



QUEENSLAND FARMERS' FEDERATION



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**SUBMISSION TO THE QUEENSLAND PARLIAMNET**

**FINANACE AND ADMINISTRATION COMMITTEE**

**THE OPERATION OF THE QLD WORKERS'  
COMPENSATION SCHEME**

**SEPTEMBER 3, 2012**

Queensland Farmers' Federation (QFF) is the peak body representing and uniting 17 of Queensland's rural industry organisations who work on behalf of primary producers across the state. QFF's mission is to secure a sustainable future for Queensland primary producers within a favourable social, economic and political environment by representing the common interests of its member organisations'. QFF's core business centres on resource security; water resources; environment and natural resources; industry development; economics; quarantine and trade.

Our goal is to secure a sustainable and profitable future for our members, as a core growth sector of the economy. Our members include:

- Australian Prawn Farmers' Association,
- CANEGROWERS,
- Cotton Australia,
- Growcom,
- Nursery and Garden Industry Queensland,
- Queensland Chicken Growers Association,
- Queensland Dairyfarmer's Organisation,
- Queensland Chicken Meat Council,
- Flower Association of Queensland Inc.,
- Pork Queensland Inc.,
- Queensland United Egg Producers,
- Biological Farmers of Australia
- Fitzroy Food and Fibre Association,
- Pioneer Valley Water Co-operative Limited,
- Central Downs Irrigators Limited, and
- Burdekin River Irrigators Area Committee

QFF welcomes the opportunity to provide contribution to this inquiry. We provide this submission without prejudice to any material provided to you by our members or individual farmers

### **Introduction**

QFF recognises that farming is a hazardous occupation. FarmSafe Australia compiles statistics on farm accidents and deaths, and its analysis of print media reports in 2011 indicated that there were 59 on-farm deaths last year, with Queensland being the third most dangerous State with eight deaths. There were an additional 81 non-fatal injuries in the period associated with the range of equipment and practices that are used and occur on farms. Farming by its nature involves a number of hazards that must be managed and mitigated, including but not limited to farm vehicles, mobile farm machinery and plant, working at heights, confined spaces, water bodies, smoke, animals, firearms, and chemicals. In addition, farming involves other potentially hazardous but non-lethal activities associated with noise, odour, light, heat, and others. According to FarmSafe Australia, quad bikes are the leading cause of death on Australian farms.

It is important to note that the general trend among farm related deaths is a decreasing number, with FarmSafe data from years back to 2003 and 2004 indicating there were 104 and 98 deaths respectively in these years, nationally. Nonetheless,

farming still ranks among the most dangerous occupations in Australia, and farms are among the most dangerous workplaces.

### **Farm trends**

These inherent risks in farming work places are exacerbated by a number of trends that are occurring in farm demographics and industry, some of which have been reported extensively in the past and others of which are well known by industry. The average age of farmers is increasing and is estimated to be older than 57 years. Similarly farm employees can also be in this older age bracket, or they otherwise young with limited experience. Many farming operations are family run with only a small number employees, and with a combination of both full and part-time. Various tasks are normally carried out on a farm by workers, and although there may be an expectation that all farm workers will be multi-skilled, this may not always be the case and often employees are asked to have a very diverse range of skills. Farming also has a culture of 'rugged individualism' and of independence. Continued erosion of on-farm margins risks placing pressure on farmers to continually be self-reliant in all areas of their business. While this resourcefulness could save operating costs, it can risk exposing farmers to new hazards. With skills shortages in the sector, this means that farmers and workers may be forced to work longer hours, exposing them to greater fatigue induced injuries.

Natural disasters either of relatively short duration such as cyclones or much longer events such as drought put enormous pressure on all parts of the community including the farming sector. Recovery is often long and associated with serious financial impacts. Queensland has confronted a number of these disasters in recent years, including cyclones, floods and prolonged drought. There is a risk that at these times, issues such as worker safety and related issues are often not seen as priorities in terms of developing safe systems of work compared to the rebuild and restoration of cash flow priorities. This should not be seen as farmers having a blatant disregard for the safety of their workers or themselves, but more a matter of getting on with the job in difficult times. The well recognised challenge is to ensure for primary producers are engaged in these issues and implement safe work practices during time of financial and climatic security.

There are many risks and challenges associated with reducing farm accidents and deaths. The theme of this submission is that a coordinated government investment and approach is needed to reduce these risks, and that doing so is a socially and economically worthwhile investment. Implementation of safe work practices in rural production systems needs to be invested in prior to crisis or disaster management situation because when these situations eventually arise, the rural economy will recover quicker through the maintenance of on farm employees and their focus on returning to productivity.

### **WorkCover**

Workcover reports that in 2011 they managed 2,130 statutory claims and paid \$23.5 million in claims costs for the agriculture, forestry and fishing industry.

In 2011/12 WorkCover Queensland insured approximately 14,100 employers, whose primary or predominant business activity was in the Agriculture, Forestry and Fishing industry, totalling \$1.3B wages.

