



# TOWARDS BETTER GOVERNANCE

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Setting the vision and direction for health and safety governance in New Zealand





# TODAY



- **Background** to health and safety governance in New Zealand
- **The Project:** '*Better Governance*'
- **Vision and principles** for better health and safety governance



# BACKGROUND



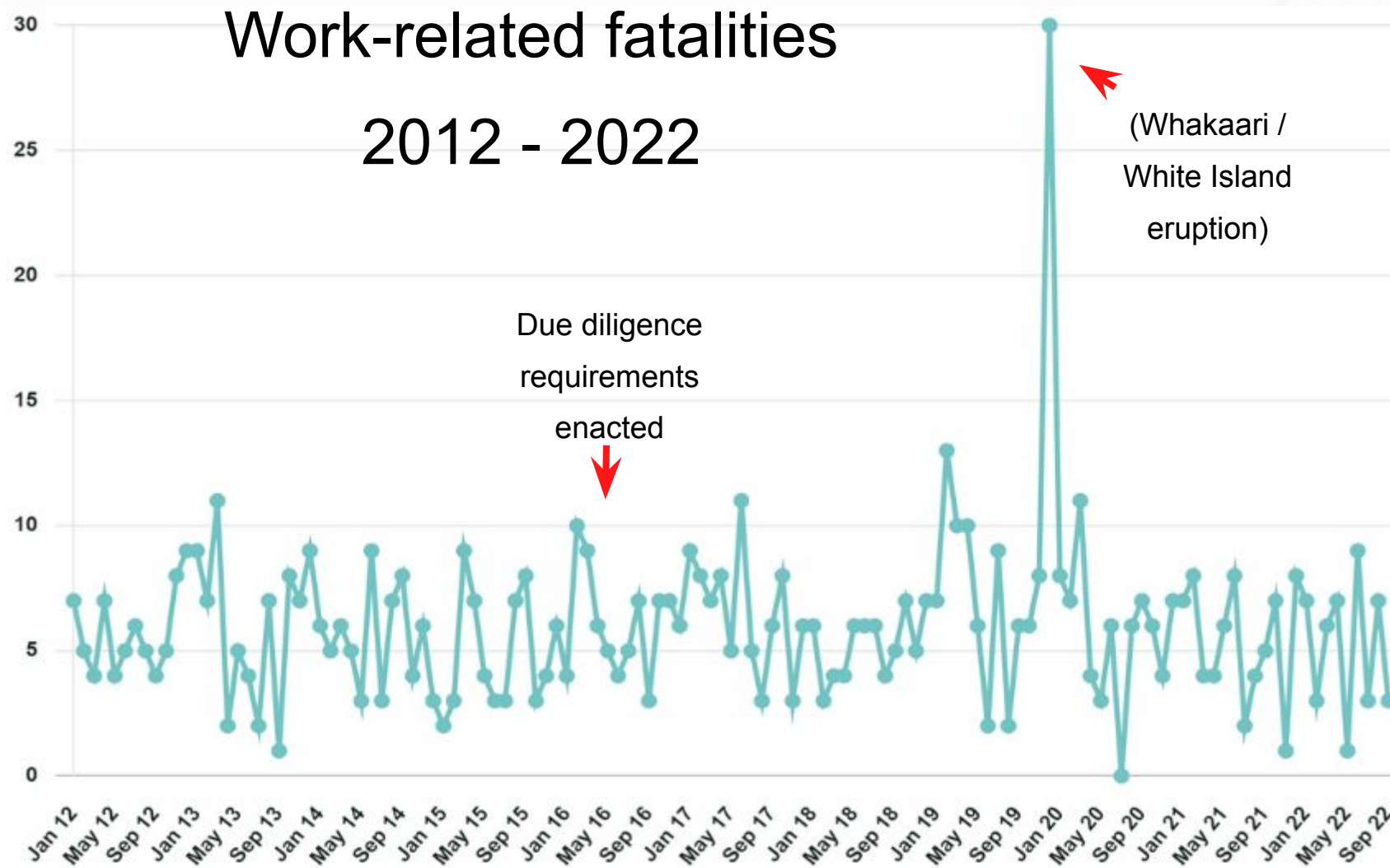
***“The board received no information proving the effectiveness of crucial systems.”***

