

New Zealand Defence Force

External Safety Management Review

Garry Wilson | David Ledson | Guy Robinson

September 2013

Contents

Statement from the Review Panel

Chief of Defence Force Response

Executive Summary

Recommendations

Part One: Introduction

- Purpose of the review
- The consultation process
- What the review panel heard and saw
- The panel's response

Part Two: Review of Safety Management in the NZDF

Safety Management Systems

The Legal Context

Health and Safety in the NZDF Today

- Performance
- Challenges
- High level initiatives
- The cost of injuries to the NZDF and its people

Observations and Recommendations

- Safety management culture
- Measuring and monitoring performance
- Investigating incidents
- Policy, organising (control) and audit
- Identification and management of health and safety risks to the NZDF
- Communication
- Management of change
- Competent participants
- Physical training and sports-related injuries
- Managing contractors
- Occupational health
- Employee participation and recognition of success
- Role of MOD in capital acquisition
- Implementation

Part Three: Appendices

- Appendix A: Terms of reference
- Appendix B: Consultation and visits
- Appendix C: Plan, do, check, act
- Appendix D: Health and safety initiatives across the NZDF
- Appendix E: Examples of documentation
- Appendix F: IoD directors health and safety checklist
- Appendix G: Bibliography

Statement from the Review Panel

The Review Panel's visits to the various parts of the New Zealand Defence Force (NZDF) over a relatively short period of around three weeks gave the members only a 'snap shot' of the organisation and what it does. Nevertheless, it was sufficient for each of us to conclude that while the NZDF regularly engages in complex and potentially dangerous activities the majority of its activities are not of this nature and are routine. It is in conducting these routine tasks that major Health and Safety challenges lie.

Although the genesis of this review was the unfortunate number of avoidable fatalities and debilitating injuries over recent years, it became obvious to the Review Panel that the whole health and safety culture within the NZDF was deserving of review, comment and attention.

In reaching this conclusion we were influenced by a principal conclusion of the Report of the Independent Taskforce on Workplace Health and Safety that: *'Our national culture includes a high level of tolerance for risk, and negative perceptions of health and safety.'*¹ We were sensitive, too, to the reality that culture is a significant driver of what gets done and how it gets done.

As the Review Panel spoke with people inside the NZDF it became very evident that any accident that involves fatalities or disabling injuries has a major impact through the organisation – from senior leaders in Wellington to those serving alongside those who have died or been significantly injured. It was evident, too, that while there was an acknowledgement that tragedies may well occur again, people within the NZDF (especially senior leaders) were determined to do all they could to ensure that would not be an inevitable outcome of the NZDF going about its day-to-day business.

The target of eliminating avoidable fatalities and debilitating injuries is a realistic objective. An emphasis on providing a safe training and deployment environment, while not totally new, has received much more attention recently. The change in culture required to see this emphasis embedded throughout the NZDF has been initiated, but is incomplete. Attention over several budget and planning cycles will be needed before effective organisational cultural change is achieved.

Importantly, the Review Panel is firmly of the view that the NZDF must also pay close attention to the implications that are a consequence of the considerable number of minor injuries (and near misses) that are suffered each year by NZDF personnel. These have a potentially long term effect on the health and quality of life of individuals, affect the organisation's ability to deliver operational capability and incur a not insignificant financial cost. Furthermore, it has been proven in many industries that minor injuries and near misses are often an important lead indicator of where closer attention needs to be paid to eliminate a hazardous situation.

The Review Panel trusts that this report will assist the NZDF in the efforts that have been initiated and are currently underway to improve the organisation's Health and Safety performance. If the changes identified in this report are implemented as recommended they will ensure that the NZDF is able to provide a safe place of work for everyone for whom it has a duty of care.

1 p 12 of the Executive Report of the Independent Taskforce on Workplace Health and Safety (New Zealand).

To achieve this will require that the changes are given an appropriate priority and focus alongside the large amount of other change that the NZDF is presently managing.

The Review Panel wishes to record its appreciation for the willingness and openness that characterised all of the discussions that it had during the course of the review.

Everywhere we went we were made to feel very welcome and those we spoke to were open and interested in helping the NZDF achieve a safer work environment as it developed competency and capability for its important Defence roles.



Garry Wilson
Chair



David Ledson
Member



Guy Robinson
Member

September 2013

Chief of Defence Force Response

I would like to thank the External Safety Management Review Panel for this comprehensive and clear report produced from a relatively short and intense visit and deliberation schedule.

The report confirms that Defence is significantly safer than many other dangerous industries in New Zealand and that the Defence Force is comparable with injury rates to be found in organisations we often seek to compare ourselves with – specifically the Police, Fire Service and Corrections.

However, while good practice is being achieved within parts of our organisation, I agree that a broader organisational approach is required to ensure standards of excellence are achieved across the entire organisation. Some change needs to be treated as a matter of urgency, but as the Review Team quite rightly highlights, there is a need for a sustained programme of work to address the issues they have identified.

This is most needed in ensuring we have a systematic approach to identifying and mitigating risk, which ironically the report authors identify is most needed not in our highest-risk activities, which already have well-defined processes, but rather in our more routine activities. Physical training (PT) and sports activities have been singled out by the Review Panel as our greatest source of injury.

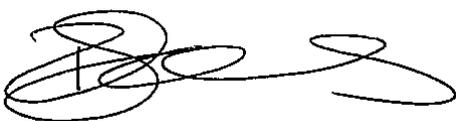
The NZDF senior leadership is committed to the health and safety of the people in this organisation. The role at this level is unequivocal in ensuring a 'safety always' culture is embedded in the organisation's operating model throughout all levels of command and management.

We accept each of the Review Panel's 20 recommendations and intend using them to both strengthen what we already do well and to guide the essential changes to come. The report's authors have, most helpfully in my view, sequenced activities that they see as the priority in the next 12-18 months. This forms the basis of a campaign plan which the Defence Force will be implementing in full.

Work is already underway to establish a Health and Safety Directorate reporting to Vice Chief of Defence who is responsible to me for health and safety across the NZDF. The new Directorate will be leading the campaign. This organisation will oversee health and safety policy, benchmarking and audit, and will institute a more suitable and comprehensive measurement and monitoring system that enables the NZDF to measure its performance against clearly articulated goals.

Beyond this, the Directorate's task is to build in the specific requirements of each operating environment and adopt organisational best practices where appropriate, or alternatively environmentally specific best practices that can be benchmarked with other like organisations.

I see no end point to the pursuit of excellence in the health and safety for our people.



R.R. JONES

Lieutenant General

Chief of Defence Force

Executive Summary

Introduction

- 1.1 The NZDF has recently faced a number of enquiries about its health and safety processes and procedures. While there have been a variety of reasons for this, the principal one has been the avoidable deaths of Service personnel in non-operational accidents; that is, those that have occurred outside operations overseas. Every incident had a high public profile - and that has been sustained for a considerable time. As well as deeply affecting the families of those who have died, the accidents have raised concerns about the ability of the NZDF to provide a healthy and safe workplace for those for whom it has a responsibility.
- 1.2 The Review Panel's view is that while the focus of attention has appropriately been on fatalities and serious injuries, there is also a need to pay attention to the very significant impact on NZDF personnel and the NZDF itself of 'near misses' and minor injuries. These incidents are good indicators of where hazards lie and where attention is needed.
- 1.3 It appears to the Review Panel that the Chief of Defence Force (CDF) and other senior NZDF leaders are absolutely committed to ensuring, as a matter of urgency, that an effective safety management system is implemented across the NZDF and that it is adequately resourced so that it is set up to succeed. This review provides the NZDF with the opportunity to leverage off this momentum and develop a much improved health and safety culture and to establish an exemplary position in the health and safety space. Pleasingly, we see the NZDF leadership team stepping up to accept this challenge – but this cultural change will take some time and effort to achieve.

The Independent Taskforce on Workplace Health and Safety

- 1.4 The recent Independent Taskforce on Workplace Health and Safety concluded, 'that a lot of bad things happen to people in this country.'² The twelve key issues that the Taskforce identified that lie behind this unenviable record include eight that are of particular relevance to this review because they are also important factors influencing, to varying degrees, the NZDF's health and safety performance. They are:
 - Poor data and measurement
 - Inadequate leadership
 - Confusing regulation
 - Capacity and capability shortcomings
 - Inadequate incentives
 - Risk tolerant culture
 - Hidden occupational health
 - Particular at risk population.

² P. 10 of the Executive Report of the Independent Taskforce on Workplace Health and Safety.

Some Key Findings

The NZDF's Health and Safety Performance

- 1.5 Notwithstanding that elements of it are unique, the NZDF is shaped as much by national, social and workplace influences as many other New Zealand organisations. It was no surprise, therefore, that as it focused its efforts on examining health and safety in the NZDF, the Review Panel found elements of each of the factors identified in paragraph 1.4 exerting its own unique influence on the safety performance – and safety culture – of the NZDF. Each of them is a gap in the organisation's approach to health and safety in the workplace – both in New Zealand and on operations overseas – that will need to be closed if the NZDF is to be able to claim the excellence it aspires to in its operational performance and in its health and safety record.
- 1.6 When the Taskforce on Health and Safety reported, it made the point that while the Pike River mine disaster was a major industrial and personal tragedy involving 29 deaths, in the interval since it occurred there have been the equivalent of three Pike Rivers a year in the industrial scene in New Zealand³. They reported that while one or two New Zealanders are killed at work every week, it is very rarely that these incidents make the headlines of national newspapers.
- 1.7 Circumstances for the NZDF are different. The NZDF investigative processes with their Courts of Inquiry (and the Panel think this attention to the causes of accidents is exemplary) draw attention to the comparatively few fatal and serious injury accidents that involve the organisation's personnel. As well as placing a focus on the NZDF, there is a focus on the NZDF enquiry processes – and in the Panel's view an appropriate focus. However, what is sometimes overlooked by those looking into the organisation is that while the NZDF may not have an exemplary health and safety record, inquiries into the cause of major injuries and deaths are taken very seriously indeed.
- 1.8 **Courts of Inquiry.** The Review Panel's view is that while there are some indications of challenges around its Courts of Inquiry process, the approach it currently takes should be continued.
- 1.9 **Fatalities.** Over the past 10 years, 15 NZDF personnel have died in non-combat situations. This record is, as best the Panel can establish, comparable with the Australian Defence Force but higher than in the UK Armed Forces.
- 1.10 Because of their comparative rarity, fatalities are statistically less indicative of how an employer meets their obligations to be a good employer. A better indicator of the effectiveness of an organisation's health and safety environment is a range of other measures such as the number of serious injuries, the number of near misses that are recorded and how proactively the organisation deals with its injury risks.
- 1.11 The data available to the Review Panel and to NZDF management in this area is quite

³ Peter Griffiths, as reported in the June 2013 edition of the IoD Boardroom magazine.

inadequate. Consequently, as a matter of priority, the NZDF needs to ensure that its database of accidents is upgraded to ensure effective monitoring of incidents so that effective strategies can be implemented. Without adequate data the NZDF will continue to be limited in its ability to exercise appropriate controls in the health and safety area.

1.12 **Overall Safety Performance.** Using ACC levy rates as a very broad indicator of the incidence and severity of accidents, the NZDF:

- is significantly safer than industries such as forestry, fishing and farming; and
- has comparable injury rates with Police, The Fire Service and Corrections.

The NZDF Health and Safety Culture

1.13 As the Review Panel walked around various camps and bases the members met a number of people who had worked in the NZDF and now worked for civilian contractors, or who had worked for contractors or other forces and were now working for NZDF. In response to the simple question:

'Based on your experience where would you rate NZDF's health and safety commitment?'

The response was revealing and typically:

'Not very well.'

1.14 The Review Panel also asked these personnel to rate their private sector comparison company and the NZDF on a ten-point scale - 10 being the best. They typically rated the private sector commitment at 7 or 8 out of 10. The NZDF they rated 3 or 4 out of 10. The Review Panel agrees with this assessment – and several senior leaders within the NZDF expressed a similar view.

1.15 Interestingly, the key difference between those organisations and the NZDF was that for the private sector companies, many of which were international in their ownership:

- Health and safety was always a top issue on the senior management meeting agenda;
- The health and safety executive had direct access to the most senior staff, and in most cases;
- Any time lost as a result of accident or major incident has to be reported directly to the senior executive (often the offshore Managing Director) within a day.

