

WORKSAFE

Te Pūrongo ā-Tau o Mahi Haumaru Aotearoa

Annual Report

2020/21



Ngā tūruapō

VISION

Ka haere ngā tāngata katoa ki te mahi, ka hoki hauora, haumaruru mai ki te kāinga

Everyone who goes to work comes home healthy and safe

Te aronga

MISSION

Kia tāhū nui te hauora, te haumaruru i ngā wāhi mahi o Aotearoa

To transform Aotearoa's workplace health and safety performance towards world-class

Ngā mātāpono

VALUES

Whakakotahi – Kia whakakotahi, kia aronui tahi tātou

We're united in a strong purpose

Tiakina mai – Kia tiakina i roto i ngā mahi katoa

We're entrusted with a duty of care

Kōrero mai – Kia whakapāpā tahi tātou

We engage meaningfully





Kupu whakataki

Foreword



Ross Wilson
Chair



Bill Moran
Deputy Chair



Phil Parkes
Chief Executive

WorkSafe New Zealand's vision is that everyone who goes to work comes home healthy and safe; we want to see healthy and safe workplaces where workers thrive and business prospers.

As the primary health and safety regulator, WorkSafe plays an important role in ensuring organisations and individuals meet their legal obligations to protect kaimahi – workers. We also work hard to influence how work is planned, designed, and delivered; a positive approach to building better work reflects the intent of the Health and Safety at Work Act 2015.

In 2012, the Government set a target of reducing our work-related fatalities by 25% by 2020 – acute fatalities have now reduced by more than 30%. We are proud of the contribution WorkSafe has made towards this significant improvement. But we are also mindful that this success is not yet impacting broader acute harm system indicators for reducing serious injury and time off work, or the much larger burden of work-related health deaths and harm.

In the past year we have been focused on improvements to many of our core activities and functions. By redeploying funding from other areas, we have increased investment in key areas of operational activity, providing greater regulatory oversight and improving our efficiency and effectiveness.

WorkSafe has been given a very broad mandate and the public's expectations of our role are growing year on year. We are continuing to discuss this resourcing challenge with the Government. In the meantime, finite resources mean we are not able to intervene in all areas of health and safety risk, and we must make difficult choices about where, when and how we take action.

This has been exacerbated by COVID-19 which deeply affected our work. New functions given to WorkSafe under the COVID-19 Public Health Response Act have placed further demands on our people and existing funding. We have provided extensive guidance and support to kaimahi and businesses, taken enforcement action, and sent inspectors to visit 18 Managed Isolation and Quarantine facilities. This work is demonstrated through the COVID-19 workplace assessments case study (outlined on page 19).

Looking to the future, the Government's Health and Safety at Work Strategy 2018–2028 provides the framework for the changes Aotearoa New Zealand needs to make and has guided our activity over the last year. This year WorkSafe completed our new Statement of Intent - Te Tauākī Whakamaunga atu to 2025. The strategic outcomes align strongly with the Government Strategy and represent a continued shift in our approach. Our focus is now on healthy work, safe work, and equitable outcomes, understanding the need for us to think more broadly about types of harms caused by work and who is affected most in our society. In the past year we have made good progress in each of these areas.

A focus on **safe work** saw us complete the largest and most complex investigation we have ever undertaken, in response to the Whakaari White Island disaster. We have laid charges against 13 parties in relation to this tragic event and the matter is now before the courts.

Costing over \$5 million, the resources necessary to complete this critical work required us to reduce our harm prevention activity in other high-risk areas of work. WorkSafe's own performance leading up to the eruption has also been under review and we are committed to making improvements to our oversight of adventure activities.

We have continued to grow our focus on **healthy work** (outlined on pages 35–36), having received additional funding for this area, increasing our capacity to deliver work-related health programmes. This includes establishing the Kaimahi Hauora (work-related health inspectors) team and new specialist teams focused on carcinogens and airborne risks and musculoskeletal disorders.

The increasing importance of mentally healthy work is now better reflected through our mahi and we are seeing the impact of our investment in this area.

Equitable outcomes are being targeted through our Maruiti Strategy refresh. WorkSafe has increased investment in building its te ao Māori capability, partnering with Māori to support their aspirations for health and safety for Māori kaimahi, and engaging with Iwi through our Te Ara Tuituinga engagement framework. We have also focused on improving Pacific Peoples' work health and safety outcomes through our Puataunofu (Come Home Safely) initiative and our Pacific Peoples' Responsiveness work.

In parallel to these external focus areas, we continue to improve our own capability and systems to ensure we can operate as an effective organisation. Our modernisation journey – Taura Here Waka – supports us to evolve into an insights-driven, modern regulator. This includes strengthening our technology, data and analytical tools to better influence behaviour change across the health and safety system.

By using these new capabilities, we are able to intervene where we can have the greatest impact. Often this is further up supply chains where clients have significant influence over the way work is done by their sub-contractors. Construction, transport and forestry are key sectors where we will apply this approach.

WorkSafe cannot improve New Zealand's health and safety performance on its own. We work closely with a range of partners who help us change how mahi is done in Aotearoa. This year we established Te Kāhu Mātai (a cross-sector, tripartite Partners Council with Iwi and our social partners) to enable those with obligations and influence to collaborate in improving how work is done.

Lastly, key to our success is continued regulatory reform. New Zealand needs a complete and coherent legislative health and safety framework to enable us to make improvements across the health and safety system. We have provided technical and operational input to the Ministry of Business, Innovation and Employment which still has a considerable work programme ahead to complete the health and safety regulatory framework introduced in 2016.

E ngākau titikaha ana mātou ki te mahi tahi kia hoki hauora haumaruru atu ngā tāngata katoa mai i ngā mahi ki ō rātou whānau.

We are committed to working together to ensure everyone who goes to work gets to go home to their families safe and well.

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

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

**Tōia mai e te ao mārama
te ara whakakotahi
te ara ka haumarū.
I a tātou i te mahi
tiakina mai
kia hoki hauora ki te kāinga,
kia kōrero mai
mō te haumarū o te tangata
Haumi e, hui e, tāiki e.**

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

This Annual Report is submitted by WorkSafe New Zealand in accordance with the Crown Entities Act 2004.

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

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

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



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INĀ TE MAHI A TE TANGATA
HOW INDUSTRIOUS THAT PERSON IS

Ko wai mātou me ngā aronga

Who we are
and what we
do: 2020/21
at a glance



We are New Zealand's primary workplace health and safety regulator

671

People working across Aotearoa

18

Offices across Aotearoa

We have seven business groups



Regulatory Effectiveness and Legal



Health and Technical Services



Business Performance and Finance



Digital Transformation



People, Culture, Safety and Property



External Strategy and Engagement



Operations
(General Inspectorate, Specialist Interventions, High Hazards, and Energy and Public Safety)

We have

9

Executive members who are responsible for running day-to-day WorkSafe business

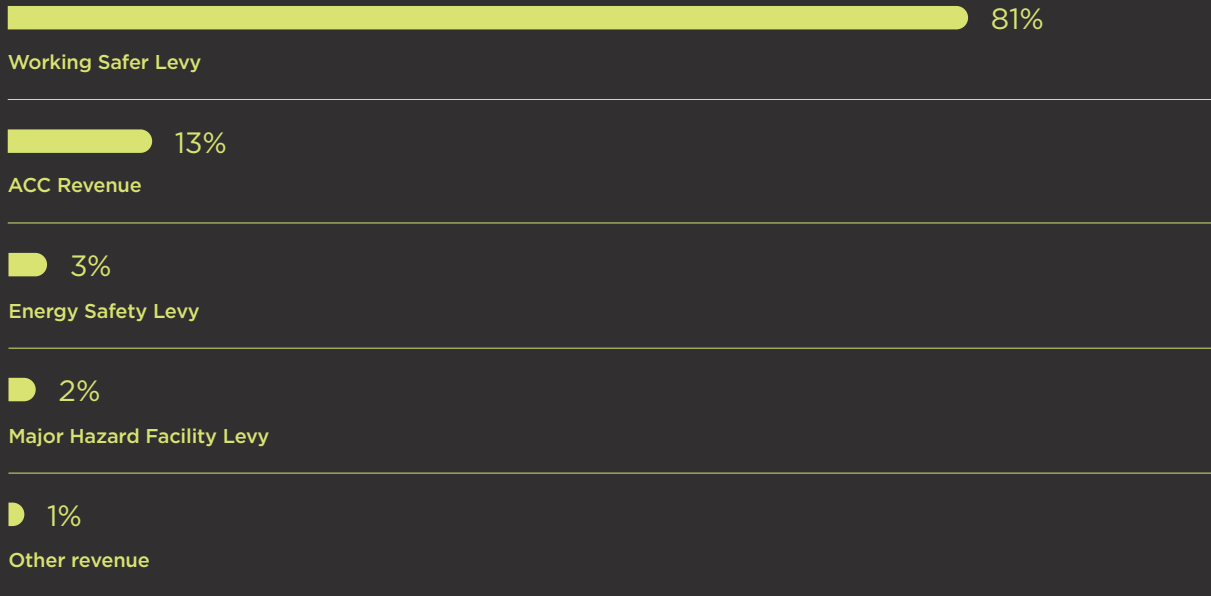
7

Board members who bring a wide range of skills and experience to their role

5

Board sub committees to support the Board

We have five funding sources



Our core regulatory activities



Lead, engage and influence



Educate, guide, inform and learn

The foundation for our role comes from the Health and Safety at Work Act 2015. We are also responsible for regulating the Gas Act 1992 and the Electricity Act 1992



Build capability and worker participation



Innovate, design, implement and evaluate



Authorise, oversee, assess and audit



Investigate, enforce and hold to account

Our regulatory activities¹ are to ensure everyone who goes to work comes home healthy and safe

HARM PREVENTION
Harm prevention is at the heart of what we do. We want risks to be identified and eliminated or actively controlled. Key harm prevention programmes include: working in and around vehicles programme, Toroawhi pilot in the forestry sector and carcinogens and airborne risks programme

1. We influence and partner with others to support a system-wide response

Our partners

- Workers, unions and worker representatives and energy consumers
- Business industry and sector bodies, including employers and persons conducting a business or undertaking
- Specialist advisors and training organisations
- Iwi, community and social partners such as Te Kāhu Mātai (see Case study 1)
- Other regulators and government agencies such as the Ministry of Business, Innovation and Employment and Accident Compensation Corporation (ACC)

2. We educate to improve awareness and knowledge of health and safety at work

During 2020/21

47 health and safety guidance and education products published and revised:

- 23 quick guides
- 11 information sheets and infographics
- 7 fact sheets
- 5 guidelines
- 1 pocket guide

See Focus areas: Build our harm prevention approach for further information

Key campaigns and roadshow:

- seatbelts at Work campaign to ensure safety in vehicles

- forklift safety roadshows in eight cities with approximately 475 businesses and almost 1,000 attendees
- Life Shaver campaign to raise awareness of workers who use respiratory protective equipment to be clean shaven to minimise the risk to hazardous materials

Other supporting tools:

- PICKLED: An innovative new way to teach health and safety in the workplace introduced
- SafePlus: A voluntary health and safety performance improvement toolkit for businesses updated including the release of three new video case studies

3. We engage with businesses, organisations and kaimahi to help them do the right thing²

During 2020/21

Under the various Health and Safety at Work Regulations 2017:

- 14,121 assessments completed
- 12 audits conducted
- 58 principal hazard management plans, 50 mine plans and 4 high-risk activity notifications reviewed
- 12 petroleum installations reviewed and accepted and 1 major hazard facility reviewed
- 22 well operation and 38 well workover notifications for petroleum operations reviewed
- 122 detail of works notifications for geothermal operations reviewed
- 24 authorisations granted to compliance certifiers (including renewals)
- 674 controlled substances licences issued
- 73 exemptions (including hazardous substances controls approvals) granted

In the energy safety sector:

- 204 product suppliers audited
- 411 products audited

Licensing and registration:

- 703 certificates of competence for mine operation issued including renewals
- 259 certificates of competence for occupational divers granted
- 366 licences for asbestos removal operators and assessors granted
- 212 adventure activity operators registered
- 203 amusement devices registered

4. We enforce legislative obligations to hold to account

Approximately 11,000 enforcement measures taken, including the issue or review of:

- 4,517 improvement notices
- 1,923 verbal directions
- 1,688 directive letters
- 1,152 prohibition notices
- 1,045 sustained compliance letters
- 226 duty holders

187 investigations completed

63 businesses and/or persons prosecuted
2 enforceable undertakings ordered

In the energy safety sector:

- 753 gas and electricity investigations
- 99 warnings issued
- 20 infringement notices issued

¹ Excluding activities under the COVID-19 Public Health Response Act 2020.

² See Focus areas: Grow effective strategic relationships for further information to see how we engage with business, organisations and kaimahi.

Grow Effective Strategic Relationships Te Kāhu Mātai The Partners Council

“The ability to connect with iwi, unions, and business representatives provides an ideal forum for rounded debate on health and safety issues. Input and feedback from the partners provide WorkSafe with the ability to work collaboratively across the health and safety ecosystem.”

Mā te kaha ki te hono atu ki ngā iwi, rātou ko ngā Uniana, ko ngā kanohi umanga, e whai hua ai ki te kōrero tahi mō ngā take haumaruru me te hauora. Mā tēnā kōrero, mā tēnā kōrero mai i te tangata, ka āhei a Mahi Haumaruru ki te mahitahi huri noa i te pūnaha hauropi mō te hauora me te haumaruru.

Whānau, hapū, iwi and other community groups have a stake in ensuring health and safety in workplaces improves. Te Kāhu Mātai is an important forum bringing these groups together with business and unions as social partners to work with WorkSafe.

Health and safety data indicates Māori are disproportionately impacted by workplace harm. As part of WorkSafe’s efforts to focus on and address equity issues, Te Kāhu Mātai is an important part of coordinating efforts to improve Māori health and safety with all our partners.

Te Kāhu Mātai is an advisory group of iwi, business and union partners who engage and provide advice to the WorkSafe Board and bring Māori representation at a governance level.

Membership of Te Kāhu Mātai reflects the diverse groups and interests that WorkSafe engages with across a variety of regions, sectors and communities.

Following consultation with the Iwi Chairs Forum, two Māori members were appointed, reflecting the growth and development of WorkSafe’s

relationship with iwi throughout the country. It also shows the desire to work in partnership with Māori to find sustainable community-based solutions to health and safety.

Te Kāhu Mātai provides a valuable sounding board for WorkSafe when developing programmes or initiatives aimed at better health and safety. In addition, it provides the opportunity for iwi and social partners to act as a conduit for feedback and advice to WorkSafe on health and safety issues affecting business, workers and Māori.

Te Kāhu Mātai was convened and held its first meeting in April 2021 where several suggestions were discussed by members on how it could contribute to the mahi of improving the health and safety system. These included improving data collection on worker harm, designing a system that allows better collaboration and pooling collective resources.

Ross Wilson, WorkSafe Board Chair, noted at the last meeting how valuable Te Kāhu Mātai was for progressing WorkSafe’s key objectives.

Te Kāhu Mātai will continue to meet at least twice yearly, with the next meeting scheduled in November to focus on forestry sector engagement.

WAIHO I TE TOI POTO,
KAUA I TE TOI ROA
LET US KEEP CLOSE TOGETHER
THERE IS STRENGTH IN UNITY

Mō Mahi Haumaruru About WorkSafe



Who we are

We are the Government's primary health and safety regulator. Our vision is that everyone who goes to work comes home healthy and safe. Our foundation for doing this is the Health and Safety at Work Strategy 2018–2028 and its vision: **Work is healthy and safe for everyone in New Zealand**. We are a Crown agent and operate under the legislative framework set by the Crown Entities Act 2004.

What we do

WorkSafe leads, contributes to and promotes improved health and safety at work, and energy safety. The foundation for our role is the Health and Safety at Work Act 2015. We are also responsible for regulating the:

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

We work across all Aotearoa's wāhi mahi, including major hazard facilities, the petroleum, geothermal and extractive industries and tunnelling and quarrying operations. We also regulate high-risk activities, such as adventure activities, scaffolding and powder-actuated tools. We are responsible for energy safety, including the safe production, supply and use of energy and the safety of gas and electrical products.

Our mission is to transform Aotearoa's health and safety at work performance towards world-class. We strive to be a health and safety regulator that inspires others across Aotearoa and internationally to create and do better work.

How we work

Taura Here Waka: Becoming an effective, modern and insights-led regulator

We have recently launched the next evolutionary stage of our journey to becoming an effective, modern, insights-led regulator: our strategic delivery plan Taura Here Waka - Strength in Every Strand. Our decision to move to the next stage reflects the rapidly changing environment that we operate in and aligns with best practice around the world. Our research and evaluation programme,³ which draws on international occupational health and safety best practice, seeks to support WorkSafe's regulatory activities by identifying the gaps in current knowledge and addressing these gaps through a range of study designs and appropriate research methods. We face growing scrutiny and demand to provide effective regulatory levers combined with value for money. Applying an insights-driven approach will enable us to become even more effective and efficient.

³ Occupational health and safety research provides critical evidence to support our activities. Occupational health and safety research is the study of the incidence, characteristics, causes and prevention of work-related injury and ill health. Occupational health and safety research draws together multiple disciplines, including public health, epidemiology, engineering, human factors and ergonomics, sociology, behavioural psychology, economics, safety management and occupational hygiene.

Taura Here Waka puts our strategy into action. It enables WorkSafe to effectively perform our roles and use our tools as well as supporting us to undertake a range of activities with our partners and stakeholders to transform New Zealand's health and safety performance towards world-class. How Taura Here Waka informed and shaped our core activities over 2020/21 is discussed throughout this Annual Report.

Through Taura Here Waka and building upon our traditional approaches and ways of working, we are contributing to safe work, healthy work and equitable health and safety outcomes at work.

Partnership with our partners and stakeholders across Aotearoa

We seek to effectively partner with workers, unions, employers, businesses and iwi organisations. Worker representatives, unions, business, industry and sector bodies are important partners and stakeholders. As a Crown agent, WorkSafe is committed to our obligations under te Tiriti o Waitangi (the Treaty of Waitangi) and to working collaboratively with iwi and Māori communities as well as Pacific Peoples and other groups of workers to reduce harm to workers.

We collaborate with specialist and expert advisors in health and safety and with other technical experts to support our work. We also work with education and training organisations to influence the way work is done. The health and safety system impacts and is affected by other regulatory systems. This is why WorkSafe works with other government agencies and regulators. Our relationship and work with our monitor, the Ministry of Business, Innovation and Employment, is particularly important. The Ministry provides primary policy advice on health and safety legislation and regulations and strategic and policy advice on the design and overall performance of the health and safety system to the Minister of Workplace Relations and Safety.

Leadership and governance

WORKSAFE BOARD

WorkSafe is governed by a Board appointed under the WorkSafe New Zealand Act 2013.

The Board provides governance and leadership. It helps set WorkSafe's strategic direction and guides our work. This year, we welcomed two new Board members, and we are looking forward to the contribution they will make to our organisation in the future.

Board members have backgrounds that include experience in the administration of work health and safety legislation; health and safety at work best practice, including work-related illnesses and occupational disease; risk management; public sector governance and central government processes; worker engagement, representation and participation; business and te ao Māori.

The Board is supported by five committees and advisory groups:

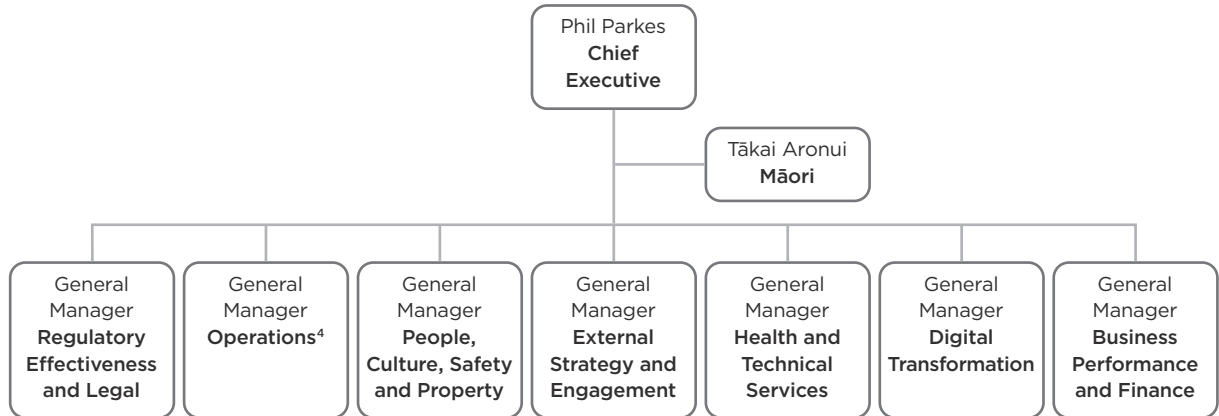
- The **Audit, Risk and Finance Committee** provides independent assurance and advice to the WorkSafe Board on the agency's risk, control and compliance framework, and its external accountability responsibilities. Furthermore, it monitors WorkSafe's finances.
- The **Governance and Performance Committee** reviews, reports and advises the Board on:
 - their skills matrix including identifying the required skill sets for potential Board Members and Board Committee candidates
 - their approach to governance, and the Board Governance Manual and other Board Policies
 - how they evaluate their effectiveness, and their systems and processes that support them to govern WorkSafe
 - the measures for WorkSafe's organisational performance and effectiveness, and the work to achieve the measures.
- The **People Remuneration and Diversity Committee** reviews, reports and advises the Board on:
 - measures to improve the health, safety and wellbeing of WorkSafe people
 - Board, Chief Executive and Senior Executive succession planning
 - WorkSafe's remuneration policies and talent strategy
 - measures to improve diversity.
- The **Work-related Health Advisory Group** provides independent perspectives on the implementation and impact of WorkSafe's strategic activities within WorkSafe's Healthy Work: WorkSafe's Work-related Health Strategy 2016-2026. It also provides strategic recommendations and advice to the Board in line with their annual strategic planning process.
- The **Extractive Industry Advisory Group** provides advice on the effectiveness of the extractives regulatory framework and WorkSafe's administering and enforcing of it; specific aspects of the regime, such as emergency preparedness and response; health and safety trends in the sector, both in New Zealand and overseas; and how WorkSafe can ensure that it responds appropriately to emerging health and safety issues and future developments in the extractives sector.

