

# WORKSAFE

## Annual Report

---

2016-2017



# Vision

THAT EVERYONE WHO GOES TO WORK COMES HOME HEALTHY AND SAFE

# Mission

TO TRANSFORM NEW ZEALAND'S WORKPLACE HEALTH AND SAFETY PERFORMANCE

# 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**

---

## ACKNOWLEDGEMENTS

WorkSafe would like to acknowledge the efforts of all the staff who contributed to this publication.

*Whāia te iti Kahurangi, me he tuohu koe me he maunga teitei*

*Seek the treasure you value most dearly; if you bow your head, let it be to a lofty mountain*

*Presented to the House of Representatives pursuant to section 150 of the Crown Entities Act 2004*

---



## CONTENTS

**6**

FROM THE BOARD

**10**

WHO WE ARE

**13**

SNAPSHOT OF  
WORKSAFE'S PROGRESS  
IN 2016/17

**15**

PROGRESS IN REDUCING  
WORK-RELATED HARM IN  
NEW ZEALAND

**19**

SIGNIFICANT REDUCTION  
IN HARM ACROSS THE  
WORKPLACE SYSTEM

**30**

PEOPLE TAKE  
RESPONSIBILITY  
AND KNOW HOW  
TO TAKE ACTION

**43**

MORE AGENCIES AND  
INDUSTRY CONTRIBUTING  
TO SYSTEM CHANGE

**47**

GROW HEALTH AND  
SAFETY CAPABILITY  
ACROSS THE EDUCATION  
AND SKILLS SYSTEM

**51**

EFFECTIVELY EMBED THE  
REGULATORY FRAMEWORK

**54**

CREATING AN EFFICIENT  
AND EFFECTIVE  
ORGANISATION

**62**

PERFORMANCE DATA  
AND DETAIL

**68**

OFFICIAL STATISTICS

**74**

FINANCIAL STATEMENTS

**101**

INDEPENDENT  
AUDITOR'S REPORT

# Year at a glance 2016/17

## Driving health and safety performance through

### REGULATORY CONFIDENCE

314 High Hazard inspections  
516 energy products audited  
348 energy suppliers visited  
403 Duty Holder Reviews undertaken  
417 investigations undertaken  
66 prosecutions completed, 88% successful

### HARM PREVENTION

12,869 assessments undertaken, 93% in priority areas, 4,644 with a work-related health focus  
Over 2,300 engagements with industry and duty-holders across our priority sectors and areas of focus  
Triaged over 10,200 notifications for work-related health and safety incidents  
95 guidance publications, including factsheets, Approved Codes of Practice, Good Practice Guidelines, Interpretative Guidelines and Quick Guides

### SYSTEM LEADERSHIP

Worked with MBIE to progress the Health and Safety at Work Strategy  
Collaborated with the Environmental Protection Authority and MBIE ahead of the new Hazardous Substances Regulations coming into force  
Partnered with ACC and MBIE to develop the SafePlus harm prevention and workplace performance improvement tool  
Delivered the Te Ao Maruiti forestry learning pilot in Ruatoria  
Worked with the Tertiary Education Commission to deliver health and safety literacy and numeracy training

## Signs of positive impact

**73%** ↑ UP FROM 62% IN 2015  
of employers used WorkSafe's health and safety guidance material in the last 12 months

**83%** ↑ UP FROM 73% IN 2015/16  
of people were satisfied with the overall quality of WorkSafe's service delivery

**84%** ↑ UP FROM 78% IN 2015/16  
of people agreed the amount of time interacting with WorkSafe was acceptable

**87%** ↑ UP FROM 81% IN 2015/16  
of people we engage with say WorkSafe is fair

**70%**  
of employers and self-employed people agreed that WorkSafe works effectively with businesses like theirs

## Behaviour changes

**81%** ↑ UP FROM 75% IN 2015/16  
of people reported changes to work-related health and safety systems or practices after contact with WorkSafe

**93%** NEW  
of participants made changes to their workplace systems or practices following a Duty Holder Review

**79%** NEW  
of workplaces have health and safety systems to identify, assess and manage critical risks

**79%**  
of workers agreed they have a say in decisions that affect their health and safety



**OUR VISION**

Everyone who goes to work comes home healthy and safe

But too many people are harmed at work **73** FATALITIES IN 2016/17

19  AGRICULTURE\*

3  FISHING, HUNTING AND TRAPPING

1  RENTAL, HIRING AND REAL ESTATE SERVICES

4  FORESTRY AND LOGGING\*

2  AGRICULTURE, FORESTRY AND FISHING SUPPORT SERVICES

1  ELECTRICITY, GAS, WATER AND WASTE SERVICES

4  MANUFACTURING\*

2  PUBLIC ADMINISTRATION AND SAFETY

1  ACCOMMODATION AND FOOD SERVICES

4  CONSTRUCTION\*

1  MINING

1  HEALTH CARE AND SOCIAL ASSISTANCE

26  TRANSPORT, POSTAL AND WAREHOUSING

1  ARTS AND RECREATION SERVICES

3 UNDEFINED

Source: SWIFT. Numbers are subject to adjustment.  
\* Priority sector

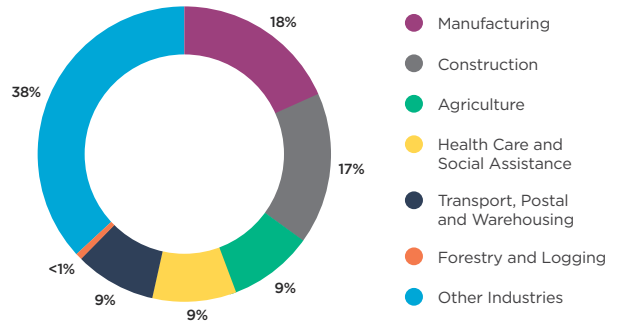
**Workers are having to take time away from work**

OVER **25,000**

ACC claims each year for more than a week away from work

**59** DAYS

The average length of time away from work for acute ACC claims, at an average cost of \$7,700 per claim



Week away from work injuries by sector, 2016 calendar year

**New Zealand has a significant work-related health problem**

**600-900**

work-related disease fatalities each year

**\$2.4** BILLION

Estimated cost of work-related diseases to New Zealand every year



---

# From the Board

Every New Zealander deserves to work in a safe, healthy and productive workplace – and that is what WorkSafe is working to achieve.



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

**Professor Gregor Coster**  
CNZM, Chair

31 October 2017



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

**Ross Wilson**  
Deputy Chair

We have seen emerging signs of progress, indicating a shift in health and safety performance across workplaces. The rates of fatal and serious non-fatal injuries appear to be on track to meet the Government's target of a 25% reduction in work-related fatalities and serious injuries by 2020.

However, the level of work-related harm still remains at an unacceptable level. Last year 73 New Zealanders were killed at work. Each and every one of these deaths is a tragedy. Many more New Zealanders were affected by work-related injuries and ill-health – an estimated 600-900 workers died from work-related diseases last year.

These events have a lasting impact on families and communities and provide a powerful and poignant reminder that we must do more to support New Zealanders to be healthy and safe at work.

More work is needed to lift health and safety performance. The nature of the fatalities, injuries and work-related ill-health that have continued to occur over the last year indicate a stronger focus on managing critical risks is needed.

WorkSafe has a key role in lifting health and safety performance in workplaces. We use our education, engagement and enforcement levers to influence improvements in practices and behaviours that ultimately reduce work-related harm.

Achieving sustained change in health and safety performance is something we cannot do alone. It requires everybody collectively working to drive positive change that will lift performance.

Workers, businesses, unions and industry each have a critical part to play in lifting health and safety performance.

Our work in 2016/17 has enabled WorkSafe to accelerate health and safety performance. We have worked closely with our partners to target risks that contribute to work-related harm.

Together, we have invested significant effort in designing evidence-based interventions to reduce harm at sector and cross-industry levels. We work with ACC to jointly fund harm reduction programmes that make a difference. This work has supported our commitment to transform health and safety performance set out in the Harm Reduction Action Plan and *Healthy Work*, our strategic plan for improving work-related health.

We are at the early stages of improving the way health risks from work are managed. Our work-related health programmes, educational collateral and inspectorate activity help to raise awareness of key work-related health risks. This work also supports duty-holders to strengthen their approach to managing work-related health in their workplaces.

New Zealand is now one year on from introducing the Health and Safety at Work Act (HSWA). We were pleased with the smooth

transition to HSWA and the heightened awareness on health and safety that it created. Our focus has been on educating and engaging businesses and workers so they have a clear understanding of their roles and responsibilities under the new law. We have developed tailored education, guidance and publications outlining what good health and safety looks like.

Strong business leadership is needed to drive sustained improvements in health and safety. There are positive signs of industry and businesses stepping up and taking action to drive performance. The Forest Industry Safety Council, Canterbury Rebuild Safety Charter, and Agriculture Leaders' Health and Safety Action Group are good examples of industry providing strong leadership to develop sector-wide health and safety approaches in the forestry, construction and agriculture sectors. We will continue to partner with business and industry to ensure this leadership approach is adopted across all sectors – particularly those that continue to account for a large proportion of harm.

Workers have a critical role to play in identifying solutions that make their work healthy and safe. The voice of workers sits at the heart of good health and safety performance. Our work has helped to increase the role, influence and contribution of workers in improving health and safety across New Zealand workplaces.

WorkSafe has supported workplaces right across New Zealand to lift their health and safety performance. 81% of people reported changes to work-related health and safety systems or practices after contact with WorkSafe. People interacting with WorkSafe also express trust and confidence in WorkSafe, with 87% of people saying WorkSafe is fair, 74% of people considering WorkSafe to be trustworthy and 71% expressing confidence in the organisation. We are proud of what we have achieved so far and strive to lift the contribution and impact we have.

There are signs of the health and safety system starting to mature. We continue to see improvements in health and safety attitudes and behaviours among workers and businesses. We are also seeing a broader group of organisations taking a stronger interest and commitment to improving health and safety.

Our work in 2017/18 will make an important contribution in accelerating health and safety performance.

## **Statement of responsibility**

The Board is responsible for the preparation of WorkSafe's statement of performance and financial statements, and for the judgements made in them. We are responsible for any end-of-year performance information provided by WorkSafe under section 19A of the Public Finance Act 1989. We have the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting. In our opinion, the statement of performance and financial statements fairly reflect the operations and financial position of WorkSafe New Zealand for the year ended 30 June 2017.





# Who we are



WorkSafe's mission is to transform the performance of workplace health and safety to reduce the high death, injury and illness rates arising from work.

## WorkSafe's role

We are here to help make sure everyone who goes to work comes home healthy and safe. We are New Zealand's primary workplace health and safety regulator, supporting workplaces to be healthy and safe by effectively identifying and managing risk. We also support the safe supply and use of energy and gas in workplaces and homes. Our Chief Executive Nicole Rosie leads over 550 staff based across New Zealand who are working to lift health and safety performance.

As the regulator of the workplace health and safety system, we have three key roles:



### REGULATORY CONFIDENCE

- Undertaking regulatory activity to provide confidence that New Zealand workplaces are appropriately managing health and safety.
- Enabling New Zealand to have confidence in WorkSafe as the primary health and safety regulator.
- Supporting confidence in the effectiveness of the health and safety regulatory regime.



### HARM PREVENTION

- Targeting critical risks at all levels (sector and system-wide) using intelligence.
- Delivering targeted interventions to address the causes of harm (including workforce capability, worker engagement and effective governance and leadership).
- Influencing attitudes and behaviour to improve health and safety risk management.



### SYSTEM LEADERSHIP

- Leading, influencing and leveraging the health and safety system (including other regulators) to improve health and safety outcomes.
- Promoting and supporting industry, organisation and worker leadership of health and safety.
- Leading by example through WorkSafe's own good practices.

## What we aim to achieve

We have firm targets and priorities to transform New Zealand's health and safety performance, including the Government's target to reduce work-related fatalities and serious injuries by 25% by 2020.

To help achieve these targets, we are leading the implementation of the most significant reforms to health and safety in more than 20 years. These 'Working Safer' reforms are the Government's response to the recommendations of the Independent Taskforce on Workplace Health and Safety, as articulated in *Working Safer: A blueprint for health and safety at work*.

Change is essential because every year 600-900 people die<sup>1</sup> prematurely as a result of work-related ill-health and around 60 people are killed in work incidents. This is unacceptable. In addition, the social and economic cost of deaths, injuries and ill-health arising from work is estimated at \$3.5 billion a year.

<sup>1</sup> Ministry of Business, Innovation and Employment (2013), *Work-related Disease in New Zealand*.

---

# Snapshot of WorkSafe's progress in 2016/17



# WorkSafe has made steady progress against its priorities – areas we are focusing on because they will have the biggest impact on improving health and safety.

**Our priorities are described in the 2016/17 Statement of Performance Expectations (SPE)**

---

## **EMBEDDING THE NEW REGULATORY REGIME**

We worked with our partners to further enhance the regulatory framework, providing businesses and workers with clear expectations on their health and safety responsibilities. See page 51.

## **TARGETING THE DRIVERS OF WORK-RELATED HARM**

We have increased our education, engagement and operational activity to improve the management of work-related health and safety risks. See page 19.

## **MAKING IT EASY FOR BUSINESSES TO ENGAGE WITH US**

We have made it easier for businesses to interact with us and get the support they need to improve their health and safety performance. See page 30.

## **PUTTING WORKERS AT THE HEART OF HEALTH AND SAFETY**

We influenced opportunities across the training and education system to help grow workers' health and safety skills and capability. We also undertook engagement and education activities to strengthen worker participation and engagement practices. See page 47.

Businesses spending more effort on workplace safety regulation has increased by

**27%** ↑ UP FROM 44% IN 2012 TO 71% IN 2016

2016 Business Operations Survey

---

**93%** ↑ UP FROM 87% IN 2015/16

of assessments in priority sectors or areas of focus

---

**36%** **NEW**

of assessments with a focus on work-related health risks

WorkSafe's case management system

---

**70%**

of employers and self-employed people agreed that WorkSafe works effectively with businesses like theirs

---

**84%**

of people<sup>2</sup> agreed the amount of time interacting with WorkSafe was acceptable

2016/17 Service Excellence Survey (H&S Inspectors)

---

**90%** ↑ UP FROM 86% IN 2015

of workers reported use of key worker participation practices at work

2016 Attitudes and Behaviours Survey (Four priority sectors)

---




<sup>2</sup> 'People' includes employers, self-employed and workers.

---

Progress  
in reducing  
work-related  
harm in  
New Zealand



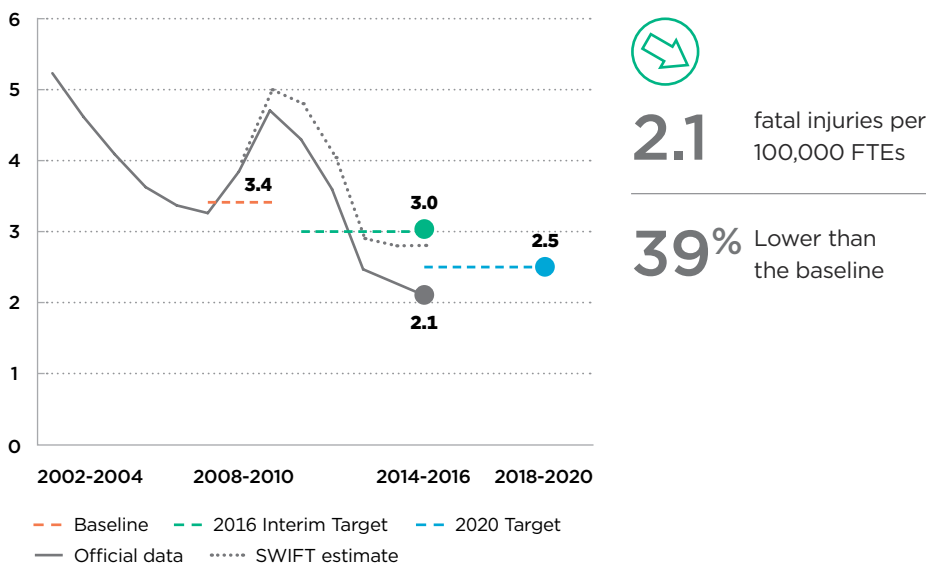
The Government set a target to reduce work-related fatalities and serious injuries by at least 25% by the year 2020 with an interim target of 10% by 2016.

<b>Target indicator 1:</b> Fatal injury rate	2016 RESULT: 39% below baseline Baseline year - 2008-10	
<b>Target indicator 2:</b> Serious non-fatal injury rate	2016 RESULT: 26% below baseline Baseline year - 2008-10	
<b>Supplementary indicator:</b> Week away from work injury rate	2016 RESULT: 4% above baseline Baseline year - 2009-11	

For more detailed information see pages 68-72.

### Fatal injury rate

The three years to 2016 saw the lowest official rate of fatal work-related injury since the series began in 2002-04. This rate is currently lower than both the 2016 interim and 2020 targets.

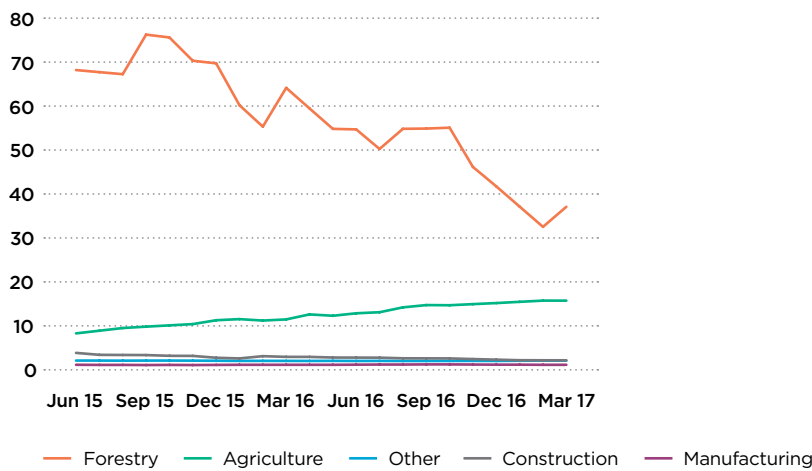




### Fatal injury rate - sector comparison

There were 31 work-related fatalities in the priority sectors in the year to 30 June 2017, down from 34 in the previous year. Manufacturing and construction have consistently had low fatality rates. However the rate of fatal injury in agriculture is of concern and is not yet showing signs of reduction. Forestry<sup>3</sup>, while still unacceptably high, has demonstrated progress in addressing the risks that can kill and injure workers. The relatively small number of workers employed in this industry means that the rate is variable over time.

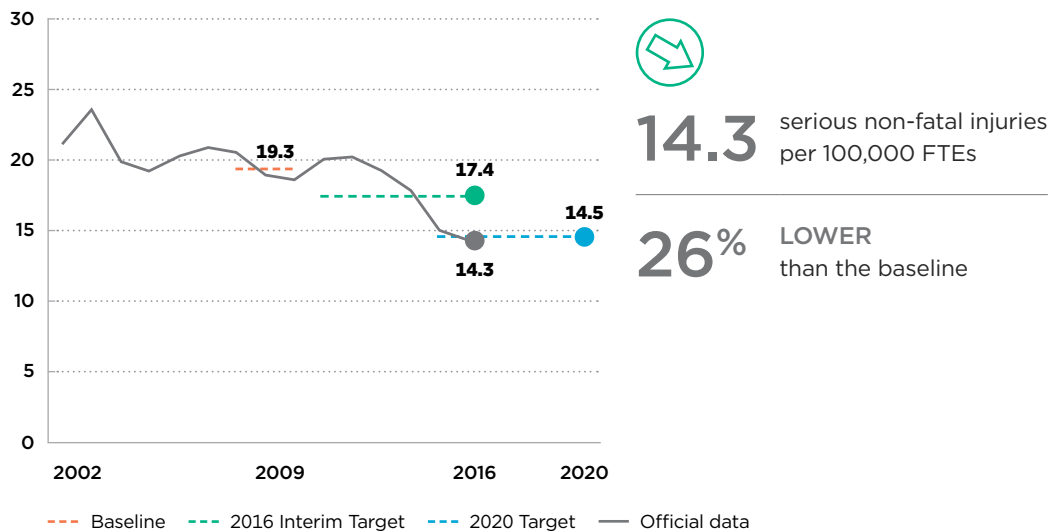
There were 26 work-related fatalities this year in the transport, postal and warehousing sector. We are undertaking work to build a more comprehensive understanding of the nature and causes of harm in this sector.



### Serious non-fatal injury rate

The official rate of serious non-fatal injury continues to decrease, as it has each year since 2011. The result for 2016 is the lowest since the series began and is lower than both the 2016 interim and 2020 targets.

WorkSafe estimates<sup>4</sup> indicate that the fatal injury rate could plateau this year and that the decline in serious non-fatal injuries could also slow.