***“The [H&S] legislation places no specific duty on individual directors to ensure the safety of workers.”***

- Royal Commission on the Pike River Coal Mine Tragedy, 2012



# BACKGROUND



*'30% of Board members wait for management to raise health and safety issues'*

*'Less than half of Boards seek health and safety assurance from internal audits or external reviews'*

*'Less than a third of Board members are confident every director could name all of their critical risks'*



**Business Leaders' Health & Safety Forum**



## Phase one: exploration and options

- One on one engagements
- Workshops
- Desktop 'ecosystem' review
- Vision and guiding principles



## Phase two: implementation

- Theme 1: *Context*
- Theme 2: *Clarity*
- Theme 3: *Capability*
- Theme 4: *Monitoring*



# THE BETTER GOVERNANCE PROJECT



# 8 KEY INSIGHTS



1

**Confusion about duties of PCBU vs Officer**



2

**Officers view H&S as a *complicated*, rather than *complex*, problem**



3

**Continuing compliance and transactional focus**



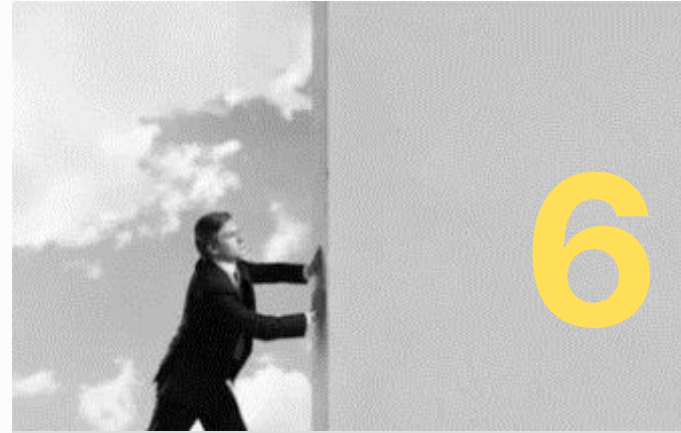
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**Scarcity of governance-capable H&S leaders**



5

**Reliance on lag data, driving reactive responses to harm**



6

**Director role makes vulnerability hard and limits curiosity**



7

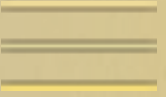
**Unclear H&S governance capability requirements**



8

**Unclear regulatory expectations, capability and action**

# FINDINGS



# THE VISION FOR HEALTH AND SAFETY GOVERNANCE IN NEW ZEALAND

*'Capable leaders integrating health and safety into curious and courageous governance discussions and decisions that are context-rich and show care for workers'*



## Capable

*'We continuously develop our health and safety knowledge and capability to a level appropriate for our governance role.'*

*We seek and welcome diverse and reliable advice, insights and feedback from others, and a worker perspective to better understand normal work.'*

## Curious

*'We are curious about the realities of how our organisation's work is prioritised, planned, resourced, completed, and experienced.'*

*We are constructively sceptical of continuously positive reporting.'*

## Courageous

*'We acknowledge that we don't have all the answers and have the courage to admit when we don't know something.'*

*We challenge ourselves and others, ensuring an environment of honesty, transparency, learning and improvement by responding constructively to information.'*

## Context

*'We understand the internal and external factors that affect our work and organisation.'*

