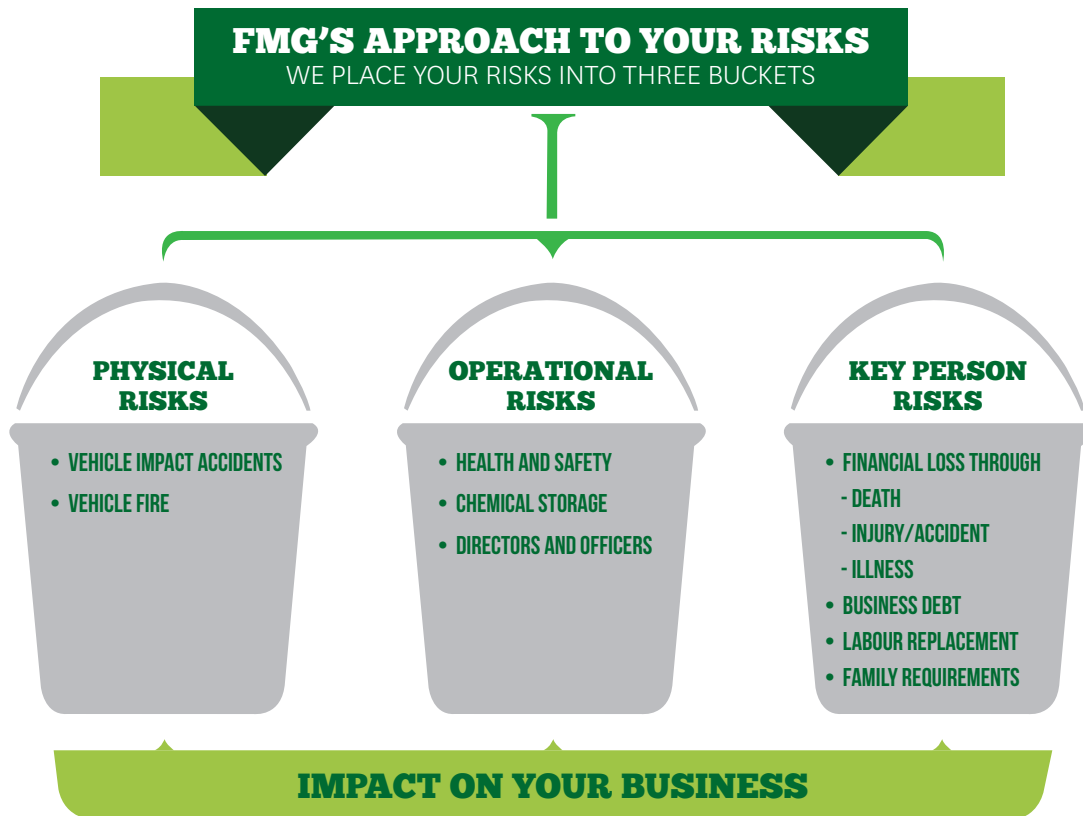


AG CONTRACTORS ADVICE WORTH LISTENING TO.



FMG
Advice & Insurance

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PHYSICAL RISKS

Vehicle impact and accidents

Impact and accidents are the most common claims for agricultural contracting vehicles. These can cause significant disruption to your business while waiting for repairs and/or parts. While you can never completely prevent or eliminate these issues, there are steps you can take to reduce your exposure to agricultural vehicle and implement losses. FMG recommends:

- Before entering a property, consult with the land owner (potentially using farm maps) about potential hazards including drains, slopes, troughs and other known obstacles (i.e. stumps).
- Reduce ground speed before turning into a corner. Even a small reduction in speed has a significant reduction on the forces causing a tractor to roll.
- Avoid driving around corners with the front end loader up, especially if carrying a load.
- Drive with the front end loader positioned as low as safely possible to maintain a lower centre of gravity, especially if carrying a load.
- Take regular breaks and avoid fatigue. You and your employees should also avoid driver distraction such as eating, smoking or drinking while operating these vehicles.