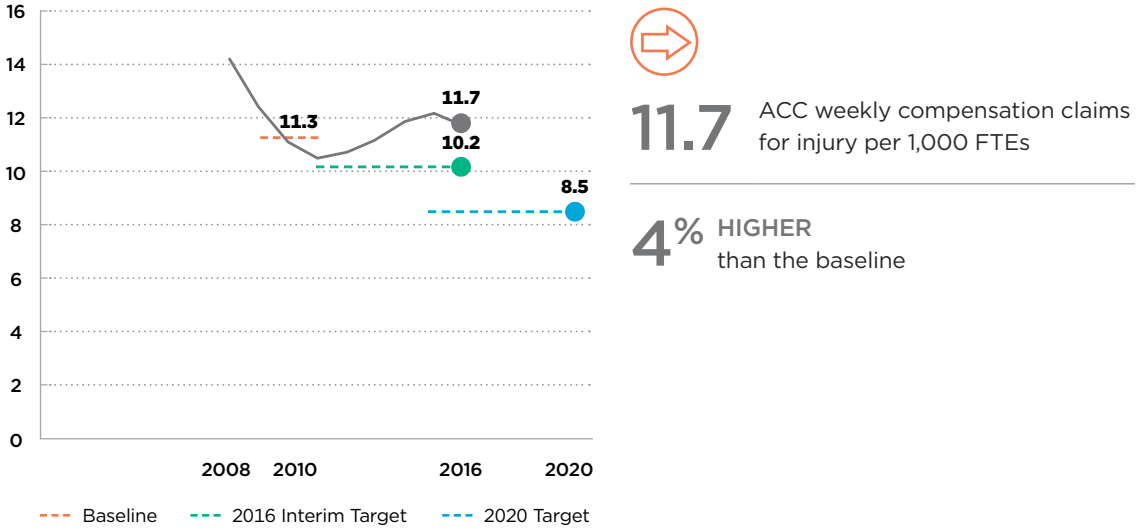


<sup>3</sup> 'Forestry' includes all activities in the Forestry and Logging ANZSIC subdivision.

<sup>4</sup> ACC work-related injury claims data is combined with WorkSafe's fatality notifications in WorkSafe's System for Work-related Injury Forecasting and Targeting (SWIFT). This enables more timely estimation of the fatal injury and week away from work injury rates.

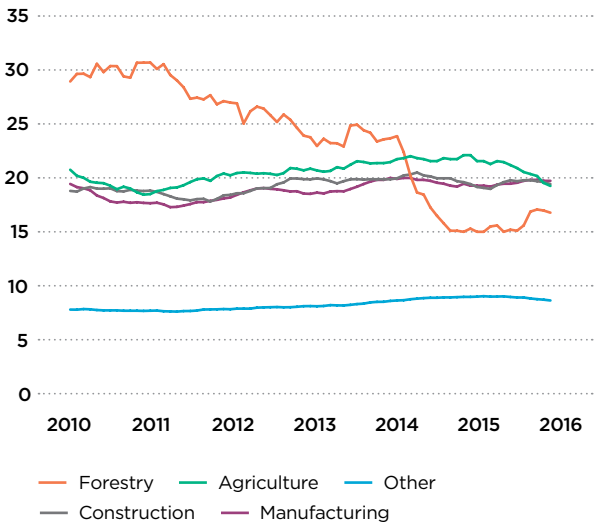
### Rate of injury resulting in more than a week away from work

We have not seen the same progress for injuries resulting in more than a week away from work (WAFW). This rate increased each year from 2011 to 2015, and although 2016 data shows a slight reversal in this trend, the indicator remains higher than the 2009-11 baseline.



### Rate of injury resulting in more than a week away from work – sector comparison

All of the priority sectors have relatively high rates of WAFW claims compared to other industries. In forestry, there has been an increase over the last 12 months, after a steady reduction since 2014. Agriculture has seen a reduction in the rate of these injuries over the last 12 months. The rates for construction and manufacturing have remained consistently around 20 per 1,000 full-time-equivalent employees.



---

# Significant reduction in harm across the workplace system

In 2016/17 we committed to:

- build our operational data, research, and evaluation to inform where we target our effort, understand the causes of harm, and identify which interventions are most effective
- implement the Harm Reduction Action Plan with ACC and *Healthy Work*
- roll out our new ICT system and support the ongoing development of our System for Work-related Injury Forecasting and Targeting (SWIFT)
- finalise our research and evaluation work programme.

Work to strengthen our evidence, research and data has helped to drive where we focus our efforts to have the greatest impact in reducing harm in New Zealand workplaces.



## Putting the Harm Reduction Action Plan into action

During the year we worked closely with ACC to develop evidence-based harm reduction programmes for the agriculture and construction sectors.

These programmes target known drivers of harm, including working in and around vehicles, body stress and work-related health risks. They also target other common causes of harm across all industries – like slips, trips and falls.

The harm reduction programmes focus on embedding critical ‘enablers’ that we know underpin good health and safety – like workforce development, safety leadership, and worker engagement and participation.

We gathered insights from industry groups like Beef + Lamb NZ, Dairy NZ and the Construction Safety Council to bring an industry perspective to the programmes.

Our focus for the next year will be on embedding the harm reduction programmes, supporting our work with ACC to put the Harm Reduction Action Plan into action.

We have also developed an approach to target firms with the highest incidence of work-related fatalities, injuries and weekly compensation claims.

### TARGETING THE DRIVERS OF HARM IN AGRICULTURE

Improving health and safety outcomes in agriculture is a key focus of the Harm Reduction Action Plan<sup>5</sup>. In 2017, WorkSafe partnered with ACC to develop a joint injury prevention programme (the Agriculture Programme) targeting the high incidence of work-related harm occurring in the agriculture sector. The Programme developed an effective, evidence-based approach to address the primary contributors of harm in the sector, including vehicles, being hit by moving objects, slips, trips and falls and body stressing.

The Agriculture Programme is multifaceted and will deliver a combination of evidence-based interventions (engineering solutions, education and training, evaluative trials, and innovation forums) informed by research and evaluation on what works. Interventions were designed to support changes in attitudes, behaviours and practices amongst businesses and workers to address the underlying causes of harm in the agriculture sector.

<sup>5</sup> WorkSafe-ACC (July 2016), *Reducing Harm in New Zealand Workplaces – an Action Plan 2016-2019*.





## Reducing harm in the priority sectors

Targeting the drivers of harm in the priority sectors (agriculture, forestry, construction and manufacturing) was a key area of focus for WorkSafe in 2016/17.

These sectors are a priority for WorkSafe because they account for a high proportion of work-related fatalities and injuries. Our work helped to raise awareness and change health and safety practices in these sectors. We worked in close partnership with industry, businesses, workers and unions to bring about this change. There were signs of health and safety improvements, but a sustained effort is needed to lift performance in the priority sectors. The table below provides an overview of performance in each of the sectors.

		AGRICULTURE		FORESTRY								
Work-related fatalities <sup>6</sup>	2014-16	13.1	→	2015-17	16.0	↑	2014-16	54.6	→	2015-17	45.0	↓
		PER 100,000 FTES			PER 100,000 FTES			PER 100,000 FTES			PER 100,000 FTES	
Week away from work injury <sup>7</sup> (WAFW)	2015	2,363 INJURIES	→	2016	2,220 INJURIES	↓	2015	123 INJURIES	→	2016	124 INJURIES	↑
		PER 1,000 FTES			PER 1,000 FTES			PER 1,000 FTES			PER 1,000 FTES	
Key drivers of harm	Fatal injury <sup>8</sup>	<ul style="list-style-type: none"> <li>- Vehicle incidents accounted for two thirds of fatalities in agriculture. Quad bikes (30%) and tractors (16%).</li> <li>- Being hit or trapped by moving objects (20%).</li> </ul>					<ul style="list-style-type: none"> <li>- All were caused by being hit and trapped by moving objects.</li> </ul>					
	WAFW injury	<ul style="list-style-type: none"> <li>- Vehicle incidents (15%) - particularly quads and motor bikes.</li> <li>- Being hit by moving objects (24%) - especially being hit or bitten by animals (15%).</li> <li>- Slips, trips and falls (19%).</li> <li>- Body stressing - particularly from lifting, carrying, putting down objects (15%).</li> </ul>					<ul style="list-style-type: none"> <li>- Being hit by moving objects (30%).</li> <li>- Slips, trips and falls (25%).</li> <li>- Body stressing (14%).</li> </ul>					
Attitudes and Behaviours <sup>9</sup>	Improving health and safety	<ul style="list-style-type: none"> <li>- 59% of employers in agriculture said they made significant changes to their health and safety systems or practices in the last 12 months (up from 45% in 2015 and 34% in 2014).</li> </ul>					<ul style="list-style-type: none"> <li>- 69% of employers in forestry said they made significant changes to their health and safety systems or practices in the last 12 months (this proportion has been similar over the three survey years).</li> </ul>					
	Leadership	<ul style="list-style-type: none"> <li>- 60% of employers in agriculture count health and safety as one of their top three business considerations.</li> <li>- 82% of workers agree that their boss is genuinely concerned about health and safety (up from 74% in 2015).</li> <li>- In 2016, 82% of agricultural businesses report spending significant effort in response to health and safety regulations, up from 48% in 2012.<sup>10</sup></li> </ul>					<ul style="list-style-type: none"> <li>- Forestry has the largest proportion of employers that count health and safety in their top three business considerations (89%).</li> <li>- 86% of workers agree that their boss is genuinely concerned about health and safety.</li> <li>- The proportion of forestry businesses investing significant effort in response to health and safety regulations has remained high between 2012 and 2016, increasing from 82% to 92%.</li> </ul>					

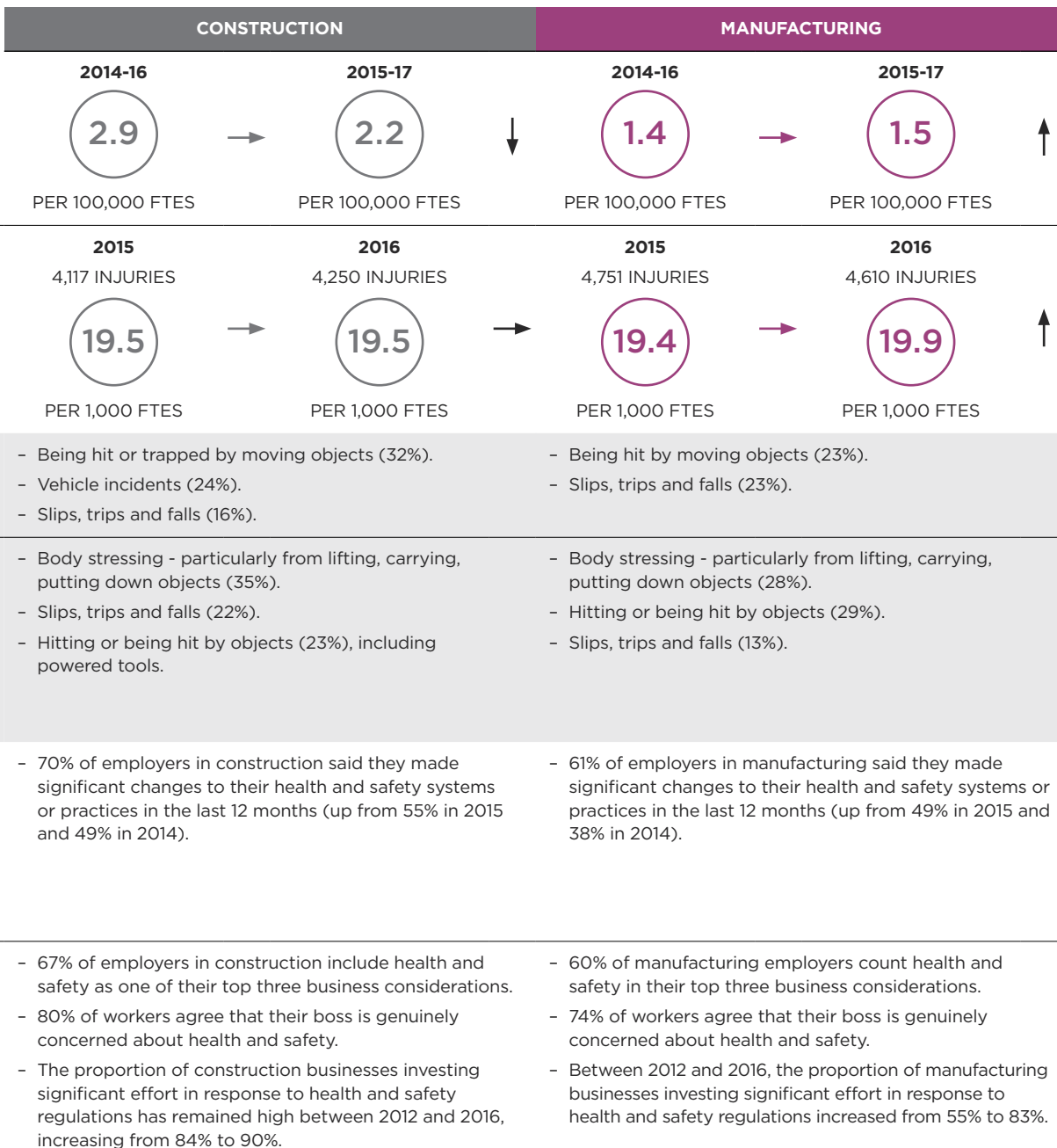
<sup>6</sup> SWIFT data, financial years. Per 100,000 FTEs in sector.

<sup>7</sup> SWIFT data, 2015 and 2016 calendar years. Per 1,000 FTEs in sector.

<sup>8</sup> Analysis of injury mechanisms for the 2014, 2015 and 2016 calendar years.

<sup>9</sup> Health and Safety Attitudes and Behaviour Surveys, unless otherwise stated.

<sup>10</sup> Business Operations Survey (Statistics NZ).



		AGRICULTURE	FORESTRY
Attitudes and Behaviours	Participation	<ul style="list-style-type: none"> <li>- In 2016, 79% of agricultural workers said that worker participation practices were occurring in their workplace.</li> <li>- 66% of agriculture workers agree that, where they work, workers really do make a difference to health and safety.</li> </ul>	<ul style="list-style-type: none"> <li>- In 2016, 98% of forestry workers said that worker participation practices were occurring in their workplace, up from 93% in 2015.</li> <li>- 82% of forestry workers agree that, where they work, workers really do make a difference to health and safety.</li> </ul>
	Workforce development	<ul style="list-style-type: none"> <li>- 35% of workers said they received formal health and safety training in the last 12 months, up from 28% in 2015.</li> <li>- 37% of employers said at least half of their workers received formal training in the last 12 months.</li> <li>- While the increase for workers is encouraging, the proportions for both workers and employers are the lowest of the four priority sectors.</li> </ul>	<ul style="list-style-type: none"> <li>- Two-thirds (66%) of forestry workers said they received formal health and safety training in the last 12 months.</li> <li>- Around a half (49%) of employers said at least half of their workers received formal training in the last 12 months.</li> </ul>
Snapshot of our key activities and interventions to reduce harm		<ul style="list-style-type: none"> <li>- Supported the Agriculture Leaders' Health and Safety Action Group, an industry body set up to lead improvements in the health and safety of the sector.</li> <li>- Developed supporting material and guidance for the sector, including the new interactive farm map and other updates made to the Safer Farms website.</li> <li>- Continued our work with Beef + Lamb, Federated Farmers and Dairy NZ to raise awareness of health and safety issues in the agriculture sector. This including working with these organisations to develop an agreed position regarding passengers on quad bikes.</li> <li>- Collaborated with industry, Safer Farms and ACC to develop "how-to" toolkits, setting out practical advice and resources to help farmers improve health and safety on their farms.</li> </ul>	<ul style="list-style-type: none"> <li>- WorkSafe and ACC partnered with the Forest Industry Safety Council to support a co-ordinated industry approach to reducing harm in the forestry sector.</li> <li>- Delivered the Te Ao Maruiti health and safety forestry learning pilot in Ruatoria.</li> <li>- Strengthened our focus on improving health and safety amongst the small-scale forestry sector along with poorer performers in the corporate sector.</li> <li>- Supported the delivery of a series of workshops to support industry learning from serious work-related incidents.</li> <li>- Targeted assessments focused on tree felling, breaking out and the effectiveness of health and safety systems in critical risk areas within the sector.</li> <li>- Supported the development of work-related health resources on the Safetree website.</li> <li>- Presented to over 3,000 frontline loggers at 28 industry organised Safe Start meetings from Kerikeri to Invercargill.</li> </ul>

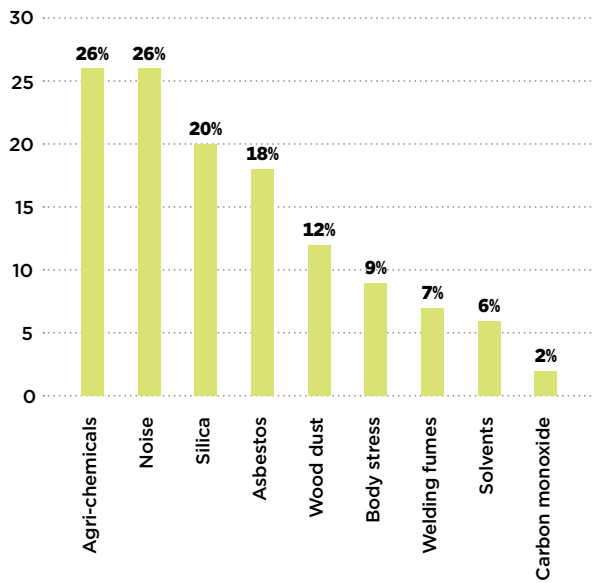


CONSTRUCTION	MANUFACTURING
<ul style="list-style-type: none"> <li>- In 2016, 93% of construction workers said that worker participation practices were occurring in their workplace.</li> <li>- 70% of construction workers agree that, where they work, workers really do make a difference to health and safety.</li> </ul>	<ul style="list-style-type: none"> <li>- In 2016, 94% of manufacturing workers said that worker participation practices were occurring in their workplace, up from 88% in 2015.</li> <li>- 69% of manufacturing workers agree that, where they work, workers really do make a difference to health and safety.</li> </ul>
<ul style="list-style-type: none"> <li>- 70% of workers said they received formal health and safety training in the last 12 months.</li> <li>- 60% of employers said at least half of their workers received formal training in the last 12 months.</li> </ul>	<ul style="list-style-type: none"> <li>- 57% of workers said they received formal health and safety training in the last 12 months.</li> <li>- 43% of employers said at least half of their workers received formal training in the last 12 months.</li> </ul>
<ul style="list-style-type: none"> <li>- 34 presentations to industry through the Construction Roadshow, providing information and practical support to manage key health and safety risks (eg breathing in construction dusts, staying safe around vehicles and mobile plant and the safe use of power tools).</li> <li>- Delivered assessments through the inspectorate targeted at small and large construction sites, focusing on falls from heights, excavations, clean air and mobile plant.</li> <li>- Worked with ACC to develop a multi-year programme to address critical risks in the construction sector.</li> <li>- Delivered a programme to raise awareness of the risks in using and handling asbestos.</li> <li>- Sector-specific factsheets and good practice guidelines to manage key health and safety risks (eg electrical safety on small construction sites and safe use of scaffolding).</li> <li>- Delivered targeted health and safety events and support as part of the Canterbury Rebuild Safety Charter.</li> <li>- Continued attendance and support for industry meetings and events, such as the Construction Safety Council, Site Safe liaison meetings, NZ Transport Agency Zero harm group, and trade association conferences.</li> </ul>	<ul style="list-style-type: none"> <li>- Delivered the Safer Manufacturing Programme, developing initiatives to help the sector improve health and safety performance.</li> <li>- Manufacturing roadshows providing businesses and workers with sector-specific health and safety support on key health and safety issues.</li> <li>- Developed more effective and efficient ways of working with businesses that have multi-site operations.</li> <li>- Produced videos, guidance and factsheets on managing critical health and safety risks in manufacturing, including wood dust, welding fumes and other harmful airborne substances.</li> <li>- Improved clean air practices in manufacturing through targeted assessments by the inspectorate and the delivery of the Clean Air programme.</li> </ul>

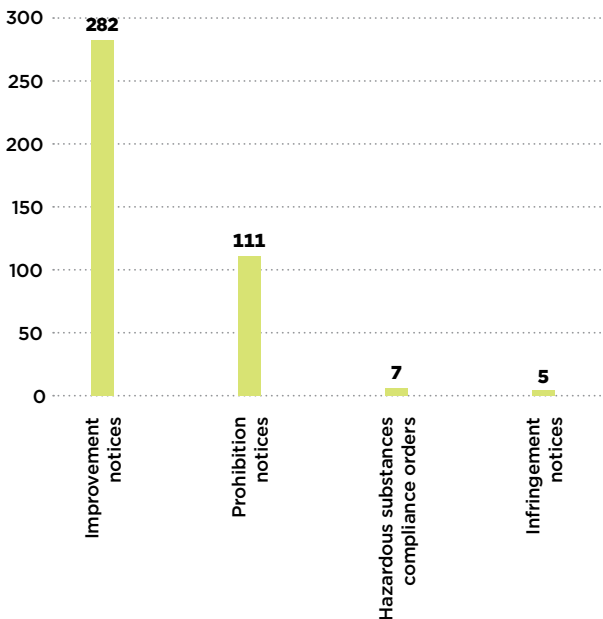
## Protecting New Zealanders from work-related health risks

During the year we worked to raise awareness of work-related health risks and improve how businesses and workers manage these risks. This work was part of our *Healthy Work* strategic plan. Next year the focus is likely to be on agri-chemicals and fertiliser spreading, undertaken through our agriculture programme. Work has also started on a multi-year programme to target the health risks of exposure to noise at work.

Our assessments targeted key work-related health risks:



We took enforcement action by issuing notices requiring organisations to manage critical work-related health risks in their workplace.



