

New Zealand Government

2013/14

QUARTERLY REPORT

Quarter 3: 1 January to 31 March 2014



WORKSAFE
NEW ZEALAND | MAHI HAUMARU
AOTEAROA

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PART 1: OVERALL PERFORMANCE

This is WorkSafe New Zealand's first quarterly report as a new Crown entity, following the transfer of health and safety functions from the Ministry of Business, Innovation and Employment (MBIE). The primary focus of the third quarter has been on building our capacity and capability to position WorkSafe NZ to deliver on the Government's priorities for improving health and safety outcomes.

We lead the work on achieving the Government's targets of at least a 25% reduction in workplace fatalities and serious injuries by 2020.

HIGHLIGHTS

ESTABLISHMENT OF BOARD AND SENIOR LEADERSHIP TEAM

The WorkSafe NZ Board was established on 16 December 2013 with the creation of the agency, and has seven members. The Board has initially focussed on overseeing the development of the agency and engaging with key stakeholders, including stakeholders across other government agencies, in the Forestry industry, and in Canterbury.

Our four corporate General Managers commenced between November 2013 and January 2014, and our new Chief Executive, Gordon MacDonald, was appointed on 17 March 2014, finalising the membership of the current Senior Leadership Team.

Work in the next quarter will progress the planned reconfiguration of our existing leadership structure to ensure we effectively lead the Government's health and safety reforms.

NEW AND EXPANDED HEALTH AND SAFETY FUNCTIONS

The most significant challenge for WorkSafe NZ in the first quarter has been the extensive recruitment programme to ensure we have the right people and skills in place to deliver the Government's health and safety reforms. An early focus for us has been on development, including recruitment, to support new and expanded functions, including:

- Active recruitment of new inspectors and launching a comprehensive new training/development programme.
- Expansion of the High Hazards Unit, including recruitment of Deputy Chief Inspectors, to deliver better regulatory surveillance of the high-risk geothermal, petroleum, and mining sectors.
- Recruitment and appointment of the Manager, Guidance and Standards. Significant recruitment is planned in this area, growing the team ten-fold to 30. This will ensure we have the capacity to produce clear, timely, and effective guidance and standards.
- Recruitment and appointment of a Hazardous Substances and New Organisms (HSNO) Project Manager to transition selected HSNO functions previously delivered by the Environmental Protection Authority (EPA).

CANTERBURY

Our ongoing contribution to Rebuilding Canterbury Safely includes supporting the Canterbury Rebuild Safety Charter – a further 30 organisations have now signed up, bringing the number of companies committed to a safe rebuild to over 100.

The number of inspectors in Canterbury has been boosted by bringing in highly experienced Australian inspectors to help keep pace as the rebuild gathers momentum.

We have run targeted education events for rebuild workers, with more than 1700 people attending seminars and trade breakfasts on falls from height, occupational health, asbestos, and mobile plant risks.

HIGH-RISK AREAS

Adventure Activities (see page 10): We have been investing considerable effort to meet the deadline for registration under the Health and Safety in Employment (Adventure Activities) Regulations 2011. The Regulations come into force on 1 November 2014, and as at 15 May 2014 there are currently 404 operators still to be registered. To meet the deadline we are currently implementing solutions to address operator preparedness and auditor capacity. There have been a number of challenges to manage including ensuring sufficient audit providers are in place. We are making good progress in this respect.

Forestry (see page 10): To target the unacceptable death and injury rate in this sector we have continued with a ramped-up inspection regime, resulting in more than 270 enforcement actions. A review of the Approved Code of Practice for Forestry operations has begun, with critical changes proposed to ensure there is accountability in the board room as well as the bush line. WorkSafe NZ is also providing support for the industry-led forestry safety inquiry.

REGULATORY FRAMEWORK AND INTERVENTION APPROACH

We are supporting MBIE's development of the new Health and Safety At Work Bill. The Bill was introduced on 10 March 2014, and it is now with the Transport and Industrial Relations Select Committee. The focus now remains on reviewing the Regulations Discussion Document and development of the regulations. We are also reviewing the mix of interventions we use to influence workplaces' compliance with health and safety requirements and working closely with staff and stakeholders through workshops.

PART 2: WORKSAFE NZ PRIORITIES

WorkSafe NZ has identified and established key projects required to deliver against the *Working Safer* programme of work. The following information summarises activity from Quarter 3 on our strategic focus and these projects.

A range of governance processes (some joint with the Accident Compensation Corporation (ACC) and MBIE) also provide oversight across key projects, and a high-level summary for each project is reported to both our Senior Leadership Team and Board on a monthly basis.

STRENGTHENING OUR ORGANISATION

WorkSafe NZ is transforming the health and safety regulator into a high-performing organisation with the expertise and capacity to achieve the changes set out in the *Working Safer* reform package.

Development of Performance Framework

Developing a strong performance framework will provide us with a clear path to achieving our goals.

A refreshed Statement of Intent has been prepared for 2014-2018. It outlines an enhanced performance framework and indicators against which our regulatory performance will be assessed within the wider health and safety system.

