

**Submission to the
Productivity Commission
Inquiry into National Workers'
Compensation & Occupational
Health & Safety Frameworks**

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Executive Summary

- NFF is committed to the reduction of agricultural workplace injury. Workplace safety is an integral component of a productive enterprise.
- Prevention of injury occurring in the first instance must be the main objective of any reform measures.
- NFF suggests that new options are needed in promoting occupational health and safety for farm businesses. There are insufficient incentives and assistance provided to increase the uptake of better occupational health and safety measures by Australia's farmers.
- NFF believes that there are 3 areas where industry can work with governments to be more proactive with the aim to achieve a reduction in injury and death that will also ultimately reduce costs incurred by business, insurers and government. Those areas relate to access and incentives relating to occupational health and safety; rehabilitation and return to work/alternative work
- The cost of workers compensation is adversely affecting farming businesses throughout Australia.
- The task in achieving a single national workers compensation system would be immense. NFF submits that the negative ramifications of introducing one system due to the diversity, complexities and problems inherent within the current multiple systems well outweigh the positives.
- NFF recommends the development of a national model framework that reflects best practice for workers compensation and occupational health and safety in Australia to eventually achieve consistency between jurisdictions. Best practice must include an outcome whereby costs and administrative burdens are reduced in all jurisdictions rather than a reduction in costs for one jurisdiction to the detriment of others.
- NFF believes it is imperative that workers compensation jurisdictions resolve the impasse on cross border matters. That is, a scheme to accommodate full workers compensation coverage for workers employed in one jurisdiction who work in another jurisdiction.

1. Introduction

The National Farmers' Federation (NFF) is committed to the reduction of workplace injury. Workplace safety is an integral component of a productive enterprise. Productivity improvements cannot be achieved unless there is investment in resources, including occupational health and safety. This is particularly important within the farming community as farms are recognised as high-risk workplaces.

Workplace safety should be fundamental objective for business.

Government needs to play a role in facilitating workplace safety best practice. NFF believes that while it is important that industry maintains its proactive role, it is incumbent upon governments to ensure that legislative frameworks provide the means to achieve the goal of minimising injury at the workplace and establish structures for cost effective and efficient workers compensation systems.

Workers compensation costs are substantial for the agricultural industry in terms of premium rates and cost of claims. NFF acknowledges that there are specific agricultural industry factors that lead to the difference in safety records and claims profile against the all industry average. However, NFF believes that there are also external forces particularly workers compensation arrangements that contribute to that difference or do not assist in reducing the incidence and costs associated with workplace injury in the agricultural industry.

Workers compensation and occupational health and safety arrangements in Australia are complex and inconsistent. Although it is recognised that there have been some moves to remedy previously identified impediments and that the Federal and State Governments understand the importance of achieving greater uniformity, there is still some way to go to achieve the required improvements. As a result, the cost of workers compensation is

adversely affecting businesses throughout Australia, particularly farming businesses that pay substantially higher premiums than other industries.

The various legislative frameworks of workers compensation schemes impact on businesses differently between States and Territories. As a consequence the experiences of farmers in dealing with workers compensation varies making it difficult to make other than general comments on a national basis.

NFF supports a proactive approach to improving occupational health and safety and workers compensation in Australia. Prevention of injury occurring in the first instance must be the first priority, resulting in the need to maximise resources on effective occupational practices. This should then flow to a reduction of the cost burden on the workers compensation system. This may well be linked to incentives for preventative measures being introduced at the workplace including premium rate discounts and assistance for small businesses in implementing such measures.

NFF believes workers compensation and occupational health and safety is a significant issue for the agricultural industry. The Productivity Inquiry is a mechanism to not only highlight the deficiencies within current frameworks but more importantly design best practice for the future.

2. Australia's Farmers

Farming is an important sector of the Australian economy.

There are approximately 150,000 farming businesses throughout Australia, around 98% of those businesses would be defined, pursuant to turnover figures, as small businesses (less than \$10 million in turnover) or around 92% are micro businesses (less than \$1 million in turnover).