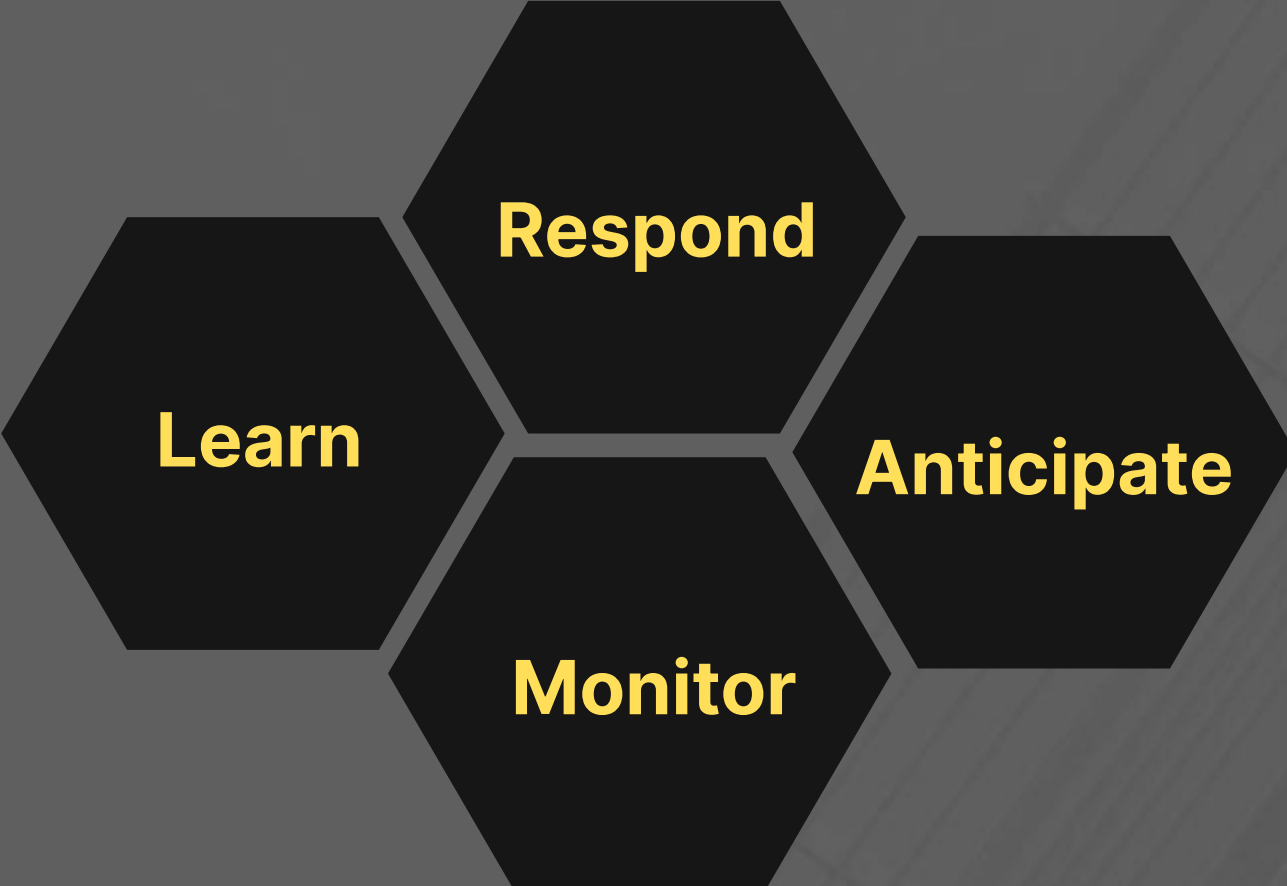
*We horizon scan, build an understanding of our most important risks and the effectiveness of our controls, and maintain strong and diverse relationships and networks.'*

## Care

*'We understand that people are our greatest asset, and work to create an environment of trust where everyone can honestly and safely contribute.'*

*Our health and safety governance approach is driven by our ethical responsibility to support the wellbeing of people.'*

# THE PRINCIPLES FOR HEALTH AND SAFETY GOVERNANCE IN NEW ZEALAND

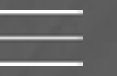


Resilience engineering cornerstones





# THE PRINCIPLES FOR HEALTH AND SAFETY GOVERNANCE IN NEW ZEALAND



“ We recognise that ongoing learning and development is vital and a requirement of our role ”

We develop knowledge about...

