

## WORKCOVER in TASMANIA

Wwoof Australia has been looking into the need for Hosts to have WorkCover Insurance in Tasmania; this information is current as at May 2007.

WorkCover Insurance in Tasmania gives Wwoofers far more comprehensive insurance cover than the Wwoof Personal Accident Policy. All Wwoofers Wwoofing in Tasmania are considered workers and must be covered by a WorkCover Policy.

Before reading on, you will need to work out what your wages bill for one year is, a rule of thumb to calculate how much a Wwoofer is paid "in kind" per day is as follows:

$$\begin{aligned} & \$20.00 - \text{overnight accommodation (equal to backpacker accommodation for 1 night)} \\ & \$30.00 - 1 \text{ days food (this is roughly what it would cost a Wwoofer to feed themselves)} \\ = & \$50.00 \text{ per Wwoofer per day.} \end{aligned}$$

(Basically the Wwoofer trades the cost of what they would have paid at a Backpackers Hostel and to feed themselves for the work they do for you) Therefore, for example, a \$7,500 wages calculation would equal 150 Wwoofer nights per year (1 Wwoofer for 150 nights or 10 Wwoofers for 15 nights each etc.)

This is not going to be the same for all hosts, as some hosts have 4 or 5 star accommodation and their Wwoofers may work 6 hours a day, and others have tent accommodation and their Wwoofers only work for 2 hours each day. It is up to individual hosts to calculate what they think their "in kind" payment is worth. In these instances it may be better to attribute an hourly rate to Wwoofer work of say \$15.00 per Wwoofer hour.

### A summary of the information we have collected from the Tasmanian WorkCover website is below.

- Under the Workers Rehabilitation and Compensation Act 1988 it is compulsory for every employer to have a current workers compensation policy or to hold a permit to self-insure. An employer who does not have a current policy may be prosecuted, and if found guilty of the offence, be liable to be fined up to \$50,000, as well as an amount equal to the premium that the employer would have paid if insurance had been taken out. In addition, uninsured employers will be held responsible to pay the full cost of compensation, including any common law costs, if their workers are injured.
- Employers are required to meet the costs of weekly payments for the first weekly rate payment for each injury suffered by a worker and the first \$200 of other benefits. This excess can be removed from the workers compensation insurance policy if an employer obtains a certificate from the Board, and pays any additional premium if required by the insurer. It is also possible for an employer to extend this period of insurance excess to 30 days.
- Immediately upon receiving a claim for compensation from a worker, the employer must complete the employer's report section of the Worker's Claim for Compensation form and, together with the Workers Compensation Medical Certificate, send them to their insurer within five working days (unless they are a self-insurer).
- Workers must be covered. 'Worker' means anyone paid by wages or salary (which includes piece rates and payment in kind). Workers may be full-time, part-time, casual or seasonal. They may also be piece-workers, workers on commission or working directors of companies. In some cases, contractors and subcontractors also have to be covered.
- "wages" includes the monetary value of all payments made to a worker, whether in cash or in kind, in return for the worker's labour and includes the following: the value of provision by the employer of meals or sustenance or of the use of premises or quarters as consideration or part consideration for the worker's services.
- For a list of the Tasmanian licensed insurers see the list of telephone numbers below or go to <http://www.workcover.tas.gov.au/attach/wrclicensedi.pdf> for the full contact details. Any of these insurers can arrange a Workcover policy based on your individual property type and annual wages estimate. It may be cheaper if you combine your Farm insurance with a Workcover policy and it is worth getting a few different quotes.
- There seems to be a huge difference in prices amongst the licensed Insurance providers in Tasmania (PTO for list) and it really pays to ring around. Wwoof has contacted 3 of the 8 providers to find that their minimum premiums ranged from \$313.50 to \$855.00.

PLEASE NOTE: this legislation covers ALL workers, from the boy next door who mows your lawn to your ironing lady or Wwoofers, whether you pay them with money or in kind, it does not apply exclusively to Wwoofers, but does include them.

