Workers Compensation and Occupational Health and Safety in the Australian Agricultural Industry

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Abstract

This paper explores some of the special features of the agricultural industry, looking first at agricultural worker fatalities and injuries as a matter of ongoing concern for all participants in this industry, the government, and occupational health and workers compensation authorities. Second, the paper will analyse how occupational health and workers compensation laws may have special application to this industry. Finally, the paper will consider some workers compensation provisions that have particular application to the agricultural industry.
Introduction

Stallard asserts that farming and agriculture generally create unique working environments. The farm is usually a place of residence as well as a workplace. It is home to two populations: the working population and the residing population which usually includes children. Farming is more than a business; it is a way of life. Family members may have non-economic motivations for farming and often work unpaid on the farm. Farm work involves many hazards that are often aggravated by poor conditions, long hours, and frequently isolated circumstances where fatigue may be a factor.¹

The industry is broadly defined and encompasses not only dairy and grain farming but also the farming of sheep, cattle and fruit, and viticulture, horticulture and forestry. There are also a variety of business structures.² Considerable energy and expertise have been expended in the examination of the dangers of working in the agricultural industry in Australia. Detailed studies show a high rate of fatalities in the industry and a corresponding high rate of serious injury. Between 300 and 350 traumatic deaths of male farm workers and farm workers from all causes (non-intentional and intentional) occur each year across Australia.³ In 2003-4, amongst other industries, the agricultural industry recorded the highest number of work-related deaths. There are approximately 5500 - 6000 workers compensation claims in the agriculture and services to Agriculture sectors per annum.⁴

In comparison with other industries, agriculture consistently ranks with mining, transport, construction and manufacturing as one of the five most dangerous industries.⁵ The reasons for this probably arise out

² The nature of the workplaces encompassed by the phrase 'agriculture' are very diverse. There are also significant complexities within any one sector. In a farming business the organisation may be a traditional family owned business, part of a larger corporate group or an absentee landowner. For example, ALCOA of Australia Ltd owns significant holdings in Pinjarra and Boddington for dryland cattle and sheep grazing operations, which in 2006 generated $2.1 million dollars revenue from cattle sales. See <http://www.alcoa.com/australia/en/careers/PDs2006/Wagerup/FARM%20COORDINATORS%20PD%20020307.pdf> at 26 April 2007. Broad definitions are used in legislation pertaining to the industry. For example in the Agricultural Products Act 1929 (WA) 'agricultural products' is defined in s2 to mean 'agricultural, farm, orchard, garden and dairy products…and fruit trees and vines'. See generally Richard Franklin and Lyn Fragar, The Health and Safety of Western Australian Farmers, Farm Families and Farm Workers (2002) ACAHS & RIRDC: Moree <http://www.farmsafeva.org/downloads/download.pdf> at 26 April 2007. In particular at page 40 to 41, where the authors define the term 'agricultural industry' to mean those sub-divisions used by the Australia and New Zealand Industry Classification which includes sub-divisions as diverse as Cut Flower and Flower Seed Growing, Pig Farming and Cotton Growing.
³ National Farm Injury Data Centre, Farm Safety Facts <http://www.acahs.med.usyd.edu.au/nifdc/publications.htm> at 6 December 2006. Similar poor outcomes are present in New Zealand as outlined in J Stallard, 'Farm Hazards and the Health and Safety Employment Act (1998) 28(2) Victoria University of Wellington Law Review 20, showing that the rates of injury and fatality in New Zealand and Australia are similar.
of a combination of factors. Many accidents occur because farm and agriculture workers work alone and in isolated circumstances. Some accidents can be attributed to the lack of supervision, support and assistance. Research indicates that the main causes of injuries and death are through the use of tractors and other farm equipment, contact with animals, and the use of motorcars and motor-bikes. Yet another factor may be that it is still not uncommon for agricultural work to be performed by family units. Those family units may not operate like other corporate production units, often failing to have in place the basic occupational health standards or knowledge to deal with the range of dangers that can be encountered in agriculture. Some case law indicates that the latter element has been a factor relevant to court decisions not to impose penalties on farmers whose family members have been injured or killed through the lack of occupational safety governance. More recently farmers have also reported feelings of tension and frustration due to loss of control over their business decision-making, in the light of perceived increasing government intrusion into decision-making in the family farm business.

Many male farmers consider that occupational safety interferes with their autonomy and is too costly. The issue of gender within agriculture, and specifically, gender and farming accidents, has not been specifically addressed, however, the sociological context of farming noted by Liepens is useful to note at this stage. Her research has shown that men perform much of the physical work on farms while women are engaged in more domestic or administrative chores. She also notes that farming is associated with a

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8 Over 90% of farm businesses are family concerns and 80% of households include a spouse. Peter Shaw, Isabelle Ellis and Jessica Scott, Role of Women in Preventative Activities to Reduce Farm and Station Injuries (2003) Perth, Western Australian Government <http://www.farmsafewa.org/downloads/roleofwomen.pdf> at 26 April 2007.

9 Halpin & Guilfoyle have suggested in their research that farmers, whilst accepting responsibility for the overall successful management of the farming operation, also internalize failure, with the outward evidence being such health issues as depression and social withdrawal. Their research indicated that pressure on farmers to 'farm better', diversify and engage in 'good management and work seven days a week' created psychological stresses many farmers were ill-equipped to deal with. The need to 'up' one's efforts to produce more and to meet the challenges of external factors such as government regulation, may result in farmers ignoring or curtailing safety measures thus contributing to a lack of occupational safety governance. See generally D. Halpin and A. Guilfoyle, 'The Attribution of Self Amongst Australian Family Farm Operators: Personal Responsibility and Control' (2005) 36 Journal of Comparative Family Studies 475.


