

Issue Update  
May 2004

## **New Rules for petrol and diesel storage on-farms (Revised Edition / ERMA Approved)**

### **■ INTRODUCTION**

'Dangerous Goods' were transferred into the HSNO Act on 1 April 2004, which means changes to the way products like petrol and diesel are controlled.

Under the new law Dangerous Goods Licenses will have to be replaced by 'Location Test Certificates' (for petrol only). Additionally, fuel storage tanks may be required to have a tank test certificate.

Depending on your individual circumstances you may need to get a Location Test Certificate and a Tank Test Certificate even though you have not had a Dangerous Goods License in the past.

Some people will be required to obtain an Approved Handler certificate (however most farmers should be exempt).

**IMPORTANT: YOU ARE NOT REQUIRED TO DO ANYTHING BEFORE 1 OCTOBER 2004 AND EVEN AFTER THAT DATE THERE WILL BE A STAGED INTRODUCTION OF LOCATION TEST CERTIFICATES AND APPROVED HANDLER CERTIFICATES, WHERE THESE ARE REQUIRED.**

### **■ WHAT SHOULD I DO NOW?**

1. From now until October 2004, you should find out what is involved under HSNO law (see further information below). If considered necessary, you should contact a Test Certifier (see below) and they will arrange the necessary reviews and inspections and advise you on the proper requirements needed for Location Test Certificates, tank Test Certificates and Approved Handlers.
2. If you don't already have a Dangerous Goods License but think you may need a Location Test Certificate or a Tank Test Certificate, contact a Test Certifier.
3. If you already have a Dangerous Goods License, ERMA New Zealand will be contacting you shortly. All Dangerous Good Licence holders will be contacted directly to explain what needs to be done and when. (The overall transition period lasts until 30 June 2006 when all Location Test Certificates must be completed)

## ■ IN SUMMARY

### Requirements for Diesel:

- Farmers will not require a Location Test Certificate or an Approved Handler qualification for diesel...
- ...however bulk tanks will need to comply with the tank controls and will have to get a Tank Test Certificate if used for storing any amount of diesel underground, or more than 5,000 litres above ground...
- ...existing tanks of these types have three years in which to prepare a compliance plan which can be used as the means to obtaining a Tank Test Certificate...
- ...diesel tanks of greater than 1000 litres must have a secondary containment system, although for existing tanks, a compliance plan, which must be developed within the next three years, can allow for alternative means for ensuring environmental protection.

### Requirements for Petrol:

- Farmers will not require an Approved Handler qualification for handling petrol or avgas, provided that they have been given some guidance in respect of safe storage and handling and an Approved Handler is available to provide assistance at all times (ie over the telephone)
- Farmers will need to get a Location Test Certificate and a Tank Test Certificate for petrol if it is contained in a bulk tank underground or in a bulk tank aboveground tank that is bigger than 2,000L...
- ...however, on farms of more than 4 ha, a Location Test Certificate is not needed for aboveground tanks of up to 2000 litres, provided that the same conditions that previously were required for an exemption from a Dangerous Goods Licence are met.
- Petrol tanks of greater than 1000 litres must have a secondary containment system, although for existing tanks, a compliance plan, which must be developed within the next three years, can allow for alternative means for ensuring environmental protection.

### General Requirements:

- Petrol and diesel tanks must be structurally sound with no corrosion, on a level solid foundation of approved construction, leak-free, with undamaged fittings & pumps.

## ■ WHAT IS A LOCATION TEST CERTIFICATE?

A Location Test Certificate is to verify that the storage of dangerous goods meets the required specifications; for siting in respect of separation from other structures, combustible materials, dwellings and so on; for protection from ignition sources; and for emergency preparedness including provision of secondary containment (or bunding). Location Test Certificates must be obtained from a Test Certifier (see below).

Location Test Certificates are typically valid for one year, just like a Dangerous Goods Licence. If you presently hold a Dangerous Goods Licence your license has been renewed (free of charge) for another year, or until you need to obtain a Location Test Certificate (which may take more than one year). You should have confirmed this renewal by filling out a confirmation form and returning it to ERMA New Zealand.

Storage of diesel will not require a Location Test Certificate, regardless of quantity, or whether stored aboveground or underground, or whether a Dangerous Goods Licence was previously required. However, underground tanks of diesel and large aboveground tanks (greater than 5000 litres) will require a Tank Test Certificate (see below).

Storage of petrol aboveground, whether in tanks or drums, in quantities up to 2000 litres, will not require a Location Test Certificate, provided certain conditions are met. These conditions are (for tank storage):

- Storage must be on a farm of not less than 4 hectares area
- Tank must be compliant with the requirements for design, construction and installation
- Tank must be located at least 20 m from dwellings or other buildings made of combustible materials and at least 6 m from other dangerous goods or any combustible materials
- Tank must be in a compound (bund) or located so that any spillage will not endanger any building, or flow into any natural water body (see also below).

Storage of petrol aboveground in quantities over 2000 litres, or storage not in compliance with the above conditions (and over 100 litres), or storage underground, will require a Location Test Certificate.