Should you have any further queries or issues, feel free to contact the Helpline: Workplace Standards Tasmania, PO Box 56, ROSNY PARK, TAS, 7018 Phone: Local rate: 1300 366 322 (Inside Tasmania) Fax: 03 6233 8338 Email: [wstinfo@justice.tas.gov.au](mailto:wstinfo@justice.tas.gov.au)

### Tasmanian Work Cover Licensed Insurers

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|--|--|
| *GIO General Phone 131010                        | * Catholic Churches Insurances Ltd Phone 1300 655 001 or 9934 3000 |
| *Allianz Australia Insurance Ltd Phone 6332 3113 | *Guild Insurance Ltd Phone 6220 2900 or 1800 810 213               |
| *QBE Insurance (Aust.) Ltd Phone 6237 3960       | * Zurich Australian Insurance Ltd Phone 6220 6111                  |
| *Vero Insurance Ltd Phone 6215 6333              | *Insurance Australia Ltd (tas CGU Workers Compensation) 6270 4700  |

## WORKCOVER in VICTORIA

**Wwoof Australia** has been looking into the need for Hosts to have WorkCover Insurance in Victoria; this information is current as at January 2007. We are not suggesting Hosts should take out WorkCover Insurance, we are just trying to give you the facts we have been given so you can make an informed decision based on your own circumstances.

WorkCover Insurance in Victoria gives Wwoofers far more comprehensive insurance cover than the Wwoof Personal Accident Policy. All Wwoofers who go Wwoofing in Victoria are automatically covered by this policy whether or not the Host takes out a WorkCover Policy. It is up to each individual Host to decide if they must take out this policy, or if they want to take it out voluntarily, and whether they want to take out the Buy-out option so they are totally covered.

Before reading on, you will need to work out what your "rateable remuneration" or wages bill for one year is, a rule of thumb to calculate how much a Wwoofer is paid "in kind" per day is as follows:

\$20.00 – overnight accommodation (equal to backpacker accommodation for 1 night)

\$30.00 – 1 days food (this is roughly what it would cost a Wwoofer to feed themselves)

= **\$50.00 per Wwoofer per day.** (Basically the Wwoofer trades the cost of what they would have paid at a Backpackers and to feed themselves for the work they do for you) Therefore the \$7,500 rateable remuneration discussed below would equal 150 Wwoofer nights per year (1 Wwoofer for 150 nights or 10 Wwoofers for 15 nights each etc.)

This is not going to be the same for all hosts, as some hosts have 4 or 5 star accommodation and their Wwoofers may work 6 hours a day, and others have tent accommodation and their Wwoofers only work for 2 hours each day. It is up to individual hosts to calculate what they think their "in kind" payment is worth. In these instances it may be better to attribute an hourly rate to Wwoofer work of say **\$15.00 per Wwoofer hour.**

A summary of the information we have received from the Victorian WorkCover Authority is below.

- In the event of an injury a **Wwoofer will be considered to be a prima facie common law worker** and coverage under the Accident Compensation Act 1985 (the ACT) automatically applies. **This is because in kind payments are considered to be remuneration under the ACT.** As the Wwoofer receives accommodation and meals in exchange for performing labour on a Host property it therefore follows that the Wwoofer will be a worker under the legislation even though they may have signed an agreement indicating a voluntary work status.
- An employer is required to take out a WorkCover policy if they employ an apprentice or trainee or foresee that they will be paying their workers more than \$7,500 in remuneration in a financial year (this is stated in Section 7(1) of the *Accident Compensation (WorkCover Insurance) Act 1993*). **If you do not expect to do either, you are not required to take out a WorkCover policy.** The registration of an insurance policy can occur where an employer considers that the remuneration will exceed the threshold for the policy year. At the time of request for the insurance it may be that the threshold has not yet been reached. You need to register as soon as you engage an apprentice or trainee or you pay, or expect to pay, more than \$7,500 a year in rateable remuneration.
- **There is no legal obligation on the Wwoof Host if remuneration has not and will not exceed \$7500 per annum and a person under a Wwoofer engagement has made no claim for compensation.**
- If the Wwoofer is injured and chooses to lodge a Workers Compensation Claim form on a Wwoof Host, the Host must forward the claim form to the Victorian WorkCover Authority (VWA) within 5 days. If the Host is exempt or uninsured, they must pay a fee of \$135.00 when lodging this claim form. (As per section 57 of the *Accident Compensation (WorkCover Insurance) Act 1993*).
- In the event a claim for compensation under the ACT is made, then the claim will be administered under the Wwoof Hosts' WorkCover policy. The Wwoof Host (whether insured or not) will be liable for the first 10 days of compensation payments and the first \$531.00 of medical expenses. If exempt or uninsured, the Wwoof Host will be registered and the claim will be administered under the Wwoof Hosts' WorkCover policy.
- To avoid this situation, it was suggested that consideration be given to registering a WorkCover Insurance policy for the Wwoof Host and paying the minimum fee of \$148.50 per annum which covers the Host for remuneration up to \$15,500 (or 310 Wwoofer nights). You may also wish to take out the buy out option, which eliminates the excess claim payment (first 10 days and \$531.00 in medical expenses) by paying an additional 12.5% on your premium. The minimum premium is \$148.50 (inclusive of GST) therefore, if you were to take up the Buy Out option (an extra 12.5%) the premium would be \$167.06. If your remuneration is greater than \$15,500 you would need to get these rates from WorkCover.
- If a worker is injured, the benefits they may be entitled to include weekly benefit payments, medical treatment and rehabilitation costs, legal costs, or, in the event of a serious injury, lump sum compensations. The cost of providing these benefits to a seriously injured worker can run into hundreds of thousands or even millions of dollars. If you are exempt or not insured, the Victorian WorkCover Authority guarantees the benefits payable to injured workers. However, **these claims costs may be recovered from the Wwoof Host as the uninsured employer and heavy penalties may apply if you should have been insured.**
- It is a requirement that you revise your estimate of rateable remuneration for any policy period, if at any time (prior to May) what you have actually paid, or are liable to pay, in rateable remuneration so far is greater than the estimate you last provided. You must provide your VWA Agent with a revised estimate **within 28 days of exceeding your last estimate.** If you fail to advise your VWA Agent of changes to your estimated rateable remuneration (RR), and the RR that you have paid, or are liable to pay, is more than the estimate you last provided, a penalty of up to 100% of the insurance premium difference may be applied.