During 2020/21, WorkSafe set up a new **Digital Transformation Board Committee** which will include three ICT experts and will be chaired by a Board member. We also established **Te Kāhu Mātai**. Te Kāhu Mātai is an advisory group of iwi, business and union partners who engage and provide advice to the WorkSafe Board and bring Māori representation at a governance level.

EXECUTIVE LEADERSHIP TEAM

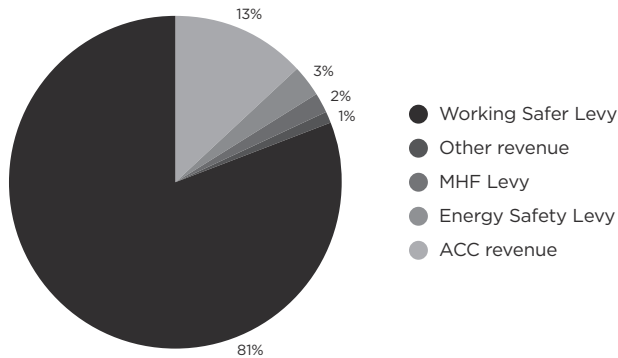
WorkSafe is led and managed by our Executive Leadership Team (ELT), including our Chief Executive, General Managers and Tākai Aronui (Chief Advisor) – Māori. Together, they bring extensive leadership, management and technical experience to their roles.

The Chief Executive is accountable to the WorkSafe Board and reports to the Board Chair.



How we are funded

We have two appropriations (Worker Safety Levy via Vote Labour Market and Tax Funded COVID-19 Response and Recovery Funding) with five funding sources which are:



Working Safer Levy: A levy on all businesses to cover the cost of core activity undertaken by WorkSafe and designated health and safety regulators.

ACC revenue: Contracted funding provided by ACC to deliver harm prevention interventions and activity.

Energy Safety Levy: A levy to recover the cost of promoting and contributing to the safe supply and use of electricity and gas.

Major Hazard Facility (MHF) Levy: A levy to offset the cost of activity in the major hazard facility regulatory regime.

Other revenue: Incorporates fees, safety cases, interest and other such as legal court awards.

⁴ Includes General Inspectorate, Specialist Interventions, High Hazards, and Energy and Public Safety.

Our people

Our people contribute to healthy and safe work for all kaimahi (workers) in Aotearoa through their commitment and capability to improving outcomes. Attracting, engaging and growing our inspectors and technical experts, harm prevention specialists and other people across our organisation is an important part of WorkSafe's work.

Our people are at the heart of delivering our strategy, and we navigate the changes alongside them. Our refreshed strategy identifies a more diverse and inclusive organisation as we continue to work in an increasing complex and challenging operating environment.

As we continue our transformation – creating a digital workplace, building work-related health capability and improving knowledge and insights to inform interventions – our people are at the centre of our change. We continue to focus on having the right people with the right capabilities in place, supported by a culture of wellbeing, inclusiveness, diversity and engagement. We are committed to te Tiriti o Waitangi and ensuring diversity and inclusion in our workforce.

WorkSafe is committed to being a good employer through good management practices, providing our people with opportunities and supporting a diverse and inclusive environment. We lead by example through a healthy and safe environment and culture so our people can deliver their best and thrive.

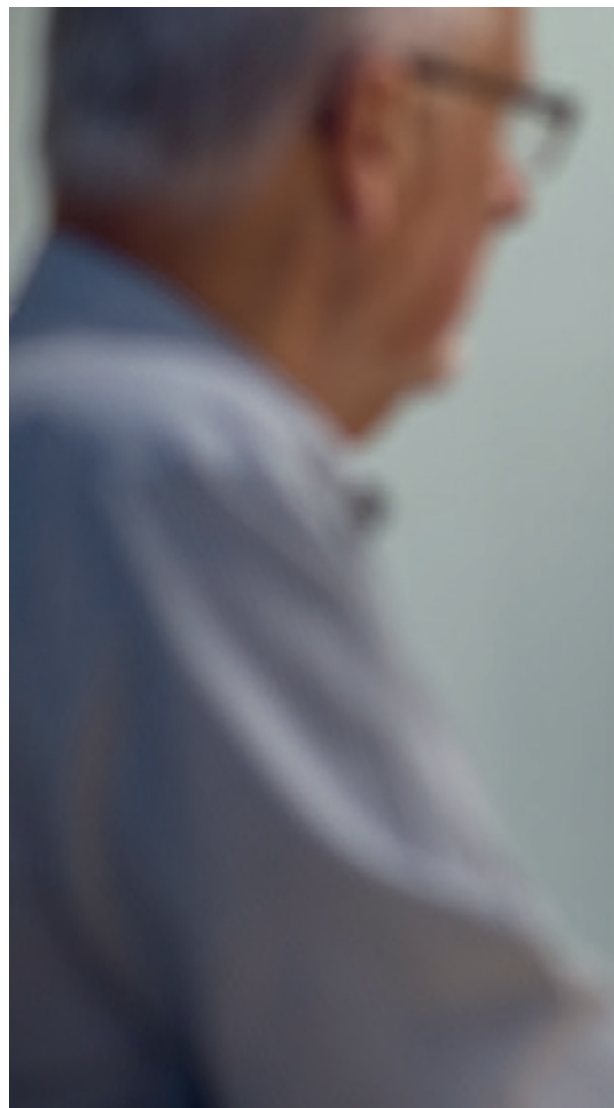
During 2020/21, we rolled out our new approach to flexible working at WorkSafe – flexible by default. We continued to pilot various forms of flexible work arrangements to remain agile in the COVID-19 environment and to suit the needs of our people.

Health, safety and wellbeing

We increased resourcing for our internal health, safety and wellbeing team. The increased resource reflects the desire to become a leading health and safety organisation. Some of our achievements included:

- signing a new Worker Engagement, Participation and Representation Charter in conjunction with our health and safety representatives and the Public Service Association
- restructuring our health and safety committees to provide our health and safety representatives with a direct line to their senior leaders. Empowering them to work together to achieve better outcomes
- piloting several initiatives from an internal mentally healthy work perspective, including:
 - peer support network, with a particular focus on the psychological trauma-related aspects our jobs
 - mental health awareness training for people leaders and all employees
 - trial of a wellbeing smartphone app for our people
- embarking on the Government Health and Safety Lead Officer Development Course.

Our Board and ELT have implemented Leadership Visibility Tours to go and learn about the work our people do.



Diversity and inclusion

In line with our value of whakakotahi, we recognise that our individual differences are our collective strength. Over the past year, we have continued to focus on diversity and inclusion in the makeup of our people and how we support them.

As at 30 June 2021, we had a total of 671 permanent and fixed-term employees – an increase of 6% in the past year.

Our workforce remained gender balanced with 50% women and 50% men. We also had an increase in women in leadership positions and as part of our Inspectorate group. Our ethnic profile remained steady overall.

Our average age has held steady at 46.5 years, but our workforce is ageing. This is particularly the case in the Inspectorate group, with 67% of staff aged over 45 years compared to 45% of staff in other roles.

The gender pay gap (3.6%) has narrowed noticeably in 2020/21 from 4.9% in 2019/20. This is partly attributable to the appointment of more women into higher-paid roles. Over this past year, 11 of the 17 people leaders we appointed were women, and that included a second-tier general manager and a senior manager.

Supporting our people is of utmost importance, and for that reason, we have continued to support employee-led networks such as our Rainbow network and Pasifika network.

64%

11 out of 17 people leaders appointed were women

Gender pay gap

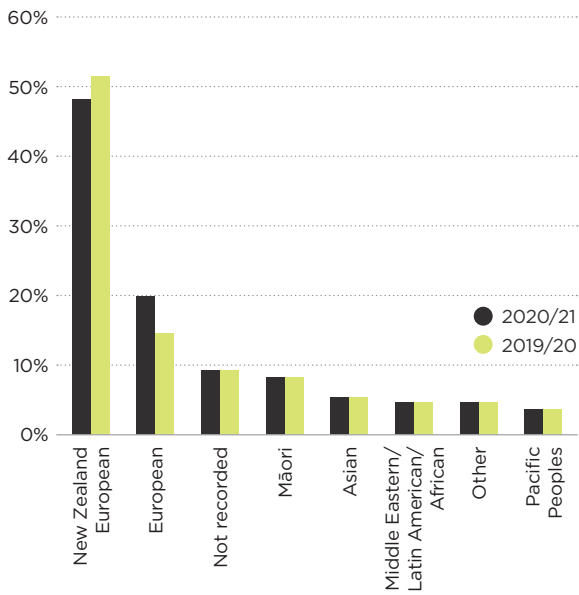
3.6%

Improvement from 4.9% in 2019/20

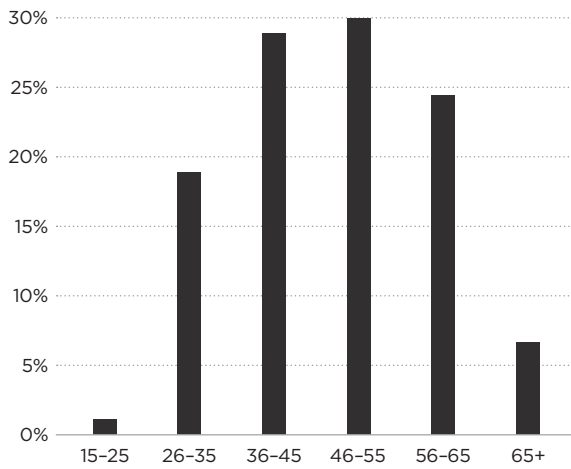


At a glance: WorkSafe people as at 30 June 2021

Ethnicity



Age distribution



Average age

STAFF

46.0

INSPECTORATE⁵

48.3

WORKSAFE

46.5

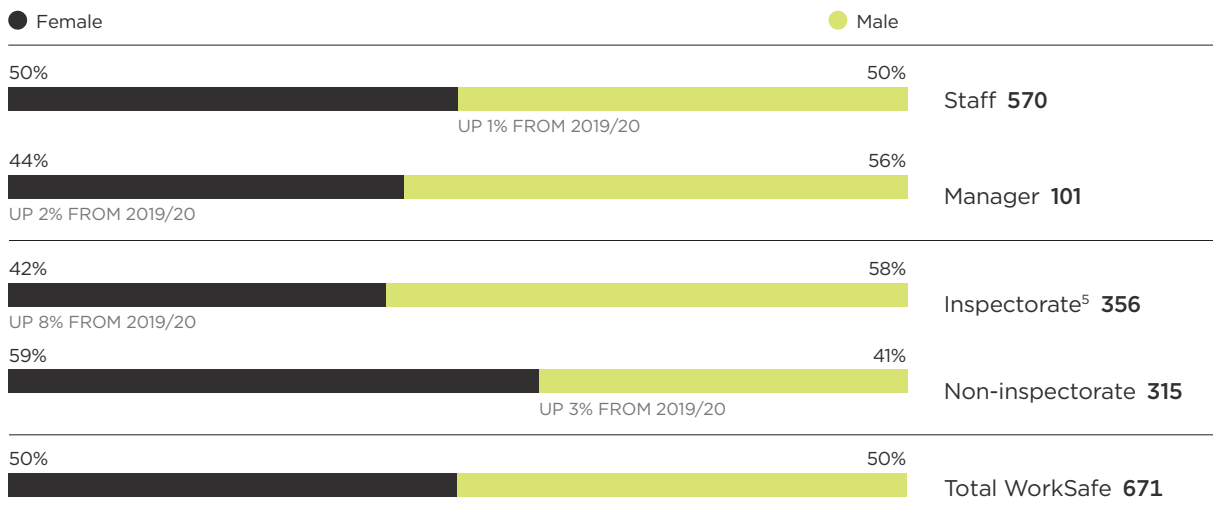
MANAGER

49.6

NON-INSPECTORATE

44.5

Headcount by position, role and gender



⁵ The Inspectorate group carries out WorkSafe's core functions such as investigations, inspections and assessments.

Where we work

Our 671 people are located in 16 offices across New Zealand.

671

People working across Aotearoa

18

Offices across Aotearoa



Our transformation journey and the years ahead

Since our establishment in 2013, WorkSafe has led the health and safety at work system. We have identified our core regulatory activities and developed our longer-term harm prevention approach. We have built effective strategic relationships and worked across the system with businesses and organisations and with kaimahi and their unions.

We are proud of the progress we have made, and we are starting the next phase of the journey. We will be building on what works and trying new ways to create better, safer, healthier mahi (work) across Aotearoa. We have launched a refreshed strategy and outcomes framework that will take us to the next phase in our transformation journey.

The journey we have embarked on will see WorkSafe transform how health and safety at work is viewed in Aotearoa. Health and safety will be core to how we design, set up and do work. Everyone will understand risk and recognise hazards so that they can be eliminated or actively managed.

More information is available in our Statement of Intent 2021/22–2024/25, which includes our strategic outcomes framework and describes our strategic intentions for lifting health and safety at work performance in Aotearoa.

Risk management

Managing risk and encouraging proactive risk management is inherent in WorkSafe's day-to-day work and the health and safety system.

To achieve our strategic outcomes and impacts, we need to manage risks effectively. Risk management at WorkSafe is twofold – the identification of risks that could impact workers and those affected by work and the identification of risks that could disrupt or impact WorkSafe as an entity.

WorkSafe is adopting and embedding the three lines of defence model. By building and enhancing risk management capability in our first line and second line, we strengthen the integration of risk management and uplift risk culture across our organisation. We aspire to be an organisation where risk is everyone's responsibility and part of our fabric.

WorkSafe is revising its Risk Management Policy and Framework so that it is right sized and supports WorkSafe's vision and strategic outcomes.



“I felt that this experience for WorkSafe has also helped mould our practices and given us a platform to openly engage with the New Zealand workforce and unite us all together with a strong purpose to ensure that everyone who goes to work comes home healthy and safe.”

WORKSAFE INSPECTOR





Case study

Health and safety at work system COVID-19 workplace assessments

“I found the COVID-19 facility visits a great experience for us as inspectors. It helped us to develop and influence the way we think and understand the changing dynamics within the modern workplace, presented us with the opportunity to recognise and acknowledge the good work done to keep our country and people safe and, most importantly, gave us the ability to speak and engage with the New Zealand COVID-19 response in a meaningful way.”

The Government has responded to COVID-19 with a range of measures to control the spread of the virus into and within Aotearoa. One of the main ongoing risks is the introduction of the virus from people arriving in the country. To minimise this risk, all people entering New Zealand must spend 14 days in managed isolation.

WorkSafe has supported the response to COVID-19. Our response was focused on engagement and education, not solely on enforcement. Because WorkSafe is a small regulator with limited resources, our approach has been to prioritise high-value COVID-19 activity without compromising our core business.

The Government’s response revolves around changing risks and circumstances. The current goal of preventing community transmission from the border and managed isolation and quarantine facilities is likely to continue for some time. WorkSafe’s enforcement role for the foreseeable future will be focused on supporting this goal.

OUR ROLE AND FOCUS

We have contributed to the Government’s response to COVID-19 in various ways. One of the roles was assessing 18 managed isolation facilities and one quarantine facility.

Our role in assessing managed isolation and quarantine facilities was to ensure the health and safety systems were in place to protect all workers at the facilities and in turn protect Aotearoa.

At each facility, we assessed the measures and controls in place to ensure the health and safety of workers and the risk management practices.

The inspections focused on:

- the effectiveness of implementation and monitoring
- the hierarchy of controls
- training in how to use personal protective equipment
- worker engagement, participation and representation.

OUR INSPECTION PROCESSES AND ACTIVITIES

The first component of the facility inspection was a remote assessment. WorkSafe contacted the managed isolation and quarantine facilities by phone or video to introduce our role and the rationale for the assessment and to seek relevant information from the business owners or managers. We also spoke with workers and health and safety representatives where possible.

If we identified a concern in relation to compliance with the Health and Safety at Work Act and associated regulations, our next step was an on-site inspection of the facility. We planned these carefully to minimise the time spent at the managed isolation and quarantine facility.

ENSURING THE SAFETY OF OUR PEOPLE

To minimise the risk of repeated exposure, inspections by each inspector were completed on the same day. This meant each inspector required only one COVID-19 test and one round of self-isolation.

Full personal protective equipment (PPE) was compulsory for inspectors entering a managed isolation and quarantine facility. Inspectors had to sanitise their hands thoroughly with an alcohol-based hand sanitiser before putting on and removing PPE. All PPE was disposed of appropriately.

Seven of our inspectors assessed

18

managed isolation and quarantine facilities and coordinated

13

facilities site visits to occur on the same day



ITI NEI! ITI NEI!
ONE STEP AT A TIME

Te pūnaha mahi mō te hauora me te haumaru Health and safety at work system

The Government's Health and Safety at Work Strategy 2018–2028 (HSW Strategy) is the foundation for driving change in the health and safety at work system.

Te heipūtanga mahi **Operating environment**

The nature of work is changing for many, creating new high-risk sectors and work practices

The health and safety at work system and operating environment are influenced by global, national, regional and local changes. The changes are economic, cultural and social. COVID-19 continues to significantly affect our operating environment.

As the labour market changes, WorkSafe has been considering how new technologies, practices and innovation will affect the way people work and live. Our view is that there are opportunities to change the way work is done to improve health and safety. At the same time, health and safety accountability could become less clear as working arrangements become more fluid and complex.

New sectors and industries, along with new work practices, may emerge as being high risk and needing our attention. The manufacturing sector has seen increases in week-away-from-work (WAFW) acute injuries, and injury rates remain high in agriculture and transport, postal and warehousing sectors. Analysis suggests that half of work-related acute fatalities were related to working in and around vehicles.

Employers and businesses need to consider the health and safety risks of vehicles and of new machinery, systems and processes that support change and innovation in the workplace. New Zealand is currently achieving its energy sector system targets, but we are alert to the changing nature of the energy sector in response to new technologies and climate change.

Ngā mahi pūnaha **System performance**

Government health and safety system targets:
key system performance indicators

These results are one part of the picture of the health and safety system. An HSW Strategy outcomes dashboard was published in 2019 to complement the system targets and results.

Note: There is a time lag in the available data. The most recently reported results have been included, with some of these results being provisional (P).

**Health and safety
system performance
is influenced by
various agencies
and it is everyone's
responsibility.**

**We must all contribute
to improving health
and safety outcomes.**

Key performance indicator 1At least a 25% decrease in work-related fatalities and injuries by 2020⁶**TARGET INDICATOR 1: FATAL WORK-RELATED INJURIES (PER 100,000 FTEs)**

REPORTING YEAR	2017/18	2018/19	2019/20	TARGET	2020/21	
Injury year ⁷	2014-16	2015-17	2016-18	2018-20	2017-19	2018-20
Rate	2.0	2.1	2.1	2.5	2.3	2.2 ^(P)
Difference from baseline 3.3 (2008-10)	-1.3 ↓	-1.2 ↓	-1.2 ↓		-1.0 ↓	-1.1 ↓

Source: Stats NZ from WorkSafe notifications and ACC claims data, December 2020

Progress towards achieving safe work is measured by a sustained decrease in kaimahi being injured or killed at work.

The rate of fatal injuries for 2017-19 was one fewer fatality per 100,000 FTEs or 30% below the 2008-10 baseline. However, progress has stalled since the middle of the decade. There remain persistently high levels of serious harm related to vehicles on the farms and public roads particularly from quad bike incidents and trucks.

The single most common injury mechanism for work-related fatalities on public roads is trucks or utes. During 2017-19, incidents involving trucks or utes accounted for more than a quarter of all fatalities recorded by WorkSafe. Data from Waka Kotahi NZ Transport Agency indicates there has been an increase in truck accidents⁸ per kilometre driven since about the middle of the past decade. This is contributing to the stalled progress in fatalities.

ACTIONS WE ARE TAKING

We continue to address system-level harm by intervening higher in the supply chain, to improve the use of safer vehicles and equipment, and to influence how work is designed and implemented. This will be supported by the programme of regulatory reform led by the Ministry of Business, Innovation and Employment on plant (that is, where an industrial or manufacturing process takes place) including vehicles and structures.

TARGET INDICATOR 2: WORK-RELATED SERIOUS NON-FATAL INJURIES (PER 100,000 FTEs)

REPORTING YEAR	2017/18	2018/19	2019/20	TARGET	2020/21	
Injury year	2016	2017	2018	2018-20	2019	2020
Rate	14.2	16.7	17.2	14.3	18.3	16.5 ^(P)
Difference from baseline 19.1 (2008-10)	-4.9 ↓	-2.4 ↓	-1.9 ↓		-0.8 ↓	-2.6 ↓

Source: Stats NZ from ACC claims and Ministry of Health hospitalisation data, October 2021

The rate of **work-related serious non-fatal injuries** for 2019 is below the 2008-10 baseline, but progress has stalled since the middle of the decade.

