



NSW Government to save business half billion dollar COVID bill

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The NSW Government is set to repeal Section 19B of the Workers Compensation Act 1987 while ensuring workers are still protected if they contract COVID-19 in the workplace. Changes to the Act were made in May 2020, when very little was known about COVID-19 and its transmission.

The amendments included a presumption that workers who contracted COVID-19 had done so at work. Premier Dominic Perrottet said workers will still be entitled to make a workers compensation claim if they contract COVID-19 in their workplace when the legislation is repealed.

“Now we know more about COVID-19 and its transmission, amendments under Section 19B of the Act must be repealed so the workers compensation system is both fair to employees and ensuring businesses aren’t hit with an unexpected spike in their insurance bills”, Mr Perrottet said.

“When the NSW Government originally made the amendments, we had little information about how COVID-19 was spread and whether it was more likely to be contracted in workplaces, and we certainly didn’t have a vaccine rollout.”

“Now that the economy is steadily reopening, we want businesses investing in new staff and higher wages, not inflated insurance bills.”

Treasurer Matt Kean said the NSW Government is ensuring businesses don’t foot the bill for more than half a billion dollars in premium increases by repealing these amendments.

“Small businesses have been hit hard enough by COVID-19 restrictions over the past two years, so now would be the wrong time for them to be slugged with a massive, unexpected insurance premium increase,” Mr Kean said.

“If the NSW Government doesn’t repeal this amendment, we risk losing jobs just as our recovery is gaining momentum across our State.”

Minister for Digital and Customer Service Victor Dominello said the scheme could be hit with more than 25,000 extra claims over the coming year and small businesses could be slugged with an average increase in their insurance premiums of \$950, if these changes are not made.

“Removing the automatic workers compensation entitlements will not remove a worker’s right to make a claim if they contract COVID-19 as a result of their employment. This right is retained,” Mr Dominello said.

“There is nowhere else in the world with automatic workers compensation rights due to COVID-19 that are as broad as those in NSW.”

Minister for Finance and Small Business Damien Tudehope said recent estimates based on Doherty Institute modelling, indicate COVID-19 claims could cost the NSW workers compensation system up to \$638 million over the coming year.

“The NSW Government is calling on the Opposition to support this legislation to give businesses confidence and certainty as we reopen our economy.”

The COVID-19 presumption, introduced by Section 19B of the Workers Compensation Act 1987, provides automatic workers compensation rights for workers who contract COVID-19 and who work in industries such as healthcare, education, retail, transport, emergency services, construction, disability and aged care, dining and entertainment.

“With this presumption wound back, workers can still make claims and insurers can focus on good claims management practices,” Mr Tudehope said.

The NSW Government will introduce a bill to repeal the automatic workers compensation presumption established under section 19B of the Workers Compensation Act 1987 this week.