WorkCover premiums are rising for most types of farming enterprises. Recently, WorkCover Queensland announced increases for agricultural employers. Across agriculture, forestry and fishing there has been an increase in the average premium rate by 4.1%. While many view this as a moderate increase, it is the distribution of these increases that can cause the greater impact.

It is estimated that:

- 7257 [51% of total] policy holders will have an average rate **increase** between 0-10% and 355 policy holders will have an average rate **decrease** of the same range.
- 333 policy holders will have an average rate **increase** between 10-20% and 46 policy holders will have an average rate **decrease** of the same range.
- at the high end, 24 policy holders will have an average rate **increase** between 40-50% whilst 46 policy holders will have an average rate **decrease** of the same range.
- 28 policy holders will have an average rate **increase** of greater than 50% while 1 policy holder will have an average rate **decrease** of the same range.

In terms of the intensive agriculture sector, the aquaculture industry will be one of the most impacted, with an increased average rate of 15.2% to 17.8% (onshore to offshore cages aquaculture).

The primary production sectors are generally aware that if they are to reduce premiums then improving on-farm safety is an imperative. Given the issues outlined in the opening comments it is unlikely that this will be achieved broadly without some outside interventions such as the provision of on-farm extension services. Put simply if the status quo for the provision of on farm extension and education services remains or indeed becomes worse, so too will the accident rate and premium increases occur.

QFF contends that there is an important need for the re-investment of these WorkCover premiums back to industry services.

Currently, WorkCover has the capacity to identify types of injury and the enterprises that have the poorest track record in terms of claims. An example of this is the issue of muscular-skeletal injuries in horticultural packing sheds.

WorkCover has in the past used Workplace Health and Safety Queensland (WHSQ) to target some of the larger employers with high rates of claim. In rural industry, FarmSafe Queensland has been contracted through its project funding to help individual enterprises to assess their risks and develop safe systems of work including modifying production equipment. Unfortunately, due to budget cuts in 2012, Farmsafe Queensland will not be receiving funding from WHSQ to be able to continue this role. This now leaves industry exposed and puts at risks gains in recent years in reducing the number of farm accidents.

While increasing WorkCover premiums will impact on a farms' bottom line, this impost will be exacerbated with many farmers (small businesses) being unable to access professional advice from Farmsafe Queensland as part of its responsibility under previous projects. They will no longer be able to easily access general advice other than through a departmental website.

With no funding available through the traditional sources then it will be an imperative for WorkCover to provide funding to third parties such as FarmSafe Queensland or industry organisations to assist target industries and/or operators to develop safer systems of work. It is this overall implementation of a safer system fo



farmer and a greater emphasis on a higher standard of safety in rural work places that is required. As QFF has explained in this submission, farming is a dangerous occupation and clearly there is significant work that needs to be done if industry is to be effective in reducing the number of accidents and fatalities. The downward trend in such accidents demonstrates what can be achieved when a coordinated approach is taken. Therefore, there is a strong case for Government intervention to assist industries and operators to develop a safer system of work. It is an investment that would be rewarded. It has been estimated that farm deaths and injuries cost the agriculture sector and the broader communities \$1 billion per year. Reducing or eliminating these deaths and accidents should be an important objective for government, and one that makes an important economic contribution to the State.

This type of model of the reinvestment of WorkCover funds into preventative measures is not without precedence. With The subsidy provided for the fitment of Roll-over protection systems (ROPS) on tractors as part of the new obligations regarding compulsory ROPS on tractors has been a huge success.

Similar programs could be developed including education on quad bike usage and cost sharing for the purchase of helmets and the possible fit-out of crush protection devices, if that is shown to deliver positive outcomes in reducing deaths and injury as a result of rollovers. As stated earlier in this submission, there has been a significant increase in death and injury associated with quad bikes. Of the 58 deaths in 2011, 18 were related to quad bikes, making it by far the most dangerous piece of farm equipment. While it is the case that not all quad bike use is workplace related, there has been a significant increase in the number of bikes in work related activities. The level of death and injury is very high and this needs to be addressed through education, training where appropriate, and the use of safety aids as required.

## **Conclusion**

QFF understands that WorkCover insurance serves an important purpose and it plays a role in promoting safe workplaces, as well as the overall importance of having insurance to reduce the financial impacts for both the employee and the employer. However, more work must take place on a pro-active approach that helps minimise and reduce accidents, in the context of these premiums. QFF is not satisfied that this work is going to continue happening in a constructive way in the current environment. QFF firmly believes that there should be greater investment from WorkCover on preventative practices and assistance regarding workplace risks. Risk mitigation, preparedness, and education, is a crucial aspect of insurance generally, and especially so in terms of workplace safety. QFF would welcome the opportunity to work with the Government and Workcover to investigate ways in which this partnership could be formed.

## **References**

[www.workcoverqld.com.au](http://www.workcoverqld.com.au)

<http://www.farmsafe.org.au/index.php?article=content/reports/farm-safety-reports>

<http://www.abc.net.au/news/2010-07-23/farm-accidents-cost-1b-per-year-research/916300>

## **E.O.D**