

WORKSAFE

Te Pūrongo ā-Tau o Mahi Haumaru Aotearoa

Annual Report

2021/22



Ngā tūruapō

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

Te aronga

MISSION

Kia tāhū nui te hauora, te haumarū 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



A handwritten signature in black ink that reads "Bill Moran".

Bill Moran
Deputy Chair



A handwritten signature in black ink that reads "Nikki Davies-Colley".

Nikki Davies-Colley
Board Member



A handwritten signature in black ink that reads "Phil Parkes".

Phil Parkes
Chief Executive

**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.

Over the past year our focus has been on implementing our strategy to achieve the 'step-change' improvement in workplace health and safety in New Zealand, which we all aspire to. As we acknowledged last year, while we can take pride in achieving (collectively) the 2012 Government target of reducing our work-related fatalities by 25% by 2020, we are mindful that this success is not yet impacting acute harm system indicators for serious injury and time off work, or the much larger burden of work-related health deaths and harm.

WorkSafe's strategic framework is presented in the *Statement of Intent 2021/22-2024/25*. It outlines WorkSafe's regulatory approach as a 'really responsive regulator', which draws on the successful approaches of other modern regulators, and which is already delivering opportunities for significant change in improvements within New Zealand with its focus on safe work, healthy work, and equitable outcomes.

Our recently published *Way forward* statement explains how we intend to achieve that 'step-change' in health and safety performance across the system. The statement demonstrates the close alignment of our approach as regulator with the policy and expectations of successive governments since the Pike River Tragedy, and with the intent and scheme of both the WorkSafe New Zealand Act 2013 and the Health and Safety at Work Act 2015.

The key message is that WorkSafe will be looking to duty holders up to Board level, and right through supply chains. This doesn't mean taking the focus off education and enforcement, but augmenting these levers with a 'root cause' approach to help achieve our mission of workers coming home healthy and safe.

Our *Way forward* strategy is well understood by key stakeholders, including the iwi, union and business representatives on our partners council Te Kāhu Mātai. We acknowledge their support and contribution, and leadership and support from our Minister. We can only achieve our vision with active support from everyone involved in how work is done across the system.

We have a very broad mandate and increasing public expectations, and we continue to discuss our resourcing challenge with the Government. The challenge has been exacerbated by COVID-19, which has seen new functions given to WorkSafe under the COVID-19 Public Health Response Act 2020 that have placed further demands on our people and existing funding. To support the Government's response to COVID-19 we have provided extensive guidance and support to kaimahi and businesses, taken enforcement action, and inspected managed isolation and quarantine facilities.

Despite the challenges we have faced, WorkSafe has also undertaken over 12,000 assessments and taken over 4,500 enforcement measures, under our regulatory functions, during 2021/22.

Looking forward our *Way forward* strategy will allow full use to be made of all the regulatory levers envisaged by the 2013 Pike River Independent Task Force and provided in the 2015 Health and Safety at Work Act. The potential benefits are huge, in both human lives, limbs and health, as well as a saving in the billions of dollars annually, which accidents and health exposures cost, not to mention the improved productivity that better workplaces and systems can provide.

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 haumaruru.
I a tātou i te mahi
tiakina mai
kia hoki hauora ki te kāinga,
kia kōrero mai
mō te haumaruru 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.



RĀRANGI TAKE

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WE ARE NEW ZEALAND'S
PRIMARY WORKPLACE HEALTH
AND SAFETY REGULATOR

Mō Mahi Haumaru About WorkSafe



Hei Whakarāpopoto WorkSafe at a glance

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

767

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 and Information Services



People, Culture, Safety
and Property



External Strategy and
Engagement



Operations

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

We have

10

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

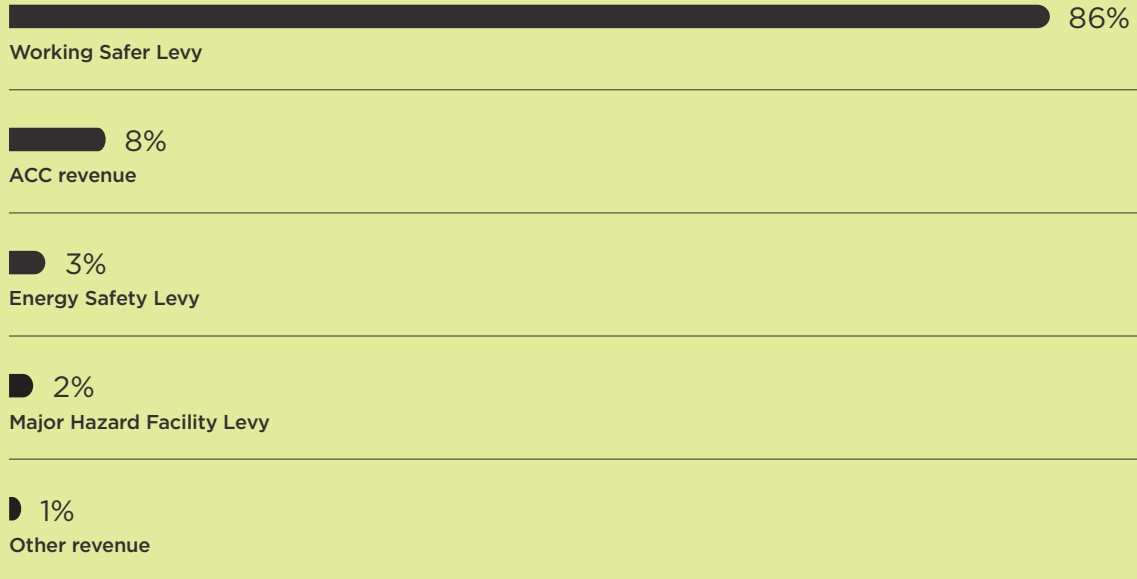
9

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

5

Board sub-committees and advisory
groups to support the Board

We have five funding sources



Our core regulatory activities



Lead, engage and influence



Educate, guide, inform and learn



Build capability and worker participation



Innovate, design, implement and evaluate



Authorise, oversee, assess and audit



Investigate, enforce and hold to account

The foundation for our role comes from the WorkSafe New Zealand Act 2013 and Health and Safety at Work Act 2015. We are also responsible for regulating the:

- Gas Act 1992
- Electricity Act 1992
- COVID-19 Public Health Response Act 2020

As New Zealand's primary workplace health and safety regulator, we want:

**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.

Who we are

WorkSafe is New Zealand's primary workplace health and safety regulator. We lead, enforce, contribute to, and promote improved health and safety at work, and energy safety. Our foundation for doing this is the Health and Safety at Work Strategy 2018–2028.

Our vision is that everyone who goes to work comes home healthy and safe. That is essential but more is possible.

We are working towards three goals for Aotearoa:

- Healthy work: Work is healthy for workers and those affected by work.
- Safe work: Work is safe for workers and those affected by work.
- Equitable outcomes: Work is healthy and safe for all in Aotearoa.

We were set up in 2013 in response to the 2010 Pike River coal mine tragedy. A Government review determined WorkSafe be established as a standalone Crown agent with a sole focus on health and safety at work, taking the lead in harm prevention and enforcing health and safety at work regulations.

We are responsible to the Minister for Workplace Relations and Safety, and accountable to the New Zealand Government for our strategy, expenditure, and delivery against agreed performance targets. The Ministry of Business, Innovation and Employment (MBIE) monitors WorkSafe in respect of these obligations.

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 WorkSafe New Zealand Act 2013, and 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 also have a regulatory role under the COVID-19 Public Health Response Act 2020.

We work across all wāhi mahi (workplaces) in Aotearoa, 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 protecting the public in relation to gas and electricity, and providing for the safe production, supply and use of gas and electrical products.

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

How we work

Since our establishment in 2013, the commitment of our people continues to be seen every day in our mahi. However, the world and the way we work has changed dramatically over that time, and that change accelerated with the COVID-19 pandemic.

The good news is we have helped make a big difference to health and safety in Aotearoa. This includes being part of a collective effort to reduce fatalities, which means more people are coming home to their whānau.

However, not all statistics are heading in the right direction and there are unacceptable inequities in outcomes for some groups, particularly Māori. Together we all must do better. WorkSafe wants to make bold changes, and to be measured on all the health and safety outcomes we contribute to, rather than against acute harm statistics.

Our understanding of what health and safety means has changed. We recognise hauora, and the benefits of good mental and physical health and wellbeing on workers, organisations, and society as a whole.

Wellbeing is at the forefront of our thinking as we change the direction of our work to meet the demands and expectations of what work, health and safety look like in 2022 and beyond. We will continue to tackle harm caused by work, and respond with strong enforcement to those who do not meet expected health and safety standards.

But responding to symptoms, and making small improvements, is not enough. To make a real difference to health and safety in the long term, we need to address how work is done, which is the cause of harm. To help us do this, we are gathering data and insights to better understand risks, interventions, and their success.



Taura Here Waka

Our journey to becoming an effective, modern and insights-driven regulator

Taura Here Waka, or strength in every strand, is our strategic delivery plan. It sets out our significant programmes and projects, designed to improve health and safety outcomes for all New Zealanders. We will take an insights-driven approach to:

- inform where our efforts are best directed, for effective and efficient use of our resources
- deliver a world-class health and safety system.

HOE NUKU

OUR IMMEDIATE AREAS OF FOCUS

Our Hoe Nuku are the six initiatives/programmes of work within Taura Here Waka Portfolio. We are prioritising now and in the immediate future. By doing this we will be able to make a larger short-term impact for Aotearoa as we work to transform the organisation over a longer period of time.

How we operate

Partnership with our stakeholders and partners across Aotearoa

An important part of delivering our important mahi is working with and through others:

- within the workplace system, including iwi, unions, employers, worker representatives and industry bodies
- with health and safety technical specialists, expert advisors, and with education and training organisations to influence the way work is done.

Working in this way provides WorkSafe with insights into the workplace environments New Zealanders operate within, and what most impacts their health and safety in work. These insights are used to better inform and focus our efforts.

WorkSafe remains committed to meeting our obligations under Te Tiriti o Waitangi and to working collaboratively with iwi and Māori communities as well as Pacific people. These groups are over-represented in workplace harm and injury statistics, so it is critical that we partner with these groups effectively, to improve their health and safety in work outcomes.

WorkSafe values positive working relationships with all our government partners to provide the best outcomes for all New Zealanders. While WorkSafe is the primary workplace health and safety regulator, other government agencies also contribute to workplace health and safety. The intersection between workplace health and safety and other regulatory regimes is demonstrated by the COVID-19 response over the last three years.

Our relationship and work with our funding and performance monitor, MBIE, is particularly important, as it is the primary policy advice provider on health and safety legislation and regulations. MBIE also provides strategic policy advice on the design and overall performance of the health and safety system to the Minister for Workplace Relations and Safety.

No more excuses where we know what we need to do to reduce harm

- Supporting businesses to reduce work-related health risks, including carcinogens and airborne risks.
- Implementing Plant and Structures reforms to keep workers healthy and safe around high-risk machinery, vehicles, equipment and structures.

Gamechangers

- Working with leaders who have the influence and ability to control health and safety risks to take responsibility

and act. Both in their own organisations and across their supply chains.

- Driving and influencing positive change in worker engagement, participation, and representation practices throughout Aotearoa.

Ensuring we are the best organisation we can be

- Strengthening our own operational foundations, including digitally transforming our business, and improving the experience for stakeholders that transact with us online.

- WorkSafe, together with workers and organisations, can improve how work is designed and delivered for better health, safety and wellbeing outcomes.

By changing how work is done, we can help build a future where people thrive, businesses prosper, and communities are healthy. We choose to be bold.

The Way forward

WorkSafe's *Way forward* statement outlines an outcomes-oriented, responsive approach to guide our decision-making and regulatory activity. It integrates health and safety into the way work is done, in line with the Government's intent to embed a wellbeing approach across the public sector. Our mahi also supports the Treasury's Living Standards Framework, which measures Aotearoa's wellbeing. WorkSafe's work primarily influences two of the Framework's 12 wellbeing domains - Health, and Safety.

We are driven by outcomes and impacts. Our aim is to ensure health and safety is viewed as integral to how work is designed, set up and undertaken. This includes a strong focus for supporting workers' participation and representation in decisions that affect their health and safety.

A really responsive approach to regulatory decision-making combines traditional education, compliance and enforcement tools with risk-based and systems-oriented approaches that address upstream factors, organisational culture and worker participation.

We have already built effective strategic relationships and worked across the health and safety at work 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 have started to progress and better track the lifting of Aotearoa New Zealand's work-related health and safety performance, however, as the primary workplace health and safety regulator, WorkSafe is facing unprecedented demand in a range of areas. Our operating environment continues to be a challenge, which has resulted from an increase in the number of business or undertakings and addressing increasing expectations from across the system to provide additional types of service and improved outcomes, including mental health. In addition, the nature of work is changing for many, creating new high-risk sectors and work practices.

Being a capable and well-resourced regulator is a condition for WorkSafe's success. WorkSafe always seeks the best value for money from its investment, while at the same time, we need to be properly resourced to achieve our outcomes. A strategic baseline review commissioned by MBIE supported both of these purposes.

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

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 work.

Transformation journey

In 2020/21 we launched a refreshed strategy and outcomes framework to take us to the next phase in our transformation journey. Our focus is to work in new areas and new ways for better outcomes across Aotearoa. This includes understanding and building on what works, and trying new ways to create better, safer, healthier mahi across Aotearoa.

Information on our strategic outcomes framework is contained in the next section, including how we have delivered on our commitments and key priorities. Details of our performance against our core regulatory activities is contained in the statement of performance section.

Digital transformation

In order to become an insights-driven regulator we have embarked on a three-year digital transformation journey, through a Digital Transformation Programme, and we are already providing a better experience and efficiencies for our people and stakeholders.

We have five primary measures for our Digital Transformation Programme (referred to as enabling activities) which are reported in the statement of performance section.

The impact of COVID-19 on WorkSafe's delivery and activities

COVID-19 continues to have an impact on our mahi. Events associated with COVID-19 have required us to manage complex and unique challenges, while prioritising the wellbeing of our people as well as workers, sectors, businesses, and employers. This has meant developing new processes, promptly reprioritising our mahi and supporting the all-of-government effort.

