

State of a Thriving Nation

Health, Safety and Wellbeing
in New Zealand



Business Leaders'
Health & Safety Forum



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Foreword

New Zealand thrives when our businesses and our workers thrive. Thriving businesses understand that healthy and safe workers are the core foundations of a productive business, not a cost.

Whilst there are pockets of progress in this direction, our collective health and safety performance as a country remains sluggish, uncoordinated, and under-discussed, despite significant investment by government and businesses alike and the unacceptable costs to our communities and the economy.

That's why the Business Leaders' Health and Safety Forum (Forum) approached Sense Partners to pull together a range of economic and qualitative data to better understand this country's health, safety and wellbeing performance.

For the first time we now have a wider understanding of New Zealand's performance, in the context of the current economic cycle and international comparisons.

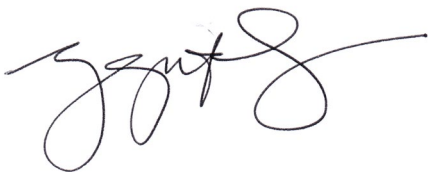
This inaugural 'State of a Thriving Nation' report makes confronting reading, bringing together a range of data, literature reviews and interviews with Forum members to outline the true cost and value of health, safety and wellbeing in New Zealand.

For the Forum, a *Thriving Nation* is one where:

- there is sustained reduction in the number of working people being harmed – physically and mentally
- businesses understand and are committed to investing in health, safety and productivity as a core business foundation
- regulators ensure poor performers are consistently held to account
- Government understands and purposefully plays all of its roles as a significant employer, policy setter and large procurer.

As this inaugural report shows, we can, and must do better as business leaders, government and the regulators to change this economic and social toll to our people and our country.

The Forum will be producing this report on an annual basis to communicate on how we are progressing.



Forum Chair
George Adams



Forum Chief Executive
Francois Barton

1. Executive Summary

Lost lives, lost earnings, serious injury and health costs from workplace harm are a significant social and economic toll on New Zealand and our people.

In 2022, New Zealand's work toll cost the country \$4.4 billion.

While New Zealand is making progress, it is slow.

Our fatality rates are where the United Kingdom (UK) was in the 1980s. Our fatality rate is twice that in Australia.

If New Zealand could improve its performance to match that of Australia, we would reduce costs to New Zealand by nearly \$1 billion per annum. The size of the prize is large in human, social and economic terms.

For the first time in New Zealand, this report brings together data in one place to get a better sense of the health and safety journey in New Zealand and the economic and social cost to our country and people.

Prepared by Sense Partners on behalf of the Forum the report collates a broad variety of data, including health and safety statistics, financial information, and qualitative interviews from senior New Zealand business leaders, as well as adding historical and international context where possible.

This inaugural 'State of a Thriving Nation' report seeks to shine light on our current performance, provide a baseline to track progress against, and also delves into two key external factors facing businesses in 2023; an economic slow down and a general election.

Economic slow down

Literature reviews show that economic cycles matter. But there isn't a strong correlation between the economic cycle and injury rates. Rather the causes of harm tend to be different at different stages of the economic cycle. When the economy is booming, there is too much busyness, which can crowd out good systems and process, and culture. When the economy is weak, there can be tendency towards cutting safety, training, and culture/wellbeing resources. The causes of fatalities and injuries may be linked to the phase of the economic cycle, unless businesses are deliberate in prioritising their health and safety, and associated activities, as a basic need of their business rather than as discretionary.

When we spoke to and surveyed Forum leaders, those committed to good health and safety maintained their investment in training, health and safety staff, leadership development and staff interaction, despite the economic downturn. They also budgeted for supporting organisational culture and recreation and wellbeing, with no correlation to the economic cycle. This shows that leading businesses regard these areas of investment as important foundations to get right in a business, rather than as a nice to have, regardless of the economic cycle.

General election

The 2023 general election is an opportunity to take stock of the regulatory and policy functions and oversight of New Zealand's health and safety performance. There are two key areas that should demand attention from the new government:

1. The Health and Safety at Work Strategy 2018-28 has not yet published a workplan – first planned for delivery in 2019;¹ nor established any form of system oversight or governance. This needs to be prioritised.

New Zealand's health and safety performance is a nationally significant issue, and demands action from across government and business.

The strategy is the sole “whole of system” mechanism to focus agreed actions, key performance indicators, and accountability across government and with business.

2. The number of WorkSafe inspectors has fallen from 8.4 per 100,000 workers in 2013, (the stated WorkSafe NZ target), to 6.3 in 2023.² The new government must prioritise the importance of ensuring a “level playing field” through clear regulatory expectations on businesses, and effective follow through and accountability.

There is already an ambitious strategy in place. The sooner we action this in a measurable and accountable way, the more our businesses, workers, families and the economy will benefit.

¹ [Health and safety | Ministry of Business, Innovation & Employment \(mbie.govt.nz\)](https://www.mbie.govt.nz/health-and-safety)

2. What good looks like

What would good look like? International peers give us some clues. The UK's fatality rate in the 1980s was comparable to ours today. Their improvement over the course of several decades is what good looks like. It is not about a quick fix, rather a relentless focus on continuous improvement across business practices, regulation and accountability.

Interviews with Forum members were conducted to understand the drivers of good health and safety practice. The qualitative analysis, supported by literature review, showed that firms with mature health and safety systems invest significantly in proactive approaches. Business leaders often attributed success to a relentless promotion of:

1. **Safe workplace design**
2. **Delegated responsibility**
3. **Fostering strong internal relationships.**

We heard how complacency, periods of high staff turnover and busyness, or poorly communicated priorities make it harder for workers to feel supported to walk away from unsafe situations. Regular, consistent reviews and communication helps keep good practices on track and relevant over time. Importantly, we heard over and over again that seemingly non-safety related issues have big impacts on health and safety outcomes, for example staff retention rates and supply chain approaches.

Much of these investments in leadership, continuous improvement, communication and culture are hidden from a narrow or more technical view of a firm's health and safety efforts.

Based on our interviews, literature and feedback from experts, we summarised our interview findings into a framework to tie the health and safety practices to the wider context:

- **Wider economy:** We found that the external environment matters, as it affects workers (for example through higher cost living, or reduced

confidence in job stability) and businesses (through reduced work and financial uncertainty). But the impact on injuries and fatalities are not always clear – rather it appears the causes of fatalities and injuries differ depending on the phase of economic cycle.

- **Industry specific:** There are also industry specific pressures. For example, the construction industry is highly cyclical. When the economy grows, construction booms. When the economy slows, construction slows sharply, usually at a rate 3x the wider economy. We found that the pressures come from procurers, suppliers, banks, and workers (who may experience the stress of reduced job security, increased cost of living, higher mortgage payments, etc.).
- **Business specific:** Businesses do a range of things to avoid, mitigate or manage the presence, awareness and severity of risks. These activities range from the easily replicable and standardised (e.g. physical barriers, registers and manuals, and minimum training requirements) to more intangible measures (e.g. voluntary standards above regulatory minimums, training, and culture and conduct).
- **Constant review and “unease”:** Health and safety requires a relentless process of review and response as the conditions of work are everchanging.
- **Business size specific:** The size and nature of businesses can impact how they manage risks. Smaller businesses tend to be better at informal and relationship intensive approaches, while larger businesses tend to be better at codified but resource intensive approaches.

Please also refer to Figure 14 for the nested model of workplace harm.

3. Health and safety is a broadly shared responsibility

Health and safety is commonly interpreted very narrowly through a compliance lens. It is not solely about compliance officers in organisations, formal duty holders, and inspectors.

New Zealand legislation is outcomes-based and responsibilities are spread across a broad range of duty holders. This means that getting a clear sense of just *who* is responsible and *for what* is difficult. While it is true that health and safety is the domain of all people at work – managers and workers – there are some who bear more of the risk and those who bear more of the formal responsibility.

Using a range of data and estimates, we have illustrated how health and safety responsibility is broadly shared in the workforce, even if the visible workforce is small:

- There are 213 Health & Safety Inspectors² (out of 767 total staff at WorkSafe)³
- There are an estimated 3,000 people with the occupation or job of Occupational health & safety officer⁴
- There are 173,000 people who are employers (that is they employ staff), 358,300 people work as sole-traders, and 667,300 people work as managers – all of whom can be described as duty holders for health and safety under New Zealand legislation
- There are an estimated 459,500 people who work in jobs that require high-use of protective gear (a proxy for those who face high-risk of physical injury in their work)⁵

- There are around 1.5m people (out of 2.8m employed) who work in occupations that have a high level of responsibility for the health & safety of others.⁵

While businesses deliver on-the-ground health and safety measures, the regulators (WorkSafe NZ, Civil Aviation Authority and Maritime NZ), MBIE and ACC (New Zealand's no-fault accident insurer) also play significant roles.

Industry bodies, such as the Forum, Construction Health and Safety NZ (CHASNZ), Health and Safety Association of New Zealand (HASANZ), Business New Zealand and local Chambers of Commerce (and similar organisations) can also be important players in connecting leaders and practitioners.

There is also opportunity to improve health and safety through procurement practices, especially by large buyers (such as central and local government agencies) who can partner with suppliers to progressively improve health and safety practices.

Transpower and Watercare were two organisations referred to in interviews that were doing just that: partnering with suppliers to improve health and safety progressively, hand in hand with delivery improvements.

Health and safety can form an additional component in investment decisions, as new equipment or methods can reduce critical risks, as well as potentially contribute to more productive and reliable performance.

Health and safety is everyone's responsibility, and it needs to be a core function of all business decisions.

