



employment & labour

Department:
Employment and Labour
REPUBLIC OF SOUTH AFRICA

Department's Logo

SOCIO-ECONOMIC IMPACT ASSESSMENT SYSTEM (SEIAS)

REVISED (2020): FINAL IMPACT ASSESSMENT TEMPLATE –PHASE 2

**NAME OF THE PROPOSAL: PROMULGATION OF MAJOR HAZARD INSTALLATION REGULATIONS,
202X**

1. Please DO NOT ALTER the template and questionnaire
2. Date must be clearly indicated
3. Draft SEIAS report should have a watermark word DRAFT indicating the version and should be accompanied by the supporting documents (draft proposal, M&E plan and pieces of research work)
4. FINAL report will be in PDF format and will be inclusive of the sign-off
5. FINAL report will have the approval stamp of the DMPE on the front cover and will include the signoff
6. Sign off forms are only valid for a period of six months.

Please keep your answers as short as possible. Do not copy directly from any other document.

1. Conceptual Framework, Problem Statement, Aims and Theory of Change

1.1. What socio-economic problem does the proposal aim to resolve?

1.2. What are the main root causes of the problem identified above?

BACKGROUND

- What is Major Hazard Installation Regulations for:
the principal aim of the regulations is to reduce the risks of potential major incidents involving dangerous substances, such as toxic substances (e.g. ammonia), flammable substances (e.g. liquefied petroleum gas), substances that are toxic to humans, environmentally hazardous, and can cause confined explosions.

If dangerous substances are used or stored at the site in quantities above certain thresholds, the operator must take all measures necessary to prevent major incidents and limit the consequences for human health and the environment and also have emergency plans in place to rescue employees in case of such emergencies or major incidents.

- What is a major hazard installation?:
A major incident could involve a release of substance, fire or explosion resulting from uncontrolled developments involving one or more dangerous substance that causes serious danger to human health or the environment, whether immediate or delayed, inside or outside the site. The “major hazard installation” (MHI) is defined in the Occupational Health and Safety Act, no 85 of 1993, as:

*(a) where more than a **prescribed quantity** of any substances is or may be kept, whether permanently or temporarily; or*

*(b) where **any substance is produced, processed, used, handled, or stored in such a form and quantity that has a potential to cause a major incident.***

*“Major incident” means an **occurrence of catastrophic proportions** resulting from the use of plant or machinery or from activities at workplace.*

The MHI Regulation applies to employers, self-employed persons and users who have on their premises either permanently or temporarily a **major hazard installation** or a **quantity of substances which may pose risk that could affect the health and safety of employees and public.**

The Regulation 9 gives **specific duties to local government not to permit the erection of new MHI at a separation distance less than that which poses a risk to- airports, neighbouring independent MHIs, housing and other centres of population or any other similar facility.** The separation distance is calculated using a simulation software that predicts the separation distances and advises the local authority on the acceptability of MHIs.

The MHI Regulations seeks to ensure that there is a tolerable separation distance between the MHIs and the public members that will provide protection in a case of loss of containment. The chemicals have inherent risks in nature and those risks cannot be removed. So, now the MHIs must be strategically located in permitted areas which do not expose employees and public members to the associated chemical risks. The quantities as indicated on the major hazard installation definition are not prescribed and as such it's difficult to know which plants qualifies to be an MHI or not. As a result, the only way to classify the MHIs is through the 3rd party (Approved Inspection Authority) risk assessment.

The risks of bulk chemicals storage exposure are literature based and lessons are learned from historical incidents, such as Seveso incident, Bhopal incident and the recent Beirut explosion. Therefore, these Regulations seeks to protect employees, public members and ensure there is reasonable separation from MHI facilities.

What socio-economic problem does the proposal aim to resolve	What are the main roots or causes of the problem
<p>1.1 Exposure (fires, toxic emissions and explosives reactions) of employees and public members -to chemicals by MHIs that are likely to cause:</p> <ul style="list-style-type: none"> - National disasters (pollution of environment) - Acute injuries and diseases that can be immediately attended to as well as chronic diseases and Injuries (diseases or injuries that are take long to show and at times they cannot be linked to the major incidents) - and or even fatalities - Major incidents which will escalate outside of the boundaries of MHI facility 	<p>1.2 Lack of prescribed threshold quantities that classifies installation as major hazard installations (MHI) leading to:</p> <ul style="list-style-type: none"> - Incorrect zoning of (major hazard installation) MHI installation and can lead to relocation of the settlements around MHI to suitable areas <p>Lack of guidance on the procedures to be followed during classification of MHI and registration of MHIs.</p> <p>No proper preparation and planning of emergency procedures to be activated in case of a loss of containment of chemical substances that may lead to disasters including fatalities, 3rd degree injuries, property damage as well as short and long term illnesses</p>

1.3. Summarise the **aims** of the proposal and **how** it will address the problem in no more than five sentences.

==

Aims to promote compliance, regulate expose of chemical hazards to public and create cooperation between government Departments, MHI sites as well as labour by:

- promoting correct land zoning, correct allocation of residential areas, preservation of land around MHI sites and harmonisation of the MHI classification criteria.
- creating synergy in classification across the board including land developers, local government and ensuring that MHI site are formally registered and identifiable.
- synchronising and incorporating disaster management and emergency legislations and standards to ensure proper planning and responding to major incidents and hazardous substances emergencies.
- development of MHI policy to indicate management commitment to good process safety management practices.

1.4. How is this proposal contributing to the following national priorities?

National Priority	Impact
1. Building a capable, ethical and developmental state	Promoting ethical developments of lands that considers spatial and land zoning legislations and building in a sustainable manner to benefit the future generations
2. Economic transformation and job creation	Business with a healthy and safe workforce should show improved delivery of services. When workers are healthy they become more productive since they do not loose work time. There is therefore a direct return healthy work force in a company and that results in increased company earning, investment and an increased economic growth.
3. Education, skills and health	
4. Consolidating the social wage through reliable and quality basic services	
5. Spatial integration, human settlements and local government	Correct allocation of land, zoning of industrial sites where all organisations located in the zoned land are able to cooperate with each other and build a safe communities.
6. Social cohesion and safe communities	Approval of MHIs it initial stages and full involvement of communities and LG to create safe environment for communities as enshrined in the Constitution. The involvement in the process of approval will ensure full participation in emergency mock drills by providing better ways for worker's and public protection during major incident. Provision of dignity through correct allocation of land.
7. A better Africa and world.	Harmonised way of classifying and ensuring compliance with MHI regulations.

National Priority	Impact
	SADAC countries such as Botswana, LESOTHO, Angola, Congo, Zambia and Malawi are currently employing AIAs to conduct risk assessment studies in line with South Africa standards and MHI Regulations

1.5. Please describe how the problem identified could be addressed if this proposal is not adopted. At least one of the options should involve no legal or policy changes, but rather rely on changes in existing programmes or resource allocation.

==

Option 1.	<p>The use of the current MHI Regulations and checking of compliance through routine and reactive inspections by OHS inspectors and also advocacy sessions that are held by the Department of Employment and Labour on regular basis as indicated in the Strategic Plan and Specialist MHI annual performance plan. The shortcomings are:</p> <ul style="list-style-type: none"> - Classification of MHI by Approved Inspection Authorities (AIAs) are subjective and depends on one individual. In addition, the MHI study uses internationally derived software. - The costs for risk assessments studies are elevated by classification, which cannot easily be done due to lack of prescribed thresholds volumes. - The MHI reports cannot be verified as there is no verification tool nor a guiding principle or a standard on what need to be covered during an MHI study. - The unlegislated use of Schedule 8 from General Machinery Regulations that has nothing to do with MHI provisions and the list chemicals are limited and does not include a lot of chemicals that are sued in the MHI industry.
Option 2.	<p>The use of National Building Regulations and Building Standard Act, Local Government by-laws as well as emergency practises to regulate MHI sites. The shortcomings are:</p> <ul style="list-style-type: none"> - There is no direct regulator to oversee the National Building Regulations and Building Standard Act and therefore MHIs are not approved nor can be traced or recorded on geographical information systems. - Local government is dynamic in nature and does not have a national harmonised control and approval system of MHI sites. Some local government does not know what to do with the MHI reports. - Lack of participation from local government to assist the MHI sites in putting together an emergency plan as well as testing the effectivity of those aforesaid plans.