We have continued to support the Government's response to COVID-19 through our regulatory work. As part of this response we are supporting employers and workers with COVID-19 legislation and associated Public Health Orders. We also continue to support key agencies such as the Ministry of Health, MBIE and the Department of the Prime Minister and Cabinet, and our work will evolve along with the Government's policies. We work with, and support, sector and industry leadership groups to maintain their core health and safety-focused activities, while expanding efforts to address the risk presented by COVID-19.

We have also continued to assess how workplaces are ensuring the safety of their kaimahi and others in response to COVID-19, with a focus on engagement and education. The response to COVID-19 has been built on a shared understanding of responsibility and this will continue.

During 2021/22, WorkSafe established processes and online systems to manage COVID-19 breach notifications, and between 18 August 2021 to 17 July 2022, WorkSafe received over 10,000 notifications relating to COVID-19, undertook 8,187 assessments, and issued 160 notices.

WorkSafe remains committed to our health and safety leadership role and to achieving our pivotal role in improving health and safety at work in Aotearoa.

Digital transformation to improve experiences and results

Our Digital Transformation Programme has introduced a digital platform called Atlas to integrate our current ways of working, connect our data and information, and reduce manual processes.

In June 2022 we launched our new Self-service Portal for our stakeholders to apply online for Authorisation from WorkSafe through our website. The first of many regimes to go live was the Occupational Diving Code of Competence. Under our older manual processes the average processing time for March 2022 was 69 calendar days, after implementing our new digital platform the average for June was just 15 days.

As well as the internal and external efficiencies, those who have applied for a Certificate of Competence can login to the portal to check on and monitor the progress of their application and entry errors are significantly reduced through smart online forms that validate data as entered. Throughout 2022/23 all WorkSafe authorisation regimes will be delivered from this new platform to increase our efficiency, gain insights, and provide a better experience for both our internal teams and the communities we work with.

During 2021/22 we also delivered a Notification app as part of our platform, that has enhanced WorkSafe teams' ability to manage alleged COVID-19 breaches, provide better data and insights, and increase operational efficiency. The new Notifications app has been highly successful, as it supports WorkSafe and the general public as well as meeting reporting requirements. Based on the work completed to receive COVID-19 notifications WorkSafe will be able to go live with all Notification types in late 2022.

These are significant milestones in our digital transformation journey. Together with our people and key stakeholders, we are developing these new solutions to help us achieve our goals of becoming a world leading, modern, insights-driven regulator.



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

WorkSafe 2021/22 activities at a glance

We partner with others to support a system-wide response. Our key partners are:

- 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
- Other regulators and government agencies such as the Ministry of Business, Innovation and Employment (MBIE) and Accident Compensation Corporation (ACC)

We educate to improve awareness and knowledge of health and safety at work. During 2021/22, we published and revised:

- 22 health and safety guidance and education products

We engage with businesses, organisations and kaimahi to help to help them to do the right thing. Under the various Health and Safety at Work Regulations 2017 and COVID-19 Public Health Response Act 2020:

- 12,010 assessments completed
 - 20 audits conducted
 - 65 principal hazard management plans reviewed
 - 4 high risk activity notifications issued
 - 50 mine plans reviewed
 - 3 petroleum safety cases accepted and decided
 - 1 Major Hazard Facilities (MHF) safety case accepted and decided
 - 18 MHF notifications completed and decided (this includes 1 design notice, 4 new facilities, 1 change of operator, 2 out of scope)
 - 78 well operation and well workover notifications for petroleum operations reviewed
 - 103 details of works notifications for geothermal operations reviewed
 - 19 authorisations granted to compliance certifiers (including renewals)
 - 616 controlled substances licences received and decided (548 issued)
 - 15 exemptions received (7 granted, 4 declined, and 4 withdrawn)
 - 53 hazardous substances controls applications received (25 approved, 4 declined and 24 withdrawn)
 - 11 test station applications granted
- #### Licensing and registration
- 272 certificates of competence (CoCs) for mining, quarrying and tunnelling operations issued (96 New CoCs and 176 Renewal CoCs)
 - 249 CoCs for occupational divers granted
 - 482 licences for asbestos removal operators and assessors granted
 - 97 adventure activity operators registered
 - 131 amusement devices registered

We enforce legislative obligations to hold to account:

- 1,916 improvement notices
 - 852 verbal directions
 - 536 directive letters
 - 575 prohibition notices
 - 492 sustained compliance letters
 - 97 duty holder reviews
 - 188 investigations completed
 - 54 businesses and/or persons prosecuted
 - 7 enforceable undertakings ordered
- #### In the energy safety sector
- 203 product suppliers audited
 - 423 products audited
 - 571 gas and electricity investigations
 - 68 energy safety warnings issued
 - 10 energy safety infringement notices issued

Governance and leadership

WorkSafe Board

WorkSafe is governed by a Board appointed by the Minister for Workplace Relations and Safety in accordance with the mechanism set out in the WorkSafe New Zealand Act 2013.

The Board provides governance and leadership as well as setting WorkSafe's strategic direction and guiding the organisation's work programme.

The Board members bring a wealth of shared expertise across both workplace health and safety and work-related illness and occupational disease. Between them, the Board members have senior leader experience at the highest levels of the public and private sectors as well as expert understanding of the administration of work health and safety legislation, related risk management frameworks, public sector governance, Person Conducting a Business or Undertaking (PCBU) and worker relations and te ao Māori.

This year, three new Board members were appointed by the Minister.

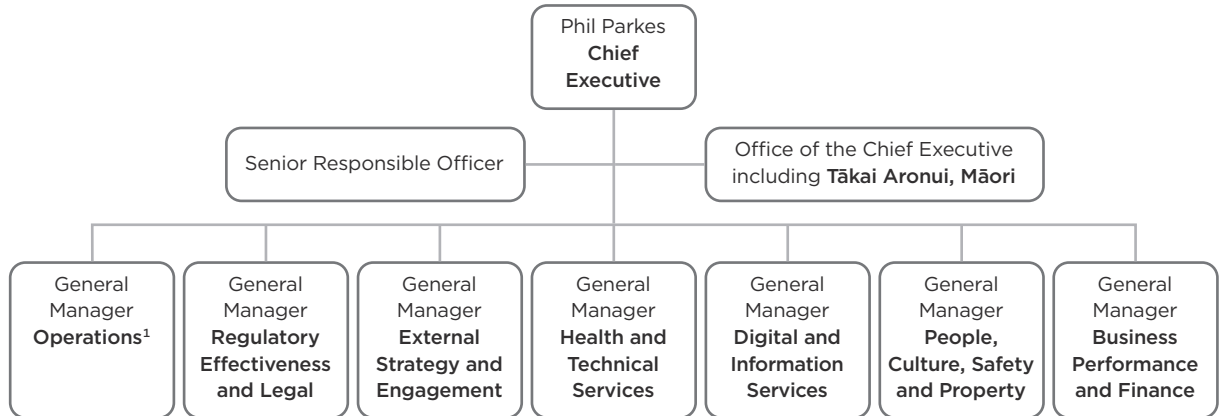
The Board is supported by five sub-committees and advisory groups:

- The Audit, Risk and Finance Committee provides independent assurance and advice to the Board relating to the WorkSafe risk, control and compliance framework as well as its external accountability responsibilities. This Committee also monitors WorkSafe's finances.
- The Digital Transformation Committee reviews and advises the Board on the implementation and delivery of the WorkSafe Digital Transformation Programme.
- The Governance and Performance Committee reviews and advises the Board on all aspects of the efficient and effective running of the Board. This includes advice relating to the Board Governance Manual, evaluation of Board and Committee candidates and ensuring the Board and Committee have a balanced skill set. This Committee also reviews and reports to the Board on the effectiveness of WorkSafe's organisational performance.
- The People Remuneration and Diversity Committee reviews and advises the Board on measures to improve the health, safety and wellbeing of WorkSafe people, senior leader succession planning and WorkSafe's remuneration policies, talent strategy and measures to improve diversity.
- Te Kāhu Mātai is an advisory group of iwi, business and union partners who engage and provide advice to the WorkSafe Board.

EXECUTIVE LEADERSHIP TEAM

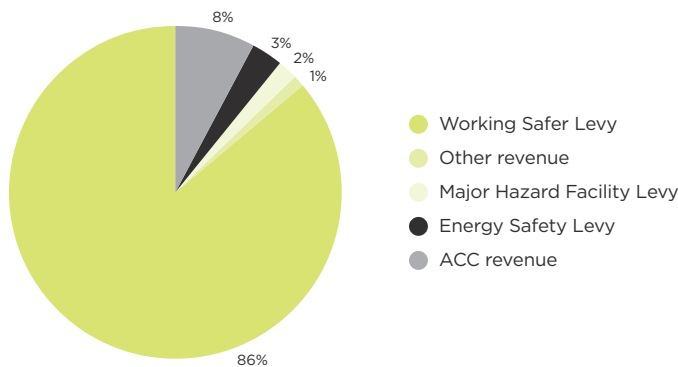
WorkSafe is led and managed by our Executive Leadership Team (ELT), including our Chief Executive, General Managers and Tākai Aronui (Chief Advisor) – Māori. Together, they bring extensive leadership, management and technical experience to their roles.

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



Our funding

We have two appropriations: Worker Safety Levy, and Tax Funded COVID-19 Response and Recovery (time-limited) 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 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.

¹ 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 in Aotearoa, using their knowledge and expertise to improve outcomes.

Our focus this year has been on continuing to build the culture, capability, and capacity we need to deliver across all areas of our strategy, and meet Government priorities.

Over the past year WorkSafe has grown by 14%, and as at 30 June 2022, we had a total of 767 permanent and fixed-term employees. We have continued to recruit and develop our inspectorate and regulatory workforce, and have built capability and capacity in other essential areas as required, to enable us to deliver on our strategy.

WorkSafe as at 30 June 2022

STAFF TURNOVER

14.9%

↑ 1.3% from 2020/21, in line with other agencies

AVERAGE AGE

45.5 YEARS

↓ 1 year from 2020/21

AVERAGE LENGTH OF SERVICE

3.7 YEARS

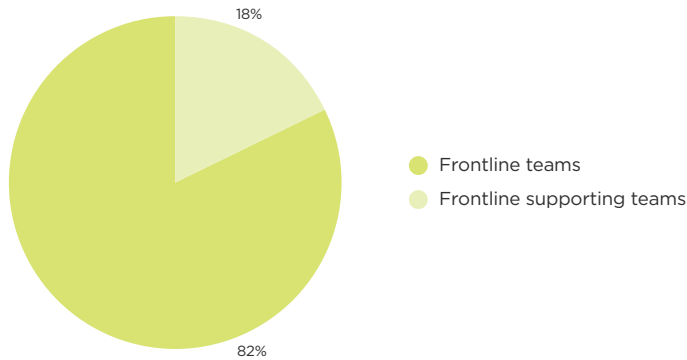
↓ 0.3 years from 2020/21

WorkSafe is committed to being a great place to work. This is reflected in the results of our 2021 We Say staff survey, which had a 95% response rate – some 30% higher than the public sector average. Our top results focused on the safe, empowering and caring environment we strive to provide for our kaimahi.

Providing the technology and tools for our people to work flexibly has paid dividends, with mahi continuing despite COVID-19 disruptions. Business continuity has been front-of-mind for our kaimahi with the need to adjust our approach based on changing public health advice, to ensure both continuity of services, and the wellbeing of our people.

We have jointly developed with the Public Service Association (PSA) a new remuneration framework which is based on shared goals and outcomes. This was well-received by our people and became effective from 1 July 2022. The new remuneration framework provides for a step-based remuneration approach, and will provide enhanced transparency, simplicity, and equity along with an opportunity to remain competitive and flexible in the long term.

Breakdown of headcount by business group as at 30 June 2022



FRONTLINE TEAMS	HEADCOUNT
Operations	359
Regulatory Effectiveness and Legal	102
External Strategy and Engagement	84
Health and Technical Services	82
	627

FRONTLINE SUPPORTING TEAMS	HEADCOUNT
Digital and Information Services	54
People, Culture, Safety and Property	42
Business Performance and Finance	37
Office of the Chief Executive	7
	140

Diversity and inclusion

Our people are at the heart of delivering our strategy. In line with our value of whakakotahi, we recognise that our individual differences are our collective strength, and reaffirm our commitment to te Tiriti o Waitangi.

We recognise that we need the right people in the right roles with the right capabilities, and that our people reflect a more diverse and inclusive organisation.

Our ambition is to create a culture that is values-driven, embraces diversity and inclusion, and creates a mentally healthy work environment where our people care about each other and thrive. In 2022 we engaged with our kaimahi on a proposed Diversity, Equity and Inclusion Approach that outlines how we will bring our ambition to life. Organisational objectives are in the process of being developed with a focus on inclusion, gender and ethnic pay gap, te ao Māori capability and leadership.

In June 2022, WorkSafe was accredited with the Rainbow Tick, which shows WorkSafe is committed to creating a safe and inclusive workplace and ensuring the mana of LGBTTQIA+ people is upheld. This achievement was done with the support of our kaimahi within te Rōpū Atuapiko, the WorkSafe Rainbow Network which was formed in 2019.

In the past year we have expanded our employee networks to include Tivaevae o Tangata Tūkētūkē – Tivaevae of diverse peoples, our Pacific Network, and Tū Rangatira, our Māori network.

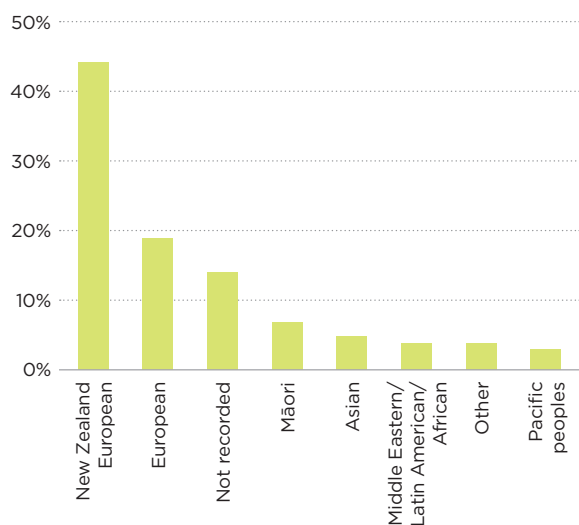
Our workforce gender balance remains evenly split, and we continue to have a range of people from different ethnic backgrounds across our workforce. As part of our Diversity, Equity and Inclusion Approach, we are working on enhancing our systems so we can obtain better demographic information from our people to better understand the makeup of our workforce.



