

The New Zealand LIFT FAX

The New Zealand Lift Fax is produced bi-monthly for the NZ lift industry. Just send your email address to LEC to subscribe.

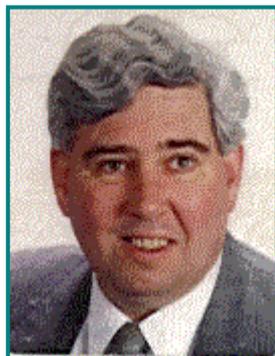
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WHAT'S GOING UP or DOWN THIS MONTH

Lift Industry Restructuring Still Ongoing:

Peter Loader; Technical Sales Consultant for **Otis** over the past years, was well known throughout his patch in the South Island of NZ for his exuberant personality, industry knowledge, and personable approach with his clients. And yet once again he has voted with his feet and stepped out of the industry to take the family to Europe, hopefully only for a respite, but it's farewell to Otis, so watch this space.



Kerry Houston, Team Leader Construction for **Otis**, a gentleman of the industry, knowledgeable and keen to do well has also decided to part with Otis, only this time he takes all his Otis experience to **Schindler**, whom I am sure would have received him with open arms. Kerry Starts in August in Christchurch.



Glen Jarvis; An electrical apprenticeship trained **Otis** employee from Melbourne, crossed the ditch in October 2005 and brings a sound industry and product knowledge installing Gen2's to the Christchurch market. Like me, Glen is another case of a travelling Kiwi, winding in an Aussie 'lifty' hook, line and sinker, and bringing him home.

EDITORIAL.

AUSSIE LIFT INSPECTION UNDER FIRE:

An article that caught the eye of my brother in Melbourne in the Sun Newspaper of 3rd July 2006, looked into the number of accidents (99) reported in Victorian Hospitals relating to lifts over the 3 years to mid 05, when over the same period the local Work Cover (similar to OSH) numbered only (6) recorded accidents.

Over the last one year period in 2005-06, the hospital numbers recorded 35 lift and escalator related accidents, in comparison with 10 years earlier where there were 2/3 less recorded.

Is this a disturbing fact, or just better records as the Australian Elevator Industry supposedly claimed in the article?

WorkCover this year intends a blitz on about 400 lift sites, after issuing 570 safety notices in the past 3 years, but the reporter points out, there are thousands of lifts in Victoria!

The questions posed were:- Are there no longer dedicated experts routinely inspecting lifts full time in the city? And are claims that general building staff now service lifts true?

Like in Victoria, in NZ the processes of inspection are determined by the local Territorial Authorities, and accident reporting is the responsibility of the building owner, with investigation, prosecuting and recording up to the local area office of OSH. Also in NZ, there is no national correlation of lift accident records; no notification of accident numbers, causes of accidents, or even reporting back to the lift industry by OSH of investigated accidents.

The observation is that the past 1991 Building Act mushroom approach is evident; what we don't know we don't have to worry about! With the present Building Code under review, you would think it an opportune time to implement clear processes to address these issues, but unless the focus is on industry solutions rather than issuing certificates to everyone, I feel the status quo will remain. Ed.

Dave Shaw and **Beven Fleming** have joined the **Otis** ranks of late with **Warren Farrow;** Ex-Schindler maintenance technician, another import from the UK employed nearly a year ago, and I understand the search overseas by Otis is still on.

Colin Montgomery; my old friend and maintenance person with **Schindler** for near on 20 years, I hear has just finished up with Schindler. I suppose this just reflects the times we are in, as retirement looms and .

Keith Bank; I understand had 14 years with **KONE** in the UK, before venturing to the Southern Hemisphere with his family to join KONE in Christchurch earlier this year.

Ben Kersten; Now this is another shock, **KONE's** long time Customer Service Manager has just announced his departure from Auckland office in a few weeks. Once again this piece of gold in the KONE sales office informs me he has just found a property opportunity outside the industry that fulfils a dream, and although he cannot say he won't be back, he just has to give this opportunity a go. If you know of Ben's excitement in sales, you can only wish him all the best, and hope the venture doesn't curtail the fishing.

Neil Trotter:

After 19 years with Schindler in Hamilton, and as Branch Manager over the past 8, another well respected member of the lift industry moves on to seek new challenges. Employing the trade and management skills learnt with Schindler, Neil is heading out into the Electrical Contracting business, but retaining his contacts through sub-contracting back installation and modernisation work to Schindler, and sub-contracting to Corona Consultants carrying out Annual D2 WOF inspection in the greater Waikato region.

If Neil can help you, contact him at:-

FLAGSTAFF ELECTRICAL LIMITED

P.O Box 21180

Flagstall
Hamilton.

Mobile: 021 452 594 Fax: 07 854 3410

Email: the-trotterz@extra.co.nz

Independence Ltd Update:

Technician Bruce Francis has just returned from a month overseas training with their equipment suppliers in Germany, Italy and the UK.

With smaller but growing NZ lift companies like Independence Ltd, it is necessary, but just that bit harder when key staff are off training, and the everyday operational demands still have to be met by Director Rob Douglas.