There was absolute clarity that health and safety was of fundamental importance to the Chief Executives of those organisations.

1.16 While there has been a recent strong commitment from the CDF and his senior team to improving the NZDF's health and safety performance, it is clear that the organisational cultural change needed to bring about change on the ground throughout the NZDF has yet to be achieved. The "tone at the top" has now been set, but is yet to permeate through the whole organisation - and realistically this will take some time. Illustrative of this sometimes casual approach to safety is that during a recent audit of lifejackets in the Navy, 3-5% of them would not have operated automatically because inflation mechanisms had been improperly removed.

1.17 The present health and safety culture will take some time to change and will require

sustained attention from the top to monitoring the implementation of the NZDF's health and safety change programme.

Health and Safety and the Military Context

- 1.18 The consequences that result from injuries affect both the individuals concerned and the organisation in a variety of ways. While the consequences to individuals are generally well understood, the same cannot be said of the operational implications. The negative impact on the numbers of people available for operational deployment seems sometimes to be accepted as a natural consequence of what the NZDF does - and this should not be the case. The members of the Panel were surprised to see the number and the cost implications of operational personnel who would not be fit for deployment because of injury. We believe this should be more closely monitored than is currently the case.
- 1.19 Most of the injuries do **not** occur in military training but rather in general fitness activities and sport. Insofar as training is concerned, some personnel seem to often take the position that because active service may be dangerous, training needs to take place in a realistically dangerous environment. On one occasion when the Review Panel queried the safety of a training activity the members were told: 'There won't be padding in Afghanistan.' This attitude is anomalous to the cultural change that is required.
- 1.20 The Review Panel members were also surprised to find that other militaries with which the NZDF operates that do not take this approach and do provide safe training environments were often criticised as needing 'to toughen up'.
- 1.21 The Review Panel's view is that as well as an obligation to train personnel for active deployment, the NZDF has a very clear obligation to meet all practicable steps to provide a safe work environment. We would suggest that these objectives are not in conflict and that both objectives can practically be met.

The Future

- 1.22. There are promising signs that changes are occurring that will improve the NZDF's approach to its health and safety obligations. Three years ago a mid-level executive in the Personnel Executive commissioned a report on NZDF health and safety. The report was an excellent one, (the Cosman Review⁴), and its recommendations, have been recently given impetus and are now being implemented. The Vice Chief of the Defence Force (VCDF) has been allocated accountability for this activity, a senior Health and Safety management group established and they have now met twice.
- 1.23 However, the changes that the NZDF require will not, in the Panel's view, be successfully implemented with the current resources and management structure devoted to health and safety. Changes will, therefore, need to be made - and some of them with some urgency - if the NZDF is to be able to demonstrate and sustain its commitment to bringing its health and safety performance to the level at which it should be.

4 Health and Safety Services Review For New Zealand Defence Force by Mr Mike Cosman dated March 2011.

Recommendations

1.24 The recommendations from this review, in priority order, are outlined below. The Review Panel is aware that implementation of some of them is already underway. They are, however, all included here to illustrate the quantum of the changes that we believe are needed, to enable each of them to be incorporated into a programme of work, and to allow the progress of that programme to be monitored by the NZDF's senior leadership.

Area	Recommendation	Priority	Target Date
1. Leadership	<p>That health and safety accountability be made explicit by the following measures:</p> <ul style="list-style-type: none"> a. The Minister of Defence to set health and safety goals in his letter of expectations to CDF. b. The Minister of Defence and CDF to issue policy statements on health and safety. c. Senior leaders' and commanders' health and safety performance to be assessed against specific health and safety targets for their areas of responsibility in annual personal performance appraisals. 	1	Oct 13
2. Measuring & Monitoring Performance	<p>To drive an immediate improvement in accident reporting, that unit commanders are held accountable for:</p> <ul style="list-style-type: none"> a. The close and proactive management of entries made in the Safety Reporting System (SRS). b. Ensuring a very high correlation with workplace ACC45 claims for military personnel and implementation of relevant lessons. 	1	Oct 13
3. Measuring & Monitoring Performance	<p>To allow the NZDF to improve its current health and safety performance, the NZDF should:</p> <ul style="list-style-type: none"> a. Establish key metrics to enable it to determine its current health and safety performance. b. Initiate benchmarking against other relevant organisations or activities. c. Ensure the Defence Force leadership Board (DFLB) oversee and manage health and safety performance by way of relevant KPIs. 	1	Oct 13
4. Measuring & Monitoring Performance	<p>To ensure the best use of health and safety relevant information:</p> <ul style="list-style-type: none"> a. A single, health and safety information system should be implemented capable of capturing, processing and analysing data across the full range of near misses, incidents, deaths, injuries and cases of occupational ill health. b. The system should be capable of supporting an investigation and corrective action process as well as injury and claims management, rehabilitation and return to work. The system must be able to support those working on warships and on operational deployments. 	2	Aug 14 or earlier

Area	Recommendation	Priority	Target Date
5. Measuring & Monitoring Performance	<p>To make explicit the relationship between health and safety and operational capability:</p> <p>OPRES reporting be expanded to include safety related metrics.</p>	2	Oct 13
6. Policy, Organising (Control) and Audit	<p>To give focus and momentum to necessary health and safety initiatives and to ensure a sustained effort, an appropriately resourced Health and Safety Directorate, managed at senior level, be established in HQ NZDF reporting directly to the VCDF tasked with (inter alia):</p> <ol style="list-style-type: none"> Advising the VCDF on matters relating to health and safety policy and management. Providing technical support and a secretariat function to the NZDF Health and Safety Governance Committee. Acting as a focal point for all health and safety issues across the NZDF without compromising single Service health and safety responsibilities. Establishing an NZDF wide health and safety management system. Overseeing the implementation and reporting on the recommendations arising from this review. Working collaboratively with the single Service health and safety champions. Publishing an annual NZDF Health and Safety Report – with a strong evidential basis. 	1	Oct 13
7. Policy, Organising (Control) and Audit	<p>To ensure that the right lessons are learned and effectively implemented:</p> <ol style="list-style-type: none"> Corrective actions arising from inspections, investigations, audits, reviews and other processes are formally tracked, prioritised and managed through to completion – including escalation to senior leaders for outstanding issues. Robust incident investigation processes be established as well as training of lead investigators to a consistent standard. That Courts of Inquiry relating to workplace deaths and injury include Health and Safety representatives. 	2	Jan 14
8. Policy, Organising (Control) and Audit	<p>To ensure an aligned approach to the management of health and safety across the NZDF:</p> <p>A common health and safety policy framework, supported by comprehensive, clear and concise documentation, be implemented.</p>	2	Aug 14 or earlier
9. Policy, Organising (Control) and Audit	<p>To ensure that any health and safety risks that may lie in the service delivery chain, in particular in capital acquisition, are identified and mitigated:</p> <p>Key business processes in both the NZDF and Ministry of Defence (MOD), including procurement, include a systematic assessment of their possible impacts on health and safety.</p>	2	Jan 14

Area	Recommendation	Priority	Target Date
10. Competent Participants	<p>To ensure that the NZDF has competent participants in its health and safety management system, the NZDF:</p> <ul style="list-style-type: none"> a. Establish the minimum health and safety competence levels at discrete rank/responsibility levels across the NZDF. b. Establish a policy on the training and / or qualifications required by NZDF personnel who oversee adventurous training and similar activities. c. That a programme of safety leadership training be developed and implemented for senior leaders and those with command responsibilities. This should include: <ul style="list-style-type: none"> i. Understanding legal roles and responsibilities. ii. Understanding the NZDF approach to health and safety management and their responsibilities as leaders within it. iii. Understanding key risk and safety concepts. iv. Developing a risk aware safety culture in NZDF. 	2	Jan 14
11. Identifying Hazards	<p>To ensure the NZDF is addressing its key health and safety risks:</p> <p>The DFLB collectively identify the key health and safety risks and implement / monitor the performance of associated risk/hazard mitigation strategies.</p>	1	Oct 13
12. Identifying Hazards	<p>To address existing identified risks that VCDF initiates external reviews into the following areas:</p> <ul style="list-style-type: none"> a. Working at height, including confidence courses. b. Workshop safety, benchmarking against industry best practice. c. Physical training and conditioning 	1	Oct 13
13. Management of Change	<p>To enable local successes to be leveraged across the NZDF:</p> <p>That the DFLB implement two or three risk mitigation strategy proposals requiring capital investment as 'pilots' with specified outcomes and with the express intent of implementing the successful components across the NZDF.</p>	2	Jan 14
14. Management of Change	<p>To identify any health and safety vulnerabilities associated with matrix management:</p> <ul style="list-style-type: none"> a. Reviews be conducted of 2 or 3 indicative areas where there may be control issues (eg the fuel installations at the Naval Base and Whenuapai). b. As a matter of course health and safety risks associated with NZDF change programmes be identified and mitigated prior to a change being implemented. 	3	Jan 14
15. Communication	<p>To support the change management programme following this review:</p> <ul style="list-style-type: none"> a. A communications strategy be developed to support the 	2	Jan 14

Area	Recommendation	Priority	Target Date
	<p>safety programme implementation plan.</p> <p>b. The safety message should be embedded across a number of broader Defence Communications Group campaigns.</p>		
16. Managing Contractors	<p>To make its responsibilities explicit:</p> <p>The NZDF establish an approach to managing contractors that effectively and transparently makes health and safety performance a key criteria in determining whether contracts are let or renewed.</p>	3	Jan 14
17. Role of MOD <i>(see also recommendation 9)</i>	<p>To reflect the importance of MOD decisions on health and safety within the NZDF:</p> <p>a. The Minister of Defence establish relevant health and safety goals in his letter of expectation to the Secretary of Defence.</p> <p>b. The MOD should provide a senior representative to participate in the Defence Health and Safety Governance Committee.</p>	1	Oct 13
18. Occupational Health	<p>To minimise physical and financial impact of injury:</p> <p>Effective and timely rehabilitation services, tailored to the needs of individuals, be provided to a better and uniform standard.</p>	2	Aug 14
19. Employee Participation	<p>To encourage the commitment of the whole workforce to the NZDF's approach to health and safety:</p> <p>Employee Participation & Recognition of Success be made a feature of the development of the NZDF Health and Safety Policy.</p>	2	Jan 14
20. Implementation	<p>To ensure that improvement momentum is maintained:</p> <p>Progress against implementation of this report's recommendations be reviewed by an external party in August 2014.</p>	1	Aug 14

Part One: Introduction

Introduction

- 2.1 Following a number of fatalities and serious injuries within the NZDF and the increased focus on health and safety as a consequence of the Royal Commission Report into the Pike River coalmine tragedy and the report of the Independent Taskforce on Workplace Health and Safety; the Minister of Defence, through the Chief of the Defence Force (CDF), initiated a review of safety management in the New Zealand Defence Force (NZDF).
- 2.2 The Terms of Reference for the review are at Appendix A.

Purpose of the Review

- 2.3 The principal purpose of the review is to look through an external lens at how well the NZDF manages its health and safety responsibilities – and to identify where any areas for improvement may lie. Importantly, too, it seeks to provide a means for both the Minister of Defence and the CDF to determine the level of assurance they are able to have that the NZDF has the system(s) in place to provide a safe workplace for its military personnel and civilian staff – as well as the contractors who provide support to its operational and other activities.

Caveat

- 2.4 The Terms of Reference for the review specifically exclude:
- Incidents that occur within operational deployments outside New Zealand (OE16 deployments), except where such an incident relates to weaknesses within the health and safety system of the NZDF.⁵
 - The Court of Inquiry process or system.⁶
- 2.5 The Review Panel is aware that a range of factors beyond those addressed in this review also help determine the health and safety of the workplace. They include, for example, attitudes to gender and sexual orientation. These, however, are outside the scope of the Terms of Reference against which the Review Panel measured its work.

The Consultation Process

- 2.6 The Review Panel heard the views of about 120 men and women for whom the NZDF provides a workplace in New Zealand. They included military personnel from the most senior to the most junior rank levels in all three of the Services – in the classroom and at their place of work. Civilian staff and contractors to the NZDF were also given the opportunity to share their views.