2 Personal communication with WorkSafe, dated 24 July 2023

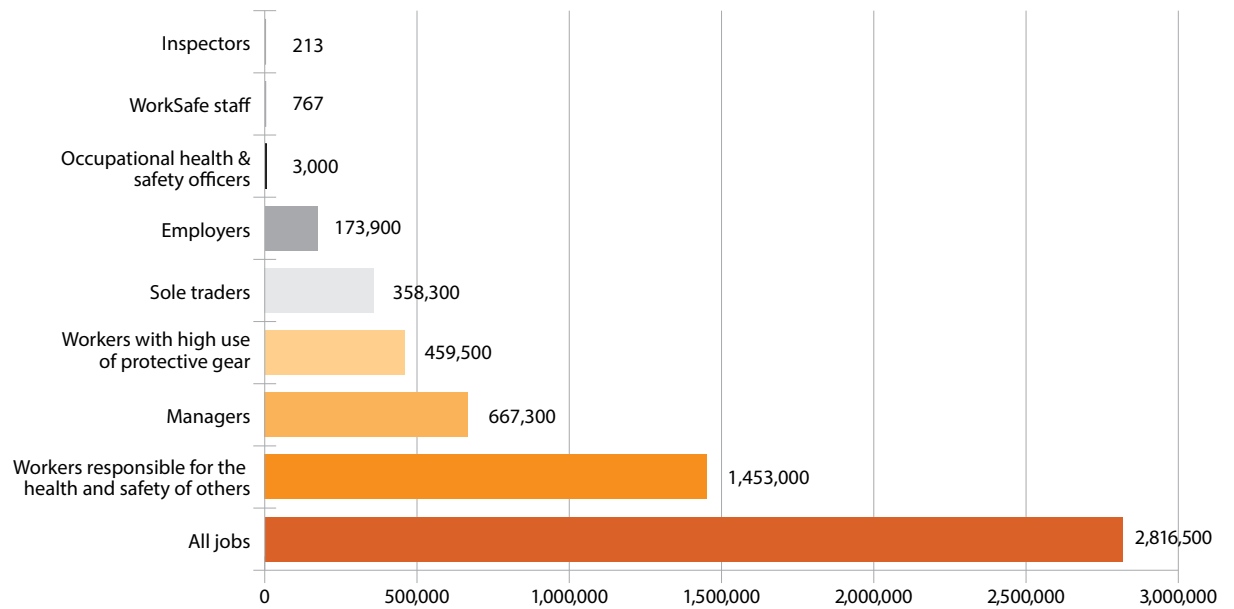
3 2022 WorkSafe Annual Report

4 Extrapolating from the 2018 Census. 2023 Census data will be available in 2024

5 Using occupational context data from O*Net: O*NET OnLine (onlinetool.org)

Figure 1: Health & safety workers in a wider context

Health & Safety Jobs in Context



Source: WorkSafe, Statistics New Zealand, Sense Partners

4. Recorded harm and its costs

Workplace fatalities, injuries and health effects are related but separate measures. They are all important, but health effects are difficult to observe, as there can be long delays and causality is not always easily established. Serious injury statistics are difficult to compare internationally, because insurance and compensation arrangements aren't always the same.

With these caveats in mind, we have brought together available datasets in one place to get a better sense of the health and safety journey in New Zealand, where possible with historical and international context.

4.1. Workplace harm \$4.4b

In the following sections we have summarised the available data. We have also estimated a high-level cost of these fatalities, injuries and health effects.

- Fatalities: An average of 73 fatalities at \$12.5m statistical value of life⁶ equates to \$913m cost. This is a five-year average to 2022.
- Serious claims: ACC reported⁷ work injury costs of \$985m. Assuming the compensation is 80% of pay and one week stand down for new claims, we estimate additional private lost income of \$510m, equating to total cost of \$1,479m.
- Health costs: WorkSafe estimated⁸ health costs to be at least \$2,000m a year.

The total cost of fatalities, serious injuries and health effects totalled \$4,391m.

Our analysis shows that Australia has roughly half the fatality rate and around 20% lower serious injury rates. If these were replicated in New Zealand, they could reduce our estimated harm by \$1b a year, from \$4.4b to \$3.4b.

6 [The Price of Life: Govt to Value Safer And Faster Road and Rail Journeys Nearly Three Times More | Newsroom](#)

7 [Work injury statistics \(acc.co.nz\)](#)

8 [Work-related health estimates and burden of harm | WorkSafe](#)

4.2. Fatalities are too high

Workplace fatalities tend to be reported in a consistent manner to the International Labour Organisation (ILO).⁹ Comparing New Zealand’s fatality rate to selected countries shows that we are doing better than some countries we often look to emulate (Canada and USA for example), but also a lot worse than traditional comparators: UK and Australia.

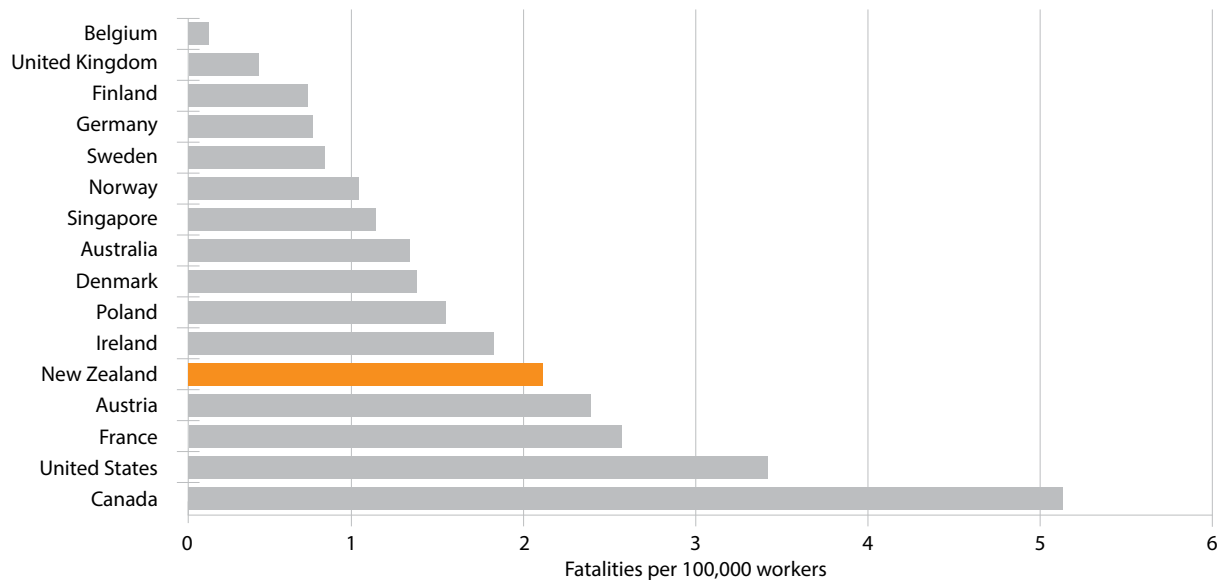
The UK reported workplace fatality rate is 0.41 per 100,000 workers.¹⁰ The UK has succeeded in sustainably reducing its fatality rate over many years (Figure 3), supported by sustained improvement in the legislation framework.¹¹

Our aspirations for improved health and safety performance can look to leverage more of these lessons from overseas, where they have successfully reduced workplace fatalities. Our current fatality rates are similar to those the UK had experienced in the 1980s. **There is much work to be done.**

Australia’s workplace fatality rate is half that of New Zealand’s (Figure 4). While fatality rates can be affected by large one-off events like the Whakaari volcanic eruption, New Zealand’s high fatality rates are replicated across many industries (Figure 5), suggesting systemic issues that need to be addressed.

Figure 2: New Zealand fatality rate is high

Workplace fatality rate: International comparison (2021 or latest)



Source: ILO, WorkSafe Australia, WorkSafe New Zealand, Sense Partners

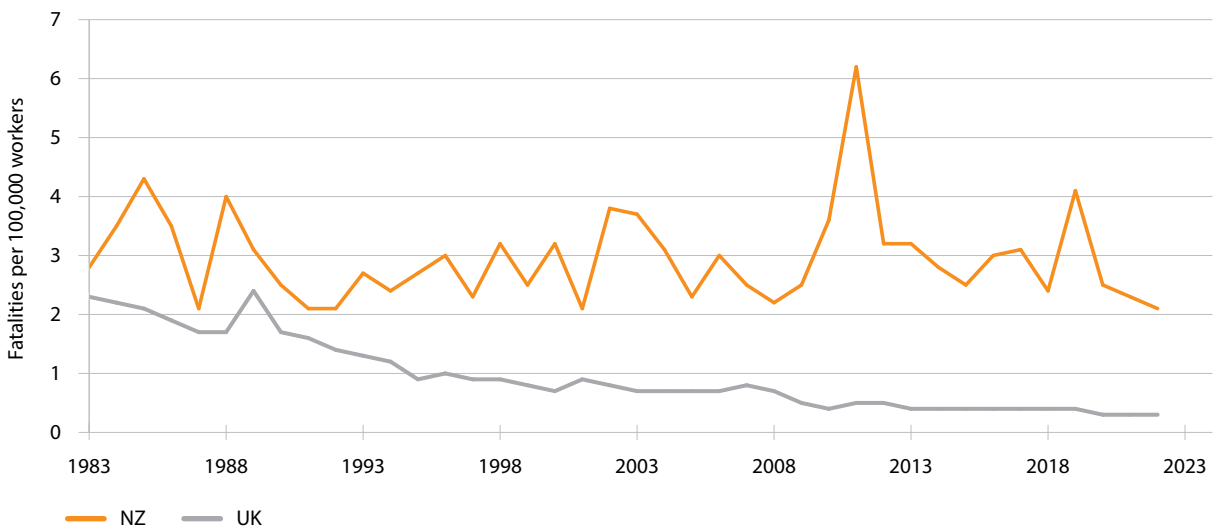
⁹ Incidentally, New Zealand data is not up to date in the ILO database (last data point was 2015) and New Zealand authorities should prioritise keeping New Zealand data up to date to ensure they are accurate, timely and comparable.

