

Chief Executives' Leadership Group

Meeting Date:	27 March 2019
Title:	Government Health and Safety Lead Review

Purpose

- 1 The purpose of this paper is to set out the findings of a review of the Government Health and Safety Lead (GHSL) and outline a future approach to supporting government agencies and the wider system in health and safety.

Executive summary

- 2 The GHSL was established in August 2017 for a fixed period of 24 months. During this time, the GHSL has delivered practical foundational initiatives, targeting areas of common need. The GHSL has been well supported and has helped increase awareness, strengthen leadership, governance and capability and has delivered an uplift in performance.
- 3 A recent review has been conducted by Deloitte. Agency chief executives and other stakeholders were interviewed, and workshops with deputy chief executives and heads of health and safety were held on the relative value of the Government Health and Safety Lead (GHSL), and whether they would support some form of extension.
- 4 The Deloitte review has confirmed the value that the functional lead has brought to chief executives and their agencies, as well as their general support for a continuation of the initiative.
- 5 There is general agreement that a longer term extension would support the Government's new Health and Safety at Work Strategy and achieve a higher level of performance and maturity across agencies. The GHSL work plan could include a more strategic emphasis on sector risks, a stronger focus on higher risk agencies, further development of the health and safety workforce that supports the sector and a move from awareness and commitment-raising to driving actual performance improvement, as measured by reduction in harm and ongoing SafePlus assessments.
- 6 A term of around four years is supported with a clear transition / exit phase to occur within this timeframe.
- 7 Ray Smith and Vincent Arbuckle met with the State Services Commissioner Peter Hughes on 22 February to discuss feedback from the Deloitte review and Peter's thoughts regarding the GHSL's future. Peter requested that the GHSL continue and for the term to be aligned to Ray's term as Director General at MPI (through to November 2023).

- 8 The GHSL will prepare a strategic plan, budget (expected to be no greater than the 2018/19 budget), agency contribution levels, governance/consultation structures, proposed resourcing and performance measures for the group's approval.
- 9 It is proposed that the financial administrative support for the GHSL moves from Corrections to the Ministry for Primary Industries from 1 July 2019.
- 10 Preliminary discussions with the State Services Commission suggest that the GHSL will need to continue to be 'club-funded' by agencies, at least for the immediate future.

Background

- 11 The Royal Commission into the Pike River Mine tragedy and the Independent Taskforce on Workplace Health and Safety reset New Zealand's approach to health and safety by recommending the establishment of a new regulator and underpinning legislation. WorkSafe New Zealand assumed responsibility for workplace health and safety on 16 December 2013. The Health and Safety at Work Act 2015 came into effect on 4 April 2016.
- 12 The Independent Taskforce recommended that Government *provide strong leadership and act as an exemplar of good health and safety practice by ensuring that excellent health and safety outcomes are achieved by its own agencies.*
- 13 In August 2017, the State Services Commissioner appointed Ray Smith, then the Chief Executive of the Department of Corrections, to undertake a system role as the Government Health and Safety Lead. The GHSL was established for a fixed period of 24 months to work with chief executive colleagues to strengthen system capability and build cross sector relationships that sustain learning and intelligence about what works. The aim was for agencies to demonstrate how smart health and safety practice which balances service delivery, security and safety, can produce the right level of protection that is proportionate, sensible, cost effective and practical.
- 14 The GHSL has been club-funded by 38 public service and wider state sector agencies since 1 January 2018. The Department of Corrections met the cost of the interim establishment phase (August 2017 to 31 December 2017), provided administrative support for the function since its establishment and contributed approximately 35% of the unit's cost from 1 January 2018. In November 2018, Ray Smith was appointed as Director-General, Ministry for Primary Industries and has continued as the GHSL.
- 15 In December 2018, the Government released a new Health and Safety at Work Strategy 2018-2028 with a strong emphasis working together to achieving better outcomes and reducing work-related harm. The strategy places an importance on *sectors supporting businesses and leaders to understand and manage risks well, engage workers and innovate.* The Government is noted in the strategy as *leading by example.*

What have we achieved as a sector?