⁶ In October 2017, the work-related fatalities and injuries data series, including the baseline, was revised by Stats NZ. This was to correct an error where non-accepted Accredited Employer Programme claims had previously been included.

⁷ From 2017/18, WorkSafe reports this measure with the data that was reported in the financial year in question rather than the latest available results at time of publication. The latest data at the time of publication is available on the Stats NZ website: stats.govt.nz

⁸ Not all truck accidents are work-related.

ACTIONS WE ARE TAKING

Due to data limitation, some trends relating to these indicators cannot be clearly supported by evidence. We are working with Stats NZ, ACC and the Ministry of Health to get better data on serious non-fatal injuries to gain an improved understanding of the nature of these injuries. Some of these injuries are likely to have occurred through injury mechanisms similar to those for fatal injuries and will be addressed as part of an overarching approach.

TARGET INDICATOR 3: WORK-RELATED INJURIES RESULTING IN MORE THAN A WEEK AWAY FROM WORK (PER 1,000 FTEs)

REPORTING YEAR	2017/18	2018/19	2019/20	TARGET	2020/21	
Injury year	2016	2017	2018	2018-20	2019	2020
Rate	12.2	12.6	13.0	8.4	13.6	12.6 ^(P)
Difference from baseline 11.3 (2009-11)	0.9 ↑	1.3 ↑	1.7 ↑		2.3 ↑	1.3 ↑

Source: Stats NZ from ACC claims data, October 2021

The rates for work-related injuries resulting in more than a week away from work (WAFW) has been trending upwards.

The increasing trend in WAFW claims is seen across the ACC scheme, including those from non-work-related injuries. This increasing trend in WAFW claims is driven by an increase in musculoskeletal injuries, including sprains and strains, especially in the construction, manufacturing, transport and health care sectors.

In the period 2015 to 2019, the number of work-related WAFW claims increased by more than 6,900, or 27%. The largest contributors to this increase were manufacturing (16%), construction (15%), and health care and social assistance (10%). Manufacturing and health care sectors saw notable increases in injury rates since 2009. The injury rate in construction declined markedly from 2008 but has been increasing gradually since 2013. With the strong growth in construction employment of 45% over the past seven years, the total number of injuries in construction has increased significantly.

Overseas experience has shown an association between periods of economic growth or recession and WAFW injury rates, with most sectors showing a decline following the economic shock of the Global Financial Crisis in 2008-2009. The downward trends have reversed since 2013. The exception is health care and social assistance, which has been less affected by business cycles and has seen a steadily increasing trend in injury rates.

ACTIONS WE ARE TAKING

Research shows that work-related musculoskeletal harm is driven by a range of factors involving the interaction of a person with their physical and psychosocial work environment, including the way work is organised, biomechanical and physiological factors regarding loads, forces and the pace and repetition of tasks, and individual factors. While injuries covered by ACC claims are often linked to a single event, frequently involving lifting, carrying, or sudden movement, there is an overlap between these injuries and chronic discomfort and musculoskeletal disorders.

WorkSafe has identified good work design as a framework for considering how work can be designed and set up in ways that support health and safety as well as productivity. While it is relevant to all aspects of health and safety, good work design can make a particular difference to musculoskeletal injuries which are the most prevalent form of work-related harm across many sectors. WorkSafe is promoting good work design by working with and alongside ACC and industry leadership groups.

Key performance indicator 2

A 50% reduction in asbestos-related disease by 2040

TARGET INDICATOR: NUMBER OF MESOTHELIOMA FATALITIES

	2016/17	2017/18	2018/19	2019/20	TARGET	2020/21
Date of data	2013	2014	2015	2016	2040	2017
Number of fatalities	90	84	107	82	≤44	92 ^(P)

Source: Ministry of Health

Most mesothelioma deaths are attributable to work-related asbestos exposure, but some are due to non-work-related exposure. The work-related attributable fraction is very high (approximately 80%). Mesothelioma deaths are used as an indicator of WorkSafe's broader area of interest in work-related asbestos deaths and trends.

Lung cancer accounts for most asbestos-related disease, followed by mesothelioma, then asbestosis. It is estimated that there are approximately 250 asbestos-related deaths per year in New Zealand. Most asbestos-related disease has a long lag time, being caused by exposures an average of 20–30 years ago. From 2021/22, WorkSafe will no longer be reporting against this target. Instead, we will aim to track progress in reducing current exposures to carcinogens and other work-related health risks. Our actions to achieve this are explained in *Focus areas: Build our harm prevention approach*.

Key performance indicator 3

Zero catastrophic events

TARGET INDICATOR: NUMBER OF CATASTROPHIC EVENTS

	2016/17	2017/18	2018/19	2019/20	TARGET	2020/21
Date of data	2016/17	2017/18	2018/19	2019/20	2020	2020/21
Number of events	0	0	0	1	0	0

Source: WorkSafe

Key performance indicator 4

Fatalities from electrical shock and gas accidents trend down

TARGET INDICATOR: FIVE-YEAR AVERAGE PER MILLION EXPOSED FOR THE FOLLOWING THREE SECTORS

	2016/17	2017/18	2018/19	2019/20	TARGET	2020/21
Date of data	2012–16	2013–17	2014–18	2015–19	2021	2016–20
Electricity	0.18	0.13	0.04	0.04	<0.8	0.04
LPG	0.29	0.23	0.23	0.23	<0.9	0.11
Natural gas	0.00	0.00	0.00	0.00	<0.7	0.00

Source: WorkSafe, Stats NZ (population and dwelling numbers) and Ministry of Business, Innovation and Employment

Everyone in New Zealand is exposed to electricity, an estimated 75% of the population is exposed to LPG and an estimated 15% of the population is exposed to natural gas.

About setting the targets 2021: A single fatality in New Zealand in particular categories may have a disproportionate effect on the overall fatality rate. For example, between 2005/06 and 2010/11, the fatality rate related to natural gas increased from 0.0 to 0.6 because of a single fatality. Therefore, our targets were set reflecting the disproportionate effect. From 2021/22, our target is to keep fatalities at or below their current low levels. We will also be reporting the rate of notifiable accidents involving electricity, LPG and natural gas.

Health and safety leadership

To continue to transform New Zealand's health and safety at work performance, change must be collectively driven. It must be led by employers, businesses, industry and sector groups, organisations and their leaders.

Information on health and safety leadership is fragmented. Our Health and Safety Attitudes and Behaviours Survey (2018) told us that, for business leaders in higher-risk sectors, the reported importance of health and safety increased between 2013 and 2016, after which it appears to have plateaued. We need to grow the one in five workplaces with a mature safety culture to 100%.

If employers, businesses and other organisations are under pressure, they may have fewer resources to focus on health and safety and to support the work of a health and safety leadership group. They might change their work practices and processes in an effort to conserve their resources. This highlights the opportunity and the need to maintain or increase the focus on health and safety. Without it, the economy may increase the negative health and safety consequences for workers, especially if they are put under additional pressure or feel their employment is precarious and they are afraid to speak up.

Work-related health

WorkSafe is increasingly focusing on work-related health as we recognise that ill health accounts for the largest portion of the work-related burden of harm. We estimate that 750–900 people die from work-related diseases each year, and 5,000–6,000 hospitalisations each year are associated with work-related ill health. Most of the deaths are from cancer and respiratory disease, which together account for 31% of the total burden of harm, measured in disability-adjusted life years. Most cancers and respiratory diseases are caused by airborne exposures. Past exposure to asbestos accounts for the greatest number of current estimated deaths, followed by exposures to dust, vapours, gases and fumes that cause chronic obstructive pulmonary disease.

Musculoskeletal disorders account for 27% of the burden of harm. These include discomfort, pain and injuries that may develop over time, as well as acute injuries such as sprains and strains. WorkSafe is developing a musculoskeletal disorder programme and is building capability to support this, including through the recruitment of a human factors and ergonomics team.

Mental ill health attributable to work (through depression, anxiety and alcohol and drug use disorders) accounts for an estimated 17% of all work-related harm. The impact of the lockdowns in 2020 and the ongoing impacts of COVID-19 can reasonably be expected to have had a range of ongoing impacts on workers' mental health. For essential workers, this may include new stress triggers related to their work. WorkSafe has established a mentally healthy work programme and a team to support this. More information on this is provided in *Focus areas: Build our harm prevention approach*.

Inequities in health and safety outcomes

We want mahi to be healthy and safe for all kaimahi. At present, some kaimahi face a greater risk of harm, which translates into unequal outcomes for some population groups, including Māori and Pacific Peoples.

Māori and Pacific Peoples frequently work in higher-risk sectors and are over-represented in workplace fatality and injury statistics. Excess injuries are the number of acute injuries for Māori that would not have occurred if Māori had the same injury rate as non-Māori.

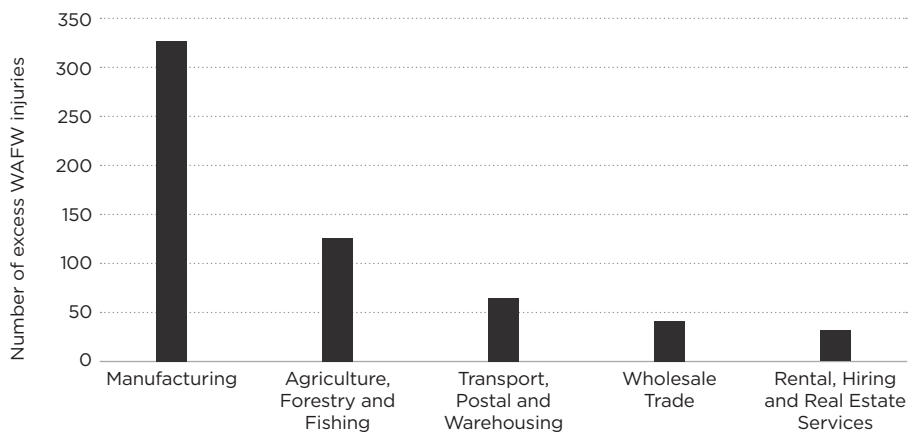
The below table shows that the rate of work-related serious non-fatal injury for kaimahi Māori has reduced by approximately 20% from the 2008-10 baseline but has remained relatively static since 2015-17.

WORK-RELATED SERIOUS NON-FATAL INJURIES PER 100,000 FTES FOR MĀORI COMPARED TO NON-MĀORI

	2008-10 BASELINE	2015-17	2016-18	2017-19
Māori	26.8	21.1	19.5	21.7
Non-Māori	18.5	15.0	15.9	17.2
Difference	8.3	6.1	3.6	4.5

The industries with the highest number of excess injuries for Māori are manufacturing, construction, and transport, postal and warehousing. The following graph shows sectors with the highest number of excess injuries for Māori in 2020 (a week away from work per 1,000 workers). There would have been this many fewer injuries if the Māori injury rate was equal to the non-Māori injury rate.

SECTORS WITH THE HIGHEST NUMBER OF EXCESS INJURIES FOR MĀORI IN 2020



Source: WorkSafe SWIFT and Statistics New Zealand 2018 Census

We need to better understand and address the greater risks confronted by Māori and Pacific Peoples.

Case study

Our focus areas combined Engagement driving better work at Fonterra

“The engagement we have had with Fonterra is a model for how WorkSafe should do interventions.”

PHIL PARKES
WorkSafe Chief Executive

“Every finding is a chance to learn and improve how we look after our people, communities and the environment. We are appreciative of our ongoing professional relationship with WorkSafe.”

CHUCK NORRIS
Fonterra General Manager
Global Critical Risk

WorkSafe targets a measurable difference by using engagement, education and enforcement as tools for improving health and safety performance. In the past year, we worked with Fonterra to deliver this.

Fonterra has 28 sites throughout New Zealand, two of which are designated major hazard facilities. Through our inspections, several risk opportunities were identified within its safety management system. WorkSafe issued a range of directives and notices to address these matters. Fonterra responded positively and identified good solutions in collaboration with WorkSafe inspectors. We used ongoing engagement and education to help achieve the right outcomes for all.

WorkSafe engaged at multiple levels with Fonterra. Regular meetings between WorkSafe and Fonterra executives covered programme and progress updates. WorkSafe inspectors also engaged at senior, middle management and worker levels to monitor and educate progress. Areas for improvement included re-baselining the safety assessment with more depth, improving follow-on emergency planning and preparedness, improving organisation-wide management of change, seeking further hazardous substance compliance, establishment of safety critical element verification and assurance processes and

implementing other reasonably practicable measures.

In solving many competing needs across a global food manufacturing and distribution business, a cross-functional team with improved process safety capabilities was established. This included key industry partnerships leveraging skills and capabilities from many places. Fonterra is now working through the deployment and improvement of a globally recognised 14-element process safety management model. This will standardise how Fonterra identifies and prioritises reasonably foreseeable harm. The solutions also seek to manage decisions across a competing priorities framework in all locations around New Zealand.

Throughout the ongoing engagement, we have seen additional examples of a win-win solution for safety and business. Fonterra did not limit their work to the designated major hazard facilities. Fonterra continues to take the major hazardous facilities lessons and proportionally implement principles of process safety across its entire manufacturing business. Fonterra has now started extending this work to Australia and further afield. It sees process safety as an organisational journey and not just a compliance destination. Fonterra has clearly elevated its process safety focus to be in line with its food safety and environmental custodianship.

WORKSAFE
Mahi Haumarua Aotearoa



MĀ MAHI KA ORA, MĀ ORA KA TUPU
ACTIVITY PROMOTES WELLBEING,
WHICH IS A RECIPE TO THRIVE

Hei aronui Focus areas



Kia tuku i nga ratonga tika

Deliver the right mix of services in the right way

We target our interventions and activities to make a measurable difference in all that we do, and we hold those who do not meet their obligations to account.

Delivering the right mix of services in the right way

There is a growing expectation for WorkSafe to do more to support workers, employers, businesses and other duty holders⁹ to ensure good health and safety is put into practice in New Zealand's workplaces. WorkSafe also holds those who do not meet their health and safety obligations to account in a fair and proportionate way.

Our resources are limited. Therefore, tailoring our interventions and services is key to transforming Aotearoa's workplace health and safety performance towards world-class.

To deliver the right mix of services in the right way, we need to understand the initiatives and projects we need to deliver and the activities we need to undertake, especially in high-risk sectors or industries where there is higher-risk work or to support workers with greater needs.

We need to have a clear understanding of the people and other resources necessary to use our levers in the most effective way and to take enforcement measures or actions fairly and proportionately.

WHAT WE HAVE ACHIEVED IN 2020/21

Support health and safety regulatory reforms

The regulatory reforms underpin the work we do to support effective health and safety regulation. The reforms ensure that we have regulations that are clear and effective at reducing harm and targeted to the critical risks.

As in previous years, we have continued to support the Ministry of Business, Innovation and Employment with the ongoing development of the health and safety at work regulatory system. This included regulations for plant and structures as well as mining and hazardous substances. We have continued to provide technical and operational advice to enable the Ministry of Business, Innovation and Employment and the Parliamentary Counsel Office to draft amendments to the Health and Safety at Work Regulations.

In the meantime, WorkSafe's engagement leaders continue to be the first point of call for industry questions about the proposed regulations.

⁹ A duty holder is a person upon whom a duty is imposed by the Health and Safety at Work Act 2015 and Hazardous Substances and New Organisms Act 1996. Duty holders under these Acts can be employers, principals, persons who control places of work, self-employed, employees, persons in charge or persons selling or supplying plant for use in a place of work.

Fulfil health and safety regulatory roles

Throughout the year, we performed various roles and activities under the Health and Safety at Work Act 2015, the Electricity Act 1992 and the Gas Act 1992. Our regulatory activities under these Acts include assessments, audits and investigations.

During 2020/21, our focus on harm prevention continued to increase, and we took appropriate enforcement measures and actions. As part of our assessment approach, we also looked closely at work-related health.

In addition, following our response to the Whakaari/White Island eruption, which is now before the court, our capacity to investigate has almost returned to usual levels, and this was reflected in the increased number of investigations in 2020/21.

Our regulatory activities are summarised below:

REGULATORY ACTIVITIES, EXCLUDING ACTIVITIES UNDER THE COVID-19 PUBLIC HEALTH RESPONSE ACT 2020

	2016/17	2017/18	2018/19	2019/20	2020/21
Assessments	13,425	14,285	14,010	13,043	14,121
Audits¹⁰	12	5	5	12	12
Investigations	356	240	212	135	187

We undertook the following activities under the various Health and Safety at Work Regulations:

- The New Zealand Mining Board issued 112 new certificates of competence and renewed 591. It was the first year that the Board issued renewals. They are linked to the initial issue of certificates of competence in 2015/16 to all existing certificate of competence holders. The Board was established as a specific response to the Royal Commission on the Pike River Coal Mine Tragedy. It advises WorkSafe on competencies, examines applicants and issues and renews certificates of competence, among other functions.
- We reviewed 58 principal hazard management plans, 50 mine plans and 4 high-risk activity notifications to ensure critical risks are being effectively managed by operators.
- We reviewed and accepted safety cases for 12 petroleum installations and 1 major hazard facility, we reviewed 22 well operation and 38 well workover notifications for petroleum operations and we reviewed 122 detail of works notifications for geothermal operations.
- We processed the following authorisations, licences and approvals under the Health and Safety at Work (Hazardous Substance) Regulations 2017:
 - 24 authorisations granted to compliance certifiers (including renewals) and 3 applications declined.
 - 674 controlled substances licences issued to people possessing explosives and other high-risk substances and 14 applications declined.
 - 73 exemptions (including hazardous substances controls approvals) granted to persons conducting a business or undertaking to enable alternative means of regulatory compliance and 8 applications declined.

¹⁰ WorkSafe audits authorisation holders, compliance certifiers, safety auditors of adventure activity operators and other organisations such as Scaffolding, Access and Rigging New Zealand and the New Zealand Engineering, Food and Manufacturing Industry Training Organisation that assist WorkSafe with regulatory compliance.

- We issued 259 certificates of competence for occupational divers and refused to issue a certificate of competence on 3 occasions, with a view to ensuring that only suitably qualified, experienced and medically fit persons carry out this type of hazardous work.
- We granted 366 licences for asbestos removal operators and assessors, suspended 11 licences, cancelled 5 licences and refused to grant 1 licence with a view to ensuring that licences are only held by those who will carry out the work to which the licence relates safely and competently.
- We registered 212 adventure activity operators after each operation was audited and certified (by a WorkSafe recognised safety auditor) to the Safety Audit Standard for Adventure Activities, which sets out the requirements that operators must comply with to reduce risks when providing adventure activities.
- We registered 203 amusement devices such as fairground rides after each device was examined and certified by a registered engineer to confirm that it complies with the regulations and can be operated safely.

We use a range of enforcement measures. These measures include infringement notices, prohibition notices, warnings, advisories and prosecutions, verbal directions, non-disturbance, improvement, suspension and prohibition notices, sustained compliance letters and compliance orders, enforceable undertakings, duty holder reviews and internal reviews.

About persons conducting a business or undertaking

It's a broad concept used throughout the Health and Safety at Work Act to describe all types of modern working arrangements, which we commonly refer to as businesses.

Most New Zealand businesses, whether large corporates, sole traders or self-employed, are classed as persons conducting a business or undertaking.

The difference between a business and an undertaking is:

- businesses are usually conducted with a view to making a profit and have a degree of organisation, system and continuity
- undertakings will have elements of organisation, systems and possible continuity but are usually not profit making or commercial in nature.

Our enforcement activity continued to be impacted by COVID-19 and the alert level changes.

Our focus in the COVID-19 environment has been on engagement and education. We supported workplaces to ensure that they addressed the risk presented by COVID-19, only taking enforcement action in the most serious cases.

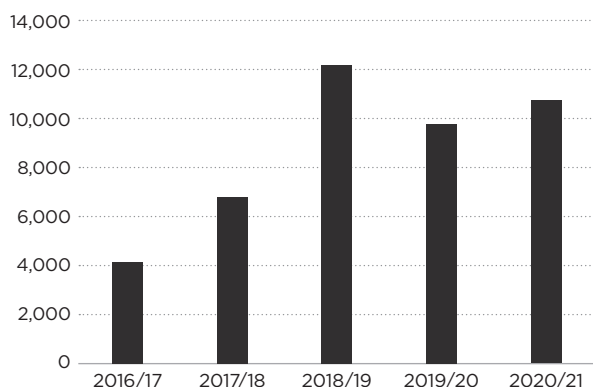
We issued five infringement notices and 277 verbal and written directions in relation to COVID-19 in 2020/21.

More information on our enforcement measures, including descriptions of each measure, is available at the end of this report and on our website: worksafe.govt.nz

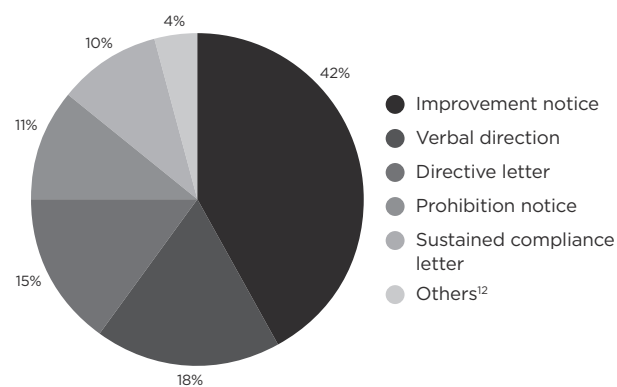
ENFORCEMENT MEASURES, EXCLUDING ACTIVITIES UNDER THE COVID-19 PUBLIC HEALTH RESPONSE ACT 2020

	2016/17	2017/18	2018/19	2019/20	2020/21
Verbal direction	1	360	1,270	1,394	1,923
Directive letter	42	524	2,053	1,651	1,688
Non-disturbance notice	3	60	213	174	94
Improvement notice	2,152	3,619	5,385	3,974	4,517
Prohibition notice	1,178	1,196	1,618	1,302	1,152
Sustained compliance letter	0	399	1,262	977	1,045
Duty holder review	404	395	302	244	226
Internal review	13	27	20	23	24
Hazardous substances and new organisms compliance order ¹¹	151	122	1	0	7
Enforceable undertaking	2	14	8	7	2
Total	3,946	6,716	12,132	9,746	10,678

TOTAL NUMBER OF ENFORCEMENT MEASURES BY YEAR



BREAKDOWN OF ENFORCEMENT MEASURES IN 2020/21



In February 2021, the Centralised File Support Unit (CFSU) was operationalised. The CFSU ensures that quality and consistent standards for all investigation files that recommend prosecution are met before the file is referred to WorkSafe’s Legal group. The CFSU has provided efficiencies and ensures that files are delivered in a timely, consistent manner. The CFSU also provides subject matter expertise and support for WorkSafe staff.