Vehicle fires

Fires are another common claiming item for agricultural contracting vehicles often resulting in significant damage. FMG recommends:

- Stop & Pop—clear bird nests, spider webs and dust from around wiring, control panels and engine bays before use—an air compressor can help with this.
- Check that spaces around motors are free of oil, dust, grease and straw.
- It's also a good idea to check for damage caused by rodents (which may be a particular issue at the start of the season).
- Install fire exits in your vehicles, train staff on their use and check them regularly.

OPERATIONAL RISKS

Health and safety

The Health and Safety at Work Act 2015 places emphasis on worker engagement in health and safety, and makes people accountable for ensuring health and safety requirements are met.

As well as the emotional cost, impact on families, potential damage to reputation and business interruption, breaches of this Act can carry significant consequences, such as large fines, reparation payments and legal defence costs. Injuries can be avoided by making sensible choices and identifying and mitigating physical hazards.

To ensure that your health and safety processes are on the right track, WorkSafe recommends that you:

- identify health and safety hazards and risks, and take steps to prevent these from happening
- make sure health and safety in your business is led from the top, involves and is understood by your staff, and is reviewed regularly
- hold regular training on health and safety matters
- engage workers in health and safety matters that affect them
- support all officers to get up to date with health and safety issues and key risk factors
- report and monitor health and safety goals, making sure to carry out frequent health and safety audits
- regularly review any incidents
- regularly train users on the correct and safe use of vehicles, machinery and equipment. You should also ensure that assets are only used for the purpose that they are designed for.

We also recommend that you and your employees are well hydrated and take regular breaks (which is particularly important during hot and busy periods) and avoid distractions (such as smoking, eating or drinking) while operating vehicles, machinery and equipment.

Chemical storage and use

There are specific requirements under hazardous substances regulations that may give rise to penalties if they are not complied with. Failing to appropriately manage hazardous substances may also lead to health and safety issues. These requirements have recently been updated and are now regulated by WorkSafe New Zealand.

Amongst other things, these regulations require you to have an inventory and safety data sheets for hazardous substances at the workplace (including hazardous waste). You also need to ensure all workers are appropriately trained or supervised when working with hazardous substances and that there is an emergency plan and risk controls for managing the associated risks (including the risk to health and safety). Additionally, hazardous substances need to be appropriately labelled and contained and appropriate signage used to identify their presence.

See the hazardous substances section on www.worksafe.govt.nz for more information in this regard.



Underground services

It is important that you and your staff are aware of the exact location of any underground and overhead services in the area being worked on as you may be held liable for damaging them. Before breaking ground (including fencing and ploughing), it is important you check with the relevant council or local authority to determine the exact location of any underground services. These underground services could include power cables, water pipes and other utilities.

Directors and officers responsibilities

Directors and officers of companies have serious governance obligations that, if breached, expose them to personal liability, lengthy litigation and damage to their reputation. Trustees have a similar exposure.

The courts are insisting on stronger corporate governance, and liability appears to be becoming stricter with old 'excuses' offering little defence.

Directors should have a good working understanding of their obligations under the company constitution, the Companies Act 1993, health and safety legislation and company reporting and recordkeeping requirements. If you are unsure of your obligations we recommend speaking to your lawyer or accountant about this.

[The Institute of Directors New Zealand](#) also offers a range of courses to upskill directors. [WorkSafe](#) and the Institute have also put together a guideline for company directors on their health and safety responsibilities.

KEY PERSON RISKS

Personal injury, illness and death are risks that can have a devastating impact on your operations, financial stability and family. The full implications are not always considered and adequate personal risk protection is easy to underestimate.

Given the challenging conditions you may work in, the risk of injury, illness, disablement and death could be very real.

You should be able to answer scenario based questions such as, if I am in a position where I am unable to work for a prolonged period of time:

- Can my operation financially afford for me not to be there?
- Can my business function without me?
- Who will look after me personally and financially?
- Will I need extra labour?
- Can I afford to fund extra labour?
- How will I be able to meet my financial commitments to the bank and suppliers?
- Will the business survive to the next generation?

You should also consider if you have a key staff member and what would happen if they died or became disabled.

It is vital that you give consideration to the level of personal protection that you and the business have in place.

