



Business Leaders'
Health & Safety Forum

ZERO HARM WORKPLACES

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Tackling pressures that can undermine contractor safety

Simon Mackenzie – Vector



When power goes off due to a storm or flood there can be considerable public pressure to “get the lights back on” as soon as possible. But often conditions make it unsafe for our contractors to work.

So Vector came up with a plan to alleviate this pressure and to help the public – and contractors – understand that safety always comes first.

“We believe we have a shared responsibility for the health and safety of our contractors.”

Simon Mackenzie

Chief Executive – Vector



At Vector we regard our contractors as key partners in our business. They are essential to us meeting the needs of our customers and achieving our business goals. This close relationship is reflected in the fact that when they're working out in the field, our contractors wear Vector branding and drive vehicles carrying our logo.

We believe we have a shared responsibility for the health and safety of our contractors and over the years we've done a lot of work in fundamental, practical areas like PPE, training, systems and ensuring health and safety is included in procurement processes. But it's clear to us that there are intangible factors that can have a big, if not a bigger, impact on health and safety and this is an area we're also focusing on.

A good example of these intangibles is the pressure contractors can sometimes feel to get the power and gas back on after outages caused by storms or floods. This perceived pressure can lead to them sometimes deciding to undertake work that is unsafe because of the weather conditions.

Reducing the pressure on our contractors to work in unsafe weather conditions is probably one of the most successful health and safety initiatives we've undertaken in recent times. By backing our contractors, and publicly saying they wouldn't go to work until it was safe, we sent a really strong message to them that we genuinely put their safety first. I believe that's contributing to a genuine improvement in the safety culture within our contracting chain.

“My role... was to take a moral position that we weren't going to have our contractors working in unsafe conditions.”

■ The challenge

Vector owns and operates the electricity distribution network in the greater Auckland region and distributes natural gas to more than 40 towns and cities in the North Island. Our LPG business has depots from Invercargill in the south to Whangarei in the far north. Many of the 1000 contractors we work with nationally are involved in the upkeep and upgrading of these electricity and gas networks.

There are multiple risks in this work, including obvious fatal risks like falls, fire, coming into contact with live wires, working around traffic and trench work. But the potential for something to go seriously wrong escalates dramatically in bad weather conditions.

2014 was a particularly bad year weather-wise. Auckland alone suffered four major storms – including one where the winds reached 180km an hour for sustained periods and another when we had six days of winds over about 110km an hour. In our electricity network once we see winds of more than about 60km an hour we start to get damage from power-lines being hit by trees.

When power or gas goes off during storms or floods there can be a huge amount of interest from customers and the media wanting to know when they will come back on. This can put huge pressure on our contractors – who want to keep the customers happy – to go out and work when the conditions mean it's really not safe.

It was important to us that our contractors were the ones who made the call on whether it was safe to work – not us. They understand the work and the risks better than we do and they're the ones on the ground assessing the conditions – which can vary enormously from suburb to suburb during a storm.

We wanted to make sure that they didn't feel pressured to work when it wasn't safe.

■ What we did about it

The first step was to stop generating this pressure ourselves – because to be honest a few years ago we were the ones encouraging our contractors to get out there as soon as possible and get the lights back on for customers.

For us, that meant making a conscious decision that we were prepared to breach our obligations under New Zealand's electricity regulatory regime, which can see us threatened with financial penalties if our outages exceed certain limits. As a CEO I'm more than comfortable with the decision to put safety before regulatory requirements, and I know my board also backs this position.

Internally, we've also emphasised our shared responsibility for contractors by giving everyone in the business – including me – KPIs for health and safety, and including contractor statistics in the calculation of those KPIs.

But we realised that modifying our own behaviour wasn't enough. We also needed to reduce the pressure contractors felt from media reports or comments on social media during outages, with people demanding to know when the power or gas would come back on.

So a couple of years ago we began putting messages out to the media and public before and during storms that we would not put our guys out into the field if it wasn't safe.

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Initially people didn't respond well to that, so after big storms we also began to send out images and footage of the conditions to help them understand the scale of the damage and why it was still too dangerous to work – even if the storm itself had passed.

Social media has been a really important tool in helping us do this because it enables us to get information out to the public and media very quickly. Now we've also developed an outage app that shows what's caused the fault, where it is and when we expect to have it fixed. It's been really successful – in just over 18 months it's had 6 million hits, and calls to our call centre about outages have dropped dramatically.

The result

Taking a firm stand, and educating the media and public, has really helped reduce the pressure on our contractors to work in unsafe conditions. The feedback we get from them now is that when they're out in the field after a storm, local communities are much more appreciative of the work they do, and understand that they can only work when it's safe.

I think the fact that Vector is prepared to risk breaching our statutory obligations in order to avoid putting people in harm's way also sends a strong message to our contractors that we're really serious about their safety.

For me the success of our outage app highlights how good business and good safety go hand in hand. An initiative that was originally developed to improve the customer experience has helped us improve safety, and also reduced the burden on our call centre.

■ The role of the CEO

My role in this piece of work, in conjunction with the board, was to take a moral position that we weren't going to have our contractors working in unsafe conditions – regardless of the pressure from the public, media or regulatory regime.

It was then to encourage my people to challenge the status quo – to ask themselves, what do we need to do to change this situation? I encouraged them to tackle the problem from different perspectives and to come up with new ways of dealing with it.

Then I made sure they knew they had my backing to run with the solution, and that if need-be I'd stand in front of the cameras or the regulator and defend the position we'd taken.

What this experience reinforced for me is that the way contractors are behaving can often be due to pressures created by the job you've asked them to do. But those pressures can be alleviated by actions you – and sometimes only you – can take as CEO.





■ Key learnings

This CEO story highlights key “success factors” shown in research commissioned by the Forum to deliver superior contractor health and safety.

Respect – Simon and Vector displayed a clear understanding of the situation contractors found themselves in and recognised they had a role to play in fixing the problem.

Clarifying expectations – Vector demonstrated to its contractors by its words and actions that their safety was paramount.

Thinking long-term – Vector’s actions helped build relationships within its contracting chain that can be sustained over time.

Read more about contractor safety at www.zeroharm.org.nz/our-work/contractor-safety/take-action

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– Simon Mackenzie, Vector

Leaders make a difference

The Business Leaders’ Health and Safety Forum inspires and supports its members to become more effective leaders on health and safety. The Forum has more than 240 members, who are CEOs or Managing Directors of significant New Zealand companies.

Contact us

Email: info@zeroharm.org.nz

Phone: +64 4 499 1897

Or find out more at: www.zeroharm.org.nz



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