¹¹ A compliance order was a commonly used enforcement tool prior to December 2017, when regulations for work with hazardous substances were moved from the Hazardous Substances and New Organisms Act 1996 (HSNO) to the Health and Safety at Work Act 2015. Although compliance orders remain available to WorkSafe as an option to enforce HSNO requirements (for example, requirements applying to ecotoxic substances), non-compliance with requirements set out in the Health and Safety at Work (Hazardous Substances) Regulations are more appropriately dealt with using the enforcement tools available under the Health and Safety at Work Act.

¹² Others include Duty holder review, non-disturbance notice, internal review, hazardous substances and new organisms compliance order, enforceable undertaking, infringement notice and prosecution.

ENFORCEMENT ACTIONS, EXCLUDING ACTIVITIES UNDER THE COVID-19 PUBLIC HEALTH RESPONSE ACT 2020

	2016/17	2017/18	2018/19	2019/20	2020/21
Infringement notice	12	10	6	6	8
Prosecution	67	68	83	77	63
Successful	59	49	71	61	57
Withdrawn or unsuccessful	6	5	4	9	4
Enforceable undertaking	2	14	8	7	2
Total (infringement notice and prosecution)	79	78	89	83	71

Energy safety sector

In the energy safety sector, our activity is not limited to workplaces. We regulate electricity and gas from the point of production through to supply.

We are responsible for safeguarding people and property from the dangers of gas and electricity. We are responsible for the safety of gas and electrical appliances and installations, the safety of gas supply, the safety of electricity supply and transmission generating systems and the quality and measurement of gas and electricity.

We continued to provide leadership and input to a review of the Joint Accreditation System of Australia and New Zealand rules applying to the certification of the safety of electrical appliances and equipment for sale in Aotearoa and Australia to address identified weaknesses in the existing certification system. To ensure our energy safety practices for investigation, auditing, compliance and education activities meet best-practice standard, we hold independent international quality standard ISO 9001:2015 certification.

We sponsored and provided guidance to Standards New Zealand. Standards New Zealand has been working on technical standards that will enable the safe supply and use of hydrogen as a fuel gas. The focus of the current work is on production, purification and green credentialling. This will result in a technical report outlining recommendations for new standards development, direct adoption and amendment to existing standards.

The following table summarises our activities in the energy safety sector for the past five years. During 2020/21, we had more capacity to carry out proactive and assurance activities such as audits, because there were fewer investigations than in 2019/20.

ASSESSMENT, ENFORCEMENT MEASURES AND ACTIONS IN THE ENERGY SAFETY SECTOR

	2016/17	2017/18	2018/19	2019/20	2020/21
Gas and electricity investigations	422	422	558	845	753
Product suppliers audited	348	204	149	132	204
Products audited	516	379	268	266	411
Warnings issued	154	75	48	53	99
Infringement notices issued	14	14	10	7	20

Our investigations into the gas explosion in Christchurch and the carbon monoxide fatality of a 12 year-old boy in Haast led to the prosecution and sentencing of the practitioners and their companies in December 2020 and early 2021 respectively.

Review of authorisation process

We regularly assess our systems and process to ensure they are fit for purpose and streamline these where needed.

During 2020/21, we initiated an internal review of the systems, processes and procedures across seven authorising regimes managed by WorkSafe. The aim was to determine opportunities for improvement and consistency across the regimes.

The resulting report focused on improvements that will ensure that our processes and procedures are streamlined and effective, reflect best practice, minimise risk across all stages of the life cycle of an authorisation and give regulatory assurance that we are meeting or exceeding all legislative obligations. The report also helps to inform other significant projects such as the service design project and the digital transformation project to ensure the development of a fit-for-purpose technology platform to support best-practice authorisations management.

A further review into the remaining authorising regimes managed by WorkSafe, within the High Hazards, Energy and Public Safety team, commenced at the end of 2020/21 and is progressing. This will further inform the improvements required and assist the establishment of an implementation project in 2021/22.

Whakaari/White Island

WorkSafe's investigation into the Whakaari/White Island eruption covers the work-related health and safety issues surrounding the tragic event. It is the largest and most complex investigation we have undertaken.

Charges were laid against 13 defendants in November 2020, following the conclusion of WorkSafe's investigation.

The investigation and subsequent prosecutions are a priority for WorkSafe as it is for all those people affected by the event. A family liaison team was established within the investigation to provide support for the victims and their family members.

Case study

Deliver the right mix of services in the right way court-ordered enforceable undertaking

First-ever court-ordered enforceable undertaking

Following a health and safety incident in 2018, a tertiary education provider was convicted for failing to ensure the health and safety of its students.

At sentencing, the Court granted a court-ordered enforceable undertaking (COEU) – the first of its kind under the Health and Safety at Work Act.

The incident involved a carpentry student who suffered partial amputation of one of his fingers while operating an inadequately guarded draw-saw.

WorkSafe has a well-established enforceable undertaking programme, and nearly 80 applications have been considered to date as an alternative to prosecution. We were therefore interested in the Court's first enforceable undertakings under the Health and Safety at Work Act.

Court process

WorkSafe had previously rejected an application for an enforceable undertaking by the provider because it did not meet the criteria and policies and WorkSafe was not confident the provider could deliver the activities to a suitable standard. However, the Court found a COEU was suitable.

The Court provided WorkSafe with the opportunity to comment on the specific conditions of the COEU before the final order was issued. We assessed to determine whether health and safety principles and purposes would be met and that WorkSafe could ensure compliance monitoring of the COEU conditions.

We identified that the expert proposed for one condition was not suitably qualified. The Court was advised, and that condition was amended to ensure the expert was suitably qualified in the required area of machine guarding.

The Court provided WorkSafe with the option to review the provider's progress reports and make submissions to the Court as appropriate. We have taken this opportunity and sought internal subject matter expert advice. At the six-monthly reporting for this matter, WorkSafe was able to provide substantive submissions to the Court on some key aspects of the COEU. There were partial non-compliance issues, and clarification was required around the messaging of an awareness campaign. This helped reinforce the underlying purposes of the enforceable undertaking and COEU regime that it must be aimed at improving health and safety for the community, workplace and industry.

Lessons learned

This matter has shown that a robust process is required to respond to a COEU application before the Courts and, when a Court grants a COEU, to monitor the compliance of the COEU to inform submissions on the progress of the enforceable undertaking.

As the health and safety regulator, WorkSafe is responsible for ensuring that any COEU is appropriate and enforceable and meets the purposes and principles of the Health and Safety at Work

80

applications have been considered to date as an alternative to prosecution

Act. We are currently ensuring this process is more robust and look forward to applying it to the next COEU.

Difference between a court-ordered enforceable undertaking and an enforceable undertaking granted by WorkSafe

The COEU is granted by the Court (upon application by the business owner or responsible person) and WorkSafe is a party to it. The Court has executive control over which proposals of the COEU application are accepted and granted, and these become conditions.

The Courts have been open to WorkSafe making submissions on which COEU proposals need to be amended to bring them in line with the purposes and principles of the Health and Safety at Work Act.

Case study

Build our harm prevention approach

Health and safety representative discovery

Worker engagement participation and representation (WEPR) is a key foundation of improved health and safety, but the potential is yet to be fully realised in Aotearoa. WorkSafe conducted a literature review in 2018 on WEPR, which provided evidence of the importance of strengthening the ability of workers to have a voice that can bypass an unequal employee-employer relationship. Meaningful engagement and participation that allows the workers who are closest to where work happens to affect decision making is vital in improving workplace health and safety in New Zealand.

To get good worker participation, we need engaged workers. One of the primary ways to have worker

participation is by having worker representation – specifically health and safety representatives of the workers.

We estimate there are currently around 45,000 health and safety representatives in Aotearoa workplaces with the potential to be 75,000 if the voluntary workplace position was valued by organisations.

About the Health and Safety Representative Discovery Project

This Health and Safety Representative Discovery Project looked at the experience of representatives with a people-centred design methodology. This methodology focuses on developing a deep understanding

and empathy with the people at the centre of a design problem and designing alongside them. Through this collaborative process, we were able to identify specific problems and then co-design solutions with health and safety representatives.

The vision for this work is for empowered health and safety representatives to work within a growing, thriving ecosystem supported by long-term engagement from businesses.

Participants

The project engaged more than 800 health and safety representatives from multiple industries. It involved over 100 interviews with health and safety representatives and other key

Key finding

There is a need for clarity about the role of health and safety representatives. It is often a voluntary role in workplaces, and health and safety representatives are primarily in the role because they are seeking to influence meaningful change. However, they often end up with health and safety duties delegated to them from frontline leaders, health and safety managers or senior leadership. As soon as a health and safety representative is leading a health and safety audit or compliance check, they are seen by peers to be policing health and safety. This can negatively impact on the relationships they need to function effectively as worker representatives.



players, multiple workshops around Aotearoa, webinars, site visits and connecting with representatives at conferences. The objective of the work was to understand the context in which health and safety representatives operate, to improve our understanding of health and safety representatives' needs and experiences and to identify what needs to change across the system.

An external reference group of major stakeholders (Te Kauae Kaimahi - New Zealand Council of Trade Unions, Health and Safety Association of New Zealand, New Zealand Institute of Safety Management, Diversity Works NZ, Air New Zealand, IMPAC, Business Leaders' Health and Safety Forum, AUT and CentrePort) was established to encourage system-

wide participation. The aim of the group was to develop a shared understanding of the insights from the project and collectively develop and support the recommendations.

Findings and outcome of the project

The project identified 25 interventions across the health and safety system from ground level to organisational leadership and the legislative and policy level.

The project also identified that health and safety representatives want WorkSafe to be more approachable and that WorkSafe has few clear connection points for health and safety representatives. The project has recommended piloting support advisors for health and safety representatives

- a dedicated role in WorkSafe that supports health and safety representatives within a region. Health and safety representatives also seek connections with each other and with other sources of knowledge. Strong networks are essential, so we have recommended that we initiate health and safety representatives' meetups within regions.

The 25 interventions are currently being resourced and will begin to be implemented in late 2021.

25

interventions



Kia waihanga tikanga aukati i te kino Build our harm prevention approach

Supporting safety and work-related health requires the right people in the right place at the right time using the right tools to ensure we are preventing harm in our workplaces.

Building on our harm prevention approach

Harm prevention is at the core of what WorkSafe does and is the key to ensuring that people come home healthy and safe. We focus on preventing harm, including from work-related ill health. In addition, we are expanding our traditional focus on the higher-risk sectors of agriculture, forestry, construction and manufacturing. We now include other sectors with high rates of harm such as transport and high-risk work such as working in and around vehicles.

We are concerned about the greater harm and exposure to risk experienced by Māori, Pacific Peoples and other groups such as migrant workers and those in precarious employment (for example, non-standard and unprotected employment). Addressing these inequities is one of our top priorities. We continue to strengthen our capacity and capability in this area by gaining further insights into these groups and engaging with them. This will help us work with communities of workers with greater needs.

WHAT WE HAVE ACHIEVED IN 2020/21

Support improved health and safety outcomes for workers with greater needs

Māori, Pacific Peoples and migrants experience greater rates of harm at work than other New Zealand workers.

Our Maruiti 2025 – Safe Haven strategy and WorkSafe’s refreshed strategy have prioritised Māori health and safety. Our Maruiti 2025 – Safe Haven strategy sets out our goals to reduce fatalities, serious harm and health impacts on Māori in the workplace. Maruiti 2025 – Safe Haven addresses a significant gap in WorkSafe’s health and safety programme development. We are delivering on these goals by working with everyone, in particular, kaimahi Māori, iwi and hapū.

To achieve our goals, we have established te ao Māori and tikanga Māori capacity and capability within WorkSafe. We have also increased the number of kaupapa Māori harm prevention projects and initiatives. These projects and initiatives are designed to include a te ao Māori approach and to make a measurable difference to kaimahi Māori.





LIFE SHAVERS

PERFECTLY FITTED MASKS SAVE LIVES

Improve outcomes in work-related health

WorkSafe has renewed its focus on work-related health. Work-related health acknowledges and responds to the impacts work has on people's health, including how, where and when they work.

Three focus areas within the umbrella of work-related health have been identified and teams established to work on improving the health of workers in these areas.

These focus areas are carcinogens and airborne risks, human factors and ergonomics, and mentally healthy work. The Kaimahi Hauora (work-related health inspectors) team has also been established under this focus. Kaimahi Hauora is made up of seven WorkSafe inspectors who have a background as health professionals to help WorkSafe respond to notifications of work-related harm. As a part of this work, WorkSafe has lifted its technical capability to achieve a wider focus on work-related health. Expertise now includes specialists in occupational hygiene, hazardous substances, human factors, ergonomics, mental health and wellbeing, occupational health and asbestos, along with three work-related health advisors.

Some of our key achievements in 2020/21:

- We developed a **mentally healthy work position statement** and a mentally healthy work notifications pathway. Since it was established in October 2020, we have received over 80 notifications.
- We completed **methyl bromide monitoring** at Port of Tauranga to support the Environmental Protection Authority's decision on the reassessment of methyl bromide and the need to recapture gas and for buffer zones to protect communities and the public.
- We developed the **carcinogens and airborne risks programme**. We are establishing a programme to address a significant area of the burden of work-related harm in New Zealand. It will have a cross-organisational governance structure to enable a collaborative way of working. A key project is the joint-agency response to accelerated silicosis to address the risk of accelerated silicosis in people working with engineered stone.
- We have launched the **Life Shavers** campaign to raise awareness of workers who use respiratory protective equipment to be clean shaven to minimise the risk of exposure to hazardous materials. For further information, see the accelerated silicosis case study.
- We supported and coordinated a cross-government approach to prevent non-compliant respiratory protection being imported into New Zealand and entering workplaces (including the Ministry of Business, Innovation and Employment, Commerce Commission and New Zealand Customs Service). This work prevented millions of **non-compliant respiratory protection** units that do not work for airborne contaminants and carcinogens from entering the market.

WorkSafe's focus on work-related health will help businesses and organisations increase their competence and confidence through our work, resources and engagements in the years to come.

Supporting mentally healthy work

Identifying and managing psychosocial risks in the workplace is not a new obligation under the Health and Safety at Work Act or a new area of work for WorkSafe. However, the development of a dedicated Mentally Healthy Work team and the associated development of the Kaimahi Hauora team of specialist health inspectors has given this area greater visibility and focus.

These developments have coincided with cases of workplace bullying and harassment that have been widely covered in the media. These cases and WorkSafe's increased capacity and capability in this area have driven an increase in demand for our engagement, advice and enforcement in this area.

Businesses and workers in Aotearoa are becoming better oriented towards and knowledgeable about mentally healthy work.

One of WorkSafe's tasks is to engage with and educate Aotearoa about mentally healthy work – what it is, why it is important and how to achieve mentally healthy workplaces that ensure workers are safe and healthy.

Our primary focus in 2020/21 was to work with external partners to develop simple, evidence-based messages about mentally healthy work to inform and guide business owners, leaders, workers and health and safety professionals.

Work by WorkSafe's Mentally Healthy Work team together with our Kaimahi Hauora team to promote a better understanding of mentally healthy work includes:

- a plan to develop materials to inform and support health and safety representatives about mentally healthy work
- a new resource, Mentally Healthy Work in Aotearoa New Zealand, which will be released at the end of 2021
- work with the New Zealand Institute of Safety Management, the Health and Safety Association of New Zealand and the SafeSkills conference to share information about mentally healthy work and WorkSafe's role
- a qualitative research project about mentally healthy work
- the production of new videos called What Good Looks Like, which share stories about mentally healthy work.

Case study

Build our harm prevention approach

Accelerated silicosis

What is accelerated silicosis?

Accelerated silicosis is a serious lung disease caused by exposure to silica dust in engineered (artificial) stone benchtops. Dry cutting, grinding, sanding and polishing engineered stone exposes workers to respirable crystalline silica dust in higher quantities than similar work with natural stone. These benchtops have approximately 90% silica content.

Accelerated silicosis is an aggressive variant of silicosis and usually manifests within three to 10 years of exposure although cases of less than one year's exposure have occurred. It can result in fibrosis with life-threatening consequences.

Working with other agencies and health professionals

Since the emergence of the disease in Australia in 2018, WorkSafe, ACC and the Ministry of Health have been working with health professionals and at-risk workers in Aotearoa. There is a sense of urgency in the work because of how quickly the disease takes hold. A working group overseen by a joint-agency governance group with members across the three government agencies was established to form an integrated approach. The Dust Diseases Taskforce was also established to advise the agencies about how to actively find and assess exposed workers.

Agencies agreed to use existing healthcare systems to identify at-risk workers and enable rapid access to tests and healthcare. The process starts with a visit to a doctor who can lodge an

ACC claim if the person has been working with engineered stone in New Zealand for at least six months in the last 10 years. ACC funds any tests and investigations necessary to assess the worker's health.

Our inspection and awareness-raising activities

Finding people who may be at risk so they can have a health assessment began in September 2020 and was led by WorkSafe. Our focus was to locate businesses working with engineered stone to assess their work practices and to encourage workers who may have been exposed to respirable crystalline silica to have their health checked by a doctor.

From September 2020, our inspectors revisited 113 businesses working with engineered stone that they visited in 2019. They assessed a wider range of matters, gathered information about the businesses and encouraged workers who may have been exposed to respirable crystalline silica to have a medical assessment.

WorkSafe also carried out awareness-raising activities in the building industry, including publishing guidance and producing education videos about silicosis. Information about managing respirable crystalline silica and getting a medical check is available in English and seven other languages.

In May 2021, WorkSafe launched the Life Shavers campaign to raise awareness about masks and the importance of being clean shaven so masks fit correctly.

113

businesses revisited

Accelerated silicosis assessment pathway

The accelerated silicosis project has been a collaborative effort across WorkSafe, government agencies, expert medical specialities and occupational health professional groups. The result is the development and implementation of the Accelerated Silicosis Assessment Pathway – a coordinated response for workers at risk of exposure to respirable crystalline silica from engineered stone. For our part, we have located businesses that work with engineered stone and twice assessed whether they are managing respirable crystalline silica risks effectively. We are continuing our work in this important area, and while we know there is more to do, we are proud of the work achieved.

Contribute to the goals of the Health and Safety at Work Strategy

Strategic outcomes framework: The development of a new strategic outcomes framework, including accompanying indicators and measures, is a significant achievement. The framework provides a structured picture of system performance, which will help track where we are making progress and where we are facing challenges. Our efforts to track impacts as opposed to activities are world-leading.

An important step has been the incorporation of equity into our strategic outcomes framework at an outcome and impact level and the corresponding efforts to ensure indicators and measures reflect the experiences of Māori and Pacific Peoples, where possible.

During 2020/21, we have commissioned three major surveys (New Zealand Carcinogens Survey, Workforce Segmentation and Insights Programme and Copenhagen Psychosocial Questionnaire) that are aligned with our strategic outcomes framework. These surveys will provide important new insights, particularly on work-related health.

Competency framework for health and safety professionals: We are almost halfway into a two-year project with the Health and Safety Association of New Zealand (HASANZ). HASANZ represents workplace health and safety professionals in New Zealand. The project will develop a competency framework for compliance certifiers, including participation in the technical advisory and governance groups.

During 2020/21, professional workforce development projects continued or were initiated for all groups identified as high priority in the HASANZ report Building the Professions (occupational hygienists, hazardous substances professionals, occupational health nurses, health and safety generalists and human factors/ergonomics professionals).

The project improved access to skills training for occupational health nurses, made good progress towards clearer competency frameworks and created better education and training pathways for several groups. At the same time, we are managing ongoing challenges presented by COVID-19, staff recruitment and retention at HASANZ and limited capacity at WorkSafe.

Increase worker engagement, participation and representation to prevent harm

Worker engagement, participation and representation remains vital to our success. This is because workers are well placed to provide advice and input into making their own work more effective and safer. Worker engagement, participation and representation are enshrined as key foundations of the Health and Safety at Work Act, and WorkSafe is working with business leaders and workers to ensure their full potential is realised.

