

WORKCOVER NEWS

The workplace safety and injury management magazine

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June - August 2003

- **Special Feature – Improving Compliance in Workers Compensation**
- **Six-Point Plan Addresses NSW Workplace Safety Summit**
- **Safety in the Rural Community – ROPS Rebate Extended**
- **Workers Compensation Changes – What You Need to Know**



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Manager



WorkCover's vision is to ensure safe, secure workplaces. Improved compliance with workplace health and safety standards is designed to prevent injuries. Improved compliance with workers compensation requirements will ultimately benefit all NSW businesses and their workers.

A Workers Compensation Scheme that is balanced and financially sound is in everyone's interest. On 24 February 2003, the Hon. John Della Bosca MLC announced a package of measures to improve compliance with the State's workers compensation laws.

These reforms are designed to ensure that employers pay the correct premiums, medical and other professionals provide appropriate services and fraudulent claims are detected as early as possible.

Changes that have been introduced to improve premium collection include an expansion of the definition of wages, changes to grouping provisions and new obligations on principal contractors to ensure that their sub-contractors have appropriate workers compensation insurance. Details can be viewed in the article *Workers Compensation Changes – What You Need to Know* on page 6 of this edition.

To help tackle the problems of non-compliance in the Scheme, there are now tougher penalties for fraud of up to \$55,000 or two years in prison. New sophisticated methods are being used to upgrade data collection, analysis and detection of non-compliance activities (feature article on page 12).

As highlighted in the last edition of *WorkCover News*, the *Small Business Assistance Strategy* aims to provide targeted resources for small business operators in NSW to help them improve health and safety at their workplace. This strategy will be progressively delivered in partnership with industry in 2003/04. Information on this priority initiative is accessible on our website.

WorkCover is also working in partnership with industry and the Safety Institute of Australia as the principle sponsor of *The Safety Show and Conference, Sydney 2003*, which will take place in October at the Sydney Showground in Homebush Bay. The Show will feature innovative and technological advances in workplace safety. Further information will be provided in subsequent issues of this magazine. I look forward to seeing you there.

A handwritten signature in black ink, appearing to read 'Rob Seljak', with a long horizontal line extending to the right.

Rob Seljak
Acting General Manager
WorkCover NSW

Six-Point Plan Addresses the

NSW Workplace Safety Summit

IN NOVEMBER 2002, THE MINISTER FOR COMMERCE, THE HON. JOHN DELLA BOSCA MLC, LAUNCHED THE GOVERNMENT'S FORMAL RESPONSE TO THE WORKPLACE SAFETY SUMMIT.

The Summit, held in Bathurst in July 2002, was attended by over 200 delegates including international and local health and safety experts and leaders from NSW businesses, employer groups, trade unions and government. The Summit produced 132 recommendations to improve the safety of workers and the productivity of business.

The Government's \$13m three year program to address the recommendations put forward by industry at the Summit, focuses on developing practical solutions to prevent workplace injuries in high-risk areas. WorkCover's Corporate Plan for 2003-06 has allocated priority-one status to this program, which includes six strategic projects:

- targeted use of resources
- small business strategy
- effective regulatory framework
- incentives
- stakeholder engagement
- return-to-work improvement.

To date, the following milestones have been achieved:

Targeted use of resources

- a Data Mining Unit was established in January 2003. It uses statistical analysis to identify OHS issues that are most in need of attention, allowing WorkCover and industries to best target their resources
- existing work-related incident notification processes are being streamlined to reduce red tape by removing double notification obligations imposed on employers
- safety is being improved in the forestry industry by introducing total harvesting mechanisation
- farmers are being funded to improve working conditions in shearing sheds, and a ShearSafe Program has been established in regional centres including Armidale, Young, Cooma, Orange, Hay, Goulburn, Wagga Wagga, Moree and Dubbo
- a dedicated rural safety site has been established on the WorkCover website to help farmers and rural workers get access to important safety information.

Small Business Assistance Strategy

- after-hours clinics have been established to enable small business operators to get one-on-one advice from WorkCover staff
- a dedicated Small Business Assistance Strategy site has been established on the WorkCover website to help small business operators understand their legal obligations, and gain access to important safety information.

Effective regulatory framework

- a Fatalities Unit has been established to enable WorkCover staff to undertake case management of investigations
- the definition of wages for workers compensation purposes has been aligned with that used for pay-roll tax purposes to simplify the calculation of premiums, decrease compliance costs and reduce red tape
- the Code of Practice for Safety in Forest Harvesting Operations has been implemented.

Incentives

- the WorkCover Industry Classification system is being monitored and, in consultation with industry, modified where industry classes do not accurately reflect the previous claims experience of employers in that class
- Expressions of Interest are being sought from not-for-profit organisations to take part in the Premium Discount Scheme
- the WorkCover Assist program for 2003 has been rolled out. Fifty trade unions and employer associations have received funding to enable them to educate their members on the new OHS and workers compensation legislation
- the Roll Over Protection Scheme (ROPS) has been extended. More than 100 applications per week continue to arrive and over \$860,000 in rebates has already been provided to NSW farmers.

Stakeholder engagement

- a Safer Towns and Cities pilot program has been established in Bathurst and Orange to showcase the range of safety initiatives being undertaken by government agencies. These agencies will demonstrate models of good safety practice (such as WorkCover's risk management system).

Return-to-work improvement

- a GP education plan, including a 'better back pain management' program, has been established to improve return-to-work outcomes. To date, 440 GPs have been trained.

Rural Community



ACCESS TO SAFETY INFORMATION CAN BE LIMITED IN RURAL AREAS and there are significant issues associated with working in the industry:

- three workers die each week on Australian farms
- 35 bystanders are killed every year, predominantly children
- 18 others, mainly visitors, are killed every year.

As a result, WorkCover has established a Rural Safety Hotline to provide farmers, rural workers and others in rural communities with important information about farm safety and useful contacts. The Rural Safety Hotline number is 1800 300 377.

Through the Hotline, callers can access WorkCover, Farmsafe NSW, the NSW Farmers Association or Unions NSW. The call is free from anywhere in NSW – where normally these calls would be at STD rates outside the metropolitan area.