¹⁰ [Work-related fatal injuries in Great Britain, 2023 \(hse.gov.uk\)](https://www.hse.gov.uk/statistics/fatalities/)

¹¹ [Timeline – History of Occupational Safety and Health \(historyofosh.org.uk\)](https://www.historyofosh.org.uk/)

Figure 3: Fatality rates are higher in New Zealand than in the UK

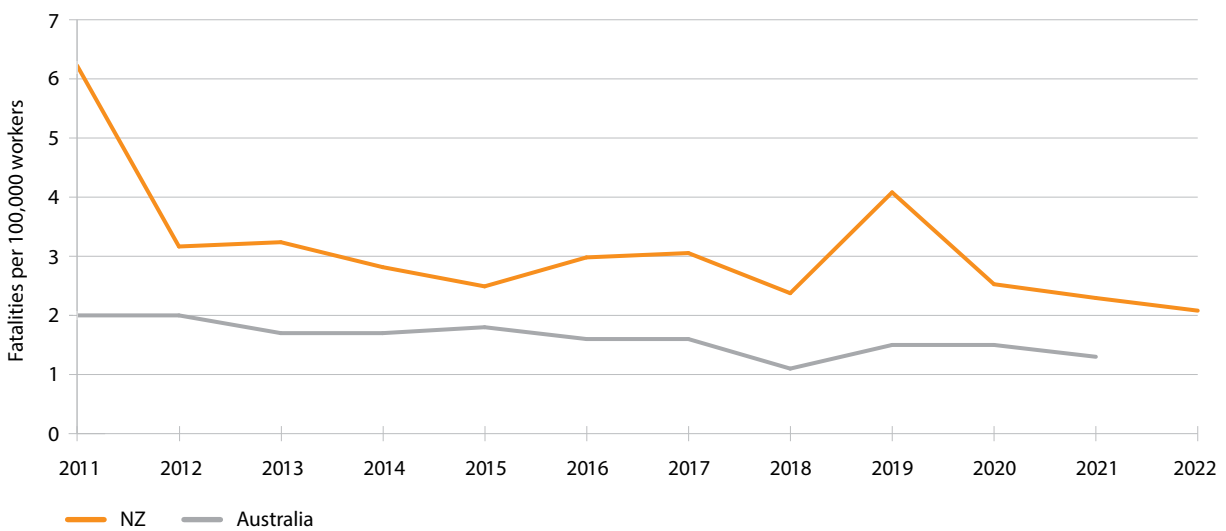
Workplace fatality rate: NZ vs UK



Source: Statistics New Zealand, WorkSafe NZ, Health and Safety Executive (HSE) UK

Figure 4: Workplace fatalities are higher in New Zealand than Australia

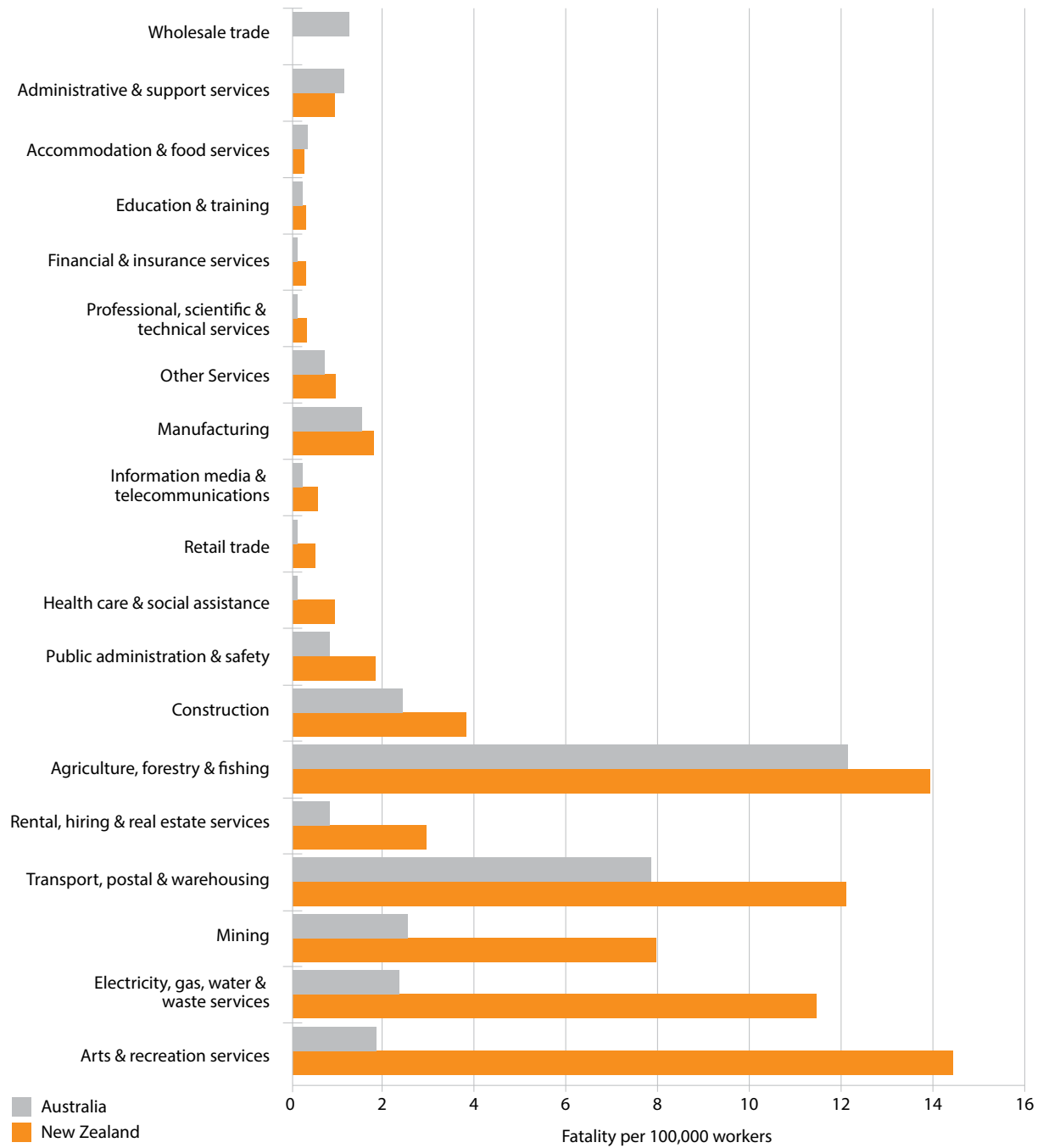
Workplace fatality rate: NZ vs Australia



Source: WorkSafe NZ, WorkSafe Australia

Figure 5: Fatality rates are higher across most industries in New Zealand

Fatality rate by Industry: NZ vs Australian (5 year average to 2021)



Source: WorkSafe NZ, WorkSafe Australia

4.3. Injury rates are improving gradually

Worker injury rates, as reported by ACC approved claims, have been trending lower over time suggesting that there is some improvement in the reported rates of injuries over time. The Covid-19 pandemic appears to have reduced overall injury claims, but it is not certain if these improvements will be sustained if pre-pandemic ways of working re-emerge (interviews with businesses suggested significant investment in health and safety during the pandemic, increased awareness, and potentially effects from working from home in some industries).

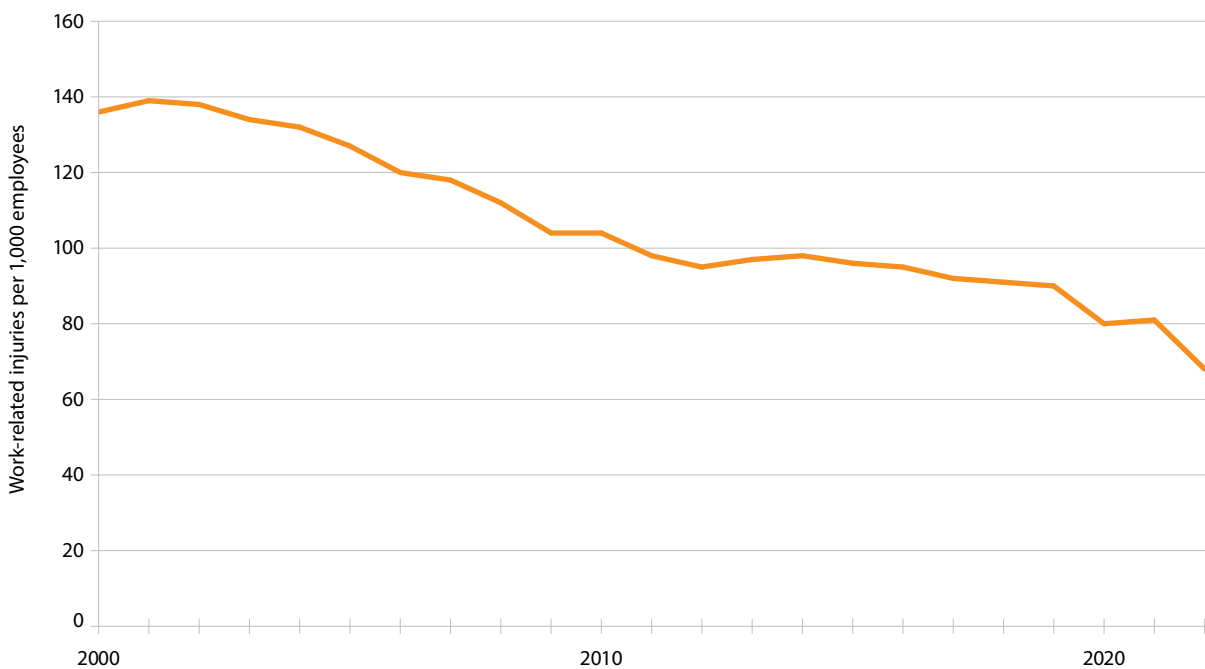
4.3.1. New Zealand ranks in the better half of the OECD

Work injury rates (away from work for over one week) are in the better half of the pack in the OECD. International comparison for this statistic is not always fully comparable, because of local rules, regulations and access to compensation differ.

However, there are also examples of lower injury prevalence rates in Australia (25% lower) and UK (45% lower). Similar to the statistics for fatality rates, there is much work to be done to prevent serious injuries in New Zealand.

Figure 6: Injury rates have trended lower over time

Worker injury rate



Source: ACC, Statistics New Zealand

Why the performance gap with the UK and Australia?

The persistent gap between New Zealand and peers like Australia and UK are not easily explained by industry or occupation differences. Further work is needed to understand the root causes. Expert and international experiences have identified a number of factors that generate more “heat in the system” that keep healthy and safe work a core and credible business practice, and provide potential insights as to this performance gap:

- both the UK and Australian regulatory contexts are widely considered to be more comprehensive in their expectations, and firmer in their assessment and enforcement approaches
- neither Australia nor the UK have “no fault” worker compensation schemes, meaning there is scope for private litigation for personal injury
- both the UK and Australia have more active trade unions and organised labour movements
- both Australia and the UK are bigger investors in new technologies and capital plant
- government procurement practices and client leadership are more mature in the UK and Australia.

This list is not exhaustive, rather is an opportunity for New Zealand to apply lessons from peer experiences, which have been successful.

Ethnic differences largely explained by occupations

There are significant differences in injury prevalence rates by ethnicity. Pasifika and Māori are more likely to be injured in work than other ethnicities. Our analysis shows that much of the difference in injury prevalence is related to occupations of work.

