

BUILDING CONTROLS – RETENTION MONIES

The Government has introduced a Bill clarifying that new legislation relating to retention money in construction contracts will not apply to contracts signed before 31 March 2017.

The Regulatory Systems (Commercial Matters) Amendment Bill will clarify that the retention money provisions of the Construction Contracts Amendment Act 2015 will apply only to contracts entered into or renewed on or after 31 March 2017.

Under the Construction Contracts Amendment Act 2015, retention money withheld under commercial construction contracts will be required to be held on trust. This will better protect retention money owed to contractors and subcontractors in the event of a business failure.

The Bill addresses concerns that the new law relating to retention money would have applied to existing contracts as well as new contracts, and reflects the original intent of the Construction Contracts Amendment Act 2015.

Regulatory Systems (Commercial Matters) Amendment Bill. Read more about the changes relating to retention money. Note: 'Retention money' means an amount withheld by a party to a construction contract (party A) from an amount payable to another party to the contract (party B) as security for the performance of party B's obligations under the contract.

SAFE SITE SHIELDS A V MARTYN & CO 1968 LTD

Annie White and Win Martyn of Timaru are retiring. They have kindly agreed to supply a photo of their first class achievements over almost 20 years of loyal and faithful commitment to health and safety for their staff and their many clients.

We also record the long and much valued relationship of Armstrong Building Removals of Kamo in Whangarei.



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News & views from Summit Systems November 2016



ASBESTOS REGULATIONS & CODE OF PRACTICE 2016

- Under the Health and Safety at Work (Asbestos) Regulations 2016 there are a number of situations where the presence of asbestos and asbestos-containing material (ACM) in a workplace must be identified.
- One means of identifying asbestos and ACM is to have a survey carried out by an asbestos surveyor.
- An asbestos surveyor needs to have sufficient training, qualifications, knowledge, experience and ability to sample and identify asbestos, have sufficient knowledge of the tasks required and the risks the work will involve, demonstrate independence and use a quality management system. For information visit the links –

<http://construction.worksafe.govt.nz/guides/conducting-asbestos-surveys/>
<http://construction.worksafe.govt.nz/guides/acop-management-and-removal-of-asbestos/>

SUBBIES, SUPPLIERS, SAFESITES SYSTEM

Many medium and large employers are now waking up to the huge liability that they have been carrying in relationship to sub-contractors and general suppliers of services. Under the former HSE laws it was likely for enforcement agencies to focus on the employer instead of the PCBU and associated parties.

Until a few months ago there was no such thing as 10 middle and senior managers at the same site getting prosecuted for the one event. The Sydney saga caused serious concerns on both sides of the Tasman and several training agencies have been active in running courses to try and warn Owners and CEOs.

Our response has been two fold: A) to provide training courses for Workplace Safety Officers and Safety Supervisors to ensure that they understand their obligations, and B) to revise and reprice our subbie system to make it much more helpful for subbies willing to comply.

It should however be recognised that the former attitude of defiance, disdain and deliberate avoidance of compliance will gradually come to an end as multiple prosecutions happen. We are keen to have teams set up around NZ to provide help to the market. In addition, where we have willing help from existing medium and large clients, we will work with them.

The Subbie system can now be purchased as a folder for between \$190 and \$390 with the training module and annual audit for \$199 plus travel plus annual fees of \$159. The other option is to have a 4-7 year contract with set up of just \$159 and annual fees of \$349 to \$499 plus GST and local travel.

2.

DUST CAN BE VERY DANGEROUS

WorkSafe has launched a campaign to raise awareness of risks from welding fumes, wood dust and carbon monoxide in the manufacturing and construction sectors. The programme, which forms part of the Healthy Work strategic plan for work-related health, broadens WorkSafe's focus on workplace airborne contaminants which initially started with silica and organic solvents.

Every year, an estimated 600-900 people die in New Zealand from work-related health issues and a further 5,000-6,000 are hospitalised with cancer, chronic obstructive pulmonary disease and other chronic illnesses from workplace exposure to airborne contaminants.

"There are multiple diseases associated with wood dust and welding fumes, including cancers, asthma and chronic lung conditions, while carbon monoxide can be a potentially deadly poisonous gas," says Marcus Nalter, Programme Manager for Manufacturing and Construction at WorkSafe.

"The effects of exposure may not be visible for days, weeks, months or even decades. But workers in the construction sector are 20 times more likely to die of exposure to harmful airborne substances than from a workplace incident, and that rises to 25 times more likely for manufacturing workers."

During 2015 and 2016, WorkSafe did nearly 1,000 proactive inspections focused on welding fumes and wood dust. In 150 of these, inspectors found risks weren't being managed and enforcement action was required. "We will continue to educate and support employers and employees to recognise and manage these risks, and will take enforcement action where necessary to protect workers' health," says Mr Nalter.

"Employers have an obligation under the Health and Safety at Work Act not just to keep workers safe, but healthy too." Looking after workers' health also has significant productivity benefits for businesses. Research has shown that one in 10 lost working days in New Zealand is due to ill health caused by work. The average cost of lost productivity is estimated to be \$44,500 per case.



3.

CHINA FACTORIES CAN BE EXTREMELY HAZARDOUS

The metal dust produced from polishing wheels at Kunshan Zhongrong Metal Products Co.'s factory was so intense it seeped through Lu Qingmei's face mask and coated her nose and mouth. After two days, she quit.

"When you go onto the production floor, you're covered in gray dust in less than half a day," the 25-year-old said of her stint in February at the Chinese factory, which finishes rims that end up in vehicles made by General Motors Co. and other carmakers. "It was dirty and tiring to work there."

The decision to quit may have saved her life. Last week, a fireball ripped through the workshop, killing at least 75 workers and injuring 185 in China's deadliest industrial disaster in more than a year. Not everyone's been identified, including Lu's sister-in-law. The deaths are one of the hidden costs of exporting United States General Motors Inc jobs to China.

ACC TO CHANGE EXPERIENCE RATING – IT MAY IMPROVE?

When considering changes to a complex system like ER we need to keep in mind that some compromises may be required. For example if we want to improve how responsive the levy is to changes a business makes to reduce the risk of injury, we could shorten the experience period. That would mean the business' recent experience would have a bigger impact on their ER calculation; i.e. the levy would respond more to changes made by the business. However, it also means that the levy would fluctuate more – may increase after a bad year. There are a number of questions we would like to explore with customers while we create our future ER system. These include:

What is the right balance between claim frequency (the claims per \$1m liable earnings) and claim severity (how long it takes to return an injured worker back to work/independence) when assessing a business' experience?

How can the discounts and loadings be used more effectively to encourage behaviour change in businesses?

Can we create an approach that is able to recognise changes businesses undertake to improve performance and reflect that in their levy rates faster than is currently possible?

Our goals for enhancing ER are to:

1. Improve how well the ER system motivates businesses to improve their health and safety performance.
2. Make the link between a business' performance and the levy rate understandable.
3. Improve how quickly the ER system responds to changes put in place by businesses

ACC has developed two conceptual designs for ER systems drawing on approaches adopted in other countries as well as their thoughts on how to address some issues that have previously been raised with ACC. They are interested in your feedback on the concepts presented, including if you think they could combine different elements of the design in new ways, or even if you have a completely different approach you would like to share with ACC.