11 A gender issue in farm safety implementation has been noted by organisations such as the Country Women's Association, the Australian Workers Union, and Worksafe Australia (see AAP article, Melbourne, 1 June 2002 'Vic – Country women and unions campaign for safer farms'). Further, in New Zealand, the suggestion has been made that genuine changes to farm safety will only occur when relevant government departments target women, as groups such as Women in Farming are at the forefront of urging safer farming practices (see Hawke's Bay Today article, 6 April, 2006, 'Women better at seeing farm hazards says expert'). See generally P. Shaw, I. Ellis and J. Scott, 'Role of Women in Preventative Activities to Reduce Farm and Station Injuries' (2003) Perth, Western Australian Government <http://www.farmsafewa.org/downloads/roleofwomen.pdf> at 26 April 2007.


perception of masculinity, with terms such as 'tough' and 'active' attributed to the hard outdoor labour in which 'true farmer' is daily engaged. In addition males dominate farming industry bodies which Liepens cites as significant in contributing to the male dominance and masculine work ethic within the farming sector.

This paper will be divided into three key parts. The first part will survey the available literature relating to the incidence of occupational injury and fatality in the agricultural industry. It will attempt to identify the chief causes of the high incidence of occupational injury. In addition a number of cases dealing with prosecutions of agricultural employers will be considered to determine whether this industry has been treated differently from other industries.

The second part of the paper will examine the provisions of the Workers Compensation and Injury Management Act 1981 (WA) (the WCIM Act) to identify those which may have special application to agricultural work and employment. Finally, there will be an analysis of the results of the above two surveys to consider how the application of occupational health and safety (OHS) and workers compensation laws might have special application to the agricultural industry.

The agricultural industry and the rate of injury and fatality

Mitchell et al have noted that there is no customary or mandatory retirement age for the rural workforce and many farmers tend to work beyond typical retirement age with the average age of broadacre and dairy farmers being around 52 years of age. Older workers tend to be at higher risk of fatality in the industry (around 25 percent of all fatalities), but they also established that workers between the ages of 15-24 were particularly at risk of fatalities from motor vehicles and firearms (about 14 percent of fatalities). The high level of younger worker fatalities is atypical of the work force. Mitchell et al also note that unlike many industries, the rate of work-related fatalities in agriculture did not decline during the period 1982-1992. It was also noted that younger workers were often asked to work alone and to take responsibility for much of their work without specific occupational safety training.14 These workers often fail to see the potential hazards of their work, which they approach with unbridled enthusiasm. Mitchell et al noted that older workers had fewer injuries overall but slower recovery rates giving rise to longer duration claims.15

14 It is possible that the traditions and culture of farming also result in less time and money allocated to training. As noted below, most farming businesses, although incorporated, are family concerns and as such, workers reside at the workplace where familiarity may make the dangers less obvious. The worker over time understands how to operate faulty machinery as a matter of course, combined with a 'she'll be right' attitude. See P. Shaw, I. Ellis and J. Scott, 'Role of Women in Preventative Activities to Reduce Farm and Station Injuries' (2003) Perth, Western Australian Government <http://www.farmsafewa.org/downloads/roleofwomen.pdf> at 26 April 2007, 5. Further the changing nature of the structure of how workers are engaged with the move to a more casual workforce (no more 'working man' on the farm who previously may also have resided on the farm for a number of years) may impact on the levels of training provided.

In other research, Mitchell et al observe that the agricultural industry worker age profile includes children below the age of 15 years who are often engaged in farm work. Children in agriculture often work with their parents or relatives on farms, assisting with feeding animals, riding motor cycles, and driving and riding on tractors. Their relative lack of experience, small size and lack of physical strength put them at special risk. This group of workers made up a staggering 20 percent of fatalities during the period 1989-1992. Children in agriculture, perhaps poorly supplied with child-care, were frequently fatally injured as bystanders to agricultural machinery and tractors.

Fragar and Houlahan have observed that the mode of production has an impact on the rate of injury. They have noted that:

For example, even between animal production systems there is significant variation in exposure to physical hazards and injury risk factors – beef cattle production may use either extensive grazing systems or more intensive, outdoor feedlot systems; while piggeries are generally intensive indoor systems. Harvesting systems and labour demands for milk production are very different to those for wool harvesting; for example, dairies require labour input twice or three times a day for 365 days per year, while shearing is an annual intensive activity often using contract labour for between a few days to a few weeks of the year. There is similar variability in injury risk factors between cropping systems for grains, tree crops, and the range of vegetable crops, and these are significantly different to the injury risk factors associated with animal handling systems.

