

BUSINESS NSW

15 December 2021

The Hon Tara Moriarty MLC
Chair
Portfolio Committee No. 1 – Premier and Finance
PortfolioCommittee1@parliament.nsw.gov.au

Dear Ms. Moriarty,

Inquiry into the Workers Compensation Amendment Bill 2021

Business NSW welcomes the opportunity to make a submission to the NSW Legislative Council's Portfolio Committee No 1 – Premier and Finance's inquiry into the *Workers Compensation Amendment Bill 2021*.

As NSW's peak business organization, Business NSW has more than 40,000 member businesses across NSW. We work with businesses spanning all industry sectors including small, medium and large enterprises. Operating throughout a network in metropolitan and regional NSW, Business NSW represents the needs of business at a local, state and federal level.

Business NSW supports the removal of section 19B of the *Workers Compensation Act 1987* (the 1987 Act) for the following reasons:

- In May 2020, when the section 19B was first introduced into the 1987 Act, very little was known about COVID-19 and a vaccine did not exist. Having a broad presumption in favour of certain types of workers should they contract COVID-19 as they continued to work while others went into lockdown (only being allowed out in extremely limited circumstances) was appropriate at the time.
- Much has changed since May 2020. Apart from NSW having some of the highest vaccination rates in the country, booster shots are now readily available, and everyone is well aware of the measures they need to take in order to protect themselves and others from the disease.
- As we transition from a pandemic to COVID-19 being endemic, much of the population will be exposed to the virus in social and private settings. This has been borne out by recent events, and 19B sets an unrealistic and unworkable precedent with regards freely circulating viruses in our communities.
- When COVID-19 first arrived in Australia and public health orders put into place, the business community was still trying to recover from a rapid succession of natural disasters. Business NSW recently surveyed its members, asking questions about their attitude towards re-opening. For all NSW businesses, the top three concerns included 'business costs', with insurance costs being of most concern, well ahead of the others. The government's modelling shows that small businesses may have to face a premium increase of more than \$900.00, should section 19B remain. Such a premium increase will most likely lead further business failures accompanied by widespread job losses.

Business NSW is conscious of the fact that this submission is being written in December 2021 and the Committee's hearing scheduled for 2 February 2022, with parliament not resuming until at least mid-February.

As the circumstances facing NSW businesses and residents and the public health response to COVID-19 itself continue to evolve in 2022, we would encourage Members of the Committee to carefully consider the commercial and operational challenges confronting business.

The assumption of endemic viral infection within the workplace is not reasonable, nor is the attendant cost burden.

We would welcome the Committee further examining the very real cost pressures confronting small and medium sized firms, whilst considering and balancing matters of public health policy and Workplace Health and Safety.

Yours sincerely

A handwritten signature in black ink, appearing to be 'D. Harding', written in a cursive style.

David Harding
Executive Director - Policy and Advocacy