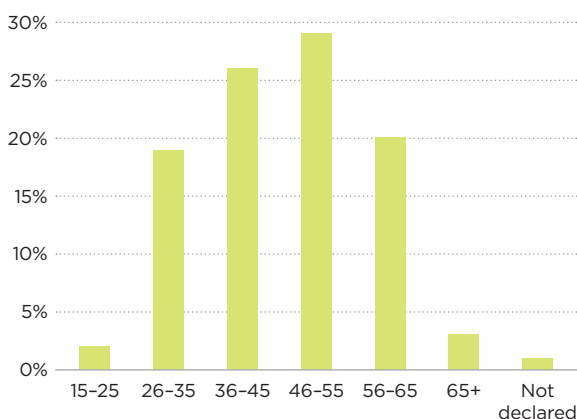
While there is no pay gap between men and women carrying out the same or similar roles, analysis shows an increase in the pay gap between genders across the organisation to 10.7%, up from 3.6% in 2020/21 and 4.9% in 2019/20. We have commenced a deep dive as part of our Gender and Ethnic Pay Gap Action Plan, to understand the factors that may have contributed to this increase. Once we have understood the contributing factors, we will look at ways we can address this imbalance through our people processes and practices.

WorkSafe as at 30 June 2022

ETHNICITY



AGE DISTRIBUTION



Te ao Māori

As part of our refreshed Maruiti 2027 strategy with its focus on addressing poor Māori health and safety, WorkSafe embarked on an ambitious plan to become more familiar and comfortable with te ao Māori in our work, offices, policies, and conversations. Aside from addressing requirements coming out of the Government’s policy on Crown Māori relations as well as the need to address poor Māori health and safety, incorporating more te reo and tikanga into everyday work meant giving staff the tools they needed to understand and engage with Māori regarding health and safety.

The capability plan covered three areas – senior leadership, head office, and regional offices. The delivery of te reo and tikanga lessons to senior leadership reflected the role they might play in terms of dealing with Māori and iwi leadership – whether in the board room or on the marae. For the Wellington office, the goal was to provide more general instruction in te reo, but also highlight social and policy issues affecting Māori that are also reflected in WorkSafe’s approach to health and safety. For regional offices, the objective was to match instruction in te reo and tikanga to the roll out of the Maruiti strategy in that area as well as linking it to the region (that is, te reo and tikanga from the area the office was located in).

On a national level we are delivering a programme aimed at growing WorkSafe’s collective and individual knowledge and understanding of the Māori Crown relationship that focuses on te Tiriti, the legacy of colonisation and bias, prejudice, racism, and intercultural understanding. Recently WorkSafe acquired an online system (Reo Ora) to provide a more formal approach to beginner and intermediate te reo needs.

Health, safety and wellbeing

As WorkSafe is New Zealand's primary workplace health and safety regulator, we strive to lead by example by creating a healthy and safe environment and culture.

COVID-19 continued to disrupt during 2021/22, with the need to continually improve our approach based on changing public health advice, including the introduction and then revocation of a vaccination policy.

Focus has turned to improving our internal Health and Safety Risk Management practices. With particular focus on:

- redesigning our internal Health, Safety and Wellbeing Management System to ensure we're setting appropriate internal standards when it comes to our own Health and Safety
- procuring a fit for purpose Incident Management tool that will provide us with better data insights to track our lead and lag indicators
- improving our Health Management processes, to ensure we support the health of our kaimahi at work and facilitate more efficient rehabilitation back in to work when required.

Property

To address space and seismic standards, our Auckland Central and Hamilton offices relocated in 2021. Work was also completed in our Wellington office, focusing on ensuring our existing footprint is used efficiently and effectively to accommodate our Wellington-based staff. A property strategy has been developed, setting out principles and an approach to inform our future property decisions.

**PERMANENT AND
FIXED-TERM EMPLOYEES**

767

**OFFICES ACROSS
AOTEAROA**

18

Sustainability

As a Crown agent, we operate within the scope of the Carbon Neutral Government Programme and will continue to proactively implement the relevant requirements to cement continued contribution to public sector leadership on climate change. Sustainability is a growing area of focus for WorkSafe starting with establishing an effective emissions management framework.

We have reported our emissions reduction performance against a 2018/19 base year, the measurements for which have recently been independently verified. Our total greenhouse gas emissions in the base year were 2,019 tonnes of carbon dioxide equivalent, mainly stemming from travel-related activities.

In June 2022, we became Toitū carbonreduce certified meaning we are measuring and managing our carbon footprint in line with international best practice. We now have the information needed to understand our emissions profile and are in the process of finalising our assessment of carbon emissions for the interim years 2019/20 and 2020/21.



We have set gross emissions reduction targets to direct our efforts out to 2030 and will report on our progress towards these targets in subsequent Annual Reports.

- 2025: Achieve a minimum 21% reduction in total emissions, with an ambition to reduce by 25%, relative to base year.
- 2030: Achieve a minimum 42% reduction in total emissions, with an ambition to reduce by 45%, relative to base year.

To help realise our reduction ambition we are focusing on initiatives that target our key sources – fuel used for the fleet and staff travel. We have recently introduced the first battery-electric vehicles into our fleet as we begin to implement our transition to a well-optimised, electric fleet. We will also concentrate on reducing emissions from air travel and related sources such as accommodation and taxis. By integrating emissions considerations into travel planning and practice we are aiming to cement some of the positive gains made during the COVID-19 impacted periods.

Respecting environmental limits is broader than emissions management and we will be taking a holistic approach that recognises the various ways we can contribute to a sustainable Aotearoa.

Risk management

Everyone at WorkSafe is responsible for managing risk – it's woven into the fabric of what we do. As New Zealand's primary workplace health and safety regulator, WorkSafe is accountable for identifying health and safety risks that could impact workers and those affected by work across Aotearoa. Like other organisations, we must also identify and manage risks that could disrupt our services and strategic outcomes.

Effective identification and management of risk is essential to achieving our objectives, outcomes, and meeting our statutory obligations. Risk management is integrated into our decision-making, and we strive to continuously improve our risk maturity, culture, and competencies. To position WorkSafe strongly for success, WorkSafe is embedding fit for purpose total assurance aligned to the Three Lines Model. The model promotes consistent and coordinated risk management, along with strong governance and assurance, supporting WorkSafe to provide credible and sustainable total assurance.

WorkSafe continues to strengthen its risk management capacity and capability across the first and second lines and has established a co-sourced Internal Audit function with the commencement of WorkSafe's first internally appointed Internal Auditor.





Ngā putanga
mō Aotearoa
Our outcomes
for Aotearoa
New Zealand

Our strategic direction and intentions are focused on achieving 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

Harm prevention is at the heart of what we do, and our values and strategic delivery plan – Taura Here Waka – which guides how we work.

As the Government’s primary workplace health and safety regulator, WorkSafe is focused on achieving healthy and safe work and equitable outcomes for all New Zealanders that create better work. To that end, we have an enduring commitment to being a modern insights-driven regulator that:

- targets our efforts to have the biggest positive impact on harm reduction
- influences those who control workplace practices to make work healthy and safe for all people
- delivers core regulatory services productively and effectively
- builds our capability to do this effectively and efficiently.

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.

We finalised our new Statement of Intent 2021/22–2024/25 in March 2022, which contains a comprehensive suite of outcome and impact measures. As our Statement of Intent was finalised during the year, the majority of these measures are not due to be reported on until 2022/23 and outyears, and will track our impacts over time. Details of the measures that are not contained in this annual report are included here: [worksafe.govt.nz](https://www.worksafe.govt.nz)

We also contribute to the health and safety at work system indicators. Results for those will be finalised in late 2022 and published on the Stats NZ website: www.stats.govt.nz

This section outlines the work we have undertaken in 2021/22 to ensure better, healthier and safer work and positively impact the lives of New Zealanders.

Te pou rautaki me ngā whakaaro Strategic outcomes framework

Our new strategic outcomes framework demonstrates the connections between our regulatory activities, impacts and outcomes.

Health and Safety at Work Strategy

Work is healthy and safe for everyone in New Zealand

Our vision

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

Our outcomes for Aotearoa New Zealand

HEALTHY WORK

Work is healthy for workers and those affected by work

SAFE WORK

Work is safe for workers and those affected by work

EQUITABLE OUTCOMES

Work is healthy and safe for all in Aotearoa

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

Our values

WHAKAKOTAHI

We are united in a strong purpose

TIAKINA MAI

We are entrusted with a duty of care

KŌRERO MAI

We engage meaningfully

Our core regulatory activities



Lead, engage and influence



Educate, guide, inform and learn



Build capability and worker participation



Innovate, design, implement and evaluate



Authorise, oversee, assess and audit



Investigate, enforce and hold to account

Putanga tahi: Mahi hauora

Outcome 1: Healthy work

Work is healthy for workers and those affected by work.

WorkSafe works to achieve the vision set out in the Health and Safety at Work Strategy 2018–2028 that work is healthy and safe for everyone in New Zealand. This requires us to lead, engage and influence all system participants to shift their thinking about health and safety. If good health and safety is considered at the outset, and mahi is designed, set up and done in the right way, it will help to lessen work-related ill health and reduce injuries and fatalities at work. We will make a measurable difference.

There are four impact areas we are seeking to influence through our three core regulatory activities of Lead, engage and influence; Educate, guide, inform and learn; and Build capability and worker participation. These impacts are:

- 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
- knowledge and insights inform practice.

We do this through:

- leading and engaging at multiple levels throughout the health and safety at work system
- contributing to the international arena on health and safety at work, and energy safety
- improving health and safety practice by promoting and targeting our guidance and education materials and tools
- building our understanding of the system by learning from our engagements and regulatory activities
- developing and supporting health and safety leadership programmes
- developing and supporting capability-building programmes for the health and safety workforce
- monitoring legislative compliance including taking enforcement action where appropriate.



CORE REGULATORY ACTIVITY



Lead, engage and influence

Our deliverables for 2021/22

This year we focused on:

- supporting the health and safety at work regulatory reform programme
- working with sector leadership groups and tripartite ways of working
- supporting businesses and organisations to make changes in the way work is designed, configured and done
- intervening in the supply chain so projects are set up to focus on health and safety
- working with professional bodies to increase knowledge of occupational health and safety.

What we achieved

Work to support leadership, engagement and influence during 2021/22 has seen development across several areas. This has included:

- supporting the targeted review of the Health and Safety at Work (Adventure Activities) Regulations and development of proposed changes to those regulations
- supporting the development of the draft Plant, Structures and Working at Heights Regulations
- engagement with the health and safety at work regulatory reform programme of work
- review of the draft Health and Safety at Work (High Risk Work Licences) Regulations
- review of the Health and Safety at Work (Hazardous Substances) Amendment Regulations.

We also undertook work with a number of industry groups. In particular, we worked with:

- the Dust Diseases Taskforce on the joint-agency response to accelerated silicosis
- the Tank Farms Working Group with High Hazards
- public consultation with multiple industry groups on updated restricted entry intervals for pesticides, as those previously set under the Hazardous Substances and New Organisms (HSNO) Act no longer exist.

In addition, engagement continued with other government agencies such as the Ministry for Primary Industries, Environmental Protection Authority and university and Crown research facilities on guidance for their laboratories to improve worker safety.

Activities to support changes in work design involved a number of areas of interest, including working with personal protective equipment (PPE) providers to address issues of upstream duties, duties relating to PPE, and good practice. We also contributed to the Better Work initiative regional pilot in New Plymouth and led presentations to business and industry groups on harm prevention approaches and good work design.

Engagement with companies and workers to improve safety at ports

In the last quarter of 2021/22 WorkSafe undertook joint assessment activity with Maritime NZ at 13 major commercial ports. Inspector teams across the country completed upwards of 60 individual assessments undertaken across all sites, with no immediate or imminent serious risks identified that required the use of prohibition notices. A common issue identified was the industry's heavy reliance on administrative controls (signage, procedures etc) rather than higher level engineered controls such as barriers in traffic management systems. WorkSafe issued improvement notices in relation to this, and five other improvement notices have been issued to date (three in relation to hazardous substances issues and two due to falls from height risks).

There was good engagement with port companies and stevedores, union officials and health and safety representatives on site. In order to support sustained compliance both WorkSafe and Maritime NZ will continue to align further port activities and where appropriate undertake future joint activities.

CORE REGULATORY ACTIVITY



Educate, guide, inform and learn

Our deliverables for 2021/22

This year we focused on:

- further developing the tools we have, to collect, analyse, use and share data and information
- continuing our Pūmahara project (knowledge model) to help inform regulatory decision-making
- developing our company risk model, which supports hazard assessment decision-making
- adapting the research methodology to support a survey of kaimahi exposure
- commissioning new research to increase our understanding of the health and safety system
- promoting and increasing the uptake of the SafePlus tools
- developing a range of guidance products with a particular focus on work-related health.

What we achieved

During the year we continued to develop and analyse data collected via the New Zealand Carcinogens Survey, New Zealand Psychosocial Survey (NZPS), Worker Segmentation and Insights Programme (WSIP). We also helped develop a Health Risk Assessment (HRA) Tool to assist small to medium enterprises to conduct basic risk assessments for work-related health risks. Progress was also made on the annual worker exposure standards (WES)/biological exposure indices (BEI) updates including digitising the WES/BEI special guide for easier access to health risk metrics and information.

WSIPs and NZPS survey results have been published on WorkSafe's external website. The New Zealand Carcinogens survey results are expected to be published by the end of 2022. A series of deep dive insight products from the three surveys is currently under development and expected to be published later in 2022/23. Information from these surveys will improve understanding of kaimahi exposure in the workplace.