- leading *health and safety governance practice*
- effective *risk management and assurance*
- how people *work, behave, and make decisions*
- the importance of *local context* and how *systems drive behaviours*, including trade-offs and work-arounds.



# THE PRINCIPLES FOR HEALTH AND SAFETY GOVERNANCE IN NEW ZEALAND

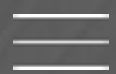


“ We anticipate the impacts of change, and understand that a range of different scenarios may occur from it ”

- We work to anticipate and understand how change will affect *future work*.
- We recognise that *all change has potential to impact health and safety*, often slowly and invisibly.
- We seek to understand *how prepared our organisation is for a range of different scenarios*, especially those with potentially significant or catastrophic consequences.



# THE PRINCIPLES FOR HEALTH AND SAFETY GOVERNANCE IN NEW ZEALAND



“ We plan for dynamic, messy work, and recognise that positive health and safety outcomes require people and resources to cope with that complexity ”

- We invest in *understanding what is needed to deliver good work* under expected and unexpected circumstances.
- We recognise *work is dynamic and messy*, and seek assurance that plans and solutions *acknowledge complexity*.
- We recognise that *safety margins* are created when people have the *knowledge, skills, tools, and equipment* to be



# THE PRINCIPLES FOR HEALTH AND SAFETY GOVERNANCE IN NEW ZEALAND

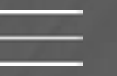


“We trust our people and partners to give advice and implement the decisions we make, but we verify what we're told and that our critical systems and controls work”

- We *take, and trust, the advice* we receive but apply a *curious scepticism* that responds constructively to what we learn.
- We *verify* the degree to which systems, policies and processes are *known about, understood, and working effectively*.
- We use our *verification processes* to understand where normal work varies from *work-as-imagined and prescribed*.