5 OE16 deployments are operational deployments outside New Zealand.

6 The NZDF Court of Inquiry process is currently being reviewed by Justice Hammond.

2.7 The Review Panel visited Headquarters NZDF in Wellington. Visits were also undertaken to Linton, Trentham and Papakura military camps, RNZAF bases Woodbourne, Ohakea and Whenuapai and the Naval Base in Devonport.

What the Review Panel Heard and Saw

2.8 Everything that the Review Panel heard and saw was important in providing the members with insights which informed the judgements that have helped shape the findings and recommendations in their report. There was not a common view across the wide range of issues that were traversed during the Review Panel's various meetings and visits. This was not unexpected in a complex military organisation in which some members are closer to hazards and risks than are others – and in which more junior members work in a relatively narrow context and more senior ones in a much broader one.

2.9 There was no consistent view of the organisation's health and safety performance across the board – or of whether or not the safety culture was right and the safety management system deployed within NZDF effective. The Panel heard a variety of views on these matters – some of which were critical of the NZDF's performance, others less so.

2.10 There was a united view that fatalities and serious injuries have a substantial impact on the NZDF and that it is very important that lessons are learned from them, in what some would characterise as a 'just culture', to ensure that the risk of similar accidents occurring in the future is significantly reduced. What was less well understood, however, was that the substantial proportion of the injuries suffered by NZDF personnel occurs during Physical Training (PT) and sports activities. While these injuries are often of a relatively minor nature, this is not always the case. The Review Panel learned of the recent example of a junior officer who suffered a serious spinal injury that nearly resulted in paraplegia after falling from a confidence course. His injury was, at the end of the day, minor – but could have easily resulted in an avoidable life changing debilitating injury.

2.11 The greatest number of injuries in the NZDF are suffered by military and civilian staff engaged in either PT or sports activities. For some of those to whom the Review Panel spoke this was considered to be just a natural consequence of the demographic of the organisation and of the nature of what they regarded as its 'core business.' From others, though, the Review Panel heard about the efforts that are being made – and have been made in the past – in various parts of the NZDF to reduce PT and sports injuries. The Review Panel was told too of some of the successes that have been achieved within New Zealand and by other Defence Forces.

2.12 It was apparent to the Review Panel that there were some clear patterns of occupational illness within the Defence Force; the most obvious of these being a marked preponderance of lower limb injuries. There was a variable approach across the Services to identifying occupational illness, just as there was variable attention to effective rehabilitation of the injured.

2.13 In some limited areas, metrics and benchmarking/comparisons were being used effectively to accurately record health and safety performance and drive improvements. However,

at no stage of the review was the Panel shown a picture of the NZDF's health and safety performance in every component of the organisation that the members considered to be accurate. Particularly worrying was that some of those for whom this should have been a major health and safety concern, did not recognise this problem. Closing the information gap requires early attention.

- 2.14 Insofar as the health and safety culture of the NZDF is concerned, inside the NZDF there were a variety of views about the approach to risk – and the level of risk appetite – that are appropriate for a military organisation. The views of those outside the organisation were almost universally critical of a default position that the NZDF is different from other organisations and so normal health and safety rules do not apply to it.
- 2.15 Where the NZDF demonstrates some excellence in its safety culture is where there are well-defined processes to support known high-risk activities; for example, live firings. Here the Review Panel was impressed with the attention to detailed risk assessment and risk mitigation. However where there are deficiencies – and they are generally in more routine areas of activity, where the risk of harm is assessed (sometimes incorrectly) as low. Health and safety shortfalls are being substantially overcome by a well-developed military culture with compliance as its bedrock, good and thorough training standards and the efforts of a relatively small number of well-motivated individuals. However the Review Panel is aware that on occasions laid down operational safety procedures were not followed and shortcuts taken, resulting in serious accidents. It will be important to eliminate the attitudes that lead to these incidents.
- 2.16 There were also a variety of views expressed about the effectiveness of the safety management system; ranging from the sanguine to the concerned. The Review Panel agrees with the conclusions of the Cosman Review and is concerned that after over two years little progress has been made in implementing its recommendations. It is pleasing, however, to note that CDF has recently approved the thrust of the Review's recommendations and given added impetus to its implementation.
- 2.17 It is not possible to manage risks of harm effectively unless there is a systematic approach to identifying and mitigating them. In some aspects of its business, for example live firing exercises and competency training, the NZDF has a robust and comprehensive approach to hazard identification and as a consequence, rarely incurs injuries in these settings. In others areas, seemingly less hazardous, its approach to managing health and safety is of a variable standard across the organisation and the identification and management of broader risks must improve.
- 2.18 The Review Panel is very firmly of the view that senior NZDF leaders are committed to providing a healthy and safe workplace for everyone working for the NZDF. However, there is a gap between what senior leaders told the panel and the reach and credibility of that message – through both actions and words – across the NZDF today. Consistent effort will be needed over several years to bring about the cultural changes needed.
- 2.19 Almost everyone with whom the Review Panel spoke talked about the challenges of the NZDF's current capability change programmes and the impact these were having on

health and safety. These include:

- the quantum of change taking place
- reducing the number of experienced people in key areas and a high turnover of personnel
- extending the organisation to provide for new capabilities
- creating responsibility and accountability gaps and uncertainties that are constraining an integrated approach to the Health and Safety management of parts of the NZDF infrastructure and to non-operational service delivery.

On the other hand, the Review Panel observed that where functions have been civilianised, best practices were being followed, for example, the Lockheed Martin facility in Trentham and the Babcock facility in Devonport Naval Base.

- 2.20 The NZDF organisational changes that have occurred over the past few years have meant that the number of contractors on whom the organisation now depends is greater than it has been in the past. Not only does this present challenges in terms of ensuring the right level of service is delivered, it makes the environment in which the NZDF has to manage and meet its health and safety obligations a relatively complex one. The performance across both these areas is good in some areas, but there are opportunities for improvements in others.
- 2.21 The Review Panel is aware that these sorts of challenges associated with organisational change programmes are not unique to the NZDF. Nevertheless, the Review Panel does acknowledge the potential they have to negatively impact on health and safety if insufficient attention is paid to the health and safety implications. It was reassuring to the Review Panel members, therefore, to be advised during the course of the review that the senior leadership team is now very focused on the health and safety component of the NZDF's change programmes and is taking steps to ensure that it receives improved attention.
- 2.22 If any system is to achieve its full potential to deliver desired outcomes then it is vital that it has competent participants. The Review Panel heard many comments about the lack of formal health and safety training in both professional development and command/ leadership induction courses. They heard, too, that there was no NZDF-wide approach of linking competency requirements to leadership, command, and supervisory positions.
- 2.23 The Review Panel paid particular attention to the views of those closely involved in the health and safety change programme on which the NZDF is embarked. This is a critically important programme for the NZDF – and one in which the organisation cannot afford to fail. A demonstrably successful change leader needs to be appointed if the NZDF is to achieve the health and safety environment that is aligned with and, in fact, enables its Vision of 'Joint Operational Excellence'. A concerted plan of attack is needed – there can be no more false starts – and some widely recognised quick wins will be essential.

The Panel's Response

- 2.24 In developing its recommendations the Review Panel was guided by 10 principles:
- The NZDF has both a legal and moral obligation to provide a safe working place for all

of its employees – as well as for contractors.

- The NZDF is a military organisation and so its uniformed personnel are required, when ordered to do so, to go into harm's way.
- There is nothing that the NZDF does outside combat operations (and then only in limited circumstances) that should not make it aspire to set the New Zealand benchmark for health and safety excellence.
- Training people for hazardous endeavours is not sufficient of itself to place them at risk as they are trained for those endeavours.
- Among the most important responsibilities of leaders at all levels is for the health and safety of those they lead.
- The NZDF's Total Defence Workforce programme is based on uniformed, civilian and contractor staff being of equal importance to the delivery of the organisation's outputs.
- In the current environment the government requires value for money to be demonstrated across all government agencies, including the NZDF.
- As well as compromising the delivery of operational capability, there are also financial costs and reputational risks associated with poor health and safety performance.
- Robust and effective health and safety systems do not constrain military capability; they actually have the ability to test it to its limits.
- The report of the Independent Taskforce on Workplace Health and Safety identified that New Zealand's health and safety performance and approach must improve. That report, and the Institute of Directors' best practices guidelines, is relevant not only to commercial organisations in New Zealand, they are also relevant to the NZDF.

2.25 This report's recommendations aim to improve the NZDF's health and safety performance. The implementation of these recommendations may not bring an immediate improvement to the NZDF's health and safety performance and culture. They will, however, set a different tone, improve the health and safety risk profile of the organisation and put the organisation on the right path. While the Panel believes the recommendations should be implemented as a 'package', the most urgent recommendations are those that will allow the NZDF to determine where it is, establish where it actually needs to be, and that provide a platform for urgency as the organisation recalibrates its approach to its health and safety responsibilities.

2.26 Given the importance of generating and maintaining momentum on health and safety improvements in the NZDF, the Panel believe that an external audit on progress against the plan to implement the recommendations in this report should be undertaken in August 2014.

Part Two: Review of Safety Management in the NZDF

Safety Management Systems

3.1 An organisation's Safety Management System is 'part of the overall management system that facilitates the management of the health and safety risks associated with the business of the organisation. It includes the organisational structure, planning activities, responsibilities, practices, procedures, processes and resources for developing and achieving, reviewing and maintaining the organisation's Health and Safety policy'.⁷ While in the past the systems approach has been based on the POPMAR (Policy, Organising, Planning, Measuring performance, Auditing and Review) model, best practice is now moving to a 'Plan, do, check, act' approach as illustrated in Figure 1 below⁸.

Plan, do, check, act for health and safety

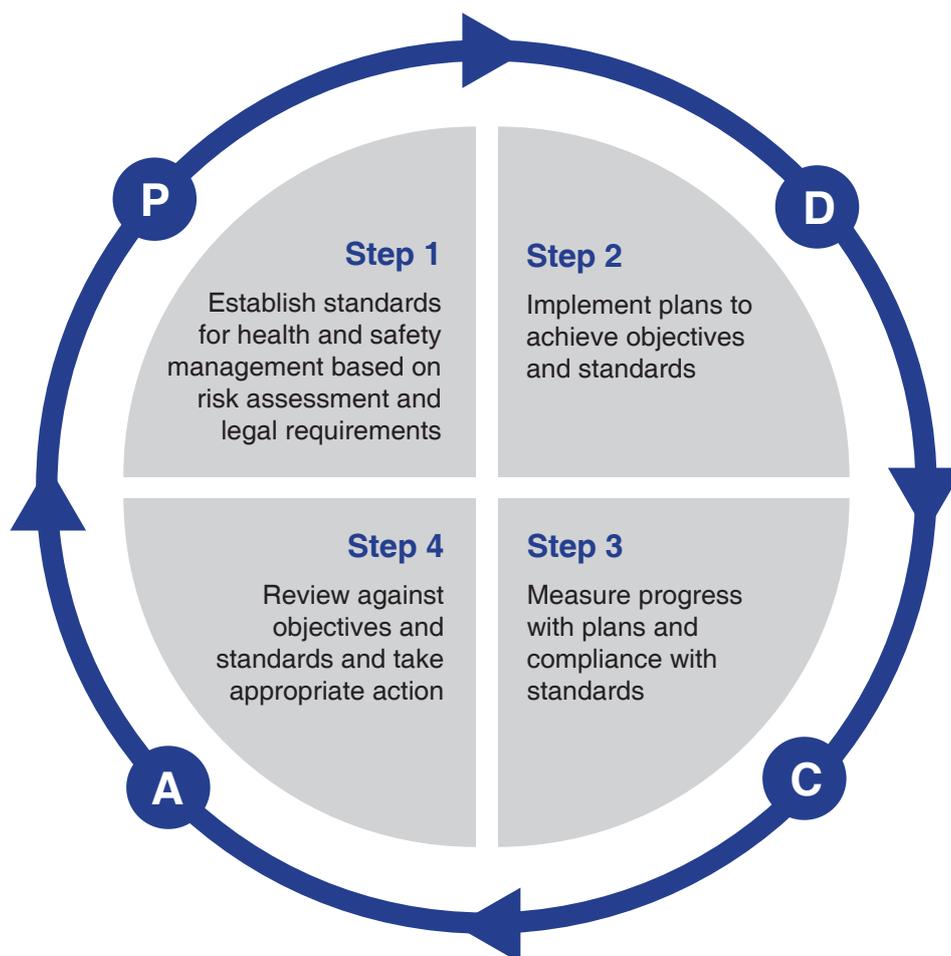


Figure 1: Plan, Do, Check, Act

⁷ United Kingdom Health and Safety Executive (UKHSE).