Tools and documents launched during the year included the Health Assessment Resources Portal (HARP) to provide information for inspectors on assessing work related harm; and foundational documents to better understand work-related musculoskeletal disorders, accurate data categorisation, risk factors for musculoskeletal harm, and expectations on managing these risks. In conjunction with the Ministry of Health and ACC, we also assisted the design of a pilot study to increase access to the accelerated silicosis assessment pathway.

Our Pūmahara project continues to progress, but faced some headwinds during the year largely due to COVID-19. Despite this, work to develop this knowledge modelling capability for WorkSafe is continuing.

Work on the Company Risk Model (CRM) design explored new categories of risk and equity along with harm information to support the planning and decision-making activities. It explores risk types, for example carcinogens, airborne exposures, structures and vehicles, catastrophic risks, risk mitigations, risk control indicators, and equity, including Māori equity, to build a rich picture of the risk and harm landscape in New Zealand.

To enable this, the CRM has created a knowledge modelling and acquisition framework to support WorkSafe and external parties to share their data, information and knowledge. This will be further enhanced using advanced analytics and machine learning methodologies. Areas specifically being examined include carcinogens and airborne risks. This will enable businesses to be identified for assessment inspections and interventions. The CRM has a feedback loop to relay intelligence from operational activities to reinforce and continuously improve the product.

In addition to technological and data development, we also developed and published some hard copy resources for use in workplaces.

These included items on the following topics:

- staying mentally healthy when working from home
- quick guide: Mental health when working from home
- staying mentally healthy when working from home – infographics
- keeping safe and healthy when working shifts
- industrial vacuum cleaners and portable extractors for hazardous dusts.

In conjunction with industry, we also produced an educational video on the first phase of changes from amendments to the Mining Operations and Quarrying Operations Regulations 2016, which are designed to provide better health and safety standards for the industry.

CORE REGULATORY ACTIVITY



Build capability and worker participation

Our deliverables for 2021/22

This year we focused on:

- working with the Health and Safety Association of New Zealand and its member associations
- building a network of champions to support WorkSafe's increased focus on work-related health
- strengthening worker engagement, participation and representation.

What we achieved

During the year, we worked with the Health and Safety Association of New Zealand and its member associations to develop capability and capacity. Some of the business projects included engagement with the following professional groups:

- New Zealand Occupational Hygiene Society
- New Zealand Occupational Health Nurses Association
- Human Factors and Ergonomics Society of New Zealand.

Funding was also provided to SkillsNZ to engage with all Health and Safety Representatives (HSRs) training providers, so that regardless of training provider, WorkSafe can connect with HSRs that have opted in, to provide follow-up support, information, and regional networking opportunities.

Additionally, we worked with New Zealand Institute of Safety Management to develop and launch an online tool of resources to support HSRs capability and career progression. The online tool will provide HSRs the opportunity to self-assess against a range of knowledge, skills and attributes that are essential capabilities for success in the role. The self-assessment tool will present areas for development, career opportunities, training options, and best practice examples.

In conjunction with the New Zealand Council of Trade Unions, Public Service Association, and MBIE, we co-designed a worker participation vision and pledge, with MBIE agreeing to be early-adopters and testers. We are now exploring worker participation through a te ao Māori lens, to ensure the language and concepts are relevant to Māori communities, workers, and businesses.

Putanga rua: Mahi haumarū

Outcome 2: Safe work

Work is safe for workers and those affected by work.

WorkSafe is responsible for a range of authorisation regimes that help keep kaimahi healthy and safe at work, and protect public safety. We assess and audit workplaces to monitor compliance with the law and to ensure good health and safety.

We also play an essential role in ensuring that employers and businesses who do not meet their obligations are held to account. Our enforcement activities are specific to the situation they seek to address and to the seriousness of the breach that we identify. We investigate where something has gone wrong and where kaimahi are at risk or have been harmed at work.

Our proactive regulatory activities are about being present and engaged, building relationships, providing information and educating, and undertaking enforcement measures before things go wrong.

There is one impact area we are seeking to influence through our two core regulatory activities of Authorise, oversee, assess and audit; and Investigate, enforce and hold to account. This impact is:

- work-related risks are identified and eliminated or controlled.

We do this through:

- developing legal standards and instruments to set minimum standards for health and safety at work
- overseeing authorisation regimes for regulated people, places and activities
- assessing and auditing regulated people, places and activities
- using enforcement tools to improve health and safety practice and prevent harm
- supporting businesses and organisations to self-review to help them improve their health and safety practice
- holding those who do not meet their health and safety obligations to account
- agreeing enforceable undertakings when work systems and processes require change.

Supporting Health and Safety Representatives (HSRs) to thrive

Early in 2021, we had the privilege of meeting and listening to HSRs throughout Aotearoa. Our goal was to better-understand the role of an HSR, so that we could give them support and improved access to information that could help them thrive in their workplaces. One of the driving themes we heard, was that WorkSafe could be more proactive in how they supported HSRs.

As a result, we have established two pilot HSR Development Leads, independent of our inspectorate, whose purpose is to work directly with businesses and HSRs:

- coaching them
- supporting them, and
- giving them the guidance and information they need to succeed.

These Development Leads have already engaged with a large number of businesses covering a variety of sectors. In a short time, organisations have started opening their doors to WorkSafe and embracing the advice that we offer.

CORE REGULATORY ACTIVITY



Authorise, oversee, assess and audit

Our deliverables for 2021/22

This year we focused on:

- embedding Here Matatū and Te Pū o Te Wheke (the National Practice Community Steering Group)
- developing legal standards and instruments to give effect to the Health and Safety at Work Act 2015
- embedding changes to the commercial rafting operations regime
- using the range of measures and tools available to us under the Health and Safety at Work Act 2015
- continuing mahi to formalise regulatory conversations as a distinct intervention tool
- undertaking on-site verification of major hazard facility safety cases.

What we achieved

Work is underway on several initiatives to increase inspector capability across sectors such as asbestos, forestry and adventure activity. These include engaging with subject matter experts and learning and development staff from across WorkSafe. We are also reviewing the results from the first year of the new Inspector Pathway, so our inspectorate employs best practice based on the latest developments.

We are also improving the handling of investigation files through ensuring all files recommending prosecution are timely, consistent with best practice and of a high quality. A robust monitoring framework has also been implemented for accepted enforceable undertakings.

Out in the field, high hazards inspectors have been prioritising onsite verifications of major hazard facility case assessments, and undertaking inspections to ensure businesses are conducting their activities in accordance with accepted safety practice.

Alongside these improvements, we have continued to grow the function of the Here Matatū business group and its related national practice community steering group - Te Pū o Te Wheke. Both areas have supported the inspector pathway, providing advice and assurance as appropriate. Over the year, there was a particular focus on the Quality Assurance Framework, including the development of a new quality control process for specialist interventions. Learnings from this work and other related activities contribute to the work of Te Pū o Te Wheke, ensuring new knowledge is shared and cascaded down through various business areas within WorkSafe.

Giving effect to the Health and Safety at Work Act 2015 is ongoing, with development, implementation and enforcement of various regulations continuing during the year. This included actions such as targeted regulatory conversations with senior decision makers at district health boards, Fire and Emergency New Zealand and the Department of Corrections.

More specific regulatory work covered the following areas:

- hydrogen as a fuel, in relation to the Gas Act 1992 and Hazardous Substances regulations
- COVID-19 powers under the COVID-19 Public Health Response Act 2020
- plant and structures (in conjunction with MBIE) regulations
- development of unit standards in relation to the new refrigeration licensing regime
- embedding changes for the commercial rafting operation regime.

In addition, WorkSafe also provided advice on proposals for standards and safe work instruments along with engaging third-party certifiers on statutory decision-making functions and powers.

CORE REGULATORY ACTIVITY



Investigate, enforce and hold to account

Our deliverables for 2021/22

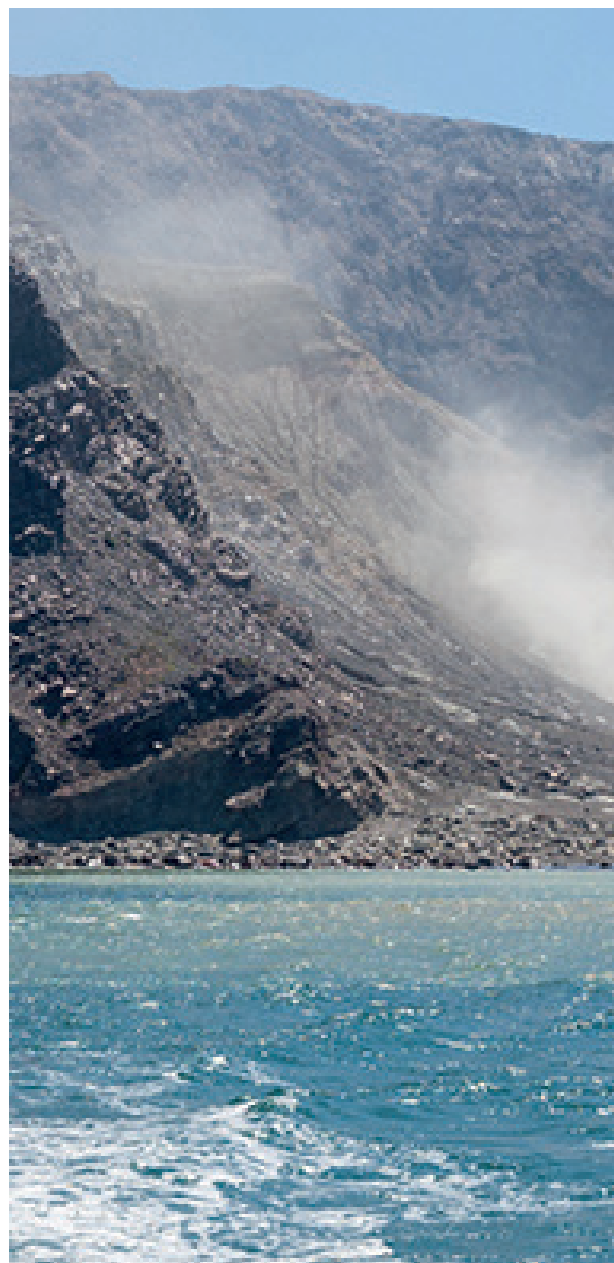
This year we focused on:

- completing investigations and enforcement action in a timely and effective way
- embedding our new centralised file support unit to improve the efficiency of our investigations
- embedding a pilot Victim Service and Coronial Service team
- continuing the Whakaari/White Island prosecutions
- responding to the review of our activities leading up to the Whakaari/White Island eruption.

What we achieved

Frontline inspectors are working to complete investigations in an effective and timely manner with the support of newly established Principal Investigators. Both groups are involved with the Investigation Milestone Review process, which is in place to ensure that investigators meet set case milestones. There are also fortnightly case management meetings to discuss investigation files, to ensure files are on track to completion.

Supporting this work is the new centralised file support unit, which encourages file management best practice by sharing templates and samples via the Practice Framework. WorkSafe business units have been trained on using the new templates, with file reviews on those cases being considered for prosecution. This ensures case files are appropriately prepared and are of the necessary quality and standard. In addition, work is underway to review the overall file management system to confirm the processes are fit for purpose. As part of the overall file management transformation, an improved electronic investigation management system is also being explored for possible implementation.



Coronial Services New Zealand provides oversight of coronial process for WorkSafe where a fatal workplace incident has occurred, and provide support for investigations and other operational activities as part the coronial process. This relationship between WorkSafe and Coronial Services has now been elevated through an Operational Agreement with the Chief Coroner's Office signed in February 2022.

This has led to the establishment of a new pilot Victim Service and Coronial Service team which were formally launched in May 2022, by seconding existing FTE resources. The aim of this team is to improve the support that victims receive and manage their expectations - ultimately leading to better investigation outcomes.

WorkSafe's role as an enforcement agent of the COVID-19 Protection Framework, particularly in the first three months of 2022, allowed WorkSafe to increase its visibility and wrap this into enhanced promotion of health and safety. This allowed our operational teams to reach out to sectors which haven't been traditional focus areas such as hospitality, where inspectors found varying levels of understanding of health and safety. This valuable insight provides us an opportunity to explore new ways to influence behaviour change through our channels and campaigns, and to educate the public about health and safety by leveraging media releases related to prosecution.



Response to the Whakaari/White Island tragedy

The first sentencing decision of a defendant in the Whakaari/White Island proceedings was made in March 2022. Other related legal matters are ongoing and are yet to be concluded by the judicial process. WorkSafe has continued to provide support where appropriate.

The Whakaari/White Island charges are examples of widening the responsibility beyond the immediate tour operators to address root cause effects within the system.

A work programme was established to respond to the Laurenson Review findings on WorkSafe's regulatory performance in relation to Whakaari/White Island, and reporting on progress for this programme has been provided to the Minister, in conjunction with the Ministry of Business, Innovation and Employment.

Putanga toru: Mana ōrite

Outcome 3: Equitable outcomes

Work is healthy and safe for all in Aotearoa.

WorkSafe estimates 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.

Traditional sectors remain high-risk in relation to acute injuries, and we are seeing new sectors, industries and work practices emerging as high-risk. Businesses and organisations need to consider the health and safety risks of workers in and around vehicles, and of new machinery, systems and processes that support change and innovation in the workplace.

There is one impact area we are seeking to influence through our core regulatory activity of Innovate, design, implement and evaluate. This impact is:

- the health and safety at work system works with and for Māori, Pacific peoples and all workers.

We achieve this through:

- focusing on reducing ill health, injuries and fatalities by developing and supporting harm prevention programmes
- identifying and eliminating the risk of catastrophic events
- developing kaupapa Māori harm prevention approaches with and for Māori
- measuring and evaluating how effective our programmes and interventions are.

CORE REGULATORY ACTIVITY



Innovate, design, implement and evaluate

Our deliverables for 2021/22

This year we focused on:

- delivering work-related health harm prevention initiatives
- delivering harm prevention programmes in high-risk sectors with a focus on construction
- continuing our programme of mahi focused on reducing harm working in and around vehicles
- delivering a series of kaupapa Māori marae-based harm prevention programmes
- delivering the Puataunofu Come Home Safely programme.

Our work-related harm prevention work focused on delivering three focus areas from WorkSafe's strategic plan, specifically:

- carcinogens and airborne risks
- musculoskeletal disorders
- mentally healthy work.

