

WorkSafe

TE PŪRONGO O MAHI HAUMARU AOTEAROA

1 January – 31 March 2025



Te Kāwanatanga o Aotearoa
New Zealand Government

WORKSAFE
Mahi Haumaru Aotearoa

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The purpose of this report is to provide an update of WorkSafe's performance over the previous quarter to the Minister for Workplace Relations and Safety and the Ministry of Business, Innovation and Employment (monitoring department). This includes WorkSafe's progress in achieving objectives as set out in its accountability documents, together with a review of WorkSafe's organisational health and financial performance.

Executive summary

WorkSafe's new organisational structure is now in place and is well placed to implement the Health and Safety system reforms as they progress. WorkSafe has progressed development of its inspectorate workforce model, developed a workforce plan and tailored its approach for recruiting and training new inspectors. A pilot recruitment in March received an excellent response with over 900 applications. Further inspector recruitment rounds in June and October will incorporate key learnings.

New priority guidance products have been completed and a new landing page on WorkSafe's website is expected to make it significantly easier for businesses and workers to find guidance material.

Quarter 3 at a glance

Delivering on strategy	Delivery of the priority plans continued in Q3, supporting delivery of WorkSafe's strategy, with focused initiatives progressing across the highest risk sectors – agriculture, construction, forestry and manufacturing – and the permitting function.
Regulatory activities	In Q3, approximately 60% of general inspectorate resource was allocated to assessment activity in the construction sector and over 3000 assessments were completed in Q3 with a focus on priority industries, particularly forestry and construction.
Performance measures	Performance remained steady as WorkSafe continued to implement new strategy and organisational change. Of the 15 measures reported, 9 targets were met.
People	There were 549 FTEs in Q3, a decrease of 18, compared to 567 in Q2 because of the organisational change and people leaving. Voluntary turnover was 10%, a decrease of 2% from 12% in Q2.
Finance	WorkSafe's Q3 result is a surplus of \$24.86m compared to a budget deficit of \$0.26m. The variance is mainly due to Crown revenue being higher than budget due to the Public Service Pay Adjustment funding now being recognised and cost variances arising from delays to organisational change (which has delayed recruitment).

Focus for the next quarter

- In response to the Minister's recently announced system-wide changes to reform health and safety, WorkSafe will focus on updating, improving and expanding guidance and building a consistent and educative approach to inspectorate engagement. Work is also underway to establish a 12-month pilot to report instances of overcompliance of Temporary Traffic Management (TTM) requirements, and for WorkSafe to collaborate with NZTA to educate regarding over-compliance where necessary.
- The Guidance project will be focused on completing the remaining 5 of the 12 priority guidance products and supporting material, including the Forestry Approved Codes of Practice (ACOP), which, subject to consultation, is expected to be published in Q4. Work is also underway to develop options that will enable faster, and more industry led development of guidance in the future. This includes developing templates and the use of AI.
- Following MBIE's consultation on regulatory options for the engineered stone industry in Q3, WorkSafe will support MBIE to gather cost information for the regulatory impact statement on options being considered in Q4.

- WorkSafe will start working with ACC to refresh the Harm Reduction Action Plan 2023-2026. The plan is required to be refreshed at least every three years and identifies opportunities to improve outcomes.
- The new organisational structure aligning WorkSafe's structure and roles was completed. Work to transition business processes and embed ways of working will continue in Q4. Recruitment is a key focus in Q4 with over 100 vacancies to fill – a combination of new roles created by the restructure and recruitment that could not be undertaken whilst WorkSafe was in consultation.

Priorities and key updates in Q3

Progress on the organisational priorities is reported in this section. Key activities and achievements during the quarter are also summarised.

Priorities and focus areas

Inspectorate workforce model and plan

In Q3, WorkSafe progressed the development of a workforce model using working population, harm profile and employee data. The model uses data from various sources to assess the current resource and requirements of regions and areas. A workforce plan includes the outputs from the model, and other tools WorkSafe needs to make the required shifts.

Inspector recruitment and training

WorkSafe has completed a review and tailored a revised recruitment approach to focus on engagement, education and cultural capabilities for new inspectors. As a result of the revised recruitment approach, an increase in engagement in interactions with businesses is expected. The revised approach will be tested through a planned pilot recruitment round that commenced in March. The advertisements have received an excellent initial response with over 900 applications in total, with a broad range of industry and cultural backgrounds represented.

Transition to the new integrated inspectorate structure

The new integrated inspectorate structure has brought significant change requirements across people, process and technology. Inspectorate leaders at all levels are working to align new processes and embed them as the operating model continues to be implemented.

Guidance

The guidance project continued to progress in Q3. The process of archiving and consolidating guidance is to be completed by 30 June. WorkSafe is developing a new landing page to make it easier for people to access guidance on the WorkSafe website. The project is focussing on completing 12 priority guidance products and supporting material, including the Forestry ACOP. Seven of the priority products were completed by the end of Q3, with the remaining five on track for completion in Q4 subject to industry feedback.

