



5 February 2014

Transport and Industrial Relations Committee
Select Committee Services
Parliament Buildings
Wellington 6160

Land Transport Amendment Bill – Z Energy submission

Introduction

Z Energy is a New Zealand transport energy company and one of New Zealand's largest fuel companies, providing around one third of New Zealand's total fuel needs.

Z Energy directly employs around 240 people, is publicly listed on the NZX and ASX, and has a national network of around 300 service stations and truck stops.

As a Kiwi company, which is operated by New Zealanders, the company seeks to make a positive contribution and deliver value not only to the company's shareholders and customers but to the broader communities in which it operates.

Z Energy imports, manufactures, distributes and sells around 2.5 billion litres of hazardous fuel per annum. With the inherent risk that comes with this industry, Z Energy is committed to the highest standards of health and safety management and to keeping people and the natural environment safe at all times.

General position

In principle, Z Energy supports the proposed Land Transport Amendment Bill and lowering of the adult legal alcohol limit from 400 micrograms of alcohol per litre of breath to 250 micrograms.

This position has been developed based on feedback from Z Energy's staff and from engagement with the New Zealand Police, as outlined later in this submission.

Z Energy is not an expert on the efficacy of various approaches to enforcement of a reduced limit, such as the proposed fine regime in the draft legislation. Z will leave comment on this matter to professionals who might be better qualified in this area and will instead keep its comments limited to the principles behind the legislation.



Road exposure

Given the nature of Z Energy's business, the company and its contractors have a high level of exposure to road safety risk.

Z Energy contracts 96 heavy vehicle drivers to transport 1.7 billion litres of flammable product to Z service stations up and down the country every year. Last year tankers delivering Z Energy's fuel travelled around eight million kilometres on New Zealand roads at all times of the day and night. Additionally, Z Energy has a network of staff who are required to drive for work. Safety of Z Energy's people, contractors and the travelling New Zealand public is of critical importance to Z Energy and road safety risk is one of the most significant risks the company faces every day.

Z's position

In August this year, Z Energy invited the New Zealand Police to join staff to discuss the relationship between driver safety and alcohol consumption at the company's Wellington head office. The Police spent an afternoon with staff, including a one hour presentation on 'Alcohol; the myths and the facts'. The presentation and the accompanying experiment had a profound impact on staff and raised a number of issues to which most staff were not aware.

After the presentation, 15 members of staff took part in a two-hour experiment. Throughout the two hours, staff consumed alcohol and were breath tested between drinks and their breath alcohol reading was recorded periodically.

During the two hours, it became very evident for the staff involved and those observing, that the breath alcohol readings were varied and at times quite disturbing. Of the 15 staff who took part, 12 consumed five drinks and were still under the current breath alcohol limit. Two consumed six drinks and were still significantly under the limit.

Every member of staff participating in the trial felt significantly impaired to the point they would not drive well before getting close to the legal limit.

The results of the trial can be seen in the attached table at the back of this submission.

Days after the experiment and presentation took place, Z Energy staff were asked for their views on the current breath alcohol limit and whether they thought the company should advocate for lowering the current limit, or not. Without exception, the view of Z Energy staff who participated in the presentation and experiment was that the current level was too high, posed an unacceptable public safety risk and was inconsistent with Z Energy's commitment to best practice in health and safety.

Summary

Based on what the company has learned through its engagement with the New Zealand Police and the experiment conducted by the Police and Z Energy staff, Z Energy supports the Land Transport Amendment Bill. Z Energy believes it has the potential to prevent significant injuries and help to ensure the safety of its own people and the New Zealand public.

Thank you for the opportunity to make these comments.

Regards,
Mike Bennetts
CEO