⁸ p 19 UKHSE publication 'Successful Health and Safety Management'

- 3.2 In the view of the UK’s Health and Safety Executive HSE: ‘The move towards Plan, Do, Check, Act achieves a better balance between the systems and behavioural aspects of management. It also treats health and safety management as an integral part of good management generally, rather than as a stand-alone system’. Details of this approach are listed at Appendix C.
- 3.3 The Review Panel supports this approach, and considers that it provides a good foundation on which the NZDF can base its plans for making the health and safety improvements it needs to make. Nevertheless, the POPMAR approach – illustrated in Figure 2 below⁹ – does provide a more useful framework for the review the Review Panel was asked to undertake and it has very much shaped the way the members thought about what they had seen and heard and how the insights they gained could be most usefully presented.

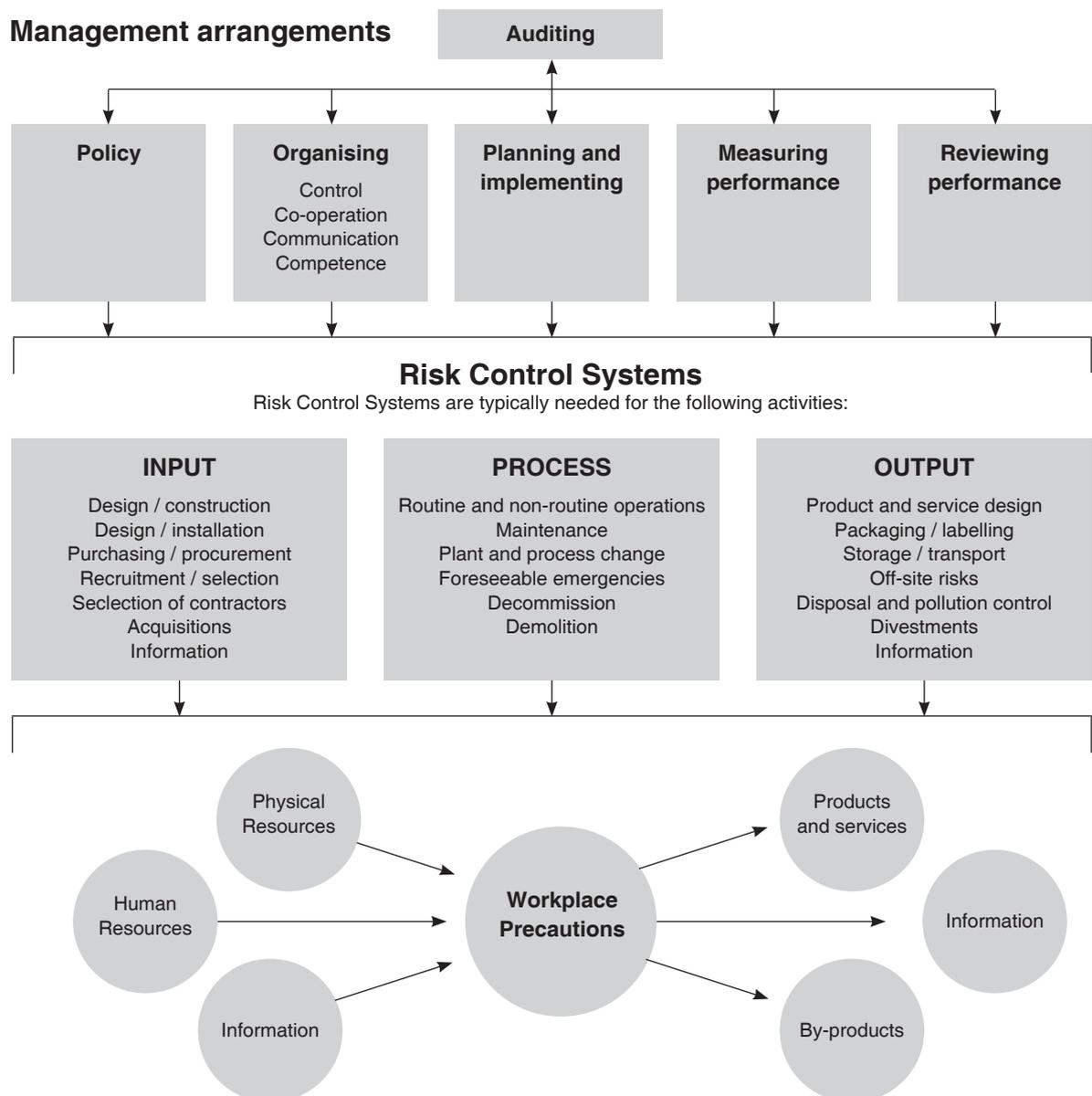


Figure 2: A Typical Safety Management System

9 p 43 UKHSE publication ‘Successful Health and Safety Management’

The Legal Context

- 3.4 As the State Services Commission (SSC) review of agency roles and functions for health and safety in employment in the military context concludes, the current New Zealand Health and Safety legislation clearly applies to NZDF as much as to any other employer.¹⁰ The review also concludes that:

... since the HSE Act applies to NZDF, its application is on a continuum reaching from work situations no different from a civilian context through to active service involving imminent or actual combat operations. The HSE applies the test of 'reasonably practicable' to removing the risk of serious harm in the circumstances. It doesn't provide an exemption from such considerations.¹¹

- 3.5 The obligations on an employer are quite simple; they must take "all practicable steps to provide and maintain for employees a safe work environment". The only defence available is, when a realistic risk appraisal has been conducted, there would be a grossly disproportionate cost of providing a safe environment. This would not, for example, cover the lack of guardrails for those working at heights, or the provision of inadequate padding under confidence courses.

Health and Safety in the NZDF Today

Performance

- 3.6 The Review Panel was unable to obtain national, or international, benchmarking statistics from the NZDF in order to establish its relative safety record. Comparisons with the defence forces of Australia and the United Kingdom must be treated with caution due to the variances in the reporting criteria and the relative sizes of the at risk populations. However, the limited data the Review Panel has been able to obtain does indicate that the NZDF has a relatively similar safety record to the Australian Defence Force but a higher one when compared to the UK Armed Forces.
- 3.7 The Review Panel was impressed with the recently published UK MOD Health and Safety Statistics Annual Report 2011/12 (available at www.dasa.mod.uk) and believes that the NZDF should aspire to publish a similar analysis. This will require a significant improvement in the collection and management of health and safety related data within the NZDF.
- 3.8 A useful comparison can be made against New Zealand organisations / industries using ACC levies as an indicator of the frequency and severity of injuries¹². This shows that there are very much more dangerous and injurious occupations within New Zealand and that the NZDF injury rates¹³ (as indicated by the ACC Levies), and shown in the Table One below, are comparable with Police, Fire and Corrections.

¹⁰ Paragraphs 15 and 17 of the State Services Commission review of agency roles and functions for Health and Safety in employment in the military context dated 10 December 2012.

¹¹ Ibid para 17.

¹² ACC Levy Consultation Document 2011/12.

¹³ Including offshore deployments and combat casualties.

Sector	Levy Rate (per \$100 of wages)
Rugby	6.46
Forestry	4.17
Fire	1.52
Corrections	1.39
NZDF	0.86
Police	0.67
Banking	0.09

Table 1: ACC Levies

Current Challenges Facing NZDF

Changing Health and Safety Environment

3.9 The awareness of health and safety issues in the New Zealand community has recently increased markedly. Not only have major accident events had catastrophic implications but they have led to Royal Commissions of Inquiry and the appointment of a Taskforce to review the health and safety issues facing New Zealand. The key insights from all of this work are concerning:

- New Zealand has, by any comparison, a very poor safety record and a culture of acceptance of injuries as inevitable. The recent reviews have shown that we have industrial accident rates in New Zealand well in excess of Australia (about twice the rate) and substantially worse than those of the UK (about 5 times as bad).
- Comparative data from the NZDF shows that the accidental death rate in non-combat situations in the New Zealand Defence Force seems to replicate this nationwide pattern and this is a concern.
- Within New Zealand society there is a clear perception that managers and directors of commercial and government entities have paid insufficient attention to health and safety issues.
- There is a raised awareness that directors and senior executives must take health and safety issues seriously or face, not only public perceptions of inadequacy, but formal prosecution for failure to provide all reasonable steps to provide a safe work environment – this applies equally to the senior leaders of the NZDF.
- There has also been increased public scrutiny of the health and safety performance of New Zealand organisations, including the NZDF. A series of high profile fatalities and serious injury accidents, and an awareness of the significant impact of injuries on the ability to deliver operational capability, have increased the awareness amongst the NZDF senior leadership team that the present situation cannot continue.
- Government has received the Health and Safety Taskforce report and indicated that it will be moving to implement the majority of its recommendations. The proposal is

to establish a new Crown Entity, Worksafe New Zealand. This will inevitably lead to an active agency taking a close interest in ensuring that organisations, including the NZDF, are meeting their legal and moral obligations to provide a safe working and training environment for all employees.

Generating Military Capability

Regenerating ‘Old’ Skills

- 3.10 With the recent reduction in the level of the NZDF’s overseas commitments, particularly in Afghanistan and Timor Leste, there is, unsurprisingly, a requirement to now generate military capabilities that are operationally aligned with the Government’s defence policy direction. The focus will be less on training forces for the unique Afghanistan environment and more on training a force more capable of a wider range of deployments – including building an amphibious capability. While all three Services have been engaged to varying degrees, the bulk of the NZDF’s recent contributions have been borne by the Army – and it is in this Service that the major capability effect has been felt and where the greatest regeneration effort will be required. Nevertheless, both Navy and Air Force have their own not insubstantial regeneration challenges.
- 3.11 The Review Panel was told that this will not be a simple task – and that how personnel challenges develop and are managed will be key factors in setting the level of associated health and safety risk the NZDF will face. However, senior leaders within the NZDF are sensitive to the pressures that are and will be exerted and are taking steps to manage them.
- 3.12 Many people mentioned that experienced people – in critical trades, with valuable military skills and at important rank levels – have left the NZDF. The turnover rates have been very high and many of those who have left have been in the traditional middle management roles (both in the trades and military roles).
- 3.13 The consequences of this are twofold. On the one hand, many of those who remain have accumulated valuable operational experience but it has been in a relatively narrow ‘capability slot’. On the other, the requirement now is for breadth of experience and knowledge, which is in short supply. Furthermore, attrition rates still remain high – at levels that are of concern.¹⁴
- 3.14 The CDF and other senior leaders are aware that the shortages of people with the right experience and skills at the right level represent a major impediment to completing the capability regeneration task and doing so safely – especially within the timescale that has been set. The Review Panel was told that the pressure points are being identified and steps taken to ease them. This is reassuring.

New Capabilities

- 3.15 On top of the challenge of regeneration of capabilities, the NZDF has embarked on a course to establish by 2015 a credible joint amphibious task force which has ‘individual

14 NZDF information is that attrition rates across units of the Army, for example, have recently been between 20-30%. Current trends show that attrition rates are reducing.

force elements proficient in working with other nations' amphibious elements' – and by 2020 to have 'enhanced its land combat capability through the Network Enabled Army Programme, mobility projects and weapons upgrades'... and 'maritime capability... through frigate systems upgrades and enhanced littoral warfare support capabilities.'

- 3.16 In the NZDF's own words: 'This is a substantial change to the way in which the NZDF currently operates – and in the range of capabilities in which it will need to be competent'.
- 3.17 It is the Review Panel's view that regardless of any current problems, a transformational change of the scale envisaged will inevitably create health and safety risks that will require careful management and oversight. Given the NZDF's current situation, these risks are very likely to be particularly pressing – and the NZDF will need to be especially careful to ensure that they are appropriately managed. Implementing the changes that this Report recommends will, in the Review Panel's view, be an important mitigation strategy.