Should you have any further queries or issues, feel free to contact the WorkCover Advisory Service on 1800 136 089 or 03 9641 1444 or visit the web at <http://www.workcover.vic.gov.au>.

Wednesday, 4 August 2010

## WORKCOVER in SOUTH AUSTRALIA

**WWOOF Australia** has been looking into the need for Hosts to have WorkCover Insurance in South Australia; this information is current as at January 2007. We are not suggesting Hosts should take out WorkCover Insurance, we are just trying to give you the facts we have been given so you can make an informed decision based on your own circumstances.

WorkCover Insurance in South Australia does not cover volunteers, the value of food and accommodation is not considered to be wages.

A summary of the information we have received from **South Australia WorkCover** is below.

Generally volunteers are NOT entitled to workers compensation as the work is not paid and no 'contract of service' is established. You have indicated that WWOOF Hosts are providing food and accommodation but this is not considered as a reward. This in itself does not necessarily mean that a contract of service exists as there are other factors such as control of the work being done which apply.

WWOOF Hosts do however have significant OHSW responsibilities under the OHSW Act 1986 - a legal duty of care to ensure volunteers are safe from injury and disease. Under section 19 of the OHSW Act you must provide:

- a safe working environment
- safe ways of working
- equipment, tools and substances in a safe condition
- adequate facilities for their welfare
- information, training and supervision

Should you have any further queries or issues, feel free to contact SafeWork SA, Level 3, 1 Richmond Road, Keswick SA 5035, GPO Box 465 Adelaide SA 5001, phone **1300 365 255** or visit their website at [www.safework.sa.gov.au/](http://www.safework.sa.gov.au/)  
Wednesday, 4 August 2010

## **WORKCOVER in the NORTHERN TERRITORY**

**WWOOF Australia** has been looking into the need for Hosts to have WorkCover Insurance in the Northern Territory; this information is current as at January 2007. We are not suggesting Hosts should take out WorkCover Insurance, we are just trying to give you the facts we have been given so you can make an informed decision based on your own circumstances.

Workers Compensation Insurance in the Northern Territory does not cover volunteers, the value of food and accommodation is not considered to be wages, however if a WWOOFer is paid \$1.00 or more then you must be covered by Workers Compensation Insurance.

Should you have any further queries or issues, feel free to contact WorkSafe NT, First Floor, Darwin Plaza Building, 41 Smith Street, The Mall GPO Box 4821, Darwin, NT 0801. Phone **1800 019 115** or visit their website: [www.worksafe.nt.gov.au](http://www.worksafe.nt.gov.au)

## WorkCover in Queensland

**WWOOF Australia** has been looking into the need for Hosts to have WorkCover Insurance in Queensland; this information is current as at August 2010. We are passing on the facts we have been given so you can make an informed decision.