Safety in the sheep shearing industry

WorkCover's ShearSafety Program aims to help woolgrowers and sheep shearers improve safety in the industry.

ShearSafety was borne from the need to address the large number of workers compensation claims that arise among sheep shearers – almost six times more, annually, than any other industry (150 claims per 1,000 workers, compared with 26 per 1,000 in all other industries).

The program involves seminars and financial incentives. The seminars focus on risk management, legislative responsibilities, shearing shed design, injury management and workers compensation. Copies of the *WorkCover Shearing Guide 2002* (Catalogue No. 692) are provided to participants. It is also available on the WorkCover website at http://www.workcover.nsw.gov.au/Publications/pdf/shearing_guide_2002.pdf, or by calling the WorkCover Publications Hotline on 1300 799 003.

Seminars have already been conducted in Armidale, Young, Cooma, Orange, Goulburn and Wagga Wagga. The remaining seminars will take place in Barraba, Moree, Condobolin, Dubbo and Hay.

Barraba – Thursday 3 July

Barraba RSL, Maude Street
Seminar 1: 2 – 4pm
Seminar 2: 5 – 7pm

Moree – Thursday 24 July

Moree Services Club, Albert Street
Seminar 1: 2 – 4pm
Seminar 2: 5 – 7pm

Condobolin – Thursday 7 August

Condobolin RSL, McDonnell Street
Seminar 1: 2 – 4pm
Seminar 2: 5 – 7pm

Dubbo – Wednesday 27 August

Dubbo RSL, Brisbane Street
Seminar 1: 2 – 4pm
Seminar 2: 5 – 7pm

Hay – Friday 12 September

Shearers Hall of fame
Seminar 1: 2 – 4pm
Seminar 2: 5 – 7pm

To register for a ShearSafety seminar, call WorkCover on (02) 4321 5305.

Under the ShearSafety Program, anyone in the shearing industry who qualifies can apply for a \$60 rebate to replace their pin-drive handpieces with the less dangerous worm-drive mechanism. By May 2003, more than 800 rebates had been paid. Application forms (Catalogue No. 1228) are available from the Publications Hotline (1300 799 003) and from the WorkCover website.

The ShearSafety Program also includes a dollar-for-dollar incentive, up to \$20,000, for 11 shearing shed owners to assist them develop safer working environments. The funds will be used for improvements such as guarding of grinders, replacement of electrical wiring, and better ventilation, lighting and floors. Towards the end of 2003, these sheds will be showcased at open days to highlight good, cost-effective occupational health and safety (OHS) practices.

ROPS – rebate extended

By the end of June 2003, 7,800 tractor owners will have been paid \$200 each under the NSW Government's program of reimbursement for the cost of fitting a roll over protection structure, or ROPS, to their tractors.

Within the first year of launching the ROPS rebate in August 2000, there was a 29% drop in serious tractor-related trauma incidents from the preceding nine-year average. The 78 incidents in 2000-01 represent the lowest number of incidents in the past decade.

Recently, the Minister for Commerce, the Hon. John Della Bosca MLC, announced that due to its success and because everyone who was eligible had not yet taken advantage of the rebate, it would be made available for a further six months, until 31 December 2003.

Rural Field Days

Every year, WorkCover attends a number of Rural Field Days around NSW. Staff provide information on the latest OHS, workers compensation and injury management issues, together with a range of WorkCover publications. Visitors can have one-on-one consultations with WorkCover staff to obtain practical solutions for controlling and managing hazards specific to the rural industry.

Forthcoming field days at which WorkCover will be present include the Ag-Quip Field Day in Gunnedah from

19-21 August, the Henty Machinery Field Day from 23-25 September, and the Australian National Field Day in Orange from 21-23 October.

For further information, contact WorkCover on (02) 9841 8525.

Child safety on farms

Australia-wide, 30 children die each year as a result of incidents on farms. Around 600 are injured severely enough to be hospitalised. Drowning in dams, rivers or ponds is the most common cause of infant death on farms.

To safeguard children from water and machinery hazards, it is essential to restrict their ability to access these hazards. Tractors, mobile plant, motorcycles, farm vehicles and horses are other common hazards that frequently result in the death or injury of children on farms.

A three-year initiative, targeting these hazards and highlighting the barriers to child safety on farms, is being run by Farmsafe. As part of the initiative, a dedicated website containing information on hazards and a checklist to help farmers identify and assess risks has been created. Visit <http://www.farmsafe.org.au/childsafe.htm>.

RURAL SAFETY WEEK – 21-25 JULY 2003

Rural Safety Week is in its fifth year and, building on last year's success, will again adopt the theme 'Farm safety is good business'.

The major objective of Rural Safety Week is to raise awareness about hazards in the workplace – and their solutions – within rural communities, with a particular emphasis on farmers. A range of activities are organised across NSW to encourage safe farming practices and develop positive attitudes towards safety.

Find out more about Rural Safety Week initiatives by ordering a copy of the *Rural Safety Magazine* (Catalogue No. 1227), available 21 July, from WorkCover's Publications Hotline on 1300 799 003.

For more information about Rural Safety, please contact the Rural Safety Hotline on 1800 300 377.

What You Need to Know



UNDER-INSURANCE IS THE PRIMARY FINANCIAL RISK TO THE WORKERS COMPENSATION SCHEME AND WORKCOVER NSW, which is responsible for administering the Scheme, is committed to ensuring that all employers contribute their fair share – no more, no less.

To support these changes, WorkCover is developing a range of policies to enable effective compliance with the new legislation. This new law will ultimately benefit all NSW businesses and their workers by creating a level playing field and giving each business the opportunity to compete on an equal basis.

IMPROVING WORKERS COMPENSATION

In late 2002, as part of the NSW Government's commitment to improve the NSW Workers Compensation Scheme, further changes were made to workers compensation law. These changes are scheduled to come into effect over the next 14 months.

In particular, the definition of what constitutes 'wages' has changed. This was done to assist in substantially improving the level of employer compliance with both workers compensation insurance and payroll tax obligations. The changed definition of wages comes into effect for new or renewed policies commencing **from 4.00pm on 30 June 2003**.

