

Energy Safe New Zealand
Level 2, 351 Lincoln Road
CHRISTCHURCH

Attention: Paul Kauder, Technical Officer
CC: Mark Wogan, Manager of Energy Safety
CC: Phil Parkes, CEO

25 May 2021

Dear Paul, Gentlemen,

**ELECTRICAL SAFETY and COMPLIANCE CONCERNS
SERENE INDUSTRIES HEATING APPLIANCES**

Pursuant to all prior communications back to 2017 with Miles Bonfield, and up to our last phone call with Paul Kauder 15th March 2021.

In a word, Genco Energy are surprised, taken aback, **by no action** being taken by Worksafe NZ **and after five years** we have abandoned expecting a meaningful result from Worksafe NZ.

A. SNAPSHOT SUMMARY

1. **Since 2017** Genco Energy have reported to Worksafe NZ Serene fan heaters caused fires in NZ.
2. **Since 2017** Genco Energy have reported to Worksafe NZ unearthed Serene all-metal appliances.
3. **Since 2017** Genco Energy have reported to Worksafe NZ “electric shock” complaints from concerned consumers on unearthed all-metal appliances.
4. **Since 2017** Genco Energy has reported to Worksafe NZ that the identical issues exist in Australia with Serene products, being fires and electric shocks and a general installer resistance to obvious non-compliance.
5. **No corrective action** has been taken by Worksafe NZ.
6. Genco Energy Insurers have been so concerned about these safety issues they “declined to continue our **Insurance Cover for anything Serene**” that culminated in Genco Energy terminating their Serene distribution agreement in 2017.
7. Genco Energy are not some **trouble making, snivelling, disgruntled importer** as determined by Miles Bonfield in 2018. We are an international Co building Gas Power Stations, we are technically competent, have very good Quality Assurance programmes and are experienced electrically to make these observations and comments.
8. **Genco Energy have completely written off Worksafe NZ**, especially after seeing the current TV campaigns promoting people to take the short of proactive action that Genco has done for years, all with little result. **Worksafe NZ TV campaigns are just a PR nonsense.**
9. In summary, we are of a mind to drop this protest with Worksafe NZ **and undertake our own National advertising programme** to highlight these shortcomings with Worksafe NZ and the looming catastrophe with Serene products.

B. HEREWITH THE DETAILS FOR THE RECORD.

1. We are left frankly disappointed, underwhelmed and bewildered at WorkSafe New Zealand's (WSNZ) handling and attitude towards our safety concerns raised since 2017 concerning various Serene branded heaters.

We have received no meaningful response at all from WSNZ to any concerns raised.

Whilst we did recently receive a phone call from PK this was only as a direct result of dogged tenacity on Genco part. Left their own devices WSNZ would have done absolutely NOTHING to address our concerns and we have abandoned expecting anything further.

We would be more willing to accept WSNZ virtually non-existent conclusion that all is well with Serene Industries safety and compliances, if in fact we received a categoric explanation as to why our technical concerns raised are invalid or factually incorrect with respect to the regulations.

2. We only wish to see Serene Industries make the changes to their products to bring them up to a safety standard that they purport to have.

This is especially around actually meeting the requirements for earthing or double insulation of all metal appliances designed for wet areas. Especially when we continue to receive product safety incident reports from the public that proves our concerns.

3. It is clear we are at the end of the road with getting any result out of WSNZ.

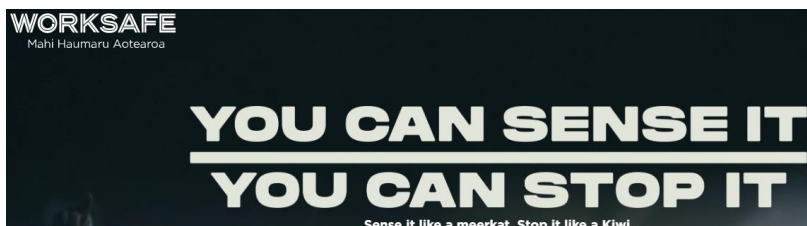
At the very least we find solace that our concerns are firmly on record when inevitably a serious Serene product safety incident does occur and all this ends up on the front page. Since 2016 we have experienced so many safety incidents and red-flags with Serene products in both New Zealand and Australia, that we know that this outcome is inevitable.

4. To reiterate, we have enough experience with WSNZ and its predecessor to know that our stance taken is not over zealous or paranoia.

Our Chairman well remembers being made to front TV News in 1985 at the behest of WSNZ (or its predecessor) over similar safety concerns with Goldair electric heaters. Back then WSNZ made a real example of electrical safety by having their concerns with Goldair aired mercilessly on TV News for weeks.

What we struggle to reconcile now, is the fact that those Goldair safety concerns were comparatively minor compared to our concerns with Serene safety today. Clearly, the safety pendulum has swung hard the other way.

5. Of significance, we struggle to reconcile Worksafe NZ who are clearly committing considerable effort and resources to this TV campaign:



What troubles us is the fact that Genco have been 'sensing it and stopping it' with Serene safety and compliance since 2016 – five years.

