



City of Richmond

Report to Committee

To: Community Safety Committee **Date:** February 2, 2004
From: A.L. (Rick) Bortolussi **File:**
Manager, Building Approvals Department
Re: Provincial Government's Safety System Transformation Project

Staff Recommendation

That the report on the Provincial Government's Safety System Transformation Project (dated February 2, 2004 from the Manager, Building Approvals Department) be received for information.

A.L. (Rick) Bortolussi
Manager, Building Approvals Department
(4114)

Att. 1

FOR ORIGINATING DIVISION USE ONLY
CONCURRENCE OF GENERAL MANAGER

Staff Report

Origin

During the November 13, 2003, Community Safety Committee meeting, staff were requested to report on the Provincial Government's Safety System Transformation Project (SSTP), and in particular, its impact on:

1. the respective areas of the construction community affected by the Safety Systems Act & Regulations;
2. who would be able to perform work under the Act, in particular with regard to gas installation work;
3. the City's Gas Safety Inspection Service;
4. the level of public safety;
5. governance issues between the new authority, the Provincial Government and the City; and
6. the general impact for the City specifically in areas of bylaws, safety standards and regulations.

Findings Of Fact

The Ministry of Community, Aboriginal and Women's Services (MCAWS), through its Safety Engineering Services Division (SES) is responsible for the all legislation, regulations, policies and procedures regarding safety in the design, manufacturing, construction, installation, operation and repair of boiler and pressure vessels, electrical devices, elevating devices, gas equipment and aerial tramways as well as public and employee safety of railways.

The SES also delivers permitting and inspection services in areas of the province currently not administered by local governments. In Richmond, all of the above noted services are provided by SES with the exception of low pressure gas installation regulatory services. Richmond's experience indicates that the current safety system framework has allowed us to achieve a high level of safety compliance regarding low pressure gas installations.

Two provincial acts have been prepared, the Safety Standards Act, (Bill 19, 2003) and the Safety Authority Act, (Bill 20, 2003) both of which come into effect April 1, 2004. Together they form the Safety System Transformation Project.

Analysis

The SSTP is the provincial response to a number of factors which have the potential to affect the delivery of the safety system, including population growth, cost increases, rapid technology change and the proliferation of new safety-related products, processes and services. Provincial government cutbacks in levels of service have occurred due to financial restraints. These cutbacks have the potential of impacting public safety in those areas where local government has not assumed responsibility for the level of safety service. The intent of the SSTP is to provide an effective framework and strategy to prevent failures in the safety system for those levels of services provided by the Provincial government.

The proposed new Provincial framework is based on the fundamental position of the Province that many of the services traditionally delivered by the Provincial government can be more effectively provided by non-government bodies under appropriate guidelines and supervision. This model was implemented in Alberta and Ontario and also in Britain, Australia and New Zealand. Contrary to what is being conveyed by the Province, the delivery of safety services utilizing the concepts of delegation and self regulation as adopted by those other jurisdictions, has adversely affected their continued ability to deliver a consistent and acceptable level of safety services to the public. Most of those jurisdictions are currently re-examining their programs as a result.

In the new model, the Province will continue to be responsible for developing and maintaining safety policy. Under the Safety Authority Act a new non-government, not-for-profit authority will be created to provide the regulatory and administrative role. The local government will continue to provide the level of service currently in effect.

In response to the staff referral concerning the impact of the Provincial Governments' Safety System Transformation Project, the following is provided:

1. The respective areas of the construction community affected by the Safety Systems Act & Regulations.

This legislation applies to all of the following:

- persons doing the regulated work;
- regulated products, including;
 - i. amusement rides
 - ii. passenger ropeways;
 - iii. boilers and boiler systems;
 - iv. electrical equipment;
 - v. elevating devices and passenger conveyors;
 - vi. gas systems and equipment;
 - vii. pressure vessels;
 - viii. pressure piping;
 - ix. refrigeration systems and equipment;
- all the disciplines related to the regulated products.

2. Who would be able to perform work under the Act, in particular with regard to gas installation work?

The Act indicates that an individual must not perform work in respect of a gas system or gas equipment unless the individual:

- holds a valid certificate of qualification;
- is authorized to perform regulated work, without holding a certificate of qualification;
- has successfully completed a training program recognized by a provincial safety manager;
- has knowledge of the regulated work being performed, is capable of performing the work safely and is supervised by a person who:
 - i. is specifically authorized under the Act to perform this type of work;

- ii. supervises the individual on site and provides guidance and assistance to the individual as the regulated work is performed; and
- iii. the person who supervises the work of the individual must not allow the individual to perform regulated work outside of the scope of the supervisor's qualifications.
- is exempted from the Regulation, such as a homeowner when:
 - i. no other dwelling or premises is directly attached to the single unit dwelling;
 - ii. no person is being paid to do, or assist the owner in doing the work, and
 - iii. no part of the dwelling is rented to any person.

