

**Submission  
No 12**

**INQUIRY INTO WORKERS COMPENSATION  
AMENDMENT BILL 2021**

**Organisation:** Restaurant & Catering Australia

**Date Received:** 20 December 2021

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**R&CA Submission**

**Workers Compensation Amendment Bill 2021**



Restaurant & Catering Australia (R&CA) welcomes the opportunity to make a submission for the inquiry into the Workers Compensation Amendment Bill 2021 (the Bill).

R&CA is the national industry association representing the interests of more than 50,000 restaurants, cafés and catering businesses across Australia. The café, restaurant and catering sector is vitally important to the national economy, generating over \$37 billion in retail turnover each year as well as employing 450,000 people.

Over 93 per cent of businesses in the café, restaurant and catering sector are small businesses, employing 19 people or less.

Many of these businesses have experienced incredible financial hardship during this period. According to research company IBISWorld, restaurants, cafes and caterers have lost \$10 billion in bookings and events since the start of COVID-19.

It is R&CA's belief that the current workers compensation framework that has operated before Section 19B was introduced in May 2020, can adequately support workers who file compensation claims related to contracting COVID-19 in the workplace.

The current arrangement with section 19B, would only increase premiums for venue operators, leading to further hardships, leading to closures, and ultimately leading to less jobs for NSW's hospitality workers.

R&CA supports adequate protection for workers during this pandemic but believes that there is a balance that can be struck that not only provides compensation to workers who need it but doesn't contribute to the financial hardship that NSW's hospitality sector is currently facing.

## **Issues**

### Rising premiums

R&CA supports the repealing of section 19B of the Workers Compensation Act 1987 as the current arrangement has increased premiums for venue operators and has further compound the issues that restaurants and cafes have faced during the COVID-19 pandemic.

As it currently stands, section 19B makes hospitality venues liable if an employee contract COVID-19, no matter the circumstance. This is makes venues liable even if an employee contracts COVID-19 in a social setting outside of work hours.

As previously mentioned, 93 percent of hospitality venues in NSW are small businesses that employ 19 people or less. These premium increases would have a profound impact on these businesses, especially after two years of financial turmoil because of the COVID-19 pandemic.

When Section 19B was first introduced, NSW did not have anywhere near the number of cases that NSW currently faces.

With the Omicron variant, which has caused a surge in cases, the presumption that section 19B makes would hit venues hard.

This is important as many cases in NSW appear to be from social settings and whilst an employee is working.

It is estimated that NSW could have 25,000 cases per day by the end of January next year. This would lead to premiums skyrocketing for hospitality venues and potentially lead to business closures.

## Existing framework

R&CA submits that workers compensation mechanisms pre-section 19B, are adequate to deal with workers contracting an infectious disease or an injury in the workplace.

If section 19B was repealed, it would still be easy for a venue to be able to trace if a worker contracted COVID-19 at their workplace. This can be done via NSW Health tracing, through employee time sheets, and the fact that it is currently mandatory for venue operators to monitor the COVID-19 status of their employees.

This would allow for a beneficial balance that would benefit the employee without placing an unnecessary burden of liability on operators.

As of this submission, R&CA has seen no argument or any evidence to suggest that repealing section 19B would lead to workers having compensation claims dismissed for employees who have contracted COVID-19 at work.