ABS statistics utilised to define an agricultural small business are calculated through a measure of the Estimated Value of Agricultural Operations. ABS determined that agricultural small businesses are those businesses as having an EVAO of between \$22,500 and \$400,000. In utilising that measure, ABS estimated that 86% of agricultural businesses are deemed to be small business. (p 80, ABS, *Small Business in Australia 2001, Cat No 1321.0*).

ABS characterises the agricultural industry as such:

*“The structure and characteristics of agricultural businesses can be quite different to those in other industries. Agricultural businesses tend to be dominated by owner operated family businesses, engage few regular employees; and show greater income volatility over time than businesses in other industries.” (p 79, ABS, *Small Business in Australia, Cat No 1321.0, 2001*)*

ABS figures estimate that for 2001/2002 agricultural businesses employed 381,000 people including seasonal casual workers (ABS, *The Labour Force, Australia, Cat No 6291.0*). This has dropped to approximately 300,000 jobs due to the drought, which is not a true reflection of usual employment within the sector over the past five years. A substantial number of agricultural employees are casual employees (ABS *Forms of Employment Survey Cat No 6359 0*).

Prior to drought, agriculture made up around 3% of Australia's GDP, having a value added of \$20.5bn in 2001-02 (*ABS, National Income, Expenditure and Product, table 47*).

Agriculture provided around 20 per cent (\$30bn) of our goods and services exports in 2001-02 (estimated 17% or \$27bn in the current drought year). (*ABARE, Australian Commodities, table 5 and 27*)

Many rural communities depend upon agriculture for their prosperity. Agriculture contributes more than 30 per cent of employment in 66 per cent of small non-coastal towns (*Agriculture contributes more than half of total employment in 28 per cent of small non-coastal towns. ABARE (2001), Country Australia, p38*).

Farmers are vital custodians of the land, with agricultural activities covering 60% of the Australian landmass (*ABS, Agriculture (Cat no 7113.0), table 5.1*).

3. Farming Workplace Safety Facts

Introduction

Workplace safety is a major issue within the farming community. An inherent feature of agricultural production is the significant risk to the safety of the employer and employees.

The impact of farm injury in a financial sense is significant. One report estimates that farm injury costs \$200-300 million a year, that is 13-20% of the net value of farm production (*Day et al, 1999, pvi*). This does not count the social costs associated with injury or death occurring within small communities.

Since the mid 1990s, Australia has experienced an improvement in the prevention of workplace injuries. Injuries in 1999/2000 in comparison to 1995/1996 were reduced by 20%; however, the cost of workers compensation average premium has increased by over 6% for the same time period (*Workplace Relations Ministers' Council, Comparative Performance Monitoring, Third Report*).

Agriculture has always recorded relatively high rates of injury in comparison to the Australian average but has been recording a reduction in injuries since the mid 1990s. For 2000/2001 agriculture achieved further reductions in the incidence of injury from 29.2 injuries per 1000 employees in 1999/2000 to 25.8 per 1000 in 2000/1 with the Australian average being 15.2 per 1000 employees (This reflects the incidence of injury relating to 1 week or more off work). This was recorded as a significant improvement within the hazardous industries category (*Workplace Relations Ministers' Council, Comparative Performance Monitoring, Fourth Report*).

Further, when considering the incidence of injury resulting in 12 weeks or more off work in 2000/2001, agriculture has seen a reduction of 7% since 1999/2000 (*Workplace Relations Ministers' Council, Comparative Performance Monitoring, Fourth Report*).

In reviewing the workers compensation data and considering agriculture to other industries, the agriculture sector ranks fourth in terms of the frequency of injuries (*Workplace Relations Ministers' Council, Comparative Performance Monitoring, Fourth Report*) and second in terms of fatalities (*Workplace Relations Ministers' Council, Comparative Performance Monitoring, Fourth Report, p 35*), however, these figures need to be seen in perspective in that less than 20% of farming injuries are deemed to be within the workers compensation jurisdiction (*Fragar & Franklin, 2000, p26*). This reflects the large number of owner/operators working on farms that are not covered by workers compensation. The comparison is particularly evident when considering farming fatalities. The workers compensation statistics report 24 farm deaths in 2000/2001 (*Workplace Relations Ministers' Council, Comparative Performance Monitoring, Fourth Report, p 35*) yet farming fatalities historically have averaged around 150 per year (*Franklin et al, 1999, p xxxii*). That is, only 16% of farming fatalities are covered by workers compensation. As a consequence, NFF considers occupational health and safety matters relating to all persons working on farms rather than restricting occupational health and safety practices to those covered by workers compensation.