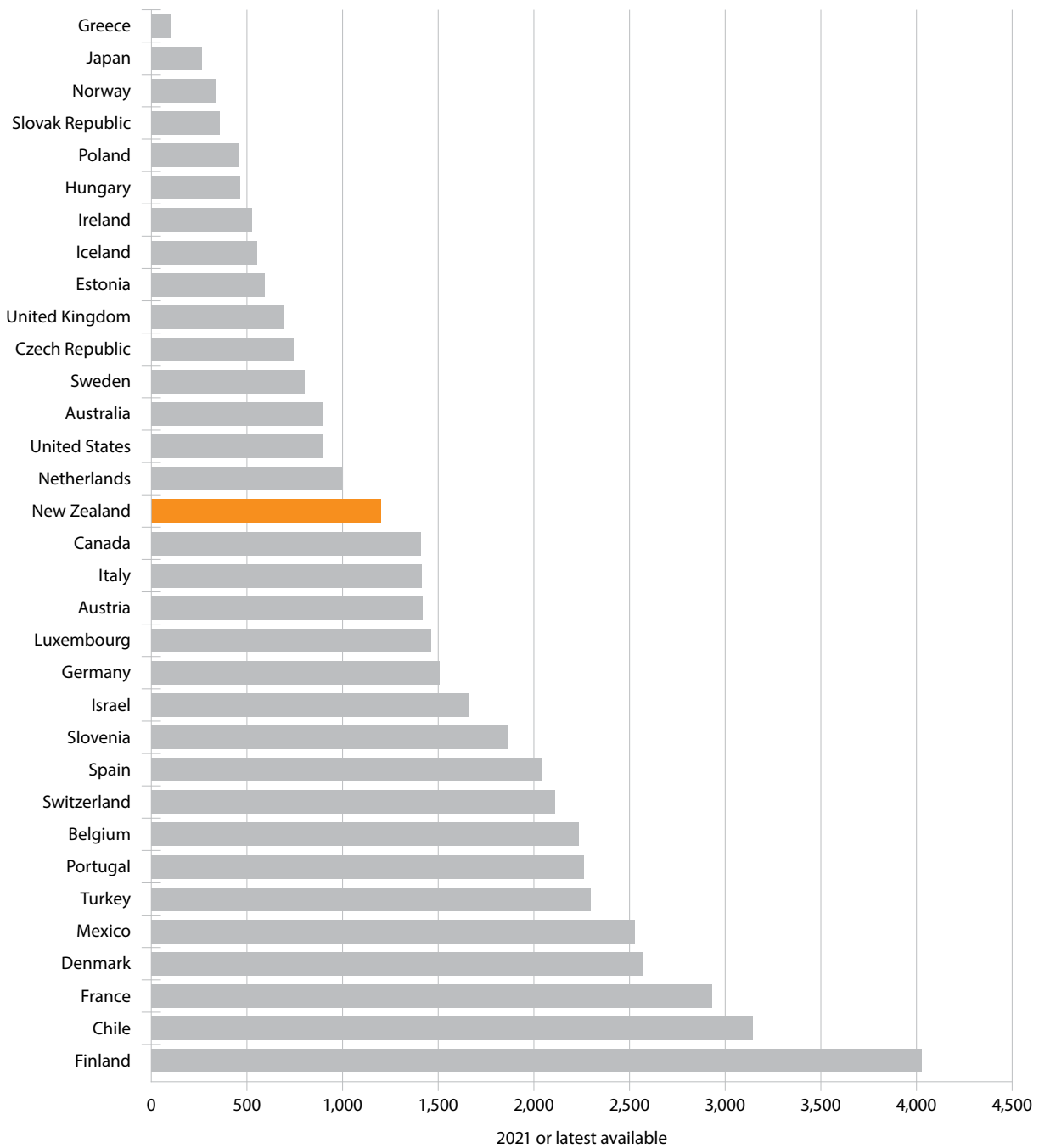
There are, however, some notable hotspots that need further exploration:

- Pasifika and Māori Clerical and Administrative workers
- Pasifika and Asian Managers
- Pakeha labourers.

This analysis suggests we need to understand more about what is causing the higher injury prevalence rates across these ethnicities and in specific higher risk occupations.

Figure 7: New Zealand ranks in the better half of the OECD for injury prevalence

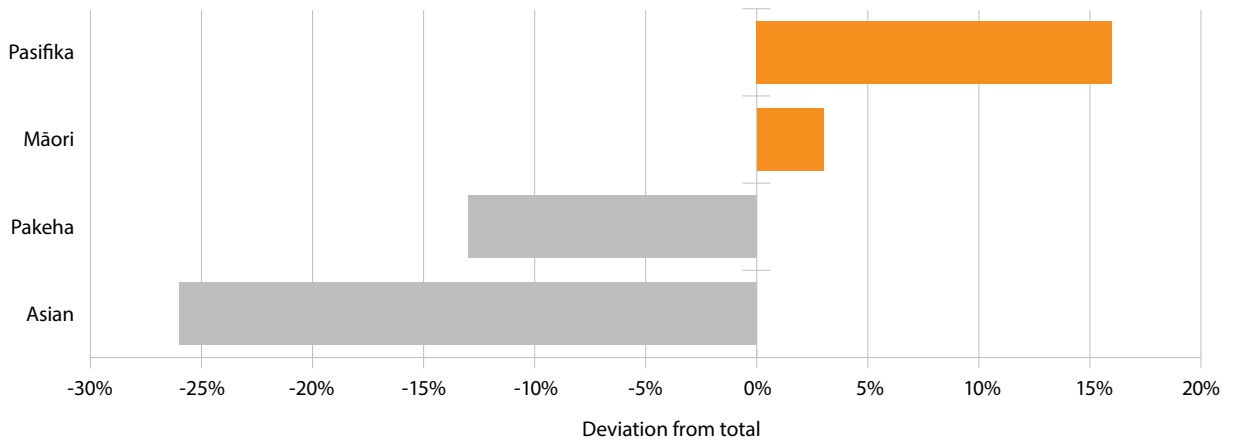
OECD Injury Prevalence Estimates



Source: OECD – Injury per million workers

Figure 8: Māori and Pasifika are more likely to be injured at work

Injury prevalence rate deviation by ethnicity (2021)



Source: Statistics New Zealand, Sense Partners

Figure 9: Greater exposure to high-risk occupations

Injury prevalence rate by occupation & ethnicity

% variation from occupation total

	Pasifika	Māori	Pakeha	Asian
Total	16%	3%	-13%	-26%
Machinery Operators and Drivers	-31%	1%	-8%	-17%
Labourers	-3%	-25%	5%	-51%
Technicians and Trades Workers	-1%	-21%	-4%	-38%
Sales Workers	-20%	-12%	-19%	6%
Professionals	-9%	-9%	-9%	-24%
Managers	11%	-20%	-21%	46%
Clerical and Administrative Workers	94%	25%	-26%	-7%
Other	-22%	-11%	2%	-50%

Source: Statistics New Zealand, Sense Partners

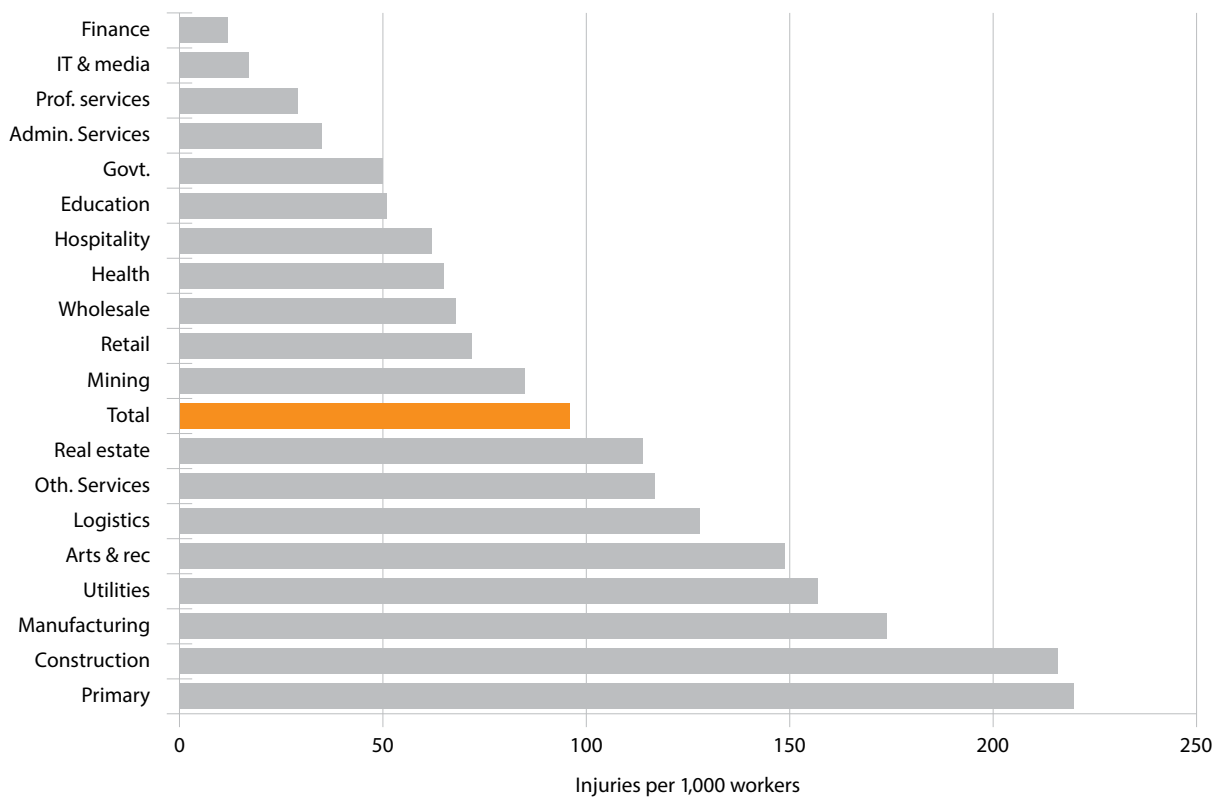
4.3.2. Significant industry differences in injury prevalence

Occupation analysis is not always possible, due to data limitations. Industry analysis gives us complementary datasets that tell a more fulsome picture. The latest data shows that there are some industries that are more prone to injury. The highest are Primary, Construction, Manufacturing and Utilities (electricity, gas and waste).

But it is important to take a more careful look within industries. As seen in ethnicity analysis, the rates of injury correspond to occupations. There may also be a regional component. There are significant variations within industries between regions. This may be related to size of firms, local resourcing, or other factors.

