

Impact Analysis Statement (IAS)

Summary IAS

Details

Lead department	Office of Industrial Relations (OIR)
Name of the proposal	Approval of the <i>Sugar Mill Safety Code of Practice 2024</i> (2024 Sugar Code), including the Cane Rail Safety supplement.
Submission type	Summary Impact Analysis Statement (Summary IAS)
Title of related legislative or regulatory instrument	<i>Work Health and Safety Act 2011</i> <i>Sugar Industry Code of Practice 2005</i>
Date of issue	August 2024

What is the nature, size and scope of the problem? What are the objectives of government action?

Scope of the code of practice and supplements

The 2005 Sugar Industry Code addresses the work health and safety risks in the sugar industry and includes two supplements to address Sugar Mill Safety and Cane Rail Safety. The code was first introduced in 2005 and replaced the *Sugar Milling Operations Industry Code of Practice 1999*. The code was then preserved as a code of practice under section 284 of the *Work Health and Safety Act 2011* (WHS Act).

Sugar Mill Safety Supplement

The Sugar Mill Safety Supplement provides practical guidance about the ways to manage exposure to risks in sugar milling operations. Mills operate in two distinct modes, crushing and non-crushing. Both of which introduce a range of hazards to employers, workers and others. The supplement is designed to assist sugar mill operators to develop a hazard register for the sugar mill, assess the risks associated with those hazards, and implement appropriate controls.

Cane Rail Safety Supplement

The Cane Rail Safety supplement addresses the specific hazards associated with cane rail operations, including machinery, equipment, substances, and work practices; and what should be considered to safeguard the health and safety of workers and others. Queensland's cane rail network spans 3,688km and is used to deliver the sugar cane from the field to a sugar mill and sugar to sugar terminals. The rail network interacts with major and minor roads, Queensland Rail owned track, and rural and residential areas. The supplement is an important safety document for managers of cane railway systems, as well as their workers, and representatives who have health and safety duties under the WHS Act.

Outside of a desktop review in 2018, the 2005 Sugar Industry Code (including the supplements) has not been substantially reviewed since it commenced. During this time, there have been safety and technological changes to the sugar cane industry. As such, some of the contents of both the code and supplements have become outdated and no longer effectively guide duty holders on how they should meet the requirements of WHS laws.

Nature, size and scope of workplace hazards at sugar mills and cane rail

Sugar milling is one of Queensland's largest rural industries, with 95% of Australia's raw sugar production occurring in Queensland. The industry is comprised of 21 sugar mills owned by eight companies and

includes a range of professions such as boilermakers, mechanics, cane train drivers, cane growers, crop harvesters and farm workers. Approximately 23,000 workers are employed in the broader sugar industry.¹

Between 1 July 2018 and 15 April 2024, OIR was notified of 382 work related incidents in the sugar industry. Approximately 50% of these were dangerous incidents exposing workers or other persons to a serious risk to their health and safety. Over a similar period (1 July 2018 to 31 March 2024), approximately 2,185 claims were lodged for work related injuries across the sugar industry. The number of incidents in the sugar industry, and the broader agricultural sector, indicates specific guidance on managing work health and safety risks remains relevant and important.

Objectives of government action

Government action is required to update the 2005 Sugar Industry Code to ensure it remains fit for purpose and reflective of current industry best practice. Approved codes of practice are a practical guide to achieving the standards of health, safety and welfare required under the WHS Act and the *Work Health and Safety Regulation 2011* (WHS Regulation). Persons conducting a business or undertaking are required to either comply with codes of practice, or follow another method that provides the same, or better way of meeting the existing WHS regulatory responsibilities. It therefore is critical that the codes reflect current best practice of how the sugar industry can meet their WHS duties and keep workers and others safe.

The sugar industry also supported updating the 2005 Sugar Industry Code. These responses highlighted a range of issues and concerns with the outdated content in the code including fatigue management, emergency plans and the safety of interactions between pedestrians, workers and mobile plant.

What options were considered?

Option 1: No amendment to the *Sugar Industry Code of Practice 2005* and supplements

Under Option 1, the current code of practice would remain in effect and unchanged.

Option 2: Revoke the *Sugar Industry Code of Practice 2005* and supplements

Under this option, the code would be revoked, and there would be no code to guide the sugar industry in relation to the specific risks associated with sugar milling and cane rail operations. The industry would have to rely on the general provisions of the WHS Act and WHS Regulation.

Option 3: Conduct review of the *Sugar Industry Code of Practice 2005* and supplements (preferred)

Under this option, the code content would be updated and implemented via the approval of the 2024 Sugar Code.

This includes updates such as:

- updated guidance to reflect current industry practice and changes in work health and safety requirements;
- incorporating the sugar milling supplement into the main code, to address feedback on the usability of the document;
- aligning the cane rail safety content with the *Rail Safety National Law* where applicable; and
- modernising the content – for example rewording and removing references to outdated Australian Standards.

What are the impacts?

Option 1: No amendment to the *Sugar Industry Code of Practice 2005* and supplements

Under this option, duty holders working in the sugar industry may continue to face difficulty in comprehensively understanding and meeting their work health and safety duties using outdated code content.