**Mā iti mā rahi ka
rapa te whai**
By small or large
means (contributions
made), dreams can
be achieved

STRATEGIC OUTCOMES FRAMEWORK

Our vision

Ka haere ngā tāngata katoa
ki te mahi, ka hoki hauora,
haumarū mai ki te kāinga
Everyone who goes to work
comes home healthy and safe

We will make a measurable
difference to health and safety

Work is safe for
workers and those
affected by work

Our mission

To transform Aotearoa's
workplace health and
safety performance
towards world-class

We will influence the way
work is done, so workers
prosper, and businesses and
organisations thrive



Work is healthy for
workers and those
affected by work

Work is healthy and
safe for all
in Aotearoa

Our values

Our WorkSafe mātaḡono (values)
will guide our behaviours

WHAKAKOTAHI
We are united in
a strong purpose

TIAKINA MAI
We are entrusted
with a duty of care

KŌRERO MAI
We engage
meaningfully

The impacts we want our mahi to have

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

A capable workforce drives sustained health and
safety improvement

Workers are partners in the health and safety at work system

The health and safety at work system works with and for
Māori, Pacific Peoples and all workers

Knowledge and insights inform practice

Work-related risks are identified and eliminated or controlled

Through Taura Here Waka, we will

Choose the most effective intervention

Make choices based on insights

Measure what we do

Listen and tell our story

Partner across Aotearoa

Be set up for success

By 2023, we will be a modern, insights-led regulator

The conditions we need to support our success

We will work with others to be successful

Modern, fit-for-
purpose legislation
and regulations

Engaged and
motivated stakeholders
and partners

A capable and well-
resourced regulator

We continued with the **Toroawhi pilot**, which was initially a one-year project in the forestry sector. WorkSafe, First Union and the Forest Industry Safety Council collaborated to deliver the pilot. It aimed to improve worker engagement and participation and to develop a new health and safety champion role called Toroawhi. The role aimed to strengthen the abilities of workers to be heard and empower them to better participate in wellness, health and safety in the workplace. The name Toroawhi captured the concept that, collectively, we can create the momentum for change.

The pilot has been given a six month extension following COVID-19 restrictions. The extension enabled our two Toroawhi to visit more sites and have the biggest impact. They visited forestry sites, by invitation, and connected with workers, employers, contractors, forest owners and managers. Through this engagement, they were able to better understand the challenges being faced in the industry and provide support to address these.

During the pilot, Toroawhi have engaged with 525 forestry workers in the central North Island, Gisborne and East Coast/Tairāwhiti regions.

Toroawhi are worker advocates without formal powers who are able to provide additional expertise and soft skills for smaller businesses where this work can be more challenging. Some of the Toroawhi's work included setting up workers with counselling services, encouraging them to get fit and helping them to link with budgeting services.

An evaluation of the pilot will be conducted to understand the challenges and opportunities for establishing this type of intervention and to find out what its immediate impact would be on communities, workers and businesses. This evaluation will also help inform future decisions about any wider roll-out of the programme to other regions and sectors.

Adventure activities sector

In response to the Whakaari/White Island tragedy, WorkSafe proactively conducted a health check of the registration, monitoring and enforcement aspects of the Adventure Activities Regulations.

A project was subsequently established to implement the requirements and recommendations identified in the health check. The first phase of this project progressed operationally focused actions, such as improving our operational policies and guidance and improving our resources, practice, capability and capacity, which could be developed independently from the Ministry of Business, Innovation and Employment's policy work.

The next phase of the project will progress those requirements and recommendations that are dependent on the Ministry of Business, Innovation and Employment's policy work being completed.

In addition, we undertook a review of businesses in the adventure and recreation industry to assist them to determine whether they are subject to and operating in compliance with the Adventure Activities Regulations.

This resulted in 92 adventure activity operators being assessed under the Adventure Activities Regulations. We progressed our assessment with the awareness that COVID-19 has had a significant impact on these operators.



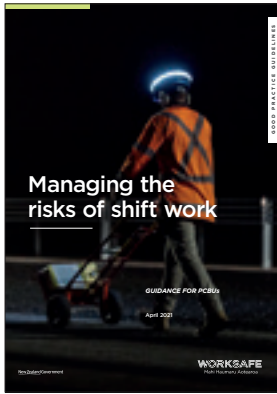
Develop new educational, guidance and digital tools

We continue to work with our partners, key stakeholders and other experts to develop guidance and educational material and publications to inform duty holders and workers on what good looks like and enable all persons conducting a business or undertaking and workers to make effective health and safety decisions.

In August 2020, we introduced **PICKLED** – an innovative new way to teach health and safety in the workplace – rolling out a range of new risk modules. This risk management framework tool is designed to support those with low literacy and numeracy.

SafePlus – a voluntary health and safety performance improvement toolkit for businesses – has been updated including the release of three new video case studies.

During 2020/21, we published the following guidelines and education products:



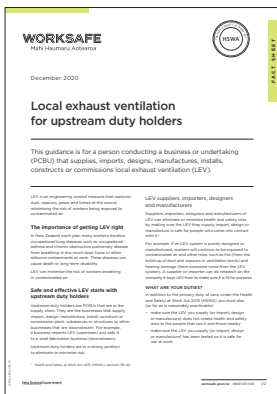
Managing the risks of shift work



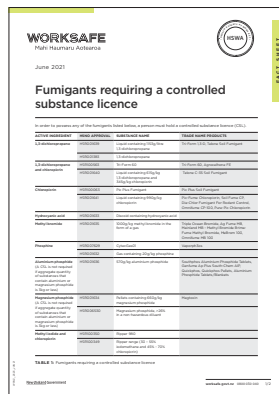
Violence in the health and disability sector



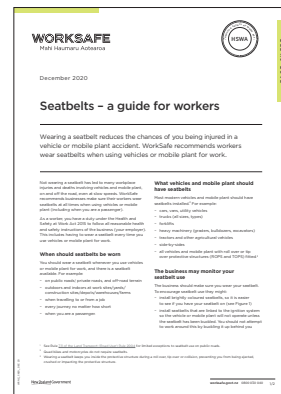
Managing work site traffic: Guidance for keeping healthy and safe around vehicles and mobile plant at work sites



Local exhaust ventilation for upstream duty holders



Fumigants requiring a controlled substance licence



Seat belts - a guide for workers

GOOD PRACTICE GUIDELINES

- Cytotoxic drugs: Keeping workers safe when handling cytotoxic drugs and related waste
- Exposure monitoring and health monitoring: Guidance for businesses
- Managing the risks of shift work
- Managing work site traffic: Guidance for keeping healthy and safe around vehicles and mobile plant at work sites
- Violence in the health and disability sector: Guidance for persons conducting a business or undertaking

FACT SHEETS

- Bird-scaring methods: An introduction to risk management
- Fumigants requiring a controlled substance licence
- Health and safety duties for businesses that import personal protective equipment
- Health and safety duties for businesses that supply personal protective equipment
- Local exhaust ventilation for upstream duty holders

- Seat belts: a guide for workers
- What to know about exposure monitoring and health monitoring: For workers

INFORMATION SHEETS AND INFOGRAPHICS

- Certified handlers
- Creating an inventory
- Examples of when you will need a location compliance certificate
- How to deal with spills
- Incompatible substances: chemicals which must not be stored together
- Location compliance certificates
- PPE and safety equipment
- Safety data sheets
- Signage
- Spill kits and preparing for a spill
- Tracking very hazardous substances: what you have to do and how to do it



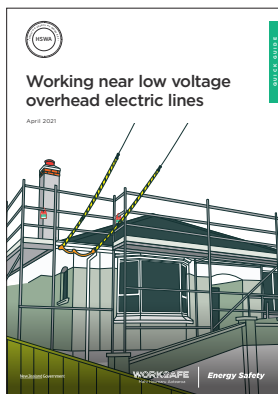
How to deal with spills



Location compliance certificates



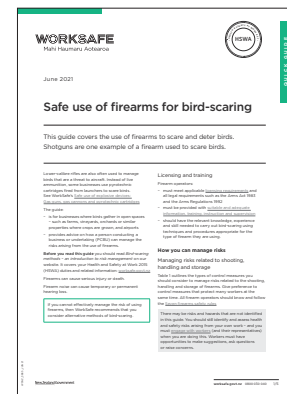
PPE and safety equipment



Working near low voltage overhead electric lines



Safe reversing and spotting practices



Safe use of firearms for bird-scaring

QUICK AND POCKET GUIDES

- Reversing using a spotter: Spotting signals quick reference guide
- Hand-arm vibration: Information for businesses
- Hand-arm vibration: Information for workers
- Hazardous substances signage
- Keeping workers safe when servicing machinery
- Keeping your service station compliant with the hazardous substances regulations
- Local exhaust ventilation
- Maintaining air quality in enclosed cabins: for persons conducting a business or undertaking
- Maintaining air quality in enclosed cabins: for workers
- Respiratory protective equipment – advice for businesses
- Respiratory protective equipment – advice for workers
- Safe reversing and spotting practices
- Safe use of drones for bird-scaring
- Safe use of firearms for bird-scaring

- Safe use of gas guns, gas cannons and pyrotechnic cartridges
- Safe use of lasers for bird-scaring
- Safe use of netting for bird-scaring
- Safe use of vehicles for bird-scaring
- Seat belts – a guide for businesses
- What to know about exposure monitoring and health monitoring: For small businesses
- Whole body vibration: Information for businesses
- Whole body vibration: Information for workers
- Working near low voltage overhead electric lines
- Working safely with pallet racking systems

Case study

Build our harm prevention approach electricity and gas safety for the green energy sector

Imagine a future where you catch a hydrogen-powered bus to the airport, the plane you take for your weekend away is powered by a renewable biofuel and, when you arrive at the holiday cottage, you can plug in the rental electric vehicle to recharge it from batteries that store electricity generated from photovoltaic units on the roof. Far-fetched? No, not really, and some of these things are not far from reality.

Nothing to do with WorkSafe?

For WorkSafe, the green energy sector is an area that presents challenges to ensuring the safety of New Zealanders.

Safety is key to ensuring the successful implementation of green energy technologies. The green energy sector is diverse. It includes a range of technologies, some of which are new and some of which are novel applications of existing technologies.

These technologies and applications are intended to address an environmental problem. Some have been around for a while, such as flammable refrigerants to reduce the impact of greenhouse gases, photovoltaic generation in homes, lithium battery technologies in electric vehicles and battery-powered appliances like chainsaws and lawn mowers that reduce reliance on small internal combustion engines.

Other more recent developments include hydrogen as a fuel gas, renewable biofuels and large battery energy storage in homes.

Some of these initiatives have a direct bearing on WorkSafe's electrical or gas safety regime, while others such as flammable refrigerants and hydrogen cross over into other regulatory regimes such as hazardous substances where we have a responsibility.

WorkSafe has three focus areas with green initiatives:

- facilitating the introduction and adoption of green initiatives
- ensuring optimal safety in the development and application of the new technologies
- being an active international participant to the successful regulation of the associated risks.

Robust and effective safety regulations must be in place to ensure consumer confidence in the new green technologies.

WorkSafe's goal is to facilitate government and society's aspirations to achieve climate change goals safely. This is important as Aotearoa moves to adopt green energy technologies to meet our climate change aspirations.

Our role is to facilitate the safe introduction of these new technologies. This means working with the relevant parties to ensure risks are addressed and managed through a framework that enables the relevant industry to take responsibility for achieving safety.

In 2020/21, we used our technical understanding of the regulatory regimes that apply to hydrogen technologies to articulate how safety is achieved in a way that enables the innovation and objectives to be achieved.

New Zealand needs good safety rules to facilitate the safe introduction of new green technologies and novel applications. That means working to identify relevant practice around the world.

International participation

WorkSafe has joined a number of international forums where experts come together to discuss the management of the risks associated with new technologies and work on safety measures to address these. These forums include the International Organization for Standardization, Singapore Battery Consortium and Callaghan Innovation.

Kia whanake haere ngā hononga Grow effective strategic relationships

Strong partnerships with our stakeholders and expert advisors are vital to supporting everyone who goes to work to come home healthy and safe.

Growing effective strategic relationships

Everyone must work together and play their role to lift New Zealand's health and safety performance and address workplace harm. Strong partnerships with and action by our partners and stakeholders and expert advisors are essential to achieving the vision of the Health and Safety at Work Strategy 2018–2028: *Work is healthy and safe for everyone in New Zealand*. WorkSafe works with those who have the breadth and depth of influence across a diverse range of sectors and industries and whose specialist expertise, insights and reach can enhance our own.

A basis of health and safety at work is strong tripartite leadership, ensuring workers, business and government agencies work collectively to improve New Zealand's health and safety performance.

WHAT WE HAVE ACHIEVED IN 2020/21

Work with other regulators and inter-agency collaboration

We continued to strengthen our partnership with other government agencies and regulators. We share harm prevention goals with agencies such as ACC and the Ministry of Health. We also maintained a close relationship with other regulators such as Maritime New Zealand.

We supported and worked closely with our Crown monitor, the Ministry of Business, Innovation and Employment, throughout 2020/21. The Ministry provides primary policy advice on health and safety legislation and regulations and strategic and policy advice on the design and overall performance of the health and safety system to the Minister of Workplace Relations and Safety.

Some of the key collaborations and partnerships in 2020/21:

- We have implemented regular strategic meetings with Waka Kotahi New Zealand Transport Agency to create better alignment between the work we are doing related to working in and around vehicles.
- We continued to work with New Zealand Police on joint issues of vehicle safety, specifically in the logistics sector.
- WorkSafe and the Ministry of Business, Innovation and Employment held annual review meetings with key mining and petroleum permit holders to discuss health and safety performance and targeted year-ahead objectives. Local councils, Maritime New Zealand, the Environmental Protection Authority and the Department of Conservation also participated in the meetings as appropriate.
- We continued to participate in quarterly offshore compliance regulators' forums with Maritime New Zealand and the Environmental Protection Authority to share learnings and findings from inspections at offshore petroleum installations.
- We partnered with the Ministry of Business, Innovation and Employment, the Commerce Commission and the New Zealand Customs Service on product safety compliance initiatives and educating importers and suppliers.

We continued our support of the all-of-government effort to respond to and manage the effects of COVID-19 as required.

Strengthen health and safety engagement at an industry level

Building tripartite relationships (unions, employers and government working together) remains a focus of our cross-sector, sector and industry engagements. A collaborative approach is key to improving health and safety outcomes in New Zealand.

Reflecting our focus, we partnered and worked with workers and unions including Te Kauae Kaimahi – New Zealand Council of Trade Unions, First Union and E tū union throughout 2020/21. We also regularly engaged with individual employers, businesses and industry and sector bodies, such as BusinessNZ and the Business Leaders' Health and Safety Forum. They are important partners and stakeholders.

Some of the industry-specific and industry-led programmes and initiatives in 2020/21:



Agriculture

Safer Farms has been contracted to develop an industry-led health, safety and wellbeing action plan. A series of workshops have been held nationwide. The draft strategy will be ready for consultation in mid-2021. Safer Farms is the Agricultural Leaders' Health and Safety Action Group.

This industry-led strategy is the result of several years' work alongside ACC, asking the industry to have a clear idea of what it wants to achieve in harm reduction and how this might be done.

WorkSafe's engagement leads and inspectors constantly encourage farmers to adopt higher-level controls such as seatbelts and crush protection on quadbikes. More people are accessing the ACC crush protection device subsidy (that is, the number of crush protection devices sold has continued to climb), resulting in this work.



Horticulture

The horticulture industry is looking at new owner-led solutions such as automation and has concentrated on high levels of worker participation at the supervisory and ground level, including Pacific Peoples employed through the Recognised Seasonal Employer scheme.

Building on the industry's own initiative, we supported the industry to complete Phase 1 of the horticulture pilot, which focused on harm reduction through better work practices and innovation.

Based on Phase 1's findings, we are now scheduling Phase 2, which will involve two days of prototype design workshops. The prototypes will then be tested and refined before exploring options for broader implementation and investment.

The horticulture industry is also developing a similar plan to the agriculture industry (discussed above) through its Health and Safety Council and is applying for funding through the ACC scheme.



Construction

We have launched Whakaiti Kino, a service and utility strike harm reduction project. The purpose of Whakaiti Kino is to improve the way all of us work and reduce harm to workers.

As part of Whakaiti Kino, we ran several workshops that identified the 'pain points' in the system. Subsequently, a competition to seek new harm reduction solutions was held. The three winners were Dempsey Wood (Technology), Ghella Abergeldie (Supporting Workers) and Civtec (Common Standards). We are currently in the process of assigning resource to help bring these ideas to life.



Forestry

We have funded the Forest Industry Contractors Association to develop a template aimed at providing contractors and forestry managers with a model contract. This is expected to provide a meaningful platform leading to improved business performance, work conditions and health and safety outcomes. It will achieve this by influencing and determining matters that directly affect the health and safety outcomes of the work such as tenure, rates, harvest methodology, logistics, mechanisation, notice, absences and changes in requirements. The project is expected to be concluded by the end of 2021.



Manufacturing

We ran a successful workshop with the meat industry that discussed fatalities and serious harm occurring while cleaning and maintaining machinery. The industry is now undertaking a large project targeting work being undertaken during the cleaning and maintenance process.

We coordinated the working in and around vehicles programme to assist livestock transporters, farmers and stock agents to manage their risks across the supply chain.



Vehicles

We launched the Seatbelts at Work campaign. It is part of our working in and around vehicles programme of work. Vehicle safety has been identified as a high strategic priority under WorkSafe's harm prevention approach.

We connected and engaged in person with a wide range of people across Aotearoa at events, roadshows and other engagements as well as through social media and our website.

WorkSafe attended Fieldays in June 2021. The event gave us the opportunity to provide a visible presence at a major national event where a farm vehicle simulator was used to showcase key messages about off-road vehicle safety. More than 550 people used the simulator, and WorkSafe had over 200 conversations with farmers, workers and other business owners.

WorkSafe's forklift operations team delivered forklift safety roadshows in eight cities with approximately 475 businesses and almost 1,000 attendees to date. There has been a high level of interest in the roadshows and consistent positive feedback.

Roadshows that were cancelled in Auckland and Napier due to COVID-19 restrictions will take place later this year. WorkSafe will also look at rolling out roadshows in other parts of New Zealand.

We have been involved in multiple stakeholder engagements including FMG Young Farmer of the Year, an Otago rural women's event and various expos and conferences.

Build relationships with Māori and Pacific Peoples

Working with and for Māori is an important aspect of our work. We continue to build stronger relationships with iwi. Together with our social partners (Te Kauae Kaimahi - New Zealand Council of Trade Unions and Business New Zealand), this includes a Partners Council to increase collaboration and partnership.

We are formalising and growing external partnerships through our Partners Council using our Te Ara Tuituinga engagement framework. This is designed to provide WorkSafe with a leadership framework that establishes a clear foundation for focused engagement between WorkSafe and iwi throughout Aotearoa to ensure partnership with Māori is built from a level of trust and confidence.

We are increasing the number of kaupapa Māori harm prevention projects and initiatives. These projects and initiatives will be designed to include a te ao Māori approach and to make a measurable difference to kaimahi Māori.

We are also delivering a Pacific Peoples Responsiveness Plan and continuing our Puataunofu programme. Puataunofu delivers tailored workshops addressing the key needs and issues Pacific workers face. Puataunofu also aims to engage its participants with information, advice and tools to keep safe in the workplace. The content covers legislative information from the Health and Safety at Work Act and industry standards and empowers workers to contribute to a sustainable health and safety culture and safer work environment.

International engagements

We work internationally to promote regulatory alignment and high standards by participating in international forums and engaging with committees.

COVID-19 continued to impact the opportunities to engage with our international partners. Wherever possible, liaison and engagement with international partners was maintained virtually.

- We have continued engagement with the International Regulators' Forum (IRF) with remote half-yearly meetings. IRF is a group of health and safety regulators from 11 countries in the offshore oil and gas industry. It drives improvements through collaboration on joint programmes and information sharing.
- We are a participating member in a decommissioning and abandonment working group. The working group will develop a template and gather information from IRF members, review the information and provide a report prior to the next meeting in October.
- We participated at the Asia-Pacific Economic Cooperation Joint Regulatory Advisory Committee on Electrical and Electronic Equipment virtual meetings to discuss international electrical safety controls and performance.
- We contributed to the cooperation between New Zealand and Australian regulatory agencies, with particular emphasis on the standards for the safety of new technology including battery energy storage.
- We have continued to exchange expert advice on electrical and gas safety and risk management through our formal and informal relationships with the United Nations Economic Commission for Europe, Taiwan, the People's Republic of China, Hong Kong and Singapore.
- We delivered a presentation in a New South Wales conference about Enforceable Undertakings.
- We attended and presented at the Organisation for Economic Co-operation and Development (OECD) meeting of the Working Party on Chemical Accidents (a sub-group of the Chemicals Committee). The Working Party discusses and shares chemical accident prevention and mitigation strategies in OECD members and aspiring members, and produces documents that can influence New Zealand legislation. WorkSafe represents New Zealand at the Working Party.
- We attended the Institute of Chemical Engineers Hazards 30 conference.

International Regulators' Forum decommissioning and abandonment working group

The International Regulators' Forum (IRF) was formed in 1993 to provide international leadership on safety and safety-related regulatory matters for offshore oil and gas activities, continue to strengthen sharing of regulatory practice and experience and provide a sounding board for key initiatives of members.

During the annual general meetings of the IRF, members have raised issues related to process issues that exist when concession holders, leaseholders or operators fail to meet their obligations to decommission/abandon wells, pipelines and facilities. Decommissioning is the process of ending offshore oil and gas operations and returning the ocean and seafloor to its previous condition. The complete process is very complex and involves many steps, taking years to complete.

During the 2021 mid-year meeting, the IRF agreed to establish a working group to query the membership regarding their legislative and regulatory authorities and responsibilities regarding decommissioning of wells and structures, efforts to limit or mitigate government liability and financial responsibility for decommissioning wells or infrastructure and approaches to decommissioning activities involving bankruptcy and/or orphaned infrastructure.

The working group will also seek feedback from other agencies in New Zealand such as the Ministry of Business, Innovation and Employment, Maritime New Zealand and Ministry for the Environment.