IN 2016/17

**36%**

(over 4,600) of all assessments completed by WorkSafe inspectors focused on work-related health risks

'Clean Air' is WorkSafe's targeted programme to reduce the risk of respiratory disease. This year it was extended to include health risks related to:



**WOOD DUST**



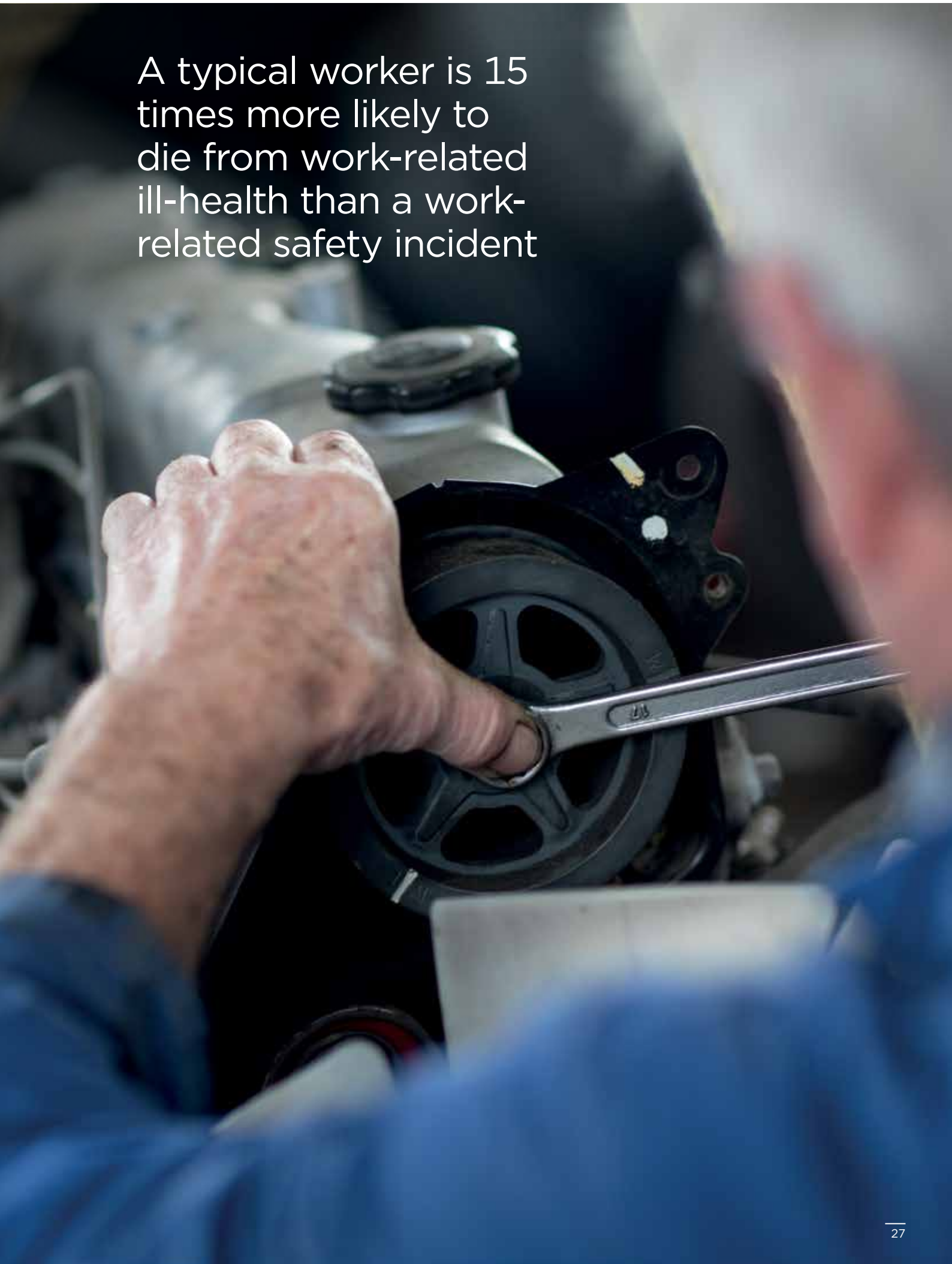
**WELDING FUMES**



**CARBON MONOXIDE**

in the manufacturing and construction sectors.

A typical worker is 15 times more likely to die from work-related ill-health than a work-related safety incident



Our inspectorate supported businesses and workers to identify and manage their critical work-related health risks. WorkSafe developed information and guidance on key work-related health risks (airborne contaminants, asbestos, bullying, air quality in mining, hazardous substances). A range of channels, including social media and industry publications, were used to communicate our work-related health messages out to businesses and workers.

Our work helped to improve the knowledge and practices of workers and businesses in managing work-related health risks. Four new asbestos unit standards were registered to the New Zealand Qualifications Authority framework, improving workers' knowledge in the safe handling of asbestos. We also completed Approved Codes of Practice on air quality (extractives) and the removal of asbestos.

Collectively our work has helped to raise the visibility and importance of critical work-related health risks. Ongoing delivery of our harm-reduction interventions, guidance and support, and activity by inspectors will help businesses and workers improve their management of critical work-related health risks.

#### **CLEAN AIR IN ACTION IN MANUKAU**

A poor understanding of the health risks airborne hazards posed for Manukau precast concrete workers led to WorkSafe undertaking awareness-raising visits to manufacturers.

The visits helped nine companies become better equipped to protect nearly 1,000 workers from airborne hazards at work.

The risks were identified during the roll-out of our Clean Air Programme last year.

They included:

- high potential for workers to be exposed to breathing in dust, including silica, over the short and long term
- significant shortfalls in controls to stop workers breathing in dust, including silica
- poor understanding of the requirement to measure exposure levels of respirable dust, including silica
- poor controls around the use of hazardous substances.

Businesses and workers had relatively low awareness of how to prevent silica dust contamination outside work – eg in cars and homes.

Local companies worked closely with WorkSafe during the programme of visits. The initiative was welcomed by the national precast industry which believes issues raised in Manukau are likely to be widespread.

## Driving our business through evidence and data

### Research, evidence and data

To ensure our work and interventions are guided by robust evidence and best practice, we developed our research and evaluation work programme.

Our research work included identifying harm-reduction interventions in agriculture, forestry and construction, and cross-cutting contributors of harm. We also completed work to better understand the support needs of Health and Safety Representatives.

Evaluations of our programmes were completed to ensure we are using the right interventions to address the drivers of harm in our key focus areas. Our evaluation work included assessing the impact of our Clean Air and Canterbury Rebuild programmes.

### Operational data and intelligence

We made improvements to our data and processes used to target risk. This work included rolling out the Company Risk Model (CRM) pilot. The CRM is an online intelligence tool that enables inspectors to identify businesses of interest based on the business' risks, rather than basing visits solely on sector or hazard priorities.

We also completed the rebuild of our injury forecasting system. We worked closely with ACC to include additional data in our forecasting system (gradual process and Accredited Employer Programme claims) that increased the quality and accuracy of our injury information. These improvements provide insight and enable WorkSafe to better target the causes of harm.

#### EVALUATING THE IMPACT OF THE CANTERBURY REBUILD PROGRAMME

The Canterbury Rebuild Programme was set up in 2013 to support the safe and healthy rebuild of Canterbury following the 2010 and 2011 earthquakes.

The Programme delivered a combination of targeted interventions, including:

- proactive inspections
- education sessions and events
- regular industry health and safety updates, and
- working with industry to embed the Canterbury Rebuild Safety Charter.

The Programme evaluation found that, over a four-year period, it could have prevented up to:

**1**  
FATALITY

**3-6**  
SERIOUS NON-FATAL  
INJURIES

**50-100**  
WEEK AWAY FROM  
WORK INJURIES

**For every \$1 spent, the Programme saved \$3-6**



---

# People take responsibility and know how to take action

In 2016/17 we committed to:

- develop a strategic approach for engaging and communicating to everyone with a part to play in health and safety at work
- complete the pilot of the Safety Star Rating initiative, including providing further guidance and tested incentives for businesses managing health and safety
- deliver thousands of workplace assessments in priority areas, including in high hazard sectors, as well as responding to and investigating serious incidents
- deliver Duty Holder Reviews to help businesses assess and improve their health and safety practices.

We made good progress against all these priorities. Our activities have supported businesses to translate good health and safety into practice.

## Helping others understand what good health and safety practice looks like

WorkSafe has a key role in educating New Zealanders on what good health and safety looks like, and how they can effectively manage their critical risks.

We delivered a range of targeted education initiatives, including campaigns, good practice guidelines, and factsheets to support businesses and workers put their health and safety responsibilities into practice. We also developed case studies and online tools. Our interactive Safer Farms map highlighted critical risks on farms and provided steps to manage these risks. We also developed animated floorplans highlighting more common and serious risks found on construction and manufacturing sites.

WorkSafe is increasingly a source of advice and guidance, which demonstrates the growth of our educative role. Our education material and guidance was widely used, particularly amongst our priority sectors.



## Improving our reach with social media

Social media provides us with an effective way to connect and engage with a diverse range of people across New Zealand on health and safety. We evolved our social media approach to encourage conversations with businesses and workers, and also make people more aware of the tools and resources we have available to support them. We used a range of social media channels, including LinkedIn, Facebook and Twitter to raise the profile of key health and safety issues.

73%

of employers used WorkSafe's health and safety guidance material in the last 12 months. Most common were:

### GOOD PRACTICE GUIDELINES

38% ↑ UP FROM 31% IN 2015

70% of employers using WorkSafe's good practice guidelines found them very useful.

### FACT SHEETS

36% ↑ UP FROM 27% IN 2015

66% of employers using WorkSafe's factsheets found them very useful.

2016 Attitudes and Behaviours Survey

## Home Time campaign relaunch

We relaunched Home Time, our media campaign designed to raise awareness of New Zealand's health and safety problem and set the context for change.

---

**1.5m**

people watched Home Time on TV

---

**1.4m**

saw Home Time online

---

**1.3m**

heard Home Time on radio

---



## Use Your Mouth

WorkSafe also ran a supplementary campaign called 'Use Your Mouth' that encourages employers and workers to speak up and have proactive conversations about health and safety at work. The campaign's key message to people is 'using their mouth' is one of the best pieces of equipment to improve health and safety at work.

**Your mouth is  
safety gear too**

Use it and start talking about health and safety  
[worksafe.govt.nz/use-your-mouth](https://worksafe.govt.nz/use-your-mouth)



**WORKSAFE**  
NEW ZEALAND | MAHI HAHAMARU  
AOTEAROA



## Helping people understand the new law

Our range of tools and resources are designed to help businesses and workers understand their responsibilities and obligations under the Health and Safety at Work Act (HSWA) and, most importantly, show what they can do to improve their health and safety practices.

WorkSafe partnered with businesses, workers, industry and unions, taking a collaborative approach in designing tailored education and support on HSWA.

Our work included developing interactive risk management tools, video case studies featuring businesses and workers, and a HSWA quick reference guide. We also launched our 'Steve and the Yappers' icebreakers, designed to introduce HSWA concepts in a way that encouraged people to have more detailed health and safety conversations at work.

The Yappers include short videos that explained key concepts like health and safety risk management, overlapping duties, worker engagement and participation and upstream duties.

As part of our educative approach we have worked to dispel a number of myths about HSWA and how WorkSafe is applying the new law. Our myth busting release, 'Health and Safety isn't the Christmas Grinch', received widespread coverage, and clarified misinformation about health and safety requirements over the festive season. We also ran targeted myth busting campaigns to dispel myths in specific sectors.




## SafePlus

WorkSafe, ACC and the Ministry of Business, Innovation and Employment (MBIE) have developed SafePlus (previously Safety Star Rating), a harm prevention initiative aimed at helping lift the health and safety performance of New Zealand businesses.

SafePlus is an educative performance improvement tool for businesses. It provides a credible and nationally recognised definition of what good health and safety looks like – over and above minimum legal compliance – and can be used to provide businesses with advice and guidance to improve their health and safety performance.

There are three products being developed: WorkSafe's website was updated in September with guidance and resources to support businesses using SafePlus, the independent onsite assessment tool was launched in October 2017 and an online version of the tool is under development.





**Resources and Guidance**

**September 2017**


- 10 Performance Requirements fundamental to good health and safety
- Maturity Scales to measure performance
- Examples and case studies of best practice
- Guidance on how to use the resources



**Onsite Assessment and Advisory Service**

**October 2017**

- Accredited and trained private market assessors
- Behaviour-based onsite assessment
- Tailored guidance and advice on where and how to improve
- Measure health and safety performance



**Online Self-Assessment**

**Mid 2018**

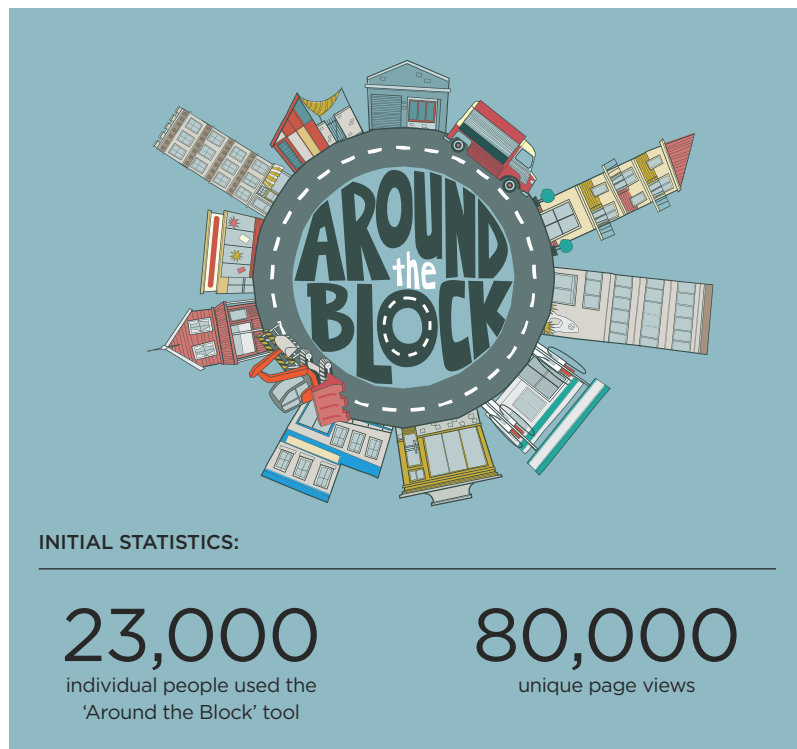
- Identify gaps in health and safety
- Awareness of issues
- 360 degree input from managers, workers and contractors
- Advice and guidance on how and where to improve

## Helping businesses improve health and safety

### Supporting small and medium enterprises (SMEs)

We worked closely with the SME sector to provide tailored support and guidance on what good health and safety looks like for them.

In November 2016, we launched our 'Around the Block' tool, with ACC, business.govt.nz and other business stakeholders. This tool helps SMEs understand how to manage risks and have better health and safety conversations with workers. The online tool is interactive and enables users to click on 'risk hotspots' to learn about some of the more typical work-related health and safety risks in their business context. The businesses profiled are those often found on a city or town block, including a cafe, hair salon, medical centre, early childhood centre and a petrol station.



**84%**

of people agreed the amount of time they took interacting with WorkSafe was acceptable

**83%**

of people were satisfied with the overall quality of WorkSafe's service delivery

### Making it easier for our customers

We interact with thousands of businesses right across New Zealand every year. Our services and support enable these businesses to put good health and safety into practice.

A key priority for WorkSafe in 2016/17 was ensuring our services were delivered in a way that made it easier for our customers to interact with us. Our work to deliver against this priority has contributed to the Government's Better Public Service Result Area 9 target (making it easier for businesses to interact with government).

2016/17 Service Excellence Survey  
(H&S Inspectors)

## Building our engagement and communications approach

We are raising awareness, engaging and communicating across the health and safety system. We have been building our brand and user experience, leveraging partnerships across the system and improving how we get our health and safety messages out in the right way at the right time.

In 2017/18 we will launch a new website, strengthen our engagement approach with SMEs and deliver the third phase of our Home Time campaign.

## Supporting improved health and safety performance through our inspectors

Our inspectors help businesses and workers learn and use effective risk-management practices at work.



### THE MOST FREQUENTLY IDENTIFIED CHANGES MADE AS A RESULT OF CONTACT WITH WORKSAFE'S INSPECTORS

processes or general work practices to improve safety and reduce risks to health

**51%** SAFETY **39%** HEALTH

better identify and manage hazards and risks to safety and health

**48%** SAFETY **42%** HEALTH

training to improve safety at work and raise awareness of risks to health.

**43%** SAFETY **36%** HEALTH

2016/17 Service Excellence Survey (H&S Inspectors)

OVER **10,200** NOTIFICATIONS

Work-related health and safety incidents and concerns triaged by WorkSafe

OVER **12,800** ASSESSMENTS

Undertaken by inspectors, targeted at sectors and areas that cause the most harm

**93%**

Assessments in priority sectors or areas of focus

# People interacting with WorkSafe consider our inspectors are fair, proportionate, educative and making a real difference to health and safety in New Zealand

## CASE STUDY

### Open and Honest

A disaster became a success story when one of our inspectors was carrying out an inspection of a screen printing plant, specialising in printing designs on basic clothing. The company he was assessing had been in business for a number of years but had never been visited and was out of the loop in terms of effective health and safety systems.

The worksite had no effective system for the control and monitoring of hazards, and the manager had never done fire drills or discussed health and safety with his employees. There were also issues with respiratory protection for the employees and inadequate guard rails on the top floor that were supported by cardboard, meaning that anyone who placed weight on the structure would risk falling. The worksite itself was open and there were no measures in place to stop pedestrians walking into one of the two warehouses, which were often unoccupied.

Our inspector sent the manager of the worksite an email detailing the issues with the insufficient health and safety systems that he had observed at the workplace. Included in the email were guidance materials, examples of effective health and safety procedures, and other documents relating to health monitoring and respiratory protection.

In response, the inspector found the manager open and on board; it was likely that he simply had not been exposed to what good health and safety practice was, but was eager to make the necessary changes.



---

**87%** ↑ (UP FROM 81% IN 2015/16)

of people felt they were treated fairly during their interaction with WorkSafe

---

**67%**

of people considered WorkSafe's response was in proportion to the level of risk/likely harm

---

**64%**

of people found WorkSafe educative – they felt they knew more about what they need to do about workplace health and safety after their contact with WorkSafe

---

**66%**

of people felt that WorkSafe is making a real difference to workplace health and safety in New Zealand

---

2016/17 Service Excellence Survey (H&S Inspectors)

We have made steady progress to improve the impact of our inspectorate in supporting improved health and safety performance. Results indicate there is an opportunity for WorkSafe to work with businesses and workers to continue building on this progress.

## Supporting duty-holders to review their health and safety practices

WorkSafe's Duty Holder Review (DHR) service supports duty-holders to self-review their health and safety practices following a work-related incident.

The DHR service forms an important part of WorkSafe's toolkit for bringing about health and safety change. 93% of employers (ie duty-holders) made changes to their workplace practices as a result of their contact with WorkSafe through the DHR service. This included improving processes, practices and training, strengthening how hazards and risks are managed and improving the safety of existing equipment.

Duty-holders tell us that the DHR service provides them with the information and support they need to take action on health and safety in their workplaces.

The DHR service has helped raise duty-holders' awareness of key health and safety issues and how they can take action to better manage their critical risks.

"I was not sure how reporting a serious injury to WorkSafe would pan out and expected to be drawn and quartered but the team were very understanding and helpful and once they had seen that we had systems and policies in place, it was all about preventing a reoccurrence rather than punishing us for the accident happening."

2016/17 Service Excellence Survey  
(Duty Holder Review)



---

403

DHRs undertaken in 2016/17 to support duty-holders to improve their health and safety practices

WorkSafe case management system

---

67%

of employers felt that they knew more about what they needed to do about health and safety after the DHR process

---

70%

told us they had a better understanding of how to meet their obligations under HSWA

---

2016/17 Service Excellence Survey  
(Duty Holder Review)

## Supporting high hazard operators to manage critical risks

### Overview of the High Hazards and Energy Safety group

WorkSafe's High Hazards and Energy Safety group works to support operators in the high hazard sector to effectively manage health and safety, with a particular focus on catastrophic harm. Our work covers a wide range of high hazard industries, including petroleum and geothermal, extractives (mines and quarries), Major Hazard Facilities<sup>11</sup> and energy supply and generation.

#### HIGH HAZARDS UNIT

Our work supported high hazard operators to effectively manage their critical health and safety risks. In 2016/17, we worked closely with our regulatory partners, including Maritime NZ, NZ Transport Agency, the Environmental Protection Authority, and local authorities to support a coordinated and integrated approach to working across the high hazards sector.

LEGISLATION	GUIDANCE
Supported the development of legislation for: <ul style="list-style-type: none"> <li>- decommissioning offshore plant</li> <li>- safety standards.</li> </ul>	Developed: <ul style="list-style-type: none"> <li>- educational material on HSWA and the new Major Hazard Facilities regulations that came into force in 2016</li> <li>- technical guidance on sector-specific issues.</li> </ul>
ENGAGEMENT	OTHER MAJOR PROJECTS
Held 75 workshops with WorkSafe for industry and high hazard operators.  Hosted the International Regulators' Forum, providing an opportunity for regulators from eight countries to share learnings and knowledge.	Supported the design and construction of the Waterview Tunnel, opened in July 2017.  Worked with the quarrying sector on Certificates of Competence, ensuring quarry managers have the skills to safely operate sites.  Published a nationwide list of designated Major Hazard Facilities, enabling collaboration between operators on safety cases and interaction between facilities during any major incident.

