

## ***IR changes bring deserved freedom to Small Business***

The hype over the past few months about the Industrial Relations changes has been over the top. From where I stand small business will be able to operate in the 24/7 world on a somewhat more equal basis with big business.

Many state awards and IR systems do not provide for the opportunity to flatten wages across the week and allow small businesses to offer services when the customer wants them, for instance a hairdresser operating on a Sunday will often have to charge an extra fee or absorb the costs of penalty rates. As a company an AWA can be taken out or if the relevant State was to hand over their IR system to the Federal jurisdiction like Victoria has, then all sole proprietors and partners would be able to take out Awa's as well.

AWA's will also enable small businesses to negotiate better deals with their staff to allow flexible work times that will help families with things like school hours, shopping etc in return for other hours and more suitable rates.

The real benefits come from the ability to structure an agreement suitable to the individual business and staff member with being tied to overarching industry wide policies that restrict and limit the ability of the business to compete.

We understand there will be the occasional bad employer and we fully support unions getting involved for their members where this may occur. There are 8 million employees in the country and 7 million of them work at rates above the award. Of the remaining 1 million working on award rates 800,000 are from high or middle-income family household and one can assume that these represent new entries to the workforce. The 200,000 that are left are on the award and need some help to increase their skills and experience, because along with their attitude they should be able to become more valuable to their employer through training.

Union assisted career planning and negotiations are the big opportunities for employees at this level and their unions.

If this system does not work it will be because a severe down turn has occurred in the economy, work-skill shortages are growing due to the rate of economic growth in Australia over the past few years and the beginning of the mass retirements of baby boomers. We are going to be faced with dramatic retirements in the future and staff will become difficult to recruit and very expensive in the future especially those with a good attitude and skills to sell.

In a speech recently to the Australian Financial Review IUR Conference I said that a cultural change is on the way where by employees will need to see themselves and small businesses. They will be marketing their skills and attitude to all sorts of employers and the more experience they have the more recompense they will be able to demand, it all depends on the productivity they will be able to provide.

Just like a small business.

Tony Steven