

# What are the effects of Unsafe Handling of Freight?

## The financial costs

The road freight transport industry includes:

- interstate road freight transport
- short distance road freight transport
- freight forwarding
- furniture removals.

## Freight handling injury statistics

Did you know that from 1992-97:

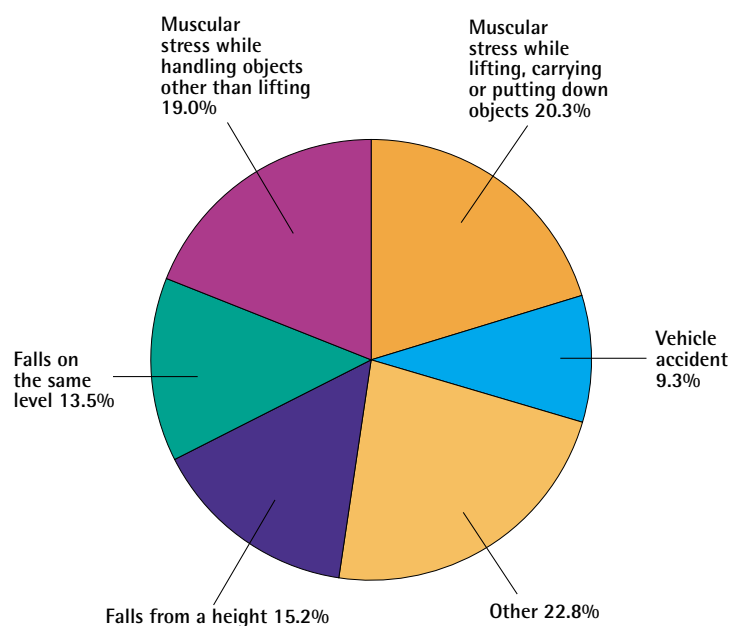
- There were over 1,600 muscular stress injuries in the road transport industry with a total cost of \$21 million.
- These injuries represent one third of all the injuries and 40 per cent of costs that occurred during this time.
- Drivers aged in their 30s were at highest risk of injury.
- Falls caused 20 per cent of major back injuries.
- The most common type of accident resulted from handling cartons and boxes.
- On average there were 30,000 days lost from work every year.

## Let's paint a picture of the problem

The following graphs do not include the injuries that were less than 10 days, so imagine how bad the total picture is!

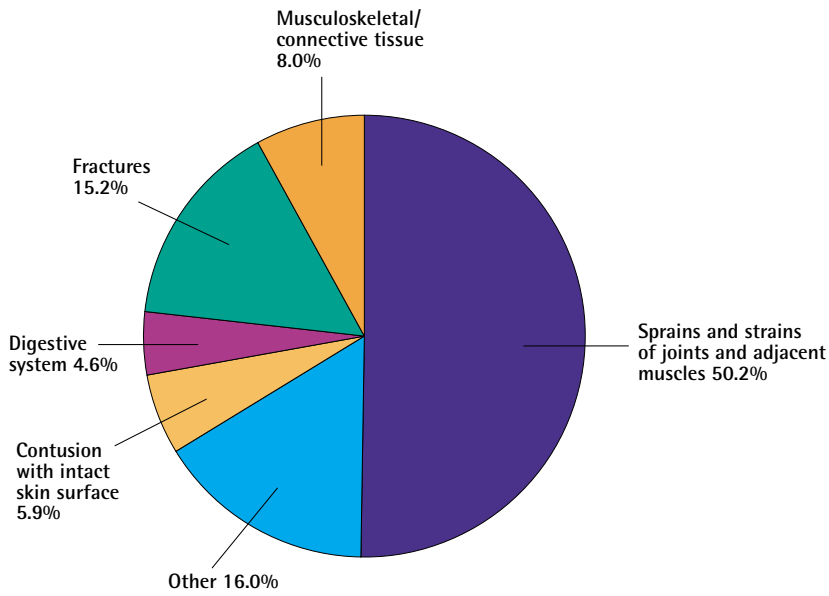
### Income Maintenance Claims in 1996/97

#### The Top 5 Accident Types - ASIC Group 511 (Road Freight Transport)

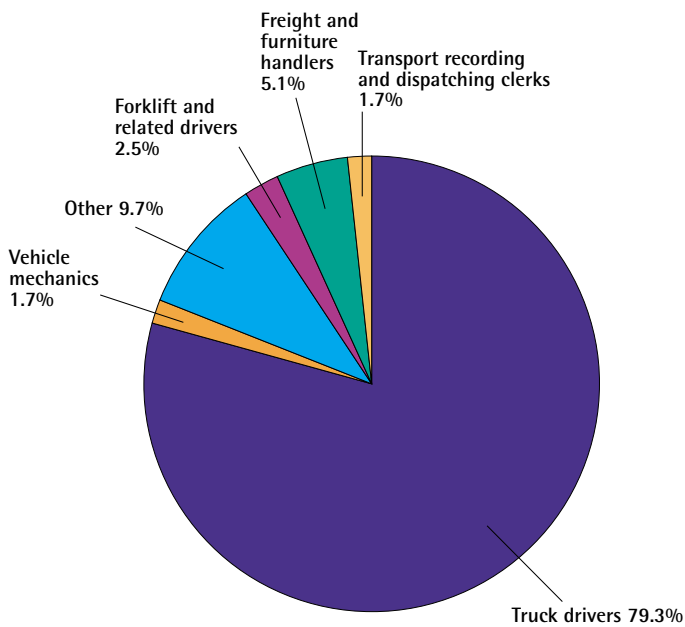


*Note: "Other" includes, being struck by falling objects, striking against objects, exposure to noise or hazardous substances, burns, psychological stress, etc*