The technical expertise of our specialist high hazard inspectors are highly sought after by our partners and other jurisdictions. Over 2016/17 our inspectors supported the restoration of abandoned mine sites on the West Coast, provided technical support to councils for land use issues for major hazard facilities, and supported the rebuild of the Kaikōura tunnel network.

The capability of our specialist inspectors underpins our ability to effectively regulate the high hazards sector. WorkSafe continued to make a significant investment in building capability to ensure the knowledge and skills of our high hazard inspectors is line with international best practice. Over the year, our inspectors completed advanced training on tunnel and mine safety, well integrity and contemporary well management practices, as examples.

<sup>11</sup> Facilities that have significant inherent hazards due to the storage and use of large quantities of specified hazardous substances.

**In 2016/17 specialist high hazard inspectors undertook:**



We were notified of 165 dangerous precursor events in the high hazards sector (69 petroleum and geothermal, 38 Major Hazard Facilities, 58 extractives)

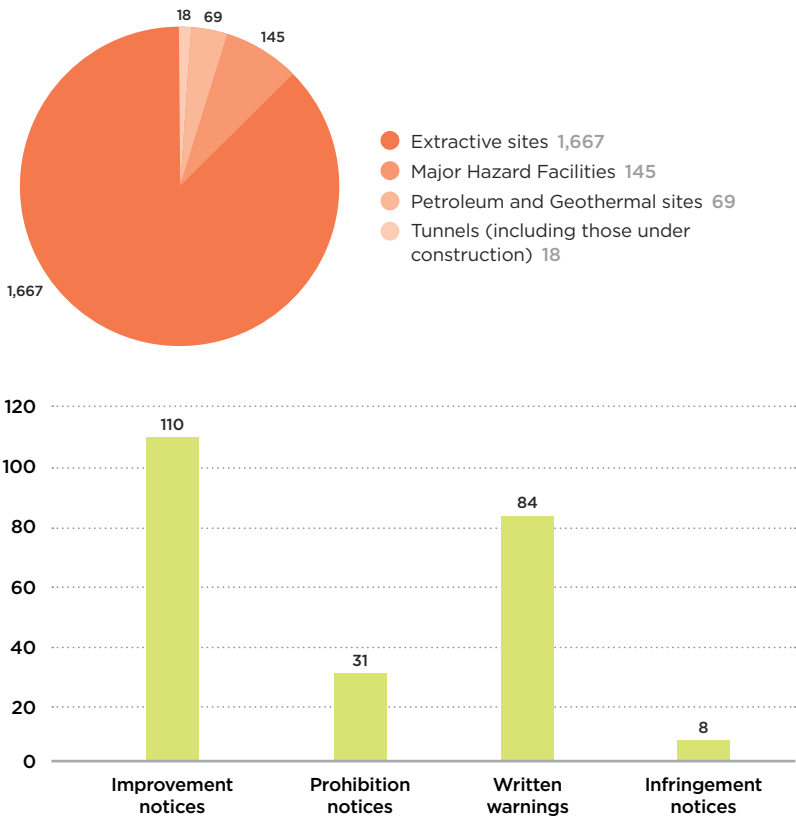
**96.4%**

of precursor events were adequately responded to by operators (Target: ≥99%)

The number of precursor events has increased this year as a result of requirements under the new Major Hazard Facilities (MHF) regulations introduced in April 2016. These regulations require operators of designated MHF facilities to notify WorkSafe of precursor events.

Proportionate and consistent enforcement ensured high hazard operators put their health and safety responsibilities into practice and were held to account for their responsibilities:

**WorkSafe has regulatory oversight of around 1,900 high hazard sites**



WorkSafe High Hazard case management system



## Supporting the safe use and supply of electricity and gas

Our Energy Safety team works with the energy sector and the public to ensure that people are protected from the dangers of electricity and gas.

### In 2016/17

Energy Safety checked compliance and safety standards were being met on gas and electrical products:

**VISITED**  
**348**  
**PRODUCT SUPPLIERS**

**AUDITED OVER**  
**516**  
**PRODUCTS**

Completed investigations into accidents and unsafe situations well within business targets:

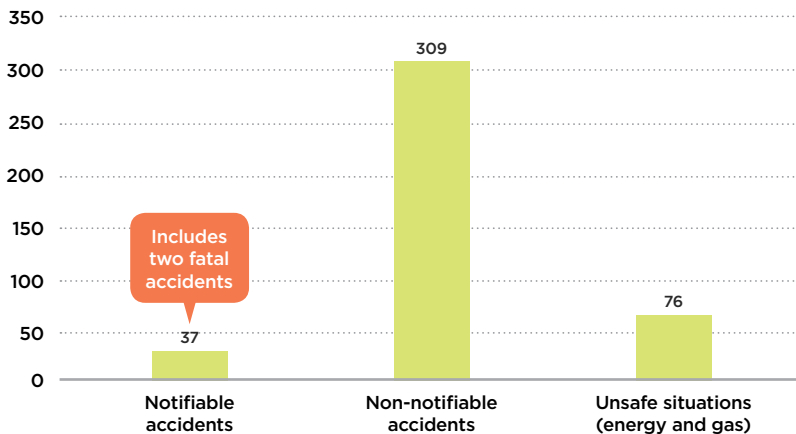
**COMPLETED**  
**64%**  
**WITHIN 30 DAYS (TARGET: ≥50%)**

**COMPLETED**  
**91%**  
**WITHIN 60 DAYS (TARGET: ≥80%)**

176 installations or installation records were audited for compliance:

**MET TARGET TO COMPLETE**  
**90%**  
**OF APPLIANCE AUDITS WITHIN 30 DAYS**

**MET TARGET TO COMPLETE**  
**50%**  
**OF OTHER AUDITS WITHIN 30 DAYS**



WorkSafe case management system

Issued:

 **154**  
**WARNINGS**

 **14**  
**INFRINGEMENT NOTICES**

for breaches of electrical or gas regulations

LEGISLATION AND STANDARDS	GUIDANCE
<ul style="list-style-type: none"> <li>- Supported the development and review of standards for gas and electrical safety through funding of technical committees.</li> <li>- Declared electrical vehicle charging equipment a 'medium-risk product' under regulations, requiring compliance declarations before sale.</li> </ul>	<ul style="list-style-type: none"> <li>- Developed the Electric Vehicle Charging Safety Guidelines with MBIE and industry, which were released in November 2016.</li> <li>- Progressed guidance on minimum approach distances when undertaking non-electrical work near electricity lines on consumer properties.</li> </ul>
ENGAGEMENT	OTHER MAJOR PROJECTS
<ul style="list-style-type: none"> <li>- Attended Australasian regulatory meetings for the Gas Technical Regulators Committee and the Electrical Regulatory Authorities Council.</li> <li>- Ran a successful Winter Safety campaign, reaching at least 1.6M New Zealanders through radio, magazines and our website.</li> </ul>	<ul style="list-style-type: none"> <li>- Worked with MBIE on discussions with counterparts from China and Taiwan on Mutual Recognition Agreements to support trade in electrical and electronic equipment.</li> </ul>



### AROUND GAS & ELECTRICITY

As part of our 2017 Energy Safety Winter Campaign, our spokescat, Claude, reminded kiwis about the importance of staying safe around gas and electricity.

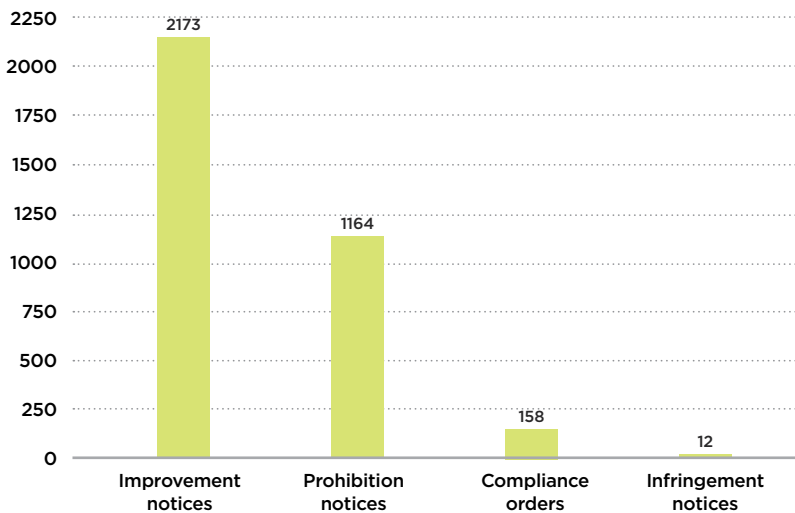
## Providing regulatory confidence through our enforcement approach

Enforcement forms part of a well-functioning regulatory system (providing both deterrence and accountability). WorkSafe uses its suite of enforcement tools (from notices through to prosecutions) to encourage changes in behaviours and practices across the health and safety system. Being credible, fair and proportionate are fundamental principles that inform our enforcement approach.

Ultimately, our enforcement activity helps to provide confidence that New Zealand workplaces are appropriately managing their health and safety risks. This enables New Zealand to have confidence in WorkSafe and the overall effectiveness of the health and safety regulatory regime.

We take an open and transparent approach to how we use our enforcement tools so duty-holders clearly understand what is required of them. Our publicly available Enforcement Policy and Enforcement Decision Making Model set clear guidance so that duty-holders know when and how we will use our enforcement tools.

We also used our broader suite of enforcement tools to ensure duty-holders were meeting their health and safety responsibilities:



WorkSafe case management system

There was wide interest in our use of the enforceable undertaking (EU) tool provided under the new regulatory regime. EUs now form part of WorkSafe's wider suite of enforcement tools, providing an alternative means to prosecution to hold duty-holders to account while delivering benefits to workers, industry and the community. WorkSafe accepted two EUs in 2016/17.

Over the last year we developed our processes for using EUs. We have also published a policy to set clear expectations on how we will use EUs. We will refine and strengthen our approach to using EUs as part of our enforcement approach over the next year.

## In 2016/17

In response to serious health and safety breaches:

**417**  
INVESTIGATIONS  
COMPLETED

**73**  
PROSECUTIONS  
INITIATED

**66**  
PROSECUTIONS  
COMPLETED

The quality of our prosecutions remains high – of the 66 prosecutions completed in 2016/17:

**88%**  
OF PROSECUTIONS WERE  
SUCCESSFUL (TARGET: ≥80%)

This success rate reflects the high quality of our investigation and legal processes.

---

# More agencies and industry contributing to system change

In 2016/17 we committed to:

- work with our strategic stakeholders to influence system change through the development of shared goals and initiatives
- map the health and safety system in greater depth and breadth
- embed our Māori Strategy, Maruiti 2025, establishing leadership, governance and the operating model needed to improve health and safety outcomes for Māori workers.

Our work has fostered partnerships to support stronger collaboration across the health and safety system. We have partnered with businesses, workers, industry and unions to address critical issues affecting the health and safety performance of New Zealand workplaces.



## Working with others

We have matured our approach to working with a range of stakeholders to improve health and safety. This included work with stakeholders to build a mutual understanding of our respective roles, and the levers each of us has to influence change.

These stakeholders included the New Zealand Council of Trade Unions, Business New Zealand, the Business Leaders' Health and Safety Forum and our partner agencies, including the Civil Aviation Authority, Maritime NZ, NZ Transport Agency, ACC and MBIE. The table below shows examples of this engagement activity:

PUBLIC SECTOR	INDUSTRY	PRIORITY SECTORS
<p>Worked with our social and regulatory partners to jointly develop harm reduction programmes and embed the health and safety regulatory framework.</p> <p>Engaged with ACC and key industry bodies, businesses and workers to build our understanding of harm in the priority sectors and the change that is needed to improve health and safety performance.</p> <p>Partnered with MBIE, the Environmental Protection Authority and the Ministry for the Environment to jointly develop and rollout the new hazardous substances regulations.</p>	<p>Actively worked with two emerging work-related health bodies: the Health and Wellbeing Leaders' Network and the Health Benefits of Good Work New Zealand Signatories' Steering Group.</p> <p>Working with these groups forms part of our work to deliver against the strategic actions set out under <i>Healthy Work</i>.</p>	<p>Worked closely with the Forest Industry Safety Council, supporting its governance, leadership and operational activities to help shift health and safety performance in the forestry sector.</p> <p>Supported the establishment of the Agriculture Leaders' Health and Safety Action Group, a body set up for the agriculture sector to provide stronger health and safety leadership.</p>

A key priority in 2016/17 has been to engage with businesses, workers, industry, unions and our regulatory partners to co-develop the Government's Health and Safety at Work Strategy with MBIE. This has helped to shape the development of the vision, goals and priority areas of focus for the Strategy.

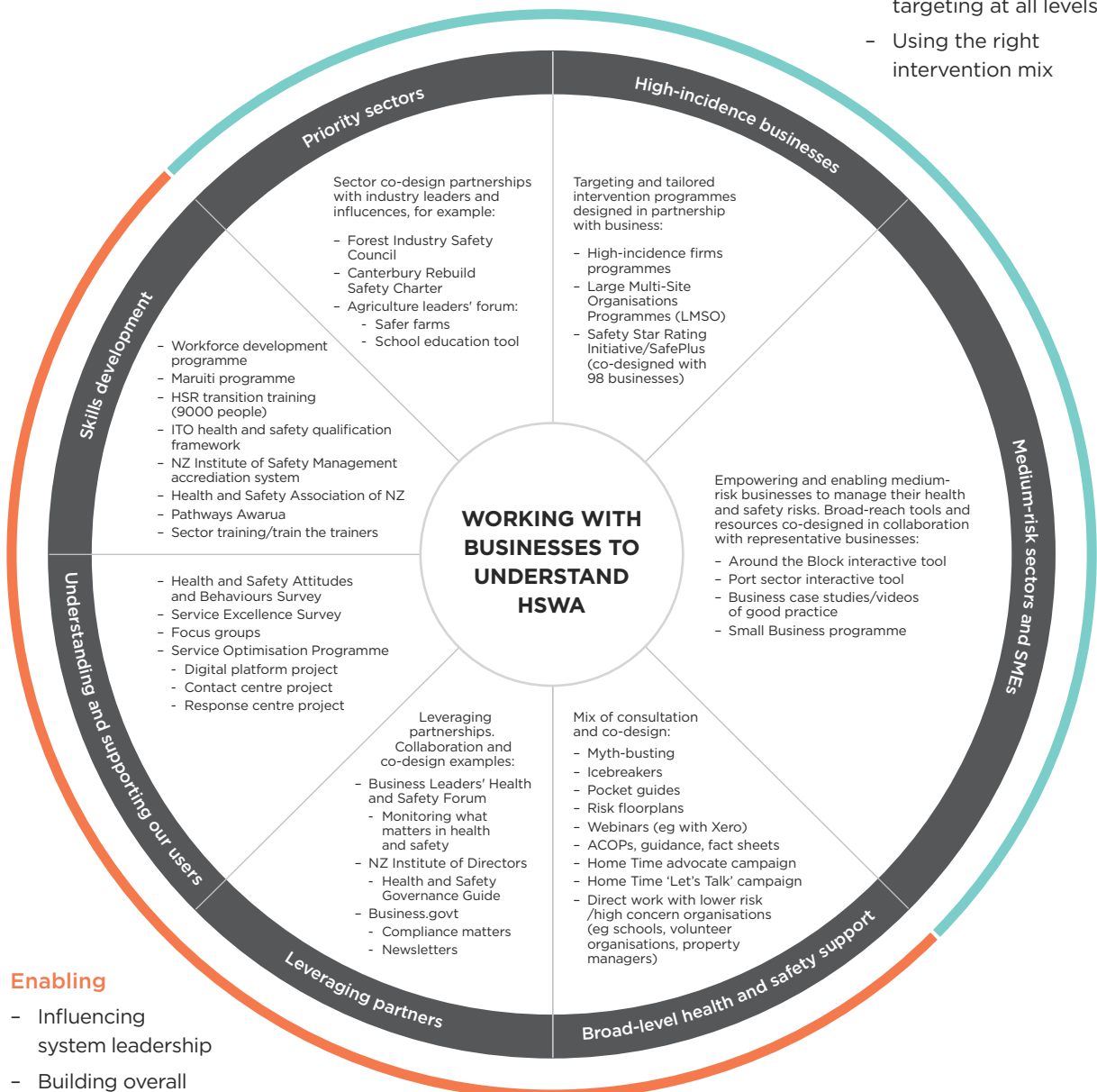
An independent review found that WorkSafe’s contribution to the Government’s Better Public Services (Result Area 9 target) over 2015-17 showed a well-articulated commitment to collaboration, co-design and engagement in developing education and engagement material to support HSWA.

We developed a range of educative tools and support in partnership with businesses and sectors to introduce HSWA. Some examples of these are shown in the diagram below.

R9 Co-design review

Targeting

- Evidence-based risk targeting at all levels
- Using the right intervention mix



Enabling

- Influencing system leadership
- Building overall health and safety system capability

## Improving health and safety outcomes for Māori

Māori are over-represented in work related harm statistics. Maruiti 2025 is WorkSafe's strategy to reduce this harm. A key objective of the strategy is to reduce Māori work-related fatalities, injuries and health impacts to the point where it is equal to or lower than non-Māori rates by 2025.

We have established a partnership with the Māori community to improve health and safety for Māori workers. This includes changing the way we work with Māori. For example, WorkSafe, ACC and Ngāti Porou have developed a marae-based approach using kaupapa Māori to improve health and safety for Māori.

A key highlight in 2016/17 was the delivery of the first Te Ao Maruiti health and safety forestry learning pilot in Ruatoria, Gisborne. Our new marae-based programme, part-funded by ACC, is tailored to local tikanga, expertise and community services.

Feedback received by our partners, stakeholders and crews on the pilot strongly indicated that the Marae provided a safe environment for building confidence and increased learning. WorkSafe intends to roll the pilot out, working in partnership with the Māori community, to improve health and safety for Māori workers in targeted industries.



**Te Ao Maruiti**  
*Safe Haven*



East Coast Forestry owners, contractors and workers, Taumata o Mihi Marae, Ruatoria

---

# Grow health and safety capability across the education and skills system

In 2016/17 we committed to:

- help businesses and workplaces understand what effective engagement and participation looks like and how to put these practices into place
- work in partnership with iwi to strengthen worker engagement and participation for Māori using a kaupapa Māori lens
- work with MBIE to complete a workforce development plan, focussing on opportunities to influence education and training to fill critical capability gaps
- support the Health and Safety Association of New Zealand's work to increase the skills of health and safety professionals.

Our work has influenced opportunities to build health and safety capability amongst the workforce. We have also made progress to increase the role and contribution of workers in influencing health and safety change.

For your safety du



No smoking



Stop your engine

We have laid important foundations to build health and safety capability across the workforce. Our work is providing workers with the skills and knowledge to be healthy and safe.

**67%** ↑ UP FROM 63% IN 2014

of workers are very confident they have the skills and knowledge to stay safe

**53%** ↑ UP FROM 46% IN 2014

of workers are very confident they have the knowledge and skills to avoid long-term health problems

2016 Attitudes and Behaviours Survey

We are making progress to improve the health and safety capability of workers. We need to maintain a focus on increasing workers' knowledge and skills to effectively manage critical risks, particularly related to work-related health.

### **Building health and safety capability across the workforce**

For workplaces to be safe and healthy, leaders, managers and workers must have the skills and knowledge to manage risks, and there must be competent professionals to support them.

With this goal in mind, WorkSafe is engaging with stakeholders from the education and training sector, including Industry Training Organisations, the Industry Training Federation and the New Zealand Qualifications Authority (NZQA), to better understand what areas of workforce development affect health and safety performance.

We are also involved in initiatives to lift the health and safety capability of the workforce, including:

- contributing to the Targeted Review of Health and Safety Qualifications and Unit Standards review (for example hazardous substances unit standards)
- working with the Tertiary Education Commission to develop a free online health and safety literacy and numeracy module to build basic skills and awareness of risks
- delivering four new health and safety qualifications for health and safety professional career development
- working with the Health and Safety Association of New Zealand to develop a best practice generalist accreditation framework to lift and maintain the standard of health and safety professionals.

In 2017/18 we will continue to strengthen health and safety capability across the workforce, ensuring workers have the skills and knowledge to effectively manage health and safety risks.



## **Increasing the contribution and role of workers**

The best health and safety outcomes are achieved when businesses and workers work together. Businesses with workers (and their representatives) who actively contribute to health and safety are safer places to work.

Our work in 2016/17 increased the role and contribution of workers in managing health and safety risks at work.

Worker engagement, participation and representation were embedded as a key focus of our harm prevention programmes delivering against the Harm Reduction Action Plan and *Healthy Work*. This included targeted initiatives to increase worker contributions to solve health and safety issues. We also integrated worker engagement and participation practices in our health and safety forestry pilot in Ruatoria, increasing the role of Māori workers in improving health and safety in the forestry sector.

Our work helped to raise awareness of the importance and value of engaging workers. Key initiatives included developing educational material and case studies for our website, sector roadshows and newsletters, social media, unions and presentations. We also developed content on worker involvement on health and safety for the business.govt.nz newsletter with a distribution of over 194,000 business customers.

Worker engagement, participation and representation was a strong focus in proactive media releases, covering topics such as engaging workers to reduce harm in agriculture and keeping workers safe around hazardous substances. Our 'Use Your Mouth' campaign and Around the Block tool included messages and guidance to promote worker involvement in managing critical health and safety risks.