One of the difficulties with implementing workplace safety mechanisms on farms is that there are a wide variety of hazards, which impede easy adoption of occupational health and safety principles and practices (*Fragar & Franklin, p 11*).

Further, farms are one of the most difficult workplaces to reach by those who wish to provide support, including government bodies. It is recognised that there is an ongoing need for research into alternative

ways of promoting occupational health and safety among farmers (*Sandell & Reeve, p viii*).

To highlight the significant concerns held by NFF in respect to workers compensation and occupational health and safety on farms, this section has simply provided an overview of the factual circumstances faced by farmers in respect to injury and fatalities in farms. The incidence rate is declining on a consistent basis, nevertheless, more work needs to be undertaken with farming identified as a priority area.

Farm Injury & Fatality

In extrapolating the general figures the following is a snapshot of statistics relating to farm injury and fatality:

Injury (*Day et al, 1999 & Fragar & Franklin, 2000*)

- There is an average of 30 injuries per 100 farms per annum
- Less than 20% of farm injuries are covered by workers compensation.
- Back injuries (17.8%), hand and finger injuries (17.5%) and lower limb injuries (17.1%) are the main injuries resulting from accidents on farms.
- Motorcycle (2 & 4 wheel) is an emerging issue with 400-500 admissions a year due to injury associated with motorcycles on farms.
- Sheep shearing experiences a very high rate of workers compensation claims and costs.

Fatalities (*Franklin et al, 1999 & Fragar & Franklin, 2000*)

- Approximately 150 deaths per year
- Majority of fatalities occurred to males with an average age of 37 years.
- Most common agents involved in a fatal incident were farm vehicles, mobile farm machinery and farm structures.

- Tractor deaths due to rollover and run-over remain the major causes of on-farm death.
- Majority of persons fatally injured were residents of the farm

General (*Fragar & Franklin, 2000*)

- Approximately 6,000 workers compensation claims per year.
- Around 6,500 admissions to hospital.
- Around 300,000 working days per annum are lost in the agricultural sector according to workers compensation statistics.
- Average age of broadacre and dairy farmer is increasing and in 1993/1994 the average age was 52 years.

Workers Compensation Premium Rates

In 2000/2001 premium rates for the agricultural, forestry and fishing industry were the highest across all industry sectors averaging 5.53% of payroll. This compares to the all-industry average of 2.42% (*Workplace Relations Ministers' Council, Comparative Performance Monitoring, Fourth Report, p 52*).

When considering agricultural rates between jurisdictions there is a marked variance between schemes. The lowest for the industry was Queensland (3%) while the highest (8.5%) was in NSW (*Workplace Relations Ministers' Council, Comparative Performance Monitoring, Fourth Report, p 58*).

Agriculture has seen even higher rates with some climbing up to nearly 13% for certain commodity sectors of the industry (*for example, NSW Workcover Industry Classification System, Division A, Agriculture, Forestry & Fishing, 2003-2004*).

Rehabilitation & Return to Work Practices

In 1995 workers compensation claims including rehabilitation costs in the agricultural industry were \$6920 per claim, which was 23% higher than the

all industries average cost per claim. Agriculture experienced on average 51.8 days of lost work for each workers compensation claim (*Farm Health & Safety Research and Development Strategic Plan, April 2002, p 14*).

The high cost of claims in the agricultural industry can be partially attributed to the lack of accessible support services including medical specialists, government authorities and claims officers.

Concerns have been expressed about delays being experienced in dealing with workers compensation matters and lack of consultation that consequently increase the cost of the claim.