Organisational Change

- 3.18 The NZDF is not immune among government agencies from a number of factors that currently define the Government's operating context; for example, the need to be innovative in the delivery of its outputs and the requirement to deliver value for money. Furthermore, the Review Panel is aware that the NZDF has been given some financial targets to meet that the organisation is finding challenging.
- 3.20 In forming its view of the NZDF's health and safety position the Review Panel found the following words from the United Kingdom's Health and Safety Executive in relation to organisational change to be helpful:
- ...the impact of reorganisation depends on how well the organisation assesses the implications and plans the changes. Health and Safety performance was reported to improve where well-planned and well-resourced schemes were introduced. ... Reorganisation can, however, be a source of stress. It has also been identified as a factor contributing to a number of major accidents involving multiple fatalities.
- 3.22 While the organisational change is of vital importance, the Review Panel is not certain that the health and safety implications of these changes have always been given due weight. Particular concerns were expressed to the Panel about the speed of some administrative changes – as there were about the uncertainty created by the use of matrix management structures in, for example, the management of infrastructure. We have raised these issues with the NZDF senior leadership and know that steps are now being taken to address them.

High Level Health and Safety Initiatives within the NZDF

- 3.23 There are several health and safety related studies and initiatives underway across the NZDF. The broadest and most significant activity is the implementation of the recommendations from the Cosman Review; a review initiated by the Assistant Chief Personnel in late 2010. At the time, the report failed to get the necessary visibility and

traction amongst the senior leadership, a situation that has now been addressed. The Review Panel agrees with the general thrust of the findings of the Cosman Review and commends this work.

- 3.24 Beyond Headquarters NZDF (HQNZDF) there is also single Service high level activity that indicates an increasing focus on health and safety. A list of the current work streams made known to this review is at Appendix D.
- 3.25 There is, of course, risk that work commissioned in isolation will generate misalignment across the NZDF, while also drawing on limited resources which could be better utilised. It is recommended that all significant health and safety activity, particularly that which may impact on policy, is coordinated at HQNZDF level. However, this 'oversight' should be very carefully managed to ensure that it does not inhibit single Service health and safety initiatives that are delivering improvements. The Review Panel's view is that there will always be a place for single Service domain specific health and safety initiatives - but the opportunity should never be lost to transfer best practice from one area to another.

The Cost of Injuries to the NZDF and its People

- 3.26 The Review Panel did not get a sense that there is a wide understanding of the costs to the NZDF as a consequence of the injuries to its people. In part this may well be because the health and safety context is defined to such an extent by accidents that result in deaths and serious injuries that these overwhelm the realities that a whole range of other harm related incidents impose a substantial cost on the NZDF and its people.
- 3.27 Overall, the direct insurance costs of injuries for the NZDF were some \$13.1 m over the past five years; the bulk of costs (\$6.1m) were incurred by the Army. It is the Review Panel's view that it is probable that these costs significantly underestimate the true cost of injuries by a factor of at least one to two.
- 3.28 In addition to the financial cost, there is also an important, but often unrecognised, reduction in operational capability. Most units in the Army, for example, usually have 20-25% of their establishment unable to be actively deployed because of the consequences of their personnel's current injuries. Additionally, many of those able to be deployed have their performance negatively impacted by the consequences of injuries. The consequences of injured personnel are the same – albeit very likely on a different scale – for the Navy and Air Force.
- 3.29 Finally, there is a personal cost that is often not given the recognition that it warrants – and that is long-term physical consequences that continue well after people have left the NZDF and that impact on their quality of life. These often result from what many people would consider to be series of minor 'inconveniences' over a number of years. For example, a number of long serving personnel are suffering from painful lower limb injuries that were not openly discussed or revealed in the unit's performance statistics.¹⁵

¹⁵ The Independent Taskforce on Workplace Health and Safety considered that 'occupational health activities should be given the same priority and attention as occupational safety activities.'

Observations and Recommendations

Safety Management Culture

- 4.1 Hearing about, and forming an independent view of, the NZDF's safety culture was one of the more challenging parts of the Review Panel's work. After all, any organisation worthy of note is assiduous in guarding their core culture and the safety culture will, inevitably, be tightly aligned with this.
- 4.2 There are various definitions of culture – 'It's the way things are done around here' and 'It's why we do the things the way we do them around here', are two commonly used ones. A useful definition is found in the United Kingdom Health and Safety Executive's publication 'Successful Health and Safety Management':
- The safety culture of an organisation is the product of individual and group values, attitudes, perceptions, competencies and patterns of behaviour that determine the commitment to, and the style and proficiency of, an organisation's Health and Safety management.*
- Organisations with a positive safety culture are characterised by communications founded on mutual trust, by shared perceptions of the importance of safety and by confidence in the efficacy of preventive measures.¹⁶*
- 4.3 The starting point for the Review Panel was that 'safety culture' is aligned with and a component of 'core culture'. Consequently, the Review Panel was sensitive to the many indicators it saw and heard of core culture such as:
- 'Operations first, safety always'
 - 'Mission first, safety always'
 - 'Train as you intend to fight'.
- 4.4 The Review Panel also acknowledged that there are critical differences between the NZDF and other organisations. After all, the CDF is unique among 'public sector' Chief Executives in having the ability to order / direct uniformed personnel into combat environments. There is, however, a point of departure between the Review Panel and what many conveyed as the NZDF core culture.
- 4.5 While it is important that personnel who may be required to 'work' in a combat environment are as well prepared for that as they can possibly be, the Review Panel does not accept the premise that to be prepared for harm requires personnel to actually suffer that harm. Nor does the Review Panel accept the view that effective training for combat and explicitly hazardous operations is critically dependent on a training regime that will inevitably compromise the health and safety of uniformed personnel. This was exemplified by the SAS and the parachute training facility at Whenuapai where personnel were trained for explicitly hazardous operations, but where there was evidence of a very intensive, and apparently effective, safety regime.

16 HSE 'Successful Health & Safety Management' p 22

- 4.6 The Review Panel takes the position that rigorous safety systems enable training to take place near the limits of operational performance rather than well inside them. This should give the NZDF more confidence when deployed on operations.
- 4.7 The Armed Forces are characterised by a plainly visible command and control environment. The Review Panel was, however, impressed with the encouragement of junior personnel to identify risks and raise a red flag. There was, nevertheless, an unfortunate acceptance that a relatively high degree of risk was tolerable in the workplace and on the training ground – exemplified by a willingness to work at heights with insufficient protection – justified, in some cases, by an over exuberant “train as we mean to fight” mentality.

Measuring and Monitoring Performance

- 4.8 Peter Drucker’s comment that ‘What gets measured, gets managed’ is especially relevant to the NZDF’s management of the health and safety of its people – military and civilian – and the many contractors who work in its facilities in New Zealand and overseas. The Review Panel found that the NZDF does not adequately measure its health and safety performance – and so was not surprised to find management gaps. It was especially telling that at no stage was anyone able to provide convincing evidence of the NZDF’s health and safety performance – or of the effectiveness of its health and safety strategies.
- 4.9 The Review Panel found that there was a variable ‘measurement culture’ across the NZDF. The Operational Readiness and Evaluation System (OPRES) appeared to provide for relatively effective structures and processes for evaluating and measuring the level of operational capability. Similarly the EARLLS¹⁷ system provides a good capability for identifying lessons from operational activities and a limited capability for ensuring that these are actually implemented.
- 4.10 However, from a health and safety perspective, both of these systems have shortcomings. OPRES, for example, does not appear to explicitly include a health and safety component as a key measure of capability – and nor does it appear to provide for health and safety measures to be monitored at the very senior levels of either the single Services and other agencies, or within HQ NZDF. Furthermore, it is of limited health and safety relevance outside the operational component of the organisation. In the case of EARLLS, while it arguably encourages the generation of a learning culture, it is of limited utility in encouraging an improvement one. It is also similar to OPRES in having a clear ‘operational’ focus.
- 4.11 As the Review Panel was exposed to the NZDF’s approach to measurement outside the operational/capability generation space, a different picture emerged. In some areas people were receptive to the idea of using metrics – and benchmarks or comparisons - to determine the level of health and safety performance and to drive improvements. In others there was a clear pushback. It was particularly concerning when, in response to questions

17 The NZDF’s lessons learned database.

on performance, the Review Panel was told on some occasions by commanders that there were no issues because 'no one has told me that there are any.' This was reflected in the fact that clear accountability for health and safety had not been established in every case.

- 4.12 A number of other Defence Forces have set themselves demanding improvement goals. These are of the nature of 'eliminating non-combatant fatalities' and 'reducing serious injuries by 20% per annum'. The Review Panel would suggest that at least these two goals be set for the NZDF.
- 4.13 The Review Panel found, too, that there are significant shortcomings in the NZDF's Safety Reporting System (SRS), which mean that the measurement information that it provides has serious limitations. For example, the correlation with the ACC data was generally poor, at times below 20%. There are issues associated with the role of medical staff in completing accident records. Nonetheless, even if these are resolved, the SRS does not allow for the easy input or extraction of data – this hampers analysis by unit commanders and senior leaders as well as their understanding of impacts, risks and trends. The Cosman Review concluded that the SRS was not fit for purpose and should be replaced. The Review Panel would agree.
- 4.14 The Review Panel received positive comment on the benefits of overseas exchange programmes and international exercises in helping the NZDF measure its operational performance and its risk management capabilities. Personnel who had access to these opportunities frequently had a greater awareness of health and safety standards and best practice.
- 4.15 Having clear goals, accountability, the right strategy, metrics and analytic tools is pivotal to improving the NZDF's safety performance. The Review Panel's view is that there is scope for considerable improvement in each of these areas. The changes required to achieve this improvement must be implemented as one of the early steps in the programme of work required to lift the NZDF's health and safety performance.

Investigating Incidents

- 4.16 It is axiomatic that almost every incident causing injury or death has multifaceted causation. A simple motor vehicle accident can be the result of:
- An unforgiving road design
 - Poor vehicle design or maintenance
 - Bad driver decision making.
- 4.17 Any serious enquiry will reveal a multiplicity of causes and indicate where improvements in a number of areas can be achieved. In the military setting the position is no different. A Court of Inquiry will tease apart the variety of causes of any serious incident and will almost inevitably find a number of causes. This should be expected.
- 4.18 This does not exonerate the NZDF from blame when avoidable mistakes are made – but it does place the findings of Courts of Inquiry into context. They should, if they are working effectively, find a number of causes for most incidents. What is of concern is that

the inquiries should continue to be open non-judgmental learning exercises seeking to tease out all the issues that need to be identified and rectified. They are very positive in identifying causal factors and provide a good focus for system improvements. The Review Panel understands that a separate review into the Court of Inquiry process is being undertaken. Any health and safety implications should be folded into the programme of work initiated by this review.

- 4.19 To ensure that the NZDF learns from any health and safety incidents it is important to establish and maintain effective investigation, review and feedback processes. While the Review Panel saw some examples where this is done well, it is important that this level of performance is achieved consistently across the NZDF.

Policy, Organising (Control) and Audit

Leadership

- 4.20 The most significant factor in determining an organisation's health and safety performance and culture is the level of commitment of all leaders. If the tone is not set, and maintained, from the very top the importance of health and safety will erode over time. The recent engagement of the NZDF senior leadership is commendable - although the Review Panel believes that some changes clarifying responsibilities and accountabilities of all command teams is necessary. Additionally, the challenge will be to sustain this focus and momentum to consolidate the cultural change required.
- 4.21 Most unit commanders appeared to be generally aware of their health and safety obligations. However, their attention to health and safety issues appeared variable and there was no consistency to ensuring accountability in this area. The lack of effective metrics and goals was obvious and there is clear need for them to be established and linked to NZDF corporate targets. Unit commanders' performance in meeting these goals, and their overall approach to health and safety within their unit, should be part of their annual appraisal.

Policy

- 4.22 The Review Panel found a consistent view across the NZDF that there was a need for a clear and consistent high-level policy for health and safety to enable an aligned approach to be taken across the single Services and other components. Current health and safety policy is promulgated across a variety of publications, of which some are out of date. This leads to difficulty in finding current policy and implementing a coherent approach. Health and safety policy needs to be reviewed, updated, expanded where appropriate, and incorporated into a standalone NZDF Health and Safety publication.
- 4.23 Below the high-level policy documents sits domain specific – normally single Service guidance. This tier will need to be reviewed to ensure it is consistent with NZDF policy and that the guidance is in plain English and in useable fashion for those tasked with the delivery of health and safety policy.
- 4.24 In the Panel's view the UK JSP 375 series provides a good starting point for this activity.

