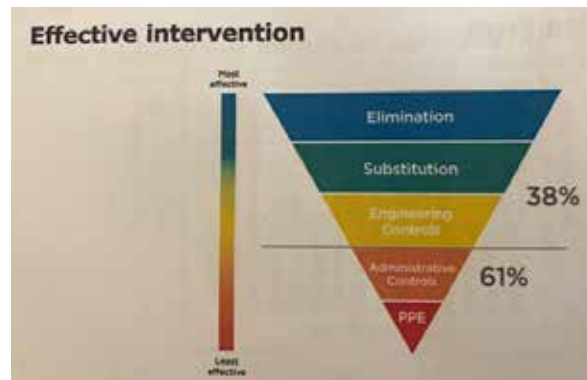


# Worksafe: Health and Safety



**Question:** How do I manage the Health and Safety in my business?

**Answer:** Don't kill anyone!

We all know that Health and Safety requirements are a big part of doing business in NZ. Many businesses have spent a lot of time and money developing procedures and processes to manage the risks involved in their business. Despite this, the number of fatal deaths in agricultural activities is not reducing. Worksafe believe that more businesses need to focus on what is causing the catastrophic accidents that are killing our people.

Recently Martin and Trudi attended an Agri Summit in Napier. Over two days there were a number of really interesting speakers. Worksafe NZ was one of the presenters and given the concern we often hear from our clients about this aspect of their businesses we thought it would be opportune to pass on some of the messages we got out of their presentation.

Worksafe say that the two most common cause of all fatalities are Vehicle accidents (quad bikes, tractors, bulldozers, etc.) and falls from heights (ladders, etc.). Agriculture has by far the worst record when it comes to vehicle accidents than any other sector and the numbers are not reducing.

The people most likely to be killed in agriculture have the following criteria:

1. They will be aged 65 and over – this age of worker is by far the predominant age for agricultural accidents
2. The accident will happen between either 8am and 9am or between 5pm and 7pm
3. Dairy farmers are the most common types of agricultural activities to be represented in the statistics.

So, what can be done to avoid a serious injury or death in our agricultural workplaces? Every farmer or orchard owner needs to think about what is the worst thing that could happen in their workplace that would lead to a death or serious injury. We all know that Quad bikes are a major cause of these serious incidents so let's use that as an example. This is a top down approach – so the most effort should be focussed on point one and then move down the list

1. The first thing to consider is elimination – can you eliminate the use of quad bikes in your business? Land Corp has just gone through a process looking at the quad bike use on their farms. In many cases, they decided that a quad bike was not actually an appropriate tool for a particular task so they eliminated their use where appropriate.
2. If the use cannot be eliminated – can it be substituted? Would a side-by-side be a better option? Could drones be used in more dangerous places?
3. Can engineering controls be used to reduce the risk? I'm no engineer but maybe there are ways to make the quad bikes safer or to allow their use to be limited in areas where there is a higher risk of danger.
4. Next comes administrative controls. This is the policies and procedures manuals – if we can't eliminate or substitute the risk, then we need to make sure the policies are clear about how the quad bike is used.
5. Personal Protective Equipment (PPE) should be used to mitigate any remaining risks.

Worksafe make the point that if every business in New Zealand actively managed and reduced the amount of quad bike usage, there would be a huge reduction in the number of deaths in NZ agriculture.

Traditionally businesses have focused their H&S attention on events that have a high probability of happening but with low consequences (e.g. a rolled ankle). Worksafe would like the area of focus to shift to events that are of low probability but have high consequences (e.g. death)

By placing more emphasis on the possible catastrophic events in your business, the number of fatal accidents will be reduced over time.

We all know however, that no matter how good our controls are, it all comes down to how we carry out those day-to-day activities. If we as business owners only pay lip service to the H&S policies, how can we expect our staff to take H&S seriously.

80% of all injuries happen when one of the two scenarios following is present:

1. While carrying out a regular but potentially hazardous task and a key rule or control is broken,
2. While carrying out a regular task (potentially hazardous or not) and some condition changed and this was not noticed or acted upon.

Your whole team must be able to understand and appreciate the rules and controls that you put in place in your business. If there is no understanding, there will be no compliance. Communication is the key followed closely by the business owner's actions.



# Avoid the bad payers

The first rule about debts is to try and avoid customers who don't pay what they owe you. If the amount is going to be large, get a deposit first, get a credit report, or both.

When you get a bad payer:

Get onto the customer quickly.

Follow up on a planned basis and minimise the time between each follow-up.

When ringing the customer, get a commitment of how much will be paid and when.

When following up by phone, write notes of the commitment made and preferably the actual words used by the customer.

If you still have trouble collecting the debt, confront the customer with each of the promises and what was said.

If you still can't get paid, warn the customer you are going to take debt recovery action. If this does not produce results, carry out the threat promptly.

If you're dealing with a company, the threat of winding it up can be very effective for those who are first in.

That's why it pays to act quickly. You don't want to be last in line when the money runs out.

The second rule is to avoid having your business dominated by one firm. If you possibly can, diversify your customer base as quickly as you can.

What if the company is too big to be concerned about your threats? There is little you can do other than reread rule 2. If the bad-paying corporate is only a small customer, some people load their bills to them to allow for bad payment practices.

## Service 'for' and 'of': know the difference

An employee enters into a contract "of" service but a contractor enters into a contract "for" services.

These words can matter. When writing an agreement with a contractor, use the words "for services" in your agreement.

If Inland Revenue checks to see whether the person working for you is an employee or a self-employed person, it may ask to see your agreement. The department will, of course, consider all the factors available. If the case is borderline, the wording of your contract could make the difference between having an employee and engaging a contractor.