Injured workers in rural areas also face the problem of no or minimal alternative employment options if they cannot return to their old job. This is due to the high level of manual labour required in the agricultural industry limiting the alternative work options at the workplace or other businesses in surrounding areas. Problems of this nature also arise with injured seasonal casual workers, with work no longer being available to injured employees once they are able to return to work.

Occupational Health & Safety

As previously cited farm work places are one of the most difficult places to reach with policy instruments available to government. The reasons for this include

“the presence of family members in the work place, the fact that many farm businesses are operated by people who are self-employed, and the geographical dispersion of farm businesses.”
(Sandell & Reeve, 2000, p1).

Research has concluded that there is a need to continue to look at new options in promoting occupational health and safety for farm businesses (Sandell & Reeve, 2000, p1).

The farm industry itself is undertaking a significant role in looking at alternatives to provide for the better uptake of safety practices. For example, the industry through Farmsafe Australia has developed the *Managing Farm Safety Course* that was developed to overcome the lack of a framework within which individual farmers can manage safety issues (Day et al, 1999, p iii). The Federal Government has assisted with the uptake of this course by providing funding to assist farmers attend the course through the Advancing Agriculture in Australia Program.

Occupational Health and Safety Programs are ad hoc throughout the jurisdictions and there is evidence to suggest that money is wasted through a multi-jurisdictional approach to occupational health and safety.

NFF acknowledges the proactive role some state governments play in providing occupational health and safety advice to the agricultural sector. In most jurisdictions, agriculture is recognised as a priority issue, however, there is no question that assistance could be improved and duplication removed to maximise value for money. For example, Victorian Workcover produced a very good, practical Health and Safety in Shearing booklet. This booklet is accessible on the website and multiple copies are free of charge. Instead of simply replicating the document produced by Victoria, NSW Workcover created its own document that is not user friendly and a cost is allocated for multiple copies.

4. Priority Areas for Change

NFF has identified 3 major areas where change is required for the benefit of minimising work related injury and also reduce the costs associated with workers compensation and occupational health and safety for farming businesses.

Those areas are:

1. Definitional Issues

Who is a worker for the purposes of workers compensation?

Should the definition include self-employed and contractors?

Are there problems associated with differences in definitions between jurisdictions?

2. Structural Issues

How can structural improvements assist in minimising work place injury and associated costs on farms? Is a national system the most appropriate option to resolve some of the key issues faced for business? How should cross border issues be resolved?

3. Injury & Cost Reduction Measures

Are there more appropriate ways for government and industry to minimise cost associated with workers compensation and occupational health and safety measures? What are some practical solutions? Would a strong focus on proactive measures on occupational health and safety systems coupled with attention to reducing the cost of workers compensation claims be the most effective for farming businesses?

NFF intends to explore each of these areas in the following 3 chapters.

5. Definitional Change

The definition of a worker for the purposes of workers compensation has been the subject of previous reviews of Australia's workers compensation systems.

The Industry Commission Inquiry in its 1994 Report made a series of observations and a recommendation as to the definition of a worker for the purposes of workers compensation, as follows:

- *“The absence of a consistent definition of a worker among jurisdictions is inequitable, provides scope for eroding access to workers’ compensation and exacerbates cost shifting.*
- *In current circumstances, it is appropriate for self-employed small business people and farmers to continue to arrange their own insurance coverage for workers compensation.*
- *The Commission draws attention to the coverage of contractors which may become an increasingly important issue.*
- *The Commission recommends that all jurisdictions adopt a common definition of a worker for the purposes of workers’ compensation coverage to be developed (in consultation with existing schemes) by the proposed National Workcover Authority.” (Industry Commission, 1994, pp 92-93)*

The matter was then considered by the Heads of Workers’ Compensation Authorities in 1997 who identified 3 options in regard to the definition of a worker for a national consistent approach to the coverage issues, those being:

- *“the PAYE approach, which would restrict coverage to workers who have income tax paid at source under the PAYE tax system; or*

- *a broader definition, which might include unincorporated contractors or self-employed persons; or*
- *the approach in the Interim Report, which is based on the principles that: -*
 - *the common law concept of employment should be the fundamental determinant of coverage;*
 - *coverage should not extend to the self-employed;*
 - *schemes should cover contractors who are incorporated, but who operate as a sole proprietor or in a partnership, in circumstances where they derive a personal service income from predominantly from one organisation; and*
 - *standardised categories of deemed coverage should be granted to certain classes of worker.” (Heads of Workers Compensation Authorities, 1997, p 10)*

The Report concluded that the third option was the most appropriate (*Heads of Workers Compensation Authorities, 1997, p 10*). The recommendation was, therefore, similar to that expressed by the Industry Commission.