The Statement of Performance Expectations for 2014-2015 has also been developed, which outlines the plan, budget, and performance indicators for the year ahead.

Inspectorate and Specialist capability

We are transforming the workplace health and safety regulator. Over the next four years we will have a strong focus on building organisational capacity and capability as we lift the overall capability of inspectorate and leadership positions.

We are working towards putting in place a comprehensive Inspectorate Development Framework consisting of three core training programmes. The programmes will develop inspector capability to a level where they are recognised as experts in industry-safe working practices, regulation, compliance, and developing less experienced inspectors.

The milestone of having 140 Core Inspectors by 30 March 2014 has been completed (139 Health and Safety inspectors and 7 Specialist High Hazards Inspectors: see page 24 for more details on Inspectorate numbers).

Research and Evaluation capability

A WorkSafe NZ-specific research and evaluation function is proposed to be in place by 1 July 2014 to provide specialist expertise and analysis.

Job descriptions and advertisements for Manager and Principal Analyst roles have been developed by Human Resources. The recruitment process is shortly to commence.

Capital injection (ICT)

Development of the Detailed ICT Business Case has commenced.

A tentative target has been set for approval by the Board at its June Board meeting and submission to Treasury on 30 June 2014. July is a contingency month if required.

Internal comprehensive health and safety system

As the health and safety regulator, WorkSafe NZ needs to be an exemplar of good health and safety practices for its own internal health and safety system.

As part of this work, four policies have been finalised as a priority for WorkSafe NZ:

- Health and Safety Management
- Violence
- Safe Driving
- Psychological Harm and Trauma.

Draft policies were finalised at the end of March 2014. Accompanying operational procedures and guidelines are under development. Training of elected Health and Safety representatives is underway and ongoing, including development of a Worker Participation System model.

Engagement model with the Public Service Association (PSA)

We have embarked on a programme of work to develop and embed an engaging, collaborative approach to the way that we solve problems, develop solutions, and design our functions. This work is being completed in partnership with the PSA.

Three priorities have been selected for focus:

- development of WorkSafe NZ's intervention strategy
- development of WorkSafe NZ's human resource management policy framework
- more effective deployment of our inspectorate.

WORKING TOGETHER

Healthy and safe workplaces depend on all of us. WorkSafe NZ wants to support business leadership to foster a safety culture. This requires WorkSafe NZ to play a leadership role by encouraging shared problem-solving, supporting better alignment between key participants in the system and bringing diverse perspectives together to approach sustainable compliance in New Zealand.

Support the Forestry Inquiry

The current rate of serious injuries and death in the Forestry sector is unacceptable and is a high priority for WorkSafe NZ.

A strategic assessment for forestry is now underway, seeking to unpack the underlying issues contributing to forestry's high fatality rate. It is envisaged that this exercise will greatly inform our input into both the Independent Forestry Review and the joint Coronial inquest.

We provide support for the industry-led forestry safety review, including a secretariat function.

More information on our work in the Forestry sector is on page 10.

Injury Prevention

A joint three-year injury prevention plan between WorkSafe NZ and ACC is proposed to be presented to the Board in July 2014, and work on progress and specialist activity will be reported in February 2015.

A second joint planning session was held on 10 March 2014, and high-level priority areas and enabling functions have been identified. Both agencies are also exploring opportunities for collaboration outside the injury prevention plan, e.g. workplace inspections.

The joint Injury Prevention Governance Group (WorkSafe NZ, ACC, and MBIE) is finalising a charter, has reviewed the current draft action plan.

Safety Star Rating Scheme

Part of the Government's *Working Safer* reform package, the Safety Star Rating Scheme (SSRS) is being developed by WorkSafe NZ, ACC, and MBIE. The SSRS will be a voluntary incentive scheme to recognise and reward businesses' good health and safety performance. It will provide financial and non-financial incentives and support businesses to comply with the new legislative framework.

We expect to develop a SSRS proof of concept by midyear. Following this we will release details for wider consultation. The SSRS implementation plan is due by the end of 2014.

Appointment of the Occupational Health Advisory Group

Membership of the Occupational Health Advisory Group (OHAG), which reports to the Board, was confirmed on 27 February 2014.

OHAG will provide advice on:

- Strategies to give effect to the focus on occupational health outlined in the *Working Safer* Blueprint
- Setting priorities for improvements to the health and safety system to reduce harm from occupational exposure, focussing on the development of practical proposals for effective interventions
- Means of improving occupational harm data collection to improve accuracy and assist in resource allocation decisions
- How to ensure we keep abreast of emerging occupational health issues and future developments
- Other matters as the Board may agree from time to time.

A full suite of project options have been identified for the 2014/15 work programme for occupational health, and HSNO implications are being considered. OHAG has prioritised respiratory hazards and control banding as the focus for validation and opportunity analysis.

Appointment of the Extractives Industry Advisory Group

Membership of the Extractives Industry Advisory Group, which reports to the WorkSafe NZ Board, was confirmed on 31 March 2014.