Figure 10: Some sectors have much higher risk of injury than others

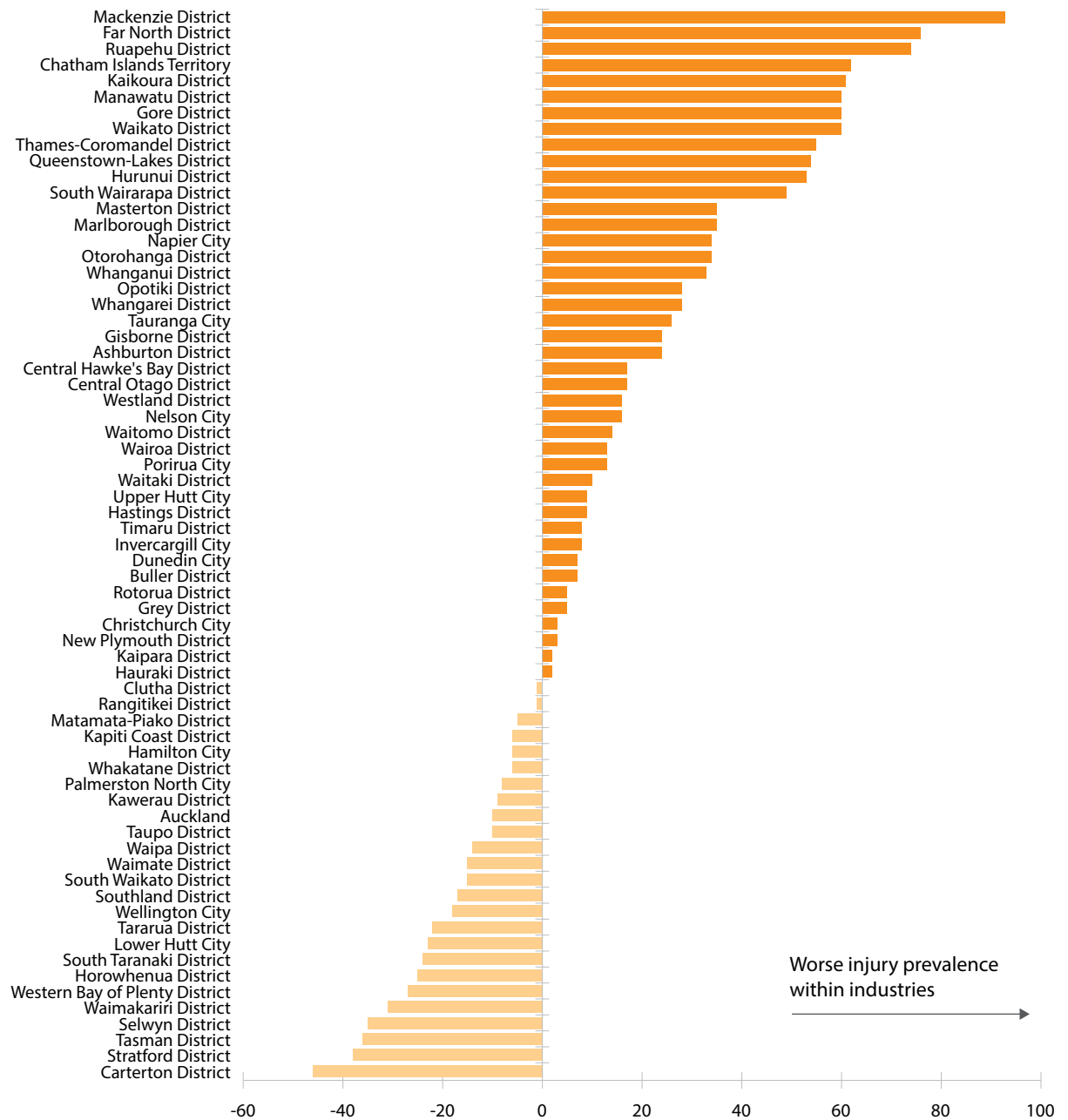
Injury prevalence by industry



Source: ACC, Statistics New Zealand

Figure 11: Some regions tend to have much greater injury prevalence than others

Injury prevalence regional variation due safety performance within industries (2021)*



*We isolate the injury prevalence within industries, rather than the composition of industries in a region.

Source: ACC, Statistics New Zealand, Sense Partners

4.4. Health effects

WorkSafe NZ estimates¹² at least \$2b per annum in health costs from work-related health on average every year, which is the impact work can have on people's health (mental and physical, short and long term). They estimate up to 900 people die from work-related causes and 5000-6000 hospitalisations from work related health risks, and gradual process injury claims (such as hearing loss) every year. These figures are too complex to update regularly.

4.4.1. 181k workers affected by illness and injury

However, other partial data can help us track the effect of poor health on work, or availability to work.

The Household Labour Force Survey (HLFS) by Statistics New Zealand records the number of people who are not working due to illness and injury. And those who are looking to reduce hours of work due to illness and injury. In 2022 181,000 people fit these categories, where illness and injury affected their ability and willingness to work.

To put this in context, there are 102,000 people unemployed and looking for work as at June 2023. This means that severe and persistent labour shortages are being exacerbated by the health of our workers. While this data does not establish cause of the illness and injury, any improvement to the number of people unable to work due to illness and injury would benefit businesses and the economy in reducing current labour shortages.

4.4.2. 166k on health condition or disability benefits

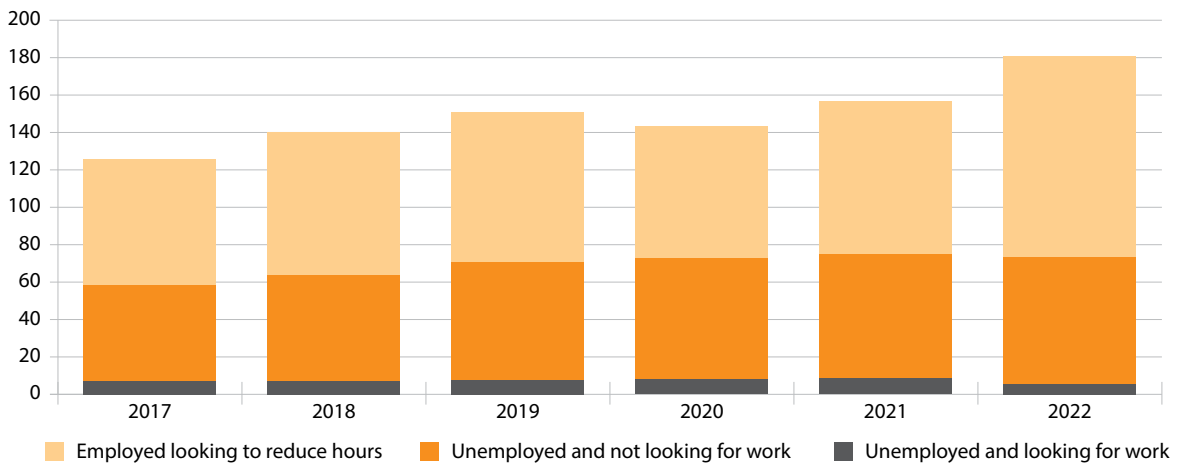
Administrative data on health condition and disability benefits can also help us understand the scale of the issue. While eligibility criteria and design of benefits for these kinds of support have changed over time, they help us understand trends.

The prevalence of health condition and disability support has increased over time. Figure 13 shows around 32 of every 1,000 people are on such a benefit, and as at June 2023 165,540 people were on health and disability benefits. Like the statistics before, this represents a significant portion of the population who are unable to participate in work and other activities.

¹² [Work-related health estimates and burden of harm | WorkSafe](#)

Figure 12: Increasing number of potential workers are affected by illness and injury

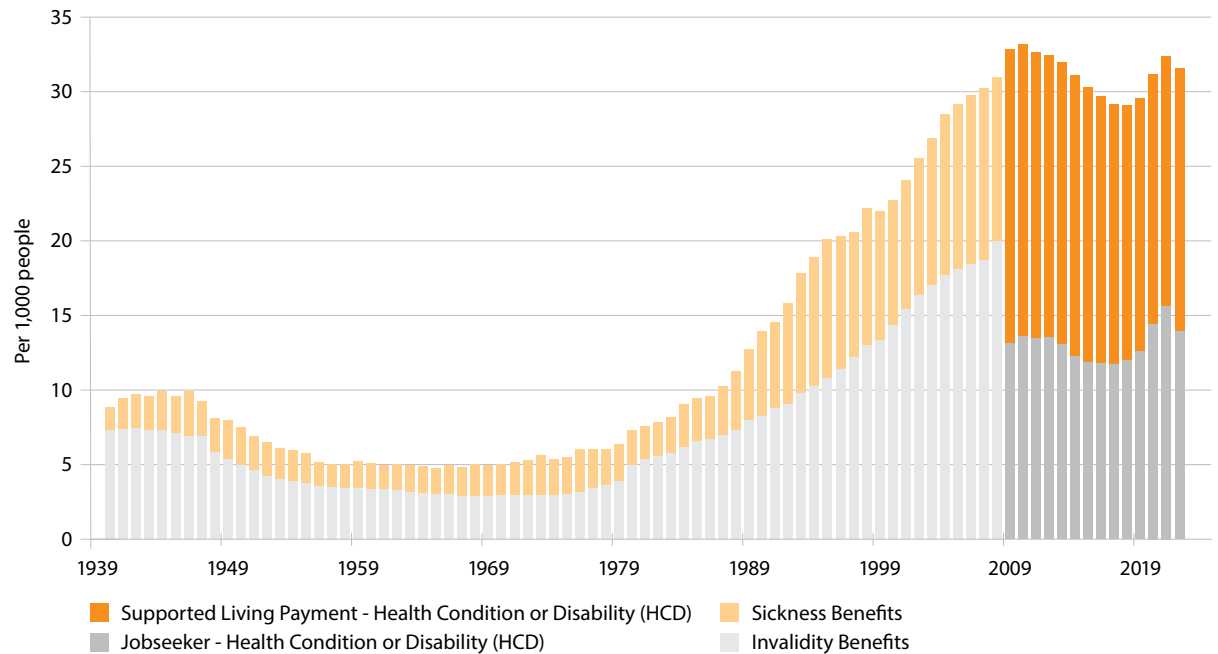
Illness & injury caused work reduction



Source: Statistics New Zealand, Sense Partners

Figure 13: Benefit data confirms significant human potential constrained by health and disability

Health & Disability Benefits Prevalence Rate



Source: Statistics New Zealand, Year Books, MSD, Sense Partners

5. How economic cycles affect health and safety

The relationship between the economic cycle and workplace health and safety is not straight forward. New Zealand's fatality and injury rates do not show a clear cyclical pattern.

International literature often finds occupational injuries rise and fall with the economic cycle. This can correspond with the influx of inexperienced workers and incentives to cut corners at times of increasing output, and the retention of relatively experienced workers in harder times and suppressed production.