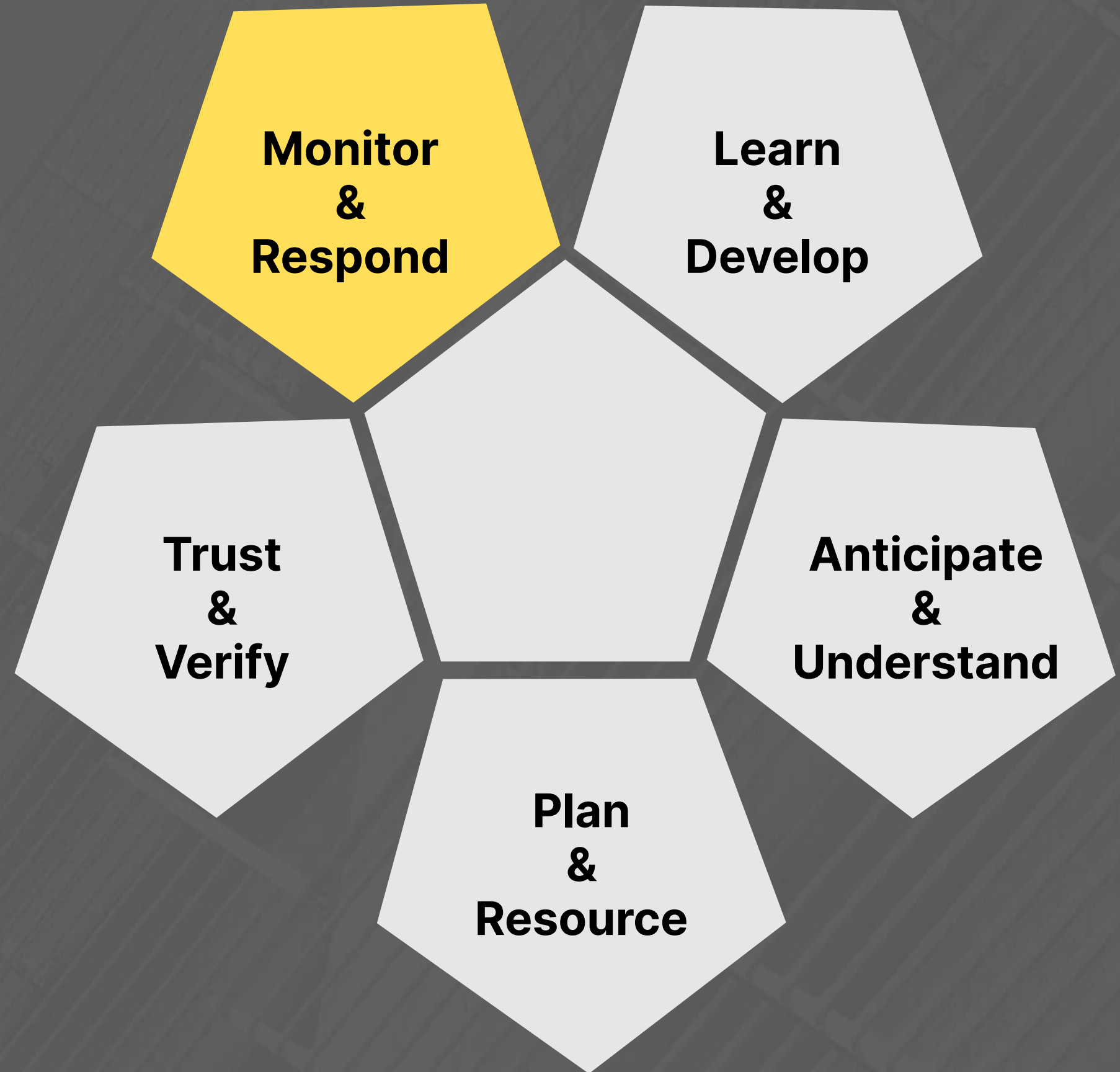


# THE PRINCIPLES FOR HEALTH AND SAFETY GOVERNANCE IN NEW ZEALAND



“ We monitor our work, seeking and welcoming genuine insights into our risks, and respond in a way that encourages honesty and transparency ”

- We monitor and seek to understand:
  - where *health and safety margins* may be being borrowed against for other organisational goals
  - how our *critical systems* and *controls* are working to support healthy and safe work.
- Recognising the *dynamic, messy nature of work*, we know indicators can never provide a complete or accurate picture of risk and look for *narrative as well as numbers*.