In the recent House of Representatives Inquiry into workers compensation a different conclusion was reached in the determination of what is the best approach to take when considering the scope of who should be covered by a worker. In acknowledging the broadening of the definition of worker by Workcover Queensland to enable persons under a contract of service including labour-only workers, the Committee recommended

“a study to identify the extent to which workers are currently not covered by any workers’ compensation system, with a view to adopting a national standard that covers the widest possible numbers of workers.” (House of Representatives Committee, 2003, pp 11 & 196).

The NFF supports a consistent and appropriate definition of an employee at a national level particularly to assist with cross border matters.

However, NFF would be concerned as to any change in a definition that would increase overall costs associated to an employer. That is, reflecting the broadest existing definition within one jurisdiction, that may well be to the economic detriment to businesses in other jurisdictions, should not be necessarily considered as a viable proposition. Any change to the coverage of workers compensation to enable national consistency should be at a cost neutral basis for employers.

NFF would not support an extension of the definition of an employee to such an extent that it covered self-employed persons. This position is consistent with the approach taken by the previous Industry Commission Inquiry and also the Heads of Workers Compensation Authorities. NFF believes that any substantial broadening of the definition of employee to cover the self-employed would increase costs substantially for those affected by such a change. Existing alternative methods of coverage for the self-employed should remain particularly given the competitive advantages the existing system has over workers compensation in most jurisdictions.

6. Structural Change

The task in achieving a single national workers compensation system would be immense. NFF submits that the negative ramifications of introducing one system due to the diversity, complexities and problems inherent within the current multiple systems well outweigh the positives.

NFF has received a diverse range of responses from State member organisations depending upon the various histories and current status of each jurisdiction. There is no question that the most concern centres on the cost of workers compensation in New South Wales. Farmers of other jurisdictions are very wary of any consideration of a national model predominantly due to the problems in NSW.

This position, however, does not preclude the development of a model framework that reflects best practice for workers compensation and occupational health and safety in Australia to eventually achieve consistency between the jurisdictions without the necessity for a move to a single system. The model could include a recommended process, prioritising key areas of reform including a timeline attached to the process. The model should be predicated on the basis of positive outcomes for all affected by workers compensation and occupational health and safety. NFF does stress, however, that best practice includes an outcome whereby costs and administrative burdens are reduced for all jurisdictions rather than a reduction in costs for one jurisdiction to the detriment of others.

The NFF approach is consistent with the recommendations of the recent House of Representatives Inquiry into workers compensation. The Committee recommended that

“The Commonwealth Government support and facilitate where possible the development of a national framework to achieve greater national consistency in all aspects of the operation of the workers’ compensation schemes.” (Recommendation 14, House of Representatives Inquiry, 2003, p 220)

One of the concluding comments from the Committee in respect to recommendation 14 highlighted some of the concerns held by NFF.

“An important aspect of workers’ compensation is that culture and custom and practice can have a significant impact on the economic and non economic costs of claims. While there needs to be greater consistency in the legislative outcomes for the workers’ compensation schemes nationally, many of the problems arise from the administration, practices and the attitudes of some employers, service providers, insurers and workers’ compensation schemes. The accountability of each of the sectors of the workers’ compensation system needs to be enhanced to address the inefficiencies and lack of appropriateness and effectiveness of the practices.” (House of Representatives Inquiry, para 8.103, p 220).

Structural reform and a focus on best practice may need to include a review of the difficulties faced by regional Australia within the current framework. In the next section, NFF will focus on a number of reforms that can be conducted on a practical sense, however, a broader structural framework will need to reflect the particular difficulties faced by workers in regional Australia in relation to access to occupational health and safety training and advice, rehabilitation services and return to work opportunities.