PART TWO: IMPACT ASSESSMENT

2. Policy/Legislative alignment with other departments, behaviours, consultations with stakeholders, social/economic groups affected, assessment of costs and benefits and monitoring and evaluation.

2.1. Are other government laws or regulations linked to this proposal? If so, who are the custodian departments? Add more rows if required.

==

Government legislative prescripts	Custodian Department	Areas of Linkages	Areas of contradiction and how will the contradictions be resolved
Occupational Health and Safety Act,1993	Department of Employment and Labour	Preamble of the and section 6 ,10	No identified conflict. The preamble seeks to protect persons including persons other than persons at work against hazards to health arising out of or in connection with the activities of persons at work Sec 6: establishment of technical committees Sec 10:general duties of manufactures and others regarding articles and substances for use at work
Pressure Equipment Regulations (PER)	Department of Employment and Labour	Most of MHIs are pressurised plants	No identified conflict. Pressurised MHIs should comply to the PER
Electrical Machinery Regulations (EMR)	Department of Employment and Labour	Hazardous locations	No identified conflict. All hazardous locations areas have to be zoned according to acceptable classes. The zoning is made by a relevant AIA and a report be available indicating as well the type of equipment that need to be in the hazardous location zones.
Construction Regulations (CR)	Department of Employment and Labour	Design and building for safety	No identified conflict. MHIs are classified in the design phases and the building should comply to Construction Regulations, Engineering Standards as well as National Building Regulations & Building Standards Act & South African National Standard 0400
National Building Regulations and Building Standard Act,1977	Department of Trade and Industry, Local Government	Approval of MHI	No identified conflict. However, there is a lack of issuing of approval of MHI sites. This has led to MHI being build or operated in areas where there is increased safety and health risk to employees and public. Resolution: -approval of MHIs, protection of land around MHIs and prevention of encroachment. -prescription of Threshold levels and an efficient registration system.
Compensation of Occupational Diseases Act	Department of Employment and Labour	Sector Classification (<i>Indirect linkage</i>)	No identified conflict but an improvement on Compensation Fund sector classification. Thus, MHI sites are high risk sectors and if not declared correctly, the Compensation Fund may receive returns that not calculated correctly. Resolution: correct sector classification by Compensation Fund -issuing of MHI certificate to able correct risk sector Classification

Government legislative prescripts	Custodian Department	Areas of Linkages	Areas of contradiction and how will the contradictions be resolved
Fire Service Brigade Act,1979	Local Government	Emergency Response	No identified conflict and a call for the Department of Employment and Labour to become a permanent Advisory Council member of the Minister of Cooperative House of Government and Traditional Affairs. The participation in emergency planning of onsite and offsite, testing of onsite Emergency plan are made mandatory in the proposed Fire Service Brigade Act, which will be promulgated when all processes are passed. Resolution: ensuring that MHI requirement are embraced in the Fire Service Brigade Act
National Disaster Management Act,1998	Local Government	Emergency Planning	No identified conflict <ul style="list-style-type: none"> - Approval/permission of MHI to be done in writing to avoid conflicts - Local Government to include MHI disasters in their emergency plan and have an offsite emergency plan and revise it as required. - cooperate with MHI sites to protect the public and their immediate neighbours that are in the MHI danger zones
Spatial Planning and Land Use Management Act,2013	Local Government, Human Settlement and Rural Development	Land Zoning	No identified conflict. The Spatial Planning and Land Use Management Act has embraced the approval/permission in their requirements and provision of safe environment as highlighted in the constitution.
Transportation of Dangerous Goods	Department of Transport	Transportation of hazardous substances	No identified conflict The MHI Regulations states that the regulations do not apply to substances in transit, however we needed to align the requirements for transportation and substances at departure and arrival points, so as to lessen the burden for MHIs to comply to that are written differently but having the same meaning. <ul style="list-style-type: none"> - adoption of Transportation of Dangerous Goods Guidelines to align with other Regulators who deal with substances/chemicals. - ensuring a common way of control so that storage or handling of chemicals do not conflict with transportation laws.

2.2. Proposals inevitably seek to change behaviour in order to achieve a desired outcome. Describe (a) the behaviour that must be changed, and (b) the main mechanisms to bring about those changes. These mechanisms may include modifications in decision-making systems; changes in procedures; educational work; sanctions; and/or incentives.

a) What and whose behaviour does the proposal seek to change? How does the behaviour contribute to the socio-economic problem addressed?

==

Behaviours that need to change	Whose behaviour	Socio-economic impact
- incorrect land zoning	Local Government	- Exposure of vulnerable

<ul style="list-style-type: none"> - lack of approval of MHI sites - classifications of MHI sites - land encroachment/illegal land grabs <p>*MHIs / MHI sites can be any business that store high level of dangerous goods, SMMEs, employers, users, self-employed, pipelines, chemical plants,</p>		<p>(Schools, places of gathering, hospitals, airports, etc.) to chemical dangers that might lead to injuries, acute and chronic illnesses and death</p> <ul style="list-style-type: none"> - Relocation of public from encroached land, thereby creating a challenge and high costs to remove the settlers and relocate them to suitable lands. At times the suitable land cannot accommodate all the settlers and are far from the targeted industrial areas. - Exorbitant expenditure by Compensation Fund to compensate MHI injuries, illnesses and pension pay-outs in case of death of an employee - Exorbitant costs for disaster management
<ul style="list-style-type: none"> - Working in silos 	All Government Department	<ul style="list-style-type: none"> - Fruitless expenditure due to repetition of services - high level of noncompliance - Delay in enforcement regimes
<ul style="list-style-type: none"> - Preparedness to deal with major incidents - Emergency Plan not relevant to type of hazard - no mock drills of emergency plan 	MHI sites Local Government	<ul style="list-style-type: none"> - incapacity to deal with MHI incidents - lack of availability of relevant emergency resources as well as cooperation of local government as they might not be informed of undeclared MHIs emergency - increased exposure to chemicals dangers that might be avoided through correct emergency procedures. - use of incorrect methods and emergency equipment when dealing with hazards
<ul style="list-style-type: none"> - capacity to deal with MHI overall compliance 	Local Government, Rural Development, Cohgta, Human Settlement	<ul style="list-style-type: none"> - oversight and lack of control of MHIs

b) How does the proposal aim to bring about the desired behavioural change?

==

- writing of correct requirements that are easy to understand, clear and do not conflict with other government Department's requirements
- Coordination of linking activities to avoid duplication of activities and efficient service delivery. This can also stretch government resources and lower costs of such repeated services.
- Support during implementation of MHI Regulations and capacity building for all MHI Regulators

2.3. Consultations

- a) Who has been consulted inside of government and outside of it? Please identify major functional groups (e.g. business; labour; specific government departments or provinces; etc.); you can provide a list of individual entities and individuals as an annexure if you want.