Strategic Baseline review recommendations

All actions from the plan MBIE endorsed in Q2 are on track, with the new measurement framework and costing delivered as part of the draft Statement of Performance Expectations.

Organisational change

WorkSafe completed its organisational change, effective 31 March, aligning structure and roles. WorkSafe will continue to refine and create process efficiencies as new ways of working are embedded. As part of transition and capability building, leadership development training is scheduled to begin in Q4 for the Tier-3 managers.

Key activities and updates

Priority plans

The priority plans continue to support delivery of WorkSafe's strategy, with focused initiatives progressing across the highest harm sectors. For more information, see the next section (*Delivering the strategy*) for initiative updates under each sector plan.

WorkSafe held quarterly meetings with partner organisations from the agriculture, construction, forestry and manufacturing sectors. WorkSafe shared updates on strategic projects and priority plans including strengthening its regional approach by linking up regional managers from WorkSafe and partner organisations. Partner organisations also shared their plans.

ACC funding

ACC funding of WorkSafe ended 31 March. Total ACC investment was at \$75,898m (subject to finalisation of March results). All funded work has now been exited or transitioned to baseline funding. In WorkSafe's new structure, there are clear roles and accountabilities for the ongoing planning and delivery of engagement targeting harm prevention. WorkSafe will continue to work closely with sector leadership groups and coordinate with ACC on harm prevention. In Q4, work will commence to refresh the Harm Reduction Action Plan.

Maruiti 2027 Strategy

Māori make up a growing proportion of New Zealand's population and workforce. In 2023, nearly 20% of the population was Māori, and Māori workers made up at least 15% of the workforce. Serious non-fatal injury rates for Māori workers are estimated to be 30% higher on average than non-Māori workers. To address this, WorkSafe held a series of internal workshops to confirm the shifts needed to align the current Maruiti plan with WorkSafe's strategy and outcomes framework. The refreshed Maruiti plan will set out a coordinated action plan to reduce the disproportionate level of harm for Māori.

Whakaari

The conviction of Whakaari Management Ltd (WML) for breaching the duty imposed on PCBU's with management and control of workplaces was overturned on appeal in Q3 (The convictions and sentences of six other entities prosecuted by WorkSafe remain). The WML decision is now the leading authority on the scope of the duty. In the meantime, preparation for the Whakaari Inquest has begun and WorkSafe has been informed that it will take place in two phases:

- Phase one will address matters from the eruption in 2019 including the emergency response, timing and location of the deaths,

and causes of the deaths. It will start on 3 October and continue for six to eight weeks.

- Phase two will address matters preceding the eruption, including regulatory oversight of tours to Whakaari, and will take place in 2026.

Engineered stone reform (supporting MBIE)

WorkSafe supported the joint agency governance and working groups. MBIE's public consultation on engineered stone and materials containing Respirable Crystalline Silica, closed in late March. In Q4, WorkSafe will support MBIE gather cost information for the regulatory impact statement on options being considered.

Engagement with external parties

WorkSafe held a Board engagement event focusing on the manufacturing sector in Auckland. Industry stakeholders from the Employers and Manufacturers Association, Meat Industry Association, Metals NZ, E tū Union, the Puataunofu Strategic Leadership group and other large businesses attended and spoke with Board members about the health and safety performance of the sector and the issues and challenges they face. The event was well received by attendees. The next Board engagement event, in June, will focus on the construction sector.

Delivering the strategy

WorkSafe focuses its effort on where it will make the biggest difference and contribute to equitable outcomes. WorkSafe is guided by evidence and insights about acute, chronic and catastrophic harm, and will focus on high-risk sectors – agriculture, forestry, construction, and manufacturing, and high-risk activities such as mining, adventure activities and work involving hazardous substances.

Focusing on high-risk sectors and activities

The sector plans cover the sectors where the most acute and chronic harm occurs, and the permit plan covers high-risk activities that can result in serious or catastrophic harm if not well managed.

1. Sector plans for high-risk sectors



Agriculture

support the sector-led 'Farm Without Harm' strategy, target high-risk areas of harm, align assessment and enforcement activities, and collaborate with trusted sources of influence to improve health and safety practices.