All the while at the back end of WSNZ business we find WSNZ at best disinterested and inert, at worst our ongoing public safety incidents filed are ignored.

6. Ratifying earlier points made, frustratingly out of this experience with WSNZ and having read the facts, it is very easily for us to see how the likes of Pike River Mine disaster happened (plus others in history).

The similarities between those and Serene are remarkable:

- (i) The regulator was satisfied that compliance on paper is adequate.
- (ii) Clearly no one from the regulator was checking/reconciling the Pike hole in the ground (Serene products).
- (iii) Numerous safety incidents were being recorded.
- (iv) All the senior Serene staff were leaving in droves, citing a highly problematic safety record and attitude.
- (iv) The same concerns taken to Australia simply could not exist.

Serene is just a smaller carbon copy of these high-profile disasters in New Zealand ending with the public asking;

'Why was nothing done about it?'

'Where was the regulator?'

'Especially when all this had been on the radar for years'

Another reason why we are so hot on this is because Genco Directors were also directly involved with Pike River Mine bosses in 2007/2008 debating the need for gas extraction equipment. Just like Serene we well remember how our safety concerns dismissed by Pike bosses as overzealous – suddenly came right to the front and centre of a Royal Commission of Inquiry, with the public demanding prosecution and accountability.

7. When the inevitable does happen with Serene products, the script that any investigative journalist putting Serene and WSNZ on the front page will simply read:

"The safety issues with Serene products were actually flagged by its staff into WSNZ officially since 2017"

"There are numerous public safety incidents on record"

"Since 2015 all Serene senior management have left the business over a poor attitude to safety and compliance"

"Serene as a brand was actually deemed uninsurable"

"Serene was recorded very early on as being evasive to WSNZ investigations"

"Serene was also under multiple regulatory investigations, including Wikifrauds"

"This wasn't just an isolated concern needing attention – clearly nearly every facet of the Serene business was very troubled and problematic".

"All these issues were put right under the nose of WSNZ"

"All the boxes were being ticked – the swiss cheese holes had been lined up for years - even a layman could tell that all this was inevitable".

As it consistently seems to be the norm with multiple Government agencies, that behind all the polished TV campaigns, slogans and rhetoric around 'lessons learned' and 'this must never happen again'.....any enforcement action needed only materialises as a result of an injury or death.

8. Collectively Worksafe NZ are clearly flawed and the inexperience and naivety of its people really shows:

(a) WSNZ continually focus on Serene's strongest link, not the weakest link.

WSNZ continually ratify all the things that Serene do manage to finally get right – only as a result of much pushing by Genco Energy.

Yet the things Serene do not and that are left open-ended dangerous situations are circumvented or just ignored by WSNZ.

(b) WSNZ has little continuity, the organisation is disjointed and completely ineffective.

What Miles Bonfield discovered in 2017 cannot be unable to be located.

What was re-sent to Mark Wogan in 2019 is simply lost.

What is emailed to WSNZ main enquiry desk just goes ignored.

Only our communication direct to the Minister got any action at all.

(c) WSNZ are clearly hopelessly under resourced.

Any feedback since 2017 are only as a direct result of sheer dogged tenacity on Genco's part.

Genco Energy delivered a comprehensive Serene safety report to WSNZ in 2018.

Genco Energy delivered a second Serene safety report to Mark Wogan in 2019.

Genco Energy delivered a third Serene safety report to WSNZ in 2021, this time with the disassembled Serene products in question.

Left to WSNZ own devices we are convinced that there would be absolutely NOTHING done and Serene would continue to run rings around the safety regulations and compliances as they have.

We have simply abandoned expecting anything more from WSNZ and have written WSNZ off as a reliable and effective regulatory agency.

(d) WSNZ investigators are naïve, they are easily manipulated and deceived.

Reading earlier WSNZ communications since 2017, Serene management clearly runs rings around WSNZ.

Serene bosses simply tell WSNZ investigators what they want to hear.

WSNZ investigators believe the absurd explanations provided by Serene.

The fact is Serene bosses are master manipulators, as soon as they realise WSNZ have misplaced the original correspondence from 2018 about recorded fire incidents – Serene confirm to WSNZ “not us, we know absolutely nothing about that”

Serene's owner has a history of releasing absurd PR explanations justifying obvious safety shortcomings – the sort of releases that any other business simply couldn't or wouldn't make up.

Whilst at the same time Serene take extraordinary technically inept and unskilled risks with electrical safety.

To reiterate in 50 years of this business, and even with the most inferior brands in the world – our Directors have never seen any other manufacturer incorporate the safety flaws into their products or make the sort of PR statements around safety compliance that Serene Industries do.

In the end, this is all precisely why Serene and its owner have inevitably made it to Wikifrauds as a result of public complaints.

As we have already cautioned the Serene owner– at the rate they are tracking the next stop for them will be being upended on TV 60 Minutes.

(e) WSNZ investigative inexperience and lack of streetwise acumen really shows.

