

**Hotel Motel & Accommodation  
Association of Australia**

Level 3, 551 Pacific Highway  
St Leonards NSW 2065

Tel: 02 9437 6685 Fax: 02 9439 8483

Email: [hmaa@hotel.org.au](mailto:hmaa@hotel.org.au)

Website: [www.hmaa.com.au](http://www.hmaa.com.au)

ABN 42 079 552 506

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The Secretary  
Standing Committee on Employment and Workplace Relations  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear Sir/Madam

**Inquiry into aspects of Australian workers compensation schemes**

The Hotel Motel and Accommodation Association is an employer association for properties in the accommodation industry. We have approximately 900 members in New South Wales, and in excess of 1000 members throughout Australia. A significant number of HMAA members would be classified as small business.

In NSW, the laws in relation to workers compensation changed on 1 January 2002 to introduce a concept called "provisional liability". Through provisional liability, workers compensation insurers are required to commence weekly payments to an injured employee within 7 days of the injury being reported, even if the claim is ultimately declined as being a work injury. These provisional liability payments can continue for up to 12 weeks while the insurance company is gathering information to make a final decision. In addition, up to \$5,000 in medical costs can be paid out.

There are no remedies available to employers in NSW to recoup the costs of claims that are ultimately declined as being work related, other than very obvious cases of fraud where the employer can seek to be heard in the Workers Compensation Commission.

HMAA would like the Standing Committee to consider what means could be made available to employers, particularly small business, who can least afford the increase in premiums from claims which are determined to be non work related, to both recoup the monies paid from the employees who have made false claims, and to seek an adjustment to their premium calculation.

In particular, this may require changes to industrial law to enable the time taken off work for the supposed injury to be later deducted from sick or annual leave entitlements.

If you require any additional information, or need clarification of anything in this letter, please contact Pearl Thompson on (02) 9437 6685.

Yours sincerely

**Dennis Winchester**  
**Chief Executive Officer**

**HMAA**

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