Option 1 would likely have a negative impact on the sugar milling and cane rail industry, considering that the guidance no longer reflects current best practice. This may lead to financial implications if businesses

¹ Sugar industry data has been sourced from Australian Sugar Milling Council website and was current as of May 2024.

were to invest in potentially ineffective safety methods that may result in losses in productivity, staff shortages, and increases to workers' compensation insurance premiums. From a worker perspective, there may also be a continued risk of further injuries and deaths, causing significant social and economic impacts for workers and their families.

Given the reasons above, Option 1 is not the preferred option.

Option 2: Revoke the *Sugar Industry Code of Practice 2005* and supplements

Option 2 would mean that industry would have no clear guidance on how to minimise WHS risks and meet their obligations under the WHS Act which would have significant negative impacts on safety outcomes for workers.

Option 2 may cause financial detriment to the sugar industry, as mills may invest in potentially ineffective safety methods that may result in losses in productivity, staff shortages, and increases to workers' compensation insurance premiums. From a worker perspective, there may also be a continued risk of further injuries and deaths, causing significant social and economic impacts for workers and their families.

Given the reasons above, Option 2 is not the preferred option.

Option 3: Conduct review of the *Sugar Industry Code of Practice 2005* and supplements

Under Option 3, the 2005 Sugar Industry Code would be remade to reflect feedback from worker representatives, industry representatives and technical experts and meet the needs of industry. As the content clarifies how requirements under the WHS Act currently apply to the sugar industry, and ways in which these requirements can be met, it is expected that the 2024 Sugar Code will deliver improvements to sugar industry workplaces.

An updated code would deliver clear guidance to industry as to how to minimise WHS risks and therefore positive impacts on safety outcomes for workers. It is anticipated that this will have financial benefits for the sugar industry, as businesses invest in effective safety methods, which will result in less injuries and therefore increased productivity. From a worker perspective, there will be less injuries and deaths which minimises negative social and economic impacts for workers and their families.

Therefore, Option 3 is the preferred option.

Who was consulted?

In April 2020, OIR conducted initial scoping consultation with industry groups, union representatives and interested parties to identify priority areas of the *Sugar Industry Code of Practice 2005* and supplements for updating in the review process.

A range of stakeholders provided comprehensive feedback, identifying specific priority areas that were then considered by OIR during the drafting of the updated Code and supplements.

To deliver the updated Code and supplements, OIR established two steering groups (as outlined below)

Consultation: *Sugar Industry Code of Practice 2005* and Sugar mill safety supplement

The Sugar Mill Safety Code of Practice Steering Group was chaired by OIR and consisted of representatives from industry, unions and OIR, including: the Australian Sugar Milling Council, Mackay Sugar, Wilmar Sugar, Far Northern Milling, Australian Manufacturing Workers' Union and the Australian Workers' Union.

The Steering Committee met four times between March 2021 and July 2022, with additional out-of-session discussions held between OIR and steering group members as required. Input was also provided by the Electrical Trades Union and the Electrical Safety Office on specific issues related to electrical safety.

Consultation: Cane rail safety supplement

The Cane Rail Steering Committee was chaired by OIR and consisted of representatives from industry, unions and OIR, including: the Australian Sugar Milling Council, Mackay Sugar, Wilmar Sugar, Far Northern Milling, Canegrowers Queensland, the Australian Workers' Union and the Electrical Trades Union.

The Steering Group met four times between March 2023 and April 2024, with additional out-of-session discussions held between OIR and steering group members as required.

In late 2023, OIR also engaged a technical expert to review the Cane Rail Safety supplement to ensure the updated content reflected rail industry best practice.

What is the recommended option and why?

Recommended option: Option 3

Considering that the content of the 2005 Sugar Industry Code and supplements is outdated and may no longer meet best practice, Option 3 is the recommended option.

Once approved, the 2024 Sugar Code is anticipated to have a number of positive impacts on the sugar industry as it provides:

- updated guidance that incorporates key feedback from industry, worker and departmental representatives, as well as technical experts, to reflect current best practice;
- improved clarity on how existing requirements under the WHS Act apply and how to meet these requirements; and
- increased usability of the document through incorporating the sugar milling content into the main code and streamlining existing guidance.

Implementation

To ensure full understanding of the new code, OIR will support the sugar industry with a communication and education campaign. In addition, Workplace Health and Safety Queensland has a dedicated Agriculture Unit, including inspectors with specific sugar industry and railway experience, who will continue to support industry in meeting their compliance requirements and undertake inspections.

Impact assessment

	First full year	First 10 years
Direct costs – Compliance costs	Nil ²	Nil ²
Direct costs – Government costs	Nil ³	Nil ³

Signed



Graham Fraine
Director-General
Department of State Development and
Infrastructure

Date: 8/8/2024



The Honourable Grace Grace MP
Minister for State Development and
Infrastructure
Minister for Industrial Relations and
Minister for Racing

Date: 13/8/2024

² All compliance costs are assessed as nil. The 2024 Sugar Code provides a minimum standard of compliance with the existing requirements of Queensland's work health and safety, and electrical safety legislation. As such, complying with an approved code of practice does not result in an additional cost impact to industry above the existing cost of compliance with the relevant legislation.

³ All Government costs are assessed as nil. All compliance activities (e.g., industry audit campaigns, inspector visits, inspector training) related to an approved code of practice are not assessed as an additional cost to government, as the regulator does undertake similar activities in relation to the existing requirements of Queensland's work health and safety, and electrical safety legislation.