WSNZ consistently just rely on what they read on paper. Genco Energy are the only people in this entire business that actually check anything in terms of reconciling a certification to the actual products that have incidents recorded.

After considerable effort and expense Genco Energy delivered to WSNZ the products in question disassembled with a full safety report. All we received from WSNZ was a phone call advising the organisation is very busy but a quick look determined there was nothing wrong. There was no categorical explanation as to how WSNZ determine that these appliances meet ALL parts of the double insulation regulations for all metal appliances.

We do understand that it is impractical for WSNZ to start reconciling every product in the market to its certification – but surely the obvious exception would be with a brand like Serene that has so many red flags, incidents and investigations against its record.

WSNZ lack any streetwise acumen, there is always a clumsy, naive and bureaucratic reason why a glaringly obvious safety issue cannot be acted on by WSNZ, these include verbatim:

- > The products have compliance on paper. (but the certificate has been expired for 6 months)
- > Serene have self-declared the products as safe.
- > Serene advise the model in question is no longer made. (absolute nonsense).
- > Serene advise the products were imported prior to the certification expiring (again, nonsense)

- > Serene advise customers they have never had a business in Australia (Wikifrauds was the result of that)
- > Miles Bonfield acknowledged multiple fire incidents, but Serene did pay to fix the damage.
- > The number of safety incidents recorded is acceptable relative to the number of heaters sold.
- > The safety concerns Genco identified are included in the test reports.
- > The compliance house is based overseas.
- > Genco Energy's distribution was for the same products, but in Australia.
- > Your safety experience on the same products, was largely in Australia.
- > Serene confirm they have had temporary issues with their online certification document storage and publishing, but will soon have it rectified.
(absolutely pathetic, as detailed the safety certifications published have been expired for up to 3 years and this issues has been rife in Serene since 2017)
- > WSNZ have to tri-aged their work, obviously if someone is killed then Serene would come further up the pile.

(f) This is not just a Genco view, others in the Serene business quickly arrive at the same conclusion:

- (i) In 2017 our insurers in Australia took one look at all this and declined further cover for anything at all Serene. By comparison our insurance investigators swift attention to the detail and safety compliance runs rings around WSNZ.
- (ii) When we take the same non-earthed all-metal appliances to Australia, there is an entire nation of electrical installers who agree with Genco Energy findings and who simply refuse to install them.
- (iii) All the while Serene and its owner are under no less than four separate independent investigations by regulatory bodies in Australia including Wikifrauds. The backlash of public opinion towards Serene safety in Australia is immense.
- (iv) All this is precisely why Genco terminated and exited the Serene business in 2017, at all costs. Miles Bonfield instead naively concluded that Genco Energy must be just a disgruntled ex-distributor 'who lost the agency'. All the while our technical safety concerns tabled went ignored.
- (v) As one of the largest compliance houses in Australasia counselled and ratified to Genco Energy in 2016 when we first noticed concerns:

"Appliance certification operates with the same rules as your electrical wiring regulations – you can never justify an obvious safety fault, dangerous situation or non-compliance by the fact the product or installation is already certified as safe – or that your qualifications would not be valid to be able to take action in that territory.

If in your professional technical experience you determine that something that you were the last to see is unsafe – then it is unsafe and without proactive action taken the buck ultimately stops with you, not the manufacturer, nor the certifying house.

Your concerns are very real – the ANZ market has plenty of safety certified products that are actually unsafe and would never pass our companies scrutiny."

9. Another reason we struggle with WSNZ, is because our brutal experience with their predecessor in 1985 concerning Goldair was with products made by an otherwise highly reputable global manufacturer.

Serene on the other hand have been trouble with a capital T evsery which way since early 2016 where we simply couldn't make up their PR releases explaining and justifying their safety shortcomings.

The only single positive comment that we have had come out of WSNZ since 2017 is Paul Kauder commenting in March 2021 "Genco has done the right thing".

However in the same breath another most absurd WSNZ recommendation leaving us aghast...
"Genco should start a lobby group".....a lobby group? why?..... any lobbying by Genco Energy since 2017 **has proved to be absolutely futile.**

10. Genco Energy and its Directors are otherwise well used to the safety requirements of both gas fired power stations, oil rigs and an airline. We can easily navigate our way around Serene fan heaters.

Unsurprisingly, we since read WSNZ are filing charges against our aviation industry colleagues at Kahu Helicopters over the White Island rescue.

This is simply another case of WSNZ continually focusing on the wrong parts of an incident where the people who took the most proactive and courageous action that got results – and who were not even part of the original problem - are the ones coming out the worst off.

Public opinion and confidence of WSNZ overall effectiveness over both the White Island and Pike River Disasters has already been very clearly made known – just as the same as it will inevitably be with Serene Industries. Sadly, as it was with these disasters in history it seems that the catalyst that is missing to effect pulling Serene Industries product safety into line is an injury or death.

Yours faithfully,
Genco Project Management Ltd
part of the Genco Energy Group

Justin Sollitt
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