

STEVENS AND STEVENS LTD ORCHARDS FINE OF \$306,000

The defendant company failed to establish a safe work system which identified potential hazards to its workers whilst they worked on orchards, including that proper maps showing marked hazards were received, and that the workers received an induction as to potential site hazards at each orchard where they worked. A further particular alleged failure to design and implement a system for control and management of hazards and risks associated with workers who worked alone. The Defendant is in the business of providing kiwifruit collection and maturity testing services to the Kiwifruit Industry. The victim was collecting kiwifruit samples at an orchard. She drove a quad bike up a hill into an area of hazardous terrain where the quad bike rolled on top of her, causing fatal injuries.

REORGANISATION OF TERTIARY INSTITUTIONS

If you think that this does not affect our clients, I assure you that it does. We did attend the meeting held at Northtec and listened to all of the views and most of them were full of academia and impractical ideas that will never work. They had zero understanding of the damage being done by the "look and learn" with "line at a time" stuff that degrades the mental ability of the average candidate so that we are bringing up a nation of morons. When I was at school we had a girl called Rosalie and she was the dunce. She was the 1% which was the national average at the time. Subsequently with new methods of education the percentage of disadvantaged people climbed and became 27% but we think that now it is even higher and we have multitudes of people that cannot learn more than a "line at a time" and cannot count beyond 10. They cannot even remember the names of the unit standards that they are supposed to be accredited with. They don't know about JTA .

The hopeless institutions in Auckland should be bundled into one group and should have a new set of managers to sort them out. Leave nearly all of the other ones alone especially the good ones that are efficient and effective and achieve performance objectives. Do not place all of the apples into a rotten basket. NZITO was the premier ITO for HSE education but the GM told me that he was pulling out of NZQA as he could not continue with 10% funding for 80% of his work. We found that NZQA kept on inventing new levies to punish us with and capture our fees so that we became unprofitable. For example our costs went from 2 fees for total of \$2500 per annum to 6 fees with total of \$40,000 to give us zero profit. It is our view that WorkSafe should exclude NZQA from all hazardous work training

Summit Manager Name _____

Telephone/Email _____

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Happy Christmas. There is one God and one mediator between God and man. LJC.
Rev 1.18 KJV I am he that liveth, and was dead; and, behold, I am alive for evermore, Amen; and have the keys of hell and of death.

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News, Views, Solutions from Summit Systems December 2019



SERIOUS OPEN CHALLENGES TO ALL ORDINARY MANAGERS NZ

We can only assume that 90% of NZ Managers are so afraid of the new Health and Safety laws that they appoint so called managers to take up roles that they hope will reduce their liability. Unfortunately, their assumptions are quite incorrect and they will not work. A significant number of sites around NZ have appointed one or two or three people in the hope that they will have expertise (or will somehow gain it) in the areas of HS HR QA RMA and a number of other compliance things now demanded by ISO 19600. It also seems that Boards of Directors do not understand the huge waste that is going on and that it is of little or zero value. In our opinion the amount of direct wastage is between \$100 - \$300k from the typical balance sheet.

Our guess is that the average NZ medium company spends about \$60,000 on ACC per annum and a similar amount on insurance for buildings, plant and operations. The current thinking is not to do any serious work for ACC reductions as the payback from doing the discount scheme will not even pay for the time involved. This was true and will continue to be true unless ACC happens to accept our certification system.

We never pushed people into doing the discount scheme for the reason that we believed that the rewards of 10% were never enough of an incentive. We did however write to the former Minister Dr Smith and persuaded him to introduce Experience Rating Bonus of 50%. This has now been available for several years but 90% of managers do not know of it or do not believe in it. We can even say that some ACC Officials in Hamilton do not even know the policies of their own Department - that is praising them.

For the record we can tell you that there are more than 30 levers that need to be understood and applied at the correct percentage for the maximum result. We can assure you that none of the Head Office ACC Officials can explain the raft of key indicators and they do not know more than "sweet fanny Adams" about injury prevention. Please be assured that we do not know of any competitors that truly understand the levers of ACC and we are not going to train them. You can guarantee that statement.

CHALLENGE NO 1

We will undertake to give Clients a favourable service agreement for quarterly visits that will cost around \$3,000 per annum allowing for travel fees. In addition, we will have a binding legal agreement drawn up by our Barrister Andrew Holgate to ensure that the client declares the exact position to us each year and does not circumvent to avoid our agreed dues. Our dues will be 10% of the annual savings that we make for Experience Rating Bonus that we devise to generate performance management to benefit the client.

2.

CHALLENGE NO 2

Similar to challenge no 1 we will provide expertise available with quarterly visits to implement systems and audits to detect lossage and wastages and to generate genuine savings for insurance discount and bonus purposes. We will then undertake to provide the clients with a legal agreement that will protect our methodologies and systems to ensure that the client can get between 20 and 80% reductions in insurance without playing around with excess or exclusions and payment rests plus other things. The agreement will be perennial and will be for five years to automatically renew unless cancelled in the correct manner.

We expect to be given the utmost treatment by Brokers who have their commissions at severe risk as they have not been willing to comply with ISO 55001 and nor have they adhered to the Fire Regulations and need to be given a very long holiday.