But there is light at the end of the tunnel, with the excellence of Marlene Woonton joining the company as office assistant in June.

Contact:

INDEPENDENCE LTD

P.O Box 12-592

Unit N – 657 Great South Road, Penrose
Auckland.

Freephone: 0800 926677

www.independence.co.nz

IQP-LBP FORUM:

Rosemary Hazelwood, Building Networks (NZ) Ltd, has announced the organising of an IQP-LBP Forum to help building industry inspection personnel to update themselves on the present status of the Licensed Building Practitioner program. This is an opportunity to come out of the dark with the renowned independent Building Act presenter Rosemary Hazelwood, with a good cross section of speakers from the DBH, Christchurch City Council, a discussion panel and South Island IQP Registration representative Robert Wright.

The forum is to be held in Wellington on the 21st of Sept.06 running from 8:30am – 5.00pm.

Lunch is provided and the all up cost is \$295 incl GST.

enquiries - contact Rosemary on:-

Ph/Fax: 04 233 9588 Mob: 027 223 5747

Email: rosie@bnets.co.nz

To book – contact Liz at Events Ltd

Ph: 04 473 6210 Fax: 04 473 6209

email: liz@eventsdivision.co.nz

Lift Statistics:

If you wish to gain an insight into the economics of the NZ lift industry you can check out Garth Wyllie's NZLEA site at www.lifts.org.nz, but don't be too disappointed when you find the statistics stopped in 2003.

This has arisen, probably because of the new wave of management into the industry, that although very competent in managing the bottom line for their prospective corporations, are either unaware of the need or see little reason to provide their annual figures publicly for the good of the industry locally and world wide.

I've always understood the need for privacy regarding commercial detail, but of late it seems the words commercial confidentiality goes beyond the bounds when annual figures useful to all in a society are suppressed.

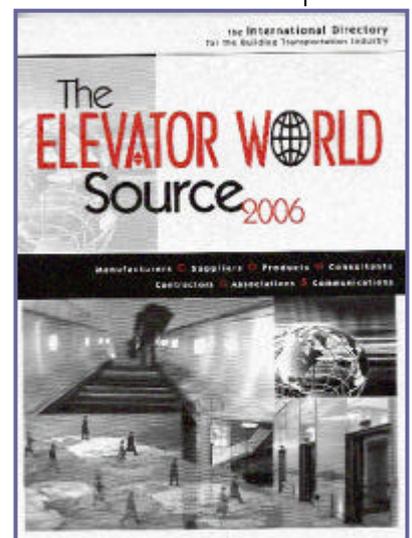
A Commerce Commission investigation presently underway concerning the lift industry in NZ is a good example of where not being open where you can, can lead to innuendo and misinformation that undermines the credibility of the industry in the eyes of your clients, to a point where rhetoric starts to be believed.

LEC, on behalf of Elevator World who endeavors to compile annual industry statistics world wide has only received two NZ lift Companies responses, one providing the requested data, and the second at least responded to inform me that it's against company policy. Why is this so?

I'm pretty sure the EW World Source when it's issued each year provides lots of interest as a useful industry comparative resource, but it sure is disappointing when New Zealand cannot bother to put something together.

If you would prefer you can sent the detail directly to the following contact:

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What is a Space Elevator?

Another interesting article on the Space Elevator crossed my desk the other day that expands on the May 2004 Issue 73 article and fills in a few more holes:



Today there is only one way to get into space: a bone crushing, overly expensive, very dangerous ride on a rocket. Years of Government bureaucracy have over complicated the space experience. Those who wish to go into space must pass rigorous physical training and be in good physical condition. The cost today to send someone into space is in the millions of dollars per person range.

The technology is based on Chinese gunpowder rockets developed four thousand years ago. This has been the state of our modern space exploration program.

That is until the exciting Virgin Airways boss Richard Branson's and Microsoft co-founder Paul Allen's provided backing of the aircraft pioneer Burt Rutan's and his 3 person 'Virgin Galactic', presently being designed to take paying passengers 100km into space, initially with a fortnight turn around, and for a cost of around \$100,000 per passenger.

But the Space Elevator is a different beast, its concept can be traced back to Yuri Artsutanov in 1960 and an article in Pravda, the Russian newspaper.

The space elevator would allow for the lifting of large fragile structures, such as solar energy satellites which would provide clean renewable energy to earth, inflated stations for manned activities, factories for pharmaceuticals, and payloads for exploration in space. Lifters can be easily tested to ensure reliability, and brought back if there is a problem. The reliability and safety of the space elevator is calculated to be much better than any rocket-based launch system. A second generation, larger space elevator (100,000kg capacity) would allow for extensive human activities in space including a large geosynchronous station (hundreds of permanent residents) and settlements on Mars within the

first few years of operation.

To fully understand the space elevator concept, the following quoted excerpts from Dr Bradley C. Edwards NIAC Phase 1 report are detailed.