WorkCover Insurance in QUEENSLAND gives WWOOFers far more comprehensive insurance cover than the WWOOF Personal Accident Policy. **All WWOOFers WWOOFing** in Queensland are considered workers and must be covered by a WorkCover Accident Insurance Policy.

Before reading on, you will need to work out what your wages bill for one year is; a rule of thumb to calculate how much a WWOOFer is paid "in kind" per day is as follows:

\$20.00 – overnight accommodation (equal to backpacker accommodation for 1 night)

\$30.00 – 1 days food (this is roughly what it would cost a WWOOFer to feed themselves)

= **\$50.00 per WWOOFer per day**. (Basically the WWOOFer trades the cost of what they would have paid to stay at a Backpackers and to feed themselves, for the work they do for you)

Therefore, for example, 250 WWOOFer nights per year would equal \$12,500 wages per year (1 WWOOFer for 250 nights or 50 WWOOFers for 5 nights each etc.) The premium for this wages amount would be  $\$1.20 \times 125 = \$150.00$ , + optional 5% excess buyout \$7.50 total \$157.50 per year. (see information below) The minimum premium is \$145.00, this would cover you for a wages bill of just over \$12,000.00,

This is not going to be the same for all hosts, as some hosts have 4 or 5 star accommodation and their WWOOFers may work 6 hours a day, and others have tent accommodation and their WWOOFers only work for 2 hours each day. It is up to individual hosts to calculate what they think their "in kind" payment is worth. In these instances it may be better to attribute an hourly rate to WWOOFer work of **\$15.00 per WWOOFer hour**. (800hours = \$12,000)

A summary of the information we have received from Queensland WorkCover is below.

- WorkCover Queensland has been determined that WWOOF hosts are 'employers' as defined by Queensland legislation, and that WWOOFers are 'workers'. What this means is that WWOOF hosts in Queensland will need to take out a WorkCover Accident Insurance Policy.
- All employers of workers in Queensland are required to have a WorkCover Accident Insurance Policy according to the *Workers' Compensation and Rehabilitation Act 2003* (Act). Employers are legally required to insure with WorkCover against the cost of compensating a worker who has a work-related injury. Payment of your WorkCover premium by the due date ensures your liability is covered. WorkCover's Accident Insurance Policy insures employers for the cost of work-related injuries of their workers.
- Your Accident Insurance Policy covers you for costs associated with a statutory claim made by an injured worker. If WorkCover accepts a worker's application for compensation, they will be eligible for benefits.
- You must pay the worker for the day they stopped work, for each claim you will need to pay an excess. The excess amount will be the lesser of 100% of the Queensland ordinary time earnings (\$1,228.20 in 2010-2011) **or** one week's compensation, which ever is the lesser. In the case of WWOOFing, we would argue that providing one week's food and accommodation, or \$50.00 per day as in the example above, would be "the lesser".
- WorkCover acts on your behalf if the injured worker makes a common law claim.
- Excess is the amount you need to pay for each accepted claim, where a worker takes time off work due to a workplace injury. The excess per claim is \$500, or the weekly compensation rate minus \$1, whichever is less. WorkCover will advise you about the excess payable on each claim.
- WorkCover calculates in advance the annual premium income that the scheme needs in order to cover the estimated total costs for all claims that will be incurred in the next financial year. The estimated costs for claims incurred in a financial year include all costs estimated for those claims, regardless of when the claims are reported or costs paid.
- For employers, Queensland WorkCover maintains the lowest average net premium rate of any Australian state at just \$1.30 per \$100 of wages in 2010.
- If you have a totally non commercial property you may take out a Household Workers' Insurance Policy. This policy cost \$17.50 in 2008, you will need to check the current rated for this policy. This will not cover you if you have ANY form of business, including trading your excess produce or a business totally unrelated to WWOOF, e.g. an internet company etc. Make sure you check with the insurer that this will cover your own circumstances.

This information is to be used as a general guide only, WorkCover Queensland will discuss any issues at the time of setting up a policy or putting in a claim as this information does change from time to time.

