

## One Industrial Relations System, is it possible?

### Small Business... how would one central IR system affect small business owners and what would they have to do to cope?

There's a lot of talk about at the moment regarding a new Industrial Relations system for Australia. People are second-guessing the Australian Government in an effort to work out where they may go.

From a small business point of view there advantages and disadvantages for a centralised IR system, key points for us are access, flexibility, simplicity and cost.

Any proposal must allow full and easy *access* for small business owners and their associations. The last thing we need is an Australian Industrial Commission run by large business and lawyers exclusively from the bigger cities. Mostly it is staff that take employers to the commission, not the other way round. The cost of making representation, researching the legal aspects and the time it takes would break a lot of micro and small businesses. It is essential that any new centralised system is sensitive to the 4.5 million people involved directly in the small business sector.

If all the Industrial Awards were Federally based, it is important that they should be *flexible* enough to cater for the requirements of the 1.2 million unique small business work places around the country. The more decisions that can be made at the local level the better, this will mean an IR system that better reflects the needs of the Small Business employers and the employees; therefore producing the increased efficiencies the Government is always talking about.

With something like 2000 awards currently in Australia the complexity of employing an individual is staggering. With less awards and a very *simple* set of principles to follow, small business will be able to play the game, therefore compliance to the awards should be higher.

There is a natural tendency in any centralised system to become larger, then consequently to apply over arching regulations, become policy orientated and of course *costly*. Any new system must remain local, focused on easy to use and cheap to access services.

We ask, when a national wage case is brought down will it apply to all regardless of economic conditions in that local area, skill shortages or over supply, capacity of the business to pay? Will we be asked to take on Australian Workplace Agreements (AWA's) and use the awards simply as reference for the no disadvantage tests? I find the complexity of the current system staggering so it is important to simplify.

It looks like the Federal Government will change the legislation to make all company's (IE: incorporated with ASIC) automatically fall within the Federal IR jurisdiction thereby leaving a much smaller percentage of business, sole proprietors and partnerships, under the state jurisdictions. The number of SME's left behind may

well be insufficient for the States to retain their own systems. The theory goes that eventually they would give up and repeal state laws handing IR to the Federal Government.

What will this really mean for small business owners? Will they be forced to become companies, or are there other plans for registration with ASIC, and what will be the legal obligations? This all sound very onerous for a micro business such as a family run take away store in suburban Sydney who has no idea of how it all works currently.

In closing I ask: who is affected most by all of this? Small Business. Any proposed restructure should be done in conjunction with small business at every level to ensure the new system caters for all.

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