

## **FED WILL PRINT MORE MONEY FOR THE FORESEEABLE FUTURE**

We are informed that a Fed Chairman of the USA recently declared that he is strongly of the opinion that the Fed has no alternative but to print money on an unlimited basis for the foreseeable future. What this implies is that deflation will continue and will be almost impossible to stop. It further means that the middle and lower classes will be stripped of wealth and their purchasing power will diminish even further. Having lost 50% of the theoretical high value in their home they are now about to see food and essentials double in price and their wages only increase marginally. The other aspect of this is that when the "tipping point" is reached it will be difficult or perhaps even impossible to prevent a major swing into hyperinflation and we could then see interest rates skyrocket to 20% even though they are close to zero in several countries. The people to blame for most of this are Clinton, Greenspan and others who deliberately cancelled the Glass Steagall Act of 1932 which was enacted to prevent another great depression ever happening again. An objective of the Act was to allow the FED to control deflation in such a manner as to prevent another crash. QUOTE: *Open ended QE, which I expect to begin at the October FOMC meeting (there is a small chance that the Fed will act early in September), is going to be the driver of what should be an inflationary spiral, culminating with a parabolic move in the CRB index and the next leg up in the secular gold bull (probably to \$3500-\$4000) as the dollar drops down into its next three year cycle low in mid-2014. (Excerpt from Toby Connor article on Kitco website).*

### **VISIT BY OSH INSPECTOR**

An Inspector is authorised by law and empowered to arrange for a site visit and this can be with or without notice. It is likely to be with notice and the policy of the Department is believed that the visit will be at a reasonable time in relationship to the demands and exigencies of the business.

### **SOLE TRADER OR PARTNERSHIP ACC**

We understand that most sole Traders and Partnerships are eligible to opt out of the ACC cover for their wages or income replacement but not for the injury management process. In simple language it is possible to have private insurance for your income or wages. It is also probable that your private cover will be cheaper than ACC as you can add it on with existing policies.



## News & views from Summit Special Edition - Oct 2012



### **Designed Defence – The Sheet Metal Factory Case**

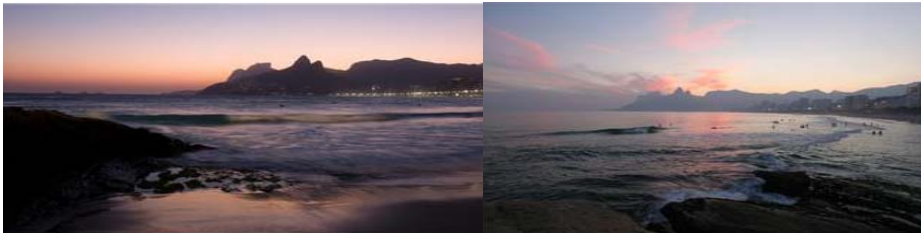
In recent articles we discussed the [Degree of Control](#), the [Duty of Care and Due Diligence](#). We are now offering articles about how to defend your company against a hefty fine when you consider and can prove that you took all practicable steps.

Some years ago I had a most unexpected surprise - a visitor from Sydney called me from his hotel room in Christchurch. He asked if he might visit me to discuss a Health and Safety Act issue. I agreed and this VIP arrived and asked me to help him as he was facing a potential personal prosecution and since he was the head of a major law firm he could then face a threat on his registration as a top lawyer.

He was not only a top lawyer, he was a top businessman as a shareholder and director of several companies. He asked me to go to Sydney for a few days to help him and his legal team design a defence. He even booked me into one of the finest hotels in Sydney, then took me to his home and to visit his favourite places. He even took me to the very top restaurants in Sydney. I came to find out that he was an incredible person a practising Moslem with a lovely wife and family. The most amazing part was that he was actually engaging a Jew from NZ to defend him, in addition a strange NZ Protestant, to prepare the brief for the NZ Barrister.

The case involved a worker who was operating a large machine that was being used to chop sheets of roofing iron to length. The process was for the machine to form the sheets on a continuous bed and for the worker to use a measuring tape close to the shear (cutting blade). The worker had removed the guard and was taking short cuts by operating one of the control wands between his knees and the other in his left hand. The Dept of Labour decided to prosecute as the worker lost one of his fingers. The Dept failed to join the worker in the action and thereby implied that the company was to blame, not intriguing short cuts of the worker. The case of the DoL revolved around the premise that the company should have set up an automatic control platform away from the machine so that the worker could not have his hand near the blade to measure then chop the roofing iron.