Governance

- 4.25 The governance level sets the future direction and policies for health and safety, monitors the progress that is being made in them, and sets the tone for the organisational health and safety culture. At the governance level the focus of this review is on the CDF and the other members of the DFLB (the Minister also has an important role).
- 4.26 The Institute of Directors (IoD) and Ministry of Business Innovation and Employment (the department responsible for the implementation of health and safety legislation) have prepared a simple checklist for directors of boards and senior managers; the full checklist is at Appendix E.
- 4.27 In the Review Panel's view the checklist is relevant to the NZDF and provides a very useful guide to measuring its approach to Health and Safety and against which its health and safety performance can be improved. Compliance with the elements they cover will ensure that the senior personnel are aware of their accountabilities in law and in practice and that they are meeting their basic obligations. The key points that would be particularly useful to the NZDF are:
- Is health and safety a fundamental part of the NZDF's overall risk management culture and reported on regularly to the senior management team and the Minister? Is there a regular report to the senior team for every meeting and is health and safety a regular agenda item?
 - Is there a thorough awareness of the legal requirements on the NZDF to take all "practicable steps" to provide a safe working environment not just for all forces personnel (including particularly the most accident prone – the new recruits), but also for contractors, civilians, on-site traders and visitors – and are measures in place to monitor health and safety issues as they impact on each group?
 - Is legal compliance with health and safety legislation, the treatment of hazardous material, vehicle driving hours etc, effectively monitored?
 - Are accident statistics and causes analysed and the results presented to senior leaders? Do they know whether they provide a safe working environment (as required by law) or are they assuming that if something is wrong someone will let them know?
 - Do the Minister and the senior leadership team receive adequate data to ensure they can monitor the health and safety? Are the measures used accurate, relevant, timely, etc?
 - Is there a good awareness of where there are the highest risks, (for example, rugby, induction training and PT) and what steps are being taken to minimise or eliminate the impacts of these activities?
 - Are consistent patterns of injury or occupational related injuries analysed and responded to?
 - Are staff, contractors, and civilian employees effectively able to indicate where there are significant risks and are they engaged on finding means to minimise / eliminate these?
 - Can the less empowered wave the "red flag" and stop dangerous activities where there are genuine risks? How does this impact on the command and control style of the NZDF?

- Are the senior management team aware of the cost of injuries to their operations – both in human and dollar terms and importantly the impact injuries have on diminishing their operational capabilities?
- Is the Minister holding the CDF sufficiently to account? What elements of health and safety are covered in his letter of expectations? Has he established a clear health and safety statement for the Defence Force? How does the CDF reflect this obligation in his delegations and accountability statements to his subordinates?
- Do senior managers receive reports when health and safety performance is assessed – for example, during the independent ACC external audit or the preliminary internal self audit? Have they asked why the NZDF has missed its initial external evaluation of its performance under the ACC scheme?
- Does the NZDF publish appropriate metrics to show their performance compared with other agencies (such as the Police or Fire Service) or other countries Armed Forces (recognising, of course, the relatively small scale of the NZDF)?

4.28 The Panel recommends that the NZDF senior leadership team objectively review its performance against the IoD's checklist. This should be treated as a learning exercise for the senior management team and should not be delegated to a subordinate or external group of consultants; who could more usefully later review the effectiveness of the self-review.

Management

4.29 There have been a number of recent changes within the Defence Force that have lifted the profile of health and safety within the organisation. The Review Panel views the recent allocation of lead health and safety responsibility to the VCDF, the establishment of the Health and Safety Governance Committee and the allocation of additional resources in HQ NZDF as positive steps. However, the Review Panel noted that at the single Service level there is a significant gap in that each of the Services adopts its own approach to the management of health and safety which has led to variation in the resources allocated to the health and safety task and how they are employed. There are a number of associated implications, including the risk that this exposes the Services in the event of health and safety incidents and the potential that the differences do not encourage effective cooperation between health and safety teams.

4.30 The Review Panel is of the view that:

- At NZDF level there needs to be a Director of Health and Safety who has clear access to the VCDF and who has enough credibility to be a champion for health and safety throughout the NZDF.
- That an appropriately resourced Directorate of Health and Safety be established. This unit will need to be staffed with appropriately skilled personnel able to take an expert leadership role across the NZDF – but should not cut across the individual accountability within single Services for health and safety.
- At the single Service level there needs to be an NZDF approach to the management

of health and safety. This approach should cater for the inevitable single Service differences and needs. The Review Panel judge the Directorate of Air Force Safety and Health (DASH) resource (in terms of numbers, competence and authority) to be a good model on which to establish a single Service approach.

- d. Each Service should appoint a health and safety champion at the appropriate level to lead their health and safety effort. These champions should work collaboratively with the Directorate of Health and Safety to ensure best practice is shared and improvements quickly implemented.

Audit and the ACC

- 4.31 The NZDF has decided to join the ACC accredited employer programme and so effectively manages the rehabilitation of its own injured personnel. As a matter of course, the ACC requires accredited employers to be independently audited and it was some surprise to the Review Panel to find that the independent auditor had more than once “struggled” to pass the NZDF. The NZDF does not attempt to maximise the discounts it could achieve from ACC by being an exemplary employer in this space – that is, the organisation seeks registration at the comparatively low level of health and safety performance (the primary level) rather than seek to maximise discounts and employer behaviours at the higher tertiary (or even secondary) levels. It is important that the senior leadership take an interest in the results of the audit and review its findings in much the same way as it would do for a financial audit.
- 4.32 In reality there is probably little gain for the NZDF to remain in the accredited employer scheme. The advantages it gains at its current level of performance are probably inadequate to reward the self insurance risks the NZDF is taking on board. This is a classic position. ACC has improved its business and has announced it will be dropping its levy rates substantially over the next few years. As a consequence, the commercial benefits to the NZDF will be reduced.
- 4.33 Taking a contrary view, if the NZDF gets good control over its accident rates and its return to work programmes then it could more fully enjoy the benefits of the ACC accredited employer programme; both from a good employer and a commercial perspective. This would be the most desirable outcome if the NZDF is to establish itself in the position of an exemplary employer and to gain a position as an outstanding employer.
- 4.34 The Review Panel recommend that the NZDF should take the second approach and aim to become an exemplary employer in this space; but it should do so knowing the dollar cost of the programme and the option of passing all accident risks back to ACC. Seeking to be an exemplary employer would be positive given the NZDF’s history and is consistent with the view of the Independent Taskforce on Workplace Health and Safety that:
- government agencies put their own houses in order as exemplars of workplace health and safety practice. This needs to be the first priority if the Government wants the rest of the nation’s workplaces to lift their performance.*¹⁸

18 p 22 of the Executive Report of the Independent Taskforce on Workplace Health and Safety

Identification and Management of Health and Safety Risks to the NZDF

- 4.35 A key component of the safety management system will be to provide a more complete understanding of the organisation's critical safety-related risks. As a first step, the identification of the top ten safety-related risks across the NZDF, with their associated safety management measures (both preventative and recovery), will allow the senior leadership to focus on the key challenges. Although likely to require some expert facilitation, this activity is best undertaken by the senior leadership team so that it has top-level buy-in and ownership from the outset. Similar risk identification activity can be undertaken across the commands and then subordinate units in due course. Identification of the risks, and monitoring outcomes, will enable active management of these critical risks and will help to focus the NZDF on the most pressing and significant threats to capability generation.
- 4.36 Based on what the Review Panel was told, the strategic health and safety risks are likely to include:
- PT and sporting injuries
 - Inflatable boat operations
 - Driver fatigue
 - Operational driving
 - Working and training at heights
 - Standards of workshops.
- 4.37 At a more operational level, the Review Panel saw some good practice in identifying and managing risk (this was especially so when there was a perceived high level of risk; for example, firing ranges, adventurous training, and flying operations).

Communication

- 4.38 CDF has declared 2013 as the year of health and safety and recently issued an 'E Tū' (Stand up, take action) notice titled "Taking care of our people". While this is a timely and important message, there is an opportunity for a formal safety statement by CDF and the other members of the senior leadership. Not only would this demonstrate a collective commitment in the health and safety space, it would also be aligned with the organisation's overall vision of Joint Operational Excellence.
- 4.39 VCDF needs to determine how he wishes to showcase the increased focus on health and safety through a safety improvement programme. A well-publicised improvement programme may help to generate the necessary focus across the NZDF but it will be essential to demonstrate some quick wins if the programme is to gain broad support.
- 4.40 The communications strategy will require careful consideration as deploying the health and safety message will have to overcome some institutional cynicism within the NZDF. All NZDF personnel will need to be convinced of the engagement of the senior leadership team, and commanders at all levels will need to obviously support the communications strategy. A wide-ranging communications campaign exploiting all forms of media must be

pursued; the NZDF needs to recognise the step-up in focus.

- 4.41 The Review Panel noted that NZDF health and safety messages are communicated in a variety of different ways. The current approach should be reviewed to ensure consistency of message and alignment with the health and safety implementation strategy.

Management of Change

- 4.42 The Review Panel heard of a number of instances where organisational change was perceived to have impacted on health and safety. The most consistent comments were related to uncertainty about health and safety responsibilities in what were described as matrix management structures being used to manage infrastructure and support services. Examples were provided of where there was a lack of clarity to those with whom the Review Panel spoke about who was responsible for managing associated health and safety issues. These examples ranged from unclear joint operational accountabilities, to the procurement and acquisition of capital plant and equipment – including who ultimately had budgetary accountability.
- 4.43 The NZDF is undertaking a number of very significant operational capability changes and, concurrently, making changes to enable it to operate within the constrained fiscal envelope applying to all government agencies. Unless close attention is paid to them, the health and safety implications of all of these changes can ‘slip below the radar.’ The Review Panel has been assured that the Defence Force Leadership Board is very focused on managing the health and safety risks that will inevitably emerge in this segment of the NZDF’s work streams. This area will require close attention as the new arrangements ‘bed in’.

Competent Participants

- 4.44 On a positive note, it was clear that the NZDF has some highly competent individuals who are passionate about health and safety - they are driving hard to improve health and safety within their organisations and this is generally recognised by their commanders.
- 4.45 On a broader front, though, there appears to be no clear policy guidance on the health and safety competency levels required by personnel across the NZDF. The majority of commanders that spoke to the Review Panel had received no dedicated health and safety training prior to their command appointment although most had had exposure at some stage in their career. The RNZAF has initiated a programme to develop a commander’s health and safety course and there may be an opportunity to expand this across the NZDF. While members of the NZDF undertake health and safety training as part of their initial training and career courses, the level and frequency is inconsistent.
- 4.46 There is little policy guidance in this area and there is a need to establish the minimum requirements to support the varying demands of NZDF units / organisations. In particular, a framework should be developed which defines the minimum competencies to undertake specific health and safety related roles – this needs to cover the most basic understanding required by all employees up to the advanced competencies required for the senior

leaders. An example of this approach is at Appendix E.

- 4.47 The Review Panel identified that there is an inconsistent NZDF approach to whether military personnel overseeing adventurous training (for example, rock climbing) require civilian qualifications or a level of military training and experience to meet their health and safety obligations. In our view, this issue, if left unresolved, exposes the trainers to an uncertain and unacceptable level of personal risk.

Physical Training and Sports-Related Injuries

- 4.48 The need for the NZDF to have physically fit and highly motivated personnel is recognised. Nevertheless the Review Panel notes that this is the source of the majority of injuries to people – and this has been recognised for many years. It is pleasing to see that action has been taken to make changes to improve the NZDF's performance in this area. However, more can and should be done to reduce PT and sporting injuries even further. This is a complex area, in particular because there is a need to accommodate the varying needs of each of the Services, and it is recommended that an external review of these activities be undertaken.

Managing Contractors

- 4.49 During base visits the Review Panel found differing approaches to managing the NZDF's responsibilities for contractors. Many simply indicated that the responsibility for health and safety were those of the contractors, not the NZDF. Misunderstanding was applicable to both short and long-term contractors working within an NZDF controlled place of work. It would be useful to review current guidance and remind personnel of their responsibilities both for contracting and for the oversight of contractors.
- 4.50 The larger contractors with whom the Review Panel engaged were found to have a good approach to their health and safety responsibilities. However, the Review Panel did hear of concerns about the performance of smaller contractors and some sub-contractors. Consequently, contractors' performance in relation to health and safety should be kept under close observation and should be a key factor in deciding whether to re-let a contract. Defence Logistics Command should maintain a database of NZDF contractors who have fallen short of the necessary health and safety standards.