The Group will provide the Board with advice on:

- The effectiveness of the new regulatory framework (including primary legislation regulations, codes of practice and other guidance, and competency requirements)
- Our effectiveness in administering and enforcing the new framework
- Specific aspects of the regime, such as emergency preparedness and response, the Board of Examiners/training and qualifications issues and other issues as appropriate
- Health and safety trends in the sector, both in New Zealand and internationally, and how we can stay abreast of these issues and developments
- Other matters as the Board may agree from time to time.

The Extractives Industry Advisory Group will act as a conduit between us and the industry, helping us get our health and safety messages into the workplace, seeking out worldwide best practice, reviewing incident/injury trends, and implementing appropriate responses.

Workforce Development

A priority in the *Working Safer* blueprint is the establishment of a representative body for health and safety professionals.

WorkSafe NZ attended the April 2014 Health and Safety

Professionals Alliance (HaSPA) meeting as part of transitioning secretariat responsibility to WorkSafe NZ and other ongoing engagement.

Work continues to confirm seed funding to support an accreditation system for health and safety professionals, and a proposal for resourcing the Workforce Development programme post-April 2014 has been drafted and is awaiting approval.

Transport Agencies Effective operational relationships are crucial for aligned regulatory effort, and we take our leadership role in the sector seriously.

Data-sharing between agencies will be enabled specifically by the new Act, but is not a mandatory requirement, so the extent of the information sharing will be determined by the agreements negotiated on an agency-by-agency basis.

Agreements in principle with the Civil Aviation Authority (CAA), Maritime New Zealand, the New Zealand Transport Agency (NZTA), and the New Zealand Police to allow for the sharing of notifications and other information were endorsed by agencies' Chief Executives or their nominees at the end of March 2014.

TARGETING RISK

Some industries manage risk poorly or are inherently more risky. WorkSafe NZ is increasingly directing our resources towards industries and sectors with the greatest risk of harm, and developing regulations, legislation, and auditing tools to apply resources where attention is most needed.

Adventure Activities

The deadline for registration under the Health and Safety in Employment (Adventure Activities) Regulations 2011 comes into force on 1 November 2014, and as at 15 May 2014 there are currently 404 operators still to be registered. To meet the deadline we are currently implementing solutions to address operator preparedness and auditor capacity.

We are investing considerable effort to meet the target deadline for this important activity. Since initial contact was made with all operators we have recruited six expert safety advisers and they have begun intensive engagement with operators. We expect all operators will have been contacted by an expert adviser by mid-June.

The draft auditing scheme is with the Joint Accreditation System of Australia and New Zealand (JAS-ANZ) technical committee to review and is expected to be launched in May 2014. Once launched, we will use the certification process to recognise safety auditors under the regulations. In the interim, we have established a short-term recognition process, and are working with audit bodies about entering the market immediately. These audit providers are expressing confidence that the number of audits required can be completed in the time available.

We are also continuing to build the Registrar function under the regulations and develop WorkSafe NZ's intervention strategy. The latter will help determine resourcing needs from 1 November 2014.

Forestry

We are continuing a ramped-up inspection regime to address the unacceptable death and injury rate in this sector. Assessments of harvesting operations focussing on breaking out and tree-felling commenced in February 2014, and the regime has so far resulted in more than 270 enforcement actions.

Work is underway to confirm a Master List of contractors to generate inspector activity. Once this Master List is confirmed we will assess the implications for delivery timeframes and advise on any required risk mitigation.

Scheduled principals' visits have been completed. Meeting reports will be analysed and a workshop is planned for early May 2014 to identify key lessons and next steps.

An immediate review to better clarify the responsibilities for

principals and contractors under the Approved Code of Practice for Forestry Operations has begun.

A project brief has been agreed confirming the key milestones, and an internal Forestry Committee met for the first time at the end of April 2014. This Committee is chaired by Gordon MacDonald and comprises representation from WorkSafe NZ and MBIE to provide oversight and direction for the increasing range of commitments currently or soon to be underway.

**National
Programmes:
Quad Bikes**

This project is part of the Agriculture Sector Action Plan, and is focussed on improving quad bike safety on New Zealand farms.

The Quad Safety Action Group was established in late March 2014 at a forum convened by WorkSafe NZ in response to the recommendations by Coroner Brandt Shortland last year following his multiple quad death inquest hearings.

The forum endorsed the intent of Coroner Shortland's report and universally committed to the four key quad safety messages he laid out. The key safety messages and a series of agreed work programmes will be implemented by the Quad Safety Action Group. The forum also added a fifth message: Effective maintenance.

The Quad Safety Action Group has universal support from forum participants, which included farmers, manufacturers, national associations, workers, researchers, and WorkSafe NZ as the health and safety regulator. It has been charged with the work the forum agreed is critical to lowering the death and injury toll from quad use, and had its first meeting in early May 2014 to begin implementing this work.

**National
Programmes:
Safer Farms**

The Safer Farms business case has been considered by the Board and a more detailed strategy to integrate with wider injury prevention activity is being developed.

Formal stakeholder engagement is ongoing, including identifying and engaging Māori interests. In addition, discussions are progressing to develop and agree formal partnerships with key players in the Agriculture Sector.