Initiatives	Progress
Give certainty to the sector through a clear and credible enforcement position.	The Regulatory Approach Policy (previously referred to as the Enforcement and Compliance Policy) is finalised and ready for implementation. In Q4, engagement and enforcement positions will be developed in line with the new policy and strategic priority areas. <i>Note that this is an initiative across all four priority sectors.</i>
Target delivery of tailored programmes to reach workers at greater risk	Follow up with key stakeholders and workshop participants in Q2 highlighted a desire for regional and local based solutions. Safer Farms are taking a lead in maintaining connections and exploring options for expanding and developing the Hawkes Bay programme. WorkSafe conducted over 40 supporting engagements in Q3.
Target management of substances hazardous to health	An update of the Notification and Triage framework to reflect priority sectors was completed. The updated model will be implemented in Q4 enabling WorkSafe to focus its resources in the area with the highest risk of harm.
Influence through organisations and events where rural people meet and seek advice	This initiative will be progressed in Q4 as the partnership and engagement approach is implemented.
Target vehicle and machinery safety	WorkSafe updated the Triage Decision Model to support triage decision-making, aligning it with its strategy and prioritising risks and harm identified in the Sector Priority Plans. Testing is complete, and the model is now at the final sign off stage before implementation. Proactive assessment activity in the agriculture sector, with a focus on vehicle and machinery safety is planned for delivery in Q1 2025/26, with supporting resources in development.



Construction

supports sector-led priorities by clarifying WorkSafe's role, target the management or risk and overlapping duties on complex sites, focusing on actions that only WorkSafe can take, and encourage large, influential businesses to lead improved health and safety practice.

Initiatives	Progress
Build understanding of workers at greater risk	WorkSafe shared data analysis and intelligence gathering on the sector profile with construction sector leaders in Q3. A follow up meeting will be scheduled with sector leaders in early Q4.



Forestry

support sector-led priorities by clarifying WorkSafe's role in the system, foster Kaupapa Māori approaches to drive locally led shifts in health and safety practice and targeting interventions to address the most serious risks in forestry.

Initiatives	Progress
Complete the refresh of forestry guidance	Feedback from the targeted consultation has been incorporated into the forestry guidance draft. In response to forestry sector leader feedback, eight additional workshops were held to refine technical content. Development of educational materials to support implementation is underway. Public consultation on the ACOP will begin early in Q4, with publication expected by end of May.
Regional harm prevention approach in Te Tairāwhiti	A key part of the regional approach to reducing forestry harm was developing an exit strategy for WorkSafe. This helps businesses, local leaders and community representatives continue the programme without ACC funding now administered by ACC. WorkSafe met with Te Runanga o Turanganui-a-Kiwa in Te Tairāwhiti in Q3 to review the Relationship Agreement. The meeting clarified how WorkSafe can still support the Alliance using existing resources, in line with its strategy and priority plans. WorkSafe will follow up in Q4.
Target safe tree felling practice	Assessment tools were completed, and national planning and sector coordination group processes were developed and implemented. Focussed assessment activity was undertaken and will continue to develop as data and intelligence support develops.
Encourage improved worker engagement, participation and representation (WEPR)	New resources and approaches to WEPR assessment were developed in Q3. The information, videos, guides and resources will be hosted on a dedicated WEPR hub, making it easy for workers and leaders to find the information relevant to them, all in one place. The hub also includes links to other organisations/agencies sites. Inspectors will be given key messages and a A7 'leave behind' card, which contains the website link and three key WEPR concepts (stand up, speak up, have an HSR).
Share WorkSafe data and insights with the forestry sector leads	A proposal to create and share sector-specific data dashboards based on ACC data with sector partners was approved. A proof of concept for the first dashboard will be shared with sector partners in Q4.



Manufacturing

support sector-led priorities by clarifying WorkSafe's role in the system, target interventions to address the most serious risks, and encourage culturally responsive worker engagement.

Initiatives	Progress
Contribute to the joint agency response to accelerated silicosis	The evaluation of the impact of the Accelerated Silicosis Project is complete. WorkSafe is continuing to support MBIE by providing information to support its consideration of regulatory options for the engineered stone industry. WorkSafe is also supporting the joint agency governance and working groups, including the secretariat support for a meeting of the Dust Diseases Taskforce (a clinical and technical advisory group to the joint agencies).
Share WorkSafe data and insights with manufacturing sector leads	WorkSafe's ELT approved a proposal to create and share sector-specific data dashboards based on ACC data with sector partners. A proof of concept for the first dashboard will be shared with sector partners in Q4.

Initiatives	Progress
Deliver tailored programmes to reach workers at greater risk	WorkSafe delivered the first workshop of five of a kaupapa Māori-focused intervention to improve business awareness of health and safety responsibilities and good practice in a large manufacturing company in Auckland. The first workshop introduced workers to the value of the workers voice in good health and safety risk management and gathered contextual information about key health and safety risks. This information will inform the focus of the next workshop in Q4. The workshop will explore good worker engagement practice reflecting Te Ao Māori.

2. High-risk activities



Permit

set clear expectations for regulated parties, establish robust and consistent decision-making processes, and strengthen compliance monitoring for regulated high-risk work.

