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WHITEPAPER

# THE HIDDEN COSTS OF A WORKPLACE FALL

## What Every Safety Manager and CFO Should Know About Height-Related Incidents

| 24 | 13% | UP TO 7:1 | $60B+ |
|---|---|---|---|
| Worker deaths from falls in 2024[1] | of all workplace fatalities in 2024[1] | Indirect costs compared with direct costs[6] | Annual cost of work-related injury in Australia[6] |

A financial guide to preventing height-related incidents.

[1] Safe Work Australia, Injury and Fatality Statistics 2024
[6] Safe Work Australia, The Cost of Work-Related Injury and Illness in Australia

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WHITE PAPER

# The Hidden Costs of a Workplace Fall

## What Every Safety Manager and CFO Should Know About Height-Related Incidents

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### Executive Summary

Falls from height are among the most devastating workplace incidents an organisation can experience. Beyond the immediate human tragedy, the financial, legal, and organisational consequences extend far beyond what most senior leaders anticipate when thinking about 'the cost of a workplace accident.'

This paper draws on Safe Work Australia data, the Work Health and Safety Act 2011, and established direct-versus-indirect cost research to present a comprehensive picture of what a workplace fall can cost an organisation - and to make the case that investment in premium height safety equipment is not a cost, but a measurable risk mitigation strategy with a compelling return on investment.

### 1. The Scale of the Problem in Australia

Falls from height are a persistent and serious workplace safety challenge across Australia. Safe Work Australia's most recent national data shows falls from height accounted for 13% of all worker fatalities in 2024 - the second leading cause of workplace death behind vehicle incidents [1]. Within fall-related fatalities, falls from ladders have historically been identified as the single largest contributing cause [2].

Key statistics that frame the risk:

- Falls from height were responsible for 24 worker deaths in Australia in 2024, broadly in line with the five-year average of 24 [1][3]
- Falls from a height accounted for 24.4% of all serious workers' compensation claims classified under falls, slips and trips in 2023–24 [4]
- There were 146,700 serious workers' compensation claims across all causes in Australia in 2023–24 - over 400 per day - with construction, manufacturing, and other physically demanding industries disproportionately represented [4][5]
- Falls from ladders have specifically been identified by Safe Work Australia as the leading mechanism within height-related fatalities [2]

What makes this particularly significant is that ladder falls are, in the overwhelming majority of cases, preventable. The right equipment, correctly specified, properly maintained, and appropriately used, eliminates the majority of risk factors.

## 2. The True Cost Architecture of a Workplace Fall

When most organisations think about the cost of a workplace injury, they think about Workers' Compensation premiums. This is a serious underestimation. Safe Work Australia's own research into the cost of work-related injury has found that for every dollar spent on the direct costs of a workplace injury, there are up to seven dollars in indirect costs - a ratio that captures lost productivity, equipment damage, investigation costs, and reputational impact that rarely appear in a Workers' Compensation invoice [6].

Safe Work Australia has separately estimated the total economic cost of work-related injury and illness in Australia at over $60 billion annually, equivalent to more than 4% of GDP - a figure that illustrates just how significant indirect and downstream costs are at a national level [6].

| Cost Category | Typical Impact |
|---|---|
| Workers' Compensation Claim | Direct claim cost; premium increases via experience rating |
| Medical and Rehabilitation | Acute treatment, surgery, ongoing physiotherapy, and occupational rehabilitation |
| Lost Productivity | Immediate output loss from injured worker; disruption to team |
| Incident Investigation | Internal staff time, external consultants, regulatory response |
| Legal and Regulatory | Legal defence costs; regulator engagement; potential prosecution |
| Recruitment and Training | Replacement hire costs; onboarding time; experience loss |
| Reputational Impact | Tender disqualification; client perception; media exposure |
| Morale and Culture | Reduced workforce confidence; absenteeism; retention impact |

### Workers' Compensation - The Visible Tip of the Iceberg

Safe Work Australia's national data shows the median compensation paid for a serious workers' compensation claim (involving one week or more off work) was approximately $16,300 in 2023–24, with median time lost of 7.4 weeks [4][5]. However, this median figure includes a very wide range of injury severities. Claims involving long-duration absences are dramatically more expensive: Safe Work Australia data shows that claims involving 13 weeks or more off work - typically the more serious injury category that falls from height often fall into - represent only around one-fifth of accepted claims, yet account for more than three-quarters of all compensation paid nationally [7]. A serious fall resulting in fracture, surgery, or long-term incapacity will sit well above the median, often running into six figures once medical, rehabilitation, and wage replacement costs are combined over an extended claim duration.

