

At the end of 2015, New Zealand will usher in the Health and Safety Reform Bill (HSRB), aimed at reducing workplace serious injuries and fatalities by 20% within 5 years. This will apply to all businesses - from Taranaki's oil and gas industry to adventure tourism operators.

I'm encouraging all business in Taranaki to embrace the change and at the end of the day we all need to contribute in order reach this goal.

What will the change mean for your business? Here is a run down of the changes that will occur in all industries from high hazard operators to small businesses:

- Business owner and director responsibilities will increase with more emphasis on due diligence to ensure their operations are safe.
- Owners and management are required to engage with the workforce and all affected parties on health and safety matters including contractors.
- Inspection, enforcement and penalties have increased.
- There will be a risk emphasis, requiring companies to show that effective controls are in place to manage their risks.
- The high hazard industry (such as Petrochemicals, Pulp and Paper etc) will be subjected to the same safety case regime imposed on the petroleum industry in 2013 which will now be rolled into the HSRB. This will affect approximately 80 sites around NZ and attract the same level of scrutiny. At Safety Solutions, this is the area we specialise in.

You may ask, why are the changes coming now? Unfortunately it takes a disaster to instigate change. The HSRB and the formation of WorkSafe has arisen from the royal commission's findings into the Pike River mine disaster in 2010. But the change has been a long time coming and as a country we are behind the times in this area - the bill will adopt Australian-style legislation which has been in place for over 10 years.

I've worked with both large and small operators around the country and have observed that many small companies (and some large) do not operate to the intent of the current Health and Safety Act and it's my hope that the HSRB will be a key motivator to lift their performance. The HSRB states in no uncertain terms the responsibility that owners and directors have for safety, and that if they do not put systems in place they will be personally liable.

The roll out of the Petroleum HSE regulations in 2013 forced a number of oil and gas operators in Taranaki to strengthen their management systems. Some operators have done it with open arms and see the change as an opportunity to improve, others have seen it as a cost.

Despite the best efforts by WorkSafe, these changes have not come without problems. Unclear requirements and an inconsistent level of review from the regulator has been cited by operators. It is expected that these issues will be ironed out over time.

In my opinion, if companies are operating to the intent of the current Health and Safety in Employment Act, then the changes will not be onerous. The new act retains this intent, but clearly states a non-negotiable bottom line in a number of areas.

I urge companies to have a positive attitude towards the bill, is after all, people's lives we're talking about. Even though the changes won't come into effect until towards the end of this year, you can get ready for these

changes by reviewing the draft legislation, understand your own gaps and commit resources to implementing it at your workplace.

Background

The royal commission that followed the Pike River disaster in 2010 identified significant gaps in the regulation and management of Health & Safety (H&S) across New Zealand's industry. The HSRB will be broadly aligned with Australian H&S legislation which was introduced after the Longford gas plant explosion in 1999 that killed 2 people and cut gas supply to Melbourne for 2 weeks. It is a sad characteristic of safety legislation that it is not put into place proactively, but requires an accident to happen before action is taken.

The new health and safety regulator, WorkSafe NZ, was established in 2011 by the government to not only improve enforcement, but also educate and guide industry and businesses. In 2013, the Health and Safety in Employment Regulations for the Oil and Gas industry were enacted with the aim of imposing risk management to onshore facilities (in addition to the existing requirement on offshore operations). Simply put, these regulations require O&G operators to demonstrate (to WorkSafe) that their facilities are designed, operated and maintained safely. This is known as the Safety Case Regime. Under it, inspectors from WorkSafe are mandated to review oil and gas operations to determine if they are safe. Similar regulations have been in place in Australia for 13 years, and in the UK for over 30 years. Oil and Gas facilities are hazardous by nature, however if they are designed, maintained and operated well, their risks are typically low.

Bio

Paul Feltoe is managing director of New Zealand's only process safety consultancy based out of New Plymouth. His team of consultants specialise in high hazard operations and advise companies across New Zealand on their hazards and risks and how they can address them.