Initiatives	Progress
Clear a backlog of historic applications	The focus on long standing (>30 days) permit applications over six priority regimes has led to a significant reduction from 64 in January down to 24 in March. Management continues to focus on reducing these further, with the support of new timeliness reporting tools. Of the nine most long dated compliance certifier applications, five have now been completed with the remaining applications on track for Q4.
Have a compliance system and framework for permit	WorkSafe has completed the compliance framework and socialised it with external stakeholders including MBIE, SARNZ (Scaffolding, Access, and Rigging New Zealand) and HASANZ (Health and Safety Association of New Zealand) receiving positive feedback. The completed framework will be published on WorkSafe's website.
Establish performance standards, including performance expectations of third parties	WorkSafe has completed development of timeliness standards and measures for its authorisation regimes. A reporting dashboard for management and the executive has been developed and implemented covering six regimes. This new reporting is significantly improving the management of applications and timeliness of delivery. Work is underway to expand this reporting to a further two regimes.
Establish robust and consistent decision-making	In Q3, WorkSafe developed the decision-making framework which will be finalised in Q4, along with focusing on building and implementing the supporting decision-making processes for priority regimes.
Strengthen compliance monitoring	WorkSafe has developed a compliance monitoring framework (integrated as part of the decision-making framework) and a monitoring plan. Both of these will be implemented in Q4 as the new team is on-boarded and supporting processes are developed and implemented.

Regulatory activities by output

The WorkSafe New Zealand Act 2013 sets out 16 functions for WorkSafe to undertake as the regulator. Those functions describe the various ways in which WorkSafe is expected to 'promote and contribute to' – or influence – health and safety at work. Broadly, these functions can be grouped into three outputs that WorkSafe delivers – **Engage**, **Enforce**, and **Permit**.



Engage

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

1. Education and training

In Q3, 20 Puataunono Come Home Safely workshops reaching 406 workers, including 259 Pasifika workers across all the priority sectors: 87 in Manufacturing (21%); 259 in Construction (64%); and 60 in Agriculture (15%). A total of 1,126 workers have been reached year to date.

2. Workplace assessments

Workplace assessment activity is either part of a planned program or carried out as a response to a notification. Notifications are received from businesses and the public. Once received, they are reviewed for an appropriate course of action.

In Q3, the number of assessments conducted is 7% higher compared to Q3 last year and has returned to the similar level to Q1, following the decrease in Q2, due to the Christmas holiday.

	2023/24		2024/25		
	Q3	Q4	Q1*	Q2*	Q3
Notifications	2,485	2,239	2,373	2,317	2,361
Assessments	2,985	3,271	3,292	2,887	3,192

*revised since reported in Q2

As part of a focussed plan during Q3, WorkSafe contacted large multi-site building businesses in the construction sector to provide an overview of a plan, breakdown of focus areas, and setting expectations regarding how businesses influence their trades people to employ good health and safety practice.

Engagement with industry partners such as Master Builders, Certified Builders, and Site Safe was followed with nation-wide assessments resulting in enforcement activity in some areas.

Key focus areas for assessment were overlapping duties, risk associated with falls from height, worker engagement participation and representation, risks associated with falling objects, management of substances hazardous to health, and traffic management on work sites.

A key area identified for improvement were processes for hazardous substance management, related to management of harmful dusts (including wood and cladding containing silica). The second key area was the management of risks of falls from height and both of these areas will be themes to continue with the industry in future engagements. Approximately 60% of general inspectorate resource was allocated to assessment activity in the construction sector in Q3. Learnings from the delivery of this focussed assessment will inform assessment delivered in the sector.



Enforce

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

Where businesses and workers do not carry out their responsibilities as they should, some form of action may be taken to enforce compliance with the law. There are a variety of enforcement tools

available to WorkSafe to hold people to account and achieve the maximum influence. Some of the enforcement tools include:

- *Improvement notice*: issued by a WorkSafe inspector directing that a work health and safety risk be addressed.
- *Prohibition notice*: issued requiring activity to cease immediately if a WorkSafe inspector determines that a serious health or safety risk is occurring or could occur.
- *Infringement notice*: requiring a responsible party to pay a fine for breaching specified health and safety obligations.

In Q3, WorkSafe issued 1,441 notices in total.

	2023/24		2024/25		
	Q3	Q4	Q1*	Q2*	Q3
Improvement	1,160	1,259	1,687	1,212	1,207
Prohibition	201	201	273	247	234
Infringement	2	3	4	-	-
Total	1,363	1,463	1,964	1,459	1,441

**revised since reported in Q2*

In addition to issuing notices, WorkSafe has also taken the following actions

- *Prosecution*: WorkSafe files charges for breaches of the law which may result in the Court imposing financial penalties or other sanctions.

An agribusiness has been sentenced and fined \$247,000 and reparations of \$201,477 ordered after a worker died when a trailer tailgate crushed him. Vehicles are a leading cause of death and injury on New Zealand farms and agriculture is a priority sector under WorkSafe's strategy. Clear separation of vehicles and pedestrians is a key component, and signage and designated safe areas are simple and inexpensive ways to boost safety. The farm has introduced reversing cameras, closing alarms, and isolation valves to the back of its trailers.