Kia eke panuku! Kia eke tangaroa! **Drive organisational excellence**

We are united across our organisation to become a modern, insights-driven regulator that makes a measurable difference.

Why we are focusing on driving organisational excellence

People are at the heart of what we do. This includes our own people. WorkSafe endeavours to lead by example to ensure we keep our own people healthy, safe and well at work.

We demonstrate leadership as an organisation in the way we respond to ongoing challenges resulting from COVID-19 and any other risks to workplace health and safety. We do this by protecting our people at work while we continue to deliver our priority initiatives and projects and our core regulatory roles.

Therefore, we remain focused on delivering our internal focus areas. These are to strengthen our people and culture, enhance our data, technology and infrastructure and future-proof our organisation.

WHAT WE HAVE ACHIEVED AND DELIVERED IN 2020/21

Improved staff performance and engagement

We conducted the We Say staff engagement survey in October 2020. Our We Say results provide valuable insights that help further embed our values and create a great work culture and environment across WorkSafe.

We had a 90% response, which was an increase from the previous survey. Our We Say survey continued to attract a high level of employee response and engagement.

- Our engagement score remained unchanged since the last survey. However, considering some organisational change in 2020 and the issues arising from the Whakaari/White Island eruption and COVID-19, we are pleased with this engagement result.
- Our vision that everybody who goes to work comes home healthy and safe remained as the highest result – a core reason why our people work at WorkSafe.
- Leadership behaviour, culture and technology were some of the themes for continued focus. Over the past year, we have focused on these through the work we have done on leadership development, we refreshed our organisational values and we have also progressed our digital transformation work.

Leadership development

We improved engagement with our people leaders, forming a Senior Leadership Group and a wider People Leaders Forum to help support our leaders through communication, prioritisation and direction setting.

We invited a number of our leaders to participate in senior leadership development through ilume – a global specialist in executive coaching and development of senior leaders in organisations. We have also supported our leaders through our award-winning Te Ohonga leadership fundamentals training.

Establishment of the Inspector Development Pathway

We are committed to developing our people and ensuring we have the right skills to perform our role.

The Inspector Development Pathway is about building capability in a structured and coherent way. One of its key components is an overall Inspector Development Framework with core programmes of learning at Foundation, Inspector 1 and Inspector 2 levels. The aim is to progressively grow technical know-how, breadth of practice and the professional and personal skills needed to be fully competent at Inspector 2 level.

The Inspector Development Pathway emphasises a deliberate and unified approach to inspector development that will enable targeted and consistent learning, aligned with WorkSafe's strategies and required performance outputs. Considerable work is under way to establish the Inspector 1 and Inspector 2 development programmes, in addition to enhancements to Foundation training.

An Inspector Development Coordination Group has been formed to ensure investment is being focused on priority needs and that initiatives are aligned across operational areas.

Te ao Māori capability uplift at WorkSafe

Māori have persistently suffered a higher rate of injury in the workplace than non-Māori. The consequences are felt widely throughout whānau Māori, hapū and iwi. Working with Māori to improve equity in the workplace is an important part of WorkSafe's mission to support a world-class health and safety system.

A major part of addressing this issue is working with Māori and community to improve workplace health and safety. To achieve this, WorkSafe needs to be more aware of te ao Māori and better equipped to work in that environment.

The Maruiti strategy refresh has enabled us to start addressing the issues through a programme centred on the uplift of te ao Māori capability. Focusing on raising skills and knowledge in te reo Māori and tikanga Māori helps to raise awareness and understanding for our people. This relates directly to the world in which Māori work and live and in turn how WorkSafe's engagement with Māori can extend and enhance our reach and effectiveness in this vital area.

The programme includes components of capability, largely driven by the Te Arawhiti Māori Crown Relations Framework and includes individual capability. These components focus on important kaupapa such as understanding racial equity and institutional racism, New Zealand history and te Tiriti o Waitangi, world-view knowledge, tikanga/kawa, te reo Māori and engagement with Māori.

Successful engagement with Māori will hinge on WorkSafe's increased visibility and connection within the regions with iwi and hapū where region-centric training will be developed and delivered, all working towards cementing the regional partnership approach.

Our goal is to reach the level of capability outlined in the Māori Crown Relations Framework by 2025. This will be achieved through WorkSafe people obtaining a level of comfort in all things te ao Māori that enables successful engagement with Māori. Te Pou Ora is working closely with WorkSafe's People and Culture, Learning and Development and other teams to bring this to fruition.

The Maruiti team in the regions works with industry representatives, regional staff and iwi, hapū and whānau Māori.

The Maruiti staff in the National Office work with members of the Executive Leadership Team, other agencies and our people, with a focus on the strategic alignment and outputs of the refreshed Maruiti strategy.

Digital transformation

Digital transformation is critical for WorkSafe to be effective and to achieve our vision. We have a big aspiration – driving towards becoming a world-class regulator. We are committed to making changes to how we work over the coming years to first become an insights-driven regulator. We need to make a measurable difference and maximise our impact for the benefit of all New Zealanders.

To be set up for success, we need to change how we develop, deliver and manage our technology and how we work. We have developed a plan for digital transformation over the next three years that provides for digital independence and a digital workplace.

We have rolled out major improvements to technology to improve efficiencies and effectiveness across WorkSafe throughout 2020/21:

- A new intranet, Connection, was successfully launched.
- Human Resources Information System modules to automate and streamline our common HR processes have been tested and moved into a pilot phase.
- The planned migration of data from the Ministry of Business, Innovation and Employment system to the new SharePoint system in WorkSafe has commenced.
- Over 730 devices were deployed to our people.

Strategic baseline review

A capable and well-resourced regulator is a condition for WorkSafe's success. WorkSafe always seeks the best value for money from its investment. At the same time, we need to be properly resourced to achieve our outcomes. A strategic baseline review commissioned by the Ministry of Business, Innovation and Employment supports both of these purposes by understanding and identifying:

- how well our baseline expenditure is aligned with our role, strategy and Government priorities
- how well we are performing – covering off issues such as efficiency of resource use and the quality of our outputs
- what cost pressures we face over the next four years and how they align with strategy and priorities
- options to manage our work with different funding paths.

We are also treating this as an opportunity to show just how effective we have been as we have developed over the past seven years. The report of the review will be available in late 2021.

Carbon neutral by 2025

In December 2020, the Government announced a new initiative that will require the public sector to be carbon neutral by 2025.

After the announcement, WorkSafe initiated a project to support the carbon-neutral initiative to:

- measure, verify and report emissions annually
- set gross emissions reduction targets and introduce a work plan to achieve targets
- offset to achieve carbon neutrality after gross emissions reductions are made
- introduce a phased work programme to reduce organisations' emissions
- align our procurement practices to influence decisions by the private and community sectors when it comes to carbon-neutral and low-emission technologies.





WorkSafe has been exploring available opportunities to contribute to and obtain advice from technical fora, such as addressing the safety issues of electric vehicles and charging infrastructure requirements to support the Government's carbon-neutral initiative.

We will be able to report on our progress in the Annual Report 2021/22.



Case study

Drive organisational excellence

Addressing the impact of gender bias in standards



WorkSafe had an opportunity to be involved with the United Nations Economic Commission for Europe (UNECE) project to address the gender resilience of standards, contributing to the United Nation's Sustainability Development Goal 5: Gender equality.

Attending webinars held in the evenings and early mornings chaired by the British standards body became normal for our people.

The first task of the working group was to draft a Gender Pledge for standards bodies to commit to addressing gender resilience in their standards activities. More than 50 standards bodies around the world, including in Aotearoa, have signed the Gender Pledge.

As a result of WorkSafe's commitment and contributions, a technical officer from WorkSafe was asked to lead one of three working groups. The Knowledge Sharing and Training working group, led by WorkSafe, is tasked with building a database of guidance about achieving gender resilience in standards activities.

The other two working groups are developing methodologies for assessing responsiveness, gender responsive standards and networks.

With a timeframe of three to four years to complete the work, the Knowledge Sharing and Training working group has already developed two of the four survey questionnaires in preparation for research planned for later in 2021.



Progress with standards for earth-moving machinery

WITHDRAWN: ISO 3411:1995

Earth-moving machinery:
Human physical dimensions
of operators and minimum
operator space envelope.

This international standard
defines the dimensions of
male operators.

REVISED: ISO 3411:2007

Earth-moving machinery:
Physical dimensions of
operators and minimum
operator space envelope.

The operator dimensions in
this international standard are
derived from male and female
data from the United States
of America, Europe and Asia.

One size doesn't fit all

In 2019, a historic milestone of two women in space at the same time was delayed because it was discovered at the last minute that only one woman's suit was available.

A 2017 report by the United Kingdom's Trades Union Congress found that ill-fitting personal protective equipment (PPE) hampered the work of 57% of women. In the emergency services, only 5% of women said that their PPE never hampered their work.

Besides contributing internationally, through the UNECE work, WorkSafe has sponsored training on gender resilience for New Zealand standards committee members, maintained an active dialogue with Standards Australia and taken the gender resilience goals to the APEC forum.

Reflecting our expertise with predictive risk assessment tools, we have begun work on an assessment 'engine' to assess risk of poor resilience in particular standards projects.

He kawenga tauākī

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 and services performance 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 2021.



Ross Wilson
Chair



Phil Parkes
Chief Executive

KIA MANAWA TĪTĪ
LET US EMBRACE THE CHALLENGES
AND AND EXHIBIT TENACITY

He tūmahi tauākī Statement of performance



Our key achievements and deliverables for 2020/21 are highlighted in the Focus areas section. Our achievements support and align with the Government's Health and Safety at Work Strategy 2018–2028 and the Minister for Workplace Relations and Safety's priorities.

The section provides further information about our performance delivering the outcomes and services stated in our Statement of Intent 2018/19–2021/22 and Statement of Performance Expectations 2020/21. As signalled in our Statement of Performance Expectations 2020/21, we prioritised our COVID 19 response work throughout the year, including our contribution to the all-of-government response. This had a consequential impact on projects and our approach to core regulatory activity, directly or indirectly impacting the overall number of Statement of Intent and Statement of Performance Expectations performance measures that were achieved (10 out of 21 assessed against a target).

Despite these challenges, WorkSafe is pleased with our people who have once again demonstrated resilience and flexibility by adapting to working in different ways from home, stepping up into leadership roles, providing technical advice and support, and undertaking remote assessments and investigations. Over the year WorkSafe successfully completed the largest and most complex investigation we have ever undertaken, in response to the Whakaari White Island incident. Significant progress was made against our Taura Here Waka strategic delivery plan, including our focus on growing our focus on healthy work and increasing our capacity to deliver work-related health programmes (including mentally healthy work), targeting equitable outcomes through building our te ao Māori capability and partnering with Māori to support their aspirations for health and safety for Māori workers, alongside improving Pacific Peoples outcomes.

We have continued to invest in our capability and systems to ensure we can operate as an effective organisation. This includes our digital transformation (digital independence and digital workplace) and our data and analytical tools to better influence behaviour change across the systems and target our interventions.



Ngā inea whakaaweawe o te Tauākī Whakamaunga atu Impact measures from the Statement of Intent

This was our third year delivering the impacts and targets from our Statement of Intent 2018/19–2021/22. As stated earlier, we are starting the next phase of our transformation journey. Our new Statement of Intent 2021/22–2024/25 was presented to the House of Representatives in July. The new Statement of Intent contains our refreshed outcomes and impacts and the indicators we will use to measure our success over the next three years. Therefore, this is the last time the results will be presented in this form.

Note: One impact measure from the Statement of Intent, ‘Cases of non-compliance relating to a breach of the requirements set out in safety cases or Principal Hazard Management Plans subsequent to submission’ is not reported. This is because there has been a change of focus in the safety cases regime required under the Health and Safety at Work (Major Hazard Facilities) Regulations 2016. This change in focus is reflected in the new Statement of Intent 2021/22–2024/25.

PEOPLE VALUE HEALTH AND SAFETY: OUR WORK SUPPORTS PEOPLE TO VALUE HEALTH AND SAFETY AS PART OF GOOD BUSINESS

	2016/17	2017/18	2018/19	2019/20	TARGET	2020/21
Percentage of workers in priority sectors (that is, agriculture, forestry, construction and manufacturing) who view health and safety as a top priority <small>Source: Workforce Segmentation and Insights Programme (WSIP) survey</small>	-	-	49%	Biennial measure	>65%	46%
Percentage of employers in priority sectors who view health and safety as a top priority <small>Source: WSIP</small>	-	-	59%	Biennial measure	>75%	65%
Percentage of people (workers and employers) who made at least one change to improve workplace safety and/or reduce risks to workers’ health <small>Source: Service Excellence Survey (SES)</small> Note: From Vote Labour Market 2020/21 ¹³	81%	84%	86%	83%	>85%	81%

¹³ The target included in Vote Labour Market is ≥80% and this measure has been achieved against that.



SYSTEM PERFORMANCE INSIGHTS

Measures based on the Workforce Segmentation and Insights Programme (WISP) survey

ABOUT THE WSIP SURVEY¹⁴

The WSIP survey was launched in August 2019 to provide WorkSafe with a better understanding of health and safety maturity levels among businesses and workers, including by sector. The survey examines the impact of workplace safety culture on health and safety practices.

THE 2020/21 RESULTS

The latest results reinforce our view that more needs to be done to shift mindsets away from health and safety being viewed as an add-on to work. Health and safety practice is an integral part of how mahi is designed and undertaken. We have a programme of work to support health and safety leadership, risk management and workers' participation and representation in decisions that affect their health and safety. These are the cornerstones of good health and safety performance.

WorkSafe will be conducting further analysis of the WSIP results when the full dataset is available, with the aim of understanding more about what has driven these changes.

Note: The WISP survey replaced the Health and Safety Attitudes and Behaviours (HSAB) survey. The previous results based on the HSAB survey are not comparable to the latest results and therefore are not included in this report. For past results based on the HSAB survey, please see the previous Annual Reports.

Measures based on the Service Excellence Survey (SES)

The SES was conducted on a continuous basis between 30 June 2020 and 27 April 2021 for 2020/21.¹⁵

A total of seven performance measures from the Statement of Intent and Statement of Performance Expectations are based on the SES. Of the seven measures, two have either met or exceeded the target.

In mid-2020, WorkSafe was asked to engage with businesses about new regulations in relation to the COVID-19 Public Health Response Act. The SES sample in 2020/21 reflects the change in the mix of businesses. Some key changes include:

- fewer businesses from traditionally higher-risk sectors such as agriculture and forestry
- a greater proportion of businesses from the accommodation and food services and retail trade sectors.

We need to be careful in both how we interpret changes in the results compared to previous years and how WorkSafe measures up against the targets. The survey was not designed to investigate the scenario COVID-19 has presented.

We cannot be sure whether the measures that have fallen below the target reflect changes in WorkSafe's performance or simply reflect the fact that we assessed a different mix of businesses whose perceptions of WorkSafe may be formed in a different way than we are used to.

In 2021/22, the SES will be replaced by the new Impacts Effectiveness Monitor, which will include the design of a fresh questionnaire that will be more closely aligned with WorkSafe's current and future strategic objectives.

¹⁴ In 2020/21, the worker component of the survey had a sample size of 3,627 and a margin of error of $\pm 1.6\%$. The employer component of the survey had a sample size of 2,672 and a margin of error of $\pm 1.9\%$. See our website for WSIP survey methodologies and limitations: worksafe.govt.nz

¹⁵ We had a sample size of 1,000, and the response rate was 26%.

HEALTH AND SAFETY IMPROVES WELLBEING: OUR WORK ENABLES GOOD HEALTH AND SAFETY TO IMPROVE PEOPLE'S QUALITY OF LIFE

	2016/17	2017/18	2018/19	2019/20	TARGET	2020/21
Percentage of employers who have a process for identifying, assessing and managing the business's main health and safety risks, who also regularly review the processes and systems <small>Source: National Survey of Employers, Ministry of Business, Innovation and Employment</small>	79%	81%	>84%	No survey	>80%	No survey
Workers who agreed their workplace has ways for workers to participate in health and safety and raise issues ¹⁶ <small>Source: WSIP</small>	-	-	87%	Biennial measure	>90%	75%
Employers who agreed their workplace has ways for workers to participate in health and safety and raise issues ¹⁶ <small>Source: WSIP</small>	-	-	86%	Biennial measure	>90%	73%
Percentage of all precursor events that were adequately responded to	-	-	61%	66%	-	67%

SYSTEM PERFORMANCE INSIGHTS

National Survey of Employers

The Ministry of Business, Innovation and Employment has paused conducting the National Survey of Employers since the Alert Level 4 lockdown in 2020.

Response to all precursor events

Precursor events are specified in the Health and Safety at Work Act and in regulations covering high-hazard sectors. No target was set when the definition of a 'precursor event' was changed in 2018/19. Nonetheless, our performance has been improving each year.

Note that this measure has been replaced with a new measure – the number of high potential incidents reported for high hazard operations. The new measure focuses on the notifiable incidents with the greatest potential to cause catastrophic harm.

The measure reported on above includes all notifiable events, including a large number of lower-risk events.

The two unmet targets are related to WSIP – see page 66 for further information.

COLLECTIVE APPROACH TO HEALTH AND SAFETY: OUR WORK LEADS THE HEALTH AND SAFETY SYSTEM TOWARDS SHARED GOALS

	2016/17	2017/18	2018/19	2019/20	TARGET	2020/21
Percentage of people (workers and employers) we engage with who agreed that 'WorkSafe is making a real difference to workplace health and safety in New Zealand' <small>Source: SES</small>	66%	66%	70%	72%	>75%	68%

SYSTEM PERFORMANCE INSIGHTS

The unmet target is related to SES – see page 66 for further information.

¹⁶ WISP results are based on priority sectors, including construction, forestry, manufacturing, agriculture, healthcare and transport.

Ngā inea o Te Tāhuhu Whakaneinei Mahi Measures from the Statement of Performance Expectations

WorkSafe's performance measures relate to the Vote Labour Market appropriation *Workplace Relations and Safety – Workplace Health and Safety*. This appropriation is limited to information, education, leadership, guidance, support and enforcement relating to the health and safety of workers and workplaces. This appropriation is intended to achieve healthier, safer and more-knowledgeable workplaces.

Our performance measures reflect our activities and the success of work we do. They include:

- the quality, timeliness and effectiveness of our work
- asking how well people think WorkSafe is doing
- measuring our performance against our internal focus area – drive organisational excellence.

We monitored and measured our performance at different points in time throughout 2020/21. We provide performance reports to the Minister for Workplace Relations and Safety and our Crown monitor, the Ministry of Business, Innovation and Employment, each quarter and in our WorkSafe Annual Report.

HARM PREVENTION

	2016/17	2017/18	2018/19	2019/20	TARGET	2020/21
Percentage of people who say our guidance is useful or very useful Source: SES	94%	97%	97%	98%	98%	94%
Percentage of assessments that include interaction with a worker or representative ¹⁷	-	-	89%	79%	80%	88%
Deliver the three Work-related Health Action Plan sub-plans for: - carcinogens and airborne risks - musculoskeletal disorders - mentally healthy work	-	-	-	-	Achieve	Achieved
Percentage of assessments that include a focus on work-related health risks	36%	50%	61%	69%	65%	82%

EXPLANATION FOR PERFORMANCE AND/OR VARIANCES

Deliver the three Work-related Health Action Plan sub-plans

As part of WorkSafe's harm prevention focus on improving work-related health in three key areas, we have released information on our website on actions planned over the coming years.

Assessments that focused on work-related health risks

Our focus on harm prevention continued to increase. As part of our assessment approach, we continued to have a greater focus on work-related health risks. This approach resulted in our performance exceeding target and improving from previous years.

The unmet target is related to SES – see page 66 for further information.

¹⁷ Workers or representatives are not always available (for example, where a person is self-employed). This measure only applies where a worker or representative is available on site.

REGULATORY EFFECTIVENESS

	2016/17	2017/18	2018/19	2019/20	TARGET	2020/21
Percentage of prosecutions are successful	88%	96%	93%	88%	≥80%	93%
Percentage of investigations where a final decision is made and communicated to victims and persons conducting a business or undertaking within 12 months of commencement	-	-	100%	89%	100%	99%
Percentage of energy safety investigations (notifiable and non-notifiable incidents and unsafe situations) involving gas and electricity that are completed within 60 days	91%	93%	93%	87%	80%	93%
Complete the assessment of all safety cases for existing MHF high hazard establishments by April 2021 ¹⁸	-	-	-	100%	100%	100%

EXPLANATION FOR PERFORMANCE AND/OR VARIANCES

Communication to victims and persons conducting a business or undertaking

The target was narrowly missed – only one investigation out of 69 was not communicated within the target timeline of 12 months. The date of one investigation file was not correctly recorded. Therefore, the due date to communicate WorkSafe’s decision to the victim/s and persons conducting a business or undertaking was not correctly calculated.

While one investigation was not communicated within the target timeline, the communication occurred a day after the 12-month target. In fact, victims were still notified within the target timeframe and only persons conducting a business or undertaking were notified a day after the target timeline.

To ensure we achieve 100% in future, we are setting up a new system to track and consolidate all of our investigation activities.