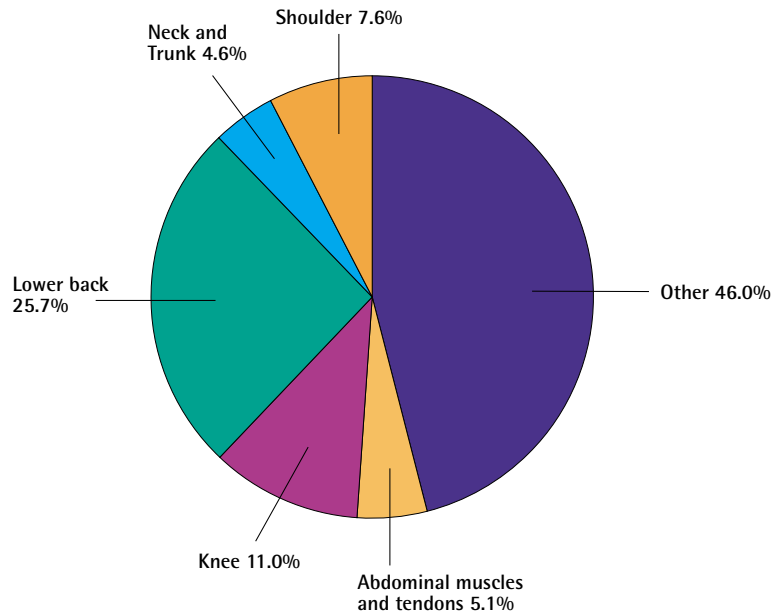
Income Maintenance Claims in 1996/97  
The Top 5 Injuries/Diseases - ASIC Group 511 (Road Freight Transport)



Income Maintenance Claims in 1996/97  
The Top 5 Occupations - ASIC Group 511 (Road Freight Transport)



**Income Maintenance Claims in 1996/97  
The Top 5 Body Locations - ASIC Group 511 (Road Freight Transport)**



**How does the industry compare on costs?**

Types of injury	Average costs all SA employers	Average costs for road transport employers
Muscular stress (pushing, pulling)	\$7,257	\$14,219
Muscular stress (lifting)	\$6,614	\$11,935

1997/98 claims data from WorkCover Corporation

**Some typical injury stories**

**Example 1**

- A 51-year-old, short distance driver sprained his back while repeatedly moving and lifting drums. After 26 weeks on alternative duties, the direct cost of the claim was \$18,600 and the indirect cost was approximately \$18,000.

**Example 2**

- A 41-year-old driver line haul driver was running late with deliveries and decided to remove his gates and unload scrap aluminium from the truck instead of waiting for assistance. This resulted in a major back injury and six months off work followed by a difficult return to work program. The direct cost of the claim was \$45,000, while the indirect costs amounted to over \$200,000.

**Example 3**

- A 32-year-old storeperson sustained lower back pain while reaching to the back of a pallet for stock. Following a four week absence from work he returned to normal duties. The cost of the claim was around \$4,500.

### What are the costs to employers?

Research from WorkCover Corporation demonstrates that the indirect costs of workplace injury can be estimated to be 5-10 times greater than the direct costs. These indirect costs to employers include increased insurance premiums, lost productivity, driver replacement and training, overtime, damage to vehicle and load or loss of contract/penalties for late delivery.

### Let's examine the costs in Example 1

<b>Direct Costs</b>	
Medical	\$ 1,600.00
Salary	\$ 17,000.00
<b>TOTAL</b>	<b>\$ 18,600</b>
<b>Indirect Costs</b>	
<b>Investigation costs</b>	
Supervisor Investigation time	\$ 20.00
Complete paper work - Manager and OHSW coordinator	\$ 120.00
<b>Treatment</b>	
First Aid treatment	
Time of other employees who assisted injured driver	
Transport to Clinic	\$ 70.00
<b>Administration</b>	
Office Staff	\$ 150.00
<b>Replacement driver</b>	
Time for induction and additional supervision	\$ 125.00
Overtime to make up lost deliveries	\$ 60.00
Wages/On-costs	\$ 17,000.00
<b>Purchase</b>	
(drum handling device)	\$ 200.00
<b>TOTAL</b>	<b>\$ 17,745</b>
<b>GRAND TOTAL</b>	<b>\$ 26,345</b>

### How do you calculate the real costs of these kinds of injuries?

This \$18,000 **direct cost** injury claim could cost as much as another **\$18,000** in indirect costs and put your company into a significant **penalty** on your WorkCover premiums of up to 50 per cent in the following year. Note that if there was damage to the vehicle, freight, other vehicles or members of the public then as the research demonstrates, the indirect costs could be at least \$90,000.

If your company operates on a 5 per cent profit margin, then you would need approximately **\$360,000 in turnover** just to recover the indirect losses of this one claim. Imagine what the impact would be on your organisation if you had more than one of these high cost claims every year.

As an operator you need to consider these **hard economic facts** when you contract to haul high-risk loads that have caused injuries in the past and when you are costing a control measure to prevent a freight handling injury.

A set of lightweight steps that prevents a fall or a trolley to help shift freight may cost several hundred dollars, but if it **saves you just one injury**, then clearly you are ahead. How much more competitive would you be if you could prevent these kinds of injuries?