Occupational Health

- 4.51 The Taskforce on Workplace Health and Safety concluded that: 'Occupational illnesses have significantly worse human and financial impacts than harm incidents.' It might be considered in this regard that the NZDF is, in part, in a very fortunate position. All uniformed staff have, as a right, open access to the NZDF's own medical services. This gives the NZDF an unparalleled ability, if it wishes, to analyse and very effectively monitor the causes of injuries and incidents with an enviable degree of precision. That it has not done so as effectively as it could needs to be reviewed – as does the inconsistency in the

recording of injuries within the NZDF's own systems.

- 4.52 The physical sites of injuries to uniformed Defence personnel are well known. In 2012/13 there were:
- 409 ankle injuries (19%)
 - 273 knee injuries (12.5%)
 - 253 injuries of the lower back and spine (11.6%)
 - 259 lower leg injuries (11.8%)
 - 230 shoulder injuries (10.5%)
 - 217 injuries of the hip or upper leg or thigh (10.0%).
- 4.53 In total, it is estimated that 67% of all injuries relate to the lower limbs – and that most occurred playing sport, undertaking formal PT or during personal training. The important issue is that very few of these injuries occurred during military training. In one analysis it was indicated that only 16% of all injuries were as the result of military training.
- 4.54 The mechanism that caused the injuries was also revealing. The vast bulk of the injuries were the consequence of muscular stress with no objects being handled (in 2012/13 there were 614 or 28% of these injuries) or falls and slips (514 or 23%) with 362 or 17% the result of muscular stress while carrying, lifting or handling objects. This pattern of injuries is deserving of investigation given the high proportion of young, fit and energetic people in the NZDF, that is, they are not the middle-aged or inactive, who would be expected to have basic aches and pains.
- 4.55 The consequences of these injuries are not always just a short-term disability that 'comes right'. Typically the NZDF will fund during each year surgery for work-related injuries for about 175 personnel with associated costs of over \$2.4m; excluding the cost of sick leave and the need to employ the patient on (non-deployable) light duties while the individual is recovering.
- 4.56 The greatest benefits would be gained by focusing on Army training and sports programmes – that is where most avoidable injuries occur. Typical actions that may lead to better health and safety outcomes include:
- Prevention of over training (and this needs to be assessed for each individual)
 - Stop excessive distance running – running should be for a period of time, not a set distance. Short interval runs are more effective
 - Grouping training to better align with the physical competence (realistically measured) of the participants
 - Build recruits up to a good physical level more slowly
 - Physical activity should never be treated as a form of punishment.
 - Use mouth guards and ankle braces
 - Use better padding to minimise / eliminate the risk of injuries from falls, especially around confidence courses
 - Provide fluids and carbohydrates to participants
 - Realise that "all practicable steps" need to be taken to avoid injuries during training (a basic legal and good employer test).

- 4.57 Recognising that injury will occur, effective rehabilitation processes, linked to the needs of the individual, are important. The Review Panel saw examples where appropriate individual attention was being given to rehabilitation but this was not universal across the NZDF. This area needs focus and review.
- 4.58 Recent NZDF experience has been that the greatest potential for occupational health risks occurs on deployed operations. However, there are risks in New Zealand as well – for example, the NZDF handles hazardous materials that have potential long-term adverse health implications. This is an area where ongoing vigilance should be maintained and the Review Panel were pleased to see the positive impact of Environmental Health Officers, often coming from the Reserve community.

Employee Participation and Recognition of Success

- 4.59 Effective safety management processes require good feedback from employees and those impacted, as well as recognition of health and safety successes. During the course of the Review Panel's visits, good examples were observed of employee participation in health and safety. This was particularly so in the Naval Base (where the Review Panel met the widely representative and well motivated Safety, Health and Environment Management System (SHEMS) Committee).
- 4.60 It has long been the practice in the Air Force to recognise personnel who identify hazards and make a notable contribution to flight safety. A similar approach was also observed in both the Navy and Army.
- 4.61 'Employee Participation and Recognition of Success' should be a feature of the development of the NZDF health and safety policy.

Role of MOD in Capital Acquisition

- 4.62 The Ministry of Defence (MOD) has a critical role in the acquisition of capital equipment for the NZDF. It was apparent to the Review Panel that any health and safety implications of the acquisition of new equipment were implicit rather than explicit; that is, health and safety was not a formal and clearly discrete step in the acquisition process. The Review Panel is of the view that this is not an appropriate approach to take. There needs to be absolute clarity about the joint and individual responsibilities of the MOD and NZDF for health and safety in capital acquisition. The Review Panel was not convinced that this was currently the case.
- 4.63 Given that on occasions MOD decisions across a range of areas have an impact on health and safety within the NZDF, it is the Review Panel's view that the MOD should have a senior representative on the Defence Health and Safety Governance Committee. This would also send a strong and visible message to the NZDF that MOD has a keen interest in the health and safety of the NZDF. Although this was not a review of the MOD, the Review Panel would suggest that the Minister of Defence should establish health and safety goals in his letter of expectation to the Secretary of Defence.

Implementation

- 4.64 The Review Panel's view is that the 20 recommendations contained in this report should be implemented as a package and expeditiously. The priorities allocated to each of them should allow the NZDF to relatively quickly put together a coherent programme of work. Sequencing of this activity will need to be carefully considered to ensure the correct foundations are put in place first.
- 4.65 The Review Panel would suggest that progress towards achieving the outcomes sought should be closely monitored and formally reviewed by an external team in August 2014. The issues here are serious and the NZDF must find the resources that it requires to enable it to successfully advance the recommendations in this report – and to take advantage of the momentum in health and safety that has very recently been generated.

Part Three: Appendices

Appendix A: External safety management review – Terms of Reference

Appendix B: Consultation and visits

Appendix C: Plan, do, check, act

Appendix D: Health and safety initiatives across the NZDF

Appendix E: Examples of documentation

Appendix F: IoD – Directors health and safety checklist

Appendix G: Bibliography

Appendix A: Terms of Reference

See Distribution List

NZDF 1000/OCDF/1

June 2013

TERMS OF REFERENCE: EXTERNAL SAFETY MANAGEMENT REVIEW OF THE NZDF

Background

1. The New Zealand Defence Force (NZDF) has initiated an external review of safety management within the organisation to address any deficiencies in safety management, training and culture. In the past five years there have been a number of accidents in the three Single Services that have resulted in the loss of lives. The NZDF has conducted a thorough Court of Inquiry to identify the cause of each accident in order to prevent a recurrence. Nonetheless, to maintain public confidence and to provide the Government surety as to the robustness of the NZDF's safety systems I have commissioned this wide ranging external review.
2. This review is distinct from the Ministry of Defence led review of NZDF's Court of Inquiry process. This latter review will focus on the efficacy of the Court of Inquiry process.

Review Details

3. The review of safety management is to cover the following areas:
 - a. The NZDF's safety management system including whether its policies, standards, orders and procedures are fit for purpose and aligned to international good practice;
 - b. The leadership of safety management within the Defence Force;
 - c. The effectiveness of communication about safety management across the Defence Force and the sharing of adequate information about risks;
 - d. Responsibilities and accountabilities for health and safety management;
 - e. The effectiveness – or otherwise – of health and safety training, risk identification and mitigation, investigation of safety incidents and the sharing of lessons learnt;
 - f. The NZDF's safety management culture at all levels; and
 - g. Any other advice or recommendations for improving safety management performance that the Review Panel may identify.
4. Specific leading questions to be answered by the review are attached as Annex A.

Governance

5. The review sponsor is the Vice Chief of Defence Force (VCDF) with key support provided through the Director of Risk and Assurance (DRA). Draft findings are to be presented to VCDF prior to the final written report being presented to CDF.
6. Key findings and recommendations will be presented to the Minister by CDF.

Review Panel

7. The Review Panel will comprise:
 - a. **Mr Garry Wilson.** Mr Wilson is an independent director and business advisor and former Chief Executive of ACC. He will bring senior leadership experience in both Government and private sectors.
 - b. **Rear Admiral (Retired) David Ledson.** Rear Admiral Ledson is the Chairman of Maritime New Zealand and retired as the Chief of the Royal New Zealand Navy in April 2009. He will bring a thorough understanding of NZDF governance.
 - c. **Commodore Guy Robinson.** Commodore Robinson of the Royal Navy has extensive experience in safety management in operational training in the UK and will bring a valuable independent view to the review.

Review Management

8. All Camps, Bases, Headquarters, Units and training areas are open to the review team and Defence Civilians and Military personnel of any rank may be consulted. The review is to commence on 17 June and is expected to take four weeks. The review will include:
 - a. Meetings with the NZDF senior leadership.
 - b. Visits to camps and bases to view safety processes connected to training for all three Services.
 - c. Briefings on recent Court of Inquiry findings.
9. Any findings by the panel of unsafe practices are to be reported immediately to VCDF. You are not to make recommendations pertaining to criminal or Armed Forces Discipline Act matters. Should you, in the course of the inquiry, discover criminal or Armed Forces Discipline Act-related offences, you are to refer such matters to the Commanding Officer or to other appropriate authorities. VCDF is also to be informed of any such referral.
10. A Secretariat with military liaison, administration and secretarial support will be available to the Review Team for the duration.
11. The Review Panel is to be based at HQ NZDF when not undertaking review visits.
12. The following are not within the scope of this review:
 - a. Incidents that occur within OE 16 deployments, except where such an incident relates

to weaknesses with the health and safety system of the NZDF.

- b. The Court of Inquiry process or system.

Classified Information

13. The panel has no access to classified information above Restricted. If it becomes necessary for the panel to examine material more highly classified, then the panel is to bring the matter to the attention of VCDF who will take any necessary steps to provide the information in a less classified form.
14. You must not include in the report, any evidence presented to a Court of Inquiry or any other information from a Court of Inquiry that has not been publicly released. If it becomes necessary to include material from the report of a Court of Inquiry that has not previously been released you are to bring the matter to the attention of VCDF who will make a decision on the release of the information.
15. Pursuant to Section 200T(a) of the Armed Forces Discipline Act 1971, as a Superior Commander of the New Zealand Defence Force, I authorise the release of Restricted Courts of Inquiry on the basis that they are not disclosed further without my approval.

Report Completion

16. The following documentation is to be provided with your report:
 - a. A list detailing authorities consulted in conducting the inquiry
 - b. These Terms of Reference
 - c. Your Instrument of Appointment
17. A progress report to VCDF is required by 28 June 2013 to allow the scope of the inquiry to be reviewed and in order to address any particular matters that may have arisen.
18. You are to complete your report by 12 July 2013 or if the report is delayed you are to arrange an appointment with me immediately justifying a request for an extension of time.

R.R. JONES

Lieutenant General

Chief of Defence Force

Annex:

- A. Terms of Reference

Distribution:

External Safety Management Review Team (3)

External Safety Management Review Secretariat (Attn: COL Faulls)

VCDF

COO

CN

CA

CAF

COMJFNZ

DGDLS

AC Pers

DRA

For Information:

CFO

MCC

LCC

ACC

DDH

CoS, HQ NZDF

COMLOG

Dir DCG

DCOORD

TERMS OF REFERENCE

1. NZDF considers that the review will examine the following areas:

Is the NZDF Safety Management System Effective?

2. Leading questions:
 - a. Within the NZDF (HQ NZDF, JFNZ, Army, Navy and Air Force) are there clear and comprehensive safety management systems that:
 - (1) feature consistent policies, standards and procedures
 - (2) are fit for purpose for a defence force of its size and nature
 - (3) which are aligned to international good practice?
 - b. In 2012 the Defence Force Management Group vested responsibility for health and safety management with the Vice Chief of Defence Force, reporting to the Defence Force Management Group. Is this the appropriate level of senior leadership oversight? How is this oversight shared? What role do different parts of the organisation take in owning and controlling safety risks and issues?
 - c. Within the NZDF are policies, standards and procedures in relation to safety management adequately communicated across the NZDF and do they allow adequate information to be shared about risks?
 - d. Are responsibilities and accountabilities for health and safety management clearly articulated across the organisation and do the people who have responsibilities and accountabilities understand them and recognise their legal obligations?
 - e. Is there an appropriate feedback loop when a safety issue is identified? How are safety issues tracked and mitigated?