NFF also stresses the importance of any structural reform to include as an urgent priority the resolution of the impasse in relation to cross border recognition. That is, we need to ensure that a scheme is established to

accommodate full workers compensation coverage for workers employed in one jurisdiction who work in another jurisdiction. This is of particular concern to farmers where property may cross between two jurisdictions or farming workers who travel across borders to work.

While it is understood that work is currently underway in an aim to simplify and clarify the problems with cross border recognition, it is an issue that has been on the table for far too long and is causing significant concern to those farmers affected because presently an employer is required to have multiple workers compensation policies for those workers working in other states which results in additional administrative and compliance costs.

NFF recommends the immediate action by States to introduce amendments in each jurisdiction to reflect the “Connection Test”. That is, employers will only need to have workers compensation coverage in the State to which the worker’s employment is connected. It is understood that the Connection Test comprises:

1. The state where the worker usually works,
2. If test 1 doesn’t apply, the state where the worker is usually based for that employment (not where they live), or
3. if tests 1 or 2 doesn’t apply, then the state where the employer’s principal place of business is based (in Australia).

NFF also encourages as a priority in the development of the best practice framework the setting of premium rates. This issue was considered in the Industry Commission Inquiry into workers’ compensation in 1994. NFF refers the Productivity Commission to the section 3.6 of the Report, commencing at page 60. The Commission, with a focus on providing incentives for prevention recommended that

- *“cross-subsidies between firms and the artificial suppression of premium volatility be discouraged where practicable, as they*

undermine safety incentives and discriminate against firms with superior safety records;

- *large firms, for whom experience is a good proxy for risk, be experience rates, and*
- *small firms for whom experience is not a good proxy for risk, be subject to bonus/penalty schemes designed to provide reasonable predictable and consistent premium charges.” (Industry Commission, 1994, p 70)*

The Industry Commission model is an example of providing greater certainty and incentive for good workplace practice. NFF believes that due to the large fluctuations of premiums paid between jurisdictions and the lack of incentives (with some minor exceptions) to reduce those premiums due to good safety records, there is a need for a review as part of developing best practice as to the way in which premiums are set and the contingency factors that impact on the level of the premium rates. Occupational health and safety incentives linked to premiums will be considered further in this submission.

7. Injury & Cost Reduction Measures

The financial and emotional cost impact of injury and death for self-employed persons, employees, their families, the employer, governments and the taxpayer is significant. Yet, in the NFF's opinion, there are insufficient incentives and assistance provided to reduce that cost in the agricultural industry. NFF acknowledges it is not the role of governments to assume sole responsibility, but rather all parties involved need to consider the ramifications of their actions and the subsequent costs associated with those actions or inaction.

This approach to take in respect to achieving the aim of reducing injury and death and associated costs was expressed in the Industry Commission Report in 1994:

"We can achieve healthier and safer workplaces. Well-considered occupational health and safety practices and complementary workers' compensation and rehabilitation arrangements have a vital role in reinforcing self-interest in minimising the risk of death, injury or illness associated with the jobs we do. Healthier and safer workplaces are also more productive ones – and firms with good safety records find it easier to attract good staff." (Industry Commission, 1994, p xxvii).

NFF believes that there are 3 areas where industry can work with government to be more proactive with the aim to achieve a reduction in injury and death that will also ultimately reduce the costs incurred by business, insurers and government. Those areas relate to access and incentives relating to occupational health and safety training and advice; rehabilitation and return to work/alternative work. These are particular issues for Australia's farmers.

Occupational Health & Safety Training & Advice

Considerable work has been undertaken in the agricultural industry in relation to overcoming the barriers to prevent farm injuries to the farmer and their employees. Much of the research focuses on the inadequacies inherent in the system as to assisting farmers in implementing risk management strategies relating to occupational health and safety. Issues that continually crop up include remoteness, administrative and compliance costs, nature of small business and the culture of farm work held by employers and employees. As a consequence, it is recognised that there is an ongoing need for research into alternative ways of promoting occupational health and safety among farmers. (Sandell & Reeve, 2000, p viii)

For example, Day et al concluded that

“farm safety should be marketed in a way that links it to the higher ranked priorities of farmers, including productivity, maintenance of the farm family lifestyle, efficiency, farm management and maintenance of independence.” (Day et al, 1999, p xi).