Delivered practical, foundational initiatives

16 With a fixed term mandate of 24 months, the GHSL has focused on delivering practical, foundational initiatives that have sought to increase leadership capability, provide common resources, develop the sector's health and safety workforce and strengthen the performance and reporting environment. Significant achievements have included:

- Sector chief executives collectively joined the Business Leaders' Health and Safety Forum and together signed a joint pledge with the Minister for Workplace Relations and Safety in February 2018
- The establishment of a sector website and the development of guidelines, good practice resources and case studies
- A major sector conference in May 2018 on employee engagement, representation and participation and the launch of Public Service Awards for Health and Safety Representatives
- The development of sector resources on mental health at work and a major sector conference in August 2018 attended by over 71 state sector agencies
- The Treasury's 2018 Crown Entity and Departmental Annual Report guidelines recommended that agencies include health and safety in their Year-End Reporting
- The State Services Commission included a health and safety measure in the 2018 Human Resources Capability Report
- Three large agencies completed SafePlus Assessments (MFAT, Conservation and Corrections) in 2018
- 21 agencies hosted Government Health and Safety Interns in 2018
- A Public Service Occupational Health and Safety Postgraduate Study Grant was launched and awarded to Inland Revenue's Health, Safety and Wellbeing Manager, Robyn Parkin
- Regular professional development opportunities were facilitated for sector chief executives, deputy chief executives, heads of health and safety and practitioners throughout 2017/18 and into 2019
- Specialist groups have been established, including a High Risk Agency Forum, a Small and Medium Sized Agency Forum and a Practitioners' Forum.

Increased awareness by sector leaders

17 In August 2018, senior leaders from agencies were surveyed against a 2017 baseline on perceptions of support, collaboration, resources and sector importance in the area of health and safety. The results demonstrate a significant increase across each of the areas surveyed:

Survey Results – ratings out of 10 for perceptions of the level of support available, collaboration and importance placed on health and safety in the sector.

Category	H&S Leader		Executive		Stakeholder		Chief Executive		Total Average		% Change
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	
Sector support	■	■	■	■	■	■	■	■	■	■	+ 80%
Sector direction	■	■	■	■	■	■	■	■	■	■	+ 62%
Sector collaboration	■	■	■	■	■	■	■	■	■	■	+ 69%
Importance placed by sector	■	■	■	■	■	■	■	■	■	■	+ 31%
Awareness of resources	■	■	■	■	■	■	■	■	■	■	+ 83%
Self-assessment of performance	■	■	■	■	■	■	■	■	■	■	-

Strengthened leadership, governance and capability

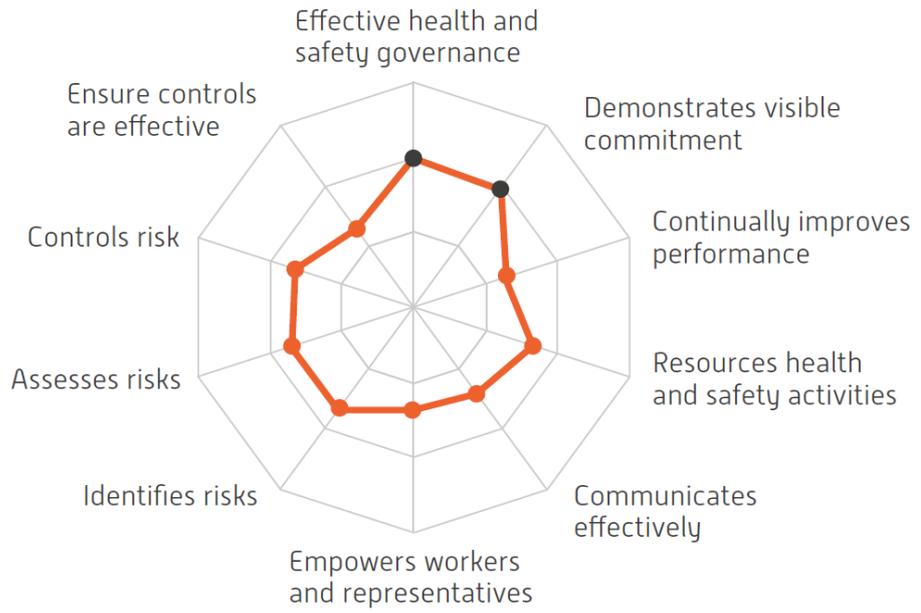
18 The sector's investment in the GHSL has built important foundations, raised awareness and commitment, and provided agencies with a better sense of their relative performance. Since the establishment of the GHSL, many agencies have reviewed their approach to health and safety, re-positioning and increasing their internal resources and governance arrangements. The GHSL's *Health and Safety Good Practice Guide for Public Service Chief Executives and Officers* has provided a valuable benchmark for agencies to evaluate their governance framework.

SafePlus has given us a baseline of performance

19 The sector's commitment to SafePlus provides us with a common framework to measure performance. As more agencies complete assessments, our sector profile provides a useful baseline of performance.