Should you have any further queries or issues, feel free to contact WorkCover on **1300 362 128**  
For more information on WorkCover please visit our web site at: [www.workcoverqld.com.au](http://www.workcoverqld.com.au)  
Wednesday, 4 August 2010

## WORKCOVER in the ACT

**WWOOF Australia** has been looking into the need for Hosts to have WorkCover Insurance in the ACT; this information is current as at January 2007. We are not suggesting Hosts should take out WorkCover Insurance, we are just trying to give you the facts we have been given so you can make an informed decision based on your own circumstances.

WorkCover Insurance in the ACT gives WWOOFers far more comprehensive insurance cover than the WWOOF Personal Accident Policy. **All WWOOFers who go WWOOFing on a Commercial property** in the ACT are considered workers and must be covered by a WorkCover Policy. It is up to each individual Host to decide if they must take out this policy.

Before reading on, you will need to work out what your wages bill for one year is, a rule of thumb to calculate how much a WWOOFer is paid "in kind" per day is as follows:

\$20.00 – overnight accommodation (equal to backpacker accommodation for 1 night)

\$30.00 – 1 days food (this is roughly what it would cost a WWOOFer to feed themselves)

= **\$50.00 per WWOOFer per day.** (Basically the WWOOFer trades the cost of what they would have paid at a Backpackers and to feed themselves for the work they do for you) Therefore the \$7,500 rateable remuneration discussed below would equal 150 WWOOFer nights per year (1 WWOOFer for 150 nights or 10 WWOOFers for 15 nights each etc.)

This is not going to be the same for all hosts, as some hosts have 4 or 5 star accommodation and their WWOOFers may work 6 hours a day, and others have tent accommodation and their WWOOFers only work for 2 hours each day. It is up to individual hosts to calculate what they think their "in kind" payment is worth. In these instances it may be better to attribute an hourly rate to WWOOFer work of say **\$15.00 per WWOOFer hour.**

### A summary of the information we have received from ACT WorkCover is below.

- Honorariums to volunteers or non-workers are not counted as wages. Volunteer workers are generally not covered for workers' compensation; however, employers may still be liable for any injuries to volunteers. Employers should check with their insurers to ensure they have the appropriate coverage. ( WWOOF Personal Accident Policy)
- The Act requires all employers in the Australian Capital Territory to have a current ACT Workers Compensation Insurance Policy with an Approved Insurer. This policy must cover all of the employer's ACT workers at all times. Should an employer not have a policy and a worker sustains a work related injury, then the worker may still be able to claim for the injury through the nominal insurer (see Information Bulletin 11.08 – The Nominal Insurer)
- Under the Act, an employer is someone who employs workers under a 'contract of service', or in certain circumstances a 'contract for service'. A contract can be made either orally or in writing, and applies to full time, part time and casual workers.
- The definition of a 'worker' as per the Act is quite broad, section 8 of the Act states:

Section 17A (*Volunteers*) of the Act states: " *an individual who is engaged to perform work for someone else, and who receives no payment for the work (apart from any payment for expenses), is taken **not to be a worker** unless the individual is taken to be a worker under...section 18 (Commercial voluntary workers)...*"

**Section 18 (Commercial voluntary workers)** may apply to your situation, and states: *This section applies if-*  
(a) *an individual (a **commercial volunteer**) is engaged under an arrangement by which the commercial volunteer performs work that is for (or incidental to) an enterprise, trade or business carried on by someone else (the **principal**); and*  
*and*  
(b) *the principal carries on the enterprise, trade or business for- (i)if the principal is an individual-the financial benefit of the principal; or (ii) if the principal is a corporation-the financial benefit of the corporation's members; and*  
(c) *the commercial volunteer receives no payment for the work (apart from any payment for expenses)."*

- To take out a workers compensation policy in the ACT, you need to contact one of the 8 approved insurers. Approved Insurers assess workers compensation insurance premiums and determine the rates charged to the employer. This is based on the industry type, claims history, wages *bill* (*wages include the **value of board and lodging provided by the employer for the worker***) and number of employees. A good claims record in conjunction with good occupational health and safety practices can influence the premium to be paid.

From 1 July 2002 employers have increased obligations including:

- Displaying current insurance policy details;
- Complying with their insurer's Injury Management Program;
- Displaying a notice that outlines the requirements under the Act for making compensation claims, including the name of the insurer;
- Establishing (and displaying) a written Return to Work Program in consultation with workers, an approved rehabilitation provider and relevant unions;
- Providing a Register of Injuries that is accessible to all workers;
- Providing specific information required by the insurer including six monthly wage reports.