If the person should have been an employee, you should have deducted PAYE from your payments and the employee should not have claimed any expenses. Inland Revenue has listed tests it uses to decide whether PAYE should be deducted. These can be found on its website.

If you have a borderline case, consult us. It's not safe just to agree that someone working for you does so as a contractor.

## BRG News

So what's been happening at BRG lately:

- Kate our lovely front person is now working three days a week.
- Nicholas Tomsett our Ledge Bookkeeper is in the process of moving into the Accounting team as an accounting technician
- We have just hired Micaela Dadley to cover reception when Kate is away and to take over the Ledge bookkeeping activities from Nicholas
- Nicholas recently competed in an outdoor bowls tournament in Christchurch – this was the Burnside Under 26 singles competition where the best young bowlers in NZ competed. It was a great experience and has inspired Nick to keep practicing.
- Vicki has been involved in a few squash tournaments lately. She attended the NZ Masters in New Plymouth where she played in the individuals and teams event for the Bay of Plenty. BOP kept their seeding – going down to Waikato in a fight for 3rd and 4th. She then travelled to Cromwell as Manager/Player of the Te Puke B Grade Ladies team representing the BOP at the NZ Super Champs. They had a great five days of competition but unfortunately no honours this year.
- Nicole ran the recent Tauranga International Half Marathon to raise funds for the "Give Josie an Earful" campaign. Josie Calcott is a Mum and nurse in Tauranga who has a cochlear implant in one ear – but is still deaf in the other ear. Josie's friends are raising funds to allow her to get a second implant. You can read about the journey at <https://givealittle.co.nz/cause/givejosieandearful> Nicole raised over \$1,000 in sponsorships for her half marathon – a really good effort!



# Xero Conference – Xerocon

In September, a few of us ventured to Melbourne to attend the annual Xerocon where we had two days of being part of a very inspiring event.

3,000 accountants and bookkeepers from Australia, New Zealand, Singapore and a few other far flung places, heard all about what the future plans for Xero are and also listened to some thought provoking speakers about the future of the accounting industry. It was a great opportunity to talk to other Xero users and people providing add on services to Xero.

## Finding the best app

With the huge number of organisations offering apps to help you run your business better, it's easy to be confused about what to invest in.

Where there's confusion, there's usually someone ready to simplify. One place where you can find the app you might be looking for is [getapp.com](http://getapp.com)

It's a site that says it enables you to "enhance your productivity and your business success".

It has a whole bunch of useful apps for small

business, many of them free. It lists the apps in helpful software categories (and sub-categories) such as customer management, human resources, marketing, sales, IT management and more.

The site has at least 5000 apps to choose from, and about 170,000 reviews so you can see how others have rated them. Star ratings on each app give a fair indication of how well they've worked. There's also a "compare app" button so you can compare its features, rating and pricing with other similar apps.

The "top apps" button is also worth a look, just to see what's most popular.

## Seismic Assessment - quake repairs

Do you need to strengthen your building to cope with the risk of a big earthquake? Generally, the cost of upgrading your building, for this purpose, is not tax deductible.

Perhaps it ought to be. Inland Revenue considers most detailed seismic assessments are tax deductible. The notable exception is where this is obtained as part of a capital project such as seismic strengthening or improving a building.

Clearly, you need to separate the assessment from the strengthening.

## Take time out to 'think'

If you're reading this, you're most likely a small business owner with all the stresses of the business on your shoulders. There are never enough hours in the day to complete the jobs that need doing.

What if you did less "work" to help fix the problem? Unlikely as it sounds, this might be the answer, especially for small business owners.

Andrew Griffiths, a US author and consultant for small business, suggests taking the best hour of the day to "think". He suggests taking the first hour of the work day to consider ways of making the business better. Then, each Friday, he finds a quiet place to think about how the week has been and how it was better than the week before.

## Send a reminder

You may already be sending reminders to customers. If you're not, perhaps you should. Have you noticed dentists, motels and others send out an email reminder of your appointment or booking. We noticed a restaurant which went one step further. It asked the customer to "Click here" on its website to confirm the reservation.



# The importance of backups

Tim, who works from home, spent all day working on a document. In the late afternoon he and his wife went out for a walk. When he came home the document was no longer visible on his computer.

He called in some technical assistance and after trying everything to recover the typing, it could not be found.

Something had wiped it off the screen. There did not seem to have been a power surge. In any event the computer is protected by an uninterrupted power supply. It just happened.

If you're working for some time on a document, press the save button regularly or you might regret it, too.

Fortunately, Tim did at least have a daily backup which, while it did not recover the work done for the day in question, it did get him back to where he was at the beginning of the day. Two hours later he had reconstructed the work for the previous day.

## Changes to Use of Money Interest

Previously Use of Money Interest charges from IRD were back dated to the date of your first instalment of provisional tax.

This could sometimes prove to be a bit of a problem for clients where income went up unexpectedly through the year – for example if the milk pay-out increased in the later part of the season, you could end

up with a use of money interest bill even though you paid the required amount of provisional tax on each due date. For the financial year we are in now this is no longer the case. For normal provisional tax payers, interest will only be imposed from the date of your third instalment of provisional tax – and then only if the total amount of tax you pay is over \$60,000. This is a really sensible change which makes managing your tax a lot simpler.

# TAX CALENDAR

## Oct 30 2017

1st instalment of 2018 Provisional Tax for those with March balance dates, who pay GST twice a year.

1st instalment of 2018 Provisional Tax for those with May balance dates who pay provisional tax three times a year.

## Nov 28 2017

1st instalment of 2018 Provisional Tax for those with June balance dates.

2nd instalment of 2018 Provisional Tax for those with February balance dates.

## DON'T BE LATE

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