The December 2002 legislation also introduced principal contractor responsibilities regarding premiums, provisions to group related entities together for the purposes of premium calculations, and new cross-border provisions.

These latest reforms were made only after a period of extensive consultation and an independent review, and aim to improve equity and reduce red tape for the business community.

CALCULATING YOUR WORKERS COMPENSATION PREMIUMS

Workers compensation premium rates reflect the risk in an employer's industry. Premium rates are calculated based on the previous claims cost for all employers in that industry classification.

Your basic insurance premium is **wages x premium rate**. If your premium is more than \$3,000, it is also adjusted according to your claims experience. In this instance, the size of your business (in terms of the wages paid to workers) will also influence your final premium.

What is counted as wages?

Wages includes total gross earnings (before tax deductions) and some payments that are not generally thought of as wages. Where a payment to a worker is made in lieu of wages (regardless of the terminology used to describe that

payment) then the payment is counted as wages for the purpose of premium calculations.

Below is a general summary of what is considered wages – it is not an exhaustive summary.

The basic principle for what is counted as wages is that any payment made to, or for the benefit of, a worker is counted as wages for the calculation of workers compensation premiums.

Definition of wages for new or renewed policies commencing from 4.00pm on 30 June 2003

It includes:

- salary/wages
- overtime, shift and other allowances
- over-award payments
- bonuses, commissions
- payments to working directors (including their directors' fees)
- payments to pieceworkers
- payments for sick leave, public holidays and the associated leave loadings
- value of any substitutes for cash
- employer superannuation contributions (including the superannuation guarantee levy)
- grossed-up value of fringe benefits (allowances subject to Fringe Benefits Tax (FBT) are counted at the grossed-up value that is the value of the benefit multiplied by the relevant Australian Tax Office (ATO) fringe benefit formula*)
- long service leave payments (including lump sum payments instead of long service leave)
- termination payments (including lump sum payments for annual leave, long service leave, sick leave and the related leave loadings)
- trust distributions to workers where the distribution is in lieu of wages for work done for the trust.

It does not include:

- directors' fees paid to non-working directors
- compensation under the *Workers Compensation Act 1987*
- any GST component in a payment to a worker.

* Non-profit organisations, public benevolent institutions (PBIs) and charities should continue to declare worker benefits that aren't subject to FBT at the net value. Once

the worker benefits exceed the ATO fringe benefit threshold then the employer must declare the benefit at the grossed-up value.

The expanded definition of wages is intended to be revenue neutral; it is not a mechanism to increase the WorkCover Scheme's premium income. As the amended wages definition will increase the amount of wages counted for workers compensation purposes, the average premium rate of 2.87% has been reduced by 10.3%. As a result, WorkCover's average premium rate for 2003/2004 is 2.57% (net of GST).

In addition, the factors ('F' factors) in the experience component of the premium formula have been adjusted to help ensure that, on average, the premiums collected remain constant.

Refer to WorkCover's *Wages Definition Manual* (Catalogue No. 49.1) for more information on what is counted as wages (available from www.workcover.nsw.gov.au).

NEW OBLIGATIONS FOR PRINCIPAL CONTRACTORS

Effective 1 July 2003, principal contractors will need to check that their sub-contractors have the proper workers compensation insurance and have paid all workers compensation premiums associated with that work. This means that principal contractors should check that their sub-contractors are classified in the correct industry, have declared the right amount of wages for their insurance cover and have signed a statement that all workers compensation premiums applicable for that work have been paid. A pro forma statement will be available from WorkCover's website in June 2003. Under workers compensation law a principal contractor is anyone who enters into a contract with another person to carry out work.

If a sole trader or partnership has workers they **must** take out a workers compensation insurance policy to cover their workers. The principal should check that the sub-contractor has this insurance. Sole traders and partners of partnerships would not be covered by this insurance.

Continued on page 8

What You Need to Know

(continued)

This new law only applies when a sub-contractor is engaged to carry out work relating to the business of the principal. If a principal fails to undertake these checks they may be liable for the sub-contractor's unpaid workers compensation premiums. To protect themselves the principal contractors must have:

- a copy of the sub-contractor's Certificate of Currency
- a written statement by the sub-contractor that all workers compensation premiums applicable for that work have been paid.

However, statements are not required if the:

- work is to the principal place of residence of the principal contractor
- principal contractor operates a home-based business and the work is not associated with that business
- work is directly connected to the operations of a farm **and** the principal contractor is a farmer.

Certificate of Currency checks for Principal Contractors

- Is it current?
- Is the industry correct?
- Is the wages estimate reasonable?
- Are the number of workers identified on the certificate realistic?

In addition, an owner-builder is not liable for the unpaid workers compensation insurance premiums of their sub-contractors and, as such, owner-builders are not required to have a statement from their sub-contractors. Owner-builders should still ensure that their sub-contractors have workers compensation insurance.

RELATED ENTITIES

Effective for new or renewed policies commencing **on or after 4.00pm on 30 June 2004**, workers compensation premiums will be calculated on a group basis, rather than an individual basis.

This means that related entities will be grouped along similar lines to the pay-roll tax provisions. WorkCover will consult with the employer community on how the new law will apply to organisations, in particular those organisations exempt from payroll tax.

Employers may be grouped in the following three situations:

1. Where the corporations are related under section 50 of the *Corporations Law*.
2. Where there is a sharing of workers between businesses.
3. Where the same person or persons have controlling interest in two or more businesses.

Where an employer undertakes two or more 'separate and distinct' businesses, then the employer may still be eligible for a multi-tariff policy.

SIMPLER CROSS-BORDER ARRANGEMENTS

WorkCover NSW is working closely with other states and territories to simplify the workers compensation insurance arrangements for employers who operate interstate.

This means that employers will no longer require multiple workers compensation policies for workers who are working temporarily in other states. Employers will only need to have workers compensation coverage in the state to which the worker's employment is 'connected'. However, these new arrangements **have not been implemented yet** and employers should continue to ensure that they have appropriate coverage in each state and territory in which they operate.

Once the law is implemented, workers, working temporarily in other states, will have access to workers compensation entitlements of the state in which they usually work.