SECTOR SAFEPLUS PERFORMANCE SCORES (AVERAGE)

- Developing
- Performing
- Leading



November 2018 data

Tangible change takes time

20 Tangible change to rates of harm will take a sustained commitment at an agency and sector level.



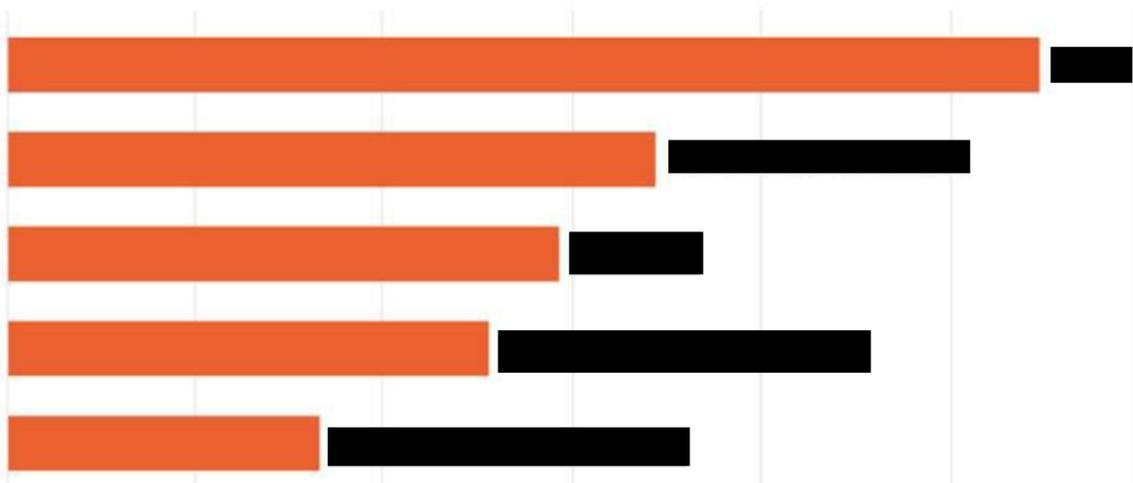
AGENCIES WITH HIGHEST RATES OF SEVERE INJURIES

AVERAGE RATE OF INJURIES RESULTING IN A WEEK OR MORE OFF WORK (JAN 2013–JAN 2018)



AGENCIES WITH HIGHEST RATE OF LESS SERIOUS INJURIES

AVERAGE RATE OF INJURIES RESULTING LESS THAN A WEEK OFF WORK (JAN 2013–JAN 2018)



Government Health, Safety and Wellbeing Workforce Survey

21 The GHSL conducted a survey in April 2018 of the Health, Safety and Wellbeing (HSW) workforce within the 38 member agencies. The survey revealed that our HSW workforce is an older workforce that lacks long-term specialist HSW experience and qualifications. Further research highlighted key challenges agencies are facing regarding the capacity and capability of our HSW workforce within our agencies, and the GHSL has been developing a HSW workforce strategy with initiatives to build a more capable and sustainable HSW workforce across a medium (four-year) period.

Feedback from agencies and stakeholders

22 To inform the GHSL review, Deloitte were engaged to seek agency and stakeholder feedback through interviews and workshops held during January and February 2019.

23 The Deloitte review (*summary attached*) has confirmed the value that the functional lead has brought to chief executives and their agencies, as well as their general support for a continuation of the initiative. Key themes from the review included;

- Consistent support for the GHSL to continue as H&S maturity is still low, but GHSL should have a success / exit plan
- GHSL focus should progressively move from engagement and delivering outputs to making lasting impact and helping Government to deliver its H&S strategy and lift H&S performance outcomes
- There are opportunities to focus on common critical risks (such as mental health and wellbeing), and to engage with the manager / staff workforce directly and through others to help embed H&S culture and performance over a longer period.

24 Chief executives have personal ownership health and safety for their agencies and have therefore appreciated access to a forum and source of support from the centre in discharging their responsibilities. In terms of funding any extension, the review indicates that my colleagues would most likely support continuation of a club-funded model at current levels, if no central fund alternative were to be available.

25 There is general support for a longer term extension that would permit a more strategic emphasis on sector risks, a stronger focus on higher risk agencies, further development of the health and safety workforce that supports the sector and a move from awareness and commitment-raising to driving actual performance improvement. Feedback is that performance and maturity would need to be measured, i.e. reduction in harm and ongoing SafePlus assessments.

26 A key message from stakeholders was that the confidence in the GHSL stems from the strong leadership and (collaborative, non-prescriptive) operating style, and this has been noted as important to continue.

27 The Deloitte review also sought feedback from chief executives on Business Leaders' Health & Safety Forum (BLHSF) memberships. Agency memberships of

the BLHSF have been facilitated by the GHSL since January 2018 and are paid through to 30 June 2019. Feedback was that BLHSF membership was valued by most CEs interviewed, recognising more tailoring can be done with BLHSF to optimise value, without losing the value of connectivity with private sector and innovation.