==

Consulted Government Departments, Agencies and Other Organs of State

Department's name	What do they see as <u>main benefits, Implementation/ Compliance costs and risks?</u>	Do they <u>support</u> or <u>oppose</u> the proposal?	What <u>amendments</u> do they propose?	Have these amendments been <u>incorporated</u> in your proposal? If yes, under which section?
Health and Safety Executive: United Kingdom (HSE:UK)	Adaptation of good international practises RO	Supported Met with Ms Judith: Chair of HSE: United Kingdom Dr Stuart: president of Major Hazard Research centre: United Kingdom	. thresholds levels . Registration of MHI sites . prescription of stringent regimes for high MHI sites .licence to operate high hazard MHI	Yes, and are incorporated in regulation: 4,5,6,7,8,9,11,12, Annexure MHI 1, MHI 2, MHI 3 and MHI 4
Local Government	Approval/ Permission of MHI sites in writing	Supported	.Issuing of permission in writing	Yes, and are incorporated in Regulation 4 and aligned with: Section 4 of National Building Regulations and Building Standard Act Regulation 4, 14

Department's name	What do they see as main <u>benefits</u> , <u>Implementation/</u> <u>Compliance costs</u> and <u>risks?</u>	Do they <u>support</u> or <u>oppose</u> the proposal?	What <u>amendments</u> do they propose?	Have these amendments been <u>incorporated</u> in your proposal? If yes, under which section?
	<p>Emergency Preparedness Planning</p> <hr/> <p>Emergency Response</p>	<p>Supported == Participated in the review of Fire Service Brigade Act</p> <p>.participated in the writing of Emergency Plan Standard (South African National Standard 1514)</p>	<p>. Incorporation of emergency plan standard (South African National Standard 1514)</p> <ul style="list-style-type: none"> - Draft Fire Service Brigade Act (white paper level) - National Disaster Management Act 	<p>Yes, and incorporated in Regulation 15 and South African National Standard 1514 to be incorporated</p> <p>Aligned with: Chapter 4& 5 of National Disaster Management Act</p>
Agriculture, Land Reform and Rural Development	Seamless and strategic zoning of sites	Yes influenced the writing of Spatial Planning and Land Use Management Act, 2013	Seamless and strategic zoning of sites	<p>Yes, and incorporated Regulation 4,10,15,14</p> <p>Aligned with Spatial Planning and Land Use Management Act chapters 3</p>
Department of Trade and Industry	Approval/permission of Hazardous sites	Yes Participated in amendment of National Building Regulations & Building Standard Act	Compliance with OHS Act	Yes. there are incorporated in the following: Regulation 4, 14 and aligned with Section 4 of National Building Regulations & Building Standard Act
Expert Working Group championed by National Department of Transport	<p>Maximum storage capacity of Ammonium Nitrate groups:</p> <ul style="list-style-type: none"> - Explosives - Fertilisers - Technical grade 	<ul style="list-style-type: none"> - Explosives Regulations - Explosives Act - Technical Dangerous Goods Guidelines 	Control of Ammonium Nitrate to avoid Beirut incident	Yes, there are incorporated Regulation 1, Annexure MHI 1, 2,3,4

Department's name	What do they see as main <u>benefits, Implementation/ Compliance costs and risks?</u>	Do they <u>support or oppose</u> the proposal?	What <u>amendments</u> do they propose?	Have these amendments been <u>incorporated</u> in your proposal? If yes, under which section?
Department of Forestry, Fisheries and Environment	Advisory to the Minister regarding matters that have adverse effect on the environment	National Environmental Management Act	Harmonisation of environmental impact, emissions licences with MHI Quantitative Risk Assessments	Yes, there are incorporated Regulation 10 Aligned with Chapter 2, Section 8 of National Environmental Management Act

==

Consulted stakeholders outside government

- The consolidated consultation comments are attached as an Annexure to provide more insight into the process.

Name of Stakeholder	What do they see as main <u>benefits, Implementation/ Compliance costs and risks?</u>	Do they <u>support or oppose</u> the proposal?	What <u>amendments</u> do they propose?	Have these amendments been <u>incorporated</u> in your proposal?
Labour : represented by NEHAWU	Overall protection of employees and well-rounded Regulations that ensures correct allocation and public consultation through advertisement of MHIs sites. Lastly, give a voice to affected and interested parties about their safety around MHIs.	Supported	Collaboration between Department of Employment and Labour, Local Government	Yes
MHI Sites (SMMEs, Employers, Pipelines, chemical plants, self-employed) and Local Government	Correct land zoning Added Costs: R0	Supported	Approval of MHI Sites by all spheres of Local Government	Yes
MHI sites	Licensing of high hazard MHIs R0	Supported	More attention to be given to high hazard MHIs	Yes Licensing of high tier MHIs
	Clear classification through threshold levels and saving on classification costs at reduced Costs: +/-15% of total MHI studies	Supported	Annexure MHI quantities/proper classifications	Yes. Issuing of certificate

Name of Stakeholder	What do they see as main <u>benefits, Implementation/ Compliance costs and risks?</u>	Do they <u>support or oppose the proposal?</u>	What <u>amendments do they propose?</u>	Have these <u>amendments been incorporated in your proposal?</u>
	Registration of MHIs Added Costs: R450 –R600	Supported	Issuing of certificate for a successful registration	Yes. The license is also renewable when there is change or at intervals not exceeding 5 years
Approved Inspection Approved	Risk assessment studies Added Costs: could not be established as AIA charges are different depending on the depth and speciality they have. Reduced work load and efficiency to deal with studies speedily and increased profit margins	Supported	Incorporation of standard (Hazard Installation Risk Assessment: South African Bureau of Standards 1461)	Yes

b) Summarise and evaluate the main disagreements about the proposal arising out of discussions with stakeholders and experts inside and outside of government. Do not give details on each input, but rather group them into key points, indicating the main areas of contestation and the strength of support or opposition for each position

==

- The main contestation was the classification of MHI of MHI which are just at above the margins of the minimum threshold levels. This was resolved by creating 3 tiers upon which the MHI with above minimal margins will continue with the same requirements so as not to put burdens on the smaller MHIs.
- The 3 tier criteria is not onerous and the high level will comply with all the requirements. However, the South African MHI regime was guided and the MHI industry adopted the Control of Accident of Major Hazard Regulations, 2015, United Kingdom. In this, the MHI industry is already using the United Kingdom laws. Thus, the shift to the proposed MHI Regulations will not put a strain on the industry. However, it will promote international cooperation, harmony and high levels of compliance in the MHI Industry.
- The capacity was discussed as well and it was suggested that the Department should have a way of testing and ensuring that the risk assessment reports are correct and the results can be verified.
- Training with Health Safety Executive: United Kingdom was suggested, and then the Specialist: MHI must then build knowledge management in provinces.
- the Department to secure a software to verify the results of MHI studies
- Payment of fees, which was not opposed but discussed in length as the MHI site owners wanted government to make a commitment that the revenues collected will be put to building capacity in the MHI Regulatory Field.

- Approval/permission of MHI Sites at Local Government levels. The indication was that the delays and challenges are encountered at Local Government level as they do not come to play and do not cooperate with MHI owners. As such, 99% of the time Local Government do not even participate in mock drills.

2.4. Describe the groups that will benefit from the proposal, and the groups that will face a cost. These groups could be described by their role in the economy or in society. Note: NO law or regulation will benefit everyone equally so do not claim that it will. Rather indicate which groups will be expected to bear some cost as well as which will benefit. Please be as precise as possible in identifying who will win and who will lose from your proposal. Think of the vulnerable groups (disabled, youth women, SMME), but not limited to other groups.

