

Integrating the New H&S Law Into Your Business in 2018

Why it's Great for Your Bottom Line

-  Complex made Simple
-  Increased Productivity
-  Higher Revenue
-  Peace of Mind
-  Staff Engagement

For SMART and RESPONSIBLE Businesses

*By Brent Rice
(A very practical) H&S Consultant
Time to read: Less than 5 minutes*

Let's Keep This Simple

There are so many misconceptions out there about Health and Safety for business in New Zealand. We've written this overview to explain how to take away the fear and make health and safety a simple and potentially rewarding process for any business.

A SIMPLE AND POTENTIALLY REWARDING PROCESS FOR ANY BUSINESS

We can make this statement based on positive outcomes achieved by our clients over the last 3 years, using our processes - compared to those who have come before the courts.

In EVERY case where a company was prosecuted, it has **not** been able to show **evidence** that it had assessed the **potential risk of something going wrong** in their business.

The new Act is about taking 'reasonably practicable steps' to 'assess risk'

What does 'Risk' mean?

Simply - the things that could potentially go wrong, while your staff/ contractors are doing the things they do - for your business.

What does 'Assess' mean?

The business and workers identify the things that could potentially go wrong with each task, (hazards) and agree on control measures to eliminate, isolate or minimise the risk.

Who does the assessments?

The people who are doing the tasks.

When?

Since 4th April 2016

Why?

- ✓ To avoid prosecution
- ✓ To get staff engaged
- ✓ To increase productivity
- ✓ To increase capacity
- ✓ To increase bottom line

SMART BUSINESSES DON'T
NEED AN AMBULANCE AT THE
BOTTOM OF THE STAIRS

*As a business owner and employer, do you have confidence that your workers and contractors are aware of **their** responsibilities and **your** expectations on taking reasonably practical steps to assess risks?*

As a business owner and employer, can you provide evidence at any given time of these requirements and undertakings as part of the H&S Work Act 2016?

Before we go into the details, we encourage you to consider what the cost could be to you and your business if you are found lacking in this area

Let us look at setting up H&S for all staff and contractors, and future proofing the business.

Why do You Need to Make Improvements?

There are compelling financial reasons to make a decision to define and implement all criteria in accordance with the H&S Work Act.

- On 21st of December 2017, the NBR reported “Health and Safety Fines Average \$155,000 post new legislation”.
- Co-incidentally, since the new legislation has been in force, the number of reported workplace injuries to ACC have increased. This is not surprising as medical and government agencies are now reporting to each other.
- In the year to November 2017 WorksafeNZ have dealt with 2,856 notifiable events
 - *On average eight working people are seriously hurt or killed every day.*
- In respect to consequences, WorksafeNZ has made their intentions clear right from the start. The first case to reach a district court came from an event that occurred two days after the new legislation came into force.

Budget Plastics Ltd in Palmerston North was prosecuted after a worker was injured. In court, WorksafeNZ wanted the fine to start at \$950,000.

The judge disagreed and brought the range between \$400,000 and \$600,000.

Eventually the company was ordered to pay \$138,000 based on their ability to pay.*

(*WorkSafe NZ v Budget Plastics (NZ) Ltd (2017) CRI-2016-054-003694 (2017) NZDC 17395)

Insurance can cover some costs i.e. *legal representation and reparation.*

Hidden costs and loss of revenue to a business can include:

**BUSINESS GETS VERY
RISKY WHEN YOU DONT
COMPLY**

- ⊗ Business closure while under investigation
- ⊗ Prohibition or improvement notices
- ⊗ Instant fines
- ⊗ Time taken to provide evidential defences
- ⊗ Prosecution and conviction (2 companies fined \$375k in 2018)
- ⊗ Negative publicity from an event affecting your reputation
- ⊗ Disclosure of conviction impacting of any future tendering
- ⊗ Scrutiny from independent chartered accountants
- ⊗ Scrutiny from IRD
- ⊗ Unscheduled upgrades of plant and machinery
- ⊗ Physical & emotional stress created as a consequence of the investigation, this can take up to 12 months while WorksafeNZ decide whether to prosecute or not

How do we help your business?

Three avenues to tick your H&S requirements and gain increased productivity:

1. H&S SETUP COMPLIANCE
2. PERFORMANCE BASED COMPETENCY PROGRAMMES
3. GOING PAPERLESS

1. H&S SETUP AND COMPLIANCE: *(and how you **communicate** that evidence to others)*

In relation to **workers**, there are seven key areas where there is a legal emphasis on a business to provide evidence of process.