**Major Hazard
Facilities**

Work is being undertaken to build a comprehensive database of Major Hazard Facilities (MHF) which have the potential for a one-off catastrophe. The validation and analysis process is expected to be completed in June 2014.

A high-level plan for major hazard work is due by end of August

2014. Interviews for new positions are currently underway, and developing core systems for the unit will commence once the initial recruiting phase for specialist inspectors is completed, which is expected to be May 2014.

Energy Safety

A number of projects in Energy Safety were undertaken in Quarter 3.

The mining provisions of the Electricity (Safety) Regulations 2013 amendments came in to effect 31 December 2013 and the remaining provisions on 1 February 2014.

Energy Safety has reviewed and provided feedback on a draft of the Gas (Safety and Measurement) Amendment Regulations (2014), and received the latest draft for comment.

WorkSafe NZ officials travelled to China in February 2014 to participate in meetings in Beijing, supporting MBIE's attendance at a workshop relating to the New Zealand – China Fair Trade Agreement, and to discuss approaches to Regulatory Risk Management.

**Release of
Workplace Bullying
Guidelines**

Our Best Practice Guidelines for preventing and responding to workplace bullying were launched at the Toward Health Work for All symposium hosted by the Auckland University of Technology in mid-February 2014.

Bullying leads to stress and loss of workplace productivity, and has a range of negative effects on individuals. We have now launched online guidance that anyone can use. It includes practical tools for individuals to assess what is happening for them and for organisations to assess whether they have this problem in their culture, and step by step tools for doing something to address it.

WORKING SMARTER

WorkSafe NZ is reviewing our intervention approaches to become a high-performing regulator. We will take a risk-based, targeted approach to ensure that sectors and businesses that present higher risks receive tailored information appropriate to their needs and other interventions that will be effective in influencing them. The choice of intervention will be proportionate, targeted (intelligence-and experience-led), consistent (but not uniform), and transparent.

Regulatory Framework We are supporting MBIE's development of the new Health and Safety At Work Bill. The Bill was introduced on 10 March 2014, and it is now with the Transport and Industrial Relations Select Committee. The focus now remains on reviewing the Regulations Discussion Document and development of the regulations.

A detailed Programme Plan has been signed off by the Implementation of the Regulatory Framework Governance Group, and Terms of Reference are being developed for each workstream. This includes inspector training on the new regulatory framework.

Intervention strategy We are reviewing the mix of interventions WorkSafe NZ uses to influence workplaces' compliance with health and safety requirements.

Through March and early April 2014, we facilitated 23 workshops on the development of intervention strategy across the workplace health and safety system and our intervention approach with staff and stakeholders.

Prosecutions Our Legal team has now been fully established. The team is continuing its close work with inspectors on prosecutions, provision of legal advice and opinions, and ensuring WorkSafe NZ's policies and procedures are sound.

Some prosecution files from the last financial year have been handled by MBIE's Legal Services team to ensure consistency across the transition period to WorkSafe NZ's establishment, but these will phase out over time.

The Legal team has been leading the development of the WorkSafe NZ Prosecution Policy, which is yet to be approved by the Board. This policy sets high-level expectations about the approach that WorkSafe NZ will take in its prosecutions and the processes that it will follow. This policy will support the WorkSafe NZ intervention strategy when finalised.

REBUILDING CANTERBURY SAFELY

The challenges facing Canterbury and its people in the aftermath of the 2010 and 2011 earthquakes are significant. The Canterbury rebuild is dominated by high-risk activities on a scale unprecedented in New Zealand, and WorkSafe NZ is delivering health and safety programmes to support the rebuild, as well as assessment of Canterbury workplaces.

The Canterbury Rebuild Safety Charter

We help support, fund, and steer the Canterbury Rebuild Safety Charter and its initiatives. The Charter has been developed, launched, and implemented and there are now more than 115 signatories and endorsees (see www.safetycharter.org.nz).

Work over the last quarter has focussed on developing the work plans of the three Charter Working Groups (Communications, Charter Performance, and Leadership). Key actions will include:

- A brand awareness campaign throughout Canterbury from mid-May 2014, including posters and other collateral
- A self-assessment and a peer assessment tool to assess performance against the Charter, and scoping for third party auditing
- Guidance on health and safety leadership practice at four organisational levels (senior, middle (team leader/supervisor), employee, and contractor/sub-contractor/hired labour)
- A safety awareness campaign based around the ten actions of the Charter, to begin in July 2014.

The Charter self-awareness tool allows signatories to assess themselves against the Charter. More than 65 Charter signatories have completed the self-awareness tool and provided their results. Initial results indicate fatigue and health and wellbeing as key areas where signatories are asking for more support.

Building the Inspectorate

The Programme inspectorate team has more than doubled to ten inspectors. Experienced construction inspectors from WorkCover New South Wales are warranted and working on a rotating secondment basis alongside WorkSafe NZ inspectors.

Assessment tools for inspectors on asbestos, mobile plant, and excavations have been developed, trialled, and are being implemented.

Targeted guidance material

We are providing targeted guidance material to areas of high risk. Work in this quarter includes factsheets on Mobile Plant and Quick Hitches that were released in early March 2014, Asbestos factsheets which have been finalised and will be published in May 2014, and Cranes support material which has been drafted and is being reviewed.