==

List of beneficiaries (groups that will benefit)	How will they benefit?
Local Government	Harmonization of land zoning with regard to MHI sites Cooperation and Linking of activities including preparedness for MHI's hazards and response to such incidents improvising on the MHIs Geographical Information System planning for MHI Disasters as well as participating in emergency (onsite and offsite) development as well as mocking of such plans
MHI Sites(chemical plants, SMMEs, employers, users, self-employed, pipelines, etc.)	Building capacity at MHI sites by: <ul style="list-style-type: none"> - Management by responsible persons who understand the process safety, impacts as well as responding to such incidents. - Correct evacuation plans and responding to MHI incidents - Promotion of working relations with their neighbours as well as Local Government Ensuring integrity maintenance and renewal and reporting of 5 yearly risk assessment
Workers/Labour	Protection through process safety interventions that can give early alerts before loss of containment that can lead to fires, toxic emissions and confined explosions. Being assured of reliable emergency protocols that are tested and will be activated successfully in case of an incident.
Public	Residing in areas that will not endanger their lives and not encroaching on lands that endangers their safety Knowing where MHIs are located and the alerts mechanisms in case of incidents

List of cost bearers (groups that will bear the cost)	How will they incur / bear the cost
---	-------------------------------------

Local Government - The costs will be carried in the current budgets	However, there will be a need to formulate MHI Task Tem to advise the counsel about acceptability of MHI in their respective jurisdiction Procurement of protective gears
MHI sites (chemical plants, SMMEs, employers, users, self-employed, pipelines, etc.) R450-R600	Registration of MHI sites with the Department Commitment to assist Local Government that do not have capacity (resources)
Department of Employment and Labour Estimation of +R250 000.00 no added costs at provincial and regional levels appointment of principal inspector: MHI at headquarters in the 2023/2024 fiscal year +/-R421 000.00 salary per annum +/- R50 000.00 for incidental allowances plus tool of trades	Advocacy and trainings Procurement of protective gears Capacity building in the MHI field at Head office level
Department of Employment and Labour Training of Specialist MHI on the principles of risk assessments, tools used to carry out calculations and simulation at Health and Safety Executive: United Kingdom. 2 year program estimated at R250 00.00 all costs inclusive	Protection of vulnerable workers, internal capacity building and Strengthening stakeholders relations.
Department of Employment and Labour Designing and development of a secured risk assessment software for South African MHI industry +R1000 000	Protection of vulnerable workers, internal capacity building and Strengthening stakeholders relations

2.5. Describe the costs and benefits of implementing the proposal to each of the groups identified above, using the following chart. Please do not leave out any of the groups mentioned, but you may add more groups if desirable. Quantify the costs and benefits as far as possible and appropriate. Add more lines to the chart if required.

Note: "Implementation costs" refer to the burden of setting up new systems or other actions to comply with new legal requirements, for instance new registration or reporting requirements or by initiating changed behaviour. "Compliance costs" refers to on-going costs that may arise thereafter, for instance providing annual reports or other administrative actions. The costs and benefits from achieving the desired outcomes relate to whether the particular group is expected to gain or lose from the solution of the problem.

For instance, when the UIF was extended to domestic workers:

- *The implementation costs were that employers and the UIF had to set up new systems to register domestic workers.*
- *The compliance costs were that employers had to pay regularly through the defined systems, and the UIF had to register the payments.*
- *To understand the inherent costs requires understanding the problem being resolved. In the case of UIF for domestic workers, the main problem is that retrenchment by employers imposes costs on domestic workers and their families and on the state. The costs and benefits from the desired outcome are therefore: (a) domestic workers benefit from*

payments if they are retrenched, but pay part of the cost through levies; (b) employers pay for levies but benefit from greater social cohesion and reduced resistance to retrenchment since workers have a cushion; and (c) the state benefits because it does not have to pay itself for a safety net for retrenched workers and their families.

==

Activities	Implementation Costs	Costs for Awareness rising	Training of OHS inspectors	Awareness raising	Timeframe for implementation	Continual awareness raising and compliance monitoring
Publication of Promulgated MHI Regulations	+/-R200 000 To be absorbed in the current fiscal year	R50 000 for publication of the promulgated MHI Regulations	Costs covered in the implementation and is to be absorbed in the current fiscal year Ongoing and to be added in future	To be absorbed in the current fiscal year	Quarter 4 of current fiscal year and ongoing	Costs will be added in the MTEF for the next 36 months as the regulations will be phased in at different transitional times
Writing of Explanatory Guideline Notes	+/-R100 000 Meetings, incidental costs incurred by of technical committee members	+/-R80 000 Launching of explanatory notes Ongoing: to be determined in the applicable coming years	To establish a national MHI task team and capacitating those inspectors Initial training costs: to be absorbed in the budget. For provincial inspectors costs will be provided in the provincial budgets	Ongoing process and support to be provided by specialist as to when it is necessary or required	Quarter 4 of current fiscal year	Continual process
Appointment of Principal Inspector MHI at HQ	+/-R421 000 +/- R50 000 (incidental and enabling tool of trade) Then the costs will be part of the IES resources	R0	R0 To be mentored by Specialist MHI at no extra costs	Ongoing process and progress to be determine during performance assessments	Ongoing Performance plan to be signed on annual basis and evaluated as per HR requirements	Continual process

<i>Registrations of MHI Sites</i>	<i>+/-R450–R600 Or as determined in a gazette</i>	<i>During notification and inspection processes R0</i>	<i>To be centralised at Head Quarters. A template will be developed to assist the provincial and regional offices on supporting documents</i>	<i>Ongoing Specialist MHI to attend provincial OHS inspectors meetings and share requirements</i>	<i>Ongoing Specialist MHI to attend provincial OHS inspectors meetings and share requirement</i>	<i>Ongoing Specialist MHI to attend provincial OHS inspectors meetings and share requirements</i>
<i>Advertisements of MHI sites</i>	<i>Depends on provinces and publishing houses</i>	<i>Consultations may be of minimal costs as it happens in the locality of the MHI sites</i>	<i>n/a</i>	<i>Advertisement and posting of notices is a rare occurrence and happens at initial stages, once every 5 years or when there is a need</i>	<i>n/a</i>	<i>Advertisement and posting of notices is a rare occurrence and happens at initial stages, once every 5 years or when there is a need</i>
<i>Compliance with OHSAct and CF</i>	<i>Control on MHI sites</i>	<i>Payment of correct returns as determined by Compensation Fund risk calculations</i>	<i>Specialist MHI to attend provincial OHS inspectors meetings and share requirements</i>	<i>Specialist MHI to attend provincial OHS inspectors meetings and share requirements</i>	<i>Specialist MHI to attend provincial OHS inspectors meetings and share requirement</i>	<i>Specialist MHI to attend provincial OHS inspectors meetings and share requirements</i>
<i>Evaluation and analysis of risk assessment</i>	<i>Training of Specialists MHI on risk assessment principles and tools for assessments</i>	<i>R150 000.00</i>	<i>Specialist MHI</i>	<i>Awareness raising and capacity building in the Department</i>	<i>Awareness raising and capacity building in the Department</i>	<i>Awareness raising and capacity building in the Department</i>
<i>Regulation 5</i>	<i>Registration of MHI sites</i>	<i>R450</i>	<i>MHI sites</i>	<i>-</i>	<i>After promulgation</i>	<i>renewable after 5 years or when there is change</i>
<i>Regulation 4</i>	<i>Advertisement of MHI sites and public participation process</i>	<i>~R5000</i>	<i>MHI SITES</i>	<i>information sharing with public</i>	<i>After promulgation</i>	<i>renewable after 5 years or when there is change</i>

<i>Regulation 10</i>	<i>Risk assessment</i>	<i>Upto R200 000 depending on scope and proficiency of Approved Inspection Authority (costs are not Regulated)</i>	<i>MHI SITES</i>	<i>Simulation of risks</i>	<i>Currently in implementation</i>	<i>renewable after 5 years or when there is change</i>
----------------------	------------------------	--	------------------	----------------------------	------------------------------------	--

2.6 Cost to government: Describe changes that the proposal will require and identify where the affected agencies will need additional resources

==

The financial implications for Department will be included in the 2023/2024 Medium Term Expenditure Framework (MTEF).

