



A new architecture for effective health and safety governance

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Officers are directly accountable for managing workplace health, safety and wellbeing (HSW) risks – but their organisations often lack the meaningful data, robust controls and real-time visibility required to support Officers to understand whether these risks are being managed effectively.

A new era of HSW accountability

As workplace law reforms increase scrutiny on and raise the bar for board and Officer duties, Health, Safety & Wellbeing (HSW) risk has become an urgent governance issue for directors and executives across Australia and New Zealand.

The potential consequences of poor HSW governance have never been more severe. In 2024, every Australian State and Territory introduced industrial manslaughter provisions. In New Zealand, a [landmark conviction](#) has raised the spectre of CEOs doing jail time for safety failures.¹

Despite the urgent need for better and more timely oversight of HSW performance, many organisations are still flying blind, with boards continuing to raise concerns over the adequacy and visibility of traditional risk management frameworks. A [global survey](#) found 84% of H&S leaders view HSW as a top risk.² Yet confidence in governance processes remains low according to an [EY survey](#), which found that only 29% of directors trust the data they receive to accurately reflect safety performance.³

60% of boards agree that emerging risks are insufficiently addressed in traditional risk management frameworks and often detected too late.⁴

Critical HSW information isn't making it to the boardroom. Leaders cannot see the real risks when the focus is only on the surface.

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Organisations need a governance framework that reveals, not reassures. It must provide clear visibility of risk exposure, and help identify where actions and decisions are needed.

Karen Mealmaker
EY Regional Environment, Health and Safety Leader, Oceania

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The better the question.
The better the answer.
The better the world works.

¹ *Dominion CEO sentenced, Serious Fraud Office, 2013.*

² *Global Directors' and Officers' Survey Report 2024/2025 – The top seven risks, WTW, 2025*

³ *How can investment in EHS drive corporate success? Global EHS Maturity Study, EH, 2024*

⁴ *How can boards prioritize resilience to build trust and create value? Global Board Risk Survey, EY, 2023.*



Why traditional HSW governance is falling short

HSW governance failures are being caused by blind spots in traditional systems, structures, performance assessment and reporting culture. Red flags include:

Measuring activity, not effectiveness. When boards only consume pre-packaged dashboards and reports, they risk missing the real story. Also, the legacy of 'green dashboards' and fear of blame can create a culture where risks are under-reported, and issues are hidden from those who need to act. By asking probing questions, visiting sites and listening directly to workers, leaders gain first-hand insights and a stronger basis for challenging assumptions and driving accountability.

Numbers over narratives. Numbers alone don't explain how risks are really being managed on the ground. Traditional metrics like lost-time injury rates or incident reports only tell boards what happened, not why it happened, which control failed or how likely it is to happen again. Narratives, including stories from frontline workers and the why behind the data, provide richer insight into whether HSW risk management is genuinely embedded in organisational practice.

Static structures trying to manage dynamic risks. Disparate risk and assurance functions and static structures make it hard for boards to get a consolidated view of dynamic exposure in work environments with an ever-increasing pace of change. The very real need to understand and focus on psychosocial risk (potentially the most dynamic risk of all) only exacerbates this issue.

Passive consumption not active engagement. Many systems and reports don't reflect how work is actually done - or tease out the real issues, especially for complex risks like psychosocial harm. In this case, boards lack clarity on whether critical controls are effectively working, adequately resourced or assured.



If organisations don't fully understand their HSW risks, any governance efforts will be incomplete.

Patricio Estevez, Partner, Environment, Health and Safety, EY Australia



A new architecture to enable effective HSW governance

For decades, the lack of a commonly accepted definition of HSW governance has hampered understanding of what is needed to enable effective governance.

At EY, we define HSW governance as:

The structures and systems in place to enable the flow and engagement with relevant data and information to understand and have trust in the management of an organisation's HSW risks.

Effective HSW governance is about more than just nebulous 'oversight'. To meet their duties to protect people, performance and reputation, boards urgently need genuine clarity around the HSW risk profile and the level of confidence that can be assigned to risk controls. This requires a governance framework with:

Dynamic risk governance: Arrangements that enable a cadence and depth of governance of specific HSW risks that are appropriate for your risk profile. Some risks change more significantly and more frequently than others (think psychosocial risk versus work at height) and need to be governed accordingly.

Risk visibility: Processes that enable a transparent, accurate, current and forward looking view of the risks HSW processes are designed to manage, as well as a view of the ongoing assurance activities that monitor and give visibility of the implementation of those processes.

Shared clarity: Practices that enable key stakeholders to have a common understanding of how HSW performance is governed, clear expectations, and targets and measures of success that are proportionate to HSW risks.

Governance capability: Clarity of roles, responsibilities and accountabilities for HSW governance and competent stakeholders to effectively plan, execute and sustain effective governance processes.

Meaningful information: Accurate, meaningful information that is regularly shared in a digestible format about HSW performance and initiatives that enable active engagement and effective decision-making by relevant stakeholders (insightful narratives rather than just numbers).

Active engagement: Effective reporting, escalation and feedback processes and active participation by key stakeholders in understanding information presented and in making decisions.



Ongoing monitoring: Processes for monitoring the effectiveness of the governance framework and enabling continuous improvement of governance arrangements – in order to avoid a set-and-forget situation!

When we work with clients to assess their HSW governance frameworks, we often find:

- HSW risks are not fully understood. The risk universe may not be complete, or risks have not been accurately assessed or prioritised. *What if you don't know what you don't know?*
- That initiatives designed to improve HSW outcomes lack defined intended outcomes, making it challenging for governance stakeholders to verify the effectiveness of risk reduction activities or demonstrate a return on investment. *If the goal posts aren't defined, how can governance players be sure a goal has been scored?*
- Limits to the data reported to the executive team, which lack the insights needed to provide an accurate view of the HSW risk profile. *Is there a risk your HSW performance reports are demonstrating activity, rather than effectiveness or progress towards desired outcomes, and promoting a false sense of confidence?*

The governance architecture EY teams have developed is based on research and our work with diverse clients across government and industry. It helps clients address these pitfalls. The architecture guides thoughtful consideration and the decision making required for each aspect of governance to develop a bespoke, effective and fit for purpose framework. It is not a "lift and drop" model.



How EY can help

EY teams are helping organisations rethink their HSW governance frameworks so board directors and executives have the confidence, clarity and capability to effectively manage HSW risks in today's evolving landscape. We can work with you to:

- Assess the current state of your HSW governance framework.
- Review your risk management practices to assess whether HSW risks are adequately identified and controlled.
- Identify critical gaps in visibility, data and control assurance.
- Co-design a governance framework tailored to your operating and regulatory environments.
- Implement the right governance architecture and procedures to embed continuous improvement.

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