As noted in the introduction, the rate of fatalities in agriculture is disproportionately high. A survey of Agricultural work-related fatalities in Australia for the period 1989-1992 found that the rate of fatalities was nearly five times greater than the norm. Males made up 95 percent of these deaths. The causes of

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16 See N. Austin, 'QUADBIKES Eighty people killed in less than six years. Hidden danger in a fun farm vehicle', The Advertiser, 5 April, 2006 and T. Cronshaw 'Farm deaths down, but ACC still concerned', The Press (Christchurch), 19 August 2005, where it is claimed that all terrain vehicles were contributing to about one third of all farm fatalities.
18 In 2005, Farmsafe Australia estimated that up to 10 children per week were admitted to hospitals with farm-related injuries arising from farm vehicle, tractor and motorbike accidents, with drowning being an additional major cause of death. See article 7 June 2006 The Weekly Times 'Ripper idea for farm safety'. There can of course be environmental reasons why safety equipment may not be used by workers, such as motorcycle helmets. In the northern regions of Australia, where temperatures regularly reach 45 degrees C, safety helmets may be discarded in order for workers to be able to complete the work in such stifling heat.
death were multiple but typically included vehicles, mobile farm machinery such as posthole diggers,\(^\text{22}\) tractors,\(^\text{23}\) power take-off shaft guards\(^\text{24}\) and grain augers,\(^\text{25}\) farm structures (e.g., dams) and animals.\(^\text{26}\) Insurance premiums in the agricultural industry reflect to some extent the relative dangers of working with certain machinery with the highest premiums being levied on sheep, beef, cattle and horse farming with these premiums being generally high as compared to all other industries.\(^\text{27}\)

Australian Bureau of Statistics data for work-related injuries in Australia 2005-6 indicated that agriculture had the highest work-related injury or illness rate (109 per 1,000 employees) ahead of manufacturing (87 per 1,000 employees) and construction and mining (86 per 1,000 employees). Similar data was been collected by the National Occupational Health and Safety Commission in its National Data Set for Compensation Statistics in 2004.\(^\text{28}\) Interestingly, workers compensation data from Western Australia relating to the duration of absence from work for agricultural workers shows that the cost of claims in this industry is 10 percent lower than the norm. Long duration claims (claims where absence is greater than 60


\(^{23}\) Injuries are commonly associated with either tractor run-over or tractor roll-over injuries giving rise to death or injury of drivers or bystanders, arising from mounting and dismounting the tractor or being thrown off or run over whilst standing or running beside the tractor. Queensland has the highest rate of tractor related deaths. An alarming number of children are also injured by tractors. See generally J. Miller and L. Fragar, Farm Machinery Injury Injuries Tractor Run-Over (2006) A report for the Rural Industries Research and Development Corporation RIRDC Publication No 06/033 <www.rirdc.gov.au/reports>.

\(^{24}\) These are guards fitted around the take-off shaft of a vehicle which is used to transfer power to a piece of machinery. A report found that it was common for guards to be damaged or missing. See generally A. Athanasiov, L. Fragar, and M. Gupta, Farm Machinery Injury Power Take-off Shaft Guards (2006) A report for the Rural Industries Research and Development Corporation RIRDC Publication No 06/035 <www.rirdc.gov.au/reports>.

\(^{25}\) Grain augers are a screw or flight rotating device within a tube used to draw water or grain. There are used as mobile items or as part of harvesters, field bins, dryers, and storage or silo systems. It is regarded as the most dangerous of all farm machinery on a per-hour use basis as it often gives rise to serious amputation injuries typically to the fingers, hands and arms. See generally A. Athanasiov, L. Fragar, and M. Gupta, Farm Machinery Injury Injuries associated with Grain Augers in Australia (2006) A report for the Rural Industries Research and Development Corporation RIRDC Publication No 06/034 <www.rirdc.gov.au/reports>.


\(^{27}\) See for example the range of premium rates across agriculture as per WorkCover Western Australia Premium Rates Division A – Agriculture, Forestry and Fishing located at www.workcover.wa.gov.au. As is common practice in the insurance industry, generally premiums for agribusiness are determined as a result of a review of the farm operation and due consideration of a number of factors including claims history; undertaking and implementing recognised training courses (e.g FarmSafe); and a willingness for the organisation to take on risk improvement. In an agribusiness this may mean installing roll cages on tractors, ensuring grates are on silos and guards on power-take-off mechanisms, or ensuring that workers have adequate and ongoing OHS training. These factors will have an impact on whether there is a discount or loading on the premium. See Xavier Duff, 'Plan to cut farm compo costs stalls', The Weekly Times, 15 September 2004; Naomi Morison, 'Shearing sheds face safety plan', The Weekly Australian, 8 August 2002; IAG Insurance, 'CGU puts farm safety on the radar' Press Release, 11 May 2006.

days) have declined in agriculture, against the trend in most other industries.\(^{29}\) Importantly, a recent study\(^{30}\) of work-related fatalities (which might be extended in application to injuries generally) found that OHS agencies and workers compensation agencies did not have full statistical coverage of these incidents. These researchers matched data from State and Territory OHS and workers compensation agencies with coroners' records finding that the agency records only accounted for about 64 percent of deaths recorded by the coroners. This research implies that there may be difficulties in accounting for injuries and managing work safety.\(^{31}\)

**The application of OHS laws to the agricultural industry**

Fragar and Houlahan note that the approach to OHS in the agricultural industry has been fractured and hampered by poor data collection and subject to poor reception by agricultural workers who feel overwhelmed by government regulation.\(^{32}\) This is supported by the findings of fact in a number of OHS prosecutions and within the judgements of the courts. The data collected by many researchers is clearly reflected in the following brief survey of OHS prosecutions touching on farming accidents.