Navigatus has provided an initial report on risk profiling rebuild activity.

Dust, Asbestos and Occupational Health

Monitoring occupational health and exposures is a key focus of our work in Canterbury.

A Silica Dust testing pilot is in the planning phase, and discussions with ACC are ongoing.

The Engineering Consultant firm Beca has been commissioned to undertake research on disposal sites of asbestos and other contaminated waste in the rebuild area. We have been working closely with other key agencies (Environment Canterbury, Christchurch City Council, the Canterbury Earthquake Recovery Authority (CERA), Canterbury District Health Board, and the Ministry for the Environment) in this area.

The Mobile Plant trade breakfast was held on 7 March 2014 with more than 200 people attending. To date more than 1,700 workers have attended Seminars and Trade Breakfasts in Christchurch on issues such as falls from heights, occupational health, and asbestos.

Vulnerable Worker Populations

High-risk and vulnerable populations in Canterbury need targeted advice and support from WorkSafe NZ, and co-ordinated enforcement approach from us and MBIE.

A Christchurch-based business analyst will start on 14 April 2014 to support Health and Safety, Labour, and Immigration operations. This person will target issues relating to at-risk/vulnerable workers. This follows discussions with MBIE's Immigration and Labour inspectorates and plans to increase MBIE's resources in Canterbury in this area.

Programme Support

At the request of the Board, Sapere Research Group has drafted a proposal to developing an evaluation Framework for our Canterbury Rebuild Programme.

Planning of work between ACC and WorkSafe NZ as part of the joint injury prevention programme, including in Canterbury, is waiting on further progress by ACC before they are able to engage.

PART 3: FOCUS FOR NEXT QUARTER

Our Senior Leadership Team has a Planning Day on 2 May 2014 to discuss its focus over the medium-term (the next 18 months). Particular areas of focus are big ticket items, both internally- and externally-facing, that will contribute to improving health and safety outcomes and the key actions that will drive priorities in 2014-15. This will inform the development of WorkSafe NZ's Business Plan, which will be discussed with the Board at its meeting on 25 June 2014.

Likely areas of particular focus for the next quarter are:

- Internal focus on: Strengthening our internal capability and systems by increasing our inspectorate capability and capacity, supporting our practice framework, and developing our fit-for-purpose business processes, including design and delivery of programmes and business intelligence systems.
- External focus on: Progressing the implementation of *Working Safer* priorities, particularly the development of the new legislation and subsequent regulations.
- Continuing targeted work in high-risk areas including Forestry, Adventure Activities, High Hazards, and Canterbury

STRENGTHENING NATIONAL OFFICE FUNCTIONS WITH REALIGNMENT

Our organisational structure has been developing since its inception to ensure WorkSafe NZ is effectively placed to respond to the recommendations of the Pike River Royal Commission and the Independent Taskforce on Workplace Health and Safety.

Four corporate senior leadership roles have been established and further changes are planned to reconfigure the existing leadership structure to ensure we have the necessary senior level expertise and focus to lead health and safety reforms. The primary focus is ensuring strong integration and cohesion in the design and delivery of our regulatory functions located within National office. Consultation is underway with the current leadership team ahead of further staff engagement. A new structure is anticipated to be in place by 1 July 2014.

PLANNING AND ACCOUNTABILITIES

Quarter 4 will see work the finalisation of the Statement of Intent (SOI) and Statement of Performance Expectations (SPE) for WorkSafe NZ, and work to support accountability processes such as the Vote Labour Estimates Examination. Business Planning and Budget-setting for 2014-15 will also be developed.

The SOI and SPE, which include our new framework and performance indicators, have now been released to staff and stakeholders for feedback. External stakeholders include ACC, the EPA, Maritime New Zealand, the NZTA, the New Zealand Police, the Treasury, the State Services Commission, the Department of the Prime Minister and Cabinet, Statistics New Zealand, the Office of the Auditor General, Audit New Zealand, NZCTU, and BusinessNZ for feedback. We will also continue to work with MBIE on refining the content.

NATIONAL MEDIA CAMPAIGN

The implementation of the national media campaign to raise awareness of WorkSafe NZ and promote shared responsibility for workplace health and safety in New Zealand is being developed for consideration by the Board. This will include the WorkSafe NZ vision, purpose, and values, which lay out our culture as an agency.



ICT BUSINESS CASE

Development of the Detailed ICT Business Case has commenced, with a tentative target for approval by the WorkSafe NZ Board at its June Board meeting and submission to the Treasury on 30 June 2014.

COLLECTIVE BARGAINING

The PSA has also initiated bargaining for a collective agreement with WorkSafe NZ. We have notified all employees whose positions fall within the proposed coverage clause that bargaining has been initiated, whether or not they are members of a union, as required.

PART 4: MEETINGS, BRIEFINGS AND ENGAGEMENTS

CHIEF EXECUTIVE

This quarter Gordon MacDonald has met with a number of key stakeholders, including the New Zealand Council of Trade Unions (NZCTU), BusinessNZ, and transport agencies. He also made a number of visits to our regional offices.