- The added value for creation of position for the principal inspector: MHI will be added once the proposed MHI Regulations is approved. There will be creation of a single principal inspector: MHI after the promulgation of proposed final MHI Regulation at headquarters. The position is expected to ensure compliance in the Eastern Cape, Limpopo, Free State, Northern Cape as well as North West.
- During the development phase and writing phases of proposed MHI Regulations, there was consultations with various department, associations and agencies by MHI technical committee member to evaluate the current capacity versus the revised and newly added requirements. A consideration for implementation of the added requirements were made and it was indicated and confirmed that there will be no need to increase on their finances and staff compliments. The revised MHI Regulations enhances areas which were not clear in the current MHI Regulations and there are no expected additional costs required.
- Training of Specialist: MHI to build knowledge and capacity in the Department is diverted to 2022/2023 FY budget to align with the promulgation of the proposed Regulations. The training is to take place in the London at the Health Safety Executive: United Kingdom Training academy. The academy offers different courses and are run quarterly for 24 months. That means full capacity will be built by end of 2025.

==

- a) Staffing and organisation in the government agencies that have to implement it (including the courts and police, where relevant). Has it been included in the relevant Human Resource Plan (HRP)

Note: You MUST provide some estimate of the immediate fiscal and personnel implications of the proposal, although you can note where it might be offset by reduced costs in other areas or absorbed by existing budgets. It is assumed that existing staff are fully employed and cannot simply absorb extra work without relinquishing other tasks.

- The capacity in different organisation, agencies as well as other government departments were looked at during the whole process of consultation and writing and the amendment of MHI Regulations and it was considered to be sufficient and if there are any requirements to have extra staffing, that will be left to the affected organisation, Department and agency to pronounce addition and change in their organizational structures.
- There is however a recommendation under Regulation 3: Management of MHI Site. This Regulation requires a designation in writing of a responsible person to deal with MHI compliance requirements. This requirement enhances known responsibility on an existing position to highlight the importance of a coordinator between the Local Government and the MHI as well as the Department. This is meant to eliminate inspectors and officials of Local Government from being given a nurse or a security officer during MHI inspections as there is currently no one allocated the responsibilities to deal with the implementations of MHI Regulations.
- Planned engagements and involvement of MHI Experts, MHI sites and those able to interpret the MHI report recommendation to form part of decisions during council meetings so as to advise the council in allocation and approval of MHI sites. The task team is just an improvement and does not require new staffing.

2.6 Describe how the proposal minimises implementation and compliance costs for the affected groups both inside and outside of government.

For groups outside of government (add more lines if required)

==

Group	Nature of cost (from question 2.6)	What has been done to minimise the cost?
MHI sites	Registration and renewals	There will be no need for payment of classification unless on those extra ordinary circumstances. The registration cost is not exorbitant and can be covered through the reduced charges of conducting MHI studies. The registration is done once every 5 years or when there is change that can alter the current status or in cases where the systems in place failed and lead to an incident
	Advertisements	Depends on publishing houses rates and the expectation is the use of local publisher. Publishers are compatible to economic status of the area they are operating in. MHI may negotiate rerun or better rates depending on their agreements
Local Government	Capacity (labour and resources)	The Regulations allows the Local Government to seek assistance from district and the MHIs in cases where they are unable to function by themselves. Thus, the district and national may be able provide MHI support and required resources

For government agencies and institutions:

==

Agency/institution	Nature of cost (from question 2.6)	What has been done to minimise the cost?
Approved Inspection Authorities (AIAs)	Risk assessments studies	Classification criteria has been made clear and MHIs are able to know their MHI status, unless in cases, where the classification is not clear and needs the AIA to assist. Such as cases where quantities are below threshold levels but the accumulation of different substances may result in a major incident. AIAs may extend their scope

2.7 Managing Risk and Potential Dispute

a) Describe the main risks to the achievement of the desired outcomes of the proposal and/or to national aims that could arise from implementation of the proposal. Add more lines if required.

Note: It is inevitable that change will always come with risks. Risks may arise from (a) unanticipated costs; (b) opposition from stakeholders; and/or (c) ineffective implementation co-ordination between state agencies. Please consider each area of risk to identify potential challenges.

==

The major risk is cooperation of communities in the risk zones. There is an increasing encroachment around MHI sites and the local government is expected to protect MHI sites and reduce the exposure of vulnerable to the MHI dangers. On some encounters that the Department had, there was no action to relocate the communities around MHIS nor cooperation from the Local Government to preserve the risk zones.

Describe measures taken to manage the identified risks. Add more rows if necessary.

Mitigation measures means interventions designed to reduce the likelihood that the risk actually takes place.

==

(a) Identified risk	(b) Mitigation measures
Encroachment of risk zones around MHI sites	Coordinated approval process, defined and detailed requirements to approve MHI sites and preserve the risk zones. A coordinated MHI peer review Task Team is expected to advise council and tribal authorities on areas prohibited for residential use and protect such identified areas
Lack of MHI Technical Skills	Training of Specialist MHI Building Knowledge management Formation of a specialised National task team to monitor and improve compliance with MHI Regulations

Resistance to implement and comply with MHI Requirements	Increased intensified MHI inspections and site verifications Section 40: Exemption to comply with a certain requirements of MHI Regulations. Applications can be made with valid reasons as to why the provision should be lifted.
Cooperation from Local Government	Increased briefing sessions as well as advocacy sessions to build capacity to implement MHI Requirements
Dissatisfaction from MHI sites after serving of notices inspector due to noncompliance to MHI regulations	Section 35 of the Act The process deals with appeal against the decision of the inspector if the MHI sites believe that the decision was unmerited. If the chief inspector makes a decision and the MHI site still does not find joy, they are able to escalate the matter to High courts.

- b) What kinds of dispute might arise in the course of implementing the proposal, whether (a) between government departments and government agencies/parastatals, (b) between government agencies/parastatals and non-state actors, or (c) between non-state actors? Please provide as complete a list as possible. What dispute-resolution mechanisms are expected to resolve the disputes? Please include all of the possible areas of dispute identified above. Add more lines if required.

Note: Disputes arising from regulations and legislation represent a risk to both government and non-state actors in terms of delays, capacity requirements and expenses. It is therefore important to anticipate the nature of disputes and, where possible, identify fast and low-cost mechanisms to address them.

==

- The Department have a blanket approach to deal with OHS disputes and it is covered under section 35 of the OHS Act, as amended.
- The MHI Sites have a prerogative to dispute a decision of an inspector or chief inspector. In a case where the chief inspector's decision is disputed the matter is escalated to high court.
- MHI Regulations also gives the right for the public, interested as well as affected parties to make a submission to the chief inspector if they are not satisfied with the MHI site location and their health and safety are compromised by the said MHI site.

Nature of possible dispute (from sub-section above)	Stakeholders involved	Proposed Dispute-resolution mechanism
Acceptability of MHI sites	MHI industry, Local Government as well as public,	Clear approval processes and awareness raising
	Department of Forestry Fishery and Environmental affairs	Environmental Impact Assessment should be advised by MHI Studies and vice versa
Dispute against the decision of inspector	MHI sites	Section 35 as indicated here above

2.8 Monitoring and Evaluation

Note: Sound implementation of policy and legislation is due to seamless monitoring and evaluation integration during the policy development phase. Policies and legislation that are proficiently written yet unable to report on implementation outcomes are often a result of the absence of an M&E framework at the policy and legislative planning phase. It is therefore imperative to state what guides your policy or legislation implementation monitoring.

