

CASE STUDY: SAFETY FIRST BREAKING THE MYTH THAT WORK HEALTH AND SAFETY IS A COST TO BUSINESS

This case study is based on a major engineering company, employing approximately sixty staff, providing services to the Resources sector. This study covers a two-year period during which the company introduced Safety First's WH&S Program.

In both years, the client's gross profit increased by more than 10%! No wonder the client was blown away with this result.

And what were the costs involved in achieving this increase?

- The purchase of a Safety First WH&S Program licence
- A total of seven hours consultancy per month to guide and mentor the company's WH&S Leadership Team.

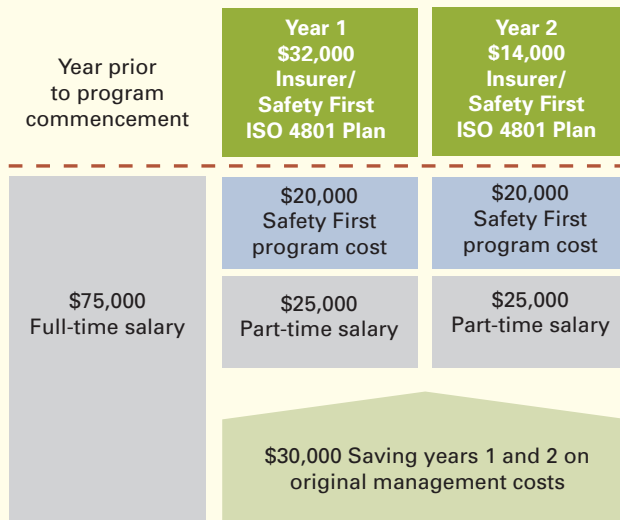
SUMMARY OF THE BENEFITS OF MANAGING WORK HEALTH & SAFETY

	Cost Saving over 2 years
WH&S MANAGEMENT COSTS	
Through the efficiency of the Safety First Program, managing WH&S full-time became part-time	\$60,000
Meeting the KPI's of the Insurer/ Safety First ISO 4801 2001 Plan	\$46,000
WORKERS COMPENSATION COSTS	
Reduced Premium Loadings by a third in the first year	\$38,000
Reduced Premium Loadings by 50% in the second year	\$71,000
Qualified for Claims Experience Discount (CED)	\$50,000
INCREASED PRODUCTIVITY: INCREASED CHARGEABLE HOURS	
Year One Profit on 1,173 hours	\$75,000
Year Two Profit on 1,241 hours	\$79,000
Total net benefit for managing WHS over the first two years of their Safety First Program	\$419,000.00



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LOWER COST OF MANAGING WORK HEALTH AND SAFETY OVER TWO YEARS

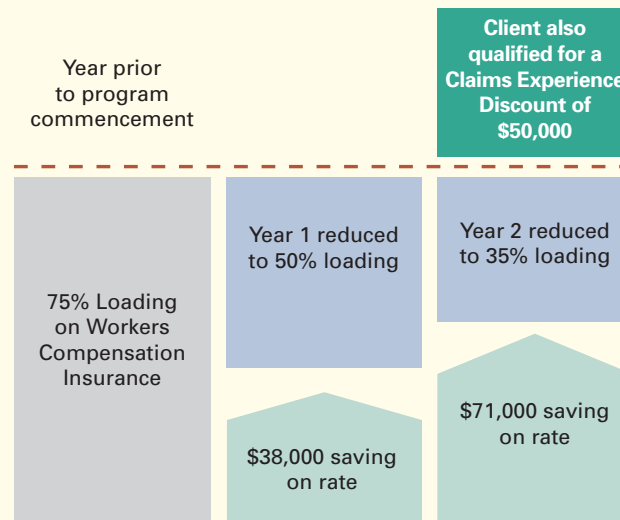


Prior to Safety First's WH&S Program's introduction the client employed a full-time staff member to manage WH&S on an annual salary of \$75,000.

Because Safety First's Program involves all staff in the WH&S process, greater efficiencies were achieved that halved the time it used to take to manage WH&S, allowing deployment of the manager's time to other productive work, effectively halving the full-time salary.

Add to this the achievement of the \$36,000 incentive offered to meet KPIs introduced as part of the Insurer/Safety First ISO4801 Plan and the combined total saving amounts to \$62,000 in the first year and \$44,000 in the second year.

BENEFIT TO WORKERS COMPENSATION OVER TWO YEARS



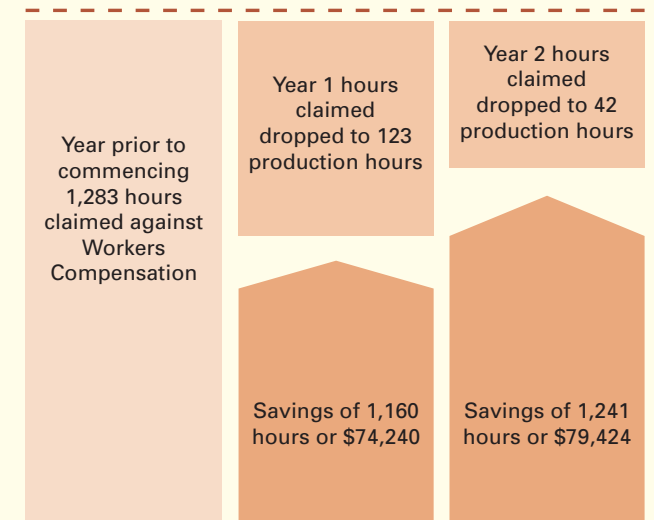
On commencement of the Program, the client carried a 75% loading due to a poor claims record.

In the second year, this loading dropped by 50% on the previous year (a saving of \$38,000)

By the second year, the client was able to further reduce the loading to just 30%, realising a saving of \$71,000.

Due to low claims in the first year the client became eligible for a claims experience discount in the second year of an additional \$50,000.00.

INCREASES IN PRODUCTIVITY OVER TWO YEARS



In the year prior to the Safety First WH&S Program commencing the client claimed 1,283 work hours lost through injury from their workers compensation insurer at the 'cost rate'.

The company charges its hours to jobs at a 'charge rate', which is higher than the 'cost rate'. The difference is the relative profit on the hour of work. During that year prior, the loss of profit due to injury peaked at \$82,000 for the year.

During the first year of Safety First's WH&S Program's implementation, lost hours dropped by 90% and 95% in the second year.