SYSTEM LEADERSHIP

	2016/17	2017/18	2018/19	2019/20	TARGET	2020/21
All WorkSafe-funded partnership agreements with sector groups establish (or have) work programmes that will deliver tripartite health and safety initiatives	-	-	-	-	Achieve	Achieved
The member of every partnership group funded by WorkSafe agrees that they have tripartite arrangements	-	-	-	-	Achieve	Achieved

¹⁸ By 4 April 2021, WorkSafe must have either accepted or finally rejected any safety case submitted to it by the operator of an upper tier MHF to which the transitional provisions apply. A safety case is required under Regulation 45 of the Health and Safety at Work (Major Hazard Facilities) Regulations 2016. The safety case is an important document, it ensures that operators have identified key risks and necessary risk control measures and is a key leading indicator providing reassurance that risks from major hazard operations are being controlled. In 2019/20, WorkSafe ‘achieved’ its measure through completing and agreeing safety cases, or referring them back to the operator for further information.

	2016/17	2017/18	2018/19	2019/20	TARGET	2020/21
Percentage of people we directly engage with who agreed WorkSafe is educative, fair, proportionate and performing effectively ¹⁹						
Source: SES						
Educative	64%	69%	70%	66%	>66%	64%
Fair	88%	91%	91%	91%	≥91%	91%
Proportionate	67%	72%	68%	71%	>71%	71%
Performing effectively	66%	66%	70%	72%	>72%	68%

EXPLANATION FOR PERFORMANCE AND/OR VARIANCES

The unmet targets are related to SES – see page 66 for further information.

ORGANISATIONAL EXCELLENCE

	2016/17	2017/18	2018/19	2019/20	TARGET	2020/21
Staff engagement as measured in the We Say survey results	-	-	-	-	≥61%	61%
Progress towards achieving the strategic goal of becoming a leader in New Zealand health and safety practice	-	-	-	Achieved	Achieve	-

EXPLANATION FOR PERFORMANCE AND/OR VARIANCES

We Say staff engagement survey

See *Focus areas: Drive organisational excellence* for further information.

The We Say survey replaced the previous staff engagement survey. The previous results are not comparable to the We Say survey result and therefore are not included in this report. For past results, please see the previous Annual Reports.

Progress towards achieving the strategic goal of becoming a leader in New Zealand health and safety practice

Because of COVID-19, the assessment will take place in November. The final result is expected to be available in early 2022.

¹⁹ The results exclude people who only interacted with us in relation to a hazardous substances and new organisms (HSNO) issue or incident to ensure the results from 2016/17 onwards are comparable with previous years.

This is because WorkSafe's legacy agency, the Department of Labour, treated HSNO inspections separately from other inspections and therefore there was a separate survey for HSNO.

With the migration over to WorkSafe and the enactment of the Health and Safety at Work Act, the two workstreams were brought together under the General Inspectorate. For time series comparisons reasons, it was agreed with Audit New Zealand that the measures in question be reported, excluding HSNO.

Note: There were no HSNO-only respondents this year due to the different types of inspectorate activity during and post the COVID-19 lockdown.

MĀ TE HURUHURU TE MANU KA RERE
WITH FEATHERS A BIRD IS ABLE TO FLY

He pūtea tauākī Financial statements



Statement of comprehensive revenue and expense for the year ended 30 June 2021

\$000	NOTES	ACTUAL 2021	BUDGET 2021	ACTUAL 2020
Revenue				
Funding from the Crown	2	120,673	109,758	107,890
Interest revenue	2	388	541	1,065
Other revenue	2	19,656	20,906	16,197
Total revenue		140,717	131,205	125,152
Expenditure				
Personnel costs	3	88,048	87,390	80,644
Other expenses	4	46,392	41,969	38,804
Depreciation and amortisation expense	8, 9	4,729	6,035	3,393
Total expenditure		139,169	135,394	122,841
SURPLUS/(DEFICIT)		1,548	(4,189)	2,311
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		1,548	(4,189)	2,311

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 2021

\$000	NOTES	ACTUAL 2021	BUDGET 2021	ACTUAL 2020
Assets				
Current assets				
Cash and cash equivalents	5	5,677	5,045	4,730
Receivables and prepayments	6	1,717	1,700	1,796
Investments	7	28,650	14,000	37,500
TOTAL CURRENT ASSETS		36,044	20,745	44,026
Non-current assets				
Property, plant and equipment	8	8,125	10,638	8,751
Intangible assets	9	14,003	14,209	8,592
TOTAL NON-CURRENT ASSETS		22,128	24,847	17,343
TOTAL ASSETS		58,172	45,592	61,369
Liabilities				
Current liabilities				
Payables and provisions	10, 12	8,537	5,000	11,944
Revenue in advance	2	8,759	6,693	11,337
Employee entitlements	11	7,082	6,000	6,052
TOTAL CURRENT LIABILITIES		24,378	17,693	29,333
Non-current liabilities				
Employee entitlements	11	478	700	768
Revenue in advance	2	-	-	-
TOTAL NON-CURRENT LIABILITIES		478	700	768
TOTAL LIABILITIES		24,856	18,393	30,101
NET ASSETS		33,316	27,199	31,268
Equity				
Capital reserves	15	26,634	27,619	26,134
Memorandum accounts	15	5,180	4,253	4,545
Accumulated surplus/(deficit)	15	1,502	(4,673)	589
TOTAL EQUITY		33,316	27,199	31,268

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 2021

\$000	NOTES	ACTUAL 2021	BUDGET 2021	ACTUAL 2020
Balance at 1 July		31,268	30,888	28,757
Total comprehensive revenue and expense		1,548	(4,189)	2,311
Owner transactions				
Capital contribution		500	500	200
BALANCE AT 30 JUNE		33,316	27,199	31,268

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 2021

\$000	NOTES	ACTUAL 2021	BUDGET 2021	ACTUAL 2020
Cash flows from operating activities				
Receipts from the Crown		120,673	109,758	107,890
Interest received		111	541	1,152
Receipts from other revenue		16,900	15,226	16,309
Payments to suppliers		(47,290)	(44,129)	(35,779)
Payments to employees		(87,634)	(86,997)	(77,891)
GST (net)		659	-	174
Net cash flow from operating activities		3,419	(5,601)	11,855
Cash flows from investing activities				
Receipts from sale of property, plant and equipment		79	400	193
Purchase of property, plant and equipment		(4,063)	(4,400)	(2,859)
Purchase of intangible assets		(7,838)	(6,950)	(2,817)
Receipts/(Payments) for new term deposits		8,850	16,000	(6,500)
Net cash flow from investing activities		(2,972)	5,050	(11,983)
Cash flows from financing activities				
Capital contribution		500	500	200
Net cash flow from financing activities		500	500	200
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		947	(51)	72
Cash and cash equivalents at the beginning of the year		4,730	5,096	4,658
Cash and cash equivalents at the end of the year		5,677	5,045	4,730

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 2021	ACTUAL 2020
Net surplus	1,548	(2,311)
Add/(Less) non-cash items		
Depreciation expense	4,729	3,393
Total non-cash items	4,729	3,393
Add/(Less) items classified as investing or financing activities		
(Gains)/Losses on disposal of property, plant and equipment	(43)	(3)
(Gains)/Losses on impairment of property, plant and equipment	-	-
Total items classified as investing or financing activities	(43)	(3)
Add/(Less) movements in statement of financial position items		
(Increase)/Decrease in receivables	256	(36)
(Increase)/Decrease in prepayments	(177)	(58)
Increase/(Decrease) in payables	(1,056)	4,252
Increase/(Decrease) in revenue in advance	(2,578)	96
Increase/(Decrease) in employee entitlements	740	1,900
NET MOVEMENTS IN WORKING CAPITAL ITEMS	(2,815)	6,154
NET CASH FLOW FROM OPERATING ACTIVITIES	3,419	11,855

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, 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 2021 and were approved by the Board on 22 December 2021.

BASIS OF PREPARATION

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

Statement of compliance

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

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

Measurement base

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

Functional and presentation currency

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

STANDARD EARLY ADOPTED

No Standards have been early adopted during this financial year.

STANDARDS ISSUED AND NOT YET EFFECTIVE AND NOT EARLY ADOPTED

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to WorkSafe are:

Amendment to PBE IPSAS 2 statement of cash flows

An amendment to PBE IPSAS 2 Statement of Cash Flows requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment is effective for annual periods beginning on and after 1 January 2022, with early application permitted. WorkSafe is complying with the requirements of this standard.

PBE IPSAS 41 financial instruments

PBE IPSAS 41 replaces PBE IFRS 9 Financial Instruments and is effective for the year ending 30 June 2023, with earlier adoption permitted. WorkSafe has assessed that there will be little change as a result of adopting the new standard, as the requirements are similar to those contained in PBE IFRS9. WorkSafe does not intend to early adopt the standard.

PBE FRS 48 service performance reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and, as a result of COVID-19, has been delayed. It will be effective for reporting periods beginning on or after 1 January 2023. WorkSafe has not determined how application of PBE FRS 48 will affect its statement of performance. It does not plan to early adopt the standard.

SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a particular note are outlined below and 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.

GOODS AND SERVICES TAX (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

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 2020/21* 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 are no critical assumptions to detail specifically.

2. Revenue

The specific accounting policies for significant revenue items are explained below:

FUNDING 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.

PROVISION OF SERVICES

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

INTEREST REVENUE

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

RENTAL REVENUE

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

OTHER REVENUE

\$000	ACTUAL 2021	ACTUAL 2020
Safety case revenue	395	2,327
ACC funding	17,834	12,992
Rent from sub-leases	163	149
Registration fees collected	218	159
Other revenue	1,046	570
TOTAL OTHER REVENUE	19,656	16,197

Funding from ACC projects and Safety Case reviews for Major Hazard Facilities is recognised in proportion to the stage of completion at balance date. The liability for any revenue not recognised at balance date is shown in the statement of financial position as revenue in advance.

REVENUE IN ADVANCE

\$000	ACTUAL 2021	ACTUAL 2020
Current revenue in advance		
Safety case revenue	337	80
ACC funding	8,422	11,257
Rent from sub-leases	-	-
Total current revenue in advance	8,759	11,337
Non-current revenue in advance		
ACC funding	-	-
Total non-current revenue in advance	-	-
TOTAL REVENUE IN ADVANCE	8,759	11,337

The ACC multi-year partnering agreement for the Harm Reduction Action Plan funds are fully allocated and accounted for in accordance with an Injury Prevention Measure Commitment. These are reported to ACC regularly.

3. Personnel costs**SALARIES AND WAGES**

Salaries and wages are recognised as an expense as employees provide services.

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 2021	ACTUAL 2020
Salaries and wages	72,741	65,610
Defined contribution plan employer contributions	2,306	2,089
Increase/(decrease) in net leave provision	527	1,250
Other personnel-related costs	4,327	4,075
Contractors	8,122	7,025
Restructuring costs	25	595
TOTAL PERSONNEL COSTS	88,048	80,644

Employee remuneration

	ACTUAL 2021	ACTUAL 2020
Total remuneration paid or payable		
\$100,000-\$109,999	77	61
\$110,000-\$119,999	46	52
\$120,000-\$129,999	46	25
\$130,000-\$139,999	38	38
\$140,000-\$149,999	30	25
\$150,000-\$159,999	20	19
\$160,000-\$169,999	9	7
\$170,000-\$179,999	20	16
\$180,000-\$189,999	12	6
\$190,000-\$199,999	6	10
\$200,000-\$209,999	5	6
\$210,000-\$219,999	4	4
\$220,000-\$229,999	7	4
\$230,000-\$239,999	1	-
\$240,000-\$249,999	2	1
\$250,000-\$259,999	2	3
\$260,000-\$269,999	2	2
\$270,000-\$279,999	3	-
\$280,000-\$289,999	2	2
\$290,000-\$299,999	2	-
\$300,000-\$309,999	-	-
\$310,000-\$319,999	-	-
\$320,000-\$329,999	-	1
\$330,000-\$339,999	-	-
\$340,000-\$349,999	-	-
\$350,000-\$359,999	-	-
\$360,000-\$369,999	-	1

	ACTUAL 2021	ACTUAL 2020
\$370,000-\$379,999	-	-
\$380,000-\$389,999	1	-
\$390,000-\$399,999	-	-
\$400,000-\$409,999	-	-
\$410,000-\$419,999	-	-
\$420,000-\$429,999	-	-
TOTAL EMPLOYEES	335	283

During the year ended 30 June 2021 there were no hurt and humiliation payments (2019/20 there were no payments) and six cessation and settlement payments amounting to \$422,606 (2019/20 there were fourteen payments amounting to \$210,022).

Key management personnel compensation

\$000	ACTUAL 2021	ACTUAL 2020
Board members		
Remuneration	205	211
FTE members ²⁰	1.05	1.06
Leadership members		
Remuneration	2,690	2,145
FTE members	9.17	6.83
TOTAL KEY MANAGEMENT PERSONNEL REMUNERATION	2,690	2,235

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

4. Other expenses

\$000	ACTUAL 2021	ACTUAL 2020
Fees to Audit New Zealand for Audit of financial statements	100	98
Staff travel	3,996	4,359
Advertising, publicity, and sponsorship	5,365	4,358
Consultancy	13,971	10,041
Fees to Board members	205	211
Fees to Advisory Board members	106	96
ICT costs and technical support	2,652	1,451
Legal services	4,449	1,981
Shared services provided by MBIE ²¹	6,081	6,900
Levy Collection (services paid to ACC)	869	869
Other expenses	2,768	2,628

²⁰ Board member FTE calculations are based on the assumptions noted in Cabinet Office Circular CO (19) 1.

²¹ MBIE provides support as part of our service-level agreement and this includes ICT, property services and contact centre services.

\$000	ACTUAL 2021	ACTUAL 2020
Rental and leasing costs	4,679	4,775
Loss on sale of assets	(43)	(3)
Other property costs	1,194	1,040
TOTAL OTHER EXPENSES	46,392	38,804

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.

BOARD AND COMMITTEE REMUNERATION

Board members' remuneration

\$000	ACTUAL 2021	ACTUAL 2020
Ross Wilson (Chair)	42.5	47.3
Paula Rose (Deputy Chair), QSO	27.4	30.4
Nikki Davies-Colley	21.9	24.3
James Fletcher	24.3	-
Robin Hapi	24.3	-
William Moran	21.9	24.3
Kristen Thompson	24.3	24.3
Dr Jan Whit ²²	18.7	24.3
Christopher Ellis ²³	-	24.3
Stephen Reindler ²⁴	-	12.2
TOTAL BOARD MEMBER REMUNERATION	205.3	211.4

There have been no payments made to committee members appointed by the Board who are not Board members during the financial year.

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 (2019/20 \$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 \$8,280 (2019/20 \$10,800).

The Digital Transformation Committee is a sub-committee of the WorkSafe Board and Board members are not paid separately in addition to Board fees, except for James Dickson and Colin MacDonald (Independent Members), who were paid \$9,013 (2019/20 \$Nil).

²² Resigned as a Board Member in December 2019.

²³ End of appointment term.

²⁴ Resigned as a Board Member in May 2021.

Fees to committee members

The following are fees paid or payable to individual committee members:

\$000	ACTUAL 2021	ACTUAL 2020
Audit, Risk and Finance Committee		
Total Audit, Risk and Finance Committee remuneration	8	11
Digital Transformation Committee		
Total Digital Transformation Committee remuneration	9	-
Work-related Health Advisory Group		
Total Work-related Health Advisory Group remuneration	-	11
Mining Board of Examiners		
Total Mining Board of Examiners remuneration	67	50
Extractives Industry Advisory Group		
Total Extractives Industry Advisory Group remuneration	13	14
National Pacific Peoples Responsiveness Advisory Group		
Total National Pacific Peoples Responsiveness Advisory Group remuneration	9	10
TOTAL COMMITTEE MEMBER REMUNERATION	106	96

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 2021	ACTUAL 2020
Cash at bank and on hand	5,677	4,730
TOTAL CASH AND CASH EQUIVALENTS	5,677	4,730

While cash and cash equivalents at 30 June 2021 are subject to the expected credit loss requirements of PBE IRFS9, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

There are no assets recognised in a non-exchange transaction that are subject to restrictions.

WorkSafe is permitted to expend its cash and cash equivalents in line within the scope and limits of its funding requirements, including specifications by Treasury and ACC's harm prevention agreement.

6. Receivables and prepayments

Short-term receivables are recorded at the amount due, less an allowance for credit losses. WorkSafe applies the simplified expected credit loss model of recognised lifetime expected credit losses for receivables.

In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

RECEIVABLES AND PREPAYMENTS

\$000	ACTUAL 2021	ACTUAL 2020
Receivables		
Total receivables comprises:		
Prepayments	1,429	1,253
Receivables from the sales of goods and services (exchange transactions)	402	616
Less: Allowance for credit losses	(114)	(73)
TOTAL RECEIVABLES AND PREPAYMENTS	1,717	1,796

The expected credit loss rates of receivables at 30 June 2021 and 1 July 2020 are based on the payment profile of revenue on credit over the prior 2 years at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the recoverability of receivables. Given the short period of credit risk exposure, the impact of macroeconomic factors is not considered significant.

There has been no changes during the reporting in the estimation techniques or significant assumptions used in measuring the loss allowance.

The allowance for credit losses at 30 June 2021 and 1 July 2020 was determined as follows:

The carrying amount of receivables approximates the fair value. There is a \$114,411 expected credit losses for receivables (2019/20 \$73,000).

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

	RECEIVABLES DAYS PAST DUE				TOTAL
	CURRENT	MORE THAN 30 DAYS	MORE THAN 60 DAYS	MORE THAN 90 DAYS	
30 JUNE 2021					
Expected credit loss rate					
Gross carrying amount (\$000)	217	56	-	129	402
Lifetime expected credit loss (\$000)	(36)	-	-	(78)	(114)
TOTAL	181	56	-	51	288

	RECEIVABLES DAYS PAST DUE				TOTAL
	CURRENT	MORE THAN 30 DAYS	MORE THAN 60 DAYS	MORE THAN 90 DAYS	
1 JULY 2020					
Expected credit loss rate					
Gross carrying amount (\$000)	476	16	1	123	616
Lifetime expected credit loss (\$000)	-	-	-	(73)	(73)
TOTAL	476	16	1	50	543

7. Investments

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

INVESTMENTS

\$000	ACTUAL 2021	ACTUAL 2020
Current portion		
Term deposits	28,650	37,500
TOTAL CURRENT INVESTMENTS	28,650	37,500

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, leasehold improvements, 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 statement of comprehensive revenue and expenses 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.

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

During the year ended 30 June 2021 there were impairment losses of \$Ni (2019/20 \$220,581).

IMPAIRMENT

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	LEASEHOLD IMPROVEMENTS	COMPUTER HARDWARE	MOTOR VEHICLES	WORK IN PROGRESS	TOTAL
Cost or valuation						
Balance at 1 July 2019	2,421	455	17	6,528	856	10,277
Additions	-	-	-	-	5,041	5,041
Disposals	-	-	-	(552)	-	(552)
Transfers from work in progress	743	1,148	900	378	(3,169)	-
Balance at 30 June 2020	3,164	1,603	917	6,354	2,728	14,766
Balance at 1 July 2020	3,164	1,603	917	6,354	2,728	14,766
Additions	-	-	-	-	2,097	2,097
Disposals	-	(21)	(2)	(462)	-	(485)
Transfers from work in progress	1,261	1,513	1,424	551	(4,748)	-
Balance at 30 June 2021	4,425	3,095	2,339	6,442	76	16,378
Accumulated depreciation and impairment losses						
Balance at 1 July 2019	1,792	135	17	3,114	-	5,058
Depreciation expense	304	187	-	607	-	1,098
Impairment loss	-	-	221	-	-	221
Elimination on disposal	-	-	-	(362)	-	(362)
Balance at 30 June 2020	2,096	322	238	3,359	-	6,015
Balance at 1 July 2020	2,096	322	238	3,359	-	6,015
Depreciation expense	534	732	768	540	-	2,575
Impairment losses	-	-	-	-	-	-
Elimination on disposal	-	(21)	-	(315)	-	(336)
Balance at 30 June 2021	2,630	1,033	1,006	3,584	-	8,254
Carrying amounts						
Balance at 30 June 2019	629	320	-	3,414	856	5,220
Balance at 30 June 2020	1,068	1,280	679	2,996	2,728	8,751
BALANCE AT 30 JUNE 2021	1,795	2,062	1,334	2,859	76	8,125

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.

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.

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

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

INTANGIBLE ASSETS

\$000	ACQUIRED SOFTWARE	INTERNALLY -GENERATED SOFTWARE	WORK IN PROGRESS	TOTAL
Cost or valuation				
Balance at 1 July 2019	3,973	9,211	702	13,886
Additions	-	-	3,936	3,936
Transfers from WIP	288		(288)	-
Balance at 30 June 2020	4,261	9,211	4,350	17,822
Balance at 1 July 2020	4,261	9,211	4,350	17,822
Additions			7,566	7,566
Elimination on disposal	(2,491)	(167)		(2,658)
Transfers from WIP	8,142	-	(8,142)	-
Balance at 30 June 2021	9,912	9,044	3,774	22,730
Accumulated amortisation and impairment losses				
Balance at 1 July 2019	3,854	3,302	-	7,156
Amortisation expense	118	1,957	-	2,074
Balance at 30 June 2020	3,972	5,258	-	9,230
Balance at 1 July 2020	3,972	5,258	-	9,230
Amortisation expense	692	1,463	-	2,155
Elimination on Disposal	(2,491)	(167)		(2,658)
Balance at 30 June 2021	2,173	6,554	-	8,727

\$000	ACQUIRED SOFTWARE	INTERNALLY -GENERATED SOFTWARE	WORK IN PROGRESS	TOTAL
Carrying amounts				
Balance at 30 June 2019	120	5,909	702	6,730
Balance at 30 June 2020	289	3,952	4,350	8,592
BALANCE AT 30 JUNE 2021	7,737	2,492	3,774	14,003

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 2020/21 for acquired software had additions of \$2.425 million as at 30 June 2021 (2019/20 \$3.955 million) and for internally-generated software \$1.349 million as at 30 June 2021 (2019/20 \$0.395 million).