For example in *Templeton v Pavese Citrus Pty Ltd*\(^{33}\) the farm accident involved the fatal injury of a casual fruit picker when he was run over by a tractor pulling two trailers between rows of fruit trees. The defendant was the trustee of a family trust company (members of the family were working directors of the defendant) and was charged with breach of section 8 of the *Occupational Health and Safety Act 2000* (NSW) by failing to ensure a safe system of work, provide safe premises, plant and equipment for the employee and failing to properly instruct and supervise the deceased employee. Staff J held that the employer's duty was proactive and that the mere stipulation of procedures and instructions to carry out work was not enough to amount to a defence to section 8. In this case the employee had parked his own vehicle across the rows of fruit trees contrary to instructions. In order to proceed with collection of fruit he alighted from the 1958 Massey Ferguson tractor to move his car, falling under the tractor in the process. It was held that the employer was in breach of the *Occupational Health and Safety Act 2000* (NSW) because the risk of climbing on and off the tractor was foreseeable and easily remedied by properly instructing and supervising staff in the parking their cars.

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\(^{29}\) WorkCover Western Australia, *Research Note 4 2005 Claims lodged by workers in the Agricultural Industry in the Western Australian Workers' Compensation System 1999/00-2002/3* (2005) <www.workcover.wa.gov.au> at 6 December 2006. The decline in long term claims in agriculture may be explained by the reintroduction of the option to redeem weekly payments for a lump sum payment. This may be of more benefit in a rural community than retraining or return to work programmes, given the limited opportunities in small country towns. In most other jurisdictions the option to redeem is not easily accessible and because jurisdictions such as Northern Territory, New South Wales and South Australia have long term payment structures many workers do not seek redemptions. In Western Australia weekly payments are restricted to a relatively modest prescribed amount which equates to about 2-3 years wages.


\(^{31}\) Above n 30.


Likewise in *WorkCover NSW v TP & MJ Holmes Pty Limited and Steven Holmes* 34 an employee (Hall) was injured whilst working on a chicken manure processing and cattle farm when his arm became trapped in a screw auger which was not guarded, did not have an emergency stop switch or main isolating switch and with controls poorly marked. The employer pleaded guilty to a breach of section 8 of the *Occupational Health and Safety Act 2000* (NSW). The defendants were noted to have put in place no risk assessment procedure or safe work instructions for the work undertaken by Hall. Staunton J observed that 'at best the defendants had an ad hoc and informal approach to work safety'. He noted that Hall performed work alone and unsupervised on a regular basis. 35 Staunton J noted the objective seriousness of the incident, that is, an accident was likely to happen in all the circumstances. In imposing a penalty on the corporate employer he also noted that:

Considerations of general deterrence are relevant in this context as agriculture and farming work involves real and ongoing risks of safety. In relation to specific deterrence, the corporate defendant has abandoned its pelletising business and its primary commercial focus is now raising cattle by way of agistment. Mr. Holmes is currently employed by Pace Farms as a feed manager using the corporate defendant's premises. In the circumstances I consider specific deterrence to be of limited weight in relation to both defendants. 36

Staunton J noted that the corporate defendant had been making consistent losses and considered its financial position as 'finely balanced'. He noted that Mr. Holmes was the controlling mind of the corporate defendant. He took into account personal testimonial material in relation to Mr. Holmes ultimately imposing a penalty of $10,000 upon him personally and $100,000 on the corporate defendant. A close reading of the judgment suggests that Staunton J, whilst well aware of the seriousness of the injury to the employee and the culpability of the defendants, imposed a sentence which allowed the defendants to continue in their farming pursuits. Of particular note is the trend in this and other cases for the courts to closely examine the financial circumstances of the defendant farmers. A common feature of the cases is the difficult financial circumstances of many of the defendants who have often suffered a series of business and environmental calamities culminating in a tragic work accident. The tragedy of such accidents is further compounded in that they frequently involve family members, friends or relatives. In many cases the injured or deceased worker is young and machinery at the centre of the case is old. The cases below illustrate these points.

In *Campbell v Howle* 37 a farm worker (Mulvihill) was seriously injured when his arm became caught between rollers whilst attempting to keep the rollers free so that corn from a corn harvester would flow freely into a mechanical bucket. Mulvihill had been working only one day prior to the accident. His arm

35 Above n 34, para 35.
36 Above n 34, para 43.
was trapped in the rollers for an hour before he was freed by fire brigade and ambulance workers. His right hand was amputated at the wrist. Mulvihill was a nephew of the defendant. He had been supplied with a wooden stick to keep the rollers clear, but after only a few hours discarded the stick and used his hands to clear blockages. It was noted that Mulvihill had received no instruction in how to safely clear any blockages. It was also observed that all the key parts of the machinery concerned, the power take-off shaft, the transmission chains, the transfer auger and the picking rollers were all unguarded. The machine had been manufactured in 1955. The cost of fitting guards would have been $300. There was also evidence from the local farming community that the manner in which the machine had been used was unorthodox. As in *WorkCover NSW v Lock and Gosper*\(^\text{38}\) it was put to Hungerford J in this case that the defendant should be given the benefit of section 556A of the *Crimes Act* (NSW) as he had had an unblemished record. However Hungerford J held (at page 15) that:

> It is true that the defendant had no prior convictions but, in terms of 'character as an industrial citizen' as in *Waugh*,\(^\text{39}\) he failed over a period of 30 years to remedy an obvious danger to safety…

> …I see no just utility in here imposing a fine at the upper end of the range where I am satisfied on the evidence that the experience of this unfortunate accident has been impressed on the defendant and, no doubt on other farmers.\(^\text{40}\)

The defendant who had pleaded guilty was fined a total of $2500. Similarly low fines were imposed in *WorkCover NSW v Lock and Gosper* where the two defendants owned neighboring diary farms. Lock borrowed an unguarded auger from Gosper for use by one McNeice who was a self-employed grazier/truck driver contracted to Lock to load grain from Lock's farm. In the course of unloading his truck, McNeice suffered serious injury to his left arm when it became entangled in the unguarded auger. In his judgement Hill J noted (at page 4) that:

> Mr Keenan (the prosecuting inspector) gave evidence that the industry (including farming, pastoral and dairying) was one with a very high incidence of accidents involving unguarded machinery and, more particularly augers. He indicated that the Authority had, in this geographical area, recently been taking positive action to bring the dangers associated with working in the industry to the attention of producers. But Mr Keenan also gave evidence that 90% of accidents on rural properties involved either the farmer injuring himself or a member of the family and usually no prosecution is instituted in such cases. However, where an unrelated party is injured the Authority institutes investigations and prosecution usually results.\(^\text{41}\)

Counsel for the defendants urged Hill J to regard them as first offenders under section 556 A of the *Crimes Act* (NSW) and impose no penalty. Hill J noted that both defendants were ignorant of their obligations to guard machinery. Hill J said as to penalty (at page 5):

\(^{40}\) Above n 38, 18.
\(^{41}\) Emphasis added.
In my opinion, each of the cases is one of extremely fine balance as to whether or not s 556A of the Crimes Act should be applied; with considerable reservation I have come to the conclusion that it should not and that in the circumstances it is appropriate that at least some penalty be imposed in each case.

Lock was fined $200 and Gosper $100. The defendants whose financial circumstances were weak had both pleaded guilty.

In *Malone v Cobb* 42 the defendant Cobb pleaded guilty to a breach of section 15 of the *Occupational Health and Safety Act 1983* (NSW) arising out of a fatal accident in which a 17 year old farmhand (Johnson) was killed when he was struck by a tyre and rim assembly from an Air Seeder. Johnson was properly trained and usually supervised in the fitting of tyres for the Air Seeder but on the date of his accident, he was unsupervised and over inflated a tyre causing it to explode. The system of work was held to be unsafe as it did not take into account the inadvertence or carelessness of the employee and more significantly did not provide a cage or guard to protect from bursting tyres. Magistrate Miller noted that the defendant was engaged in the rural industry and was not aware of the use of safety cages for inflating and changing tyres. The Magistrate noted that WorkCover had targeted the tyre industry in the 1990s as a result of accidents in that industry. The defendant was fined $10,000.

In *Templeton v Haddon Rig Pty Ltd* 43 the defendant corporation employed Malcolm Vial as a jackeroo. Vial was killed whilst operating an auger from a wheat silo in order to load a feeder truck. He was crushed between the auger and the door of the silo. Vial was working alone. The corporation and the managing director pleaded guilty to offences under the *Occupational Health and Safety Act 2000* (NSW). Vial was 19 at the date of his death; he had been provided with training in the use of the auger and how to move it. In a detailed judgment which addressed the question of penalty at length, Staff J fined the corporate defendant $78,000 noting that it had taken extensive steps to undergo a risk assessment and upgrade its safety practices and that it had had an unblemished record of safety for 90 years. The managing director of the corporation was fined $6500 after it was noted the he likewise had no previous convictions and had entered an early plea of guilty.

In *Buggy v Kentan Pty Limited* 44 Caine Hayward was a casual employee of William Mutton who operated a farm at Miller Forest in New South Wales. Mutton purchased a post-hole digger from the defendant and Hayward was fatally injured whilst operating the digger while working unsupervised with another casual employee on fencing work. Whilst operating the digger, Hayward's head was crushed. The defendants as suppliers of the digger were charged under section 18 of the *Occupational Health and Safety Act 2000* 44

(NSW) on the basis that the machine was not safe. Mutton and the manufacturer were likewise charged. Not surprisingly, given the manufacturer was found guilty in relation to the defective manufacture of the digger which allowed an operator to operate the controls of the machine whilst in close proximity to the machine's hammer, the supplier was also found guilty.

As these cases show, the injuries sustained are often very serious, if not fatal, and as noted, often involve heavy rotating unguarded machinery. The courts have clearly struggled in imposing penalties on farmers where the injured or deceased employee is well known to the employer and a member of a close farming community. In almost all of the cases noted above, the court commented that the defendants had little or no knowledge of the requirements of occupational safety. Taken overall the penalties upon individual farmers are often low or nominal, whilst only a little more severe on corporate defendants. In many cases the corporate defendant is merely the financial or accounting cloak for the farmer who, as managing director, is the directing mind of the corporation.

Workers compensation laws and the agriculture industry

The farmer as employee

About 90% of Australian farms are family owned and operated with a high proportion of self-employed family and casual workers. The workforce is relatively old, with over 70 per cent aged 35 years or older compared to 58 percent for the rest of the Australian economy. Whilst it is said that the bulk of farms are family owned, it is clear that very few farmers operate as sole proprietors or partnerships. Often, for sound financial reasons, farms are operated via trusts and corporations. As the brief survey of cases above such as Templeton v Pavese Citrus Pty Ltd and WorkCover NSW v TP & MJ Holmes Pty Limited and Steven Holmes show, a family trust is often established with connections to some form of corporate entity. Farmers and their family members manage the farms, assuming the formal role as managing directors or the like. This gives rise to interesting permutations in terms of liability. As can be seen above, prosecutions for breaches of OHS matters commonly involve the prosecution of the managing director of a company on the basis that the director was in control of the workplace. All Australian OHS laws attach liability to the manager of a workplace with the consequence that prosecutions may occur not only when