State of connection test

1. There are three tests to determine the state in which a worker is connected: the state where the worker usually works (this would apply for most workers).
2. Then, if test 1 doesn't apply, the state where the worker is usually based for **that employment** (not where they live).
3. If test 1 or 2 doesn't apply, then the state where the employer's principal place of business is based (in Australia).

FURTHER INFORMATION

For more information on the new law, please visit the WorkCover website at www.workcover.nsw.gov.au.

Working Safely

with Herbicides

DID YOU KNOW THAT HAZARDOUS SUBSTANCES SUCH AS HERBICIDES (chemicals used to kill or control the growth of weeds) and other pesticides can be inhaled in the air and absorbed through the skin? They can also be put into the mouth accidentally, via hands or cigarettes.

It is important to keep workers safe from exposure to these hazardous substances – careful work practices and well-maintained personal protective equipment are among the best methods. Another is to maintain low levels of herbicides and pesticides in the physical working environment.

Biological monitoring is the measurement of hazardous substances absorbed in body tissues. WorkCover's Laboratory Services Unit performs a number of analytical tests for herbicides and other pesticides in bodily fluids, such as urine.

Biological monitoring may be a part of a health surveillance program, which should be conducted under the supervision of a WorkCover authorised medical practitioner.

Biological monitoring is a strategy for monitoring safety, provided that valid sampling procedures are observed. Samples collected after periods of heavy herbicide use, or after spills or changed work practices, often provide the most useful information.

Urine samples need to be taken either at the end of a shift, the morning after, or at the end of a working week if the chemicals are used daily. Taking a urine specimen several days or months after using most herbicides is not only a

waste of time and money, but can also give false reassurance about the safety of work practices.

Results received from testing on individual workers can give those workers important feedback about the safety of their work practices. Overall work practices and the adequacy of personal protective equipment can be assessed through group testing, which can help identify herbicide exposure arising from changed work practices and conditions.

There are advisory levels for herbicide exposure (called Biological Occupational Exposure Limits, or BOELs) that should not be exceeded in good work practice. Results above the BOEL do not necessarily indicate an increased risk of illness, however evidence of high exposure levels may indicate the need for a review of work practices.

WorkCover's Laboratory Services Unit provides a 'herbicide screen test' that measures six herbicides, all in the one procedure, together with their BOEL levels.

The Unit also offers a wide range of tests for exposure to other elements, including separate herbicide and other pesticide tests, and tests for metals, solvents, organic vapours and dusts.

To consult WorkCover's Laboratory Services Unit about herbicide and other pesticide testing, call them on (02) 9473 4000. Information about the Unit is also available on the WorkCover website:

www.workcover.nsw.gov.au/testing/thornleigh/thornleigh.asp.



Premium Discount Scheme

Improved OHS Practices Benefit the Forbes Services Memorial Club

IN 2001, THE FORBES SERVICES MEMORIAL CLUB, COMPRISING THE FORBES SERVICES CLUB AND THE FORBES SERVICES GOLF CLUB BECAME ONE OF THE FIRST PARTICIPANTS IN THE PREMIUM DISCOUNT SCHEME (PDS). The Club subsequently qualified as a finalist in WorkCover's inaugural Premium Discount Scheme Awards, held in November 2002.



Above: Forbes Services Memorial Club

The Club dates back to the WWII era, when members of the Forbes Sub-branch of the RSL saw a need for a meeting place where they could relax with other returning soldiers.

Over the years, the Club has grown to become an integral part of the social fabric of the area. It is committed to supporting the community – returning all profit in the form of donations and sponsorships, and trading locally wherever possible.

It was in this spirit of social obligation that the Club first started to investigate how it could improve its occupational health and safety (OHS) and injury management systems. In 1999, the Club established an OHS Committee in recognition of its poor record of workplace injuries. A simple daily report that identified workplace incidents, 'near misses' and hazards was initiated. Supervisors, management and/or the OHS Committee would then act on the items in this report.

Initially, the Club worked with its accredited workplace injuries provider (Interact Injury Systems) to develop guidelines and assist with training. Additional OHS and injury management information was supplied by WorkCover to assist in development of best-practice workplace processes.

In early 2001, Club representatives attended a seminar at which Premium Discount Adviser, OHS Solutions, gave a presentation on the PDS. Club management recognised that the PDS would provide an excellent framework for development of their OHS and injury management systems and entered the Scheme shortly afterwards. Their commitment was based on the expectation of realising both social and commercial benefits for the organisation. Not only would the PDS offer clear guidelines for the development of a healthier and safer Club environment, it would ultimately reduce actual time lost due to workplace injuries and illness. As a final incentive, the PDS offered substantial savings on workers compensation premiums over the three-year participation period.

Although the Club was on the way to developing a sound OHS and injury management program before its involvement in the PDS, its participation in the Scheme has provided direction and measurable benchmarks for the improvement of all systems within a reasonable time frame. In particular, regular field auditing (supporting the four required audits) and sound practical advice by their Premium Discount Adviser (OHS Solutions) have proved invaluable, according to Peter Thiry, the Club's assistant manager and return-to-work coordinator. Since January 2001, the Club (which has approximately 75 workers) has had only 19 days actual time lost due to workplace injury and illness. This they attribute directly to improved workplace practices.

Since the beginning of the Club's involvement in the PDS, commitment to improving health and safety in the workplace has increased throughout the organisation. The OHS

Below: Forbes Services Memorial Club



PREMIUM DISCOUNT SCHEME

The Premium Discount Scheme is a practical initiative by the NSW Government to help employers achieve world's best practice in workplace health and safety and injury management. Participants can earn discounts on their workers compensation insurance premiums (up to 15% in the first year), for a period of three years, by making their workplaces safer.

As at end December 2002, the Premium Discount Scheme had delivered over \$45m in premium rebates to approximately 2,000 employers in NSW.

Committee, management and staff have all worked together towards achieving the required benchmarks. Club staff now treat OHS and injury management priorities as an essential part of their everyday duties, and are all active participants in improving current systems. This should help guarantee that there will be fewer injuries and, consequently, lower claims costs, even after their discount period has expired. These combined factors should also have a positive impact on future workers compensation premiums.

