



TRANSPOWER

Keeping the energy flowing

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Robert Jager
Chairman
Health and Safety Taskforce
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Dear Robert

Submission on the Strategic Review of the Workplace Health and Safety System

Transpower owns and operates New Zealand's high voltage electricity transmission network (the National Grid).

Our principal health and safety risks lie in our field sites, involving work carried out by contractors. Some of these contractors are dedicated to electrical and/or transmission work, while others are from industry in general and work on many non-Transpower sites.

Safety is a core value for Transpower. We strive to bring the highest standards of safety to our operations, including the maintenance and construction of the National Grid, and are committed to achieving injury-free workplaces. Our ambition is to be considered a safety leader and to drive improved safety performance in the electricity industry generally.

Safety performance has improved steadily and materially over the last seven or so years on Transpower workplaces. Our current performance is significantly above the norms for New Zealand workplaces in general.

However, our performance is, we believe, not where it could and should be – it is still below some comparable businesses overseas, and below what is possible in New Zealand. We are committed to closing that gap.

As outlined above, most of our 'at risk' workers are not Transpower staff – rather, they are contractors' employees, or those of their subcontractors. However, we believe we have a responsibility to provide a safe workplace, and to work with the contractors to achieve the same safety performance we would require of our own employees.

These are some of the safety initiatives at Transpower:

- As CEO, I chair the Central Safety Leadership Team which comprises the Chief Executives of our service provider companies and senior managers from Transpower. The CSLT meets quarterly and maintains a collaborative focus on behavioural safety management.
- The Transmission Safety Forum comprises health and safety professionals and line managers from both Transpower and our contractors. Monthly meetings monitor safety policies, standards and processes, and safety performance improvement initiatives.
- The STAR (Safety, Thanks and Recognition) Awards recognise and reward outstanding safety behaviour of individuals and teams from Transpower and our contractors. The awards are well supported by the electricity industry as a driver for behavioural safety change.
- Field safety workshops have been run nationally to enable our contractors' field staff to provide feedback and suggestions on safety improvements. To encourage consultation, engagement and involvement, we are working with our contractors to create an on-going, integrated model of field staff forums to support safety initiatives and performance improvement.
- Personal Safety Action Plans are required from all Transpower employees. These form part of our staffs' overall performance management and annual review process.

The remainder of this submission addresses some of the specific questions contained in the Consultation Document.

Who Gets Hurt, Killed or Suffers From Ill-Health or Disease as a Result of Work? (Q1, Q2)

We can detect no strong pattern in the age, ethnicity or experience of workers injured on work sites.

Many of our issues are behavioural. There is some evidence that older workers are more exposed to behavioural type injuries. Also, there is evidence that workers (particularly subcontractors) who only occasionally work on Transpower sites are more at risk due to lower safety standards being imposed on non-Transpower workplaces.

However, we do not have strong statistical evidence to support this.

Regulatory Framework (Q3, Q4)

Regulation is part of, but not the essential element of improving workplace fatality in New Zealand. It does play an important role in proscribing poor behaviours,

and thus preventing employees from being exposed to unacceptable risks by irresponsible or negligent employers.

However, regulation will not lift overall health and safety performance in New Zealand workplaces. This must be led by pro-active business leaders who recognise their ethical responsibilities to achieve a no-harm workplace, and the business benefits of doing so.

New Zealand's health and safety regulatory framework is focused on hazard identification and management. We believe a risk assessment approach is preferable, as applies in other jurisdictions. This approach would involve an assessment of the magnitude of health and safety risks based on their consequences and likelihood, and also an assessment of what is reasonably practicable to eliminate, avoid or minimise the risks. We believe this would result in a more efficient and effective allocation of time, money and other resources to address health and safety risks in the workplace.

Regulators' Roles and Responsibilities (Q5, Q6)

We believe regulators are focussed on enforcement and penalties. This has its place in proscribing poor behaviour, as noted above, but if applied indiscriminately to all businesses, including those working hard to lift safety, it can be counter-productive by encouraging a compliance based, tick-the-box regime, which will not address New Zealand's behavioural challenges or achieve better outcomes.

We also note that, currently, there is a lack of co-ordination between the various agencies responsible for regulating health and safety in New Zealand.

Changing Workforce and Work Arrangements (Q7, Q8)

We do not think the underlying issues are related to a changing workforce or contracting arrangements or, other than in a few areas, to changing regulatory structures.

New Zealand's workplace safety has consistently been poor relative to some other countries, and, despite steady improvement, this has remained the case for many decades – irrespective of changes in regulation or work arrangements.

Worker Participation and Engagement (Q9, Q10)

Transpower supports its employees and contractors taking personal responsibility for their health and safety – the objective of several of our initiatives, as described above.

We think that personal responsibility for health and safety is the most effective way to achieve safe workplaces. Understanding and 'situational awareness' by individuals is key. If the emphasis is on systems, processes and procedures, there is risk of employees and contractors relying solely on the framework to keep them safe.

However, we recognise that personal responsibility for health and safety will not happen by itself, and that it is not enough. The appropriate balance of health and safety “ownership” between employer/principal and employee/contractor is essential. We believe that an integrated approach must be adopted.

Leadership and Governance (Q11, Q12)

Transpower believes Company Directors and senior managers play a crucial role in creating safe workplaces. The sorts of behaviours Transpower wishes to encourage, at all levels, must be seen to be supported and practiced at the governance and management levels if they are to take root across the business.

Capacity and Capability (Q13, Q14)

Firms have the capacity to address the issues.

Incentives (Q15, Q16)

Penalties and enforcement are an essential component of the regulatory framework for dealing with serious health and safety breaches (although we believe there is, currently, too much focus on that by the regulators).

Incentives and rewards for businesses who demonstrate a commitment to improve health and safety in their workplaces have a role. Some incentives such as levies, awards and pledges are provided by agencies in New Zealand, but the effectiveness of those is limited. For example, the current ACC Workplace Safety Management Programme focuses on systems and financially rewards those businesses that can demonstrate system compliance.

Incentives (Q17, Q18)

There is an opportunity for Government and Local Government “agencies”, such as those with responsibility for roading and utility services, to contribute by taking more ownership, as principals, of workplace safety. Some do, but some don’t – and we do not believe that their “safety is the contractors’ responsibility, not ours” is acceptable.

Yours sincerely

Transpower New Zealand Limited