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46 Whilst the literature is not specific on this point, it is possible to assert the corporate nature of farming from the terminology used. For example, Knight refers to farming as a 'business operation' involving significant capital investment (see generally Robert Knight, ‘Farming: A Way of Life or a Way to Financial Crisis’ (1985) 55 Australian Accountant 32-34). Also, Halpin and Guilfoyle use terms such as 'management,' 'marketing,' and governance' in describing farming operations, terms which it can be argued are traditionally associated with corporations. Nettle, Paine and Petheram also contextualise employment on farms by referring to farming operations as businesses, with human resource and employment management needs, thus reinforcing the perception of the corporate nature of the farm (see generally R. Nettle, M. Paine and J. Petheram, 'The Employment Relationship – conceptual model developed from farming case studies' (2005) 30 New Zealand Journal of Employment Relations 19). Whilst there may be references in the literature to farming businesses as 'family concerns', the family business is more than likely operating as an incorporated entity. It is a common arrangement for drawings to be made on a family trust, which is overseen by a corporate trustee.
employees are injured or killed but when contractors or visitors entering onto a farm are affected. In addition, non-managing directors of a company may also be prosecuted, essentially on the basis that they are the controlling minds of the company.

In terms of workers compensation claims the use of a corporate mechanism has some advantages for farmers. By establishing a network of companies and trusts, families working on farms will generally be covered as employees of the corporate entity either as director/employees or simply directly engaged employees. This is in contrast to the farmer who operates as a sole proprietor or partnership. In these cases the farmer is self employed and has no workers compensation coverage unless they are working for another farmer or employer. The farmer operating in partnership or as sole trader needs to obtain personal accident insurance in order to gain any form of income protection. Severe injury has a particularly parlous effect on a farm as the loss of a key worker may disrupt production, sowing or a harvest. Because workers compensation insurance is compulsory for employers, an insurer cannot decline to insure an employer, although the premium can be calculated to reflect risk and poor OHS performance. The effect is that farmers who work via corporate entities will usually have some income protection in the event of injury.

On this aspect, where a claim for compensation is made by a farmer operating as a member of a family unit under the umbrella of a corporate/trust entity, some difficulties may arise as to the rate of remuneration for an injured farmer/director. This will commonly occur where the rates of pay for farm workers are ill defined or the income of the farming unit is varied or further that the stated income of the directors is low. In the latter case, in the worst case scenario, in order to obtain the lowest level premium, the temptation for some employers is to understate the number of workers employed, to classify them in less dangerous occupations (e.g., clerical work) or to understated wage levels. More often it may be that based on accounting advice the farmer may only include as estimated income in the insurance declaration the amount that is available as drawings under the family trust at the lowest taxation threshold. This may have no relationship to the actual drawings of the farmer or the 'replacement' cost to the farm of the

47 See for example Occupational Safety and Health Act 1984 (WA) Division 2; Occupational Health and Safety Act 2000 (NSW) Division 1. It should be noted that recent legislative changes to OHS across all states substantially increased not only the potential liability for directors in relation to increased penalties and terms of imprisonment, but in some jurisdictions introduced charges of industrial manslaughter and broadened the scope of duty of care. For example in Western Australia, the duty is to ensure that there is no adverse effect suffered as a result of work. Moreover, the duty will be owed to contractors if there is a 'capacity to control', rather than actual control.

48 See Occupational Safety and Health Act 1984 (WA) s 55; Occupational Health and Safety Act 2000 (NSW) s 26, s 32A.

49 Pursuant to s 10A of the Workers Compensation and Injury Management Act 1981 (WA), 'working directors' must be nominated and details of remuneration are provided to the insurer. The working director can 'opt-in' to the statutory scheme. A working director is defined by section as a director of a company who executes work on behalf of the company and whose earnings 'by whatever means are in substance for personal manual labour or services'. Not all jurisdictions have provisions specifically dealing with working directors.

50 The claim is made on the basis the farmer is an employee; the courts distinguish between the role of a director as employee and director as office holder. The latter is not regarded as an employee. See for example a line of recent South Australian cases such as Kafka v WorkCover/Vero Workers Compensation (SA) Ltd (Riff Pty Ltd) [2006] SAWCT 46, Caldwell v WorkCover/Allianz Australia (Adelaide Technical Rubber) [2003] SAWCT 88 and McKinnon v WorkCover Corporation/CGU Workers Compensation (SA) Pty Ltd [2003] SAWCT 84.
injured farmer. In the case of farmer/directors all these options might be used to intentionally or inadvertently reduce premium levels so that in the event of injury or death, the insurer may seek to rely on insurance proposals which classify the farmer/director as a predominantly clerical worker (e.g., farm manager only) or earning a low salary, when in fact the director was actively engaged in farming activities and should have been classified as earning a reasonable salary. However, often the relationship between farmer and insurer is long term and the initial declaration is only an estimate of earnings. The understatement of wage declarations may result in lower than adequate income protection in the event of a farmer/director being injured and the collection of a lower and likely insufficient premium, which in the long term impacts on the calculation of premiums in this industry.

Finally, whilst it has been noted above that OHS prosecutions are often not brought against farmers who injure themselves, there is no reason why that injured farmer may not seek workers compensation for self injury from his/her corporate employer. Workers compensation is a no fault form of insurance which covers accidental injury and, unless the injury was deliberately self-inflicted or due to wilful misconduct, a claim for self injury is compensable.51

Modes of engagement and rates of compensation in the agricultural industry

As has been highlighted by the cases noted above, a common ingredient of the work accident in the agricultural industry is the young, inexperienced and unsupervised casual worker.52 The engagement of workers on a casual basis has a number of employment consequences. On the positive side it allows the worker a freedom of movement from farm to farm; obtaining work as it comes into season. Rates of pay for casual workers are usually above normal hourly rates for permanent workers. However, a casual worker has no right to sick leave, holiday pay or superannuation payments unless specifically agreed, which is uncommon. In addition, a casual worker may be dismissed with little or no notice. The essence of the engagement is that the casual worker has no expectation of continued employment. This works both ways as the casual worker can legally terminate their employment at short notice.

