

THIS IS NEWSLETTER NUMBER 40

It may not seem of any importance to many of our clients. However, this does indicate that we have been sending out quarterly newsletters for ten years and that is no small achievement.

Considering that we started from scratch and operated from home for several years, it means that we have consistently delivered helpful information to our consultants and clients for a decade and we think that this is worth celebrating.



Business Qualifications, Accreditation & Compliance Specialists

News & views from Summit Summer 2007

**SUDDEN SURGE IN OCCUPATIONAL SAFETY SYSTEMS**

We are currently experiencing a sudden surge in occupational safety systems. This is a somewhat strange phenomenon considering that 15 years have elapsed since 1992. I have had discussions with several of our consultants and the general view is that there is now a realisation or acceptance that a change of Government is likely at the next general election. This is likely to bring a change to the present thinking that the bureaucracies of ACC, health and hospitals should be allowed to grow almost unfettered. The accident and sickness machines are so huge as to be almost beyond comprehension of the general public.

Although lip service has been given to justification of budgets, a semblance of rationing and talk of accountability, it is nevertheless a fact that the behemoths have grown beyond what the taxpayer would ever imagine in a worst case nightmare. We suspect that perhaps 33% of total taxes now go to these votes.

It is recalled that some twenty years ago the total budget of the Canterbury Health Board was about \$350 million and that Canterbury represented about 10% of NZ. If we consider that inflation doubles every ten years then we have a total of about \$14 billion. We know that ACC is now around \$4 billion.

We have consistently made submissions to MPs of both parties that the employer and employee should both be eligible to a 50% rebate in the case of zero claims and that this would simply be a refund at completion of the annual tax return. The current MPs have strongly resisted this concept. We can say that 90% of employers and employees support the concept. Visits to the GP would not be counted as an ACC claim if paid by employer/ee.

**HUMAN RESOURCE SYSTEM THAT IS ABSOLUTELY UNIQUE**

We are delighted to report that our HR system is quite unique and is popular with clients. Most of them did not understand that if they have a system it would become a legal defence against frivolous and vexatious claims from disaffected staff who may simply want to upgrade their car or punish the boss. It is totally incorrect to think that a contract is all that is required to satisfy the 31 Acts. A contract is just 10% of what is actually required by law.

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PREDICTIONS OF 2002

We recall that in the Winter of 2002 we made some predictions and stated that occupational hygiene would become an important issue in the year 2007. And so it is. We now have received a copy of an audit log used by Occupational Health Nurses at Dept of Labour or OSH.



It is worth noting that the audit log has much more emphasis on health than it does on accidents and injuries. The log covers the following topics:

Section 1 – Environmental Monitoring

This includes, water, steam, air, bi-products, dusts, fumes/vapours, pollutants, noise, vibration and lighting.

Section 2 – Biological Monitoring

This includes hearing tests, vision tests, blood testing and respiratory testing.

Section 3 – Vaccinations and Immunisations

This includes Hep A, Hep B, Influenza, Tetanus, T.B. and other

Section 4 – Drug and Alcohol Testing

This includes drug and alcohol policy, testing and methodology.

Section 5 – Information and Results

Who does the reporting and what actions are taken if any.

IN THE SAME NEWSLETTER

We predicted that by 2009 injury prevention would be understood and would have major application around NZ.

It is sad to think that we are such clever people that we would rather spend billions of dollars of tax money on fixing the problems rather than preventing them. Some day we may learn common sense. People always proclaim common sense but often do not actually use it,



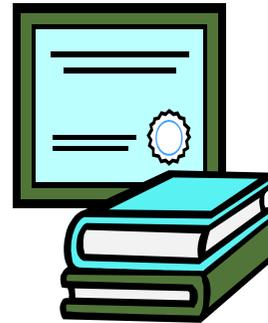
QUALITY ASSURANCE ACCREDITATION AND CERTIFICATION

It is great to report that quality assurance is finally coming of age and is becoming better known. This is especially the case among contractors and suppliers who wish to build their business. We can easily give examples of companies that have benefited from the adoption of quality assurance accreditation and certification. A classic case was a contractor in Wanganui who implemented a TQS1 system. He wanted to win just two tenders. He happened to win all ten that he put in for. He wrote us a “blistering” letter complaining bitterly that we did not tell him loud enough about the need to increase his prices to avoid getting all of the jobs that he put in for.



TENDERING SYSTEM IS INVALUABLE

One of the most important and valuable things that clients get from us with a quality assurance system is a tendering tool that is designed to help them calculate the precise price that is being sought by the Principal. Most employers are aware of the method of calculating using time, tonnes and kilometres. Although well known, this method is somewhat primitive unless used with more sophisticated methods. We teach clients the following methods:



Using a combination of several of the following methods, it is possible to gain extreme accuracy - perhaps within 2% of what the Principal expects.

- ✚ Time, tonnes and kilometres (most primitive method)
- ✚ Contractors Blue Book
- ✚ Competitive pricing (CCP)
- ✚ Weighted attributed
- ✚ Brook's Law – two envelope method
- ✚ Target pricing range
- ✚ Transit NZ pre-qualification
- ✚ Contingent sum

✚ Liquidated damages