

ACC CAN IMPOSE FINES ON EMPLOYERS WITH BAD RECORD

It has just come to our attention that ACC has regulations in place to allow it to impose a levy on top of the normal annual levy where an employer has had bad accident records. ACC allocates an official to visit the employer and discuss the situation. An audit is carried out by ACC into systems and standards.

A follow up audit is arranged within about two months. The bad employer has to bring things up to standard or face the imposition of a 50% loading on the normal ACC premium.

**COST OF HOLIDAYS ACT AMENDMENTS TO NZ IS APPROX \$3 BILLION**

We are surprised that the Minister of Finance has downplayed the financial impact of the Holidays Act 2003 amendments effective 1/4/04. We seriously doubt that the cost will be just 1% on the NZ economy.

We estimate that the average worker is now entitled to a cumulative allocation of 10 weeks per year if all items are counted. This is roughly comprised of 4 weeks annual leave. 11 statutory holidays now at 1.5 rate. Bereavement leave 3 days per occasion. Sick leave can now accumulate to 20 days over 4 years. Parental leave is now legislated for plus a legal requirement for safety training. The total cost of the additional week of annual leave is estimated by Simon Carlaw CEO of Business New Zealand to be about \$1 billion. In our view the total of the new changes is likely to be as much as \$3 billion per annum. We think that this will have a huge impact on our productivity as a nation.

The worst aspect is the complication relation to relevant daily pay for calculation purposes. One of our clients (Fire Alarm company) is now facing a multiplier of 3.5 times the ordinary rate for call outs on statutory holidays. Meat processing plants say the new definition will cost them an extra 3% in labour per year.

Contact our head office for free advice about ways to reduce your risks in relationship to unexpected employee costs. Phone 03 33 888 20 (5 lines).

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For Business Qualifications and Risk Management

News & views from Summit Autumn 2004

SUMMIT SYSTEMS CAN HELP CLIENTS GET SUBSIDIES & GRANTS

We are pleased to advise clients that we can you obtain subsidies and grants from a number of Government, Local Body and Private sector Sources. There are many types of funds and you have several options.



The funds are typically available on a 50:50 basis, but sometimes 100%.

- (a) They are designed to cover the situation where you wish to grow your business and create more jobs in the process
- (b) They are also for companies that wish to focus on increasing the services for tourism and bringing in overseas money to NZ
- (c) Or for companies that wish to export products to other countries apart from Australia, and generate overseas exchange.

Successful applications will be for the following purposes:

1. Business strategies – coaching, documentation and training
2. Business R&D and marketing – documentation and training
3. Quality assurance – planning, documentation and training
4. Human resource – planning, documentation and training.

The maximum amount of subsidy is \$20,000 per annum and most of the schemes are for companies with less than \$5 million turnover and less than 20 full time workers. There is no interest payable, you do not have to repay the money you receive and there are no unreasonable strings attached. The Government of the day does not care if you are not interested as this means that it can throw money at its favourite groups of the time.

Most of the application forms are designed to frustrate you and cause you to simply not complete the process. It is possible that certain groups are fostered and supported at taxpayer expense. For this reason we think that all of our clients should not be disadvantaged and therefore we have made it our business to track down the winning formulae.

To assist clients who want to obtain funds for building their business, we have developed a computer template of about 15 pages to generate all the fancy words and details that are demanded by the bureaucrats. This template is free to clients and it is possible to complete it in just one hour.



Please contact our Head Office to discuss your needs and we will then assign an experienced Consultant to help you.

TRIP TO SYDNEY NSW TO BRIEF LAWYERS REGARDING OSH LAWS

We are pleased to advise that our CEO was recently invited to Sydney NSW to brief four lawyers involved in several OSH prosecutions. This was a memorable experience and taught us to be grateful for the opportunity that we have had in NZ guiding thousands of clients in procedures to become 99% bulletproof from OSH.

BUDGET FOR WORKPLACE SAFETY AND COMPLIANCE

We believe that only a very small number of organisations actually budget for annual expenditure under safety and compliance. The strange thing is that most managers complain bitterly about the cost of compliance, yet they do not actually identify the true costs.

It is time that all clients entered a cost centre or code on their annual accounts to identify the costs and benefits of what we do. We believe that the subsidies and grants and discounts should be credited as an offset. We promise that we will do our best to help you achieve a break even or even a positive return each year.

CASE TO ANSWER

Recent interpretations of the amendment act indicate that for a person in charge of a work site to face potential prosecution, he or she must have a case to answer in relationship to employment of workers at the site.



This means that there must be at least one worker who gets payment of wages, salary or in kind at the site. This means that a football club does not have a case to answer until it has a janitor, cleaner or trainer who gets wages or whatever in kind or in lieu of wages.

LEGAL CASE NOTES FROM THE COURTS

Barry Graeme Quigley was fined under s.6 and ordered to pay \$12,000 in reparations after a farm worker was killed when dragged into a tractor power-take-off shaft. The dead woman was using the PTO to drive an auger on a feed wagon while feeding boars. The PTO was guarded, but there was a 10cm gap around the knuckle coupling. As the victim leant over to place a feed bucket on a hook, her clothing was caught on the shaft and she was pulled into the machine. (Ashburton DC, 21 Nov 03).

The University of Otago was fined \$4500 under s.6 after a worker's hand was caught in an inadequately guarded commercial dough mixer. The victim suffered a fractured thumb. (Dunedin DC, 24 Nov 03).

Port Otago Ltd was fined \$7000 under s.6 after a worker suffered acute solvent exposure when spray-painting the interior of a shipping container. The worker had been instructed to use a full-face positive-pressure respirator and believed an alarm would sound if the respirator filters became overloaded. This information was not correct, however, and the combination of using very thin paint and a spray nozzle that was too short to reach the top of the container meant the filter quickly became saturated. The whole fine was awarded to the victim. (Dunedin DC, 14 Aug 03).