- *Enforcement undertaking*: Voluntary agreements between WorkSafe and a duty holder. They are legally binding and are generally used as an alternative to prosecution.

During Q3, WorkSafe accepted an enforceable undertaking from a manufacturing company following a serious incident in their factory. A worker sustained hand injuries, including the amputation of two fingers, after encountering moving parts of an industrial wood planer machine.

In response, the company has committed to the following actions:

- provide financial compensation to the injured worker
- installing CCTV systems to monitor and identify potential safety risks, using, using the findings used to drive continuous improvements
- funding a series of webinars to showcase AI technology and trials for businesses in the wood manufacturing sector, sharing insights from collected data
- redesign health and safety documentation into accessible microlearning modules and installing interactive displays in break rooms to facilitate worker training.

In Q3, there were 10 disposed (resolved) prosecutions. In one case (see above), the prosecution was disposed as a result of WorkSafe entering into an enforceable undertaking with the PCBU.

	2023/24		2024/25		
	Q3	Q4	Q1	Q2	Q3
Disposed prosecutions including enforceable undertaking*	25	13	12	8	10

**Figures may change subject to appeal*



Permit

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

Permitting activities in Q3 included:

- The four safe work instruments (SWIs) reported in Q2 (seamless steel gas cylinders, burners, mining and quarrying, and controlled substance licences) are currently in the final phases of internal approval and will be submitted to the Minister's office in Q4. WorkSafe is working with a group of subject matter experts for the laboratories SWI to ensure the sector is consulted and would be able to implement the proposals before they are taken to the formal legislative drafting stage.
- As at Q3, 1251 authorisations and nine exemptions have been processed for the 2024/25 year. In Q3, 311 authorisations and four exemptions were processed.

Quality Measure – Applicant experience

The Permit Plan includes deliverables focusing on quality key performance indicators (including quality standards and measures), scheduled to begin in Q4.

In Q3, WorkSafe began the design of a quality approach which includes four categories: Applicant Experience, Legislative and Regulatory Conformance, Process Efficiency and Impact.

WorkSafe has developed a pilot survey for Applicant Experience and begun testing with asbestos applicants. The work will continue into Q4, with the development of the remaining quality work programme, to provide a comprehensive view of performance.

Permit Performance Framework

The Permit Performance Framework was developed in Q3 and includes consideration of the outputs, impacts and outcomes, at both a regime level and an overall permit function level (in alignment with broader organisational work). Also, work has started to map the input layer of the framework, including the development of a Permit Effort Pilot Application tool to capture the effort staff expend in delivering the permit process. The pilot of the tool commenced and continues into Q4, where data will be evaluated and the overall framework refined.

Performance measures

This section reports on the measures and targets included in the Performance Framework from the Statement of Intent 2024/25-2027/28 (SOI) and Statement of Performance Expectations 2024/25 (SPE).

This is the third quarter reporting against the new set of performance measures to reflect WorkSafe's new strategy. The Q3 performance saw improvement achieving 9 out of 15 reported measures, from 7 out of 13 reported measures in Q2. Of the 6 that were not achieved:

- Three were operational (financial). An overall underspend against budget related to vacancies held through the restructure.
- Two trended positively during the quarter.
- One trended negatively, however with changes to strengthen the focus of our enforcement efforts to priority sectors, (including a full review of the enforcement pipeline), this measure is expected to be achieved by year end.

Overview of performance

	Total number	Number reported in Q3	Achieved	Not achieved
SOI measures (Impact)	5	5	5	-
SPE measures (Output)	7	6	3	3
Organisational measures	5	4	1	3
Total	17	15	9	6

Statement of Intent 2024/25-2027/28

WorkSafe has five impact measures. As at Q3, all five reported targets were achieved.

Impact measure	YTD Actual	Target
Engage		
The percentage of people who make a change after interaction with WorkSafe New Zealand	95%	≥85%
The percentage of employers who know more about what they need to do after interaction with WorkSafe New Zealand	67%	≥60%
Enforce		
The percentage of businesses in priority areas or sectors that improve workplace safety following improvement notices	95%	≥95%
The percentage of businesses that improve workplace safety following improvement notices	95%	≥95%
Permit		
Develop and implement a framework to assess the proportion of businesses that carry out regulated work activity in accordance with their authorisation	On track	By 30 June 2025

Statement of Performance Expectations 2024/25

Financial performance by output (\$M)

	Annual budget	YTD actual	% annual budget spent
Engage	66,639	33,996	51%
Enforce	55,808	31,868	57%
Permit	20,450	17,098	84%
Total	142,897	82,962	58%

Non-financial performance

There are seven output measures. These assess the quality and timeliness of activities delivered by WorkSafe. Unmet targets are highlighted in yellow and variance explanations are provided.

