

**REFRESHER COURSES FOR SAFETY OFFICER**

Safety Officers, who wish to have a refresher course for their qualification, may be given the Advanced Safety Officer Course if they have already completed the Standard Safety Officer Course. Alternatively, consultants may discuss with the options that otherwise are available for upgrading the knowledge and skills of Safety Officers.

We have changed our policy so that certificates now expire after two years.

**ERE APPLICATION FOR 2006**

We have made another application to the Dept of Labour ERE for subsidy in relationship to the Safety Rep training courses to be provided pursuant to section 19 of the HSE Act 2002. You may recall that we were the pioneers of Safety Rep training until we apparently had the idea stolen from us. We are waiting to hear the result, but are not holding our breath. In our view, there once were basic rules of fair play.

**WEBCAM FOR CLIENT HELP AND TRAINING**

We are pleased to advise that we can now communicate visually and in person with clients from our Head Office. You will need to register with Hotmail. Simply go to Xtra website and hit the hotmail key and then register. It will cost you nothing. Then again at no charge you can use the MSN link to gain video communication with us. Please let us know by phone or email as to the time you wish to talk.

We intend that this facility also be available for the training of new and existing consultants.



Consultant Name \_\_\_\_\_

Telephone/Fax \_\_\_\_\_

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*Business Qualifications, Accreditation & Compliance Specialists*

## News & views from Summit

### Spring 2006

**WHY TO USE OUR HOTLINE FOR ACCIDENT REPORTING TO OSH**

At a recent court case, the counsel for the prosecutor challenged our role in handling the serious accident reporting function on behalf of clients. The current procedure is for an employer to ring OSH as soon as practicable. At OSH, the receptionist will ask for the nature of the accident or injury and then refer the call to the team leader of the industry sector who is expected to have specialist knowledge relating that type of work. The team leader will then assign the investigation to an inspector. Some branches allocate an unofficial rating relating to the degree of severity. (a) we intend to prosecute, (b) it may become a matter for prosecution, and (c) unlikely that we will take action.



We need to be clear that the law does not require the employer to directly report the accident to OSH and nowhere does the law prevent the reporting function being carried out by a third party.

There are a number of reasons why clients should use our services. They are as follows:

1. In many cases, the degree of harm is not obvious and it takes time to be sure of the seriousness of the accident. We recall an incident at a chicken farm near Christchurch where a worker was "run over" by a forklift. The OSH inspector jumped to about three conclusions at once. The police arrived at the scene plus an air ambulance. The worker duly arrived in hospital and was checked over and walked out without any harm except some minor bruising. He had been "run over" but it was in a heap of chicken poo and he became pushed into the poo and suffered a loss of dignity.
2. Secondly, it should be obvious to anyone who can count, that if there are 150,000 serious harms per annum handled by ACC and if about one third of that number are reported to OSH then this is a problem. It is a bit like saying that if you want to have the roadworthiness of your car checked, you should stop at the nearest highway patrol car and ask for his or her assessment. The same logic applies in the methodology of reporting to OSH. Who in his or her right mind would want to involve a prosecutor in the first instance?

3. Thirdly, in our view, it is a waste of OSH resources to have inspectors running around making assessments that often they are not qualified to do. They do not have medical, clinical or surgical training and nor are they familiar with methods of diagnosis. Contrary to the view of many inspectors, the law does not require “immediate” reporting. It states “as soon as practicable”. In many instances it takes some time to be clear of the degree of severity and the treatment that may be indicated or required.
4. Fourthly, it reduces the degree of stress to the employer. There is an opportunity for the employer to remain somewhat anonymous whilst the preliminary details of the accident are relayed to the department. The current definition of serious harm is convoluted and leads to a high degree of misinterpretation. We usually advise clients that if there is any injury that results in a worker needing medical treatment then it is likely to be a serious harm. The items not being serious harm would likely be sprain, strain, bruise and minor crush. Anything involving stitches or greater is a serious harm. Other countries or jurisdictions have a much clearer definition of what is a serious harm. The NZ Act needs a clearer and simpler definition.
5. Fifthly, it is common for an accident investigation to graduate to three levels in terms of knowledge. The first level is what appears obvious at the time. The second level is usually arrived at after about 5-10 days and is typically quite different to the assumptions made at first level. Then after a further interval, it is common for further information to “pop” to the surface. We recall that in the case of a death. It took three months for all of the underlying evidence to come to light. There were 13 factors in total.

### **QUALITY ASSURANCE QUALIFICATIONS**

We intend to offer a National Certificate course Quality Assurance and this may include other units relating to Food Safety and or Occupational Safety. NZQA has indicated that they will process our application for the domain of Quality Management levels 1-5. We subsequently asked NZQA to include level 6 as our Bryan Melville is a top level quality assurance assessor.



### **THE COST OF DOING BUSINESS IN NEW ZEALAND**

Recent Policies appear to place considerable emphasis on the need to measure and control compliance costs. They are designed to encourage businesses in New Zealand. Through officials and consultants, they provide subsidies and free visits from mentors for businesses with under 25 staff that have existed for six months.

Perhaps we should think about why so many of our young people are going offshore. Why so many good businesses are also going off shore.

In addition, why so many are being taken over and why others close down. It is believed that with a failure rate of 94% over ten years, we presumably have one of the highest ratios in the world.

On one hand we pride ourselves in the ease with which businesses can start up in NZ. Trade and Enterprise and other agencies offer free help to many new businesses. There are several portals on the internet with free information and systems. Consultants are often funded to help businesses start up. Summit can offer you a list of departmental sites where hundreds of subsidies or funds are listed and where free help can be obtained for a variety of services.

One huge problem is that in NZ there are no restrictions as to who can start up. No qualifications are required for the owners or directors. In Europe, new business owners are understood to need a Business Diploma as a minimum. In NZ, almost any person with \$100 can start a business and they do.

The outcome is that unprofessional, unqualified and unprincipled people set up. They often run up a string of debts and then go bust. They severely damage good businesses and take them down with them. Business risk management is as important if not more important than business incentives.

There are also good financial reasons why businesses cannot make a good profit in NZ. We suspect that we have one of the highest tax rates in the world. If we count 33% company tax, plus GST of 12.5% plus indirect taxes of say 15% plus fuel tax of say 5% and local body taxes of another 3%. It is also understood that as from 1/4/07 we will have the highest number of holidays per annum – 40 in total.



### **EMPLOYMENT LEGISLATION IS COSTLY**

Our employment legislation is designed to make it possible for disgruntled employees to blackmail employers. They do not need a trade union, or even a lawyer, they need a telephone to make a claim or to consult with an advisor who offers free help for a percentage of the payout achieved. It is estimated that there are about 45,000 claims that relate in monetary payments by employers per annum. Officials think that there is no problem as only 2000 cases go to court. They cannot understand that there are 300 lawyers and that \$300 million exchanges hands every year on average.

### **RECENT COURT DECISION RE SUBCONTRACTOR**

All existing clients are invited to obtain a copy of a new agreement that we have developed between a contractor or supplier and the Principal. It is now essential to take special steps to safeguard your business against a fine that could arise out of a situation where the Principal has an accident and you get the blame.

Effective immediately, you should review your hire rates and adjust them to take account of your increased risk. You may need to increase your insurance policy cover. You may need to pay staff an allowance to recognise that they will also have additional risk. Most importantly, you need to introduce a stop work rule for all workers for the situation where a Principal or other Contractor that you work for, starts to do things that could result in serious harm or death to himself or others.