- 2.8.1 Develop a detailed Monitoring and Evaluation Plan, in collaboration with your departmental M&E unit, containing the following key components (**see Annexure A: SEIAS** guide on monitoring and evaluation for planning and implementation of policies):

==

The Regulations are expected to be implemented once they are promulgated and it is expected to be published before the end of 2022/2023 fiscal year. The transition time is 12 months after the promulgation and monitoring and evaluation will be implemented at least in 2024/2025 financial year. There will be launching of the promulgated MHI Regulations where all stakeholders (Government, Labour, SMMEs, AIAs, MHI owners, etc.) will be consulted and the transition periods will be discussed, full implementation will take 36 months.

There is also an expectation to develop a guidance note document that will paint an ideal implementation process as well as giving detailed explanation of what is expected from the MHI sites as well as co-regulators.

During the different implementation phases, there will be advocacy sessions to raise awareness on the requirements and explanatory guidelines. Thus, there will be continual training and engagements with the stakeholders to provide education on the requirements.

==

Department foot print is summarised here below:

The Department under Inspection and Enforcement Services (IES) mission in summary is to provide for a labour market that protect the workers and is conducive for investment. The aforementioned mission is a principle within IES and this principle is provided through the strategic pillars which are:

- Inspections of workplaces (reactive and proactive inspections).
- Provision of advocacy sessions.
- Enforcement of labour legislative regimes.

All the strategic activities are at head office level whereas the operations are done at provincial and regional levels.

The pillars are interpreted into the strategic plan of the department and government key performance areas which include:

1. Protection of vulnerable workers

The activity here is conducting inspections. A target is set for inspectors and reported to on

monthly basis. The reports include as well the reported/unreported incidents, complaints received and sectors visited. The statistics is received from provinces and consolidated at national level and analysed to monitor compliance and also identify some trends that need to be rectified, improved or revised. Enforcement process are through issuing of notices and litigation of those found to be guilty of infringing the labour laws.

2. Development of Institution Capacity

This output is achieved through provision of education and information on requirements and stakeholder's engagements to enter into agreements that improve compliance to labour legislations.

3. Development of health and Safety policies

Improvements and writing of policies that are relevant to date and compatible to best international practises. This key area allows for the revision of legislations, if there are trends that indicates abnormal compliance and are noticed through high number of noncompliance in the target sector, increased incidents, high volumes of complaints and etc.

==

Lastly, the actual monitoring will be at provincial and regional levels through above indicated systems.

There is also an added requirement where the AIAs are expected to report on their work so that the Department can be able to trace and register all MHIs without some of the MHIs falling in between the cracks. This function is expected to be executed at Headquarters level as the registration process is centralised at headquarters.

2.8.2 Provide clear and measurable policy or legislative objectives

==

The legislative objectives:

Harmonised Notification and registration process: is to be received at provincial level and headquarters. There is 60 days turn around to acknowledge the notification. The numbers submitted at provincial level can easily be compared with the numbers at headquarters. The cumulative register is kept at headquarter and is expected to be circulated on quarterly basis.

- Registration of MHI sites. This is a new requirement and it is implementable 12 months after the launch of the new MHI Regulations. The registrations will be compared with the quarterly statistics submitted by AIAs and those not registered will be traced and the legislation will be enforced. The MHI sites will be issued with certificates not later than 90 days after receipt application to register an MHI.

Improvement of Compliance: all the other provisions will be checked during audits and inspections. The numbers will be recorded and compared with the register.

2.8.3 Provide a Theory of Change clearly describing the following components:

- Impact: the organisational, community, social and systemic changes that result from the policy or legislation;

- Outcomes: the specific changes in participants (i.e. beneficiaries) behaviour, knowledge, skills, status and capacity;
- Outputs: the amount, type of degree of service(s) the policy or legislation provides to its beneficiaries;
- Activities: the identified actions to be implemented
- Input: departmental resources used in order to achieve policy or legislative goals i.e. personnel, time, funds, etc.
- External conditions: the current environment in which there's an aspiration to achieve impact. This includes the factors beyond control of the policy or legislation (economic, political, social, cultural, etc.) that will influence results and outcomes.
- Assumptions: the facts, state of affairs and situations that are assumed and will be necessary considerations in achieving success

==

Theory of change

Aim: The ultimate correct allocation of MHI to minimise potential harm to employees and public.

Impact: protection of public and correct management of land around MHIs.
Preparedness for major incident and emergencies

Intermediate outcomes: The MHI sites are inherently associated with exposure of harmful chemical substances on employees and the public. The short-term change anticipated is to refine land zoning and approval of sites and align the aforesaid processes to the MHI Regulations requirements.

The long term outcome is that all MHI sites are allocated on correct approved land, registered with the Department, monitored for compliance, maintained in a good operating condition and have emergency systems in place to control and minimise loss of containment. Lastly, for the local government to have offsite or disaster plans.

Activities for Implementation:

Inspections and Enforcement Services systems. This function is decentralised to provinces. The OHS inspectors are expected to conduct such routine inspections and visit a workplace or an MHI at least once in 12 months or as a need arise to follow up on an inspection due to raised non-compliance, to investigate complaints or incidents and or audit from headquarters or provinces can request headquarters to support and lead such specialised inspections.

Advocacy: The promotion of MHI Regulations will be done through advocacy sessions including workshops, briefing sessions, meetings as well as stakeholder engagements. The workshop happens at least once a year and is planned at national level and all stakeholders including internal stakeholders are workshopped on the requirements of the Regulations. Furthermore, interventions to improvise and increase compliance levels are agreed to in such gatherings. There are also some dissected education sessions done but such at times are requested by the MHI sites, co-regulators and or associations such as Chemical alliances, Accreditation Systems and etc.

Outputs: include monthly statistics reported, MHI notifications, registration certificates, etc.

Enablers: The presence or absence of enablers are measured and provided at operational and head office level. However, the headquarters have no control on the enablers. As an entry level in IES, the inspectors are provided with operational tools including corporate cell phones, safety gears, and laptops. The challenge is the reporting as there are no scanning devices to digitalise the collected supported documents during inspections, complaints or incident investigations. Currently, inspectors are using their own scanning devices.

Headquarters on the other hands has no tool to verify the MHI study results. The dependency

to AIAs is weakening the implementation of MHI Regulations.

2.8.4 Provide a comprehensive Logical Framework (LogFrame) aligned to the policy or legislative objectives and the Theory of Change. The LogFrame should contain the following components:

- Results (Impact, Outcomes and Output)
- Activities and Input
- Indicators (A measure designed to assess the performance of an intervention. It is a quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of a development actor)
- Baseline (the situation before the policy or legislation is implemented)
- Targets (a specified objective that indicates the number, timing and location of that which is to be realised).