Output measure	YTD Actual	Target
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Engage

1.1	The percentage of recipients satisfied with WorkSafe's interventions	96%	70%
1.2	The percentage of resource directed into high-risk sectors and regions with high harm inequity	89%	80%
1.3	The net promoter score of priority partners and sector lead groups that have trust and confidence in WorkSafe	-	>0

Of 14 priority partner and sector lead groups invited to complete a survey, 4 completed the survey. Of which 4 respondents gave ratings of 6 or lower. 80% rated their engagement experience as good or excellent.

NB. Due to insufficient sample size, no meaningful score can be reported.

Enforce

2.1	The percentage of investigations in priority sectors (agriculture, forestry, manufacturing and construction)	77%	≥85%
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Investigation activity driven primarily by the impact and severity of harm. While the large majority of investigations fall within the priority sectors due to their high-risk nature, the need to investigate very serious incidents outside of the four priority sectors remains. That said, During Q4, we will have a new triage decision-making model in place and will strengthen the oversight of cases accepted for investigation to focus more effort on the priority sectors. This will include assessing existing cases outside of the priority sectors. We anticipate having ≥85% of active investigations in the priority sectors by year-end.

2.2	The percentage of prosecutions that result in the relevant parties being held to account	77%	≥80%
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The YTD result is below target due to two defendants in Q2 being found not guilty and one case being withdrawn for procedural reasons. Note that this result is provisional, as all prosecutions are subject to appeal. This result trended positively during the quarter, up 6%.

Output measure		YTD Actual	Target
Permit			
3.1	The percentage of authorisation applications and renewals processed within agreed timeframes*	70%	≥85%
<i>There has been a lot of progress made reducing long-lived Adventure Activity applications and some progress in Asbestos. The volumes expected in Q4, even with improved processing times, are unlikely to make up enough grounds to meet the year-end target. The YTD actual result is up 9% over the past six months.</i>			
3.2	The percentage of authorisation applications and renewals processed according to WorkSafe's quality standards*	100%	≥85%

*Two authorisation application processes (Asbestos and Adventure Activities) are measured.

Organisational health and capability

WorkSafe has five organisational health and capability measures. The staff engagement measure (not reported in Q3) is based on the We Say survey. The survey will be run in May and will be a key baseline for organisational engagement following the recent re-organisation.

The costs were lower than 2023/24 costs in most areas at WorkSafe, due to vacancies, resulting in some measures not meeting the targets in Q3. Unmet targets are highlighted in yellow.

Organisational measure	Actual	Target
Organisational efficiency		
Frontline staff to support staff ratio	76:24	Improvement from 2023/24*

*As at 30 June, the ratio was 74:26

Budget management

Expenditure within budget	24%	Spend is within ±2% of budget
Positive variances were due to the impact of organisational change, coupled with higher-than-anticipated vacancies. Additionally, planned expenditure related to ICT, facilities, and other operational areas have not materialised as the new structure is implemented.		

Cost efficiency

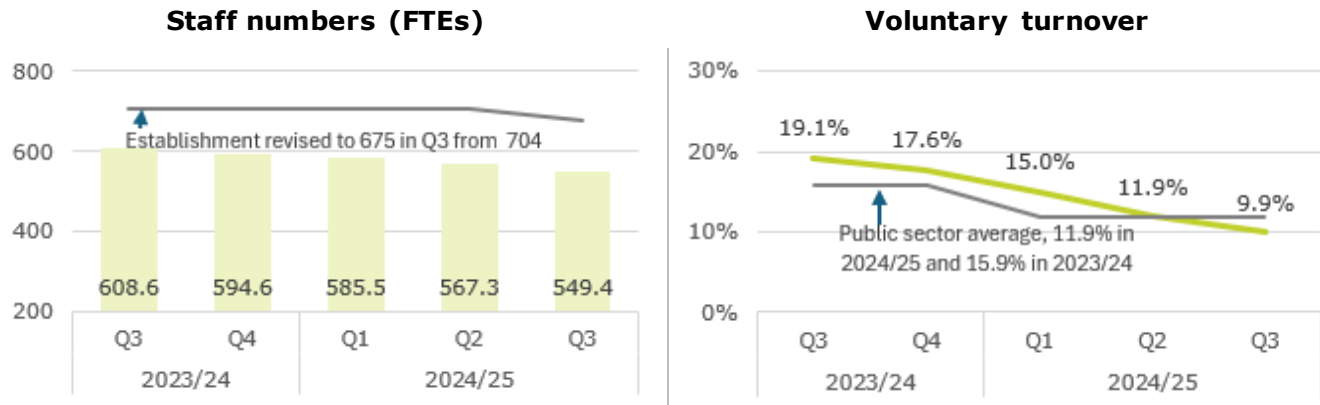
Cost of Inspectorate activities	16.7%	Within 2% of 2023/24 costs
Cost of processing authorisation applications and renewals	-11.2%	Within 2% of 2023/24 costs
This measure was achieved last quarter and was impacted by the lower number of applications received during the Christmas/January holidays. During this time, additional resource was allocated to reduced longstanding (existing) applications, which are now at their lowest level over the past 12 months.		