### Regulatory Exposure - A Cost Many Underestimate

Under the Work Health and Safety Act 2011, a PCBU found to have breached their duty of care faces serious consequences. The Act establishes three tiers of offence: Category 1 (reckless or negligent conduct exposing a person to risk of death or serious injury), Category 2 (failure to comply with a duty exposing a person to risk), and Category 3 (failure to comply with a duty) [8][9]. Maximum penalties are indexed annually and vary between jurisdictions - for example, under the Commonwealth WHS Act, the Category 1 maximum penalty for a body corporate exceeded $17 million as at mid-2025, while other jurisdictions apply different indexed maximums [8]. Even in cases that do not result in prosecution, a notifiable incident triggers a regulatory response that consumes significant management time and resources.

### Litigation Beyond the WHS Framework

Workers' Compensation is not the only legal avenue open to injured employees. Common law damages claims, third-party liability actions, and directors' liability exposure create additional financial risk that is not captured in compensation data.

## 3. The ROI of Premium Height Safety Equipment

Against this cost backdrop, the economics of investing in compliant, high-quality height safety equipment become extremely compelling. Consider the comparison:

| A Simple Cost-Benefit Illustration |
|---|
| Premium Higher Stability fibreglass ladder (Branach WorkMaster range): approximately $1,500 - $2,500 per unit, with a service life of 10+ years under normal commercial use. |
| A single serious workers' compensation claim involving extended time off work commonly runs into six figures once medical treatment, rehabilitation, wage replacement, and claim management costs are combined over the claim's duration [4][7]. |
| Applying Safe Work Australia's indirect cost ratio of up to 7:1 [6], the full organisational cost of a serious fall - including lost productivity, investigation, replacement labour, and reputational impact - can extend well beyond the direct claim figure alone. |
| The investment in a fleet of 20 premium ladders - roughly $30,000–$50,000 - is recovered many times over by avoiding even a single serious claim, once indirect costs are properly accounted for. |

## 4. The Role of Equipment Quality in Liability Determination

When investigating a ladder-related incident, WHS regulators and courts will examine not only how the ladder was used, but what equipment was selected, why it was selected, and whether the selection process was defensible. Key questions in any investigation include:

- Was the ladder compliant with AS 1892.1:2018, and was the Higher Stability classification specified where appropriate?
- Was the ladder appropriate for the task, terrain, load, and environment?
- Was the ladder in good condition, with a documented inspection history?
- Were workers trained in correct ladder selection, setup, and use?

- Did the procurement process prioritise safety compliance, or simply lowest cost?

An organisation that can demonstrate a structured, compliant procurement process - including specification of Australian-standard compliant equipment - is in a substantially stronger position than one that cannot.

## 5. Building the Business Case for Your Organisation

For safety managers seeking to justify investment in premium height safety equipment to finance and executive stakeholders, the following framework may assist:

### Step 1: Quantify Your Current Exposure

Audit your current ladder fleet. How many ladders are in use? What proportion are compliant with AS 1892.1:2018 Higher Stability? What is the age and condition profile? What is your current Workers' Compensation claims history for height-related incidents?

### Step 2: Model the Replacement Cost

Calculate the cost of upgrading your fleet to fully compliant Higher Stability equipment. Factor in trade-in or disposal of retired equipment, and spread the cost over the expected service life of the new equipment.

### Step 3: Quantify the Risk You Are Carrying

Using your claims history, Safe Work Australia industry benchmarks, and the indirect cost multiplier outlined above, estimate the expected annual cost of a height-related incident under your current equipment profile. Multiply by the probability of an incident occurring over the service life of the new equipment.

### Step 4: Present the Net Position

The net present value of avoiding a single serious incident will, in most cases, substantially exceed the cost of full fleet replacement. This is the number that resonates with CFOs and boards.

## Conclusion

The true cost of a workplace fall extends far beyond the Workers' Compensation claim. Legal exposure, productivity loss, reputational damage, and cultural impact combine to make a single serious incident extraordinarily expensive - far more expensive than the investment required to prevent it.

For Australian organisations that deploy workers at height as part of normal operations, investment in compliant, high-quality height safety equipment is not a discretionary safety spend. It is a sound financial decision that pays for itself many times over in risk avoided.

Branach has spent over 30 years helping Australian organisations make that investment count. Our range of AS 1892.1:2018 Higher Stability ladders, combined with our engineering expertise and post-sale support, provides a height safety foundation that protects workers and organisations alike.

## References

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*This white paper is provided for general informational purposes only and does not constitute legal, financial, or actuarial advice. Cost figures are illustrative and based on published national averages; actual costs vary significantly by jurisdiction, industry, and claim circumstances. Organisations should seek independent advice and consult current Safe Work Australia data and their relevant WHS regulator for figures applicable to their specific situation.*

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