BOARD

The WorkSafe NZ Board has had discussions with the NZCTU and BusinessNZ as part of Board meetings held during the quarter. Our Chair, Professor Gregor Coster, has spoken at a number of engagements across the country with key stakeholders, including commercial Boards. Along with Gordon MacDonald, Professor Coster has also visited a number of Forestry owners on site.

On 6 March 2014 Professor Coster attended a major stakeholder event in Christchurch, including new signatories of the Canterbury Rebuild Safety Charter. The June meeting of the WorkSafe NZ Board is to be held in Christchurch and will include discussions with key Canterbury stakeholders such as the Stronger Christchurch Infrastructure Rebuild Team (SCIRT) and the Canterbury Earthquake Recovery Authority (CERA).

OTHER

Wellington Stakeholder Function

Around 120 people celebrated our first three months, welcomed Chief Executive Gordon MacDonald, and farewelled Acting Chief Executive Geoffrey Podger at a Wellington function on 24 March 2014. Hon Simon Bridges also addressed the gathering in his role as Minister of Labour.

It was the first time WorkSafe NZ has brought together major stakeholders in the capital. It followed a similar function in Christchurch two weeks previously, and a function in Auckland is planned for May 2014.

Guests came from business including forestry, farming, manufacturing, construction, petroleum and energy as well as trade unions, fellow regulators, government agencies, and academia.

The room was branded with banners showcasing priority areas including legislation, leadership, forestry, high hazards, Canterbury, and guidance and standards. WorkSafe NZ and MBIE staff were available to talk about our work in these areas.

Energy Safety

Through work by our Energy Safety team, MBIE, and Chinese authorities, New Zealand has become the first country in the world to have approval to test, certify, and recommend issue of the China Compulsory Certification (CCC) mark outside of China.

The implementation of the Electrical and Electronic Equipment Mutual Recognition Agreement (EEEMRA), an element of the Free Trade Agreement with China, means New Zealand electrical and electronic product manufacturers will now have easier access to the Chinese market by allowing us to inspect and certify a range of products to Chinese standards here in New Zealand. WorkSafe NZ officials travelled to Beijing in February 2014, progressing the co-operation underpinning the agreement.

The agreement supports both trade and safety outcomes and includes an agreement for co-operation on safety issues between the two governments' agencies. With many of our gas and electrical products coming from China, connections that improve the safety of those products are a key part of our safety strategies. As part of a global market, it is vital that we are sharing information and expertise.

Managers' Forum

Our fourth Managers' Forum for the financial year will be held on 11 June 2014.

PART 5: OVERVIEW OF MEASURES

KEY MONITORS AS AT 31 MARCH 2014 (YTD FROM 1 JULY 2013)

On track

Demand-driven measure

Not on track

Key monitor	Target 2013/14	Result	Comment
The rate of work-related injuries	<u>Fatalities</u> 2.5 per 100,000 workers by 2016 2.1 per 100,000 workers by 2020	An average of 3.5 workers per 100,000 died between 2010-2012.	Government Target This data is calculated by Statistics NZ on a rolling 3 year average. Both results are provisional. Target is: <ul style="list-style-type: none"> By 2016 10% reduction in fatalities and serious injuries By 2020 25% reduction in fatalities and serious injuries
	<u>Serious Injury</u> 14.0 per 100,000 workers by 2016 11.7 per 100,000 workers by 2020	An average of 16 workers per 100,000 were seriously injured between 2011-2013.	
The number of completed HSNO workplace assessments	3,000 -3,500	1,954	Estimates Measure Forecast YTD: 2250-2624 286 below forecast.
The percentage of files recommended for prosecution that have sufficient evidence and are consistent with WorkSafe NZ's enforcement criteria ¹	80%	73%	Estimates Measure 55/56 files have been reviewed YTD and gone to prosecution. Of those: 16 files received 8/10, 5 files received 9/10, 20 files received 10/10.
The number of completed health and safety workplace assessments	10,500-12,500 ²	7,768	Estimates Measure Forecast YTD: 7875-9374 107 below forecast.
The number of investigations of significant gas and electricity accidents and incidents undertaken ³	65	35	Estimates Measure As a demand driven activity, the low number of investigations indicates better safety outcomes.
An increase in the number of inspectors	180 Inspectors by 30 June 2015	139 ⁴	WorkSafe NZ Target Number includes trainees but not specialist inspectors in the High Hazards Unit. 50 of the 139 have dual warrants.

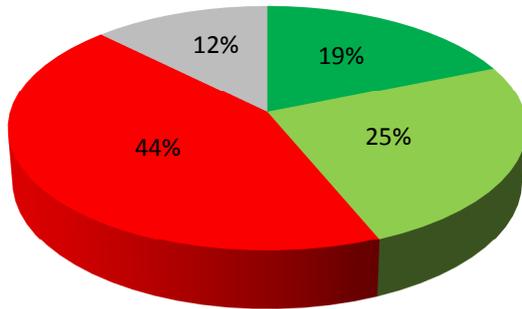
¹ 'Sufficient evidence' is considered to have achieved a rating of 8 out of 10 on legal services review of files.