Savings made from the Club's premium discounts have been used for training and consultation services in OHS and injury management. They have also purchased specialised safety equipment, such as special keg trolleys, a wheelchair lift and guard rails.

While the discount benefit offered by the PDS acted as an additional inducement to the Club's participation, the longer-term benefits were always kept in mind. Plans have been put in place to help maintain OHS and injury management systems at a high standard after the discount period has ended. The Club's OHS Committee is committed to monitoring, evaluating and (where necessary) improving safety systems in line with legislation and procedural changes, and information from WorkCover. The Club acknowledges that the workplace will change over time, so it is committed to reviewing and managing possible workplace hazards.

Overall, participation in the Premium Discount Scheme has provided Forbes Services Memorial Club with not only a real financial benefit, but also a practical system for improving its OHS and injury management processes. This will help ensure that staff and patrons of the Club will continue to benefit well into the future.



Adrian Vermeulen, Secretary Manager
Forbes Services Memorial Club

PEAK BODY SUPPORTS PDS

The Registered Clubs Association of New South Wales (Clubs NSW) actively encourages its members to participate in the Premium Discount Scheme. On several occasions, over the past two years, the organisation has featured the PDS in its *Eye on I.R.* member magazine to encourage members to improve their OHS and injury management systems.

In November 2002, at the Workplace Relations Network meeting in the central west of NSW, Shaun Schmitke, Clubs NSW workplace relations advocate, congratulated the Forbes Services Memorial Club on the success of its involvement with the PDS and on the significant improvements made to its health and safety processes.

For more information on the Premium Discount Scheme, visit our website, www.workcover.nsw.gov.au/html/pdscheme.asp

Improving Compliance

in Workers Compensation

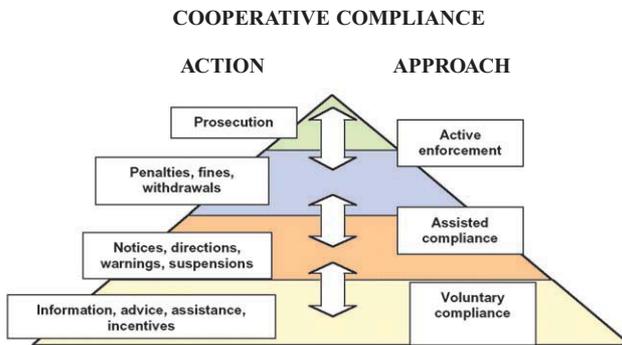
IN FEBRUARY 2003, THE HON. JOHN DELLA BOSCA MLC ANNOUNCED A PACKAGE OF INITIATIVES DESIGNED TO IMPROVE WORKERS COMPENSATION COMPLIANCE.

This was the latest initiative in the Government’s comprehensive reform of workers compensation in NSW.

The initiative is designed to ensure that:

- employers pay correct premiums
- medical and other professionals provide appropriate services
- fraudulent claims are detected as soon as possible.

To help everyone understand their workers compensation rights and obligations WorkCover has published new fact sheets on workers compensation and injury management. WorkCover will also work with insurers, industry associations and unions to ensure that employers, workers and service providers have access to the most up-to-date information on the law.



While the majority of players voluntarily comply with their legal obligations, some don’t. As a result, WorkCover targets many types of fraud among employers, service providers and workers, including:

- non-insurance
- under-insurance
- claim-related fraud.

UNDER-INSURANCE

All NSW employers must, by law, have a workers compensation insurance policy. This policy must accurately reflect the wages paid to workers and the industry within which the employer operates.

Under-insurance means employers have a workers compensation policy that doesn’t accurately reflect the wages paid to their workers or the industry within which they operate (their WorkCover Industry Classification).

When employers deliberately under-report the amount of wages paid or have the wrong classification, it disadvantages their competitors and creates an uneven playing field.

To ensure that firms are appropriately classified, WorkCover has a comprehensive wage-audit program, which verifies an employer’s reported wages and the nature of their business. Employers are audited when their business is identified through WorkCover’s state-of-the-art data mining technology, the policy is identified through their insurer’s audit systems, or when WorkCover receives a report.

On 30 June 2003, the Government introduced new strategies to remove under-reporting of wages. The expanded definition of wages aligns with the Office of State Revenue’s definition of wages for payroll tax and will ensure that, regardless of the type of payment made to a worker, all remuneration will be counted as wages for workers compensation insurance purposes [see *Workers Compensation Changes – What You Need to Know* on page 6]. In addition, insurers will check that all employers are reporting against the new definition. These changes will help ensure that all employers pay their fair share.

The cost of under-insurance is carried by all employers who are doing the right thing, and those who are not face fines of up to \$55,000.

NON-INSURANCE

Employers without a workers compensation insurance policy are breaking the law. Every year, WorkCover receives a number of reports relating to non-insurance which it investigates. Where required, WorkCover pursues employers for the recovery of the unpaid premiums.

To assist with the identification of employers without insurance, WorkCover is establishing closer information-sharing with a number of other key government agencies.

CLAIM-RELATED FRAUD

False claims and working while receiving benefits

While the majority of workers compensation claims are genuine, false claims unfairly increase costs for employers and undermine the community's confidence in the Scheme.

If a worker is receiving benefits they must, by law, advise their employer's insurer if they are doing any paid work. Injured workers who work while receiving benefits, or who fabricate an injury, are acting fraudulently.

Where it is proven that a worker has intentionally fabricated an injury or claim, that worker will be liable to prosecution and fines of up to \$55,000 and two years imprisonment. By doubling the resources in the Fraud Unit and setting up a specialist fraud prosecution unit, WorkCover is now better equipped to deal with claimant fraud.

Provider over-servicing

There are a variety of claim-related service providers in the workers compensation system including accredited rehabilitation providers, allied health professionals and doctors.

Providers who over-service an injured worker, deliberately continue treatment when no longer necessary or claim for non-existent procedures are defrauding the Scheme and will be liable for prosecution.

To detect instances of provider fraud, WorkCover is using new computer technologies to upgrade data collection and analysis, to uncover suspicious treatment and billing activity.

This initiative, combined with the establishment of partnerships with organisations, such as the Health Insurance Commission, will mean WorkCover can detect fraud by service providers more easily.