Organisational health and risks

WorkSafe People

Note: The new organisational structure took effect on 31 March 2025, people figures in this report are as at 28 March 2025.

In Q3, staff numbers continued to decrease because WorkSafe could not recruit until the organisational restructure had completed and recruitment is now underway to fill vacancies. The voluntary turnover continued to decrease.



Inspectorate capacity

The total number of inspectors has reduced by three since Q2, due to resignations and an internal movement within the organisation. Three recruitment cohorts are planned for the 2025 calendar year to bring on a maximum of 60 new trainee inspectors.

		Ratio of inspectors per 100,000 workers		Total number of inspectors		
		Trainees included	Trainees excluded	Trainees	Inspectors	Total
2024/25	Q1	6.7	6.0	19	178	197
	Q2	6.6	6.3	9	185	194
	Q3	6.6	6.5	1	190	191

Personnel expenditure

Total FTEs*	Total salary*	Average salary*
562.83**	\$72,346,967	\$128,541

*as per the Public Service Commission definition (ie, excludes the Chief Executive)

**as at 25 March 2025. The figure was extracted just before the new structure took effect. Therefore, the total FTEs were higher than the figure reported above

Contractors and consultants

The ongoing organisational change and impact of the implementation of the new strategy has resulted in variance of phasing of contractor/consultant spend from budget in both capital and operating expenditures.

\$000	Actual	Budget	Variance	Full year budget
Operational expenditure	6,793	9,240	2,447	11,684
Capital expenditure	547	3,180	2,633	4,240

The number of contractors increased by three driven by the organisational activities. These resources are supporting WorkSafe to expedite delivery of our strategy and priority plans and filling vacancies whilst recruitment of permanent resource is underway following the organisational change.

	2023/24		2024/25		
	Q3	Q4	Q1	Q2	Q3
Contractor numbers	15	15	15	21	24

Risks

Organisational risks

WorkSafe has engaged a third party to undertake an independent review of risk management maturity and practices to support insights and provide external assurance. A roadmap and underlying work programme to support maturity uplift, a refreshed strategic risk register and a findings report will be provided to management and the Board by June.

Work is ongoing to deliver mitigation plans and improve controls. Overall, there continues to be good progress in improving the entire control environment, which is trending positively, and strategic risks have remained stable.

Organisational change process

Although the organisational change process concluded 31 March 2025 (when the new organisation structure came into effect), risks related to employee wellbeing, engagement and productivity continue to be heightened. This is a combination of new processes being established, new leadership and functional groups forming and the high number of vacancies that are in the process of being filled.

It is expected that these risks will decrease as the new structure and strategy are embedded, and WorkSafe transitions to new ways of working. Additional training is planned to improve people leaders' capability to support employees.

Financial performance

WorkSafe's quarter three result is a surplus of \$24.86m compared to a budget deficit of \$0.26m. This is mainly due to increased revenue since the SPE was prepared; cost variances arising from delays to organisational change; and greater than anticipated vacancies as we implement the new structure.

Statement of comprehensive revenue and expenditure

\$000	Actual	Budget	Variance	Full Year Budget
Revenue				
Revenue Crown	104,176	101,276	2,900	135,035
Interest Revenue	1,984	1,177	807	1,569
Other Revenue	6,657	6,006	651	6,340
Total Revenue	112,817	108,459	4,358	142,944
Expenditure				
Personnel	62,331	72,786	10,455	95,732
Contractors	2,655	3,247	592	4,252
Depreciation	5,544	6,638	1,094	8,850
Other Expenditure	17,430	26,051	8,621	34,063
Total Expenditure	87,960	108,722	20,762	142,897
Surplus/(deficit)	24,857	(263)	25,120	47

Revenue by area

Crown revenue is higher than budget due to the Public Service Pay Adjustment contingency funding now being recognised as it was approved by Joint Ministers in August. Other revenue is above budget due to higher interest revenue. ACC revenue is also higher than budget, mainly due to revisions to the ACC programme, which aligns to ACC programme expenditure.