Future options considered

28 Broadly three options for the future were considered. They were:

- Conclude the GHSL initiative and revert to 'agency-led' responses
- Extend the GHSL initiative for a further 24 months and continue a focus on increasing leadership capability, providing common resources, developing the sector's health and safety workforce and strengthening the performance and reporting environment
- Extend the GHSL initiative for a longer period of around 4 years with a more strategic focus on helping the sector lift performance and embed H&S.

Conclude the GHSL initiative and revert to 'agency-led' responses

29 This approach would see the GHSL conclude on 30 June 2019. The resources created by the GHSL could be transferred to another agency or functional lead's website and remain publicly available. Some activities such as the intern programme and sector for a could be coordinated by some of the larger agencies. Agency chief executives and senior leaders who have found value in professional development could maintain membership of the Business Leaders' Health and Safety Forum. The sector funding previously directed to the GHSL would then revert to agency use or could club-fund other sector initiatives beyond health and safety.

Extend the GHSL for a further 24 months and maintain current focus

30 Essentially this option would be a continuation of the GHSL in its current form by maintaining a focus on leadership capability, common resources, the sector's health and safety workforce and strengthening the performance and reporting environment. This approach would deliver further incremental improvements to the sector and permit a planned phase-out of the GHSL. Resourcing and costs of the GHSL could be reduced as the unit would operate more in a business-as-usual mode and reduce its work programme progressively in the second year.

Extend the GHSL for a longer period (4 years approximately) with a more strategic focus on helping the sector lift performance and embed H&S

31 A longer extension of the GHSL would permit a more sustained and strategic approach to be taken to the sector. In addition to maintaining many of the leadership, resources, workforce and reporting initiatives that have been valued by the sector, an extended mandate would enable a greater focus on reducing harm by concentrating more effort on identified sector critical risks (such as client violence, aviation, driving, sexual harassment and bullying, and mental health)

and the five highest risk agencies (Police, New Zealand Defence Force, Fire and Emergency NZ, Department of Corrections and the Department of Conservation). The cost of an extended GHSL could be held at current levels. The performance of the sector and the GHSL could be assessed against achieving improvements in SafePlus re-assessments and reported harm rates.

Recommended approach

- 32 The recommendation from the review was that the GHSL be extended for a longer period (4 years approximately). This recommendation was taken to the State Services Commissioner who requested that the GHSL be extended until November 2023, to align with Ray Smith's term as Director-General at MPI.
- 33 This longer term allows the GHSL to operate more strategically, focusing on sector performance, critical sector risks and embedding H&S across the sector. This approach was approved because:
- The feedback from sector agency chief executives and senior leaders is that they have valued the support of a collective approach to health and safety to date and wish to continue the initiative in some form
 - The sector is perceived by external stakeholders as demonstrating greater leadership in health and safety through the GHSL and extending the initiative will build further confidence in the sector's commitment
 - A move to an increased focus on sector risks and reducing harm is a logical extension of the foundations laid since August 2017 and would deliver tangible benefits to the workforce and agencies
 - A four year extension would be sufficient time to develop longer term plans, set ambitious but realistic goals, and execute lasting change at a sector and agency level
 - A four year extension would permit longer term partnerships to be developed with key stakeholders such as unions, ACC, WorkSafe, and tertiary institutions
 - A four year extension would provide an opportunity to address some of the capacity and capability gaps within our health and safety workforce through the execution of a four-year workforce strategy.

Next steps

- 34 If the Chief Executive Leadership Group notes the extension through to November 2023, and supports a new focus on sector risks and reducing reported rates of harm, the GHSL will prepare a strategic plan, budget (expected to be no greater than the 2018/19 budget), agency contribution levels, governance/consultation structures and proposed resourcing for the group's approval at or prior to the next CELG meeting scheduled for June. Ray Smith will write to the sector chief executives and stakeholders alerting them to the extension.
- 35 The GHSL's financial and administrative support has been provided through the Department of Corrections since August 2017. It is proposed that this support moves to the Ministry for Primary Industries from 1 July 2019. Preliminary discussions with the State Services Commission suggest that the GHSL will need to continue to be 'club-funded' by agencies, at least for the immediate future.

36 It is proposed that agency membership of the BLHSF continue to be facilitated through the GHSL, and that the GHSL facilitate discussions with the BLHSF to optimise value and avoid duplication. It is recommended this is reviewed annually.

Recommendations

37 It is recommended that you:

- a) Note the extension of the GHSL through to November 2023, to align with Ray Smith’s term as Director-General of MPI, with a clear exit/transition plan to be executed in the last 12 months. **YES/NO**

- b) Support a new focus on sector risks and reducing reported rates of harm. **YES/NO**

- c) Approve the continuation of a club-funded approach for the immediate future. **YES/NO**

- d) Approve for the GHSL to continue BLHSF memberships for the 2019/20 year (to be reviewed annually). **YES/NO**