Should you have any further queries or issues, feel free to contact ACT WorkCover, PO Box 224, Civic Square, ACT 2608, or phone 6205 0200. or visit their website at [www.workcover.act.gov.au](http://www.workcover.act.gov.au)

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## WORKCOVER in NEW SOUTH WALES

**WWOOF Australia** has been looking into the need for Hosts to have WorkCover Insurance in NSW; this information is current as at July 2008.

WorkCover Insurance in NSW gives WWOOFers far more comprehensive insurance cover than the WWOOF Personal Accident Policy. **All WWOOFers WWOOFing** in NSW are considered workers and must be covered by a WorkCover Policy. **However, only employers with annual wages greater than \$7,500 will be required to take out workers compensation insurance** or where an employer engages an apprentice/trainee or is a member of a Group for workers compensation purposes.

Before reading on, you will need to work out what your wages bill for one year is, a rule of thumb to calculate how much a WWOOFer is paid "in kind" per day is as follows:

\$20.00 – overnight accommodation (equal to backpacker accommodation for 1 night)

\$30.00 – 1 days food (this is roughly what it would cost a WWOOFer to feed themselves)

= **\$50.00 per WWOOFer per day**. (Basically the WWOOFer trades the cost of what they would have paid at a Backpackers and to feed themselves for the work they do for you) Therefore, for example, a \$7,500 wages calculation would equal 150 WWOOFer nights per year (1 WWOOFer for 150 nights or 10 WWOOFers for 15 nights each etc.). This is not going to be the same for all hosts, as some hosts have 4 or 5 star accommodation and their WWOOFers may work 6 hours a day, and others have tent accommodation and their WWOOFers only work for 2 hours each day. It is up to individual hosts to calculate what they think their "in kind" payment is worth. In these instances it may be better to attribute an hourly rate to WWOOFer work of say **\$15.00 per WWOOFer hour**.

If your Wages bill is below \$7,500, you are considered to be an "exempt employer", if you have an injured worker you need to report this to WorkCover by phone on 13 10 50. They will allocate the claim to an insurer and you will have to pay a one off Administration fee of \$175.00. Exempt Employers have the same obligations concerning injury management and return to work as employers who hold a policy.

A summary of the information we have received from **NSW WorkCover** is below.

- **If their wages bill is over \$7500.00** WWOOF Hosts do need a workers compensation policy as this type of arrangement (board and lodging, food and accommodation in exchange for voluntary work) is considered in lieu of wages as per Section 174 (9) of the Workers Compensation Act 1987.  
([http://www.workcover.nsw.gov.au/LawAndPolicy/Acts/workers\\_compensation\\_act.htm](http://www.workcover.nsw.gov.au/LawAndPolicy/Acts/workers_compensation_act.htm))
- People in these situations are workers for the purposes of Workers Compensation. They are entitled to Workers Compensation benefits if injured, and the person or company (the principal) who engages their services is obligated to provide [Workers Compensation Insurance](http://www.workcover.nsw.gov.au/WorkersCompensation/default.htm) (<http://www.workcover.nsw.gov.au/WorkersCompensation/default.htm>) just as they would for a worker who is being paid wages.
- You will need to calculate the total cost of this consideration and speak with one of the [licensed insurers](http://www.workcover.nsw.gov.au/Agents_Insurers/ListofInsurers/default.htm) ([http://www.workcover.nsw.gov.au/Agents\\_Insurers/ListofInsurers/default.htm](http://www.workcover.nsw.gov.au/Agents_Insurers/ListofInsurers/default.htm)) about a policy.
- The [Wages Definition Manual](http://www.workcover.nsw.gov.au/Publications/WorkersComp/Premiums/wagdefman_oct2003.htm) includes information on calculation of wages for workers compensation purposes. ([http://www.workcover.nsw.gov.au/Publications/WorkersComp/Premiums/wagdefman\\_oct2003.htm](http://www.workcover.nsw.gov.au/Publications/WorkersComp/Premiums/wagdefman_oct2003.htm))
- The minimum Workcover premium is \$175, for policies covering domestic workers - ie. a policy for a householder to cover a person employed to clean a private residence - the minimum premium is \$38.00.
- Small employers have a basic tariff premium of \$10,000 or less or annual wages equal to or less than \$300,000.