The brief, which I prepared looked at the issues relating to the legal observances of the company. The brief established a) that the company had a top quality system in place, and b) that Summit had trained all staff in injury prevention and that the company also had a documented training programme for all staff, and c) that the company supervisors had been trained and qualified as Safety



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

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

All information in this newsletter is to the best of our knowledge true and accurate. No liability is assumed by the author, or publisher, for any losses suffered by any person relying directly or indirectly upon this newsletter. Please call our Head Office for specialist advice.

**HEAD OFFICE ADDRESS: 77 Tarewa Road, Morningside, Whangarei 0110**  
**TELEPHONE 09 438 7555, FACSIMILE 09 438 7556, MOB 021 070 9141**  
**EMAIL: safetynz@xtra.co.nz WEB: www.summitsystems.co.nz**  
**ARCHIVED NEWS - go to Summit Systems Ltd website and click on newsletters**

Supervisors, and d) that the company had annual external audits from Summit, and e) that the client company had a regular maintenance contract in place with a

## 2.

quite reputable local engineering company and that the maintenance company had failed to detect the missing guard even though the contract document specified that the company was responsible for routine maintenance, preventative maintenance, plus detection of deficiencies.

After submitting the brief I had another visit to Christchurch from the Principal of the Sydney law firm as he wanted more specific information so that he might win the case. I spent some time with him and we went through the evidence being placed in Court (being laid) by the Department.

We then prepared a supplementary brief to completely discount the proposed solution of the Department as it was not foolproof and any worker could trigger or bypass switches on the automatic control box or could have asked another worker to make the machine go while the machine operator was still in the process of measuring the sheets near the chopping blade.

Our brief further proposed that the only adequate method would be to have steel mesh protection near the chopping blade allowing the worker to put his arms into pockets of the mesh to reach and do the measuring but he would not be able to get within 100mm of the blade. It was what we would now call an ergonomic solution.

The NZ Barrister managed to persuade the Judge that the company had taken all practicable steps and the worker admitted that he was operating the machine by wobbling his knees. The case was dismissed by the Judge at the end of day one.

Some weeks later the NZ Barrister happened to get a double rise in his profession (he jumped past becoming a Judge and went straight to become a Justice, and some day may even become a well known and prominent QC).



## **EOTC EDUCATION OUTSIDE THE CLASSROOM (Health & Safety law)**

It is important for farmers and rural land managers to understand that they have liability for any persons entering their land with approval to do so. The HSE Act specifies that teachers taking students to work experience sites or education outside the classroom trips / visits are exempted from the obligations relating to workplaces. If the school party is not supervised by the teacher at all times then the landowner or site manager assumes considerable liability once the school party has been admitted.

## 3.

### **HOW TO CHALLENGE THE ACC LETTER/S**

It is common for employers to receive letters from ACC advising them of experience rating loadings or of claims that have been made against them. A few employees happen to have minor accidents at home over the weekend and when they arrive at work, claim them as a work related accident. Most workers do not realise that if they have a home accident, they can still use up their work sick leave pay without penalty.

Employers have the right to challenge claims that they consider to be fictitious or not substantiated by facts. The employer can also require the worker to go to the company doctor or a specialist for a second opinion and this is an important step where a worker has ignored the company doctor scheme and has gone to his or her own doctor to win a medical certificate.

**Health & Safety Act 1992**  
**& Regulations 1995**

Private Property  
No unauthorised entry  
Phone \_\_\_\_\_

**NEW SIGN FOR RURAL NZ**

We are in the process of printing off a number of signs to test the market. Several farmers have decided to order the sign you see in the adjoining box and we would like to know if you would also like some so let us know by phone or fax.



**CHCH SAFETY INITIATIVE BY**  
**MINISTER OF LABOUR**

The Minister has announced \$300,000 special funding for Health and Safety initiatives in Christchurch for contractors required to work in the CBD danger zone. Most of the money will go to ERE applicants for Safety Representative training courses or Health and Safety systems..

**HUGE FINE IN AUCKLAND**

An Auckland company recently was ordered to pay close to \$100,000 after a worker lost consciousness in a hazardous oxygen-deprived coolstore while using an inadequate respirator. Auckland Pack and Cool Ltd was sentenced in Manukau District Court and ordered to pay a fine of \$84,625 plus reparations of \$12,250 to the worker.