In the event of work-related injury or disease, a casual worker is usually treated differently to the permanent worker. Whilst casual workers are covered for workers compensation, as they are employees under a contract of service, most workers compensation legislation treats them as having only partial entitlements to income support. For example under Schedule 1 clause 14 of the Workers Compensation Act 1981 (WA),

51 All Australian jurisdictions have similar provisions which prevent claims for deliberate self-inflicted injury essentially on the grounds that it is not accidental. An example of a provision which prevents a claim that arises out of wilful misconduct is section 22 of the Workers Compensation and Injury Management Act 1981 (WA).

52 Nettle et al suggest in their research that casual workers, whilst being a significant source of labour for farms, do provide challenges for farm operators due to the varying skill levels, high turnover and recruitment problems. They indicate that these issues can contribute to a low commitment to training, which in turn, it can be suggested, may increase the risk of work accident. Anecdotal evidence suggests that recently in Western Australia there has been an increased use of casuals being engaged through labour hire companies by pastoralists to carry out mustering activities. See R. Nettle, M. Paine and J. Petheram, 'The Employment Relationship – conceptual model developed from farming case studies' (2005) 30 New Zealand Journal of Employment Relations 19.
and Injury Management Act 1981 (WA) the payment is based on a pro rata payment based on the fraction of the year which has been worked or would have been worked by the casual employee. For example, a seasonal casual worker picking fruit might work 6 weeks for any one producer in a year. In the event of injury, even if the casual employee is totally incapacitated for work for a lengthy period the payment will be 6/52ths of the pay for a full time worker. Payment of all other expenses such as medical and rehabilitation allowances is at full rate however. This means that a casual worker who is injured in the course of his/her employment can expect to experience almost immediate financial hardship. In New South Wales the situation is somewhat different and probably more generous under section 43(e) of the Workers Compensation Act 1987 (NSW) which provides that:

The average weekly earnings of a casual worker, that is to say a worker whose contracts of service are mainly contracts for separate periods each of which is of not more than 5 working days in the same industry, shall be computed as if the worker's earnings under all his or her contracts of service, for a period of 12 months preceding the injury or any shorter period during which the worker may have been engaged in the industry, were earnings in the employment of the employer for whom the worker was working at the time of the injury.

Section 43(e) appears to allow a casual worker to aggregate the various casual earnings; in other words, the worker's earnings are equated as service to the industry rather than with a particular employer, whereas Schedule 1 clause 14 of the Workers Compensation and Injury Management Act 1981 (WA) appears to refer only to the earnings of the worker with the employer at the time of injury. This aspect is not clear and there is no case in point for guidance. Not all jurisdictions make specific reference to payments to casual workers but refer to the calculation of weekly payments via award rates which invariably specify the nature of casual work and consequently impact upon the worker's level of payments.53

Interestingly the Workplace Injury Management and Workers Compensation Act 1998 (NSW) goes to some trouble to include agricultural workers in the definitions of worker54 and likewise the Workers Compensation and Injury Management Act 1981 (WA) has an especially extended definition of worker which was historically designed to ensure coverage of forestry workers.55

Another issue for farm work is the use of volunteers. There are a number of situations in which this might occur. It has already been noted that the farm is a workplace and residence and that often children are engaged in farm work. Where children are included in the financial statements of the farm and included as part of the workforce on the farm, there is no reason why they should not be treated as workers/employees

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53 This seems to be the case for example under section 4 of the Workers Rehabilitation and Compensation Act 1986 (SA) and sections 107A-E of the Schedule 1 clause 14 of the Workers Compensation and Injury Management Act 1981 (WA) (Qld).
54 This definition applies to the Workers Compensation Act 1987 (NSW) – see Clause 3 Schedule 1.
55 Extended definition of worker under section 5 of the Workers Compensation and Injury Management Act 1981 (WA).
in relation to workplace injury, regardless of age. However, it is conceivable that a good deal of unpaid work is done by younger children simply to assist their parents in farm production. The child in these circumstances may not be regarded as a worker/employee as there is no contract of engagement. In such cases, the law regards them as volunteers, which means they have no entitlement to workers compensation in the event of injury. Of course, where there is a breach of the duty of care towards that child, the common law may provide a remedy in damages.

In addition, there is the issue of the legal status of friends and farmers who assist their neighbours in difficult times, for example, where a farmer is ill and a crop needs to be sown or harvested, or alternatively, where harsh weather, floods or fire requires neighbours to act in emergencies. In such cases, a neighbour injured in the course of those activities may have no status as a worker/employee, unless some contract has been entered into. It is conceivable that the law might acknowledge that some legal consideration takes place for the exchange of labour where there is a custom and practice of assistance to farmers in need. Where there is no recognised employment/engagement contract, a duty of care would still apply so as to allow for the remedy of damages where it was shown that the host farmer had been negligent. Interestingly, in _WorkCover NSW v Lock and Gosper_ noted above, the farm machinery (auger) the subject of the prosecution was on loan from one farmer to another. As it was unguarded the question of the duty of care of the lender might have been an issue in the event of a damages action.