# KEY TAKEAWAYS



1

Good governance is vital for good health and safety outcomes

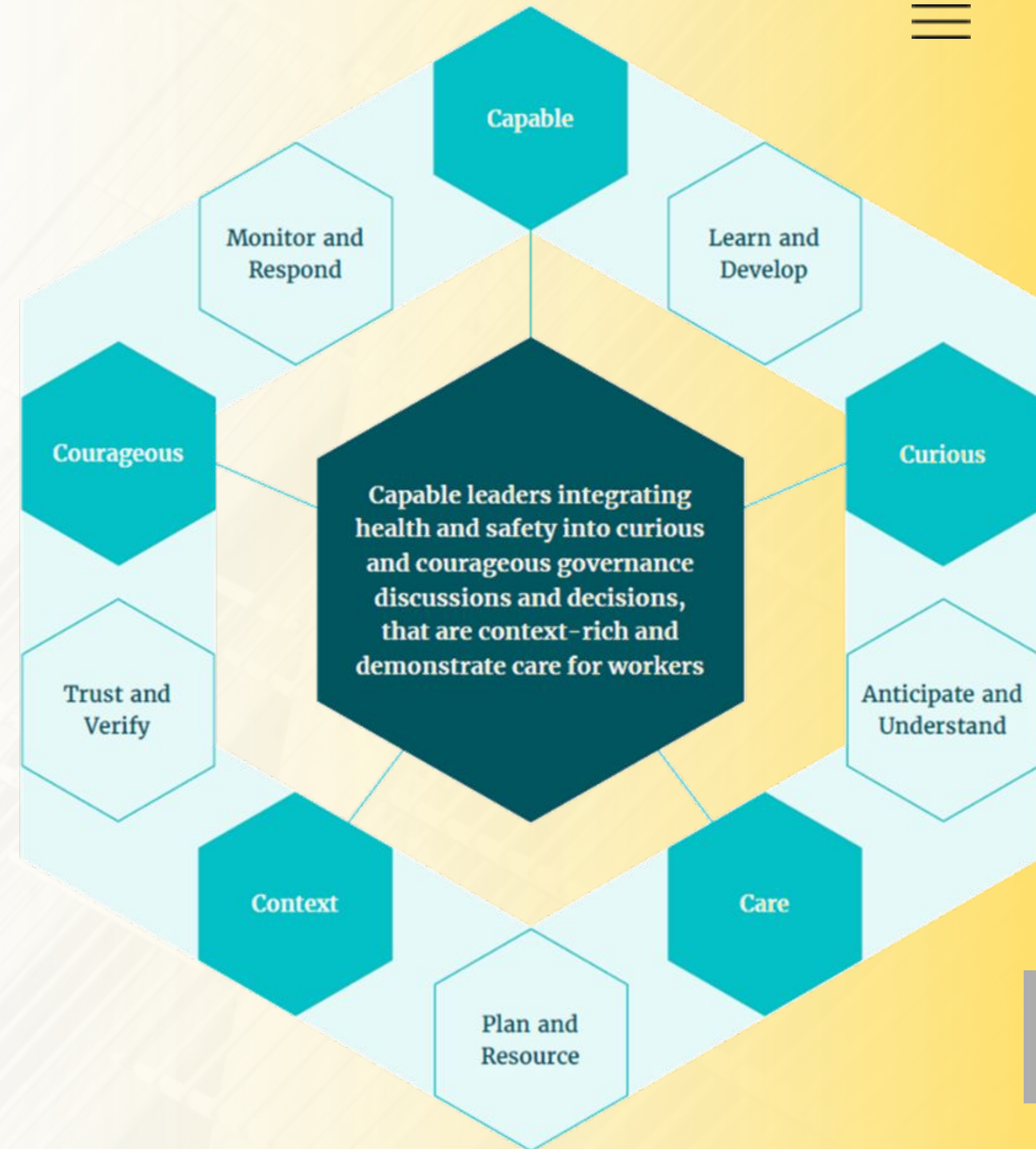
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Our vision for H&S governance is based around 5 C's: *Capable, Curious, Courageous, Context, and Care*

3

Good H&S governance practices should focus on five guiding principles and activities:

- *Learn and Develop*
- *Anticipate and Understand*
- *Plan and Resource*
- *Trust and Verify*
- *Monitor and Respond*





## BRINGING IT TO LIFE



“ Safety is not  
the absence harm...  
...it’s the presence of  
control to fail safely”



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# S.T.K.Y.

## Stuff That Kills (or seriously harms) You

What are the things that could kill or seriously harm our people?

When that happens? What stops it getting worse?

Is that enough?



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# MONITORING & UNDERSTANDING: CRITICAL CONTROL EFFECTIVENESS AT CORRECTIONS

