an asset is available for use and ceases at the date that the asset is de-recognised. The amortisation charge for each period is recognised in the statement of comprehensive revenue and expense.

The useful lives and associated amortisation rates of major classes of intangible asset have been estimated as follows:

ASSET CLASS	DEPRECIATION METHOD
Acquired computer software	2-8 years 12.5-50% SL
Developed computer software	5-8 years 12.5-20% SL

Impairment

Intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Work in progress is regularly reviewed to identify any impairment of the carrying value its assets. If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to its recoverable service amount.

CREDITORS AND OTHER PAYABLES

Creditors and other payables are non-interest-bearing and are normally settled within 30 days, and their carrying value approximates their fair value.

EMPLOYEE ENTITLEMENTS

Employee entitlements WorkSafe expected to be settled within 12 months of balance date are measured at accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date and leave earned but not yet taken at balance date. WorkSafe recognises a liability and an expense for bonuses where it is contractually obliged to pay them or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made. Employee benefits that are due to be settled beyond 12 months after the end of the period in which an employee renders a related service, such as long service leave and retirement leave, have been calculated on an actuarial basis. The calculations are based on likely future entitlements accruing to staff based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, contractual entitlement information and the present value of the estimated future cash flows.

Superannuation schemes

WorkSafe has obligations for contributions to KiwiSaver. The contributions are recognised as an expense in the statement of comprehensive revenue and expense as incurred. Obligations for contributions to the State Sector Retirement Savings Scheme and the Government Superannuation Fund are recognised in the statement of comprehensive revenue and expense as they fall due. Any reimbursement of these costs from the State Services Commission is recognised as revenue in the statement of comprehensive revenue and expenses.

PROVISIONS

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Restructuring

A provision for restructuring is recognised when an approved, detailed, formal plan for the restructuring as been announced publicly to those affected, or its implementation has already begun.

GOODS AND SERVICES TAX (GST)

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, Inland Revenue is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, Inland Revenue (including the GST relating to investing and financing activities) is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

FOREIGN CURRENCY

Foreign currency transactions are translated into New Zealand dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the

translation at year end of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

INCOME TAX

WorkSafe is a public authority and consequently is exempt from the payment of income tax. Accordingly, no charge for income tax has been provided for.

COST ALLOCATION

Where cost allocation is required, WorkSafe has derived the cost of service using the cost allocation system outlined below. Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity. Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities based on the pro-rata costs of the activities. The costs of internal services not directly charged to activities are allocated to significant activities based on the pro-rata costs of the activities. There have been no changes to the cost allocation methodology since the date of the last audited financial statements.

Critical accounting estimates and assumptions

In preparing these financial statements we have made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed reasonable under the circumstances. There are no critical assumptions to detail specifically.

Capital intentions 2024/25 to 2027/28

WorkSafe's capital assets consist primarily of ICT to support business capabilities, leasehold facilities, office equipment and a vehicle fleet to support the inspectorate. Funding for capital is a combination of depreciation funding plus capital injections as required.

	PLANNED INVESTMENT (\$000)			
	2024/25	2025/26	2026/27	2027/28
ICT software	2,340	3,800	3,800	3,800
ICT hardware	300	300	300	300
Motor vehicles	1,720	1,260	1,220	2,580
Leasehold improvements	1,900	1,200	1,200	1,200
Other assets	0	0	0	0
	6,260	6,560	6,520	7,880



Disclaimer

WorkSafe New Zealand has made every effort to ensure that the information contained in this publication is reliable, but makes no guarantee of its completeness. WorkSafe may change the contents of this publication at any time without notice.

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