We developed a new assessment tool to support frontline staff to assess how businesses meet their worker engagement, participation and representation requirements. WorkSafe worked closely with the New Zealand Council of Trade Unions to inform the development of the tool.

# Strengthening worker engagement, participation and representation in health and safety is a priority for WorkSafe. It is essential to growing a positive health and safety culture in New Zealand workplaces.

A high proportion of workers say they have a say in decisions about health and safety, and have opportunities to participate in health and safety discussions in their workplace and raise issues.

However, workers are less likely than employers to say that there is follow through, with employers engaging with workers and telling them how they have considered workers' views when decisions are made about health and safety.

53%

Workers agree they are told how their views have been considered when decisions are made about health and safety

2016 Attitudes and Behaviours Survey

79%

Employers agree their business always lets workers know how their views have been considered in decisions about health and safety

Results indicate good levels of worker participation in, and influence on, health and safety. However, there is still room to increase the contribution and role of workers.

79%

Workers who agreed that they have a say in decisions that affect their health and safety

63%

Workers who said they had regular health and safety meetings

79%

Workers who said their boss encourages them to speak up if something feels unsafe

2016 Attitudes and Behaviours Survey

---

# Effectively embed the regulatory framework

In 2016/17 we committed to:

- implementing and embedding HSWA across WorkSafe by developing and refining operational policies, including those for use by our inspectorate
- developing more technical guidance, Safe Work Instruments, Approved Codes of Practice, regulations and sector-specific support to embed the new regulatory framework
- using our frontline inspectors to develop inspectorate practice, procedures, and assessment tools aligned with the new regulatory framework.

We made an important contribution in strengthening the regulatory framework that underpins the health and safety system. We improved our inspectorate capability, developed guidance and support, and took opportunities to influence and enhance the regulatory framework.



The health and safety regulatory framework is essential for improved performance across New Zealand workplaces. The framework sets clear expectations and responsibilities for businesses and workers.

The framework balances detailed requirements with flexibility for businesses to innovate in the way they achieve health and safety outcomes.

Our work to embed the regulatory framework included:

- delivering our first Safe Work Instrument<sup>12</sup> on asbestos-relevant courses
- completing Approved Codes of Practice on air quality (extractives) and the management and removal of asbestos
- developing five good practice guides, four quick guides and a range of fact sheets for businesses
- clarifying WorkSafe's position on how we will apply the regulatory framework when other agencies' jurisdictions overlap with ours
- clarifying how we will apply the Health and Safety at Work Act in specific situations (eg passengers on quad bikes)
- continuing to embed the WorkSafe operational policy framework, including developing policies on investigations, authorisations, court orders, reviews, remedial action, and enforceable undertakings, as well as reviewing our enforcement policy
- working with MBIE to provide operational input into developing the new hazardous substances regulations and identifying priorities for the second phase of regulations under HSWA.



<sup>12</sup> Safe Work Instruments are essentially legally enforceable rules developed by WorkSafe and approved by the Minister for Workplace Relations and Safety. They allow for greater flexibility and timelier updates to the regulatory framework to reflect changes in technology, standards, and health and safety practice.



We have invested significant effort in training to build our frontline capability to apply the regulatory framework in an effective and consistent way.

We will continue to improve our practice framework, ensuring staff have access to the right tools and support to apply the regulatory framework. This work has been aided by the secondment of frontline staff into positions where they can help shape good practice on the frontline.

We are refining our quality framework to support continuous improvement in the use of inspectorate tools and guidance, supporting improved frontline decision-making.

Our work has provided the regulated community with clear guidance on what is required of them to put their health and safety responsibilities into practice.

### **Strengthening the management of hazardous substances**

New regulations have been made to support the safe management of hazardous substances manufactured, used and stored in the workplace.

The Health and Safety at Work (Hazardous Substances) Regulations transfer the majority of work-related requirements for hazardous substances from the HSNO legislation into the HSWA regulatory framework. This makes requirements simpler for businesses that use hazardous substances to work towards fewer injuries and illnesses.

We have undertaken extensive work to support the drafting and eventual delivery of the new regulations. A key focus has been to develop training resources and workshops for all WorkSafe staff and more comprehensive training for our inspectors. Our operational policies and processes will support staff applying the regulations and guidance material for businesses explain how the regulations work in practice.



---

## Creating an efficient and effective organisation

In 2016/17 we committed to:

- consolidate and build critical capabilities to support WorkSafe in becoming more efficient and effective
- complete work in response to the 2015 Targeted Independent Review of WorkSafe
- deliver critical projects influencing the shape and scale of our functions and projects, including the Fees and Levy Review and the 2016 Funding Review of WorkSafe.

We have been strengthening our organisation to become a high-performing regulator that works in an efficient and effective way. Our work to strengthen the organisation has set a firm foundation to drive health and safety change.

We have improved our performance and are building the critical capabilities enabling us to work effectively to transform New Zealand's health and safety performance.

Our organisational capability is an important enabler in helping to improve New Zealand's health and safety performance. Independent reviews have found that WorkSafe is heading in the right direction and is on track to becoming a high-performing public sector agency.

We are embedding our approach as an evidence-based regulator operating in a smart and targeted way. This includes building capability to deliver against our core roles of harm prevention, regulatory confidence and system leadership.

Progress included:

- building critical capabilities to deliver against our strategic priorities
- strengthening our internal processes and systems so we operate in an efficient and effective way
- reducing our corporate costs and moving WorkSafe to a steady state in the future.

### Investing in WorkSafe's capability

In 2013, Cabinet directed MBIE to review WorkSafe's funding and consider whether any adjustment to the Working Safer levy was required.

The Funding Review was informed by several independent review assessments of WorkSafe, which provided independent assurance that WorkSafe has invested funding in the right areas to become a smarter, more targeted, and effective regulator and system leader.

The Funding Review identified several cost pressures for WorkSafe due to increases in activity and regulatory requirements in some high hazard and priority sectors, as well as funding decisions made at its establishment.

Budget 2017 provided \$36.3 million of operating spending over the next four years to address these pressures.

## Major hazard facilities fees and levies review

In 2016, MBIE led a review of Major Hazard Facilities fees and levies. As part of the review, WorkSafe provided input to support the setting of levies and fees for the new Health and Safety at Work (Major Hazard Facilities) Regulations 2016. These cover the cost of WorkSafe's additional services provided under this regime. The review also saw revised fees set for the Health and Safety at Work (Asbestos) Regulations 2016 and the Health and Safety at Work (Hazardous Substances) Regulations 2017.

## Targeted Independent Review

In late 2015 an independent review of WorkSafe was undertaken, focused on our engagement and the quality of our interactions with stakeholders.

We made steady progress in 2016/17 to embed the Targeted Independent Review recommendations. This supported WorkSafe on its journey to become a high-performing regulator that targets risk and works in a consistent and fair way.

In 2016/17 WorkSafe:

- Developed a more proactive and systematic approach to engaging with government agencies, particularly supporting the implementation of HSWA.
- Built capability to deliver against the Harm Reduction Action Plan and *Healthy Work*, setting firm foundations to improve health and safety performance across the system.
- Raised awareness of work-related health risks, a key area of focus set out in the review.
- Consolidated organisational functions (eg building engagement and education capability, strengthening messaging to workers and businesses).
- Refined our corporate structure and reduced overhead costs to support greater efficiency in how we work.
- Built our inspectorate capability to ensure our inspectors have the right skills and capability to work effectively with businesses and workers.

## Strengthening our information, communication and technology capability

WorkSafe connects with a wide range of New Zealand businesses and workers. To maximise our geographical coverage we need the right systems to enable our staff to work in a smart, integrated and technology-enabled way.

Work is underway to develop a new WorkSafe ICT case management system. This will support our staff to work more effectively by providing a single platform to record, manage and access our operational information (assessments, engagements, interventions and enforcement).

The ICT business capability programme is building on technology that was successfully adopted by our High Hazards Unit in 2016. However, subsequent testing identified that the system did not have the capacity to fully meet our future operational needs and we have been working to identify a more fit-for-purpose case management system. Development of the new ICT system will continue over 2017/18.



## Our staff

### Building our capability

In 2016/17 WorkSafe identified the need for greater internal coherence across teams and a more efficient way of operating – driven from our strategic priorities and responsive to demands in our external environment. As a result improvements were made to:

- Strengthen WorkSafe’s strategy and research and evaluation functions.
- Enhance focus on education and engagement.
- Implement a more agile, flexible way of working, particularly in our management of programmes.
- Enhance our ability to coherently influence and implement the regulatory system.
- Address some structural issues and filling skills gaps.

Our Inspectorate Capability Development Programme provides structured development to all inspectors to ensure we build consistent and credible practice underpinned by the right technical capabilities. WorkSafe is supporting the development of the Government Regulatory Compliance Qualification led by MBIE and our inspectorate programme has now been accredited at NZQA Level 4.

This year significant effort was placed on specific areas of development, including upskilling the inspectorate ahead of the new hazardous substances regulations coming into force and training Investigations staff in the Advanced Investigation Skills Programme, which included mock trials held in a courtroom setting.

WorkSafe has also made progress in building its internal Te Ao Māori capability. This included delivering Kaupapa Māori training and rolling out the Te Kete Maruiti app to support staff in learning key Māori concepts and protocols. We also developed our Māori Sudden Death resource kit to support frontline staff who may encounter a Māori fatality or serious injury at work. This work has helped our staff to understand Te Ao Māori and how they can incorporate Tikanga within their roles.

### SUPPORT INFRASTRUCTURE

As the organisation matures, WorkSafe needs to ensure our foundational infrastructure is robust and future-fit. The emphasis in 2016/17 was on providing better access to HR tools and resources. This was done by investing in our e-learning resources, reviewing and refreshing our Human Resources policy framework (including a remuneration framework) and preparation for a new Human Resource Information System and payroll solution which will go live late in the 2017/18 year. We also concluded collective bargaining and implemented a new Collective Agreement with the Public Service Association.

This investment in HR foundations will drive a greater focus on organisational capability and culture in future years.

## Keeping our people healthy and safe

The health, safety and wellbeing of staff is a top priority for WorkSafe. As a system leader we must lead by example and demonstrate strong health and safety practices for our own people. Everyone in WorkSafe, from our Board through to frontline staff, works to ensure we set a high health and safety standard for others to follow.

### UNDERSTANDING OUR CRITICAL RISKS

WorkSafe is clear that all workplaces need to have a better understanding and management of critical risk – and our own organisation is no different. Our focus has been on our three principal risks.



#### 1. DRIVING VEHICLES WHILE WORKING

In 2016/17 a comprehensive review of the motor vehicle policy and driving procedures was undertaken to ensure our people are provided with fit-for-purpose vehicles, and are competent, safe drivers.



#### 2. AGGRESSIVE AND THREATENING BEHAVIOUR

We have an extensive training programme to help staff mitigate the likelihood of threatening behaviour and/or defusing situations when they arise. We also ensure that our offices have measures and practices to keep staff safe.



#### 3. EXPOSURE TO TRAUMATIC EVENTS

Psychological harm and associated pressures of interactions with victims and their families after traumatic events is a key risk for WorkSafe. In 2016/17 we introduced a psychological support programme for Investigation inspectors, Legal staff, and others potentially are exposed to distressing material. We also provide critical incident debriefs to people exposed to traumatic events.

## Building our health and safety culture

WorkSafe has a strong commitment to building a culture where the health and safety of our people sits at the centre of everything we do. We have focused on creating an environment that fosters health and safety leadership, worker participation and risk management.

We undertake regular surveys to track our progress in building a strong health and safety culture within our organisation. Recent survey results have indicated an improvement (7%) in our health and safety culture index – this provides an indication of our people’s perception of the organisation’s commitment to health and safety.

Clear performance measures are important for tracking progress in creating a healthy and safe work environment for our people. Our Board takes an active monitoring role in tracking our internal health and safety performance. There is a strong focus on monitoring lead indicators of internal health and safety performance, particularly related to our critical risks.

Our senior leaders regularly discuss health and safety with their teams and people. This encourages conversations to raise awareness and increase the contribution our people make in managing our critical risks and creating healthy and safe work.

This year we reviewed our worker engagement, participation and representation structure to empower our people to take a more proactive role in improving health and safety practices.

Part of this work also focused on addressing our critical risks through more effective engagement with our people. A dedicated group of senior leaders, health and safety representatives and the PSA was set up to provide stronger joint leadership, direction and input to embed good health and safety practices across our business.



## Equal employment

WorkSafe is committed to being a good employer and ensuring that policies, practices, and systems are in place in accordance with the good employer provisions of the Crown Entities Act 2004. Our equal employment opportunities practices are summarised below:

### LEADERSHIP, ACCOUNTABILITY AND CULTURE



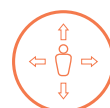
- Coaching workshops to support development of effective leadership skills.
- Talent and succession management practices to support staff to achieve career aspirations and enable strategic management of our people capability.
- Promotion of good health and safety practices with monthly focus areas.

### RECRUITMENT, SELECTION AND INDUCTION



- Making every effort to ensure recruitment processes are free from all bias, and monitoring key recruitment statistics relating to age, ethnicity and gender.
- A comprehensive, organisation-wide induction programme for new employees to help them start in their new roles. This includes e-learning, workshops and on-the-job tools and resources that are aligned to our vision, strategic priorities and values.

### FLEXIBILITY AND WORK DESIGN



- Health and safety risk profiling, including office security, ergonomic assessments and wellbeing.
- Actively support a number of non-standard work arrangements, where business needs can enable this, including part-time, flexible working hours, working from home and remote work.

### REMUNERATION, RECOGNITION AND CONDITIONS



- A new remuneration system that is now market-aligned, and provides greater visibility of linkages to career pathways.
- A structured career progression programme for Inspectors.

### HARASSMENT AND BULLYING PREVENTION



- Internal bullying policy and procedures aligned with WorkSafe's external guidance.

### HEALTHY AND SAFE ENVIRONMENT



Our commitment to providing staff with a safe workplace and supporting their wellbeing is delivered through a range of support services including:

- internal health and safety training for all staff
- the Safe Driver programme
- the Situational Safety and Tactical Communication programme
- ergonomic workstation assessments
- health monitoring
- influenza vaccinations
- professional supervision for those potentially at risk of psychological harm
- an Employee Assistance Programme.

## Our workforce profile

WorkSafe's success will be measured by having a workforce that is able to connect with and influence a wide and diverse workplace/user community.

Our approach is to attract workers with the right skills from a range of backgrounds, as well as a mix of age, gender and ethnicity. Our recruitment processes are designed to ensure that WorkSafe is inclusive and supports these goals.

The proportion of males to females in WorkSafe is broadly the same as in previous years: 48% women and 52% men compared with 47% women and 53% men last year.

While we have a fairly even gender split overall, there are greater variations in specific segments of our workforce. Non-inspectorate and managers' gender distribution have shown the greatest shift from last year, both improving the ratio of women in both groups.

WorkSafe's workforce has aged slightly, with our average age of 47.0 years compared with the previous year's 46.6. A higher proportion of our managers and inspectorate staff are over 45 years compared with the rest of our staff. Our talent and succession management programmes are intended to ensure that we have the future capability ready to fill critical and leadership roles as some of our leaders and staff begin to transition to retirement.

	AVERAGE AGE
Frontline	49.6
Back Office	43.8
Inspectorate	47.8
Non-Inspectorate	46.1
Manager	50.4
Staff	46.5
<b>WORKSAFE</b>	<b>47.0</b>

**511** FTEs

As at 30 June 2017 (does not include contractors)

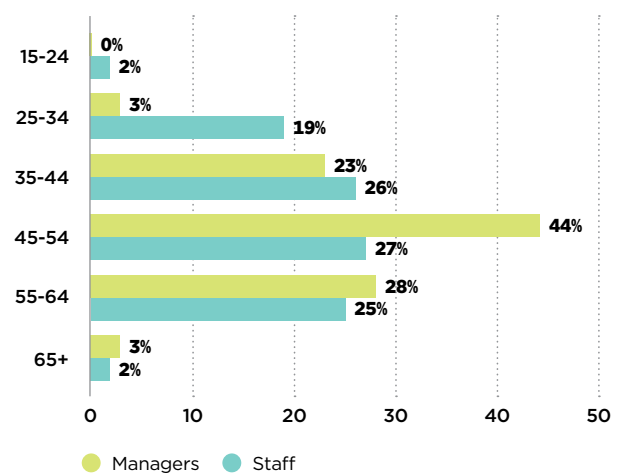
## Gender



### TOTAL WORKSAFE GENDER



## Age



**47**

the average age of WorkSafe's workforce



---

## Performance data and detail

## Our performance framework

Indicators from our Statement of Performance Expectations 2016/17 are summarised below. A number of indicators are measured by surveys. For those indicators measured by surveys, we comment on actual changes between years (ie when differences between results are statistically significant<sup>13</sup>); results that are significantly higher than previous years' results are shown in bold type in the tables below.

### Monitoring performance in 2016/17

WorkSafe's performance indicators all relate to the Vote Labour Market appropriation Workplace Relations and Safety - *Workplace Health and Safety* (for more information see page 99).

Information on the data sources, detailed requirements, and phrasing of questions asked in the Health and Safety Attitudes and Behaviours Survey (A&B Survey<sup>A</sup>), Service Excellence Survey (SES)<sup>B</sup> and National Survey of Employers (NSE) for the performance indicators below can be found on page 73.

WorkSafe provides performance reports to the Minister for Workplace Relations and Safety for the quarters ending 30 September, 31 December, and 31 March, as well as in the Annual Report.<sup>14</sup> WorkSafe also provides monthly Ministerial updates on the ICT Business Capability programme.

<b>PERFORMANCE INDICATORS SELECTED ACTIVITY MEASURES</b>	<b>TARGET 2016/17</b>	<b>RESULT 2016/17</b>
# of engagements with industry and PCBU <sup>C</sup> in priority sectors or other priority areas of focus <sup>D</sup>	Developing baseline	2,348
% of assessments which include a focus on work-related health risks	≥30%	36% (4,644)
% of assessment files reviewed that meet quality standards	≥80%	84%
% of people who say our guidance is very useful <sup>E</sup>	≥55%	57%
# of voluntary Duty Holder Reviews <sup>F</sup> of businesses' health and safety systems	400-600 (demand driven) <sup>G</sup>	403
% of files for prosecution that meet quality standards	≥80%	78%
% of prosecutions are successful	≥80%	88%
Ratio of engaged to disengaged staff	≥2.5 to 1	1:1 <sup>16</sup>
Total internal recordable injury frequency rate	<7.5 <sup>15</sup>	9.34 <sup>17</sup>
Lost-time internal injury frequency rate	<2.5 <sup>15</sup>	2.08
% of people we directly engage with who think WorkSafe is educative, fair, proportionate <sup>18</sup> , and performing effectively	See measure on page 64.	

<sup>13</sup> Statistical significance means that a difference that is observed in survey results is unlikely to be due to chance alone.

<sup>14</sup> These reports are made available on WorkSafe's website.

<sup>15</sup> These measures have been adjusted to reflect a rate per 1 million hours worked.

<sup>16</sup> The engagement result is below the target for 2016/17. WorkSafe is developing a People Strategy in 2017/18 that will address key issues raised through our recent staff engagement survey.

<sup>17</sup> The actual number of internal recordable injuries was reasonably low at 7 for 2016/17. The result is variable and reflects the low number of injuries that tend to occur. This means a small increase in actual injuries can cause a large rise in the rate. The target is being reviewed based on the approach used by other comparable organisations. The indicator was adjusted in 2017 to minimise the variability in results against this target - the denominator for the target was updated from 200,000 hours worked to 1 million hours worked.

<sup>18</sup> This measure replaces the previous 'consistent' one to reflect WorkSafe's current focus.

## Initial impact

Figures **highlighted** below represent significant changes from the previous year.