Between March 2000 and June 2002, WorkCover identified in excess of \$27m in underpaid premiums.

Every year, WorkCover receives more than 600 fraud and compliance referrals.

CONCLUSION

Improving compliance within the Workers Compensation Scheme will ultimately benefit all NSW businesses and their workers. By working together to ensure everybody is meeting their obligations we can maintain and safeguard a workers compensation system that is fair for all.

Brickie convicted of fraud

A former Illawarra brickie was convicted in May 2003 on five counts of fraud. The bricklaying contractor had deliberately falsified records in an effort to minimise his workers compensation premiums.

Coastline Commercial Bricklaying was identified and targeted through WorkCover's wage-audit program.

Fraud doesn't pay

In March 2003, an injured worker was convicted of 45 counts of fraud. The worker had claimed inflated travel expenses. This was the first conviction for defrauding the Workers Compensation Scheme of travel expenses and was identified through WorkCover's new data mining technology.

Small Businesses

Piloting their Way to Safer Workplaces



FROM 1 SEPTEMBER 2003, UNDER CHANGES TO NSW OCCUPATIONAL HEALTH AND SAFETY (OHS) LAWS, owners and operators of businesses with 20 workers or less will be required to identify foreseeable workplace hazards, assess the risk of harm from those hazards, then eliminate or control the risks.

In light of these changes, the Minister of Commerce, the Hon. John Della Bosca MLC, recently launched the Small Business Assistance Strategy to allow small businesses access to workshops, seminars and one-on-one advisory sessions with WorkCover representatives.

Information is available from the WorkCover Assistance Service on **13 10 50** and from the small business area of the WorkCover website, http://www.workcover.nsw.gov.au/small_business_site/home.asp.

According to the CEO of the Gosford District Chamber of Commerce, David Humphries, there is a high demand among Chamber members for information about OHS.

This prompted WorkCover and the Chamber to initiate a pilot small business workshop, with a view to developing a model that could be promoted throughout NSW. This joint initiative is part of the NSW Government's Small Business Assistance Strategy.

Some 50 small business operators applied for places at the inaugural workshop in Gosford but, to achieve maximum participation in the pilot, attendance was restricted and 17 operators attended.

According to WorkCover's Ms Dorothea Betts, the workshops 'allowed people to ask a lot of questions about specific issues relating to their business and it was an opportunity,

in particular, to provide them with a number of practical checklists on risks – such as chemicals and manual handling – to use in their workplaces.' (These will be available on WorkCover's website before September 1) 'The first session highlighted the advantages of providing information through an informal workshop model,' Ms Betts added.

Another feature of WorkCover's Small Business Assistance Strategy is the one-on-one consultations with business owners and government. They provide a unique opportunity for small business operators to discuss their specific concerns with a WorkCover representative, at a time suitable to small business, at a number of WorkCover offices throughout the State (10 in all).

The first series of one-on-one sessions was conducted during April and May, at WorkCover offices in Gosford, Newcastle, Dubbo, Port Macquarie, Tamworth and Wollongong. In June, sessions were also held in Albury, Goulburn and Orange, as well as Blacktown, Parramatta and the Sydney CBD.

'The main areas of concern for small businesses are the new requirements for risk management and consultation under the new legislation, and the need for practical guidance in addressing specific workplace hazards, such as chemicals, plant and equipment and manual handling,' said Ms Betts.

'Small business operators would welcome opportunities to workshop OHS issues, in a practical way, with other operators,' she added.

Ms Betts says feedback from the sessions, in tandem with the information collected from the Gosford workshop pilot, will greatly assist in planning the state-wide program of small business workshops.

Stop Press

WORKCOVER'S NEWEST OFFICE RECENTLY OPENED IN NOWRA, on the NSW south coast.

Local businesses in the Shoalhaven area can now contact staff at the new office to obtain the latest information on occupational health and safety (OHS) issues, workers compensation and injury management. A wide range of publications is available.

The staff is able to provide detail on the recent legislative changes and how they affect employers and workers.

Information is also available on WorkCover initiatives, such as the Small Business Assistance Strategy, the Premium Discount Scheme and ShearSafety.

The office is open Monday to Friday, 8.30am – 5.00pm and is located in the Government Offices, Level 1, 5 O'Keefe Avenue, Nowra. Phone (02) 4428 6700 for assistance.

WorkCover **Diary**

SHEARSAFETY SEMINARS

Safer Shearing Benefits Everyone

In conjunction with NSW Farmers, the Australian Workers Union, the Shearing Contractors Association of Australia and Farmsafe NSW, WorkCover NSW is holding public seminars to inform and assist rural employers on safety in the shearing industry.

Information covered in the seminars includes:

- safer shearing shed design
- practical risk management for shearing operations
- getting injured workers back to work
- understanding safety laws.

The seminars are free of charge, and will be held at the following venues:

Barraba

Date: Thursday 3 July

Seminar 1: 2 – 4 pm

Seminar 2: 5 – 7 pm

Venue: Barraba RSL, 2 Maude Street

Moree

Date: Thursday 24 July

Seminar 1: 2 – 4 pm

Seminar 2: 5 – 7 pm

Venue: Moree Services Club, Albert Street

Hay

Date: Friday 12 September

Seminar 1: 2 – 4 pm

Seminar 2: 5 – 7 pm

Venue: Shearers Hall of Fame

Condobolin

Date: Thursday 7 August

Seminar 1: 2 – 4 pm

Seminar 2: 5 – 7 pm

Venue: Condobolin RSL, McDonnell Street

Dubbo

Date: Wednesday 27 August

Seminar 1: 2 – 4 pm

Seminar 2: 5 – 7 pm

Venue: Dubbo RSL, Brisbane Street



To register for a ShearSafety seminar, call WorkCover on (02) 4321 5305.

Workplace fatalities & injuries

DOGMAN ELECTROCUTED WHILE WORKING ON CRANE

A 32-year-old dogman was electrocuted when he touched the chains of a crane which had come into contact with power lines.

FATAL ACCIDENT DURING INSTALLATION

A 21-year-old electrician sustained fatal injuries when he fell while carrying out electrical installation work in the space between a building wall and the frame of a lift shaft.