Most brokers have never heard of well managed risk and know zip about highly protected risk that is available to diligent sites such as Ports of Auckland and others. In a nutshell it is possible to get up to eighty percent reduction (80%) for high quality risk rating audits completed and accepted by underwriters. 99% of brokers would not even know what we are talking about and will prefer to deny and obstruct.

Our estimate is that the average NZ national company wastes 2-3 full time senior positions with good salaries for people who are supposed to have expertise and will never "cut the mustard". It is our further estimate that the average National will spend \$200k on ACC and more than that for insurance purposes so let us say \$500k total. 10% of \$500k will be \$50,000 and that will be our fee plus the \$3,000 for service agreement visits to sort out systems and methods to ensure tight controls.

CHALLENGE NO 3

This is a competition for all large or nationwide businesses to enter a competition where they will be measured against their annual balance sheet turnover and the percentage that they can reduce costs of ACC and Insurance and wasted management on a percental basis. For example if the total turnover was \$10,000,000 and the savings came to \$300k from reduced manager positions plus another \$500k from Insurance and \$200k from ACC (less our fees) then this would represent a saving of \$10% of real money. Part of the challenge will be to let us provide a real broker who understands experience rating plus highly protect risk through risk management and underwriting.



3.

ON THIS DAY IN 1917 MORE PEOPLE PRETEND PROWESS

On this day... Art Cashin: On this day (+1) in 1917, French generals determined to lift sagging morale by shipping about 1000 men toward home for the Christmas holidays. These men had served on the Italian front and so, therefore, the trip home would be by rail across the high passes of the French Alps.

As often happens in war, particularly this war (which would be WWI if you happen to be burdened with an MBA), there was a bit of an equipment shortage. They had enough primitive passenger cars to make up two standard nine car trains. But they only had one engine and one engineer. So the generals insisted on coupling all of the cars together. They even found another one in the yard.

But as they loaded all the troops onto this oversize nineteen car train, the engineer balked. The air-brakes on most of the cars were antiquated and leaky. The trip would not be safe he said, and he refused to go.

The generals explained that once the military mind is made up logic cannot dislodge it. They offered to shoot the engineer if he wished to disagree.

As the train descended at a sharp angle from a high pass toward Modane, France the engineer tried, gingerly to apply the shaky brakes. Given their condition and the steepness of the descent, the brakes locked at first. The locked brakes caused the wheels to send out sparks which then ignited the wooden floor boards of some of these old cars.

Meanwhile, the pressure of the oversize load caused the already locked brakes to snap. Now the train began to plunge forward, out of control, racing over 90 miles per hour. The wind whipping by at 90 mph turned the floor board fires into a series of infernos.

Careening at full speed down the track, the train approached a sharp turn. The engine made the turn. The other nineteen cars left the track and hurtled one car after another into a wall near town. The wreckage turned into a near bonfire. Only about 600 soldiers were killed. The other 500 were simply badly burned, crippled or otherwise impaired.



EXERCISE = FOCUS ON COMPLIANCE COSTS

Business budget for expenditure Medium / Large site

a) Operations	\$1,500,000
b) Administration Dept	\$200,000
c) Salaries Directors (2)	\$300,000
d) Wages for workers / managers(40)	\$2,000,000
e) HR and compliance managers (2)	\$180,000
f) PAYE IRD	\$600,000
g) GST IRD	\$500,000
h) Motor vehicles	\$180,000
i) Postages and phones / Mobiles	\$ 50,000
j) Marketing / Adverts	\$ 90,000
k) Finance Accounts Payroll	\$ 90,000
l) Legal and standards	\$ 40,000
m) ACC costs	\$ 80,000
n) Insurances	\$200,000
o) Subbies on contract	\$400,000
p) Materials and stores	\$600,000
q) Compliance consulting	\$ 10,000
r) Staff training	\$ 20,000
s) Miscellaneous	\$ 80,000
t) Contingencies	\$ 80,000
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TOTAL	\$7,200,000

Allow profit margin of 25%

Incomes typical	\$9,000,000
Typical profit	\$1,800,000

CHANGES TO MAKE & STOP LIABILITY

1. Cease Managers for HR etc use systems to save \$178,000
Complete Safety Officer training at cost of \$2,000
Reduce liabilities by 96% = wipe most fines (deduct \$20,000)
2. Save ACC 50% or \$40,000 (can prove ERB scheme)
3. Save Insurances by 60% ie \$120,000 (highly protected risk)
4. Get proper consultants save \$8,000 (international auditors)
5. Get real staff training save \$15,000 (50 years experience)
6. Efficiency gains in staff performance scheme \$100,000. NB this
Involves bonus scheme for zero accidents, zero damage,
zero client complaints, zero drugs and zero admin problems.
A net efficiency gain of 5% is very easy to achieve.
7. Save half your normal contingencies with ease.
8. Stop liability for HSAWA / Fire Regs fines.

TOTAL SAVINGS \$521,000 less SSL fees \$21k.....
= \$501,000 = 27.7% more profit. With 96% less risk

Do your own example and use spare page for workings