As part of the Good Work Design programme, we developed a general framework to improve work-related health outcomes – specifically around understanding and promoting factors to influence mentally and physically healthy work environments.

What we achieved

Several initiatives were delivered on work-related health risks in high-risk industries. This includes a focus on silica dust hazards in manufacturing, welding fumes in the education trades sector and carcinogens in construction. Other examples include:

- a whole-of-WorkSafe programme to reduce harm to workers from work-related carcinogens and airborne risks
- a programme on mentally healthy work to address workplace psychosocial harm.

We are also developing a comprehensive programme to address musculoskeletal disorders and approaches to good work design. Specific changes made this year include learnings being added to Pickled and to Pathways Awarua on the topic of airborne risks and carcinogens. These new modules are intended to educate workers on the dangers that airborne risks and carcinogens can pose in the workplace and how to reduce their effects.

Harm prevention programmes for high-risk sectors such as the construction sector were also delivered, in particular:

- focus tools for key risk areas including falls from height, working in and around vehicles, and clearing, cleaning and maintenance of plant and machinery
- delivering risk management presentations
- creating a new focus tool and supporting operational guidance for asbestos assessment.

In addition, we also worked with both Forklift Industry New Zealand and the Road Transport Federation, providing assistance on developing new guidance for both forklift safety and swing lifts.

Regional partnerships for Māori health and safety

During 2021/22, WorkSafe undertook a series of discussions with iwi throughout Aotearoa regarding Māori health and safety. This followed the approval of the Maruiti 2027 refresh strategy, with a focus on particular high-risk sectors in priority regions, with known high numbers of serious injuries for kaimahi. The sectors focused on included forestry on the East Coast (Tairāwhiti), food processing, construction, and forestry in Northland (Taitokerau), and construction in Canterbury (Ngāi Tahu).

Discussions highlighted common areas of health and safety concern, and looked at ways of developing organisation to organisation, leadership to leadership ways of working. Work with iwi in Tairāwhiti looking at forestry resulted in community, iwi, and business groups working more closely together to focus on health and safety. Similar work with iwi in Taitokerau (Northland) focusing on kaimahi in construction, food processing, and forestry also took place during the year (with the possibility of a formal agreement also being looked at as well).

Delivering programmes for Māori and Pacific people

WorkSafe has also consulted and provided regular updates to our Te Kāhu Mātai (Partners Council) regarding activities coming out of the Maruiti refresh strategy 2027. This has involved discussions on the best way to work with Māori on achieving tangible outcomes for improved Māori health and safety across priority regions and industries. The Te Ara Tuituinga framework has been the main instrument used for engagement with iwi leadership over 2021/22.

We also delivered a series of wānanga in health and safety in Taitokerau and Tairāwhiti in 2021/22. These wānanga have focused on identifying leadership options for Māori in responding to health and safety situations, as well as how to increase worker representation within a Kaupapa Māori environment. In keeping with Kaupapa Māori delivery, the wānanga have involved workers, management, families, and community as a means of acknowledging the wider impact of community of responding to health and safety issues.

Progress was made establishing marae-based programmes, including iwi Māori Community Advisors. Our iwi Māori Community Advisors (initially in Taitokerau and Tāmakimakaurau) are an important part of WorkSafe's COVID-19 response, supporting healthy outcomes for Māori at work and within the community. The advisors provide a tikanga and community-based approach to address COVID-19 work-related issues and connect WorkSafe with wider community and regional health initiatives, targeting kaimahi and whānau, on matters such as prompting COVID-19 vaccination.

The Puataunoto 'Come home safely' educational programme is delivered by Pacific people, for Pacific people. Workshops are tailored specifically to the business, are delivered using Pacific languages and reflect Pacific values of family and collective wellbeing. The programme continued online during the COVID-19 alert level changes and was delivered to a wide range of groups, including church board members, social change agencies such as The Cause Collective, as well as large-scale projects including Watercare's Central Interceptor project.

In order to expand WorkSafe's responsiveness to Pacific workers and communities, a new National Manager Pacific Responsiveness was appointed and the Puataunoto work programme will widen in scope and focus, including greater alignment across government and sector partners.

Approaching the forestry sector through a combination of cultural and 'upstream' lenses

As part of its refreshed Maruiri 2027 strategy, WorkSafe's approach to improving forestry health and safety in Tairāwhiti has focused on establishing relationships and partnerships across both iwi and Forestry entities. Forestry provides an example of WorkSafe's approach to achieving equitable outcomes which is producing early results for worker participation and increased sector focus on health and safety. Forestry is a sector with a predominantly Māori workforce, which the statistics show has a disproportionate rate of health and safety incidents. Based on research into the characteristics of the forestry sector WorkSafe has adopted a two faceted approach to improve health and safety outcomes within the sector. The first is a Kaupapa Māori harm prevention approach that enables the voice of the workers to be

heard in a culturally appropriate way. Workers are invited to come along to wānanga to speak up in a culturally safe environment and share their thoughts and concerns. This enables worker participation and provides valuable insights for getting to the root causes of issues. This is combined with activity to engage with other key parties within the sector. The focus is to address risk of harm before it happens, rather than a more traditional singular emphasis on enforcement activity against the individual forestry operators in the middle.

It is early days, but these interactions have had the effect of bringing parties together from both ends of the spectrum in a combined whānau approach to effect cultural and system change for enduring benefits for workplace health and safety.



Outcome and impact measures (from Statement of Intent 2021/22 – 2024/25)

OUTCOME INDICATOR 1.2 – FEWER PEOPLE ARE EXPOSED TO CARCINOGENS THROUGH THEIR WORK

WHAT WE MEASURE	PROGRESS AGAINST BASELINE		BENCHMARK OR DIRECTION OF TRAVEL
Proportion of workers exposed to carcinogens classified by the International Agency for Research on Cancer as confirmed (Class 1) or probable (Class 2A) human carcinogens	Carcinogens survey	Baseline (2021)	Proportion of workers with high or medium exposure to any carcinogen trends down Proportion of workers with any exposure to asbestos trends down
	Workers with high or medium exposure to any carcinogen Workers with any exposure to asbestos	Survey results are being re-weighted to be representative of the workforce. Baseline data will be reported in Annual Report 2022	

Commentary

Not reported. We originally intended to establish a baseline in 2021/22, however, there was insufficient data to be able to establish a robust baseline. We will continue to undertake data analysis with the intent of establishing a baseline in 2022/23.

OUTCOME INDICATOR 2.2 – HARM TO THE PUBLIC FROM ENERGY SOURCES (INCLUDING SIGNIFICANT PROPERTY DAMAGE) REMAINS LOW OR DECREASES

WHAT WE MEASURE	PROGRESS AGAINST BASELINE				BENCHMARK OR DIRECTION OF TRAVEL
Public fatalities from electric shock, natural gas or petroleum gas per million people exposed		Fatalities per million people exposed, 5-year average (2017–21)	Number of fatalities, 5-year average (2017–21)	Number of fatalities (2021)	Fatalities trend down or remain below 1 per million people exposed
	Electric shock	0.08	0.4	1	
	LPG	0.05	0.2	0	
	Natural gas	0.00	0.0	0	
Notifiable incidents related to electric shock, natural gas or petroleum gas per million people exposed		Notifiable incidents per million people exposed, 5-year average (2017–21)	Notifiable incidents, average 5-year (2017–21)	Notifiable incidents (2021)	Notifiable incidents trend down or remain below 10 per million people exposed
	Electric shock	0.5	2.6	3	
	LPG	2.1	7.8	5	
	Natural gas	2.9	2.2	2	

Commentary

Direction of travel continues positively. Both fatalities and notifiable incidents continue to be below or equal to the benchmark targets. Data presented is based on the 2021 calendar year due to the timing of information available from external providers.

IMPACT MEASURE 1.2 - MORE BUSINESSES AND ORGANISATIONS INCORPORATE HEALTH AND SAFETY INTO BUSINESS AS USUAL

WHAT WE MEASURE	PROGRESS AGAINST BASELINE	BENCHMARK OR DIRECTION OF TRAVEL
Number of registrations for SafePlus online tool	(2021/22) 27.5% increase	15% increase per annum from 2021/22 to 2024/25
Number of completed self-assessments using the SafePlus online tool	(2021/22) 23.7% increase	15% increase per annum from 2021/22 to 2024/25

Commentary

Baseline for 2021/22 established.

IMPACT MEASURE 2.2 - MORE BUSINESSES, ORGANISATIONS AND WORKERS HAVE ACCESS TO THE ADVICE OF HEALTH AND SAFETY PROFESSIONALS

WHAT WE MEASURE	PROGRESS AGAINST BASELINE		BENCHMARK OR DIRECTION OF TRAVEL
	Baseline (2021)	Result (2021/22)	
The number of professionals in active practice and eligible for the HASANZ Register	Certified professionals	54	Number of active professionals increases above the rate of workforce growth
	Professionals	512	
	Occupational health nurses	172	
	Occupational hygienists	39	
	Human factors/ergonomics professionals	15	

Commentary

Access to qualified professional advice, services and assurance remains an important cornerstone of a mature health and safety system. To continue to grow the health and safety professions, WorkSafe and the Health and Safety Association of New Zealand (HASANZ) and the professional associations have worked together on four projects in the last 12 months covering Occupational Hygienists, Occupational Health Nurses, Human Factors and Ergonomics and a Health and Safety Generalist project.

Despite the COVID-19 pandemic substantial progress was made in lifting the professional recognition of occupational health nurses and human factors professionals and ergonomists, through multi-faceted approaches including mentoring and assessor programmes, the development of education and career pathways, and the provision of technical skills development opportunities.

IMPACT MEASURE 4.2 – THERE ARE MORE FORMAL PROCESSES FOR MĀORI PARTNERSHIP IN THE HEALTH AND SAFETY SYSTEM

WHAT WE MEASURE	PROGRESS AGAINST BASELINE		BENCHMARK OR DIRECTION OF TRAVEL
The number of health and safety partnership arrangements established under the WorkSafe Te Ara Tuituinga engagement framework	Baseline (2021) Initial partnership arrangements are being established during 2021/22 Six regional partnership arrangements in place by 2024/25	Result (2021/22) Two partnership arrangements are in place, with another three currently under discussion	Six regional partnership arrangements in place by 2024/25
The number of collaboratively designed kaupapa Māori health and safety programmes delivered	In 2020/21, there were four collaboratively designed kaupapa Māori health and safety programmes delivered (forestry in Gisborne, wood processing in the Ruapehu district, construction in Auckland, and meat processing in Northland) Number of programmes equal or exceed three	Three Wānanga and Kaupapa Māori health and safety programmes were delivered in Tairāwhiti (1) and Taitokerau (2)	Number of programmes equal or exceed three

IMPACT MEASURE 6.1 – HIGH HAZARD OPERATORS PROACTIVELY IDENTIFY AND RESPOND TO NOTIFIABLE INCIDENTS

WHAT WE MEASURE	PROGRESS AGAINST BASELINE	BENCHMARK OR DIRECTION OF TRAVEL
The number of high hazard notifiable events that are high potential incidents	Work is in progress to embed reporting and data collection practices and a baseline will be established during 2021/22	High potential incidents trend down in number and as a proportion of total high hazard notifiable incidents

Commentary

Not reported. We originally intended to establish a baseline in 2021/22, however, there was insufficient data to be able to establish a robust baseline. We will continue to undertake data analysis with the intent of establishing a baseline in 2022/23.

IMPACT MEASURE 6.2 – MORE BUSINESSES AND ORGANISATIONS MEET REGULATED STANDARDS FOR IDENTIFYING AND ADDRESSING RISKS

WHAT WE MEASURE	PROGRESS AGAINST BASELINE		BENCHMARK OR DIRECTION OF TRAVEL
The percentage of improvement notices that are completed and closed within two weeks of the due date	Baseline (2021) 90%	Result (2021/22) 94%	>95% by 2024/25

Commentary

This measure has remained within 90–97% during 2021/22, which is well within the expected baseline range. We are on track to achieve >95% by 2024/25.

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 for the year ended 30 June 2022.



Bill Moran
Deputy Chair

14 November 2022



Nikki Davies-Colley
Board Member

14 November 2022



He tūmahi tauākī
Statement of
performance

Vote Labour Market – Education and Workforce Sector

Workplace Relations and Safety – Workplace Health and Safety (M43) (A17)

SCOPE OF APPROPRIATION

This appropriation is limited to information, education, leadership, guidance, support, and enforcement relating to the health and safety of workers and workplaces.

WHAT IS INTENDED TO BE ACHIEVED WITH THIS APPROPRIATION?

This appropriation is intended to achieve healthier, safer and more knowledgeable workplaces.

HOW PERFORMANCE WILL BE ASSESSED

ASSESSMENT OF PERFORMANCE	2020/21 RESULT	2021/22 TARGET	2021/22 RESULT
Percentage of people (workers and employers) who made at least one change to improve workplace safety and/or reduce risks to workers' health, after interaction with a Health and Safety Inspector	81%	≥ 85%	75%

Variance commentary

This comes from the Impact and Effectiveness Monitor which is a new service monitoring programme that replaces WorkSafe's previous service monitor – the Service Excellence Survey.

As at 30 June 2022, 75% of survey respondents reported that their business identified one or more changes it could make to improve its health and/or safety practices, which had either already been made or were in progress.

The Impact and Effectiveness Monitor replaced WorkSafe's previous service monitoring programme during the current year. Due to minor differences in the available answers to participants, the results are not totally comparable to previous years' data. Understanding WorkSafe's performance and our impact in this area will be a focus in the coming years.

Ō Tātou iho whakahohe rekureihana

Our core regulatory activities

We have six core regulatory activities that reflect our role across the health and safety system. They are:

- lead, engage and influence
- educate, guide, inform and learn
- build capability and worker participation
- innovate, design, implement and evaluate
- authorise, oversee, assess and audit
- investigate, enforce and hold to account.

The following pages provide an update on the work undertaken during 2021/22 to carry out our responsibilities under each area. WorkSafe has applied an exceptions-based criteria to its performance measures for 2021/22, therefore only those metrics where there is a notable variance are generally commented on.