WORKER CRUSHED BY TREE

A 43-year-old man was fatally crushed when a tree fell on the excavator vehicle he was driving while carrying out excavation work.

FARMER KILLED IN ATV ACCIDENT

A 57-year-old farmer suffered fatal injuries when thrown from a quad bike (ATV) he was riding on a rural property.

LABOURER DIES IN FALL

A 41-year-old roofing labourer sustained fatal injuries when she fell through the roof of a factory to the concrete floor below, apparently after stepping on an alsenite panel.

TRACTOR INCIDENT CAUSES DEATH

A 75-year-old farm labourer apparently fell from a tractor he was driving and was then run over by it, sustaining fatal injuries.

SEVERE INJURY FROM HARVESTING MACHINE

A 42-year-old man suffered partial severing of his right hand when a harvesting machine he was working on was set into operation.

POLICEMAN STABBED

A 32-year-old policeman was stabbed in the chest while carrying out security duties at a major police headquarters.

Disclaimer: These reports are of a preliminary nature and are based only on initial reports from WorkCover inspectors. Full details of incidents will be available after the completion of coronial and other processes. No liability on the part of any parties referred to herein can be inferred from these reports.

Prosecution Highlights

MAN TRAPPED UNDER GRAIN RESULTS IN \$135,000 FINE

Company: Graincorp Operations Limited

Fine Amount: \$135,000

Date of Judgment: 25 March 2003

Inspector: Warren Boyle

Case Details: Graincorp Operations Limited, were fined \$135,000 under Section 15(1) of the *Occupational Health and Safety Act 1983*. Quick thinking by workmates prevented a Graincorp worker from suffocating when he was sucked into wheat grain during the unloading of a silo at

Gilgandra in May 2000. The 25-year-old man was helping to use a grain hopper to move bulk grain from a 6,500 tonne silo to a rail siding when the incident occurred.

As a result of heavy rainfall in the area, the hopper had become blocked with wet, swollen wheat. The worker had entered the silo and was standing on top of the grain, attempting to clear the blockage with a steel bar. However, as the grain elevator was in operation, grain moved towards the hopper as soon as the blockage was freed, and quickly entrapped the worker.

BHP STEEL FINED \$120,000 FOLLOWING TOXIC GAS POISONING

Company: BHP Steel (AIS) Pty Limited

Fine Amount: \$120,000

Date of Judgment: 17 April 2003

Inspector: Ross Wolf

Case Details: BHP Steel has been fined a total of \$120,000 after two workers were overcome by ozone gas at its Port Kembla Steelworks three years ago. The two men were clearing slag and scale from a grid pit when the incident occurred.

The NSW Industrial Relations Commission sitting in Court Session was told that the control switch on a dust and fume precipitator system connected to the pit was incorrectly wired. This allowed the extraction system to function when the exhaust fan was not operating, causing a build-up of ozone in the pit. Ozone is a highly toxic gas sometimes present around high voltage electrical fields that even in low concentrations can damage the respiratory system.

BHP Steel (AIS) Pty Limited pleaded guilty under Section 15(1) of the *Occupational Health and Safety Act 1983* to failing to provide a system of work that was safe and without risk to the health of its workers.

CAR DEALERSHIP FINED \$180,000 OVER WORKSHOP ELECTROCUTION

Company: Rick Damelian Pty Ltd

Fine Amount: \$180,000

Date of Judgment: 17 April 2003

Inspector: Bob Littley

Case Details: A car dealership has been fined \$180,000 following the electrocution of a panel beater in its maintenance workshop. The incident occurred at the premises of Rick Damelian Paint and Body Workshop at Five Dock in February 2001.

The 46-year-old man died while attempting to remove the control box cover of a spot welding machine in order to repair the device. A colleague suffered an electric shock when he went to the injured worker's aid.

The deceased's employer, Rick Damelian Pty Ltd, pleaded guilty to a breach of Section 15(1) of the *Occupational Health and Safety Act 1983* and was fined \$180,000 plus costs.

MANUFACTURER FINED \$97,000 AFTER CRANE COLLAPSE

Company: Favelle Favco Cranes Pty Ltd

Fine Amount: \$97,000

Date of Judgment: 15 May 2003

Inspector: Yousif Suliman

Case Details: A Prestons crane manufacturer has been fined \$97,000 after a 200-tonne crane it was testing collapsed in November 1999.

Favelle Favco Cranes Pty Ltd pleaded guilty to failing to ensure the health and safety of its workers under Section 15(1) of the *Occupational Health and Safety Act 1983* at its factory in south-west Sydney. The NSW Industrial Relations Commission sitting in Court Session was told that the bolts used to secure the crane to a test pad were 30 years old and had rusted due to the way they were housed.

Several workers who were located on or near the crane at the time of the incident narrowly escaped injury. The crane's counterweights demolished a shed that had been vacated by one worker only seconds earlier. Another worker was off work for 63 days after the incident and unable to return to his normal duties for a considerable period following.

Disclaimer: This list is a selection of cases and does not represent all prosecutions undertaken and/or resolved by WorkCover NSW (under the *Occupational Health and Safety Act 1983*) in the three months since WorkCover News was last published.

NEW SAFETY SHOW FOR SYDNEY



From 14-16 October, WorkCover will be the principal sponsor of *The Safety Show and Conference, Sydney 2003*, at the Sydney Showground in Homebush.

The Safety Show and Conference will feature major innovations and technological advances in workplace safety, discussions on a wide variety of occupational health and safety (OHS) issues and small business seminars.

More than 140 exhibitors will participate in The Safety Show and some 3,500 visitors are expected to attend the three-day event. A range of workplace safety solutions will be on display, including machine guarding, electrical safety, personal protective equipment, height safety solutions and

materials handling. Besides WorkCover, exhibitors include BOC Industrial, Australian Safety Flooring, Crown Equipment, Kimberley Clark, Hagemeyer, Road Safety Equipment Australia and Uvex.

The Safety Institute of Australia – NSW Division is organising the conference. Topics such as OHS leadership and culture, workers compensation, risk management and wellness in the workplace will be discussed by leading experts.