==

Objectives	Baseline	Activities and Input Targets	Indicators	responsibility
Short term results: Structured Registration of MHI and compliance to MHI studies standard (South African National Standard 1461)	The current notification system is faulty and classification is based on General machinery Regulation 8 and AIAs.	Protection of vulnerable workers (number specified in the strategic plan, annual performance plan and individual work plans) Timeframes allocated and agreed upon, For example, Strategic plan: 5 yearly and revised annually APP: annually and monitored on quarterly basis Work plans: monthly reporting, quarterly monitoring and semester evaluation	Number of inspections, Notices issued, Prosecutions, notifications as well as entity registrations	Department in all spheres: Headquarters Strategic function Registrations of entities Provincial/Regional Inspections
	No formalised approval and emergency planning	Local Government must approve all MHI, land development, develop an emergency plan, test and activate plan.	to issue an approval in writing endorse and onsite emergency plan, and develop an offsite emergency plan	Local Government in all different respective units
Long term goal: approvals to be done in writing	The approval process is segregated and there is no guiding	Structuring approval with land zoning and advice council on the land around MHIs.		Local Government in all spheres and Rural Development

	principle, no consultations and awareness raising	Improvise on geographical information systems		
	Removal of vulnerable from identified impact/danger zones	inclusion relocation of vulnerable from impact/danger zones in the disaster budget		Local Government in all spheres Human settlement
LONG TERM: involvement of first responders during emergency exercises	Testing of emergency plan to be executed and collaborated	Coordination and emergency plan to be mocked once annually	Indication through record keeping	Local Government and MHIs
Long term Registration of MHIs	All MHIs are registered and inspected	Coordination of activities	All known MHI Certificated and corresponds to record submitted by Approved Inspection Authorities. Head office and provincial MHI database compliments one another	Department of Employment and Labour Local Government

2.8.5 Provide an overview of the planned Evaluation, briefly describing the following:

- Timeframe: when it the evaluation be conducted
- Type: What type of evaluation is planned (formative, implementation or summative) – the selection of evaluation type is informed by the policy owners objective (what it is you want to know about your policy or legislation).

==

The department has defined evaluation processes that are placed at different spheres of the national structures. The evaluation is guided by the national 5 yearly strategic plan, IES annual strategic plan (Head office), annual performance (Provincial) and individual work plans. The individual work plans depend on the office an official is based at. As such, the head office staff enters into a strategic work plan to ensure correct implementation, advocacy on the requirements, research and development of projects to enhance compliance and stakeholder engagement. The other fact is to whereas the provincial and regional officials agrees to operational work plan.

An overview is as follows:

Regulation	Plan	Timeframe implementation	for	Evaluation of success
------------	------	-----------------------------	-----	-----------------------

3: Management and 4: Notification of MHI designation	To raise awareness during MHI workshop Engagements with technical committee members to share the requirements with Business, Labour as well as other stakeholders	<ul style="list-style-type: none"> - immediately after the promulgation of the regulations - the transition period however is 12 months after the promulgation. 	<p>To be checked during registration process (this forms part of the supporting documents)</p> <p>Checked through routine inspections at provincial and provincial level. Numbers the national register can be compared with provincial as well as inspections conducted in the fiscal year</p>
5,6,7,8 : Registration	Issuing of Certificate	<ul style="list-style-type: none"> - 12 months after Promulgation - The registration of MHI can be easily checked during inspection. As such, the certificates is to displayed 	Registration is centralised at head office and numbers of application can be easily traced through monthly submission of AIA reports as well as the comparison of head office and provincial dataset on quarterly basis.
10: Risk assessment And incorporation of South African National Standard 1561 Shared responsibility between Department and South African National Accreditation Systems	<p>Control is during accreditation of AIAs by South African National Standard</p> <p>South African National Standard 1561 used as a tool to conduct an MHI study and the software specifications are defined in TOR 04 v05</p> <p>Formation of National MHI advisory council to advise the Minister with matters regarding to MHI</p>	<ul style="list-style-type: none"> - The use of South African National Standard 1461 is currently implemented as agreed by South African National Accreditation Systems and the Department. The standard is on testing phases and it is anticipated to be revised after 2023. 	MHI risk report that ticks the South African National Standard 1461 provisions Aiding tool: international/national software with specified features for MHI studies
Local Government	<p>Ongoing engagements with local government to develop a structured MHI approval process that will be adopted and supplemented by-laws as offices are dynamic in nature.</p> <p>Formation of National MHI advisory council to advise the Minister</p>	<ul style="list-style-type: none"> - Ongoing process - Transition time is 12 months after the promulgation - Exemption requests for those municipalities will be considered under section 40 of the Act. Provided valid information is provided 	Approval of MHI sites in writing

	with matters regarding to MHI		
Major hazard Policy	Its applicable to medium and high hazard MHI	24 months after promulgation of MHI Regulations	
License to operate (LTO)	Applicable to high hazard MHIs. License To Operate Forum to consult and host quarterly provincial meetings to process LTO applications.		Safety case to be submitted to head office before the License To Operate is issued
Emergency plan	Incorporation of South African National Standard 1514. The endorsement of onsite plan by local government Offsite emergency plan National MHI advisory council to advise the Minister with matters regarding to MHI	12 months' after promulgation Consideration of self-designated MHIs and extension of compliance will be considered if requested with a valid reason	Monitored during registration process and inspections

2.8.6 Provide a straightforward Communication Plan (Note: a common assumption is that the target group will be aware of, and understand how to comply with a policy or legislation come implementation. However, increases in the complexity and volume of new or amendment policy or legislation render this assumption false. Hence, the need for a communication plan to guide information and awareness campaigns to ensure that all stakeholders (including beneficiaries) are informed.

==

One of the pillar in the IES strategic plan is provision of advocacy through different outputs such as workshops, stakeholder engagements meetings, seminars as well as webinars. The state of national disaster has also added a new opportunity to digitalise the advocacy platform. The communication plan will be guided by the IES strategic plan and announcements and advertisements are made through government gazettes, Department social media platforms as well as departmental website.

2.9 Please identify areas where additional research would improve understanding of then costs, benefit and/or of the legislation.

==

- There is a great need to research and design a simulation and verification software that is applicable and relevant to South African MHI market to enhance and improving on department technical skill and strengthen the compliance to MHI risk assessment requirements. At the moment AIAs are required to secure a software that has certain embedded characters as indicated in a Technical Requirement guideline (TOR 4 version 5, as amended) agreed upon with the accreditation body. The software is acquired internationally from different service providers and the department does not have capacity to acquire one.
- The department will have to explore registration charges and align with charges to other government Departments that have a computerised systems registration and develop a digital registration platform to cut down on a turnaround period. The charges will also have to be adjusted to institutions and government carrying out activities that have adverse impact on the public members such as Air Emission License and Effluent discharge into municipal streams.
- Research will be needed to establish benchmark so that the department understand the current compliance levels before implementing the amendments in order to measure the difference that will be made by the amendments once they are implemented.
- The MHI operations has a potential to cause harm to the public and extra precautions need to be taken to ensure full compliance with laws. Thus, the charged fees may be directed to the good course and improved support as well as increased promotion of requirements as legislated in the MHI Regulations.
- Designing and development of MHI software where Specialist MHI, must work with institute of high learning and define terms of reference and specifications for an MHI software.

PART THREE: SUMMARY AND CONCLUSIONS

1. Briefly summarise the proposal in terms of (a) the problem being addressed and its main causes and (b) the measures proposed to resolve the problem.
 - (a) The proposal seeks to prescribe threshold quantities that aids in classifying major hazard installations and also to get full participation of local government in land zoning around MHI sites and improvising on the emergency procedures to be followed during emergency occurrences and major incidents, and testing of emergencies associated the MHI chemicals.

(b) The measures proposed was to amend the current Major Hazard Installation Regulations by adoption of Control of Major Accident Hazards Regulation, 2015 framework which prescribes thresholds levels and classification into tiers as well as formalising ways to permit MHIs and proper of registrations of such facilities. The overall improvement is also coordination between related government Departments to control bulk chemical storage, handling, manufacturing, use and processing.

2. Identify the social groups that would benefit and those that would bear a cost, and describe how they would be affected. Add rows if required.