² Based on 75 per cent capacity throughout the year.

³ Activity information relates to output volume measures that are demand driven and therefore outside WorkSafe NZ's control.

⁴ See page 24 for more details on inspectorate numbers.

OUTPUT MEASURES



In 2013/14, the Chief Executive of WorkSafe NZ is responsible for 16 Estimates measures, including activity information, which are included in the MBIE Output Plan.

As at 31 March 2014:

- 3 measures (19%) were achieved
- 4 measures (25%) were on track
- 7 measures (44%) were not on track (see variance comments below)
- 2 measures (13%) were not yet measured

VARIANCE COMMENTS: ESTIMATES FOR VOTE LABOUR

Measure	Comment
<i>Number of completed HSNO workplace assessments</i>	Target/ Result: 3,000-3,500/ 1,954 Currently below the forecast, the year-end target is unlikely to be achieved due to capacity and capability issues.
<i>The percentage of onsite investigations completed within five months of notification of the event</i>	Target/ Result: 90%/ 84% Currently below the forecast, the year-end target is unlikely to be achieved due to capacity and capability issues.
<i>The percentage of files recommended for prosecution that have sufficient evidence and are consistent with WorkSafe NZ's enforcement criteria</i>	Target/ Result: 80%/ 73% File quality continues to improve. The year-end target may not be achieved.
<i>The number of completed health and safety workplace assessments</i>	Target/ Result: 10,500-12,500/ 7,768 Currently below the forecast, however the year-end target may be achieved.
<i>Notifiable accident investigations (as defined in section 16 of the Electricity Act 1992 and section 17 of the Gas Act 1992) will be responded to and action commenced</i>	Target/ Result: 95% within 24 hours of notification/ 94% The year-end target is likely to be achieved.
<i>Number of electrical and gas appliance suppliers visited</i>	Target/ Result: 150/ 118 The year-end target is likely to be achieved.
<i>and number of products audited*</i>	Target/ Result: 400/ 230 Due to the higher than normal level of notification of unsafe cases and client inquiries, the audit level is less than anticipated, but the year-end target is likely to be achieved.
<i>Number of audits of networks, distribution systems and installations undertaken*</i>	Target/ Result: 30/ 19 Due to the higher than normal level of notification of unsafe cases and client inquiries, the audit level is less than anticipated, but the year-end target is likely to be achieved.

*These measures were previously part of Vote Energy, but have been transferred to Vote Labour appropriations.

PART 6: MINISTERIAL SERVICING

We are working towards a rate of 95% or above for responses to Parliamentary Questions and Official Information Act 1982 requests to be completed within either specified or statutory timeframes.

PARLIAMENTARY QUESTIONS

Overall timeliness is on track.

PQS REQUIRING WORKSAFE NZ INPUT

Type	Total Number	Number Late	On Time %
Oral PQs	6	0	100%
Written PQs	73	3	96%

Results as at 31 March 2014.

OFFICIAL INFORMATION ACT REQUESTS

Overall timeliness has increased slightly from last quarter (from 72% to 78%), but still needs to improve.

OIAS REQUIRING WORKSAFE NZ INPUT

Type	Total Number	Number Late	On Time %
Minister-owned	2	0	100%
Agency-owned, consulted with Minister's office	71	13	82%
Agency-owned	135	33	76%
TOTAL	208	46	78%

Results as at 31 March 2014.

MINISTERIAL CORRESPONDENCE

The Labour and Commercial Environment branch of MBIE provide the drafting services for Vote Labour ministerial correspondence, though our input is sometimes requested by MBIE. MBIE tracks the timeliness of those items to the Minister's office.

PART 7: ORGANISATIONAL CAPABILITY AND HEALTH

WorkSafe NZ is transforming the health and safety regulator into a high-performing organisation with the expertise and capacity to achieve the changes set out in the *Working Safer* reform package.

We will grow the number of frontline staff and specialists (including occupational health capability) and recruit the best people and create a culture that retains our workforce. Work is continuing on the development of a comprehensive staff training and development programme.

We are building a solid organisational infrastructure (e.g. financial, business management and accountability systems) and sharing services with MBIE. Transforming IT systems is a significant and urgently required programme of work. The quality of our expanded operational intelligence work relies on these systems.

PEOPLE

WorkSafe NZ at 31 April 2014	Current Permanent/ Temporary Employees	Current Permanent/ Temporary FTEs	Employees not yet started (as at 30 April 2014)	Contractors/ Agency Temps	Total People
CE Office	11	10.6	0	1	12
Corporate/Finance	6	6.0	0	10	16
Legal	6	5.5	3	0	9
Human Resources	11	10.0	2	8	21
Communications	7	6.8	2	0	9
WorkSafe Establishment Team	0	0.0	0	0	0
Health & Safety Operations	126	124.4	0	2	128
High Hazards & Specialist Services	100	97.4	7	34	141
Regulatory Support & Design	31	30.6	3	15	49
Working Safer Reforms Programme	14	14.0	0	5	19
Canterbury Recovery	29	28.5	0	0	29
TOTAL	341	333.8	15	77	433

NOTE: The transition to WorkSafe NZ has resulted in some challenges in relation to obtaining accurate reporting on personnel numbers and business unit. We are continuing to correct the information held in MBIE's Payroll System to ensure accurate reporting is available on WorkSafe NZ personnel. This work is due for completion later in 2014.