10. Creditors and other payables

PAYABLES

\$000	ACTUAL 2021	ACTUAL 2020
Payables under exchange transactions		
Creditors	2,504	3,448
Accrued expenses	4,306	7,089
Other	64	27
Total payables under exchange transactions	6,874	10,564
Payables under non-exchange transactions		
Taxes payables (GST, PAYE, and rates)	1,351	690
Total payables under non-exchange transactions	1,351	690
TOTAL PAYABLES	8,225	11,254

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

Revenue in advance is now separately disclosed in the statement of financial position.

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 2021	ACTUAL 2020
Current portion		
Accrued salaries and wages	1,506	1,129
Annual leave	4,913	4,402
Leave in lieu of overtime	72	56
Retirement and long service leave	591	465
Total current portion	7,082	6,052
Non-current portion		
Retirement and long service leave	478	768
Total non-current portion	478	768
TOTAL EMPLOYEE ENTITLEMENTS	7,560	6,820

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 2021. 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.

Two key assumptions used in calculating the retirement and long service leave liability were the discount rate and the salary inflation assumption. The discount rate is based on rates supplied by the Treasury. The salary inflation is based on the best estimate of future increases, which Melville Jessup Weaver consider to be within a reasonable range.

If the discount rate were to differ by 1% from that used, with all other factors held constant, the carrying amount of the retirement and long service leave liability would be an estimated \$42,000 higher/lower. If the salary inflation rate were to differ by 1% of that used, with all other factors held constant, the carrying amount of the retirement and long service leave liability would be an estimated \$41,000 higher/lower.

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.

LEGAL PROVISION

A provision for a probable liability in the current year has been made. These matters are sensitive in nature, relating to potential costs associated with court proceedings.

PROVISIONS

\$000	ACTUAL 2021	ACTUAL 2020
Current portion		
Restructuring	102	530
Legal provision	210	160
Total current portion	312	690
TOTAL PROVISIONS	312	690

Movements for each class of provision are as follows:

\$000	RESTRUCTURING	LEGAL PROVISION
Opening balance at 1 July 2020	530	160
Additional provisions made	102	50
Amounts used	(530)	-
CLOSING BALANCE AS AT 30 JUNE 2021	102	210

13. Capital commitments and operating leases

CAPITAL COMMITMENTS

WorkSafe has capital commitments of \$0.479 million for the current year (2019/20 \$1.662 million).

\$000	ACTUAL 2021	ACTUAL 2020
Computer hardware		-
Acquired software	479	1,662
TOTAL CAPITAL COMMITMENTS	479	1,662

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 and do not include any other estimates of operating costs within the lease. There were no restrictions placed on WorkSafe by any of its leasing arrangements.

\$000	ACTUAL 2021	ACTUAL 2020
No later than one year	3,948	4,391
Later than one year and not later than two years	3,069	3,583
Later than two year and not later than five years	2,278	4,695
Later than five years	361	542
TOTAL NON-CANCELLABLE LEASES	9,656	13,211

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 million (2019/20 \$0 million).

14. Contingent assets and liabilities

CONTINGENT LIABILITIES

There are no contingent liabilities for the current year (2019/20 \$Nil).

CONTINGENT ASSETS

There are no contingent assets for the current year (2019/20 \$Nil).

15. Equity

EQUITY POLICY

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- capital reserves
- memorandum accounts
- accumulated surplus/(deficit).

\$000	ACTUAL 2021	ACTUAL 2020
Capital reserves		
Balance at 1 July 2020	26,134	25,934
Capital contribution	500	200
Balance at 30 June 2021	26,634	26,134
Memorandum accounts²⁵		
Opening balance 1 July 2020	4,545	1,850
Net memorandum account surplus for the year	635	2,695
Balance at 30 June 2021	5,180	4,545
Accumulated surplus/(deficit)²⁵		
Balance at 1 July 2020	589	973
Surplus/(deficit) for the year	1,548	2,311
Transfer of net memorandum account accumulated surplus for the year	(635)	(2,695)
Balance at 30 June 2021	1,502	589
TOTAL EQUITY AT 30 JUNE 2021	33,316	31,268

MEMORANDUM ACCOUNTS

Memorandum accounts reflect the cumulative surplus/(deficit) on those agency services provided that are intended to be 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.

Due to a portion of the Major Hazards Facilities levy memorandum accounts being held by MBIE, the balance of memorandum accounts held in WorkSafe equity does not equal the sum of the individually reported memorandum accounts.

²⁵ \$33k reattribution of costs between MHF Levies, MHF Safety Cases and Working Safer Levy was processed through the 2018/19 accounts.

\$000	TOTAL BALANCE	ACTUAL 2021	ACTUAL 2020	ACTUAL 2019	PRIOR YEARS
Memorandum accounts					
Major Hazard Facilities levies					
Revenue ²⁶	12,670	2,560	2,645	2,635	4,830
Expenditure	(10,126)	(2,573)	(1,745)	(1,744)	(4,064)
Total surplus/(deficit)	2,544	(13)	900	891	766
Add Crown Account deficit	329	130	199	-	-
Total surplus/(deficit) - levies held by WorkSafe	2,873	117	1,099	891	766
Safety case fees					
Revenue	2,862	3	1,866	783	210
Expenditure	(1,874)	(6)	(1,068)	(434)	(366)
Total surplus/(deficit) - fees	988	(3)	798	349	(156)
Refrigeration licensing					
Revenue	766	415	351	-	-
Expenditure	(666)	(443)	(223)	-	-
Total surplus/(deficit)	100	(28)	128	-	-
COVID-19 response					
Revenue	1,549	292	1,257	-	-
Expenditure	(1,201)	(615)	(587)	-	-
Total surplus/(deficit)	348	(323)	670	-	-
Support for health and safety leadership groups					
Revenue	1,905	1,905	-	-	-
Expenditure	(1,033)	(1,033)	-	-	-
Total surplus/(deficit)	872	872	-	-	-

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.

²⁶ This reflects the total Major Hazard Facilities levies invoiced.

SIGNIFICANT TRANSACTIONS WITH GOVERNMENT-RELATED ENTITIES

MBIE provided shared services to WorkSafe in 2020/21 as part of the shared services agreement that exists between the two organisations. Purchases totalling \$9.2 million (2019/20 \$11.4 million) included fees for property, legal services, IT, contact centre, 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 \$62,565 based on an actual cost basis (2019/20 \$71,521).

ACC has provided funding as per the multi-year partnering agreement for the Harm Reduction Action Plan as follows:

\$000	ACTUAL 2021	ACTUAL 2020
Opening balance	11,257	9,249
Funds received	15,000	15,000
Funds spent	(17,835)	(12,992)
ACC FUNDING	8,422	11,257

The spend has been used for the delivery of leadership support to sectors to enable them to develop pre-qualification, supply chain and critical risk initiatives; deliver sector-focussed risk initiatives including research into labour hire, and building health and safety cultural maturity with young farmers, children, and construction workers; for the cross-cutting risk initiatives for worker engagement and working in and around vehicles; foundational work including strengthening health and safety professional workforce, research into psychosocial harm, worker exposure, and market insights; targeted worker social media campaigns for Māori and migrant workers; engagement with Pacific peoples and Māori communities; education collateral including development of a risk tool and a focus on noise; and improving WorkSafe's capability in health economics to quantify the burden of harm to New Zealand from work. WorkSafe has paid \$0.869 million (2019/20 \$0.869 million) to ACC for levy collection services.

WorkSafe undertook the following secondments during 2020/21 Payment for the staff was based on actual salary reimbursements.

\$000	ACTUAL 2021	ACTUAL 2020
Secondments to other government agencies		
Ministry of Health	14	-
Department of Corrections	32	-
Department of Internal Affairs	56	-
Department of the Prime Minister and Cabinet	16	-
Environmental Protection Agency	151	-
Fire and Emergency New Zealand	151	-
Ministry of Business, Innovation and Employment	-	72
Total secondments to other government agencies	420	72
Secondments from other government agencies		
Ministry of Social Development	41	-
Ministry of Housing and Urban Development	198	-
Total secondments from other government agencies	239	-

17. Events after balance date

With New Zealand's move into the COVID-19 Protection Framework WorkSafe will receive additional funding in 2021/22 from the COVID-19 Response and Recovery Fund. The funding of \$3.5m (operating) and \$0.84m (capital) is for WorkSafe's compliance and enforcement role.

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 2021	ACTUAL 2020
Financial assets measured at amortised cost		
Cash and cash equivalents	5,677	4,730
Receivables (excluding taxes receivable)	288	543
Investments – term deposits	28,650	37,500
Total financial liabilities measured at amortised cost	34,615	42,773
Financial liabilities measured at amortised cost		
Payables and provisions (excluding taxes payable)	6,874	11,514
Total financial liabilities measured at amortised cost	6,874	11,514

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.

CASH FLOW INTEREST RATE RISK

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates.

WorkSafe has investment policies to manage the risk associated with cash flow interest rate risk. WorkSafe currently has no variable interest rate investments.

CURRENCY RISK

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

WorkSafe makes purchases of goods and services overseas that require it to enter into transactions denominated in foreign currencies. As a result of these activities, exposure to currency risk arises.

WorkSafe manages foreign currency risks arising from contractual commitments and liabilities by entering into forward foreign exchange contracts to manage the foreign currency risk exposure. During 2019/20 no forward foreign exchange contracts were entered into by WorkSafe (2019/20 \$Nil).

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 2021	ACTUAL 2020
Counterparties with credit ratings		
Cash at bank and term deposits		
AA-	34,327	42,230
Total cash at bank and term deposits	34,327	42,230
Counterparties without credit ratings		
Debtors and other receivables excluding taxes	288	543
TOTAL DEBTORS AND OTHER RECEIVABLES EXCLUDING TAXES	288	543

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 2021	ACTUAL 2020
Payables (excluding taxes payable)		
Carrying amount, contractual cash flows and payables less than six months	6,874	11,514

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

Revenue was higher than the original SPE budget by \$9.5 million, due to:

- \$10.9 million additional funding for COVID-19, Harm Prevention and Whakaari. This was offset by a \$1.2m lower other revenue.
- \$0.2 million lower interest due to lower interest rates.

Expenditure was higher than the original SPE budget by \$3.7 million, due to:

- \$1.3 million underspend in depreciation, project delays have resulted in an underspend in depreciation against funded levels.
- Offset by \$0.6 million increase in personnel costs due to the digital transformation programme.
- \$4.4 million increase in other expenditure, in particular contractors for the digital transformation programme and the costs of legal and external advice associated with Whakaari.

STATEMENT OF FINANCIAL POSITION

Assets

- Cash and investments are higher than budgeted due to investment of cash from operating and capital surpluses and revenue in advance.
- Property, Plant and Equipment and Intangible Assets are under budget due to delays in capital programmes as requirements are worked through.

Liabilities

- Revenue in advance is primarily made up of \$8.4 million of ACC revenue received which relates to work not yet completed.
- The remaining balances relates to Major Hazard Facilities Safety case revenue, also for work yet to be completed.

Equity

- The higher equity figures reflect a surplus rather than planned deficit.

STATEMENT OF CASH FLOWS

The variances in the statement of cash flows follows explanations provided for the statement of comprehensive revenue and expenses 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 2021	BUDGET 2021	VARIANCE 2021	ACTUAL 2020	BUDGET 2020	VARIANCE 2020
Health and safety						
Revenue - Crown	116,259	105,344	10,915	103,476	101,868	1,608
Revenue - other	20,041	21,447	(1,406)	17,159	17,477	(318)
Total revenue	136,300	126,791	9,509	120,635	119,345	1,290
Expenditure	134,511	129,568	(4,943)	117,938	122,101	4,163
SURPLUS/(DEFICIT)	1,789	(2,777)	4,566	2,697	(2,756)	5,453
Energy Safety						
Revenue - Crown	4,414	4,414	-	4,414	4,414	-
Revenue - other	3	-	3	103	-	103
Total revenue	4,417	4,414	3	4,517	4,414	103
Expenditure	4,658	5,826	1,169	4,903	5,658	755
SURPLUS/(DEFICIT)	(240)	(1,412)	1,172	(386)	(1,244)	858

\$000	ACTUAL 2021	BUDGET 2021	VARIANCE 2021	ACTUAL 2020	BUDGET 2020	VARIANCE 2020
Total WorkSafe						
Revenue – Crown	120,673	109,758	10,915	107,890	106,282	1,608
Revenue – other	20,044	21,447	(1,403)	17,262	17,477	(215)
Total revenue	140,717	131,205	9,512	125,152	123,759	1,393
Expenditure	139,169	135,394	(3,775)	122,841	127,759	4,918
SURPLUS/(DEFICIT)	1,548	(4,189)	5,737	2,311	(4,000)	6,311

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 2021	APPROVED APPROPRIATION 2021	ACTUAL 2020
Vote labour market			
Non-departmental output expenses			
Workplace Relations Safety – Workplace Health and Safety	119,804	119,804	107,021
Health and Safety in Employment Levy – Collection Services	869	869	869
TOTAL NON-DEPARTMENTAL OUTPUT EXPENSES	120,673	120,673	107,890
Vote business, science, and innovation			
Non-departmental capital expenditure			
Capital expenditure	500	500	200
TOTAL NON-DEPARTMENTAL CAPITAL EXPENDITURE	500	500	200

The Non-Departmental Output Expense appropriation *Workplace Health and Safety* 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.

22. Impact of COVID-19

During the changing of alert levels in 2020/21 WorkSafe has continued to operate with no change to the core deliverables. There was a need to change approach to doing business, particularly proactive visits and investigations.

WorkSafe provided resources to assist the whole of government response to the pandemic.

FUNDING

WorkSafe received additional funding to support the COVID-19 response. This was in the form of developing technical advice and support for health and safety leadership groups.



Rīpoata o te kaiarotake motuhake Independent auditor's report

To the readers of WorkSafe New Zealand's financial statements and performance information for the year ended 30 June 2021

The Auditor-General is the auditor of WorkSafe New Zealand (WorkSafe). The Auditor-General has appointed me, Chris Webby, 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 72 to 98, that comprise the statement of financial position as at 30 June 2021, 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 21 to 26, 64 to 70 and 96 to 97.

In our opinion:

- the financial statements of WorkSafe on pages 72 to 98:
 - present fairly, in all material respects:
 - › its financial position as at 30 June 2021; 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; and

- the performance information on pages 21 to 26, 64 to 70 and 96 to 97:
 - presents fairly, in all material respects, WorkSafe's performance for the year ended 30 June 2021, 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 appropriation; and
 - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 22 December 2021. 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 is 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 is responsible for such internal control as it determines is necessary to enable it 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 is responsible on behalf of WorkSafe for assessing WorkSafe's ability to continue as a going concern. The Board is 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 is responsible for the other information. The other information comprises the information included in the Foreword and on pages 2 to 19, 27 to 62 and 104 to 107, 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: International 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.



Chris Webby

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



MĀU TE TAI ATA, MĀKU TE TAI AHIAHI
TEND TO THE IMMEDIATE NEEDS, AND
CONSIDER THE REST IN DUE COURSE

Ngā take kē atu Other matters to report

Ngā tohutohu a te Minita Ministerial directions

WorkSafe is required to publish information on any direction given to WorkSafe by a Minister in writing under any enactment during that financial year along with other directions that remain current.

One new direction was given to WorkSafe in the year ending 30 June 2020 in relation to WorkSafe taking up a new work-related enforcement function. The following table outlines the directions in place.

DIRECTION	MINISTER	EFFECTIVE DATE
WorkSafe New Zealand taking up a new work-related enforcement function under the COVID 19 Public Health Response Act 2020	Minister for Workplace Relations and Safety	26 May 2020
Whole-of-government direction regarding the New Zealand Business Number	Minister for the Public Service Minister of Finance	Various
Whole-of-government direction regarding procurement functional leadership	Minister for the Public Service Minister of Finance	1 February 2015
Whole-of-government direction regarding property functional leadership	Minister for the Public Service Minister of Finance	1 July 2014
All-of-government shared authentication services	Minister for the Public Service Minister of Finance	21 July 2008

Victims' Rights Act 2002

The Victims' Rights Act 2002 improves provisions for the treatment and rights of victims of offences.

WorkSafe takes victim complaints very seriously. We need to know when people believe their rights have not been met so that we can identify what went wrong and address any concerns as well as make any improvements needed.

During 2020/21, we received one complaint from a victim alleging a breach of rights under the Victims' Rights Act 2002. In this instance, WorkSafe worked with the complainant and/or their whānau to resolve their concerns and no further action was required.

Description of WorkSafe's Regulatory Interventions

Assessment	A safety assessment is a comprehensive, systematic investigation and analysis of all health and safety risks associated with major incident hazards and major incidents. It demonstrates how those risks will be reduced so far as is reasonably practicable. Any deficiency in the safety assessment process may make it difficult to demonstrate that controls are adequate, and that risk has been reduced so far as is reasonably practicable.
Audit	WorkSafe audits authorisation holders, compliance certifiers, safety auditors of adventure activity operators. As well as other organisations such as Scaffolding, Access and Rigging New Zealand and the New Zealand Engineering, Food and Manufacturing Industry Training Organisation that assist WorkSafe with regulatory compliance.
Audit (Energy Safety)	Directive letters require certain directive steps to be followed, with these steps outlined in the letter. WorkSafe keeps a record of the advice given, in the event of a similar breach occurring in future.
Duty holder review	A duty holder review is a structured self-review undertaken on a voluntary basis by a duty holder at the request of WorkSafe, to ensure that the duty holder understands the cause of an event. A duty holder review identifies root or underlying causes, improvements, and action plans to address and prevent recurrence.
Enforceable undertakings	Anyone who designs, installs and/or operates electrical or gas installations and networks, or supplies or installs electrical or gas appliances and fittings in New Zealand can be audited by WorkSafe. These audits can be planned, or can be as the result of an accident, incident, or information we receive from another regulatory agency. We work with installers, owners and operators throughout the audit process to be proactive in educating them and will undertake audit programmes that enhance our effectiveness as a safety regulator.
Energy Safety infringement	If an Energy Safety investigation or audit by WorkSafe indicates that there is serious non-compliance, or there is a previous history of non-compliance, an infringement notice may be issued. This is accompanied by an infringement fee.
Energy Safety warning	A warning notice will outline the offence observed and the remedial action to take.
Hazardous Substances and New Organisms compliance order	Enforceable undertakings are an agreement between WorkSafe and a duty holder following a breach (including an alleged breach) of the Health and Safety at Work Act 2015 (HSWA). It outlines actions the duty holder will undertake to address the contravention. Once in place, it is legally binding. This is generally used as an alternative to prosecution.
Improvement notice	Compliance Orders currently exist under the Hazardous Substances and New Organisms Act 1996 (HSNO) and WorkSafe's HSNO Enforcement Officers (its inspectors) use them when enforcing under this Act. Under section 97(1)(a) and (b) of HSNO, WorkSafe enforcement officers can enforce HSNO in any workplace or distribution system that has a gas installation or gas appliance.
Infringement notice	Improvement notices require changes to be made to rectify a breach of the HSWA or prevent non-compliance, within a certain time period.
Internal review (Sections 130–135 of HSWA)	A review is a process that lets us take another look at the legal basis for, or accuracy of, a statutory decision we've made if we're challenged. It may consider our original decision, the process that led to that decision, or any new evidence presented to us.
Investigation	An investigation is a purposeful, structured process of inquiry that helps us establish facts, discover new information and decide what action to take, if any.
Non-disturbance notice	Non-disturbance notices require a worksite to remain undisturbed for a set amount of time, if a notifiable event has happened (for example, if a worker has been killed or seriously injured). A non-disturbance notice does not affect a person conducting a business or undertaking's compliance history. A non-disturbance notice is used by an inspector so they may ascertain whether there has been a contravention of the HSWA or the regulations. The inspector may determine there has been no contravention.
Prohibition notice	Prohibition notices require activities that pose a serious risk to people's health and safety to be stopped immediately, until the problem is resolved. These may require ceasing importation, the use, sale or manufacture of the product or installation; alert the public of safety risks; specify that an instruction be carried out within a stipulated way.

Prosecution	WorkSafe’s objective in prosecuting is to deter non-compliance with the laws it is responsible for enforcing. Prosecution is a deterrent and ensures that those who breach the law are held to account. Prosecution action may be taken when a breach has resulted in death, injury, illness, or disease has occurred. Prosecution also assists to promote good health and safety values and practices. WorkSafe’s prosecution decisions are made in accordance with the WorkSafe’s Prosecution Policy and the Solicitor General’s Prosecution Guidelines.
Sustained compliance letter	Sustained compliance letters are issued in a situation where a Prohibition Notice would have been issued, but the duty holder rectifies the issue while the inspector is still on site. It creates a written record and allows the duty holder to address the underlying issue(s) that led to the immediate risk of harm.
Verbal direction and directive letter	Verbal directions require certain directive steps to be followed, with these steps outlined verbally. WorkSafe keeps a record of the advice given, in the event there is a similar breach in future.

Under the COVID-19 Public Health Response Act 2020

Infringement notice	An infringement notice issued by an enforcement officer requires the responsible party to pay a fine for committing an infringement offence under the COVID-19 Public Health Response Act 2020.
Verbal direction	Verbal directions require certain directive steps to be followed, with these steps outlined verbally. WorkSafe keeps a record of the advice given, in the event there is a similar breach in future.
Written direction	Written Direction requires changes to be made to comply with the COVID-19 Public Health Response Act 2020, within a certain time period.

Disclaimer

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

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