_Agriculture – the 24 hour workplace_

Because of the intimate connection between the agricultural industry and the forces of nature, the work patterns of agricultural workers may be at various times irregular, sporadic and intense. In the case of grain farmers for example, intense work patterns occur at sowing and harvesting time. Similarly in fruit production, picking seasons require periods of high activity. There are many such examples. As a result of these forms of work patterns, workers in the industry often reside on the properties or workplaces upon which they work either as casual workers or simply as part of the family farming unit. This has a number of consequences at law. For workers compensation purposes there is a strong line of cases establishing that workers who are required or encouraged to reside on work premises during down time or after work are generally regarded as covered for workers compensation. That is to say, where a worker remains on site or has accommodation on a farm as a matter of convenience to the employer (if only in part), then in the event of injury to that worker the law regards the worker as being in the course of the employment,

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56 In Western Australia there are special provisions which require members of the employer's family dwelling in his house to be disclosed on insurance declarations before they are covered for workers compensation. See section 5 of the _Workers Compensation and Injury Management Act 1981_ (WA) but no similar provision appear in the major jurisdictions such as Queensland, South Australia, Victoria or New South Wales. That said, there might be legal prohibitions which prevent children of certain ages from paid work, which might affect this proposition. Only 8% of children were classified as working for child fatalities occurring between 1989 and 1992. See L. J. Fragar, L. Stiller and P. Thomas, 'Child Injury on Australian Farms – The Facts-' (2005) _Facts and Figures on Farm Health and safety Series_ No 5 Australian Centre for Agriculture Health and Safety <http://www.farmsafe.org.au/images/pdfs/Child_Injury.pdf> at 26 April 2007.
provided that they have not undertaken some activity which has specifically removed them from the employment.\(^{57}\) Thus, a worker was held to be in the course of their employment when he was burnt to death whilst asleep in accommodation provided by his employer.\(^{58}\) Likewise, workers injured returning to their accommodation after meals or injured whilst participating in employer organised social events in between work have been held to be in the course of employment.\(^{59}\) In one extreme example, the New South Wales Supreme Court held that shearers who were shot whilst sleeping in shearer's quarters on a farm, as a consequence of an earlier argument, were in the course of their employment at the time of their death.\(^{60}\) The examples are legion, and generally have arisen as a result of workers being engaged in remote circumstances such as railway construction and mine sites,\(^{61}\) but the principle is clear: where the worker is required to be in a certain location by reason of their attachment to work then there is a prima facie connection with the employment.

As has been noted, the nature of agricultural work, in much the same way as mining work, gives rise to 24 hour relationships between workers and employers. Inevitably, this high risk activity coupled with almost continuous work cycles can influence premium rates and as has been noted above, the premium rates for agricultural work are generally in the highest bracket.\(^{62}\)

**Conclusions**

The agricultural industry is a dangerous one. It is characterised by a combination of factors which increase the potential for injury. These factors include the frequent use of high rotation heavy equipment (such as augers, post-hole diggers and tractors), casual labour, working in isolation under little or no supervision and, in the past, an attitude among many in the industry that at best might be regarded as self sufficient, at worst, uninformed and occasionally foolhardy. These latter attitudes are probably changing with recognition that serious harm can occur to agricultural workers and their families and friends, and with a more vigilant attitude to farm accidents adopted by most WorkCover authorities and the work of organisations such as FarmSafe Australia. WorkCover authorities have in the last decade become acutely aware of the high rates of injury in the industry and in most states special studies have been conducted to inform an approach to accident prevention. National approaches are now emerging, with information on safe handling of machinery becoming more widely available due to the work of the Rural Industries Research and Development Corporation whose work has been cited herein. Australia's continued heavy

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\(^{57}\) O'Brien v The Commonwealth (1967) 117 CLR 66.  
\(^{58}\) Danvers v Commissioner for Railways (NSW) (1969) 122 CLR 529 and Carruthers v Metropolitan Meat Industry Commissioner (1938) 38 SR (NSW) 116 Gagliardi v Oreskovich (1979) 1 WCR (WA) 46.  
\(^{59}\) Hatzimanolis v ANI Corp Ltd (1992) 173 CLR 473; 106 ALR 611.  
\(^{60}\) McCurry v Lamb (1992) 8 NSWCCR 556.  
dependence on agriculture requires a concerted approach to this serious problem. As has been previously noted in this paper, farm safety programs have been increasingly directed at women. Given this delineation in work activities on the farm and the perception of masculinity and toughness attributed to outdoor farming activities, it is possible to assert that the issue of gender is significant in farming accidents and that more research is required in this regard.⁶³

These issues, as well as the special legal issues that arise for many in the agricultural industry, such as an almost continuous work pattern, high overheads and fickle environmental influences, set agriculture apart as an industry for special attention in relation to occupational safety. This industry is not dominated by large corporate bodies with the capacity to raise enormous sums of capital to replace aging machinery or to provide training and education as might be argued in the mining industry. Agriculture remains characterised by family based production units with limited resources and a marked tendency for an independent attitude to work. As noted in passing above, the collection of data in relation to agricultural injuries is fraught with difficulties due to a variety of reasons. It can be surmised that many accidents on farms are not reported as they relate to injuries sustained by family members, who might not seek to make a compensation claim or are unaware that they might have a remedy at law. More likely, by reason of the pressure of production, family members might continue to work despite suffering impairments. All of these factors contribute to the likelihood of understated rates of injury, tied to other increased potential for harm, the agricultural industry presents Australian governments and specialist authorities with particular challenges in relation to improving workplace safety and reducing workplace injury.