INSPECTORATE BREAKDOWN

Inspectorate* at 31 March 2014	Current Number of Employees						
	Chief Inspectors	Managers	Inspectors - Permanent			Inspectors Fixed Term (B15)	Admin Support
			Assessment/Response/Investigation (B16)	Assistant (B15)	Trainee (B14)		
Response	1	1	3	0	0	0	5
Investigations		8	31	0	0	0	2
Assessment – Northern	1	3	9	7	9	6	7
Assessment – Central	1	6	16	4	10	3	8
Assessment – Southern	1	7	24	5	10	2	11
TOTAL	4	25	83	16	29	11	33

Total Inspectors at 31 March 2014	139*
Estimated Positions By 2016	200

*NOTE: Does not include the 7 Specialist Inspectors and 2 Chief Inspectors in the High Hazards Unit.

WARRANT STATUS OF INSPECTORATE

Inspectorate* at 31 March 2014	Trainee Inspectors (no Warrant)	HSE Warrant only	HSE & HSNO Warrant	Total
Response	0	1	2	3
Investigation	0	11	20	31
Assessment – Northern	9	12	10	31
Assessment – Central	10	15	8	33
Assessment – Southern	10	21	10	41
TOTAL	29	60	50	139

NOTE: Does not include the 7 Specialist Inspectors and 2 Chief Inspectors in the High Hazards Unit.

PART 8: FINANCE

SUMMARY

Year-to-date expenditure is \$2.1m under budget at this point in the year. Over the remaining three months we expect this under expenditure to reduce significantly. In April 2014 we completed a budget reforecast. At 30 June 2014 we are forecasting a surplus of \$1.2m including an Energy Safety activity surplus that will need to be returned to levy payers.

The 30 June 2014 forecast surplus is split as follows:

- Energy Safety – \$0.7m which will need to be returned to levy payers
- Health and Safety – \$0.5m which will be retained.

ISSUES AND RISKS

There are no specific issues and risks to report. As a new entity we are reviewing and revising our policies, procedures, and systems to ensure they are WorkSafe NZ-specific and relevant.

FINANCIAL STATEMENTS

The table below details our year-to-date financial performance as at 31 March 2014. There are no issues to bring to your attention.

FINANCIAL PERFORMANCE (16 DECEMBER 2013 TO 30 JUNE 2014)

\$000	YTD Actual	YTD Budget	Variance	Estimated Outturn	SOI Budget
Revenue					
Revenue Crown	28,600	22,811	5,789***	41,420	46,954
Interest Revenue	99	-	99	159	159
Other Revenue	1,247	1,085	162	1,887	1,857
TOTAL REVENUE	29,946	23,896	6,050	43,466	48,970
Expenditure					
Personnel	12,502	14,589	2,087	24,184	22,884
Other Expenditure	7,520	7,577	57	18,882	25,176
Depreciation	114	135	21	400	910
Capital Charge	-	-	-	-	-
TOTAL EXPENDITURE	20,136	22,301	2,165	43,466	48,970
Surplus/(Deficit)	9,810*	1,595**	8,215	-	-

* Includes Energy Safety surplus of \$679,000

** Includes Energy Safety surplus of \$656,000

*** The Crown revenue variance is a timing variance only. Our Crown revenue reflects the cash received from MBIE via the cash drawdown schedule. This schedule will be updated in May 2014 and total cash and revenue will equal the Estimated Outturn at 30 June 2014.

CHANGES IN EQUITY

The table below details the movement in equity as at 31 March 2014. There are no issues to bring to your attention.

\$000	YTD Actual	Estimated Outturn	SOI Budget
Equity at beginning of year	-	-	12,507
Transfer of assets from MBIE	7,771	7,771	-
Capital contribution from the Crown	-	-	-
Net surplus/(deficit)	9,810	-	-
Equity as end of the period	17,581	7,771	12,507

The variance between the year-to-date actual and the estimated outturn reflects the surplus to 31 March 2014 which has been generated by the timing variance in the Crown revenue. The final result will be close to the estimated outturn at 30 June 2014.

BALANCE SHEET

The summary 31 March 2014 balance sheet is detailed in the table below. There are no issues to bring to your attention.

\$m	YTD Actual	Estimated Outturn	SOI Budget
Assets			
Bank - Current Account	3,432		
Bank - Saving Account	18,000	8,271	10,767
Debtors	1,118		
Fixed Assets	2,773	4,000	7,050
TOTAL	25,323	12,271	17,817
Liabilities			
Creditors and Payables	3,186	3,500	2,948
Employment Liabilities	3,857	1,000	2,362
GST	699	-	-
TOTAL	7,742	4,500	5,310
Equity			
Opening equity	7,771	7,771	12,507
YTD surplus	9,810	-	-
TOTAL	17,581	7,771	12,507