This means that the day-to-day running of a PCBU can show evidence of a legal process.

a. Safe Work Procedures. (S.30 HSW Act 2015) Coming out of risk assessments

b. Training Supervision and Ongoing Evaluation (S.9 HSW Regs 2016)

c. Emergency Planning (S.14) Every workplace must have a plan, then maintain and implement that plan on a regular basis - depending on the level of risk.

d. Incident Reporting A major problem for Kiwi businesses, we tend 'to just get on with it' and don't want to be seen as a 'mannis'.
Considering 97% of SME's have less than 20 staff, this can be a hard habit to break. However, this can easily be sorted by introducing performance-based programs.

e. Plant and Equipment Maintenance (S.38) A PCBU must be able to provide evidence that there is a maintenance schedule. *(Imagine what you would need to produce if one of your staff were hurt at work using a forklift, drill press etc.)*

f. Working out in the Field (S.25 HSW Regs) If you are sending workers/contractors out to worksites, the site must be assessed and controls put in place before work commences.
Evidence *(hazard reporting, PPE, barriers, toolbox talks, lone worker etc.)* is particularly important, as the PCBU could potentially come under intense scrutiny if there is a notifiable event.

g. PCBU's with Overlapping Duties (S.34) It is a requirement for businesses to consult, co-operate, and co-ordinate their activities over the same matter, *(i.e. building landlord-lessee, businesses sharing the same driveway)* You could be in the mix even if you're not directly involved.

2. INTRODUCE PERFORMANCE BASED PROGRAMS:

There is clear evidence that getting workers involved in a business, returns dividends.

The graph on the right shows the Fortune 500 companies who used 'participation models'.

Over a 10-year period.

The results are outstanding!



How engaged and involved are your workers and contractors?

Using KPI's and the S.M.A.R.T. criteria, we have developed a Positive Based Program with a 'reward or consequence' outcome for all staff and contractors. The results are spectacular and can be used every month to measure the expectations and standards you expect from your staff and contractors on complying with the new Act.

Case Study:

SafeWork NZ were approached by a business owner having problems with a worker who was consistently late. This was causing the gang he was working with stress, by putting them behind in the day's work before they'd even started. The owner did not want to lose the worker however; he was at his wits end on how to sort out the issue.

Solution

Using KPI's and the S.M.A.R.T. criteria, we developed a Positive Based Program with a 'reward or consequence' outcome for all staff. The results were spectacular and now the business owner uses it every month. Here is his reaction:

Hi Brent

*Thought I would let you know that for the month of July, there was a massive change in the installers work attitude and safety and everyone scored top points and have earned their reward, which will be held at end of the month. Each person scored four (Highly Competent).
Job well done in my eyes*

Regards

Eddie Yates

Mint Corporation

Auckland

The keys that made this work were clear communication and an appropriate reward system. We specialize in helping you achieve both.

There is a legal requirement to have worker engagement - why not use this to your advantage?

**IGNORANCE IS
NOT BLISS**

3. GO PAPERLESS – USING OUR ONLINE SOLUTIONS

If you have workers, contractors, subcontractors, or visitors going out in the field, you are probably well aware of the H&S issues, and any relating paperwork is generally seen as a 'pain in the butt'.

(This has been our biggest training issue as well, so don't feel like you're on your own!)

We believe there are two, great, affordable options for your business. Both options can:

- ✓ Streamline and personalise your business - including all legal requirements for H&S.
- ✓ Provide all the evidence you need to protect against prosecution.
- ✓ Cut administration time dramatically.
- ✓ Securely store all information in the cloud - no hardcopy backup required.
- ✓ Create reports inside the system - meaning comfort for company directors (*Officers*) - whom must '*Exercise Due Diligence*' to ensure the PCBU complies with any duty or obligation.

We would strongly recommend a paperless system so you can spend more time ON your business! (viii)

Why Do We Want To Help?

Sadly, in the February 2011 Christchurch earthquake, tenants of a commercial building were killed. Six years on, in November 2017, the property manager was still defending allegations of *gross misconduct*....

Very sadly, most people feel that this type of thing only happens to others. In a prior career as a police officer for eight years, I know from experience that every unintentional death (without exception) was entirely unexpected. I changed careers and became expertly trained in this industry to prevent as many incidents as we could.

Please take the time to make a positive impact.
If you feel your business could benefit from some more information, contact us.

Call us now on 0800 002 820 and let us help you to put your best foot forward. Gain peace of mind on the obligations you have as a business owner and employer, by empowering your staff and contractors to take ownership of their everyday tasks and actions. Cutting costs on H&S could cost you your livelihood and cost someone their life.

Alternatively, feel free to contact the writer directly if you have any questions on 021 263 2633 or brent@safework.nz

Thanks for your time; we look forward to connecting with you soon 😊

All the best

Brent Rice
Director

**WARNING: YOU
CAN'T UNREAD THIS**