The following is a summary of some of the employer's major premium-related obligations under the *Workers Compensation Act 1987*:

- an employer whose wages bill is over \$7,500pa must have (and maintain) a workers compensation insurance policy (section 155). The penalty is currently \$55,000 or imprisonment for six months, or both
- an employer who fails to obtain, or maintain in force, a policy of insurance, may be charged double the premium that would have been payable (section 156)
- an employer must provide correct information to their insurer. If an employer evaded payment of correct premium(s) by providing false or misleading information, the insurer may apply to WorkCover to recover from the employer double the evaded premium(s) plus a late payment fee (section 175)
- an employer must keep records of the remuneration they pay their workers (and contractors deemed to be workers) and all information they use to calculate their workers compensation premium. Employers must keep these records in good order and condition for at least five years. The penalty is currently \$55,000 (section 174)

Should you have any further queries or issues, feel free to contact WorkCover Information Centre **13 10 50**  
For more information on WorkCover please visit our web site at: <http://www.workcover.nsw.gov.au>  
Wednesday, 4 August 2010

## WORKCOVER in WESTERN AUSTRALIA

**WWOOF Australia** has been looking into the need for Hosts to have WorkCover Insurance in Western Australia; this information is current as at May 2010.

WorkCover Insurance in Western Australia gives WWOOFers far more comprehensive insurance cover than the WWOOF Personal Accident Policy. **All WWOOFers WWOOFing** in Western Australia are considered workers and must be covered by a WorkCover Policy.

Before reading on, you will need to work out what your wages bill for one year is; a rule of thumb to calculate how much a WWOOFer is paid "in kind" per day is as follows:

\$20.00 – overnight accommodation (equal to backpacker accommodation for 1 night)

\$30.00 – 1 days food (this is roughly what it would cost a WWOOFer to feed themselves)

= **\$50.00 per WWOOFer per day**. (Basically the WWOOFer trades the cost of what they would have paid at a Backpackers Hostel and to feed themselves for the work they do for you) Therefore, for example, a \$7,500 wages calculation would equal 150 WWOOFer nights per year (1 WWOOFer for 150 nights or 10 WWOOFers for 15 nights each etc.)

This is not going to be the same for all hosts, as some hosts have 4 or 5 star accommodation and their WWOOFers may work 6 hours a day, and others have tent accommodation and their WWOOFers only work for 2 hours each day. It is up to individual hosts to calculate what they think their "in kind" payment is worth. In these instances it may be better to attribute an hourly rate to WWOOFer work of say **\$15.00 per WWOOFer hour**.

A summary of the information we have collected from the **Western Australian WorkCover website** is below.

- Your legal obligations as an employer include:
  - having **workers' compensation insurance cover for all workers** (penalties apply for avoidance);
  - having an **injury management system**; and
  - developing and implementing a **return to work program if a treating medical practitioner indicates** it is needed for an injured worker.

The legal definition of a 'worker' who must be covered is very broad. Section

5 of the Act includes: "...any person who has entered into or works under a contract of service or apprenticeship with an employer, whether by way of manual labour, clerical work, or otherwise and whether the contract is expressed, implied, oral or in writing".

The definition includes **full-time and part-time workers, workers employed on casual and seasonal rates**, apprentices and, in appropriate circumstances, sub-contractors. All workers should be covered by a policy of insurance regardless of how they are paid, whether it is by wages, salary, commission, piece rates or even **payment in kind**.

- If you don't have workers' compensation insurance, your company will be liable for the cost of the statutory benefits under the *Workers' Compensation and Injury Management Act 1981* if one of your workers has a work related injury or industrial disease. This could cost in excess of \$600,000, plus legal costs involved in court action and you may also be liable for the cost of any action taken at common law.
- If you are uninsured, you may also be liable for fines of up to \$5,000 per worker, as well as an amount equal to any avoided premiums going back five years. If you continue to be uninsured after the date of your conviction, you will commit a separate and further offence for every week you are uninsured.
- Workers' compensation legislation in Western Australia encourages a degree of self-responsibility, so you are encouraged to obtain alternative quotes when taking out cover or renewing your policy. A declaration of estimated gross wages for the period of the policy (usually 12 months) will be needed so your insurer can calculate your premium based on the estimate.
- A Guide for employers and a list of approved insurers is available at [www.workcover.wa.gov.au](http://www.workcover.wa.gov.au)

For more information, ring Workcover WA on FREE infoline **Tel 1300 794 744** or visit **[www.workcover.wa.gov.au](http://www.workcover.wa.gov.au)**