For further information, visit www.thesafetyshow.com, contact Australian Exhibitions & Conferences on (03) 9654 7773 or email safety@aec.net.au.

webwise

www.workcover.nsw.gov.au

WHAT'S NEW ON OUR WEBSITE

WorkCover Benefits Guide

The *Benefits Guide* provides easy access to the current and recent past rates of both indexed and non-indexed benefits under the workplace injury management and workers compensation Acts administered by WorkCover.

To download the *Benefits Guide*, visit <http://www.workcover.nsw.gov.au/publications/pdf/benefit.pdf>

Wages Definition Manual

The *Wages Definition Manual* provides a guide on the remuneration that is taken into account for the purposes of assessing an employer's workers compensation premiums. It ensures a consistent approach to the declaration of remuneration, so that every employer who is covered for workers compensation through the WorkCover Scheme, will pay their fair share of the cost of the Scheme.

To download the *Wages Definition Manual*, visit www.workcover.nsw.gov.au/publications

Safety Alert – Tiger Tails on Powerlines

Tiger Tails on Powerlines is a Safety Alert that provides a useful visual warning to those working in the vicinity of powerlines.

To download the Safety Alert, visit <http://www.workcover.nsw.gov.au/Publications/view.asp?ID=595>

Workers Compensation Changes – What You Need To Know

Changes to workers compensation that will reduce red tape and ensure an even playing field for business can be found at

http://www.workcover.nsw.gov.au/Publications/pdf/1220_Workers_Comp_Changes.pdf

WorkCover NSW Offices

Head Office

Office Hours 8:30am – 5:00pm
Monday to Friday
92-100 Donnison Street
GOSFORD 2250
Phone (02) 4321 5000
Fax (02) 4325 4145
Postal Address:
WorkCover NSW
Locked Bag 2906
LISAROW 2252

WorkCover Assistance Service

Office Hours 8:30am – 4:30pm
Monday to Friday
92-100 Donnison Street
GOSFORD 2250
Phone 13 10 50

LABORATORIES

Thornleigh
5A Pioneer Avenue
THORNLEIGH 2120
Phone (02) 9473 4000
Fax (02) 9980 6849
Email: lab@workcover.nsw.gov.au

Londonderry

TestSafe Australia
Ground Floor,
919 Londonderry Road
LONDONDERRY 2753
Phone (02) 4724 4900
Fax (02) 4724 4999
Email:
testsafe@workcover.nsw.gov.au

REGIONAL and LOCAL OFFICES

Office Hours 8:30am – 4:30pm
Monday to Friday

REGIONAL OFFICES

Newcastle
956 Hunter Street
NEWCASTLE WEST 2302
Phone (02) 4921 2900
Fax (02) 4940 8558
Office Hours 8:30am – 5:00pm

Wollongong

106 Market Street
WOLLONGONG 2500
Phone (02) 4222 7333
Fax (02) 4226 9087
Office Hours 8:30am – 5:00pm

LOCAL OFFICES

Albury
463 Kiewa Street
ALBURY 2640
Phone (02) 6042 4600
Fax (02) 6041 2580

Batemans Bay
Shop 6, Fenning Place
12 Orient Street
BATEMANS BAY 2536
Phone (02) 4472 5544
Fax (02) 4472 5060

Blacktown
125 Main Street
BLACKTOWN 2148
Phone (02) 8882 4200
Fax (02) 9831 8246

Dubbo

Suite 3, 157 Brisbane Street
DUBBO 2830
Phone (02) 6841 7900
Fax (02) 6884 2808

Goulburn

21-23 Clifford Street
GOULBURN 2580
Phone (02) 4824 1500
Fax (02) 4822 1242

Grafton

NSW Government Offices
49-51 Victoria Street
GRAFTON 2460
Phone (02) 6641 7500
Fax (02) 6641 5100

Griffith

NSW Government Offices
104-110 Banna Avenue
GRIFFITH 2680
Phone (02) 6962 8900
Fax (02) 6964 1738

Hurstville

Level 4, 4-8 Woodville Street
HURSTVILLE 2220
Phone (02) 9598 3366
Fax (02) 9585 0261

Lindfield

345 Pacific Hwy
LINDFIELD 2070
Phone (02) 9936 3000
Fax (02) 9936 3030

Lismore

Suite 4, Level 4
Manchester Unity Building
29 Molesworth Street
LISMORE 2480
Phone (02) 6627 4300
Fax (02) 6622 0090

Liverpool

Suite 4, Ground Floor
157-161 George Street
LIVERPOOL 2170
Phone (02) 9827 8600
Fax (02) 9827 8690

Narrabri

Level 1, 55 Maitland Street
NARRABRI 2390
Phone (02) 6792 8720
Fax (02) 6792 3532

Nowra

Level 1, 5 O'Keefe Avenue
NOWRA 2541
Phone (02) 4428 6700
Fax (02) 4422 4997

Orange

74 McNamara Street
ORANGE 2800
Phone (02) 6392 7600
Fax (02) 6362 8820

Parramatta

Level 4, 128 Marsden Street
PARRAMATTA 2150
Phone (02) 9841 8550
Fax (02) 9841 8490
Office Hours 8:30am – 5:00pm

Port Macquarie

Shops 1 & 2
Raine & Horne House
145 Horton Street
PORT MACQUARIE 2444
Phone (02) 6588 7000
Fax (02) 6584 1788

Tamworth

Shop 20, 341 Peel Street
TAMWORTH 2340
Phone (02) 6767 2500
Fax (02) 6766 4972

Lake Macquarie

Shop 2, 33 The Boulevard
TORONTO 2283
Phone (02) 4935 8700
Fax (02) 4950 5587

Tweed Heads

Suite 5, 1 Sands Street
TWEED HEADS 2485
Phone (07) 5536 3262
Fax (07) 5536 4389

Wagga Wagga

Level 2, 76 Morgan Street
WAGGA WAGGA 2650
Phone (02) 6933 6500
Fax (02) 6937 3616

For all occupational health and safety, workers compensation and rehabilitation information, call the WorkCover Assistance Service – 13 10 50 from anywhere in NSW.