		YEAR DATA REPORTED					
		2014/15		2015/16		2016/17	
<b>Attitudes to health and safety improve<sup>h</sup></b>		There is no single measure - the full A&B Survey reports on a spectrum of attitudes. The desired result is that attitudes are positive and priority is given to health and safety.					
<b>Awareness of health and safety risk<sup>i</sup> grows in priority sectors</b>		<b>W</b> 17%	<b>E</b> 6%	<b>W</b> 15%	<b>E</b> 5%	<b>W</b> 14%	<b>E</b> 5%
<b>More people are confident about health and safety</b>	Knowledge/skills to keep safe	<b>W</b> <sup>j</sup> 63%		<b>W</b> 65%		<b>W</b> 67%	
	Knowledge/skills to avoid health problems	<b>W</b> 46%		<b>W</b> 52%		<b>W</b> 53%	
	Fully aware of obligations	<b>E</b> <sup>k</sup> 67%		<b>E</b> 65%		<b>E</b> 66%	
	Understand how to comply	<b>E</b> 62%		<b>E</b> 59%		<b>E</b> 61%	
<b>More people take responsibility for health and safety<sup>l</sup></b>	Workers	<b>W</b> 84%	<b>E</b> 86%	<b>W</b> 81%	<b>E</b> 86%	<b>W</b> 83%	<b>E</b> 84%
	Immediate boss/supervisors	<b>W</b> 71%	<b>E</b> 76%	<b>W</b> 66%	<b>E</b> 74%	<b>W</b> 69%	<b>E</b> 71%
	Top management	<b>W</b> 57%	<b>E</b> 58%	<b>W</b> 54%	<b>E</b> 57%	<b>W</b> <b>59%</b>	<b>E</b> 54%

<b>More people perceive WorkSafe is performing effectively and makes a real difference</b>	PERCEPTIONS OF PEOPLE IN OUR PRIORITY SECTORS <sup>m</sup>					
	Makes a real difference	Measure not available <b>NEW</b>	Measure not available <b>NEW</b>	<b>W</b> 53%	<b>E</b> 50%	
PERCEPTIONS OF PEOPLE WE DIRECTLY ENGAGE WITH <sup>n</sup>						
Educative	<b>W &amp; E</b> <b>NEW</b>	<b>W &amp; E</b> <b>NEW</b>	<b>W &amp; E</b> 64%			
Fair	<b>W &amp; E</b> 77%	<b>W &amp; E</b> 81%	<b>W &amp; E</b> <b>87%</b>			
Proportionate	<b>W &amp; E</b> <b>NEW</b>	<b>W &amp; E</b> <b>NEW</b>	<b>W &amp; E</b> 67%			
Performing effectively	<b>W &amp; E</b> <b>NEW</b>	<b>W &amp; E</b> <b>NEW</b>	<b>W &amp; E</b> 66%			

Worker **W** Employer **E**



## Behaviour changes

		YEAR DATA REPORTED					
		2014/15		2015/16		2016/17	
More people improve <sup>o</sup> their health and safety practices <sup>19</sup>	PEOPLE IMPROVING PRACTICES AS A RESULT OF DIRECT INTERACTION WITH WORKSAFE						
		W & E 83%		W & E 75%		W & E 81%	
	PEOPLE IN PRIORITY SECTORS WEAR PERSONAL PROTECTIVE EQUIPMENT (PPE) WHEN NEEDED <sup>o</sup>						
		W 45%	E 48%	W 51%	E 48%	W 52%	E 49%
More workplaces have health and safety systems <sup>p</sup>		E NEW		E NEW		E 79%	
More worker engagement <sup>r</sup> and participation <sup>s</sup> in health and safety	Engagement	W N/A	E N/A	W 52%	E 78%	W 53%	E 79%
	At a team/group meeting	W N/A	E N/A	W 59%	E 46%	W 64%	E 56%
	At a health and safety meeting	W 50%	E 36%	W 58%	E 40%	W 63%	E 51%
More operators manage high hazard safety systems well	MORE OPERATORS RESPOND TO POTENTIALLY DANGEROUS PRECURSOR EVENTS <sup>20</sup>						
		Response					
	Notify as per regulations	Not always 82 events		Not always 126 events		Not always 165 events <sup>21</sup>	
	Adequate response	99%		99%		96.4% <sup>22</sup>	
	MORE SAFETY CASES AND PHMPs FROM OPERATORS MEET REQUIREMENTS AND ARE FOLLOWED <sup>t</sup>						
		Safety cases					
Met requirements on first submission	None		None		None		
Cases not followed <sup>v</sup>	N/A		4		0		

Worker (W) Employer (E)

<sup>19</sup> This measure is used to report against the Vote Labour Market – Workplace Health and Safety appropriation 2016/17 (see page 99 for details).

<sup>20</sup> Dangerous precursor events are specified in HSWA and within regulations covering high hazard sectors. There is a regulatory requirement for operators to notify WorkSafe of these events and data is reported from WorkSafe's High Hazard Unit. Any event that should have been notified but is found not to have been is counted as a notification failure. A response is deemed adequate when the notification meets the requirements of the relevant regulation (eg timeliness and completeness), and the operator's investigation and preventive actions are considered appropriate by a WorkSafe inspector.

<sup>21</sup> The increase in precursor events for 2016/17 was due to new requirements introduced in the reporting year requiring operators of designated MHF facilities to notify WorkSafe of precursor events.

<sup>22</sup> This target was not met due to three MHF precursor events not being handled adequately.

## System targets

		YEAR DATA REPORTED		
		2014/15	2015/16	2016/17
<b>Harm reduction in priority sectors<sup>U</sup></b>	<b>WORK-RELATED INJURIES RESULTING IN MORE THAN A WEEK AWAY FROM WORK (PER 1,000 FTES)<sup>23</sup></b>			
		2014	2015	2016
	Forestry	23.7	15.2	16.7
	Agriculture	21.6	22.3	19.2
	Construction	20.0	19.5	19.5
	Manufacturing	20.2	19.4	19.9
<b>At least a 25% decrease in work-related fatalities and serious injuries by 2020<sup>W</sup></b>	<b>FATAL WORK-RELATED INJURIES (PER 100,000 FTES)</b>			
		2013-15 <sup>24</sup>		2014-16 <sup>24,25</sup>
	Rate	2.2		2.1
	Difference from baseline	35% lower		39% lower
	<b>SERIOUS NON-FATAL WORK-RELATED INJURIES (PER 100,000 FTES)</b>			
		2015	2016 <sup>25</sup>	
	Rate	15.0	14.3	
	Difference from baseline	22% lower	26% lower	
	<b>WORK-RELATED INJURIES RESULTING IN MORE THAN A WEEK AWAY FROM WORK (PER 1,000 FTES)</b>			
		2015	2016 <sup>25</sup>	
	Rate	12.2	11.7	
	Difference from baseline	8% higher	4% higher	
See Official Statistics on pages 68-72 for more detail				
<b>Zero catastrophic events<sup>W</sup></b>	<b>EVENTS</b>			
		0	0	0

<sup>23</sup> Previous results for this indicator, as reported in the 2016/17 SPE, have been updated to reflect improvements in the collection of injury data.

<sup>24</sup> A three-year average is used for each reporting year to moderate the fluctuations that can occur when reporting data with numbers lower than 100.

<sup>25</sup> 2016 data is provisional.

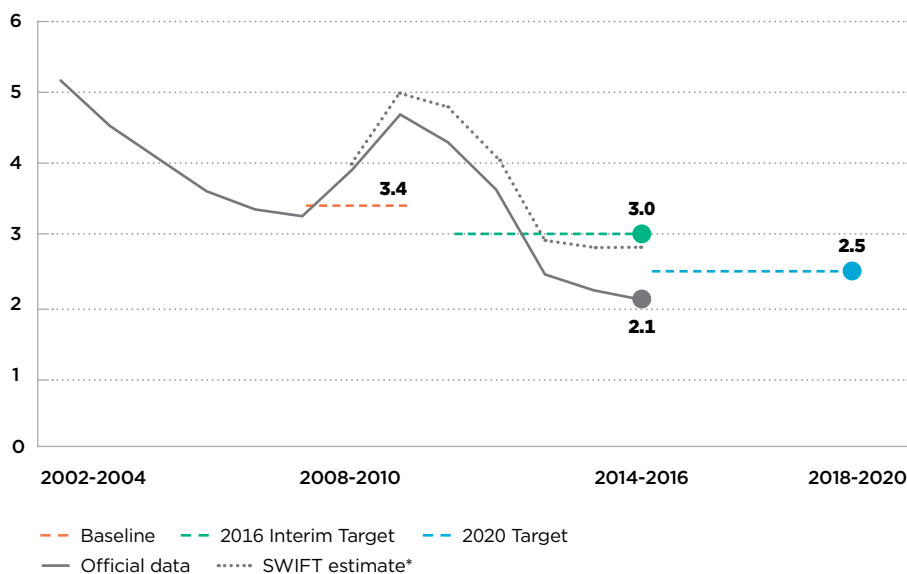
Fatalities from electrical and gas accidents trend down <sup>x</sup>	FATAL INJURIES TO PUBLIC (PER MILLION PEOPLE EXPOSED)			
		2010-14	2011-15	2012-16
	Electricity	0.3	0.3	0.18
	LPG	0.3	0.3	0.24
Natural gas	0.0	0.0	0.0	
50% reduction in asbestos <sup>y</sup> disease by 2040	NUMBER OF FATALITIES <sup>26</sup>			
		2011	2012	2013
		71	75	90 <sup>z</sup>

<sup>26</sup> Based on current data, a 50% reduction in asbestos disease from the baseline would equate to 44 deaths, or fewer, by 2040.

# Official statistics

## Target indicator 1: Fatal work-related injury

The rate of fatal work-related injury has been trending down since the peak of 2009-11, and now appears on track to meet the 2020 target



Source: Stats NZ, from WorkSafe notifications and ACC claims data

\* Note that WorkSafe cannot reproduce Stats NZ's age-standardisation methodology; a consequence of this is that SWIFT rates appear higher than the official rates. This series should not be interpreted as a prediction of the official rate, but it is useful for understanding the future trend

**FIGURE 1:** Fatal work-related injury rate (per 100,000 FTEs)

## Progress towards target

Current result compared to:

**Baseline (2008-10<sup>27</sup>):** 39% lower      **2016 interim target (2014-16):** 31% lower

**Previous result (2013-15):** 6% lower      **2020 target (2018-20):** 17% lower

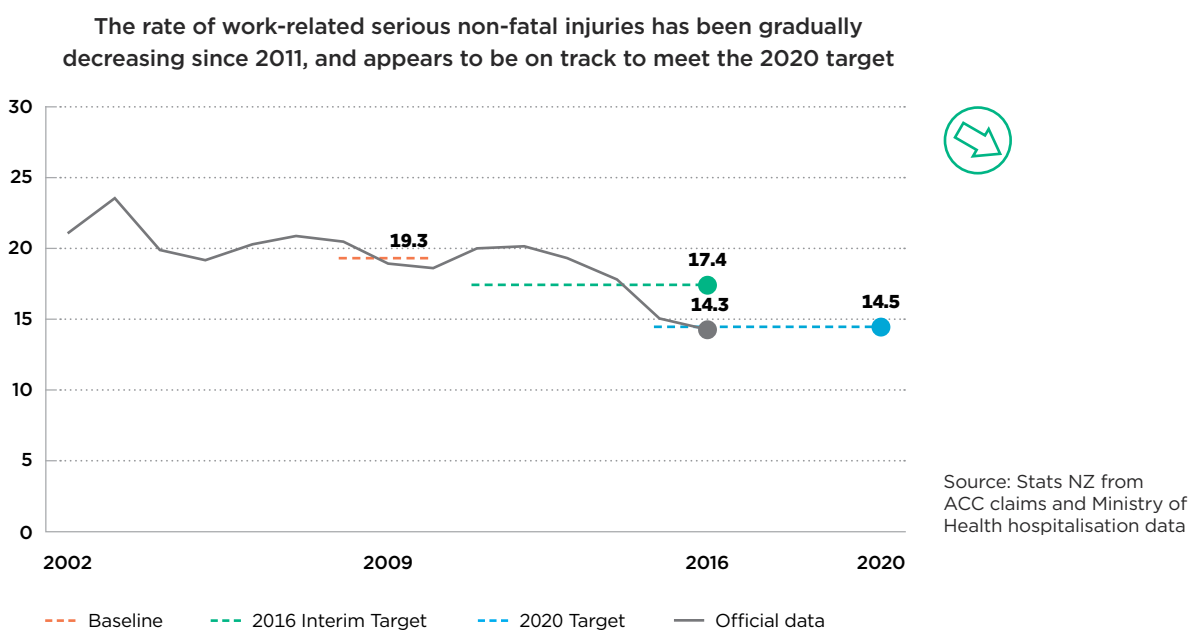
	Baseline	2009-11	2010-12	2011-13	2012-14	2013-15	2014-16 <sup>28</sup>	2016 target	2020 target
Average number of fatalities		94	88	75	52	51	51		
Fatality rate (per 100,000 FTEs)	3.4	4.7	4.3	3.6	2.4	2.2	2.1	3.0	2.5

**TABLE 1:** Fatal work-related injury

<sup>27</sup> The baseline for fatal injury is the average rate for 2008-2010, excluding the 29 workers killed in the Pike River Coal Mine Tragedy (November 2010). These fatalities are included in the official indicator data.

<sup>28</sup> 2016 data is provisional.

**Target indicator 2: Serious non-fatal work-related injury**



**FIGURE 2:** Serious non-fatal work-related injury rate (per 100,000 FTEs)

**Progress towards target**

Current result compared to:

**Baseline (2008-10 avg):** 26% lower

**2016 interim target:** 18% lower

**Previous year (2015):** 5% lower

**2020 target:** 2% lower

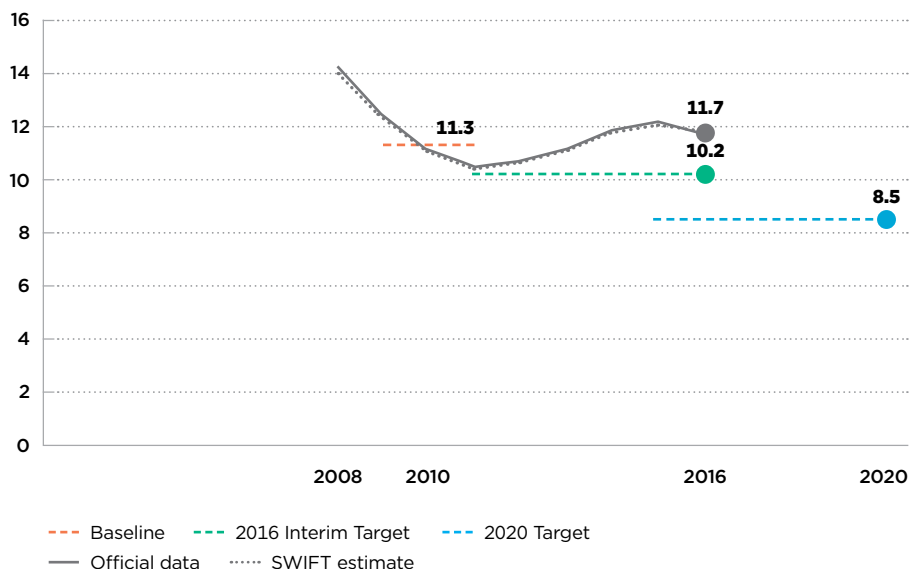
	Baseline	2011	2012	2013	2014	2015	2016 <sup>29</sup>	2016 target	2020 target
Estimated number of injuries		407	413	424	397	349	346		
Injury rate (per 100,000 FTE)	19.3	20.0	20.1	19.2	17.8	15.0	14.3	17.4	14.5

**TABLE 2:** Serious non-fatal work-related injury

<sup>29</sup> 2016 data is provisional.

**Supplementary indicator: Work-related injury resulting in more than a week away from work**

Despite the recent reduction in the rate of injuries resulting in more than a week away from work, this indicator remains off track.



Source: Stats NZ from ACC claims data

**FIGURE 3:** Rate of work-related injury resulting in more than a week away from work (per 1,000 FTEs)

**Progress towards target**

Current result compared to:

**Baseline (2009-11 avg):** 4% higher

**2016 interim target:** 15% higher

**Previous year (2015):** 4% lower

**2020 target:** 38% higher

	Baseline	2012	2013	2014	2015	2016 <sup>30</sup>	2016 target	2020 target
Estimated number of injuries		20,535	21,915	24,219	25,407	25,488		
Week away from work injury rate (per 1,000 FTEs)	11.3	10.7	11.2	11.9	12.2	11.7	10.2	8.5

**TABLE 3:** Work-related injury resulting in more than a week away from work

<sup>30</sup> 2016 data is provisional.

## Economic impacts on work-related injuries

Economic context is important when considering the drivers and changes in injury trends. Production pressure and new workers entering industries are thought to have an adverse effect on safety. Evidence suggests that higher injury rates during periods of growth or recovery are an outcome of greater reporting of injuries.<sup>31</sup> This research demonstrates that fatal accidents do not seem to be as sensitive to economic conditions as injuries resulting in more than a week away from work.

The economic outlook for New Zealand is for steady growth over the coming years – with growth in construction and net immigration among the key features that are expected to affect the labour market conditions,<sup>32</sup> and therefore work-related injury rates. These trends could impact the economic cost of deaths, injuries and ill-health arising from work, which is currently estimated at \$3.5 billion a year.<sup>33</sup>

## Progress in WorkSafe’s priority sectors

The level of harm in our priority sectors – agriculture, forestry, construction and manufacturing – remains high, but there are some encouraging signs of improvement, with small reductions in the numbers of fatal and week away from work injuries across some of the sectors. There were 30 work-related fatalities in these sectors in the year to 30 June 2017, down from 34 in the previous year.<sup>34</sup>

- Manufacturing has consistently had the lowest rate of fatal injury of the priority sectors, currently at 1.3 per 100,000 Full Time Equivalent (FTEs).
- Construction has continued to demonstrate progress in reducing the risk of fatal injury. Four people working in construction lost their lives in the year to 30 June 2017, down from the seven killed in the previous year. The overall rate of fatal injury in the sector has decreased over time, from 4.9 per 100,000 FTEs in 2012-14 to 1.9 in 2015-17.
- The rate of fatal injury appears to be reducing in forestry, from 84.8 to 45.1 per 100,000 FTEs between 2012-14 and 2015-17, highlighting the progress made in addressing the risks that can kill and injure workers in this industry. The size of the forestry workforce has ranged between 5,700 and 9,500 FTEs between 2014 and 2016. These fluctuations and the small size of the industry mean that the overall rate is variable over time.
- The high rate of fatal injury in agriculture is of concern and is not showing signs of reduction. In the 12 months to 30 June 2017, 19 agricultural workers were killed, with a further two fatalities in related support services. This represents a rate of 17.2 per 100,000 FTEs for the three year period ending 30 June 2017, up from 15.2 in 2012-14.

<sup>31</sup> Boone and Ours (2006), 'Are recessions good for workplace safety?' *Journal of Health Economics*, 25, 1069-1093.

<sup>32</sup> [www.treasury.govt.nz/budget/forecasts/hyefu2016/hyefu16.pdf](http://www.treasury.govt.nz/budget/forecasts/hyefu2016/hyefu16.pdf)

<sup>33</sup> O'Dea D. and Wren J. (2012), 'New Zealand Estimates of the Total Social and Economic Cost of Injuries. For All Injuries, and the Six Priority Areas.' Report to New Zealand Injury Prevention Strategy. Wellington, New Zealand.

<sup>34</sup> SWIFT data.

During the 2016 calendar year, there were 11,204 injuries to workers in these sectors resulting in more than a week away from work, at a level and rate largely unchanged from 2015. The rate of injury resulting in more than a week away from work has remained consistently around 20 per 1,000 FTEs since 2013 in both manufacturing and construction. Both of these sectors are experiencing workforce changes - on average the manufacturing workforce has decreased by 7% from 253,000 in June 2015 to 236,000 in June 2016, while construction has been steadily growing since 2012.

Although the rate of these injuries in forestry has increased from 15.2 in 2015 to 16.7 in 2016, the overall rate has been steadily declining since 2012, when it was 27.1. Significant work has been undertaken by the industry, including the Forest Industry Safety Council, to improve health and safety performance in the sector.

Twenty-two workers were fatally injured in the transport, postal and warehousing sector in the year to 30 June 2017, up from nine in the previous twelve months. The rate of fatal injury in this sector has increased from 10.8 per 100,000 FTEs in 2012-14 to 15.1 in 2015-17. Addressing the critical risks that harm workers in this sector - vehicles, fatigue and falls from height - will require stronger collaboration and health and safety leadership from the industry.