The implementation of workplace safety best practice and a consequential result in a reduction of injuries sustained on farms is not insurmountable but does require the assistance of government. The agricultural industry does have a high risk to injury and does experience greater numbers of workers compensation claims than the all industry average.

NFF believes that it is imperative that government provides assistance through various mechanisms including workers compensation and occupational health and safety arrangements to ensure that preventative action is taken to improve workplace safety.

Mechanisms to achieve this aim include:

- Incentives to implement occupational health and safety best practices through a reduction in workers' compensation premiums as provided by an insurer in Western Australia (a 15% discount on the premium is offered if the Managing Farm Safety Course is undertaken, a plan is implemented and there are no accidents on the farm for 12 months).
- Ongoing financial support to undertake occupational health and safety training
- Providing simple plain English advice to farmers linking the reasons of risk management practices to reduction in workers' compensation costs, own personal insurance premiums and increase in productivity. For example, Rural Skills Australia is about to release a Training and Induction booklet that has been developed by farmers that includes stories highlighting the benefits of occupational health and safety induction process. Another example is the Health and Safety in Shearing booklet developed by Worksafe Victoria.
- Barriers to the use of personal protective equipment, including physical discomfort and design problems should be explored and addressed (*Day et al, 1999, p xi*).
- Design faults and problems with farm machinery and equipment should be fully explored and addressed at the design stage wherever possible (*Day et al, 1999, p xi*).
- Programs to assist a change in cultural attitude. Research has suggested that there is a low perception of personal risk of farm accidents among farmers coupled with reluctance to change

traditional work practices, although this attitude is reported higher with self-employed farmers without employees as opposed to operators with employees and/or young farmers (*Day et al, 1999, p 20*).

- Increase in access to training and advice. While acknowledging that remoteness of farming businesses increases costs associated with providing training, overall the cost of providing that service will be returned in a reduction of costs attributable to an injury.
- Impact statements undertaken prior to the introduction of or any new occupational health and safety legislation as it relates to small business. Concern has been expressed as the cost of administering occupational health and safety regulations that may well detract the employer from effectively undertaking risk management practices as they are too focused on the paperwork associated with the regulations.

Rehabilitation

NFF supports the introduction of greater incentives and assistance for workplace rehabilitation practices, however, for that to be effectively implemented in farming businesses there needs to be special consideration to those who currently face difficulties in accessing the required support services.

These concerns were recognised by the House of Representatives Committee:

“Injured rural workers have specific needs associated with the high incidence of injury and their frequent remoteness from many services” (House of Representatives, 2003, 177).

The high cost of claims in the agricultural industry can be partially attributed to the lack of accessible support services including medical specialists, government authorities and claims officers. NFF recommends that accessibility of services needs to be considered as a significant priority. If the cost of claims in agriculture cannot be reduced any proactive work to reduce the incidence of injury and death would be neutralised. This is already exemplified by the figures where workers compensation claims including rehabilitation costs in the agricultural industry are estimated at nearly \$7000 per claim, which is 23% higher than the all industries average cost per claim, yet the number of injuries are actually reducing within the industry.

Concerns have been expressed about delays being experienced in dealing with workers compensation matters and lack of consultation that consequently increase the cost of the claim. A process to assist in the resolution of these problems could include the implementation of performance criteria and audit of agents. NFF further submits that there should be full accountability placed on costs of a claim and more aggressive risk management approaches being applied by insurers.

Return to Work

NFF believes there are unrealistic expectations on farmers to provide return to work options for employees who have been injured given the manual nature of work in agriculture. Alternative return to work avenues need to be considered and addressed by claims agents to minimise the cost of the claim.

The difficulties associated with alternative employment are not a major issue being faced in metropolitan areas where access to retraining and alternative jobs is far more accessible. The lack of alternative work options for agricultural employees unable to return to their job contributes to the high cost of claims being faced by the agricultural industry.

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