How Effective is NZDF's Health and Safety Training?

3. Leading questions:
 - a. Within the NZDF is training in safety management, and specifically, risk identification, appreciation and mitigation, appropriate for a defence force of its size and nature?
 - b. Do commanders give effect to safety management requirements in training policies, procedures and standards?
 - c. Does safety management training link to on-the-ground risk assessment and mitigation?

- (1) Are the safety management systems adequately ensuring that training and reinforcement of safety management messages are done periodically and regularly?
- d. Is the NZDF a learning organisation in that:
 - (1) It has a comprehensive and consistent approach to the audit of safety management systems and to the investigation of safety-related incidents?
 - (2) Policy is amended as a result of lessons identified?
 - (3) NZDF's safety in training stems from both top-down and bottom-up mechanisms?

How Mature is NZDF's Safety Management Culture?

4. Leading questions:
 - a. Is current practice 'in the field' reflective of safety management policy, standards and procedures within NZDF?
 - b. How and in what way does the NZDF encourage personnel on the ground to raise safety issues? When issues are raised what happens to them?
 - c. Is there a culture of unnecessary risk-taking within the NZDF?
 - d. Does the organisational culture foster compliance with safety management policy, standards and procedures as a matter of common practice?
 - e. Does a command culture of achievement of the mission and achievement of training outputs and effects affect the delivery of safe practices?

What More Should NZDF Consider Doing to Develop Good Practice in Relation to Safety Management?

5. Is there any other advice or recommendations from the Review Panel for the NZDF for improving performance in respect of safety management?

Appendix B: Consultation and Visits

Date	Individual / Group Consulted
13 June 1630	Minister Of Defence – The Hon Jonathan Coleman
17 June 1000	Chief Of Defence Force – Lieutenant General Rhys Jones
17 June 1300	Director Risk and Assurance – David Bignell
17 June 1430	Chief of Army – Major General Dave Gawn
17 June 1530	Chief of Navy – Rear Admiral Jack Steer
18 June 1000	Accredited Employer Programme Director – Mr Phil Shaw
18 June 1100	Director Defence Health – Surgeon Captain Alison Drewry
18 June 1330	Chief of Air Force – Air Vice Marshal Peter Stockwell
18 June 1445	Maritime Component Commander – Commodore John Martin
19 June 1200	Institute of Directors brief to members on health and safety responsibilities in the workplace
19 June 1330	Vice Chief Of Defence Force – Major General Tim Keating
19 June 1530	Land Component Commander – Brigadier Mark Wheeler
20 June	Visit to RNZAF Base Ohakea hosted by Wing Commander Phil Bedford including: <ul style="list-style-type: none"> • Operational Support Wing Staff • 488 Wing – Wing Commander Rod Fortune • DASH staff • Maintenance Support Squadron Workshops • 3 Squadron – Wing Commander Marcel Scott
21 June 1300	Mike Cosman of IMPAC Services
24 June	Visit to Linton Camp with visits to: <ul style="list-style-type: none"> • Commander 1 (NZ) Brigade – Colonel Chris Parsons • Chief of Staff 1 (NZ) Brigade – Lieutenant Colonel Glenn King • 2 Combat Service Support Battalion – Lieutenant Colonel Rose King • 2 Engineer Regiment – Lieutenant Colonel Ben Pitt
25 June 0900	NZDF Health and Safety Manager – Fred Henare
27 June 1030	Director of Legal Services – Brigadier Kevin Riordan
28 June	Visit to Trentham Camp including: <ul style="list-style-type: none"> • Lockheed Martin – Mr Dave Herdman and Philip Walker (NZDF oversight) • Army Logistics Regiment Trade Training School – Major Paul Corke

Date	Individual / Group Consulted
1 July	Visit to RNZAF Base Woodbourne including: <ul style="list-style-type: none"> • Ground Training Wing – Squadron Leader Jackie Searle • DASH Staff • Recruit Training • PTI School
2 July 0900	Army Health and Safety – Peter Parker
2 July 1400	Vice Chief of Defence Force – catch up
2 July 1500	Defence Communications Group – Fiona Cassidy
3 July	Visit To Devonport Naval Base including: <ul style="list-style-type: none"> • NAVOSH – Mr Gerard Jackson • Captain Fleet Operational Support – Captain Jim Gilmour • Philomel Fleet Personnel and Training – Commander Andrew Brown • Hosted on HMNZS Te Mana • Hosted at the Damage Control School • Meeting with Base health and safety representatives • Meeting with Commanding Officer Philomel – Captain Corina Bruce
4 July	Visit To Papakura to the NZSAS to meet with CO and Unit staff
4 July 1400	Visit to DTA at Devonport to meet with key DTA staff
4 July 1520	Visit to Babcock at Devonport to meet with Bryan Carrol, Steven Tilson and Kristine Elliot
5 July	Visit to Whenuapai including: <ul style="list-style-type: none"> • Commanding Officer 485 Wing – Group Captain Kevin McEvoy • DASH - Wing Commander Lisa D'Oliviera • Maintenance Wing – Wing Commander Greg Rawson • 6 Squadron Staff • 40 Squadron Staff • Parachute Training Support Unit Staff • Maintenance Support Squadron Staff • 209 Expeditionary Support Squadron Staff
8 July 1600	Chief Operating Officer – Mr Will Peet
9 July 1530	Defence Training Institute – Wing Commander Mike Salvador
9 July 1300	VTC with Australian Director General WHS Branch – Mr Lindsay Kranz
10 July 1400	Defence Logistics Command – Brigadier Charlie Lott
11 July 0830	Secretary of Defence – Helene Quilter

Appendix C: Plan, Do, Check, Act

The move towards Plan, do, check, act achieves a better balance between the systems and behavioural aspects of management. It also treats health and safety management as an integral part of good management generally, rather than as a stand-alone system.

Plan

Think about where you are now and where you need to be.

Say what you want to achieve, who will be responsible for what, how you will achieve your aims, and how you will measure your success. You may need to write down this policy and your plan to deliver it.

Decide how you will measure performance. Think about ways to do this that go beyond looking at accident figures. Look for leading indicators as well as lagging indicators.

Consider fire and other emergencies. Co-operate with anyone who shares your workplace and co-ordinate plans with them.

Remember to plan for changes and identify any specific legal requirements that apply to you.

Do

Identify your risk profile. Assess the risks, identify what could cause harm in the workplace, who it could harm and how, and what you will do to manage the risk.

Decide what the priorities are and identify the biggest risks.

Organise your activities to deliver your plans. In particular, aim to: Involve workers and communicate, so that everyone is clear on what is needed and can discuss issues – develop positive attitudes and behaviours.

Provide adequate resources, including competent advice where needed.

Implement your plan. Decide on the preventative and protective measures needed and put them in place.

Provide the right tools and equipment to do the job and keep them maintained.

Train and instruct, to ensure everyone is competent to carry out their work.

Supervise to make sure that arrangements are followed.

Check

Measure your performance.

Make sure that your plans have been implemented; 'paperwork' on its own is not a good performance measure.

Assess how well the risks are being controlled and if you are achieving your aims. In some circumstances formal audits may be useful.

Investigate the causes of accidents, incidents or near misses.

Act

Review your performance. Learn from accidents and incidents, ill-health data, errors and relevant experience, including from other organisations.

Take action on lessons learned, including from audit and inspection reports.

Revisit plans, policy documents and risk assessments to see if they need updating.

Appendix D: Health and Safety Initiatives Across the NZDF

1. Implementation of the Health and Safety Services Review for NZDF (Mike Cosman - March 2011).
2. Review of NZ Army Safety in Training - June 2013.
3. Establishment of the Land Worthiness Board.
4. Sea Worthiness Review and implementation.
5. RNZAF – Training support for commanders (Mike Cosman).
6. RNZAF – Working at height review.

Appendix E: Examples of Documentation

Competence Levels for Safety and Environmental Protection – Royal Navy

Vol 1, BRd 9147 - 2012

ANNEX A
CHAPTER 4

TABLE 1: COMPETENCE LEVELS FOR SAFETY AND ENVIRONMENTAL PROTECTION

Knowledge area	All personnel	Line Supervisor	Junior Line Manager	Senior Line Manager	CODH	Senior Officer	Operating Duty Holder
Responsibilities under UK legislation (SHE all)							
• H&S/CMSCHA	Basic	Inter	Adv	Adv	Adv	Adv	Adv
• Env	Basic	Basic	Inter	Adv	Adv	Inter	Adv
• Mar Env	Basic	Basic	Inter	Adv	Adv	Inter	Adv
Coroner's Inquests	Basic	Basic	Inter	Inter	Inter	Adv	Adv
MOD Policy	Basic	Inter	Inter	Inter	Adv	Inter	Adv
MOD Safety Sub Strategy	None	None	Basic	Basic	Basic	Adv	Adv
MOD internal regulation	Basic	Basic	Basic	Inter	Adv	Adv	Adv
1SL's O&A Statement	Basic	Basic	Inter	Adv	Adv	Inter	Adv
BRd 9147	Basic	Inter	Inter	Adv	Adv	Inter	Adv
Haddon-Cave Nimrod Review	Basic	Basic	Basic	Inter	Inter	Adv	Adv
Duty Holder Framework and responsibilities	Basic	Basic	Inter	Inter	Adv	Inter	Adv
Principles of Risk Management	Basic	Inter	Inter	Inter	Adv	Adv	Adv
Understanding ALARP and tolerability	None	Basic	Inter	Inter	Adv	Inter	Adv
Accident and Incident Reporting	Basic	Adv	Adv	Adv	Adv	Inter	Adv
Accident Investigation and causation	Basic	Inter	Inter	Adv	Adv	Inter	Adv
Importance of human factors	Basic	Inter	Inter	Adv	Adv	Inter	Inter
Components of a Safety Culture	Basic	Basic	Inter	Adv	Adv	Adv	Adv
Environmental protection awareness	Basic	Basic	Inter	Adv	Adv	Inter	Adv
Fire Safety (non specialist)	Basic	Basic	Basic	Basic	Inter	Basic	Basic

Appendix F: IoD Good Governance Practice Guideline for Managing Health and Safety Risks

Director Health and Safety Checklist

	How do the board and all directors demonstrate their commitment to health and safety?
	How do you involve the organisation's workers in health and safety? Do they feel able to express any concerns?
	How do you ensure that your organisation's health and safety targets are challenging, realistic and aren't creating unintended consequences?
	What data is the board receiving on health and safety? Is this sufficient?
	How do you ensure all staff are competent and adequately trained in their health and safety responsibilities and accountabilities?
	Does the organisation have sufficient resources (people, equipment, systems and budget) for its health and safety programme?
	Does the organisation have a schedule of audits and reviews to ensure the health and safety management system is fit for purpose?
	How do you ensure that actions identified in incident reports, audits and reviews are communicated and effectively implemented?
	How do you ensure that the organisation's risks are assessed and appropriate mitigation measures put in place?
	How connected are you to what happens at the organisation's work sites? What measures are in place to inform you?
	Does the organisation have policies and processes in place to ensure contractors used by the organisation have satisfactory health and safety standards?
	How does your organisation's performance compare with other comparable organisations and how do you know?
	How do you recognise and celebrate success?

Appendix G: Bibliography

Publications

- Institute of Directors/MBIE Publication 'Good Governance Practices Guideline for Managing Health and Safety Risks' dated May 2013.
- The Report of the Independent Taskforce on Workplace Health and Safety dated April 2013.
- UK MOD Health and Safety Statistics Annual Report 2011/12.
- Health and Safety Services Review for New Zealand Defence Force (the Cosman Review) dated March 2011.
- AS/NZS 4801: 2001 Australian/New Zealand Standard for Occupational Health and Safety management systems.
- A Guide to Legal Compliance for Commanders and Managers of the NZDF (2nd Ed – dated October 2011).
- BR 9147 (Safety & Environmental Management System) (UK).
- JSP 375 Series (UK).

News articles, journals and periodicals

- Managing Risks: A New Framework by Robert S. Kaplan and Anette Mikes.

Websites

www.acc.co.nz

www.dupont.com

www.hse.gov.uk

www.iod.org.nz

www.mbie.govt.nz

www.royalnavy.mod.uk

www.nzdf.mil.nz

www.safeworkaustralia.gov.au

www.dasa.mod.uk