

PETER DRAPER

INDEPENDENT MEMBER FOR TAMWORTH

MEDIA RELEASE

False workers' compensation claims could force leading Tamworth abattoir to close

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The crippling impact of the NSW WorkCover scheme on rural business is becoming more apparent with a major industry in Tamworth under threat, member for Tamworth Peter Draper told Parliament yesterday.

Mr Draper said lamb abattoir Peel Valley Exporters was facing closure due to an increase in the business' workers' compensation premium from 13 to 33 per cent this year.

"Based on the business' wages, this percentile equates to a \$1.9million premium for the business to pay this year. I was told this figure is unaffordable and could effectively force the abattoir to close," Mr Draper said.

"Employers have their premiums adjusted in part according to their claims experience and it appears this increase is due to an onslaught of false worker's compensation claims against which the company is powerless to act.

"Despite evidence to the contrary, the claims have been accepted by insurance companies as valid," he said.

Mr Draper recently attended a meeting with Peel Valley Exporters senior staff, Country Fresh Australasia managing director Graham Jackson and the Federal Member for New England Tony Windsor to discuss the situation and the need to reform the Scheme on behalf of rural communities.

Mr Draper has been lobbying the Government on behalf of rural business owners to address the scheme that remains in debt to the tune of \$2.353million. Some business operators have been forced out of business due to unaffordable workers' compensation costs.

In his address to Parliament, Mr Draper said it would be fairer to prevent fraudulent claims from being factored into the business's premium calculations. At present business owners bear the brunt of increased premiums only securing a reduction once claims are proven false through court proceedings.

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Peel Valley Exporters and Country Fresh Australasia Pty belong to the JSA Jackson and Son group of companies, a third generation family concern which has been in the meat industry for 70 years and employs several hundred people in NSW and Qld.

“Peel Valley Exporters currently employs 300 workers and has plans to expand the workforce to 600 in two years time, providing this current crisis is resolved,” Mr Draper said.

“The way premiums are calculated is currently the subject of a WorkCover review which I hope will take into consideration the way businesses are being unfairly penalised. As demonstrated in the case of Peel Valley Exporters, employers have little defence against the system as it stands,” he said.

End Release

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