“The simplest explanation of the space elevator concept is that it is a ribbon with one end attached to the earth's surface and the other end in space substantially beyond geosynchronous orbit (100,000 km) altitude. The competing forces of gravity at the lower end, and outward centripetal acceleration at the other end, keep the ribbon under tension and stationary over a single point on Earth. The ribbon, once deployed, can be ascended by mechanical means to Earth orbit. By releasing at specific altitudes, low – medium or high, Earth orbit can be achieved. If a climber proceeds to the far end of the ribbon and releases, it would have sufficient energy to escape from Earth's “gravity well” and travel to the Moon, Mars, Venus and the asteroids.”

Another easy way to understand the concept is found at www.howthingswork.com

“To better understand this concept of a space elevator, think of the game tetherball. In this game, a ball is attached to a pole by way of a rope. Think of the rope as the cable, the pole as the Earth and the ball as the weight. Now, imagine that the ball is put into perpetual spin around the pole, so fast that it just keeps the rope taut.

This is generally how a space elevator would work. The weight at the end of the cable spins around the Earth, keeping the cable taut. The spacecraft would simply ride up the cable as a train rolls over tracks. As the vehicle rides further up the cable it requires less electrical energy, relying more on the centrifugal force produced by the spinning motion to pull it into orbit. By the time the vehicle reaches the end of the cable, it could be moving as fast as 11kps!

At these speeds, a vehicle could detach from the cable and fly off into space at speeds fast enough to reach Mars in days or weeks instead of months.”



And yes, people will be able to ride in it. The countdown to the first operational lift has begun, and is due to be in service by April 12th 2018.

The Space Elevator Co. exists under the LiftPort Group including:- [liftport inc](http://liftportinc.com) – [liftport nanotech](http://liftportnanotech.com) – [liftport finance](http://liftportfinance.com) – [liftport media](http://liftportmedia.com) – [liftport robotics](http://liftportrobotics.com).

See:- www.liftport.com

Commission Investigates Lift Industry:

The Commerce Commission has begun an investigation into the lift industry in NZ following complaints of Anti Competitive behavior. Although only involved in the South Island as a lift Consultant, it surprised me that such a claim could have any substance for various reasons:-



- I. The industry is small, and so anything like this conducted on an organised scale would be evident to an independent consultancy like LEC.
- II. From my experience in issuing and reviewing tenders for clients without favor, I've found I can rely on the competitiveness of the industry to not only ensure a good price, but whatever the price, the desire to do right by the client, remains the same.
- III. The number one concern expressed by company managers to me across the board, is that price in the areas of new installation, and maintenance contracts, have remained relatively stable or been forced down through competition over the past 15 years, and that this pressure still exists in the market place.
- IV. Historically, when company allegiance was paramount in the minds of employees, competitive forces reached an intensity, that if you were seen talking to an opposition employee it was tantamount to treason.
- V. Of course at senior management level there was the responsibility to meet at a formal association level through the NZLEA, and although termed the club by myself and others, this reflected the perception that it met so infrequently and seemed more of a social event than a productive industry advocacy.
- VI. Although slowly changing, in the past the specialist nature of the industry has been that the equipment suppliers: designed, manufactured, installed, trained personnel and maintained their product either directly or through an agent. Expertise was retained in house, and so a building owner changing to a non-proprietary service provider, found it difficult to retain a similar level of service performance for their client.
- VII. Over the past 20 -25 years with introduction of solid state control technology into the market, Otis implemented the first portable - parameter adjustment and diagnostic tool, and immediately claiming intellectual property rights, restricted its access to non-Otis providers. Interestingly overseas manufacturers produced similar products but without restricted access, until of late where Schindler started its claim to similar intellectual property right to retain ownership and control access to their diagnostic software. Although not price control, it does limit third party providers from being able to offer comparative service performance, and could engender bad feeling within the industry and its clients.

And so without knowing more about who initiated the investigation, the reasons why, and their experience and knowledge of the industry, it is difficult for myself to give credence to the claim of non-competitive practices in this industry.

The lift industry in New Zealand, and for that matter throughout the world, has been going through a market restructure over the past 10 years or so because of:-

- ? Global fiscal management of companies.
- ? Takeover of smaller companies and local agents.
- ? Retirement of a generation of engineering managers.
- ? The effect of new technologies on production, product performance and processes.
- ? The decline in core trade based skills.
- ? The move from engineering to fiscal management of workplace production.

And so these trends have seen workface labour skills change from a high reliance on individual trade skills, to acceptance of fewer, broader more general labour skills, installing highly engineered precision packaged products that give a high reliability and require a lesser labour maintenance requirement.

From this has evolved a growing dissatisfaction in older well experienced highly skilled trades persons vying to retain decreasing positions in companies, being overseen by younger account based managers, who see different solutions to focus on to achieve good results for their global corporations.

The result has seen wide movement of skilled personnel now on the outskirts of the industry, feeding a growing pool of individuals competitively, and possibly naively sub-contracting their services in installation, maintenance, consulting and inspection services to the global corporations.

And so you have to consider, is this Commerce Commission investigation into non-competitive practices due to someone ineffectively trying to control pricing, or is it more likely in this tumultuous environment, an uninformed victim with a separate agenda.

If you have something to add to the equation, give me a call, or you can contact the media liaison officer at the Commerce Commission, Kate Camp on:-
04 924 3708 or kate.camp@comcom.govt.nz

Ed.