## Notes on performance data and detail

- <sup>A</sup> Results are available from three Attitudes and Behaviours Surveys which are referred to as the 2014, 2015 and 2016 surveys; these relate to the 2014-2015, 2015-2016, and 2016-2017 financials years.
- <sup>B</sup> Note that in order to have each year's results comparable, all results from the SES come from the module/section of the survey that interviews people (employers, employees and self-employed) who have had recent contact with a WorkSafe Health and Safety Inspector during an assessment or investigation. Readers should also note that, to make the 2016-2017 results comparable with previous years', the results for people only interacting with WorkSafe about a HSNO issue or incident are excluded because this group was surveyed separately in previous years.
- <sup>C</sup> WorkSafe data. Assessment inspectorate managers and inspectors undertaking engagement initiatives and/or presentations where there are opportunities to improve health and safety performance or address risks to health and safety (in time we will incorporate engagements undertaken by the High Hazards Unit inspectorate, other inspectors, and engagements undertaken by our senior leaders).
- <sup>D</sup> Priority sectors include: agriculture, manufacturing, forestry and construction. Other priority areas of focus include particular regional or national sectors of concern (outside of the priority sectors) that present a significant actual or potential risk to workplace health and safety (eg hazardous substances, adventure activities).
- <sup>E</sup> SES. People who agreed that the written WorkSafe guidance they accessed was very useful.
- <sup>F</sup> A Duty Holder Review is where people with responsibilities for health and safety undertake self-investigations, guided by WorkSafe, of incidents involving harm or the potential for harm.
- <sup>G</sup> WorkSafe data. This is not a process required by legislation and the work is driven by demand.
- <sup>H</sup> A&B Survey. Key findings and related reports are published publicly on WorkSafe's website.
- <sup>I</sup> A&B Survey, four priority sectors. People who saw at least a moderate risk that workers would be seriously hurt at work in the next 12 months.
- <sup>J</sup> A&B Survey, four priority sectors. Workers who were very confident that they have the knowledge and skills to keep themselves safe and away from long-term health problems at work.
- <sup>K</sup> A&B Survey, four priority sectors. Employers who were confident that they are fully aware of their obligations as an employer and understand how to comply with these health and safety obligations.
- <sup>L</sup> A&B Survey, four priority sectors. People who said each group has a 'very big responsibility' for workplace health and safety.
- <sup>M</sup> A&B Survey, four priority sectors. Workers and employers who agreed WorkSafe is making a real difference to workplace health and safety in New Zealand.
- <sup>N</sup> SES, after interaction with a Health and Safety Inspector. Percentage who agreed that:
- they now know more about what they need to do about health and safety in the workplace (educative)
  - they were treated fairly
  - WorkSafe's response was in proportion to the level of risk or likely harm that the situation or issue posed to workplace health and safety
  - WorkSafe is making a real difference to workplace health and safety in New Zealand.
- <sup>O</sup> SES, after interaction with a Health and Safety Inspector. People who had contact with WorkSafe that said at least one change had been made to improve workplace safety and/or reduce risks to workers' health. Note that in 2017 the survey asked about a wider range of potential changes than the 2016 one and so the figures shown here are based on a comparable set of responses to minimise any impact on the results of the change in question wording.
- <sup>P</sup> NSE. Employers with a process for identifying, assessing and managing the business's main health and safety risks, who also regularly review the processes and systems.
- <sup>Q</sup> A&B survey. People in priority sectors reporting that PPE is always worn when needed.
- <sup>R</sup> A&B Survey, four priority sectors. Workers who agreed that 'when my boss makes decisions about workplace health and safety, workers are always told how their views have been considered'. Employers who agreed that 'our business always lets workers know how we have considered their views when decisions are made about workplace health and safety'.
- <sup>S</sup> A&B Survey, four priority sectors. People who said their workplace/business has 'regular health and safety meetings' and/or 'health and safety is a regular item at team/group meetings' (indicator of participation practices).
- <sup>T</sup> WorkSafe High Hazard Unit data. Cases of non-compliance relating to a breach of the requirements set out in safety cases or PHMPs subsequent to submission.
- <sup>U</sup> ACC work-related injury claims for more than a week away from work, sourced from SWIFT (numerator); Statistics New Zealand's Household Labour Force Survey fulltime equivalents (denominator); per sector using SWIFT industry (Agriculture and Forestry) and ANZSIC06 (Construction and Manufacturing). 2015/16 data refers to the 2015 calendar year. A six-month lag is applied to this indicator to achieve better data capture and improve comparability between years.
- <sup>V</sup> Stats NZ. The rates reported here have been revised to reflect changes in the official data. Injury claims under ACC's Accredited Employers Programme have been included and the denominator has changed following the Household Labour Force Survey redevelopment.
- <sup>W</sup> WorkSafe data. WorkSafe is focussed on catastrophic events with the potential for multiple fatalities, and/or serious and widespread harm, including in the wider community.
- <sup>X</sup> Data from WorkSafe, Stats NZ (population and dwelling numbers), and MBIE (Energy File). Progress reported using five-year averages by calendar year.
- <sup>Y</sup> Mesothelioma mortality data, Ministry of Health. Progress reported by calendar year. The baseline set for this indicator is the average number of mesothelioma deaths between 2009-2011. There is a three-year lag in reporting against this indicator.
- <sup>Z</sup> WorkSafe estimates indicate that the number of mesothelioma deaths will increase to approximately 92 for the 2014 year. This estimate was calculated based on a linear regression of mesothelioma deaths since 2000. The 2014 'target' has been updated to reflect this projected increase and expected result.

---

# Financial statements

## Statement of comprehensive revenue and expense for the year ended 30 June 2017

\$000	NOTES	ACTUAL 2017	BUDGET 2017	ACTUAL 2016
<b>Revenue</b>				
Funding from the Crown	2	88,732	87,592	86,863
Interest revenue	2	592	180	802
Other revenue	2	3,408	7,803	3,435
<b>Total revenue</b>		<b>92,732</b>	<b>95,575</b>	<b>91,100</b>
<b>Expenditure</b>				
Personnel costs	3	60,162	60,841	58,089
Other expenses	4	30,450	35,000	34,292
Depreciation and amortisation expense	8, 9	1,032	1,739	936
Capital charge		-	145	-
Asset impairment	9	6,092	-	-
<b>Total expenditure</b>		<b>97,736</b>	<b>97,725</b>	<b>93,317</b>
<b>SURPLUS/(DEFICIT)</b>		<b>(5,004)</b>	<b>(2,150)</b>	<b>(2,217)</b>
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE</b>		<b>(5,004)</b>	<b>(2,150)</b>	<b>(2,217)</b>

Explanations of major variances against budget are provided in note 20.

*The accompanying notes form part of these financial statements.*

## Statement of financial position as at 30 June 2017

\$000	NOTES	ACTUAL 2017	BUDGET 2017	ACTUAL 2016
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	5	654	7,652	2,475
Receivables and payments	6	2,031	500	2,415
Investments	7	18,000	-	19,000
<b>TOTAL CURRENT ASSETS</b>		<b>20,685</b>	<b>8,152</b>	<b>23,890</b>
<b>Non-current assets</b>				
Property, plant and equipment	8	4,691	6,328	4,783
Intangible assets	9	3,111	12,253	5,458
<b>TOTAL NON-CURRENT ASSETS</b>		<b>7,802</b>	<b>18,581</b>	<b>10,241</b>
<b>TOTAL ASSETS</b>		<b>28,487</b>	<b>26,733</b>	<b>34,131</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Payables	10, 12	6,053	4,600	7,142
Employee entitlements	11	4,089	4,600	3,740
<b>TOTAL CURRENT LIABILITIES</b>		<b>10,142</b>	<b>9,200</b>	<b>10,882</b>
<b>Non-current liabilities</b>				
Employee entitlements	11	840	600	740
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>840</b>	<b>600</b>	<b>740</b>
<b>TOTAL LIABILITIES</b>		<b>10,982</b>	<b>9,800</b>	<b>11,622</b>
<b>NET ASSETS</b>		<b>17,505</b>	<b>16,933</b>	<b>22,509</b>
<b>Equity</b>				
Contributed capital	15	16,380	14,932	16,380
Memorandum accounts	15	473	-	-
Accumulated surplus/(deficit)	15	652	2,001	6,129
<b>TOTAL EQUITY</b>		<b>17,505</b>	<b>16,933</b>	<b>22,509</b>

Explanations of major variances against budget are provided in note 20.

*The accompanying notes form part of these financial statements.*

### Statement of changes in equity for the year ended 30 June 2017

\$000	NOTES	ACTUAL 2017	BUDGET 2017	ACTUAL 2016
Balance at 1 July		22,509	20,531	17,548
Total comprehensive revenue and expense		(5,004)	(2,150)	(2,217)
<b>Owner transactions</b>				
Capital contribution		-	9,552	5,797
Repayment of Energy Safety surplus		-	-	1,381
Capital withdrawal		-	(11,000)	-
<b>BALANCE AT 30 JUNE</b>		<b>17,505</b>	<b>16,933</b>	<b>22,509</b>

Explanations of major variances against budget are provided in note 20.

*The accompanying notes form part of these financial statements.*

## Statement of cash flows for the year ended 30 June 2017

\$000	NOTES	ACTUAL 2017	BUDGET 2017	ACTUAL 2016
<b>Cash flows from operating activities</b>				
Receipts from the Crown		88,732	87,592	86,863
Interest received		527	180	738
Receipts from other revenue		3,400	7,634	2,604
Payments to suppliers		(30,982)	(35,041)	(33,584)
Payments to employees		(59,612)	(60,893)	(57,152)
Payments for Capital Charge		-	(145)	-
GST (net)		97	-	56
<b>Net cash flow from operating activities</b>		<b>2,162</b>	<b>(673)</b>	<b>(475)</b>
<b>Cash flows from investing activities</b>				
Receipts from sale of property, plant and equipment		111	166	265
Purchase of property, plant and equipment		(937)	(1,742)	(1,667)
Purchase of intangible assets		(4,157)	(8,084)	(4,300)
Payment for new term deposits		1,000	-	(1,000)
<b>Net cash flow from investing activities</b>		<b>(3,983)</b>	<b>(9,660)</b>	<b>(6,702)</b>
<b>Cash flows from financing activities</b>				
Capital contribution		-	9,552	5,796
Capital withdrawal		-	(11,000)	-
Energy Safety surplus repaid to the Crown		-	(849)	-
<b>Net cash flow from financing activities</b>		<b>-</b>	<b>(2,297)</b>	<b>5,796</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(1,821)</b>	<b>(12,630)</b>	<b>(1,381)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>2,475</b>	<b>20,282</b>	<b>3,856</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>654</b>	<b>7,652</b>	<b>2,475</b>

Explanations of major variances against budget are provided in note 20.

*The accompanying notes form part of these financial statements.*

## Reconciliation of net surplus/(deficit) to net cash flow from operating activities

\$000	ACTUAL 2017	ACTUAL 2016
<b>Net surplus</b>	<b>(5,004)</b>	<b>(2,217)</b>
<b>Add/(Less) non-cash items</b>		
Depreciation expense	1,031	936
<b>Total non-cash items</b>	<b>1,031</b>	<b>936</b>
<b>Add/(Less) items classified as investing or financing activities</b>		
(Gains)/losses on disposal of property, plant and equipment	(4)	(7)
(Gains)/losses on impairment of property, plant and equipment	6,092	-
<b>Total items classified as investing or financing activities</b>	<b>6,088</b>	<b>(7)</b>
<b>Add/(Less) movements in statement of financial position items</b>		
(Increase)/Decrease in receivables	361	(1,691)
(Increase)/Decrease in prepayments	244	110
Increase/(Decrease) in payables	(935)	1,649
Increase/(Decrease) in provisions	28	66
Increase/(Decrease) in employee entitlements	349	679
<b>Net movements in working capital items</b>	<b>47</b>	<b>813</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>2,162</b>	<b>(475)</b>

The accompanying notes form part of these financial statements.

# Notes to the financial statements

## 1. Statement of accounting policies

### REPORTING ENTITY

WorkSafe New Zealand is a Crown Agent as defined by the Crown Entities Act 2004, and 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 and the WorkSafe New Zealand Act 2013. 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 financial statements for WorkSafe are for the 12 months ended 30 June 2017, and were approved by the Board on 31 October 2017.

### 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\$).

### SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies, which materially affect the measurement of financial results and financial position, have been applied consistently to all periods presented in these financial statements.

#### 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 exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

#### GOOD 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.

#### 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.

#### BUDGET FIGURES

The budget figures are derived from the Statement of Performance Expectations 2016/17 as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board in preparing these 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 was an estimate for the write-off of the Awhina project, where 90% has been written off and 10% has been capitalised based on the number of staff using this system (refer to note 9).

## 2. Revenue

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

### Revenue from the Crown

WorkSafe is primarily funded through revenue received from the Crown, which 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. Revenue from the Crown is recognised as revenue when earned and is reported in the financial period to which it relates.

### Interest

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.

## OTHER REVENUE

\$000	ACTUAL 2017	ACTUAL 2016
Safety case revenue	175	74
ACC funding	2,079	2,139
Rent from sub-lease	381	381
Registration fees collected	376	369
Other revenue	397	472
<b>TOTAL OTHER REVENUE</b>	<b>3,408</b>	<b>3,435</b>

## 3. Personnel costs

### SUPERANNUATION SCHEMES

#### Defined contribution schemes

Employer contributions to KiwiSaver, the Government Superannuation Fund, and the State Sector Retirement Savings Scheme are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

#### Defined benefit schemes

WorkSafe makes employer contributions to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme the extent to which the surplus/deficit in the plan will affect future contributions by individual employers, because there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

**PERSONNEL COSTS**

\$000	ACTUAL 2017	ACTUAL 2016
Salaries and wages	49,080	45,851
Defined contribution plan employer contributions	1,586	1,466
Increase/(decrease) in employee entitlements	238	1,166
Other personnel-related costs	2,545	2,852
Contractors	6,428	6,288
Restructuring costs	285	466
<b>TOTAL PERSONNEL COSTS</b>	<b>60,162</b>	<b>58,089</b>

**Employee remuneration**

\$000	ACTUAL 2017	ACTUAL 2016
<b>Total remuneration paid or payable</b>		
\$100,000-\$109,999	23	23
\$110,000-\$119,999	40	34
\$120,000-\$129,999	17	24
\$130,000-\$139,999	16	11
\$140,000-\$149,999	8	5
\$150,000-\$159,999	4	3
\$160,000-\$169,999	8	5
\$170,000-\$179,999	-	4
\$180,000-\$189,999	9	11
\$190,000-\$199,999	4	2
\$200,000-\$209,999	2	4
\$210,000-\$219,999	3	1
\$220,000-\$229,999	-	2
\$230,000-\$239,999	2	2
\$250,000-\$259,999	1	-
\$270,000-\$279,999	3	3
\$310,000-\$319,999	-	2
\$320,000-\$329,999	1	-
\$340,000-\$349,999	-	1
\$390,000-\$399,999	-	1
<b>TOTAL EMPLOYEES</b>	<b>141</b>	<b>138</b>

During the year ended 30 June 2017 there were three settlement payments of \$37,484 and ten cessation payments of \$382,019.

During the year ended 30 June 2016 there was one settlement payment of \$6,023 and thirteen cessation payments of \$730,280.

## Key management personnel compensation

\$000	ACTUAL 2017	ACTUAL 2016
<b>Board members</b>		
Remuneration	180	174
FTE members <sup>35</sup>	0.96	0.94
<b>Leadership members</b>		
Remuneration	2,520	2,266
FTE members	9.29	9.25
<b>TOTAL KEY MANAGEMENT PERSONNEL REMUNERATION</b>	<b>2,700</b>	<b>2,440</b>

Key management personnel include all Board members, the Chief Executive, and members of the WorkSafe Senior Leadership Team.

## 4. Other expenses

\$000	ACTUAL 2017	ACTUAL 2016
Fees to Audit New Zealand for Audit of financial statements	77	75
Staff travel	4,097	4,766
Advertising, publicity and sponsorship	1,870	1,781
Consultancy	6,427	6,368
Fees to Board members	178	176
Fees to Advisory Board members	106	99
ICT costs and technical support	862	1,828
Legal services	958	1,108
Shared services provided by MBIE <sup>36</sup>	6,644	8,427
Levy Collection (services paid to ACC)	869	869
Other expenses	2,837	3,034
Rental and leasing costs	4,864	4,993
Other property costs	661	768
<b>TOTAL OTHER EXPENSES</b>	<b>30,450</b>	<b>34,292</b>

### 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.

<sup>35</sup> Board member FTE calculations are based on the assumptions noted in Cabinet Office Circular CO (12) 06.

<sup>36</sup> MBIE provides support as part of our service-level agreement and this includes ICT, property services and accounting services.

## BOARD AND COMMITTEE REMUNERATION

### Board members remuneration

\$000	ACTUAL 2017	ACTUAL 2016
Professor Gregor Coster (Chair), CNZM	45.0	45.0
Ross Wilson (Deputy Chair)	28.1	28.1
Christopher Ellis	22.5	22.5
Kerry Prendergast, CNZM	11.2	22.5
Paula Rose, QSO	22.5	22.5
Don Stock	-	20.6
Dr Patrick Strange	-	11.2
Dr Jan White	22.5	3.7
Stephen Reindler	13.1	-
Nicole Davies-Colley	13.1	-
Ruth Smithers <sup>37</sup>	-	-
<b>TOTAL BOARD MEMBER REMUNERATION</b>	<b>178.0</b>	<b>176.1</b>

Patrick Strange resigned from the Board in December 2015; Jan White commenced on the Board in June 2016; Don Stock's term on the Board ended in May 2016; Kerry Prendergast resigned from the Board in December 2016; Stephen Reindler and Nicole Davies-Colley commenced on the Board in December 2016.

WorkSafe had Directors' and Officers' Liability and Professional Indemnity insurance cover during the financial year in respect of the liability and costs of Board members and employees.

No Board members received compensation or other benefits in relation to cessation (2016 \$Nil).

The Audit, Risk and Finance Committee is a sub-committee of the WorkSafe Board, and Board members are not paid separately in addition to Board fees, except for Neil Stiles (Independent Chair), who was paid \$10,800 (2015/16 \$10,800).

### Fees to Committee members

The following are fees over \$1,000 paid or payable to individual committee members:

\$000	ACTUAL 2017	ACTUAL 2016
<b>Occupational Health Advisory Group remuneration</b>		
George Adams (Chair)	6	7
Glenys Barker	2	3
Suzanne Broadbent	3	3
Associate Professor Ian Laird	3	3
Dr David McLean (fees paid to Massey University)	2	3
Dr Jim McLeod	2	4
Andrea McMillan (fees paid to the University of Otago)	-	4
<b>Total Occupational Health Advisory Group remuneration<sup>38</sup></b>	<b>18</b>	<b>26</b>

<sup>37</sup> Ruth Smithers not a Board member, but an adjunct observer and contributor to the Board as part of the Future Directors programme. She commenced in February 2017.

<sup>38</sup> Dr Kathleen Callaghan and Bill Newson are also members of the Occupational Health Advisory Group, but did not receive fees.

\$000	ACTUAL 2017	ACTUAL 2016
<b>Mining Board of Examiners remuneration</b>		
Stephen Bell	4	4
Michelle Crompton (fees paid to MITO)	5	4
Steven Ellis	4	4
Andy Loader	2	4
Bernie O'Leary	6	3
Marianne Rogers	4	4
Iain Simmons	2	3
Craig Smith	8	3
Dave Stewart	7	4
Professor John St George	4	4
Dean Torstonson	1	3
Ray Urquhart	5	2
Gordon Laing	5	-
<b>Total Mining Board of Examiners remuneration</b>	<b>57</b>	<b>42</b>
<b>Extractives Industry Advisory Group</b>		
Gavin Taylor (Chair)	8	8
Jonathan Edward	3	3
Tony Hunter	4	2
Tony King (fees paid to Solid Energy)	1	2
Jim Knowles	3	3
Les McCracken	3	2
Terry Moynihan	-	3
Maxwell Murray	3	1
Professor Michael Quinlan	-	1
Craig Smith	3	3
Dave Stewart	2	3
Ged O'Connell	1	-
<b>Total Extractives Industry Advisory Group remuneration</b>	<b>31</b>	<b>31</b>
<b>TOTAL COMMITTEE MEMBER REMUNERATION</b>	<b>106</b>	<b>99</b>

## 5. 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.

### CASH AND CASH EQUIVALENTS

\$000	ACTUAL 2017	ACTUAL 2016
Cash at bank and on hand	654	2,475
Term deposits with maturities less than three months	-	-
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>654</b>	<b>2,475</b>

Cash at bank is non-interest-bearing. The on-call account and term deposits earn interest at rates set from time to time by the banks with which we bank and invest. The carrying value of cash at bank and short-term deposits approximates their fair value.

## 6. Receivables and Prepayments

Debtors and other receivables are measured at fair value, less any provision for impairment. A receivable is considered impaired when there is evidence that WorkSafe will not be able to collect the amount due. The amount of the impairment is the difference between the carrying amount of the receivable and the present value of the amount expected to be collected.

### RECEIVABLES AND PREPAYMENTS

\$000	ACTUAL 2017	ACTUAL 2016
<b>Receivables</b>		
<b>Total receivables comprises:</b>		
Prepayments	250	273
Receivables from the sales of goods and services (exchange transactions)	1,781	2,142
<b>TOTAL RECEIVABLES</b>	<b>2,031</b>	<b>2,415</b>

The carrying amount of receivables approximates the fair value. There is no impairment provision for receivables.

The ageing profile of receivables at year-end is detailed below:

\$000	2017			2016		
	GROSS	IMPAIRMENT	NET	GROSS	IMPAIRMENT	NET
Current	1,695	-	1,695	1,853	-	1,853
31-60 days	6	-	6	231	-	231
61-90 days	15	-	15	29	-	29
Over 90 days	65	-	65	29	-	29
<b>TOTAL</b>	<b>1,781</b>	<b>-</b>	<b>1,781</b>	<b>2,142</b>	<b>-</b>	<b>2,142</b>

All receivables greater than 30 days are considered to be past due.

## 7. Investments

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

### INVESTMENTS

\$000	ACTUAL 2017	ACTUAL 2016
<b>Current portion</b>		
Term deposits	18,000	19,000
<b>TOTAL CURRENT INVESTMENTS</b>	<b>18,000</b>	<b>19,000</b>

There is no impairment provision for investments.

The carrying amount of term deposits with maturities less than 12 months approximates their fair value.

## 8. Property, plant and equipment

The property, plant and equipment asset classes consist of furniture and office equipment (including building fit-outs), computer hardware and motor vehicles. Property, plant and equipment are shown at cost, less any accumulated depreciation and impairment losses.

The cost of an item of property, plant or equipment is recognised as an asset 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. 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.

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amounts of the assets. Gains and losses on disposals are included in the statement of comprehensive revenue and expenses.

### 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.

### IMPAIRMENT OF NON-FINANCIAL ASSETS

WorkSafe does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

Property, plant and equipment and intangible assets that have finite useful lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. Value in use is determined using an approach based on a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and the availability of information.