The narrative is neat, but it masks some complexities. Incentives to under-report injuries during periods of economic stress are high. Effects of harm are not evenly distributed across sectors or enterprise types. Different socioeconomic groups can experience harm exposure very differently. The complexity of external conditions and internal channels in the following model means that we should not assume simple effects from economic cycles, nor even impacts across industries and businesses.¹³

During times of economic growth, this can be explained by reasons like:

- Increased production requires employees to work harder, longer, and faster. Tight work schedules can mean training is set aside or limited to the basics, and compliance measures downplayed.
- Workload intensification can contribute to role stress (ambiguity, role conflict, or increasing workload), and feelings of burnout.
- Inexperienced workers are likely to soak up newly established roles to meet higher demand, or inexperienced firms may enter new industries. Injury risks are highest in the first months of employment.^{14, 15}

But workload intensification also occurs in downturns. The drivers of this are more likely linked to economic stress, layoffs and cost-cutting. This can:

- Introduce role stress, distrust and resentment of management and feelings of betrayal – e.g., to do with unpaid leave, bonus freezes, reduced working hours and outsourcing/contractual work.
- Catalyse work intensification by assigning few workers per task and lower job commitment and job involvement.
- Contribute to a deterioration of mental health. A European-wide study of 26 countries found rapid and large increases in unemployment was associated with significant increases in suicide rates. People who lose their jobs during a recession are at greater risk of suicide. The risks are higher for the well-educated.¹⁶
- Contribute to a culture of distrust and under-reporting. A study on Austrian workers finds that when injured employees face a greater risk of getting fired, they choose to hide moderate injuries (resulting in pro-cyclical findings). They also found fatal accident rates do not seem to be related to labour market conditions.

The nested model of workplace harm is a really helpful framework to illustrate how workplace harm is affected by external and internal factors and the complex interactions at play.

¹³ www.thelancet.com/journals/lanpub/article/PIIS2468-2667%2821%2900259-0/fulltext

¹⁴ www.esri.ie/system/files/publications/RS40.pdf

¹⁵ academic.oup.com/annweh/article/62/Supplement_1/S25/5096686?login=false

¹⁶ [Protecting Workplace Safety and Health in Difficult Economic Times – The Effect of the Financial Crisis and Economic Recession on Occupational Safety and Health \(ilo.org\)](http://www.ilo.org/public/eng/protected/workplace_safety_and_health_in_difficult_economic_times_-_the_effect_of_the_financial_crisis_and_economic_recession_on_occupational_safety_and_health)

Figure 14: Nested model of workplace harm¹³

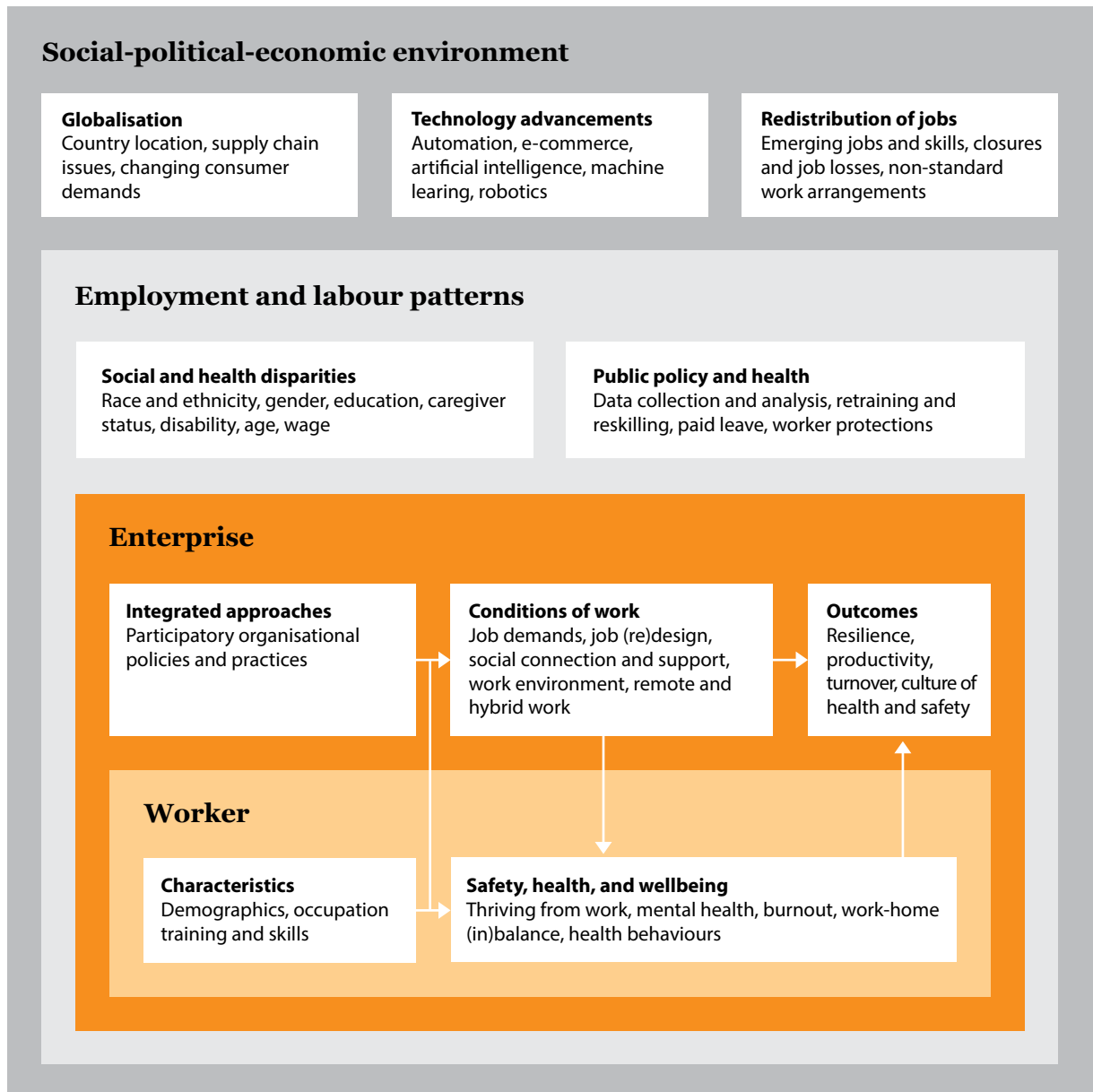
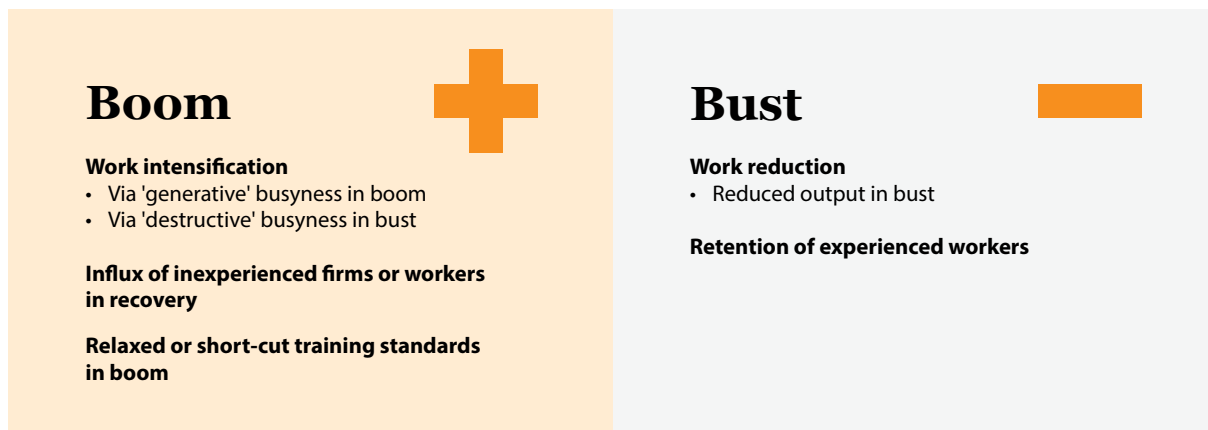


Figure 15: Effects of the economic cycle



Social protection at times of downturn can be a mitigating factor. For instance, during the economic crisis of the 1990s, Spain spent little on social protection, leading to an increase in suicides with unemployment. Sweden, on the other hand, spent about four times more on social support programmes, and suicide rates did not increase.¹⁷

Firm size also appears to matter. Research of four high-risk industries in Australia found manufacturing had greater sensitivity to economic cycles than mining or construction, which they suggested could relate to firm structure and the absence of the same density of large, global companies in manufacturing by comparison.¹⁸

Generally, it appears work in boom cycles is likely driven by work intensification via 'generative' busyness, and inexperienced channels, whereas bust cycles drive intensification via destructive busyness channels. This can have a lagged effect, where either a loss of trust masks true rates of harm, or systems are under-invested in times of recession.

17 Stuckler D, Basu S, Suhrcke M, et al The public health effect of economic crises and alternative policy responses in Europe: an empirical analysis. *Lancet* 2009;374:315–23. doi:10.1016/S0140-6736(09)61124-7 pmid: www.ncbi.nlm.nih.gov/pubmed/19589588

18 www.sciencedirect.com/science/article/abs/pii/S0925753521000758?via%3Dihub

5.1 Cycles matter; but approach to health and safety should not be cyclical

The international literature suggests caution in how we relate economic conditions to health and safety outcomes. But the underlying drivers suggest that it is the change in how businesses manage their resources, culture and behaviour that makes the most difference.

Furthermore, in-depth interviews with Forum business leaders showed that how businesses go about managing these resourcing, cultural and behavioural elements is impacted by business size. Whilst that is unsurprising, it importantly highlights that there are some key approaches where smaller businesses are better positioned than larger, and vice versa (Figure 16).

To understand this better we surveyed a selection of Forum members. We wanted to elicit a qualitative understanding of the link between past and expected economic conditions on hard (training, health & safety staffing) and soft health and safety measures (interaction between management and staff, budget for organisation culture, recreation & wellbeing).

Results are summarised on page 24, where we found that businesses that value health and safety see it as a non-negotiable and non-cyclical component of doing business.

Figure 16: Business approaches differ across firm size

Health and safety approaches by firm size

		Resource intensive (often easier for larger firms)		
		Low	Medium	High
Relationship intensive (often easier for smaller firms)	Low	Soft policies and manuals	Minimum training Meeting procurement standards	Physical barriers and technology
	Medium		Formal learning and review Data collection and management	Voluntary training and standards
	High	Informal learning and review	Investing in individual relationships	Maintaining culture and behaviour Change management

Survey of Business Leaders' Health and Safety Forum members

We surveyed Forum members for a pulse check on the economy and business plans over the past year, and the year ahead. The Forum membership is weighted towards larger firms with formal boards (Figure 18), so the results are not necessarily representative of the entire business community.