LEAD, ENGAGE AND INFLUENCE

OUR PERFORMANCE RESULTS

ID	MEASURE	2020/21 RESULT	2021/22 TARGET	2021/22 RESULT
L1	The proportion of partnerships funded by WorkSafe that meet or exceed the agreed partnership outcomes ²	New measure	100%	Not reported

Variance commentary

There have been delays to some deliverables as a result of COVID-19 impacts, in particular the regional and national lockdowns during 2021/22. This affected programme delivery, such as the forestry risk assessment workshops.

L2	The number of collaboratively-designed health and safety partnership arrangements established under our Te Ara Tuituinga engagement framework	New measure	>2	2
L3	WorkSafe actively engages with government and industry leadership bodies to promote the integration of health and safety into work planning and design	New measure	Achieved	Achieved

EDUCATE, GUIDE, INFORM AND LEARN

OUR PERFORMANCE RESULTS

ID	MEASURE	2020/21 RESULT	2021/22 TARGET	2021/22 RESULT
E1	The percentage of people who say our guidance is 'very useful'	94%	>60%	82%

Variance commentary

Our disclosure includes the percentage of people who rate our guidance as 'very useful' or above in the current year. This information comes from the Impact and Effectiveness Monitor, a service monitoring programme. This replaced WorkSafe's previous service monitor, the Service Excellence Survey, during the current year. A total of 82% of those accessing guidance materials identified one or more of them as 'very useful' or 'extremely useful' (a rating of 4 or 5 respectively), while 55% reported a rating of 'extremely useful' (a rating of 5).

This is based on a sample of 154 respondents who reported using one or more of WorkSafe's guidance and education products. The result has a margin of error of +/- 7.9% at the 95% confidence interval.

Due to the new service monitoring programme, results are not totally comparable to previous years' data as the highest rating in the previous service monitor was 'very useful' (that is, there was no 'extremely useful'). Understanding WorkSafe's performance and our impact in this area will be a focus in the coming years.

² The wording of this measure has changed. Previously this was referred to as 'tripartite health, safety and wellbeing initiatives' but this was not relevant to all funded partnerships.

ID MEASURE	2020/21 RESULT	2021/22 TARGET	2021/22 RESULT
E2 The percentage of people we directly engage with who agree WorkSafe educates	64%	>65%	53%

Variance commentary

This also comes from the Impact and Effectiveness Monitor. The aim is to capture feedback from people on their interactions with WorkSafe’s General Inspectorate, with the focus of answering two important questions:

1. Do WorkSafe’s interactions with businesses result in changes in the way employers and workers behave, think, and feel in relation to work-related harm?
2. Are these interactions making a real difference to the health and safety of New Zealanders?

The current figure is based on a sample of 273 respondents and has a margin of error of ±5.9% at the 95% confidence interval, and is based on only three months of surveying.

The Impact and Effectiveness Monitor replaced WorkSafe’s previous service monitoring programme during the current year. Due to minor differences in the available answers to participants, the results are not totally comparable to previous years’ data. Understanding WorkSafe’s performance and our impact in this area will be a focus in the coming years.

E3 The percentage of new harm prevention programmes that are evidence based	New measure	100%	100%
E4 The proportion of published WorkSafe guidance that is aligned to one or more of our priority areas: - higher risk sectors or industries - cross-sector event types - work-related health exposures - workers at greater risk	New measure	≥80%	100%
E5 WorkSafe informs the public about where health and safety harm is occurring by publishing monthly fatality and notification statistics	New measure	Achieved	Achieved

BUILD CAPABILITY AND WORKER PARTICIPATION

OUR PERFORMANCE RESULTS

ID MEASURE	2020/21 RESULT	2021/22 TARGET	2021/22 RESULT
B1 The number of active health and safety professional workforce development projects that have been co-designed by WorkSafe and the relevant association	New measure	>3	4
B2 The percentage of WorkSafe assessments that include interaction with a worker or representative	88%	≥80%	89%

INNOVATE, DESIGN, IMPLEMENT AND EVALUATE

OUR PERFORMANCE RESULTS

ID MEASURE	2020/21 RESULT	2021/22 TARGET	2021/22 RESULT
I1 The number of harm prevention programmes targeting high-risk sectors or risks that are common across sectors	New measure	4	7
I2 The proportion of harm prevention programmes that actively consider health and safety outcomes for Māori and Pacific Peoples	New measure	100%	100%
I3 The percentages of WorkSafe General Inspectorate assessments that include a focus on work-related health risks	New measure	≥65%	86%
I4 The number of collaboratively designed kaupapa Māori health and safety programmes delivered	New measure	≥3 programmes	3

AUTHORISE, OVERSEE, ASSESS AND AUDIT

OUR PERFORMANCE RESULTS

ID MEASURE	2020/21 RESULT	2021/22 TARGET	2021/22 RESULT
A1 The percentage of General Inspectorate assessments that are directed by the WorkSafe company risk model	New measure	≥60%	44%

Variance commentary

The arrival of the COVID-19 Delta and Omicron variants resulted in a change in assessments focus from planned/proactive to reactive. This was due to a surge of notifications received relating to the COVID-19 Public Health Response Act 2020. WorkSafe responded by aligning resources to the current emerging risk by establishing a dedicated COVID-19 response capability. As a result, the target was not met for 2021/22.

A2 The number of energy safety audits (of products, suppliers, networks, distribution systems, installations) completed	New measure	≥650 audits	777
A3 The percentage of high hazard sites inspected compared to annual operating plan targets for major hazard facilities, petroleum and geothermal, and mining, tunnelling, and quarry sites	New measure	100%	98%

Variance commentary

Due to the COVID-19 surge during much of 2021/22, planned assessments and inspections were unable to be carried out. This was due to both staff resourcing and the impact on the ability to travel for inspections.

A4 The percentage of corrective actions identified as part of the audit process for hazardous substances compliance certifiers: - that are closed within the specified timeframe, or - where further action is taken	New measure	100%	95%
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Variance commentary

Twenty compliance certifier audits were completed this year. When an audit reveals a non-compliance, the compliance certifier must complete a Corrective Action Plan (CAP) within three months. Only one compliance certifier did not complete their CAP, which was due to the compliance certifier appealing a previous decision made by WorkSafe. The appeal and CAP were resolved in March 2022.

A5 The percentage of complaints or concerns which indicate a possible breach of obligations by an adventure activity operator (AAO, or a person conducting a business or undertaking that should be registered as an AAO) that are: - closed within the specified timeframe, or - where further action is taken	New measure	100%	71%
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Variance commentary

We aim to acknowledge the receipt of a complaint or concern within three working days, with a response provided within 20 working days (although more time may be needed for more complex situations).

We received 28 complaints/concerns during 2021/22. Thirteen were closed within the specified timeframe of 20 working days; seven were referred for follow-up action; seven were closed outside of the specified timeframe; and one remains open as at 30 June 2022.

The complaints/concerns resolved outside of the timeframe were complex and required several stages of follow-ups. While these complaints were closed outside the target timeline, they were addressed and people who raised these with WorkSafe kept informed.

INVESTIGATE, ENFORCE AND HOLD TO ACCOUNT

OUR PERFORMANCE RESULTS

ID	MEASURE	2020/21 RESULT	2021/22 TARGET	2021/22 RESULT
H1	The 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	99%	100%	98%

Variance commentary

Two of the 136 investigations failed to meet the notification timeframe. Procedures have been put in place to rectify this in future.

H2	The percentage of energy safety investigations (notifiable/non-notifiable incidents and unsafe situations) involving gas and electricity that are completed within 60 working days	93%	≥80%	96%
H3	The WorkSafe Te Mate Ohore ³ protocol is used as a guide for determining the approach to investigating fatalities involving Māori victims	New measure	100%	N/A

Commentary

Due to cultural sensitivity issues presented by this measure, no ethnicity data was collected during 2021/22. Wording of this measure has been revised for 2022/23.

H4	The percentage of investigation files referred to WorkSafe's legal group to initiate a prosecution that meet agreed quality standards	New measure	≥80%	100%
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ENABLING ACTIVITIES

OUR PERFORMANCE RESULTS

ID	MEASURE	2020/21 RESULT	2021/22 TARGET	2021/22 RESULT
EN 1	The authorisation regime is live for online transactions with WorkSafe by 30 June 2022	New measure	Achieved	Achieved
EN 2	The self-service portal for members of the public and persons conducting a business or undertaking is online by 30 June 2022	New measure	Achieved	Achieved
EN 3	The core case management platform build has commenced by 30 June 2022	New measure	Achieved	Achieved
EN 4	The Digital Independence discovery phase is complete by 30 June 2022	New measure	Achieved	Achieved
EN 5	Pūmahara (knowledge model) developed by 30 June 2022, to support effective use of WorkSafe data, evidence and expertise	New measure	Achieved	Not achieved

Variance commentary

The Pūmahara build period was extended from 30 June 2022 until 31 December 2022 to better sequence with other programmes of work. Pūmahara is on track for the new delivery date.

³ Te Mate Ohore (our sudden death protocols) is our approach to managing cultural beliefs and protocols.

He pūtea tauākī Financial statements



WORKSAFE
Mahi Haumaru Aotearoa

Statement of comprehensive revenue and expense for the year ended 30 June 2022

\$000	NOTES	ACTUAL 2022	BUDGET 2022	ACTUAL 2021
Revenue				
Funding from the Crown	2	132,849	129,316	120,673
Interest revenue	2	439	250	388
Other revenue	2	13,123	19,368	19,656
Total revenue		146,411	148,934	140,717
Expenditure				
Personnel costs	3	97,123	87,754	88,048
Other expenses	5	43,251	55,437	46,392
Depreciation and amortisation expense	9, 10	5,616	7,355	4,729
Finance costs	4	105	-	-
Total expenditure		146,095	150,546	139,169
SURPLUS/(DEFICIT)		316	(1,612)	1,548
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		316	(1,612)	1,548

Explanations of major variances against budget are provided in note 23.

The accompanying notes form part of these financial statements.

Statement of financial position as at 30 June 2022

\$000	NOTES	ACTUAL 2022	BUDGET 2022	ACTUAL 2021
Assets				
Current assets				
Cash and cash equivalents	6	9,111	4,125	5,677
Receivables and prepayments	7	2,682	1,928	1,717
Investments	8	35,517	24,500	28,650
TOTAL CURRENT ASSETS		47,310	30,553	36,044
Non-current assets				
Property, plant and equipment	9	10,274	11,586	8,125
Intangible assets	10	19,243	19,600	14,003
TOTAL NON-CURRENT ASSETS		29,517	31,186	22,128
TOTAL ASSETS		76,827	61,739	58,172
Liabilities				
Current liabilities				
Payables and provisions	11, 14	10,132	6,224	8,537
Revenue in advance	12	9,834	1,068	8,759
Employee entitlements	13	8,466	5,240	7,082
TOTAL CURRENT LIABILITIES		28,432	12,532	24,378
Non-current liabilities				
Employee entitlements	13	429	750	478
Borrowings	15	11,993	13,393	-
TOTAL NON-CURRENT LIABILITIES		12,422	14,143	478
TOTAL LIABILITIES		40,854	26,675	24,856
NET ASSETS		35,973	35,064	33,316
Equity				
Capital reserves	18	28,975	26,635	26,634
Memorandum accounts	18	5,208	10,041	5,180
Accumulated surplus/(deficit)	18	1,790	(1,612)	1,502
TOTAL EQUITY		35,973	35,064	33,316

Explanations of major variances against budget are provided in note 23.

The accompanying notes form part of these financial statements.

Statement of changes in equity for the year ended 30 June 2022

\$000	NOTES	ACTUAL 2022	BUDGET 2022	ACTUAL 2021
Balance at 1 July		33,316	36,676	31,268
Total comprehensive revenue and expense		316	(1,612)	1,548
Owner transactions				
Capital contribution		2,341	-	500
BALANCE AT 30 JUNE		35,973	35,064	33,316

Explanations of major variances against budget are provided in note 23.

The accompanying notes form part of these financial statements.

Statement of cash flows for the year ended 30 June 2022

\$000	NOTES	ACTUAL 2022	BUDGET 2022	ACTUAL 2021
Cash flows from operating activities				
Receipts from the Crown		132,849	129,316	120,673
Interest received		439	250	111
Receipts from other revenue		13,909	13,270	16,900
Payments to suppliers		(42,783)	(54,354)	(47,290)
Payments to employees		(92,231)	(85,607)	(87,634)
GST (net)		(805)	-	659
Net cash flow from operating activities		11,378	2,875	3,419
Cash flows from investing activities				
Receipts from sale of property, plant and equipment		548	500	79
Purchase of property, plant and equipment		(5,133)	(4,620)	(4,063)
Purchase of intangible assets		(10,722)	(10,914)	(7,838)
Receipts/(Payments) for new term deposits		(6,867)	(2,500)	8,850
Net cash flow from investing activities		(22,174)	(17,534)	(2,972)
Cash flows from financing activities				
Borrowings		13,390	-	-
Capital contribution		840	13,393	500
Net cash flow from financing activities		14,230	13,393	500
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		3,434	(1,266)	947
Cash and cash equivalents at the beginning of the year		5,677	5,391	4,730
Cash and cash equivalents at the end of the year		9,111	4,125	5,677

Explanations of major variances against budget are provided in note 23.

The accompanying notes form part of these financial statements.

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

\$000	ACTUAL 2022	ACTUAL 2021
Net surplus	316	1,548
Add/(Less) non-cash items		
Depreciation and amortisation expense	5,616	4,729
Software-as-a-Service disposal	2,447	-
Total non-cash items	8,063	4,729
Add/(Less) items classified as investing or financing activities		
(Gains)/losses on disposal of property, plant and equipment	(147)	(43)
Interest expense on loan	105	-
Total items classified as investing or financing activities	(42)	(43)
Add/(Less) movements in statement of financial position items		
(Increase)/Decrease in receivables	(289)	256
(Increase)/Decrease in prepayments	(322)	(177)
Increase/(Decrease) in payables	1,345	(1,056)
Increase/(Decrease) in revenue in advance	1,076	(2,578)
Increase/(Decrease) in employee entitlements	1,231	740
NET MOVEMENTS IN WORKING CAPITAL ITEMS	3,041	(2,815)
NET CASH FLOW FROM OPERATING ACTIVITIES	11,378	3,419

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 2022 and were approved by the Board on 14 November 2022.