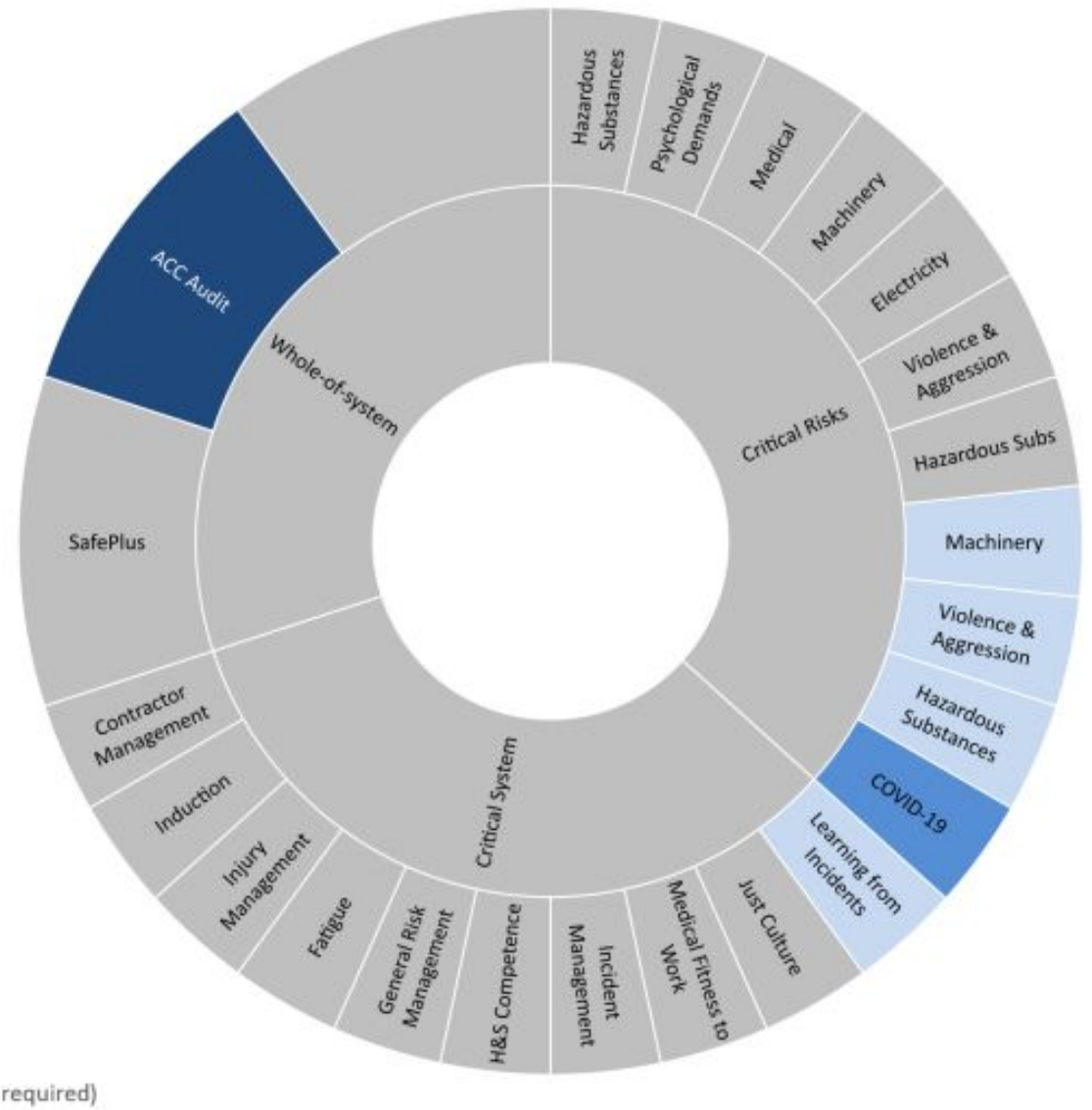


Our assurance approach is based on the unpredictable nature of complex systems: it has built in mechanisms to monitor for unsafe 'drift' and 'humble enquiry' (to probe into everyday work what's working or not working well, what causes variability, requires workarounds). Monitoring and reporting on the framework the following areas:

- Whole-of-system
- Critical systems
- Critical risks

These diagrams show the key components that will be reported through to HSWRGG.

Note: the Contractor Management (Critical System) assessment has been moved back to June 2023.



■ Leading (best practice)  
 ■ Performing  
 ■ Developing (improvements required)

	FEB-22	MAY-22	JUL-22	SEP-22	NOV-22	FEB-23	APR-23	JUN-23	AUG-23	OCT-23	DEC-23
Whole-of-System					ACC Audit				SafePlus (proposed)		ACC Audit
Critical System								Contractor Management	Injury Management	Induction	H&S Competence
Critical Risk	COVID-19	Hazardous Substances	COVID-19	Machinery	Violence & Aggression	Hazardous Substances	Violence & Aggression	Electricity	Machinery	Medical	Psychological Demands



# Thank You



Chris Jones

[linkedin.com/in/ChrisAFJones](https://www.linkedin.com/in/ChrisAFJones)