The survey results show:

- Economic growth is expected to be moderate, but continue to grow, defying pessimism in many current surveys of business.
- Businesses are more optimistic about the outlook for their own businesses and their suppliers, implying they expect to take market share in a weakening economy. They also expect profitability to improve next year, after a challenging year just gone.
- Businesses expect to continue making significant investments in capital, technology and training, even more than in the last 12 months. This is consistent with an expected increase in sales volumes and profitability in their own businesses.
- To facilitate business growth, businesses also expect to increase staffing, including health and safety personnel. Recruitment remains difficult, although is expected to ease next year, likely related to a slowing economy, and opening of borders to migrant workers.
- Encouragingly, businesses see *Interaction between management and staff*, and *Budget for organisational culture, recreation & wellbeing* increasing, with no correlation to the economic cycle. This shows that businesses regard these critical health and safety line items as important foundations to get right in a business, rather than as nice to have.

Figure 17: Summary of results, 2023 survey

Net % of firms reporting an increase in:	Last 12 months		Next 12 months	
External environment				
Sales volumes in industry	21%		7%	
Sales volumes in suppliers	28%		5%	
Own business measures				
Sales volumes	30%		23%	
Profitability	4%		29%	
Investment in capital	38%		36%	
Investment in technology	48%		54%	
Investment in training	33%		54%	
Staffing	40%		37%	
Number of H&S staff	22%		25%	
Ease of recruitment	-44%		17%	
Interaction between management & staff	48%		52%	
Budget for organisational culture, recreation & wellbeing	47%		55%	

Figure 18: Composition of survey respondents

Share of respondents by:		
Sales turnover band		
\$100,000 – <\$1 million	1%	
\$1 million – <\$5 million	4%	
\$5 million – <\$10 million	4%	
\$10 million – <\$20 million	6%	
\$20 million – <\$50 million	13%	
\$50 million – <\$100 million	23%	
\$100 million – <\$200 million	16%	
\$200 million +	33%	
Employee count band		
6 – 9	1%	
10 – 19	2%	
20 – 49	3%	
50 – 99	14%	
100 – 199	14%	
200 +	65%	
Governance structure		
Do-it-yourself	6%	
Informal Board	8%	
Formal Board	77%	
Other	9%	

Summary statistics of responses: n=89

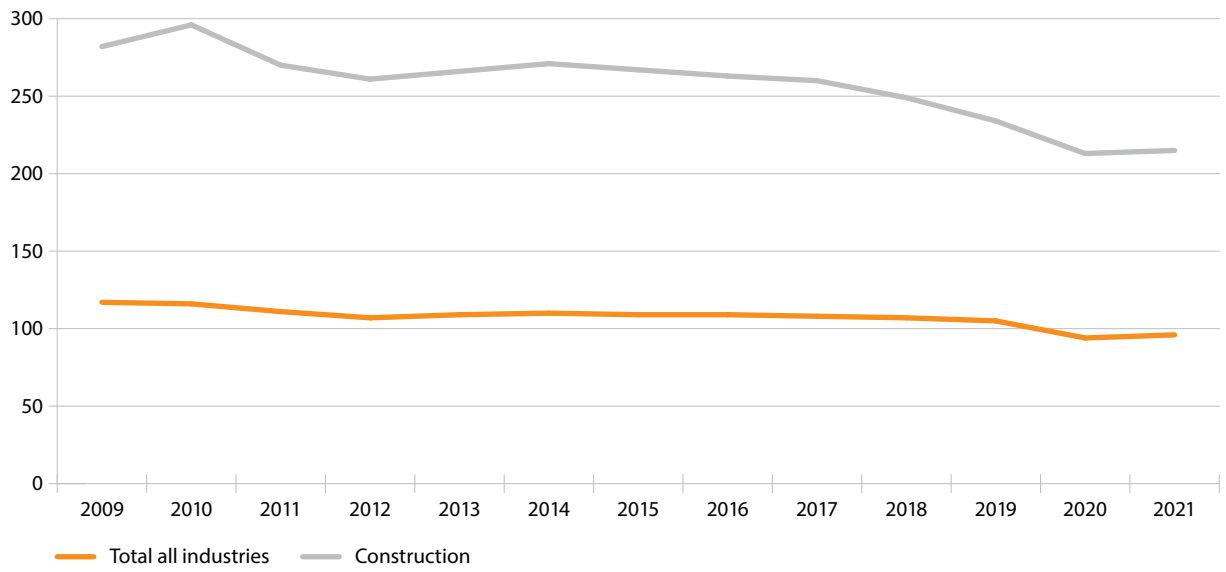
Construction at particular risk

The construction sector is more exposed to workplace health and safety harm than many industries. That is because it has higher prevalence of injuries, has a high reliance on disparate supply chains and high use of – often small – subcontractors, and the economic cycle in the past has caused significant financial pressure.

This report focused on construction specifically as it is also a sector where public sector organisations (i.e. central and local government and Crown-owned agencies) account for a significant part of the client community – and therefore have influence to encourage and enable improved performance, as well as benefit accordingly.

Figure 19: Construction sector injury prevalence is high

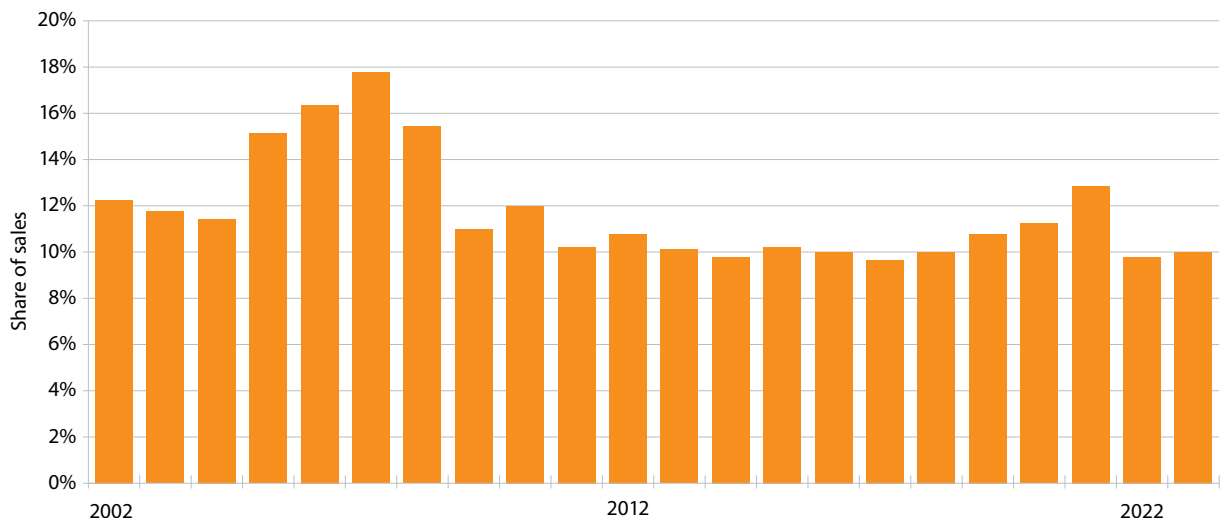
Reported injuries per 1000 employees



Source: Statistics New Zealand, Sense Partners

Figure 20: Profit margins are already under pressure

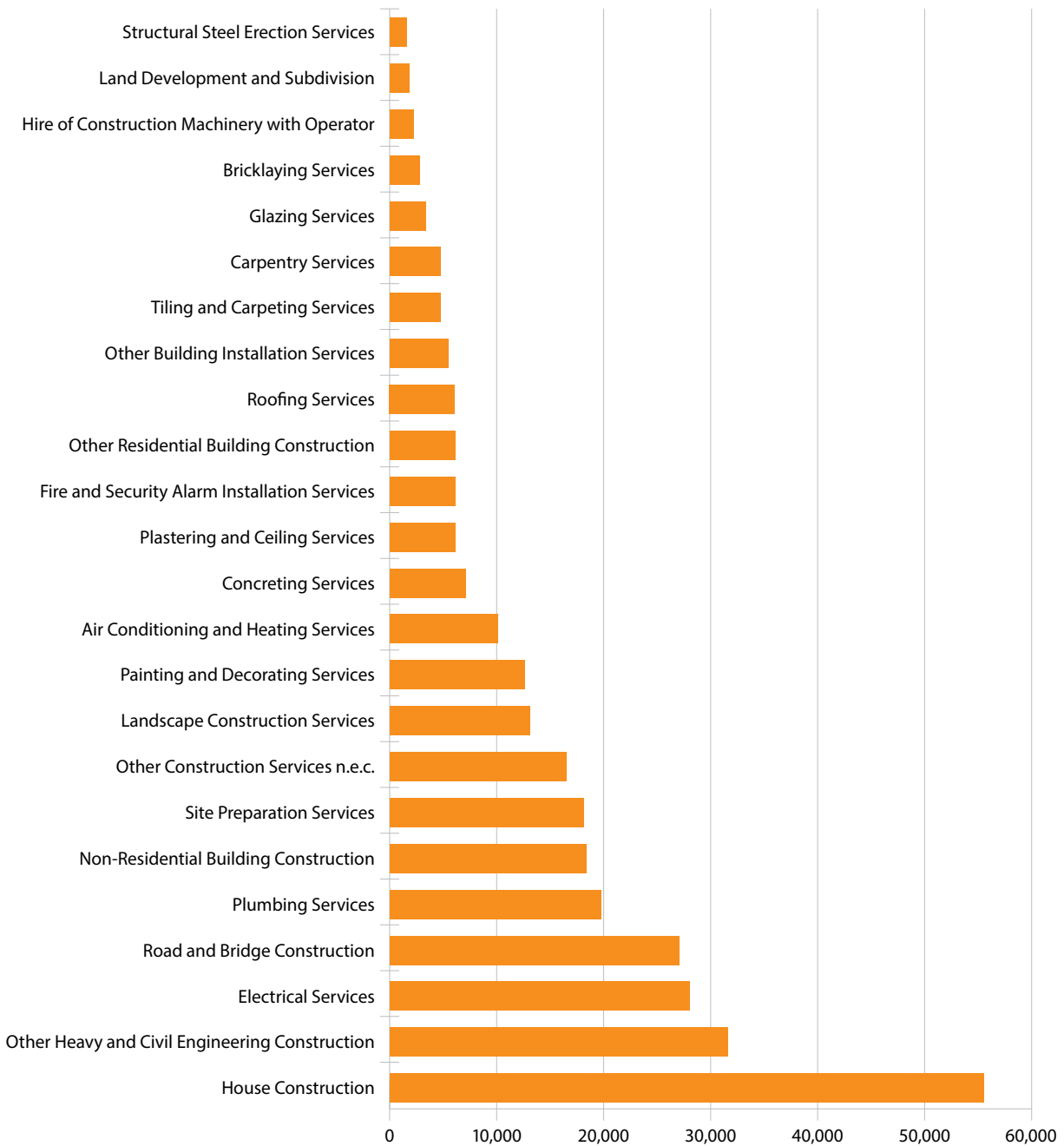
Construction Gross Profit Margin



Source: Statistics New Zealand, Sense Partners

Figure 21: The construction sector is disparate, and often a number of businesses will work on a site, making risk management complex