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

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.

No other 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:

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 IFRS 9. 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 2021/22* 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. The budget figures are unaudited.

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 2022	ACTUAL 2021
Safety case revenue	208	395
ACC funding	11,146	17,834
Rent from sub-leases	152	163
Registration fees collected	287	218
Other revenue	1,330	1,046
TOTAL OTHER REVENUE	13,123	19,656

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 2022	ACTUAL 2021
Salaries and wages	79,174	72,741
Defined contribution plan employer contributions	2,533	2,306
Increase/(decrease) in net leave provision	848	527
Other personnel-related costs	5,386	4,327
Contractors	8,704	8,122
Restructuring costs	478	25
TOTAL PERSONNEL COSTS	97,123	88,048

Employee remuneration

	ACTUAL 2022	ACTUAL 2021
Total remuneration paid or payable		
\$100,000-\$109,999	80	77
\$110,000-\$119,999	72	46
\$120,000-\$129,999	42	46
\$130,000-\$139,999	60	38
\$140,000-\$149,999	34	30
\$150,000-\$159,999	20	20
\$160,000-\$169,999	18	9
\$170,000-\$179,999	19	20
\$180,000-\$189,999	11	12
\$190,000-\$199,999	9	6
\$200,000-\$209,999	12	5
\$210,000-\$219,999	6	4
\$220,000-\$229,999	7	7
\$230,000-\$239,999	2	1
\$240,000-\$249,999	0	2
\$250,000-\$259,999	1	2
\$260,000-\$269,999	2	2
\$270,000-\$279,999	2	3
\$280,000-\$289,999	2	2
\$290,000-\$299,999	4	2
\$300,000-\$309,999	0	0
\$310,000-\$319,999	0	0
\$320,000-\$329,999	0	0
\$330,000-\$339,999	0	0
\$340,000-\$349,999	0	0
\$350,000-\$359,999	0	0
\$360,000-\$369,999	0	0
\$370,000-\$379,999	0	0
\$380,000-\$389,999	0	1
\$390,000-\$399,999	0	0
\$400,000-\$409,999	1	0
TOTAL EMPLOYEES	404	335

During the year ended 30 June 2022 there were no hurt and humiliation payments (2020/21 there were no payments) and eighteen cessation and settlement payments amounting to \$750,213 (2020/21 there were six payments amounting to \$422,606).

Key management personnel compensation

\$000	ACTUAL 2022	ACTUAL 2021
Board members		
Remuneration	215	205
Number of FTE members ⁴	1.02	1.05
Leadership members		
Remuneration	2,788	2,690
Number of FTE members	9.83	9.17
TOTAL KEY MANAGEMENT PERSONNEL REMUNERATION	3,003	2,895

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

4. Finance costs

Borrowing costs are expensed in the financial year in which they are incurred.

\$000	ACTUAL 2022	ACTUAL 2021
Interest on concessionary loan - refer to note 15	105	-
TOTAL FINANCE COSTS	105	-

5. Other expenses

\$000	ACTUAL 2022	ACTUAL 2021
Fees to Deloitte Limited for Audit of financial statements ⁵	138	100
Staff travel	2,460	3,996
Advertising, publicity, and sponsorship	600	5,365
Consultancy	15,675	13,971
Fees to Board members	215	205
Fees to Advisory Board members	105	106
ICT costs and technical support	5,719	2,652
Legal services	5,102	4,449
Shared services provided by MBIE ⁶	3,187	6,081
Levy collection (services paid to ACC)	869	869
Other expenses	3,351	2,768
Rental and leasing costs	4,829	4,679
Loss on disposal of assets	(147)	(43)
Other property costs	1,148	1,194
TOTAL OTHER EXPENSES	43,251	46,392

⁴ Board member FTE calculations are based on the assumptions noted in Cabinet Office Circular CO (19) 1.

⁵ Audit fees were paid to Audit New Zealand for 2021.

⁶ MBIE provides support as part of our service-level agreement and this includes ICT, property services and contact centre services.

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 2022	ACTUAL 2021
Ross Wilson (Chair)	47.3	42.5
Paula Rose (Deputy Chair), QSO	17.2	27.4
Nikki Davies-Colley	24.3	21.9
James Fletcher	24.3	24.3
Robin Hapi	24.3	24.3
William Moran	29.4	21.9
Kristen Thompson	24.3	24.3
Lois Hutchinson	8.1	-
Pauline Lockett	8.1	-
William Newson	8.1	-
Dr Jan White ⁷	-	18.7
TOTAL BOARD MEMBER REMUNERATION	215.4	205.3

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 (2020/21 \$Nil).

The Audit, Risk and Finance Committee is a sub-committee of the WorkSafe Board and Board members are not paid separately in addition to Board fees, except for Neil Stiles (Independent Chair), who was paid \$10,593 (2020/21 \$8,280).

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 \$14,277 (2020/21 \$9,013).

⁷ 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 2022	ACTUAL 2021
Audit, Risk and Finance Committee		
Total Audit, Risk and Finance Committee remuneration	11	8
Digital Transformation Committee		
Total Digital Transformation Committee remuneration	14	9
Te Kāhu Mātai		
Total Te Kāhu Mātai remuneration	2	-
Mining Board of Examiners		
Total Mining Board of Examiners remuneration	59	67
Extractives Industry Advisory Group		
Total Extractives Industry Advisory Group remuneration	7	13
National Pacific Peoples Responsiveness Advisory Group		
Total National Pacific Peoples Responsiveness Advisory Group remuneration	12	9
TOTAL COMMITTEE MEMBER REMUNERATION	105	106

6. 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 2022	ACTUAL 2021
Cash at bank and on hand	9,111	5,677
TOTAL CASH AND CASH EQUIVALENTS	9,111	5,677

While cash and cash equivalents at 30 June 2022 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 with the scope and limits of its funding requirements, including specifications by Treasury and ACC's harm prevention agreement.

7. 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 2022	ACTUAL 2021
Receivables		
Total receivables comprises:		
Prepayments	1,753	1,429
Receivables from the sales of goods and services (exchange transactions)	1,117	402
Less: Allowance for credit losses	(188)	(114)
TOTAL RECEIVABLES AND PREPAYMENTS	2,682	1,717

The expected credit loss rates of receivables as of 30 June 2022 and 1 July 2021 are based on the payment profile of revenue on credit over the prior two 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 have been no changes during the reporting in the estimation techniques or significant assumptions used in measuring the loss allowance.

The allowance for credit losses as of 30 June 2022 and 1 July 2021 was determined as follows:

The carrying amounts of receivables approximates the fair value. There are \$187,677 expected credit losses for receivables (2021 \$114,411).

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 2022					
Expected credit loss rate					
Gross carrying amount (\$000)	637	89	1	390	1,117
Lifetime expected credit loss (\$000)	-	-	-	(188)	(188)
TOTAL	637	89	1	202	929

	RECEIVABLES DAYS PAST DUE				TOTAL
	CURRENT	MORE THAN 30 DAYS	MORE THAN 60 DAYS	MORE THAN 90 DAYS	
1 JULY 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

8. Investments

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

INVESTMENTS

\$000	ACTUAL 2022	ACTUAL 2021
Current portion		
Term deposits	35,517	28,650
TOTAL CURRENT INVESTMENTS	35,517	28,650

There is no impairment provision for investments.

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

9. 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 2022 there were no impairment losses (2020/21 Nil).

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 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	(4,749)	-
Balance at 30 June 2021	4,425	3,095	2,339	6,443	76	16,378
Balance at 1 July 2021	4,425	3,095	2,339	6,443	76	16,378
Additions	-	-	-	-	5,133	5,133
Disposals	-	-	-	(1,330)	-	(1,330)
Transfers from work in progress	478	1,340	417	2,097	(4,332)	-
Balance at 30 June 2022	4,903	4,435	2,756	7,210	877	20,181
Accumulated depreciation and impairment losses						
Balance at 1 July 2020	2,096	322	238	3,359	-	6,015
Depreciation expense	534	732	768	540	-	2,574
Impairment loss	-	-	-	-	-	-
Elimination on disposal	-	(21)	-	(315)	-	(336)
Balance at 30 June 2021	2,630	1,033	1,006	3,584	-	8,253
Balance at 1 July 2021	2,630	1,033	1,006	3,584	-	8,253
Depreciation expense	605	899	591	489	-	2,584
Impairment losses	-	-	-	-	-	-
Elimination on disposal	-	-	-	(929)	-	(929)
Balance at 30 June 2022	3,235	1,932	1,597	3,144	-	9,908
Carrying amounts						
Balance at 30 June 2020	1,068	1,281	679	2,995	2,728	8,751
Balance at 30 June 2021	1,795	2,062	1,333	2,859	76	8,125
BALANCE AT 30 JUNE 2022	1,668	2,503	1,159	4,066	877	10,273

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.

10. Intangible assets

SOFTWARE ACQUISITION AND DEVELOPMENT

Acquired computer software licences are capitalised based on 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 which 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 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
Balance at 1 July 2021	9,912	9,044	3,774	22,730
Additions	-	-	10,875	10,875
Elimination on disposal	(860)	-	(1,743)	(2,603)
Transfers from WIP	253	1,868	(2,121)	-
Balance at 30 June 2022	9,305	10,912	10,785	31,002
Accumulated amortisation and impairment losses				
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
Balance at 1 July 2021	2,173	6,554	-	8,727
Amortisation expense	1,502	1,530	-	3,032
Elimination on disposal	-	-	-	-
Balance at 30 June 2022	3,675	8,084	-	11,759

\$000	ACQUIRED SOFTWARE	INTERNALLY -GENERATED SOFTWARE	WORK IN PROGRESS	TOTAL
Carrying amounts				
Balance at 30 June 2020	289	3,953	4,350	8,592
Balance at 30 June 2021	7,739	2,490	3,774	14,003
BALANCE AT 30 JUNE 2022	5,630	2,828	10,785	19,243

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

SOFTWARE-AS-A-SERVICE (SAAS) ARRANGEMENTS

The International Financial Reporting Standard Interpretations Committee (IFRIC) has issued two final agenda items which impact the treatment of SaaS arrangements:

- Customer's right to receive access to the supplier's software hosted on the cloud (March 2019) - this decision considers whether a customer receives a software asset at the contract commencement date or a service over the contract term.
- Configuration or customisation cost in a cloud computing arrangement (April 2021) - the decision discusses whether configuration or customisation expenditure relating to SaaS arrangements can be recognised as an intangible asset and if not, over what time period the expenditure is expensed.

WorkSafe's accounting policy has historically been to capitalise costs related to SaaS arrangements as intangible assets in the Statement of Financial Position. The adoption of the above agenda decisions has resulted in a reclassification of these intangible assets to an expense in the Statement of Comprehensive Revenue and Expense for the year ended 30 June 2022 (2022: \$3.384m). The costs of SaaS arrangements capitalised in previous years is included in the disposals for the year ended 30 June 2022 above.

11. Creditors and other payables

PAYABLES

\$000	ACTUAL 2022	ACTUAL 2021
Payables under exchange transactions		
Creditors	3,642	2,504
Accrued expenses	5,441	4,306
Other	136	64
Total payables under exchange transactions	9,219	6,874
Payables under non-exchange transactions		
Taxes payables (GST, PAYE, and rates)	535	1,351
Total payables under non-exchange transactions	535	1,351
TOTAL PAYABLES	9,754	8,225

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.

12. Revenue in advance

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 2022	ACTUAL 2021
Current revenue in advance		
Safety case revenue	58	337
ACC funding	9,776	8,422
Total current revenue in advance	9,834	8,759
Non-current revenue in advance		
ACC funding	-	-
Total non-current revenue in advance	-	-
TOTAL REVENUE IN ADVANCE	9,834	8,759

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.

13. 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 2022	ACTUAL 2021
Current portion		
Accrued salaries and wages	2,104	1,506
Annual leave	5,789	4,913
Leave in lieu of overtime	44	72
Retirement and long service leave	529	591
Total current portion	8,466	7,082
Non-current portion		
Retirement and long service leave	429	478
Total non-current portion	429	478
TOTAL EMPLOYEE ENTITLEMENTS	8,895	7,560

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 of 30 June 2022. 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 \$30,000 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 \$30,000 higher/lower.

14. 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 2022	ACTUAL 2021
Current portion		
Restructuring	-	102
Legal provision	379	210
Total current portion	379	312
TOTAL PROVISIONS	379	312

Movements for each class of provision are as follows:

\$000	RESTRUCTURING	LEGAL PROVISION
Opening Balance at 1 July 2021	102	210
Additional provisions made	-	219
Amounts used	(102)	(50)
CLOSING BALANCE AS AT 30 JUNE 2022	-	379

15. Borrowings

\$000	ACTUAL 2022	ACTUAL 2021
Non-current portion		
Concessionary loan – cash received	13,390	-
Fair value write-down to equity	(1,502)	-
Repayments	-	-
Interest un-wind	105	
TOTAL BORROWINGS	11,993	-

In 2021 WorkSafe entered into a loan agreement with the Crown to the value of \$31.6m (the 'facility'). The funds from the facility are specifically to be used in order to provide funding for the Digital and Information services programme which is a key enabler of WorkSafe's modernisation programme. The term of the facility is eight years and will be draw down in instalments. The facility is due to be repaid over the period 30 June 2024 to 30 June 2029. No interest is payable on the facility.

The facility is classified as a 'concessionary loan' (as the terms are below standard market conditions) and are recorded at fair value upon recognition and then subsequently measured at amortised cost using the effective interest method.

The facility is drawn down in instalments and the market value of similar funding arrangements is determined separately for each instalment. During the year ended 30 June 2022, WorkSafe has drawn down two instalments (2021: nil) with a face value of \$13.4m (2021: nil). In assessing the market value of similar funding arrangements in the current year, WorkSafe used rates of 3.46% and 4.23% as those rates were, at the time the instalments were drawn down, considered to be the market lending rates.

As the facility has been provided by the Crown, and WorkSafe is a wholly owned entity of the Crown, the concessionary portion of the loan has been treated as a capital contribution. The capital contribution is recognised in full at the time the instalment is drawn down.