\$000	Actual	Budget	Variance
Working safer levy	98,848	95,948	2,900
Major hazard facilities levy	2,019	2,019	-
Energy safety levies	3,309	3,309	-
ACC	5,936	5,000	936
Fees and Other Revenue	2,705	2,183	522
Total revenue	112,817	108,459	4,358

Expenditure by area

\$000	Actual	Budget	Variance	Full Year Budget
Core Delivery <i>(excl. Depreciation)</i>	70,906	91,477	20,571	121,571
Depreciation	5,544	6,638	1,094	8,850
Specific Delivery <i>(tagged funds)</i>				
Whakaari	453	-	(453)	-
Energy Safety/ MHF/P&G	5,121	5,555	434	7,406
ACC Programme	5,936	5000	(936)	5,000
Refrigeration	-	52	52	70
Total Specific Delivery	11,510	10,607	(903)	12,476
Total Expenditure	87,960	108,722	20,762	142,897

- Core Delivery expenditure (excluding depreciation) is \$20.76m below budget due to cost variances arising from delays to organisational change and greater than anticipated vacancies as we implement the new structure.
- Core Delivery Depreciation is \$1m below budget, due timing of capital spends.
- Whakaari has spent \$0.4m, funded through the Whakaari contingency funding.
- ACC Programme is now completed. Post SPE budget updates, WorkSafe and ACC had an agreement to increase the budget from \$5m to \$6.5m and therefore the \$0.9m overspend will shift to \$0.5m underspend position.

Capital spend

\$000	Actual	Budget	Variance	Full Year Budget
ICT software	678	1,755	1,077	2,340
ICT hardware	-	225	225	300
Motor vehicles	-	1,425	1,425	1,720
Leasehold improvements	-	1,290	1,290	1,900
Total capital spend	678	4,695	4,017	6,260

- ICT software spend to date is primarily on Digital's continuous enhancement project.
- The purchase of motor vehicles has been delayed due to vehicle availability and rationalisation of organisational fleet requirements.
- Leasehold improvements underspend is due to the replanning of office requirements and lease timings.

Memorandum accounts

\$000	Total YTD Balance	YTD Actual	Prior Year Total YTD
Major Hazard Facilities Levies			
Revenue	20,706	1,538	19,168
Expenditure	(20,322)	(1,696)	(18,626)
Total surplus/(deficit)	384	(158)	542
Add Crown Account surplus/(deficit)	2,381	480	1,901
Total surplus/(deficit) - WorkSafe held levies	2,765	322	2,443

Current financial position: Statement of financial position

\$000	Actual	Budget	Variance	Full Year Budget
Cash and bank	45,414	25,350	20,064	21,047
Investments	20,000	10,000	10,000	15,000
Debtors	5,407	4,300	1,107	4,257
Fixed assets	33,742	40,835	(7,093)	38,423
Total assets	104,563	80,485	24,078	78,727
Creditors and payables	6,922	6,372	550	5,201
Employment liabilities	7,021	8,234	(1,213)	8,234
Crown loan	19,528	19,528	-	17,945
Total liabilities	33,471	34,134	(663)	31,380
Net assets	71,092	46,351	24,741	47,347
Equity				
Capital reserves	35,778	36,976	(1,198)	37,925
Memorandum accounts	2,765	1,853	912	1,853
Accumulated surplus/(deficit)	32,549	7,522	25,027	7,569
Total Equity	71,092	46,351	24,741	47,347

- **Cash and bank:** higher than budget mainly due to overall lower spending.
- **Investments:** higher than budget due to higher surplus cash invested in term deposits to avail of higher interest rate.
- **Debtors:** higher than budget mainly due to the timing difference in the receipt of PSPA funding, the release of prepayments and payment to WorkSafe's payroll provider.
- **Fixed assets:** lower than budget mainly due to timing of capital spends.
- **Creditors and payables:** higher mainly due to the timing of payments.
- **Employment liabilities:** lower than budget due to timing of use of annual leave and accrued salaries.
- **Crown Loan:** within budget. No transactions are expected until the end of the year.
- **Equity:** higher than budget due to actual surplus of \$24.86m compared to budgeted deficit of \$0.26m.

Statement of cash flows

The overall cash position is higher than budget, mainly due to lower expenditure. The individual differences reflect the variances discussed above in the Revenue and expenditure by area and the Statement of financial position.

\$000	Actual	Budget	Variance	Full Year Budget
Operating cash flows				
Receipts from Crown	100,995	101,276	(281)	135,035
Receipts from other revenue or interest	11,328	7,927	3,401	7,927
Payments to suppliers/employees	(84,595)	(106,753)	22,158	(136,207)
Net operating cash flows	27,728	2,450	25,278	6,755
Investing cash flows				
Receipts/(payments) for term deposits	(10,000)	-	(10,000)	(5,000)
Receipt from sale of fixed assets	75	-	75	-
Net asset purchase	(672)	(4,830)	4,158	(6,438)
Net investing cash flows	(10,597)	(4,830)	(5,767)	(11,438)
Financing cash flows				
Capital contribution	-	-	-	-
Crown loan paid, net	-	-	-	(2,000)
Net financing cash flows	-	-	-	(2,000)
Cash movement				
Net increase/(decrease) in cash	17,131	(2,380)	19,511	(6,683)
Opening cash	28,283	27,730	553	27,730
Closing cash	45,414	25,350	20,064	21,047