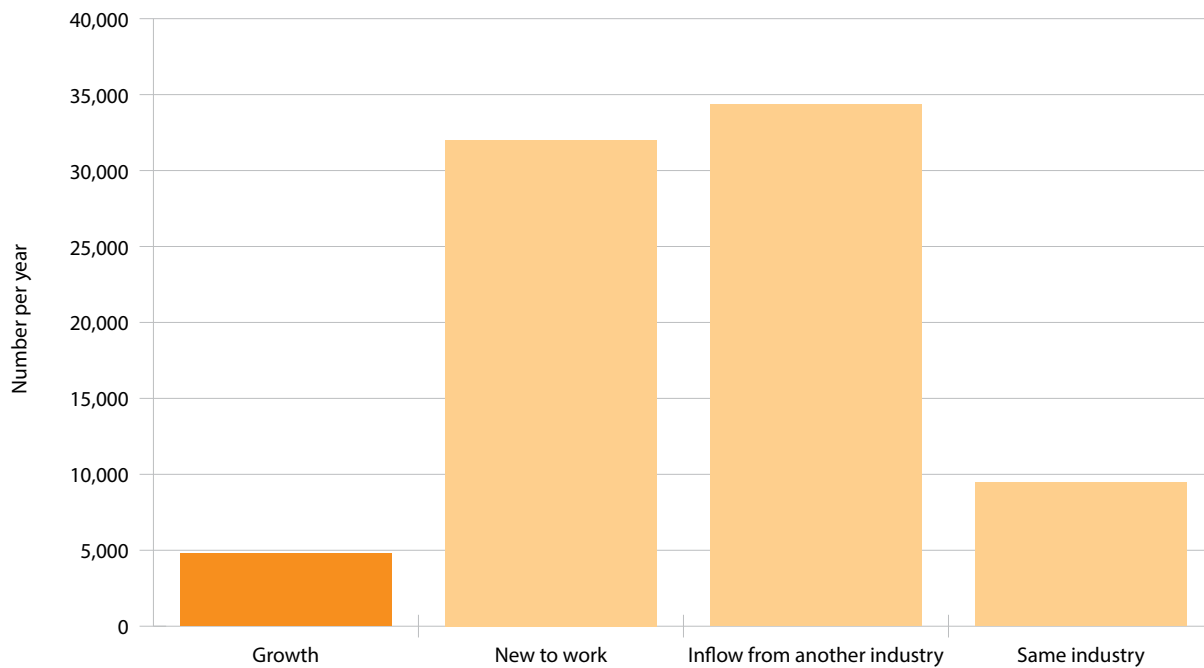
Construction sector employment, 2023



Source: Statistics New Zealand, Sense Partners

Figure 22: The construction sector has a large number of people who are new to the industry, raising its risk profile

Construction sector employment inflows, 2022



Source: Statistics New Zealand, Sense Partners

6. General election opportunity

The 2023 general election is the halfway point of the Health and Safety at Work Strategy 2018-28, published by MBIE.¹⁹ The high-level strategy is required under the Health and Safety at Work Act 2015. The Strategy's goal remains relevant to the health and safety environment, but requires a greater sense of urgency, collaboration, action, and accountability. The Strategy's goal is that "everyone plays their part to manage health and safety risks effectively and proportionately by:

- focusing on what will make the biggest impact to reduce harm
- building everyone's capability to do this well."

The strategy is due for a mid-point review. However, given the minimal action to date, it would be more appropriate to focus on developing and committing to an action plan, which was originally due in 2019. This should also give active reference to the recommendations in the SageBush report²⁰ that looked at WorkSafe NZ's approach, that are not yet fully actioned.

While Covid disruptions are understandable reasons for some slippage in progress of the Strategy, a clearly articulated action plan to give effect to the strategy, allocation of tasks to public and private sector participants across the health and safety ecosystem, agreed KPIs and accountability to an oversight group and transparency through public reporting would make it easier to translate the strategy into needed and overdue action.

Successful policy making has the following five steps:

- Agenda setting
- Policy formulation
- Decision-making
- Policy implementation
- Policy evaluation.

The Health and Safety at Work Strategy 2018-28, as it stands has developed a clear agenda. But the required policy formulation to evaluation steps remain missing. A system-wide action plan with clear accountability is needed to make progress. Not doing so will continue to come at massive and avoidable social and economic cost.

A new government in October 2023 also has the opportunity to prioritise the importance of a "level playing field" through clear regulatory expectations on businesses and effective follow through and accountability.

The number of WorkSafe inspectors has fallen from 8.4 per 100,000 workers in 2013, (the stated WorkSafe target), to 6.3 in 2023.

Addressing this slippage will ensure regulators are able to ensure poor performers are consistently held to account.

¹⁹ [Health and safety | Ministry of Business, Innovation & Employment \(mbie.govt.nz\)](https://www.mbie.govt.nz/health-and-safety)

²⁰ [Independent reviews of WorkSafe | Ministry of Business, Innovation & Employment \(mbie.govt.nz\)](https://www.mbie.govt.nz/independent-reviews-of-worksafe)

Appendix A:

Data sources

Figure 1

Inspector numbers from WorkSafe quarterly reports.

<https://www.worksafe.govt.nz/about-us/corporate-publications/quarterly-reports/>

Occupational health and safety officers estimated from 2018 Census numbers. From custom data request from Statistics New Zealand.

Employers, sole traders, managers and total employment data from the Statistics New Zealand Household Labour Force Survey. Available from infoshare, under 'Work income and spending' – 'Household Labour Force Survey'

<https://infoshare.stats.govt.nz/>

Workers with high use of protective gear and Workers responsible for the health & safety of others estimated using O*Net data which has detailed work context information at a detailed occupation level. O*Net data is from USA, which has been matched to the New Zealand data for the 2018 Census. O*Net data can be found here:

<https://www.onetonline.org/find/descriptor/browse/4.C>

Figure 2

International data from International Labour Organisation. New Zealand and Australia data from respective national sources for latest.

ILO data available from:

<https://ilostat.ilo.org/topics/safety-and-health-at-work/>

WorkSafe Australia data available from:

<https://www.safeworkaustralia.gov.au/data-and-research/explore-our-data>

WorkSafe NZ data available from:

<https://data.worksafe.govt.nz>

Figure 3

Australia fatality rate from WorkSafe Australia, same source as in Figure 2. NZ fatality rate calculated from WorkSafe NZ data, same source as Figure 2, and employment data from Statistics New Zealand, same source as Figure 1.

Figure 4

New Zealand data as per Figure 3.

UK data from Health and Safety Executive, available from:

<https://www.hse.gov.uk/statistics/index.htm>

Figure 5

Comparison of Australia and NZ fatality rates by industry using the same fatality data used in Figure 2. Industry employment data for New Zealand sources from Statistics New Zealand, same as Figure 1.

Figure 6

ACC data on work-related injury claims. Historical data sourced from internet archives. There are potential differences in how data was compiled and reported in the past. Latest data available from:

<https://www.acc.co.nz/newsroom/media-resources/work-injury-statistics/>

The denominator is total employment, same as the source in Figure 1.

Figure 7

Injury rate by country is sourced from ILO. Available from:

<https://ilostat.ilo.org/topics/safety-and-health-at-work/>

Figure 8

Injury by ethnicity and occupation data is from ACC data reported by Statistics New Zealand. Available from the nz.stat tool, in this table: 'Injury' – 'Injury Tables' – 'Count of fatal and non-fatal serious injuries by sex, age group, ethnicity, cause, and severity of injury, 2000-2021'

<https://nzdotstat.stats.govt.nz/wbos/Index.aspx>

Employment data is estimated from the census 2018 data and updated using the HLFS data where possible from Figure 1.

Figure 9

Same data sources as Figure 8.

Figure 10

Injury statistics are from ACC data reported by Statistics New Zealand. Available from the nz.stat tool, in this table: 'Injury' – 'Injury Tables' – 'Table 5: All claims for work-related injury by industry and territorial authority 2009-2021 (P)'

Employment at industry and territorial authority is sourced from filled jobs from Business Demography statistics. Note that this differs from HLFS data, as it does not count self employed, but has the benefit of greater detail at very local and detailed industry levels. Available from the nz.stat tool, in this table: 'Business demography statistics' – 'Business demography tables' – 'Geographic units by region and industry 2000-2022'

<https://nzdotstat.stats.govt.nz/wbos/Index.aspx>

Figure 11

We calculate the industry specific injury rates by territorial authority, while accounting for industry composition, allowing us to compare local injury rates across territorial authorities. The source data is the same as Figure 10.

Figure 12

Illness and injury related work reduction is from Statistics New Zealand HLFS. Same source as Figure 1.

Figure 13

Historical benefit data is from Statistics New Zealand, available from Infoshare tool, under 'Discontinued', Work income and spending' – 'Social Welfare Benefits and Payments – SOW – (Discontinued)

<https://infoshare.stats.govt.nz/>

MSD statistics are available from Benefit Fact Sheets.

<https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/benefit/index.html>

Figure 17 and Figure 18

From a survey of Forum members.

Figure 19

Injury statistics are the same source as Figure 10.

Figures 20-22

Construction gross profit margins are calculated from Statistics New Zealand's Annual Enterprise Survey, with historical data gathered from internet archives.

<https://www.stats.govt.nz/information-releases/annual-enterprise-survey-2022-financial-year-provisional/>

Latest year based on quarterly financial data from Statistics New Zealand, available from Infoshare tool, under 'Industry sectors' – 'Business Data Collection – BDC'

<https://infoshare.stats.govt.nz/>



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Worker in high-visibility vest and hard hat.





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