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 the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

## PROPERTY, PLANT AND EQUIPMENT

\$000	FURNITURE AND OFFICE EQUIPMENT	COMPUTER HARDWARE	MOTOR VEHICLES	TOTAL
<b>Cost or valuation</b>				
Balance at 1 July 2015	1,735	20	7,512	9,267
Additions	88	2	137	226
Disposals	-	(5)	(911)	(916)
<b>Balance at 30 June 2016</b>	<b>1,823</b>	<b>17</b>	<b>6,738</b>	<b>8,578</b>
Balance at 1 July 2016	1,823	17	6,738	8,578
Additions	592	-	87	679
Disposals	-	-	(245)	(245)
<b>Balance at 30 June 2017</b>	<b>2,415</b>	<b>17</b>	<b>6,580</b>	<b>9,012</b>
<b>Accumulated depreciation and impairment losses</b>				
Balance at 1 July 2015	1,234	17	2,508	3,759
Depreciation expense	126	1	619	746
Elimination on disposal		(1)	(709)	(710)
<b>Balance at 30 June 2016</b>	<b>1,360</b>	<b>17</b>	<b>2,418</b>	<b>3,795</b>
Balance at 1 July 2016	1,360	17	2,418	3,795
Depreciation expense	113	-	602	715
Elimination on disposal	-	-	(189)	(189)
<b>Balance at 30 June 2016</b>	<b>1,473</b>	<b>17</b>	<b>2,832</b>	<b>4,321</b>
<b>Carrying amounts</b>				
Balance at 30 June 2015	501	3	5,004	5,508
Balance at 30 June 2016	463	-	4,320	4,783
<b>BALANCE AT 30 JUNE 2017</b>	<b>942</b>	<b>0</b>	<b>3,749</b>	<b>4,691</b>

### 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	6 years 16.67% SL

No impairment losses were recorded in 2016/17.

There are no restrictions over the titles of WorkSafe's property, plant, and equipment. No items of property, plant, and equipment are pledged as security for liabilities.

WorkSafe does not own land or buildings. There was work in progress for leasehold improvements of \$421,030 at 30 June 2017 (30 June 2016 \$Nil).



## 9. Intangible assets

### SOFTWARE ACQUISITION AND DEVELOPMENT

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

The cost of internally-generated computer software represents expenditure incurred in the development phase of the software only. The development phase occurs after the following can be demonstrated: technical feasibility; ability to complete the asset; intention and ability to sell or use the asset; and development expenditure can be reliably measured. 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.

Costs associated with maintaining computer software 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.

### INTANGIBLE ASSETS

\$000	ACQUIRED SOFTWARE	INTERNALLY -GENERATED SOFTWARE	TOTAL
<b>Cost or valuation</b>			
Balance at 1 July 2015	3,659	1,124	4,783
Additions	236	4,213	4,449
<b>Balance at 30 June 2016/1 July 2016</b>	<b>3,895</b>	<b>5,337</b>	<b>9,232</b>
Additions	89	4,024	4,113
Disposals	(51)	-	(51)
Impairments	-	(6,092)	(6,092)
<b>Balance at 30 June 2017/1 July 2017</b>	<b>3,933</b>	<b>3,269</b>	<b>7,202</b>
<b>Accumulated amortisation and impairment losses</b>			
Balance at 1 July 2015	3,417	167	3,584
Amortisation expense	190	-	190
<b>Balance at 30 June 2016</b>	<b>3,607</b>	<b>167</b>	<b>3,774</b>
Amortisation expense	91	226	317
<b>Balance at 30 June 2017</b>	<b>3,698</b>	<b>393</b>	<b>4,091</b>
<b>Carrying amounts</b>			
Balance at 30 June 2015	242	957	1,199
Balance at 30 June 2016	288	5,170	5,458
<b>BALANCE AT 30 JUNE 2017</b>	<b>235</b>	<b>2,876</b>	<b>3,111</b>

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	2-5 years 20-50% SL
Developed computer software	5-8 years 12.5-20% SL

The impairment relates to the Awhina case management system, which cost \$6.8 million but did not fully meet WorkSafe requirements. Of the planned 300 users, 10% of WorkSafe's staff are now expected to use the system.

Therefore an impairment for \$6.1 million (being 90% of the cost) was made and the remaining \$0.7 million was capitalised.

Other internally-generated software additions relate to the Hazardous Substances Integration and Digital Platform projects of WorkSafe's ICT Business Capability Programme.

There are no restrictions over the titles of WorkSafe's intangible assets. No intangible assets are pledged as security for liabilities.

Work-in-progress for 2016/17 for internally-generated software had additions of \$2.429 million as at 30 June 2017, and nil for acquired software (additions of \$0.069 million in acquired software and \$4.213 million in internally-generated software as work-in-progress during 2015/16).

## 10. Creditors and other payables

### PAYABLES

\$000	ACTUAL 2017	ACTUAL 2016
<b>Current portion</b>		
Payables under exchange transactions		
Creditors	2,032	3,024
Income in advance	354	788
Accrued expenses	2,740	2,560
Other	174	86
<b>Total payables under exchange transactions</b>	<b>5,300</b>	<b>6,458</b>
<b>Payables under non-exchange transactions</b>		
Taxes payables (GST, PAYE and rates)	415	318
<b>Total payables under non-exchange transactions</b>	<b>415</b>	<b>318</b>
<b>TOTAL PAYABLES</b>	<b>5,715</b>	<b>6,776</b>

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

## 11. 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.

### EMPLOYEE ENTITLEMENTS

\$000	ACTUAL 2017	ACTUAL 2016
<b>Current portion</b>		
Accrued salaries and wages	694	472
Annual leave	3,213	3,145
Retirement and long service leave	182	123
<b>Total current portion</b>	<b>4,089</b>	<b>3,740</b>
<b>Non-current portion</b>		
Retirement and long service leave	840	740
<b>Total non-current portion</b>	<b>840</b>	<b>740</b>
<b>TOTAL EMPLOYEE ENTITLEMENTS</b>	<b>4,929</b>	<b>4,480</b>

Melville Jessup Weaver completed a valuation of liability for the retirement and long service leave that was expected to be accrued by all eligible employees as at 30 June 2017. The amount noted above reflects the revised actuarial calculations provided by them, which are in accordance with PBE International Public Sector Accounting Standard 25 Employee Benefits.

## 12. 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 has been announced publicly to those affected, or its implementation has already begun.

### PROVISIONS

\$000	ACTUAL 2017	ACTUAL 2016
<b>Current portion</b>		
Restructuring	-	366
Onerous Lease	338	-
<b>Total current portion</b>	<b>-</b>	<b>366</b>
<b>TOTAL PROVISIONS</b>	<b>338</b>	<b>366</b>

Movements for each class of provision are as follows:

\$000	ACTUAL 2017	ACTUAL 2016
Opening Balance	366	300
Additional provisions made	338	366
Amounts used	(366)	-
Unused amounts reversed	-	(300)
<b>CLOSING BALANCE AS AT 30 JUNE</b>	<b>338</b>	<b>366</b>

### 13. Capital commitments and operating leases

#### CAPITAL COMMITMENTS

WorkSafe did not have any capital commitments at balance date (2016 \$Nil).

#### 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.

#### OPERATING LEASES AS LESSEE

Significant operating commitments are for office rents and car parks. There were no restrictions places on WorkSafe by any of its leasing arrangements.

\$000	ACTUAL 2017	ACTUAL 2016
No later than one year	2,870	3,386
Later than one year and not later than five years	3,763	5,583
Later than five years	375	934
<b>TOTAL NON-CANCELLABLE LEASES</b>	<b>7,008</b>	<b>9,903</b>

The above table also includes the rent for offices that WorkSafe leases in regional locations from MBIE.

Total future minimum sublease payments to be received under non-cancellable subleases for office space at balance date are \$0.381 million (2016 \$0.632 million).

### 14. Contingent assets and liabilities

#### CONTINGENT LIABILITIES

There are no contingent liabilities for the current year (2016 \$327,000).

#### CONTINGENT ASSETS

There are no contingent assets for the current year (2016 \$Nil).

## 15. Equity

\$000	ACTUAL 2017	ACTUAL 2016
<b>Contributed capital</b>		
Balance at 1 July	16,380	10,583
Capital contribution	-	5,797
<b>Balance at 30 June</b>	<b>16,380</b>	<b>16,380</b>
<b>Memorandum accounts</b>		
Opening balance 1 July	-	-
Net Memorandum account surplus for the year	473	-
<b>Balance at 30 June</b>	<b>473</b>	-
<b>Accumulated surplus/(deficit)</b>		
Balance at 1 July	6,129	6,965
Repayment of Energy Safety surplus <sup>39</sup>	-	1,381
Surplus/(deficit) for the year	(5,004)	(2,217)
Transfer of net memorandum account accumulated surplus/(deficit) for the year	(473)	-
<b>Balance at 30 June</b>	<b>652</b>	<b>6,129</b>
<b>TOTAL EQUITY AT 30 JUNE</b>	<b>17,505</b>	<b>22,509</b>

<sup>39</sup> The Board agreed at its 23 June 2016 meeting to retain Energy Safety surpluses from 2014/15 and 2015/16 to fund future work programmes.

## MEMORANDUM ACCOUNTS

Memorandum accounts reflect the cumulative surplus/(deficit) on those departmental services provided that are intended to be fully cost recovered from third parties through fees, levies, or charges. The balance of each memorandum account is expected to trend towards zero over time.

The levies collected are paid over to the Crown and then received through appropriation.

\$000	ACTUAL 2017	ACTUAL 2016
<b>Memorandum accounts</b>		
<b>Major Hazards Facilities levies</b>		
Balance at 1 July	-	-
Revenue	2,194	-
Expenses	(1,694)	-
<b>Total surplus/(deficit) – Major Hazard Facilities levies</b>	<b>500</b>	-
<b>Safety Cases levies</b>		
Balance at 1 July	-	-
Revenue	101	-
Expenses	(128)	-
<b>Total surplus/(deficit) – Safety Cases levies</b>	<b>(27)</b>	-
<b>BALANCE AT 30 JUNE – SURPLUS</b>	<b>473</b>	-

## 16. Related parties

WorkSafe is a wholly owned entity of the Crown.

Related party disclosures have not been made for transactions with related parties that are within normal supplier or client/recipient relationships on terms and conditions no more or less favourable than those that it is reasonable to expect WorkSafe would have adopted in dealing with the parties at arm's length in the same circumstances. Further, transactions with other government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

### SIGNIFICANT TRANSACTIONS WITH GOVERNMENT-RELATED ENTITIES

MBIE provided shared services to WorkSafe in 2016/17 as part of the shared services agreement that exists between the two organisations. Purchases totalling \$10.184 million included fees for property, legal services, IT, accounting services and seconded staff members. Owing to the nature of the relationship between WorkSafe and MBIE as our monitoring agency, as well as the inherent cost savings in using shared services, these services may be priced at levels different from those that arm's-length transactions would cost.

MBIE reimbursed WorkSafe costs totalling \$31,186 based on an actual cost basis.

ACC has provided funding of \$2.079 million<sup>40</sup> to WorkSafe for the delivery of programmes, including Safer Farms, Safety Star Rating/SafePlus and educative collateral work. WorkSafe has paid \$0.869 million to ACC for levy collection services.

WorkSafe reimbursed \$425,441 to the Environmental Protection Authority (EPA) for staff seconded to WorkSafe. Payment for the staff was based on actual salary reimbursements. Payments totalling \$38,001 were paid to the EPA for IT support.

<sup>40</sup> Approximately \$0.354 million of this cash received remains as income in advance in 2016/17.

## 17. Events after balance date

There were no significant events after balance date that required the financial statements to be adjusted.

## 18. Financial instruments

### FINANCIAL INSTRUMENT CATEGORIES

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

\$000	ACTUAL 2017	ACTUAL 2016
<b>Loans and receivables</b>		
Cash and cash equivalents	654	2,475
Receivables (excluding taxes receivable)	1,781	2,142
Investments - term deposits	18,000	19,000
<b>Total loans and receivables</b>	<b>20,435</b>	<b>23,617</b>
<b>Financial liabilities measured at amortised cost</b>		
Payables (excluding taxes payable)	5,638	6,457
<b>Total financial liabilities measured at amortised cost</b>	<b>5,638</b>	<b>6,457</b>

### FINANCIAL INSTRUMENT RISK

Our activities expose us to a variety of financial instrument risks, including credit risk and liquidity risk. WorkSafe has policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

#### CREDIT RISK

Credit risk is the risk that a third party will default on its obligations to us, causing us to incur loss.

Owing to the timing of our cash inflows and outflows, we invest surplus cash with registered banks.

In the normal course of business, we are exposed to credit risk from cash and term deposits with banks, debtors and other receivables. For each of these, the maximum credit exposure is best represented by the carrying amount in the statement of financial position. We have experienced no defaults of interest or principal payments for term deposits. We hold no collateral or other credit enhancements for financial instruments that give rise to credit risk.

#### CREDIT QUALITY OF FINANCIAL ASSETS

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard & Poor's credit ratings:

\$000	ACTUAL 2017	ACTUAL 2016
<b>Counterparties with credit ratings</b>		
Cash at bank and term deposits		
AA-	18,654	21,475
<b>Total cash at bank and term deposits</b>	<b>18,654</b>	<b>21,475</b>
<b>Counterparties without credit ratings</b>		
Debtors and other receivables excluding taxes	1,781	2,142
<b>TOTAL DEBTORS AND OTHER RECEIVABLES EXCLUDING TAXES</b>	<b>1,781</b>	<b>2,142</b>



## LIQUIDITY RISK

Liquidity risk is the risk that we will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and the ability to close out market positions. We primarily manage liquidity risk by continually monitoring forecast and actual cash flow requirements.

## CONTRACTUAL MATURITY ANALYSIS OF FINANCIAL LIABILITIES

The table below analyses financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

\$000	ACTUAL 2017	ACTUAL 2016
<b>Payables (excluding taxes payable)</b>		
Carrying amount, Contractual cash flows and Payables less than six months	5,638	6,457

## 19. Capital management

Our capital is equity that comprises accumulated funds. Equity is represented by net assets.

WorkSafe is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which impose restrictions in relation to borrowings, the acquisition of securities, issuing guarantees and indemnities, and the use of derivatives. WorkSafe complied with the financial management requirements of the Crown Entities Act 2004 during the year.

We manage our equity as a by-product of prudently managing revenue, expenses, assets, liabilities, investments and general financial dealings to ensure that WorkSafe effectively achieves its objectives and purpose, while remaining a going concern.

## 20. Explanations of major variances against budget

Explanations of major variances from our budgeted figures in the Statement of Performance Expectations are as follows:

### **STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE**

#### **Crown revenue**

The Crown revenue was higher than the original SPE budget by \$1.140 million, due to:

- an increase of \$2.240 million due to new funding for WorkSafe to provide regulatory oversight of Major Hazard Facilities services
- a decrease of \$1.100 million due to the originally planned capital withdrawal not being undertaken following a review of funding requirements and discussion with the Treasury.

#### **Interest revenue**

Interest revenue is higher than budgeted due to capital and operating expenditure being lower than budgeted, allowing investment of surplus funds.

#### **Other revenue**

Other revenue is lower than budgeted due to less third party funded work being undertaken than anticipated.

#### **Personnel costs**

Personnel costs were lower than budgeted due to delays in recruitment of staff.

#### **Other expenses**

Other expenses are lower than budgeted due to less third party funded work and delays in some projects and lower staff number as above.

### **STATEMENT OF CHANGES IN EQUITY**

#### **Capital contribution**

There was no capital contribution as capital expenditure was lower than budgeted and was funded from existing cash.

### **STATEMENT OF FINANCIAL POSITION**

#### **Investments**

The value of investments is higher than budgeted due to investment of cash from operating and capital surpluses.

#### **Fixed assets**

Fixed assets are under budget due to impairment of Awhina for \$6.092 million in the ICT Business Capability Programme (refer to note 9).

#### **Liabilities**

Payables are over budget due to higher year-end payments.

### **STATEMENT OF CASH FLOWS**

The variances in the statement of cash flows follow explanations provided for the Statement of comprehensive revenue and expense and Statement of financial position.

## 21. Cost of service summary

The following tables show the activities of WorkSafe split by Workplace Health and Safety and Energy Safety activities:

\$000	ACTUAL 2017	BUDGET 2017	VARIANCE 2017	ACTUAL 2016	BUDGET 2016	VARIANCE 2016
<b>Workplace Health and Safety</b>						
Revenue - Crown	84,318	83,178	1,140	82,449	81,580	869
Revenue - other	3,998	7,983	(3,985)	4,233	1,341	2,892
<b>Total revenue</b>	<b>88,316</b>	<b>91,161</b>	<b>(3,845)</b>	<b>86,682</b>	<b>82,921</b>	<b>3,761</b>
<b>Expenditure</b>	<b>93,757</b>	<b>93,407</b>	<b>350</b>	<b>89,761</b>	<b>90,098</b>	<b>(337)</b>
<b>SURPLUS/(DEFICIT)</b>	<b>(5,442)</b>	<b>(2,246)</b>	<b>(3,196)</b>	<b>(3,079)</b>	<b>(7,177)</b>	<b>4,098</b>
<b>Energy Safety</b>						
Revenue - Crown	4,414	4,414	-	4,414	4,414	-
Revenue - other	2	-	2	5	-	5
<b>Total revenue</b>	<b>4,416</b>	<b>4,414</b>	<b>2</b>	<b>4,419</b>	<b>4,414</b>	<b>5</b>
<b>Expenditure</b>	<b>3,978</b>	<b>4,318</b>	<b>(341)</b>	<b>3,556</b>	<b>3,564</b>	<b>(8)</b>
<b>SURPLUS/(DEFICIT)</b>	<b>438</b>	<b>96</b>	<b>343</b>	<b>863</b>	<b>850</b>	<b>13</b>
<b>Total WorkSafe</b>						
Revenue - Crown	88,732	87,592	1,140	86,863	85,994	869
Revenue - other	4,000	7,983	(3,855)	4,238	1,341	2,897
<b>Total revenue</b>	<b>92,732</b>	<b>95,575</b>	<b>(2,715)</b>	<b>91,101</b>	<b>87,335</b>	<b>3,766</b>
<b>Expenditure</b>	<b>97,736</b>	<b>97,725</b>	<b>138</b>	<b>93,317</b>	<b>93,662</b>	<b>(345)</b>
<b>SURPLUS/(DEFICIT)</b>	<b>(5,004)</b>	<b>(2,150)</b>	<b>(2,853)</b>	<b>(2,217)</b>	<b>(6,327)</b>	<b>4,111</b>

### 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.

## Statement of budgeted and actual expenses and capital expenditure against appropriations

The following table shows WorkSafe's appropriation:

\$000	ACTUAL 2017	APPROVED APPROPRIATION 2017	ACTUAL 2016
<b>Non-Departmental Output Expenses</b>			
Workplace Health and Safety	87,863	85,623	85,994
Health and Safety in Employment Levy - Collection Services	869	869	869
<b>Total Non-Departmental Output Expenses</b>	<b>88,732</b>	<b>86,492</b>	<b>86,863</b>
<b>Non-Departmental Output Expenses</b>			
WorkSafe capability change programme	-	9,552	5,797
<b>TOTAL NON-DEPARTMENTAL CAPITAL EXPENDITURE</b>	<b>-</b>	<b>9,552</b>	<b>5,797</b>

The Non-Departmental Output Expense appropriation is administered by MBIE, and passed across to WorkSafe and treated as Crown Revenue. The *Health and Safety in Employment Levy - Collection Services* appropriation was accounted for in MBIE's financial statements in 2013/14 and has been passed through to WorkSafe since 2014/15.

The \$9.552 million underspend in the WorkSafe capability change programme capital appropriation is due to the timing of the spend in the ICT Business Capability programme.

---

# Independent auditor's report

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

## **To the readers of WorkSafe New Zealand's financial statements and performance information for the year ended 30 June 2017**

The Auditor-General is the auditor of WorkSafe New Zealand (WorkSafe). The Auditor-General has appointed me, Ajay Sharma, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information, including the performance information for an appropriation, of WorkSafe on his behalf.

### Opinion

We have audited:

- the financial statements of WorkSafe on pages 75 to 98, that comprise the statement of financial position as at 30 June 2017, the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and
- the performance information of WorkSafe on pages 63 to 73 and 99 to 100.

In our opinion:

- the financial statements of WorkSafe on pages 75 to 98:
  - present fairly, in all material respects:
    - › its financial position as at 30 June 2017; and
    - › its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- the performance information on pages 63 to 73 and 99 to 100:
  - presents fairly, in all material respects, WorkSafe's performance for the year ended 30 June 2017, including:
    - › for each class of reportable outputs:
      - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
      - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
    - › what has been achieved with the appropriations; and
    - › the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure.
  - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 31 October 2017. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements and the performance information, we comment on other information and we explain our independence.

## Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Responsibilities of the Board for the financial statements and the performance information

The Board are responsible on behalf of WorkSafe for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Board are responsible for such internal control as they determine is necessary to enable them to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board are responsible on behalf of WorkSafe for assessing WorkSafe's ability to continue as a going concern. The Board are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of WorkSafe, or there is no realistic alternative but to do so.

The Board's responsibilities arise from the Crown Entities Act 2004 and the Public Finance Act 1989.

## Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to WorkSafe's Statement of Performance Expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of WorkSafe's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We evaluate the appropriateness of the reported performance information within WorkSafe's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on WorkSafe's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause WorkSafe to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

## Other information

The Board are responsible for the other information. The other information comprises the information included on pages 4 to 61, but does not include the financial statements and the performance information and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independence

We are independent of WorkSafe in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in WorkSafe.

A handwritten signature in black ink that reads "Ajay Sharma". The signature is written in a cursive style with a horizontal line underneath the name.

**Ajay Sharma**

Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand







## **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.

ISSN 2382-2201 (print)

ISSN 2382-221X (online)

Published: December 2017

PO Box 165, Wellington 6140, New Zealand



Except for the logos of WorkSafe, this copyright work is licensed under a Creative Commons Attribution-Non-commercial 3.0 NZ licence.

To view a copy of this licence, visit <http://creativecommons.org/licenses/by-nc/3.0/nz>

In essence, you are free to copy, communicate and adapt the work for non-commercial purposes, as long as you attribute the work to WorkSafe and abide by the other licence terms.