As at 30 June 2022, the total face value of the loans is \$13.4m (2021: nil) and the carrying value at amortised cost recognised in the Statement of Financial Position was \$11.99m (2021: nil). A capital contribution of \$1.5m (2021: nil) has been recognised for the year ended 30 June 2022 to Capital Reserves.

16. Capital commitments and operating leases

CAPITAL COMMITMENTS

WorkSafe has capital commitments of \$4.948 million for the current year (2020/21 \$0.479 million).

\$000	ACTUAL 2022	ACTUAL 2021
Motor vehicles	783	-
Acquired software	4,165	479
TOTAL CAPITAL COMMITMENTS	4,948	479

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 2022	ACTUAL 2021
No later than one year	4,353	3,948
Later than one year and not later than two years	3,284	3,069
Later than two year and not later than five years	2,609	2,278
Later than five years	266	361
TOTAL NON-CANCELLABLE LEASES	10,512	9,656

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 (2020/21 \$0 million).

17. Contingent assets and liabilities

CONTINGENT LIABILITIES

There is a contingent liability for the current year of \$0.348 million (2020/21 \$nil).

CONTINGENT ASSETS

There are no contingent assets for the current year (2020/21 \$Nil).

18. 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 2022	ACTUAL 2021
Capital reserves		
Balance at 1 July 2021	26,634	26,134
Capital contribution	2,341	500
Balance at 30 June 2022	28,975	26,634
Memorandum accounts		
Opening balance 1 July 2021	5,180	4,545
Net Memorandum account surplus for the year	28	635
Balance at 30 June 2022	5,208	5,180
Accumulated surplus/(deficit)		
Balance at 1 July 2021	1,502	589
Surplus/(deficit) for the year	316	1,548
Transfer of net memorandum account accumulated surplus for the year	(28)	(635)
Balance at 30 June 2022	1,790	1,502
TOTAL EQUITY AT 30 JUNE 2022	35,973	33,316

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..

\$000	TOTAL BALANCE	ACTUAL 2022	ACTUAL 2021	ACTUAL 2020	PRIOR YEARS
Memorandum accounts					
Major Hazard Facilities levies					
Revenue ⁸	15,166	2,496	2,560	2,645	7,465
Expenditure	(12,875)	(2,749)	(2,573)	(1,745)	(5,808)
Total surplus/(deficit)	2,291	(253)	(13)	900	1,657
Add Crown Account deficit	523	194	130	199	-
Total surplus/(deficit) - levies held by WorkSafe	2,814	(59)	117	1,099	1,657
Safety case fees					
Revenue	2,915	53	3	1,866	993
Expenditure	(1,949)	(75)	(6)	(1,068)	(800)
Total surplus/(deficit)	966	(22)	(3)	798	193
Refrigeration licensing					
Revenue	1,021	255	415	351	-
Expenditure	(666)	-	(443)	(223)	-
Total surplus/(deficit)	355	255	(28)	128	-
COVID-19 response					
Revenue	5,082	3,533	292	1,257	-
Expenditure	(4,071)	(2,869)	(615)	(587)	-
Total surplus/(deficit)	1,011	664	(323)	670	-
Support for health and safety leadership groups					
Revenue	3,705	1,800	1,905	-	-
Expenditure	(3,643)	(2,610)	(1,033)	-	-
Total surplus/(deficit)	62	(810)	872	-	-
Total Memorandum accounts	5,208	28	635	2,695	1,850

⁸ This reflects the total Major Hazard Facilities levies invoiced.

19. Related parties

WorkSafe is a wholly owned entity of the Crown.

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

SIGNIFICANT TRANSACTIONS WITH GOVERNMENT-RELATED ENTITIES

MBIE provided shared services to WorkSafe in 2021/22 as part of the shared services agreement that exists between the two organisations. Purchases totalling \$6.2 million (2020/21 \$9.2 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 \$0 based on an actual cost basis (2020/21 \$62,565).

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

\$000	ACTUAL 2022	ACTUAL 2021
Opening balance	8,422	11,257
Funds received	12,500	15,000
Funds spent	(11,146)	(17,835)
ACC FUNDING	9,776	8,422

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 (2020/21 \$0.869 million) to ACC for levy collection services.

WorkSafe undertook the following secondments during 2021/22 Payment for the staff was based on actual salary reimbursements.

\$000	ACTUAL 2022	ACTUAL 2021
Secondments to other government agencies		
Ministry of Health	221	14
Department of Corrections	-	32
Department of Internal Affairs	-	56
Department of the Prime Minister and Cabinet	51	16
Environmental Protection Agency	-	151
Fire and Emergency New Zealand	5	151
Ministry of Business, Innovation and Employment	-	-
New Zealand Customs Service	133	-
Total secondments to other government agencies	410	420

\$000	ACTUAL 2022	ACTUAL 2021
Secondments from other government agencies		
Department of Internal Affairs	42	-
Ministry of Housing and Urban Development	-	198
Ministry of Social Development	63	41
The Treasury	245	-
Total secondments from other government agencies	350	239

20. Events after balance date

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

21. 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 2022	ACTUAL 2021
Financial assets measured at amortised cost		
Cash and cash equivalents	9,111	5,677
Receivables (excluding taxes receivable)	929	288
Investments - term deposits	35,517	28,650
Total financial liabilities measured at amortised cost	45,557	34,615
Financial liabilities measured at amortised cost		
Borrowings	11,993	-
Payables and provisions (excluding taxes payable)	9,219	6,874
Total financial liabilities measured at amortised cost	21,212	6,874

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 in to forward foreign exchange contracts to manage the foreign currency risk exposure. During 2021/22 no forward foreign exchange contracts were entered into by WorkSafe (2020/21 \$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 2022	ACTUAL 2021
Counterparties with credit ratings		
Cash at bank and term deposits		
AA-	44,628	34,327
Total cash at bank and term deposits	44,628	34,327
Counterparties without credit ratings		
Debtors and other receivables excluding taxes	929	288
TOTAL DEBTORS AND OTHER RECEIVABLES EXCLUDING TAXES	929	288

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 2022	ACTUAL 2021
Payables (excluding taxes payable)		
Carrying amount, contractual cash flows and payables less than six months	9,219	6,874

22. 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.

23. 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 lower than the original SPE budget by \$2.5 million, due to:

- \$6.2 million lower on other revenue, mainly attributed to the lower-than-expected ACC Funding. This was offset by an increase in funding for COVID-19 of \$3.5 million.

Expenditure was lower than the original SPE budget by \$4.5 million, due to:

- \$1.7 million underspend in depreciation, project delays have resulted in an underspend in depreciation against funded levels
- offset by \$9.4 million increase in personnel costs due to the transition of ICT services brought in-house and the digital transformation work programme
- \$12.2 million underspent in other expenditure, due to delays in the ACC, Whakaari and Harm Prevention work programmes, and the impact that COVID-19 had on other expenses, for example, travel.

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 \$9.8 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.

24. Cost of service summary

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

\$000	ACTUAL 2022	BUDGET 2022	VARIANCE 2022	ACTUAL 2021	BUDGET 2021	VARIANCE 2021
Health and safety						
Revenue – Crown	128,435	124,902	3,533	116,259	105,344	10,915
Revenue – other	13,558	19,618	(6,060)	20,041	21,447	(1,406)
Total revenue	141,993	144,520	(2,527)	136,300	126,791	9,509
Expenditure	141,775	145,632	(3,857)	134,511	129,568	4,943
SURPLUS/(DEFICIT)	218	(1,112)	1,330	1,789	(2,777)	4,566
Energy Safety						
Revenue – Crown	4,414	4,414	-	4,414	4,414	-
Revenue – other	4	0	4	3	-	3
Total revenue	4,418	4,414	4	4,417	4,414	3
Expenditure	4,321	4,914	(593)	4,657	5,826	(1,169)
SURPLUS/(DEFICIT)	97	(500)	597	(240)	(1,412)	1,172
Total WorkSafe						
Revenue – Crown	132,849	129,316	3,533	120,673	109,758	10,915
Revenue – other	13,562	19,618	(6,056)	20,044	21,447	(1,403)
Total revenue	146,411	148,934	(2,523)	140,717	131,205	9,512
Expenditure	146,095	150,546	(4,451)	139,169	135,394	3,775
SURPLUS/(DEFICIT)	316	(1,612)	1,928	1,548	(4,189)	5,737

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 2022	APPROVED APPROPRIATION 2022	ACTUAL 2021
Vote Labour Market			
Non-departmental output expenses			
Workplace Relations and Safety - Workplace Health and Safety	131,980	131,980	119,804
Workplace Relations and Safety - Health and Safety at Work Levy - Collection Services	869	869	869
TOTAL NON-DEPARTMENTAL OUTPUT EXPENSES	132,849	132,849	120,673
Non-departmental capital expenditure			
Workplace Relations and Safety - concession expenses for loans	13,390	13,390	-
Workplace Relations and Safety - support for the delivery of functions as the health and safety at work together	839	839	-
Workplace Relations and Safety - support the Kigali amendment to the Montreal Protocol	-	-	500
TOTAL NON-DEPARTMENTAL CAPITAL EXPENDITURE	14,229	14,229	500

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.

25. Impact of COVID-19

During the changing of alert levels 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 2022

The Auditor-General is the auditor of WorkSafe New Zealand ('WorkSafe'). The Auditor-General has appointed me, Hamish Anton, using the staff and resources of Deloitte Limited, 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 48 to 75, that comprise the statement of financial position as at 30 June 2022, the statement of comprehensive revenue and expense, 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 the other explanatory information; and
- the performance information of WorkSafe on pages 36 to 38, and 41 to 45.

In our opinion:

- the financial statements of WorkSafe on pages 48 to 75:
 - present fairly, in all material respects:
 - › its financial position as at 30 June 2022; 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 36 to 38, and 41 to 45:
 - presents fairly, in all material respects, WorkSafe's performance for the year ended 30 June 2022, 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 14 November 2022. 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 on pages 1 to 35, 39 to 40 and 81 to 83 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.

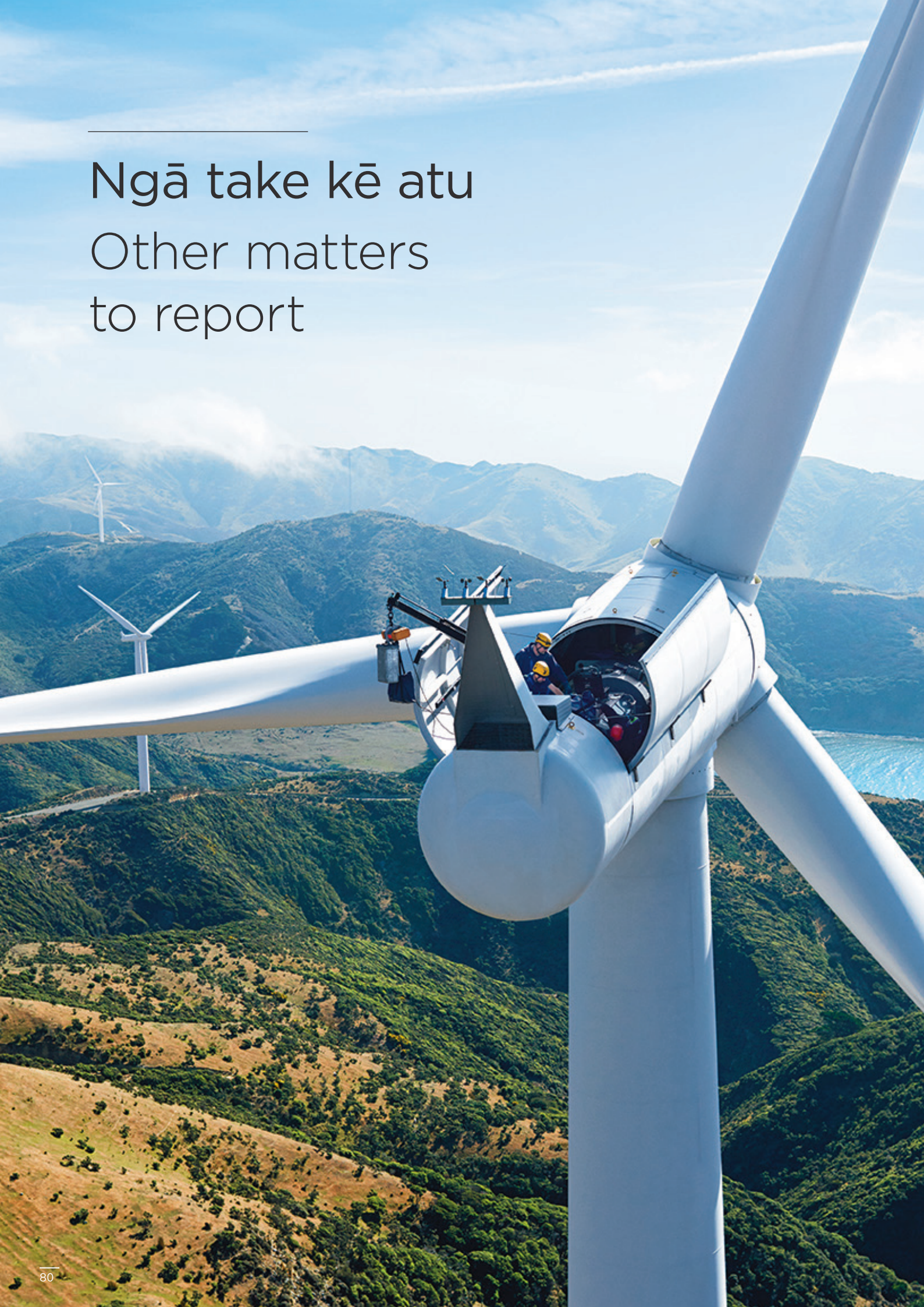
Other than in our capacity as auditor, we have no relationship with, or interests, in WorkSafe.



Hamish Anton

Deloitte Limited
On behalf of the Auditor-General
Wellington, New Zealand

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. The following table outlines the directions in place.

DIRECTION	MINISTER	EFFECTIVE DATE
WorkSafe 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.

WorkSafe has no record of any specific complaints under the Victims' Rights Act 2002 in 2021/22.

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, and 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)	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.
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	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.
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	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.
Improvement 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 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

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