3. *What is the City's Gas Safety Inspection Service?*

The existing Gas Safety Act requires that where a local government provides a gas safety inspection service on low pressure gas installation systems, that 100% of the permits issued by that local government must be fully inspected. This includes not only new installations but also replacement hot water tanks. Under the Act, low pressure installations under the jurisdiction of the provincial government do not require 100% of the permits being fully inspected. It is not known at this time as to what the full responsibility of local government will be in providing the gas safety inspection service within their jurisdiction.

Under the new Safety Systems Act, a local government will be required to enter into an agreement with the provincial government for the delivery of their gas safety inspection service system. The provincial government is working on drafting such an agreement and when made available to staff, will form the basis of a future report to Council.

4. *What impact could there be on the level of public safety?*

Under the new Safety Systems Act, the provincial government has reduced the requirement that a person must prove that they have been qualified under an apprenticeship program and passed the relevant exam(s). Those who will be able to perform the work are identified under item #2 above. This new process will rely heavily on the gas installation contractor to have only one qualified supervisor in the firm.

The firm's supervisor will be responsible for the quality and safety of the work performed by lesser skilled individuals. There is a concern that:

- because the supervisor is not required to provide on the job site supervision continually;
- there is a high probability that the contractor will have more than one active job site at the same time; and
- individuals performing the work are no longer limited to only those being either trades qualified or registered apprentices;

that the level of public safety will negatively be impacted.

Perceived reduced levels of public safety may require a local government to implement a more cautious approach with their gas safety inspection service in order to address risk management concerns. The public may place additional demands on the local government in response to any reduction in the level of safety. Local governments who may be concerned

about the level of knowledge and skill of the sub-trades, can not introduce additional technical standards through a bylaw as limited under the Community Charter. The Charter requires a concurrent agreement being established between the Province and local government should a local government wish to introduce a technical standard that is potentially inconsistent with the Code.

5. *The governance issues between the new authority, the Provincial Government and the City.*

The Acts clarify the roles as:

- The Ministry's Safety Engineering Services Division, under the new Act will continue to be responsible for safety policy.
- The newly created nongovernmental Safety Authority is a not-for-profit safety Authority created to deliver the safety service components of the Safety Standards Act with the financial and administrative flexibility to respond to customer safety. The Authority is provided the authority to implement a risk management inspection level of service as compared to the current local government's mandated 100% inspections to permit ratio.
- Local government, through agreement with the ministry, will continue to provide the gas safety inspection service (financial and administrative). It has not been confirmed as to the level of inspection service will be prescribed both through the, yet to be released provincial regulations, or the yet to be drafted provincial/local government agreement.

6. *The general impact for the City specifically in areas of bylaws, safety standards and regulations.*

In addition to the information contained in item #5 above, the responsibility for the gas safety inspection service for the City is contained in the Building Regulation Bylaw. There is a requirement for a provincial/local government agreement to be executed. Depending on what is contained in the agreement, will determine whether a bylaw amendment is needed.

One additional unknown is the provincial development for an incident reporting (computer) system. It was initially mentioned by the Province that such a system would only be implemented with the new Safety Authority, however there is discussion to include those local governments that are providing similar regulatory service. Staff have expressed concern to the Province, that should such a reporting structure be introduced that it be fully cost recoverable to the local government.

Financial Impact

Should the level of gas installation construction deteriorate due to a lack of knowledge and skills of those individuals performing the work there may be an increase in the potential for liability for the City. The provincial program based its security on a ten thousand dollar performance bond held by the gas fitter. This may address minor repairs, however it will not address full liability responsibilities of the individual performing the work should a major incident occurs (fire or an explosion and subsequent property and economic loss).

Conclusion

There is a perceived general concern that the level of public safety may be negatively impacted as a result of the new Safety Systems Act. This is based on lowering the necessary skills, knowledge and expertise that an individual needs to perform the proposed work. The need for a qualified trades certification along with a recognized apprenticeship program will no longer apply throughout the system. An increase in liability may result with local government having to undertake on a more in-depth regulatory role to address this issue.

A.L. (Rick) Bortolussi
Manager, Building Approvals Department
(4114)

ALB:alb