## ■ WHAT IS A TANK TEST CERTIFICATE?

A Tank Test Certificate verifies that bulk tanks meet the required (largely engineering) specifications in relation to design, construction, installation (suitable foundations, etc) and have appropriate associated fittings and equipment.

Tank Test Certificates are required for all belowground tanks and for aboveground petrol tanks of greater than 2000 litres capacity and aboveground diesel tanks of greater than 5000 litres capacity. They are required before a new tank is put into commission.

For existing tanks a compliance plan must be obtained within 3 years (by 1 April 2007). This plan must set out either how the tank will be brought up to the standard of the new HSNO tank specifications or how it will be maintained in order to remain in conformance with the standard to which it was originally constructed, installed and approved.

A Tank Test Certificate can then be issued for an existing tank for which a compliance plan is in effect.

The validity period of a Tank Test Certificate depends on the standard to which the tank has been designed and approved. This could typically be up to 15 years for an aboveground tank and up to 10 years for a belowground tank.

Tank Test Certificates are also issued by approved Test Certifiers (see below).

## ■ WHAT IS SECONDARY CONTAINMENT (BUNDING)?

Liquid hazardous substances are generally required to be stored in facilities which provide for secondary containment (sometimes referred to as bunding or compounding). For both petrol and diesel the trigger quantity for this requirement is 1000 litres storage capacity.

The requirement is that the secondary containment capacity, in the case of a belowground tank (or tanks) is at least equal to the total capacity of the tanks within that containment system, and in the case of aboveground tanks is at least 110% of the capacity of the largest tank held within that containment system.

What this means is that new tanks for both petrol and diesel essentially are required to be double-skinned in the case of belowground tanks, or located within a bund which is at least 110% of the volume of the tank (or the largest tank if more than one is located within that bund).

Existing petrol and diesel tanks have three years from 1 April 2004 to either be brought into compliance with those requirements or with a compliance plan. A compliance plan, which must be approved by ERMA New Zealand, either provides a programme for bringing the secondary containment provisions into compliance with the above requirements, or allows for variations to those requirements. Those variations would allow for alternative means for ensuring environmental protection from spills or leaks. This could include, in the case of belowground tanks, regularly monitoring of the contents by dipping and stock reconciliations.

## ■ WHAT IS AN APPROVED HANDLER CERTIFICATE?

An Approved Handler is a person who is competent and certified to handle certain highly hazardous substances. Approved handler certificates can be obtained from test certifiers.

The Approved Handler control applies to petrol (in quantities over 100 litres) but does not apply at all to diesel. However, the HSNO controls allow for petrol to be handled by a person who is not an approved handler provided that the person has received some guidance in respect of the hazards of petrol and its safe use and handling, including steps to be taken in the event of spillage or other emergency, and an Approved Handler is available to provide assistance, if necessary, at all times. It is envisaged that this could be a service provided by fuel supply companies (ie an Approved Handler is available to provide assistance over the telephone) thus removing the need for farmers to become individually certified as Approved Handlers.

Further information on Approved Handlers can be found at <http://www.ermanz.govt.nz/resources/publications/pdfs/er-gg-21-1.pdf> or by calling 0800 ERMADG (0800 376 234) until 30 June 2004.

## ■ WHY ARE THESE CHANGES NECESSARY?

The new HSNO regime is intended to streamline and update the system for managing risks from all hazardous substances in New Zealand. The HSNO Act replaces the Explosives Act 1957, the Dangerous Goods Act 1974, the Toxic Substances Act 1979 and the Pesticides Act 1979. The purpose of the HSNO legislation is to 'protect the environment and the health and safety of people and communities by preventing or managing the adverse effects of hazardous substances and new organisms.'

The Act requires controls to be assigned according to all the hazardous properties of individual substances. Controls include Location Test Certificates and Approved Handler requirements.

## ■ WHAT HAS FEDERATED FARMERS DONE ABOUT IT?

Federated Farmers opposes additional controls on all types of hazardous substances, which add compliance costs on farm businesses.

The controls on petrol and diesel that were first put forward by ERMA New Zealand were of concern to all farmers. Petrol was triggering an Approved Handler requirement because of its flammable properties and farmers were going to be no exception to the rule. Trigger levels for Location Test Certificates and Tank Test Certificates were, in our opinion, too low.

Lobbying has resulted in significant improvements to these controls and the exemptions that existed under the Dangerous Goods Act have now largely been transferred into the new regime.

## ■ HEADS UP – PESTICIDES ARE NEXT

Please be aware that the next group of substances to be transferred into the HSNO Act will be pesticides. This means that new rules will apply from July 1 2004.

There will be a similar period of grace as with the Dangerous Goods, but all farmers will be affected and should find out how to comply.

For more information on this, or to find out how you can get involved in the consultation process please get in touch.

## ■ FURTHER INFORMATION

To contact a Test Certifier go to <http://www.ermanz.govt.nz/search/test-cert-reg.asp> for an up to date register, or telephone 0800 ERMADG (0800 376 234) for a list to be posted to you.

For more general information about the HSNO Act go to <http://www.hsno.govt.nz/>