Groups	How they would be affected
Beneficiaries	
1. Department: HQ	Correct registration and traceability of MHI sites Increased compliance levels in the MHI Industry Capacity building in the MHI Field Promotion of cooperative governance
2. MHI Sites	Speedy provision of promised services Value for money. The registration fees will assist in capacitating the officials and local government to provide promised services.
3. Local Government	Coordination of activities with MHI sites and other affected government Departments Gain of knowledge and better ways to handling and controlling MHI sites Correct allocations and improvement in geographical information systems where MHI sites will be plotted and be easily identified.
Cost bearers	
1. MHI Sites	Reduced cost on MHI study and classifications Fees charged for MHI Registrations and renewals
2. Department: HQ	There is a need for creation of a single principal inspector: MHI post at HQ level to ensure compliance in the Eastern Cape, Limpopo, Free State, Northern Cape as well as North West. In the interim the Gauteng, Kwa ZuluNatal and Western Cape have appointed principal inspectors: MHI respectively to deal with the MHI compliance issues. Procurement of a tool to verify the Approved Inspection Authority reports to increase compliance levels and ensuring that MHI sites get value for their money. Correct classification by Compensation Fund and improved revenue collections
3. Local Government/MHI Sites/Department	Capacity building through training Provision of specialised MHIs safety gears

3. What are the main risks from the proposal in terms of (a) undesired costs, (b) opposition by specified social groups, and (b) inadequate coordination between state agencies?

Group	Identified risk	Mitigation measures
MHI Sites	Correct allocation of MHI sites	Approval of MHI Sites outlined and buy in obtained from Local Government

	Resistance to implement and comply with MHI Requirements	Increased intensified MHI inspections and site verifications
Department	Lack of MHI Technical Skills	Training of Specialist MHI Building Knowledge management Formation of a specialised National task team to monitor and improve compliance with MHI Regulations
	Cooperation from LG	Increased briefing sessions as well as advocacy sessions to build capacity to implement MHI Requirements

4. Summarise the cost to government in terms of (a) budgetary outlays and (b) institutional capacity.

- (a) advocacy sessions: R=-R250 000 in the current fiscal year and further costs to continue advocating the MHI Regulations, as amended will be determined in the future and be included in the future budgets.

Appointment of principal inspector: MHI at HQ will be R+/-421 000 (annual salary for principal inspector) and +/-R50 000 for subsistence allowances and enabling tools. The post to be created and filled in FY 2023/2024 and thereafter to be included in the IES capitals

Implementation costs: this might increase the HQ expenditures at an estimation of 8% of the total expenditure and will be absorbed in the FY as it is less than 10% of the total budget. This is allowed under Public Finance Management Act.

- (b) Capacity will be built through inspectors training provided by Specialist MHI as well as experts in the subject matter. The experts are normally invited to the training sessions to share insight of the subject matter and come at an estimated cost of <R10 000.00. As at current moment due to covid regulations, most of the training sessions will be done virtually at no extra costs.

There is however a national MHI workshop planned in the current FY at an estimated +/- R250 000 and the costs will be absorbed in the estimated budgeted finances.

Attendance of risk assessment principles and use of software tool for verification of compliance with South African National Standard 1561 as well as regulation 10 requirements.

5. Given the assessment of the costs, benefits and risks in the proposal, why should it be adopted?

==

- Provide better systems to manage, control MHI sites and allocate MHI sites correctly
- ensuring protection of public from adverse impact
- developing an emergency plan and creating better ways to respond to such emergencies and major incidents and disasters

- creating a formalised registration process and ensuring that all MHI sites are known to deal and manage disasters effectively.
6. Please provide two other options for resolving the problems identified if this proposal were not adopted.

Option 1.	<p>The use of the current MHI Regulations and checking of compliance through routine and reactive inspections by OHS inspectors and also advocacy sessions that are held by the Department on regular basis as indicated in the Strategic Plan and MHI Specialist annual performance plan. The shortcomings are:</p> <ul style="list-style-type: none"> - Classification of MHI by Approved Inspection Authorities (AIAs) are subjective and depends on one individual. In addition, the MHI study uses internationally derived software. - The costs for risk assessments studies are elevated by classification, which cannot easily be done due to lack of prescribed thresholds volumes. - The MHI reports cannot be verified as there is no verification tool nor a guiding principle or a standard on what need to be covered during an MHI study. - The unlegislated use of Schedule 8 from General Machinery Regulations that has nothing to do with MHI provisions and the list chemicals are limited and does not include a lot of chemicals that are sued in the MHI industry.
Option 2.	<p>The use of National Building Regulations and Building Standard Act (NBR&BSA) Local government by-laws as well and emergency practises. The shortcomings are:</p> <ul style="list-style-type: none"> - There is no direct regulator to oversee the NBR&BSA and therefore MHIs are not approved nor can be traced or recorded on geographical information systems. - Local government is dynamic in nature and does not have a national harmonised control and approval system of MHI sites. Some local government does not know what to do with the MHI reports. <p>Lack of participation from local government to assist the MHI sites in putting together an emergency plan as well as testing the effectivity of those aforesaid plans.</p>

7. What measures are proposed to reduce the costs, maximise the benefits, and mitigate the risks associated with the legislation?

Measures to reduce costs	Maximise benefits	Mitigating risks
Development of thresholds levels. The MHI will no longer pay AIAs to classy their sites unless on situations where is not possible to classify the sites.	The employers, self-employed and users of installations will be able to conceptualise the costs of running the business in initial stages and plan for costs in the design phases	Plan and building for safety
Written approval of MHI sites and plotting in the Geographic	Ensuring that there is no illegal land grabs, encroachments and costs to	Legislated the approval process

Information Systems by Local Government	relocate settlements to safe locations	Maximised broadcasting of MHI sites to reduce land encroachments and illegal occupations
Proper implementation of safety measures	The correct systems to be placed and coordination with LG to be improved	The requirements are legislated and ideal implementation will be properly explained in the guidance document.

8. Is the proposal (mark one; answer all questions)

	Yes	No
a. Constitutional?	X	
b. Necessary to achieve the priorities of the state?	X	
c. As cost-effective as possible?	X	
d. Agreed and supported by the affected departments?	X	

9. What is the impact of the Proposal to the following National Priorities?

National Priority	Impact
1. Economic transformation and job creation	Business with a healthy and safe workforce should show improved delivery of services. When workers are healthy they become more productive since they do not lose working time off work. There is therefore a direct return healthy work force in a company and that results in increased company earning, investment and an increased economic growth.
2. Education, skills and health	
3. Consolidating the social wage through reliable and quality basic services	
4. Spatial integration, human settlements and local government	Correct allocation of land, zoning of industrial sites where all organisations located in the zoned land are able to cooperate with each other and build a safe communities.
5. Social cohesion and safe communities	Approval of MHIs at initial stages and full involvement of communities and Local Government to create safe environment for communities as enshrined in the Constitution. The involvement in the process of approval will ensure full participation in emergency mock drills by providing better ways for worker's and public protection

National Priority	Impact
	during major incident. Provision of dignity through correct allocation of land.
6. Building a capable, ethical and developmental state	
7. A better Africa and world.	Harmonised way of classifying and ensuring compliance with MHI regulations. SADAC countries such as Botswana, LESOTHO, Angola, Congo, Zambia and Malawi are currently employing AIAs to conduct risk assessment studies in line with SA standards and MHI Regulations

For the purpose of building a SEIAS body of knowledge please complete the following:

<i>Name of Official/s</i>	<i>Rachel Aphane</i>
<i>Designation</i>	<i>Specialist Major Hazard Installations</i>
<i>Unit</i>	<i>Occupational Health and Safety</i>
<i>Contact Details</i>	<i>0827490496</i>
<i>Email address</i>	<i>Rachel.aphane@labour.gov.za</i>