

# Small business in for a shock

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FEWER than half of Australia's small businesses are adequately prepared to deal with a further round of family friendly workplace laws that will take effect next month.

A survey of 352 small and medium businesses found many were ill-prepared to deal with the third industrial relations regime in four years when the final stage of the Fair Work Act comes into effect on January 1.

The new laws include a "modern awards" system and 10 new national employment standards replacing the minimum employment conditions that were part of the Howard government's Work Choices legislation.

Businesses face compliance obligations and risk fines, says one of the report's authors, David Griffiths, of the consultancy CompliSpace.

"What is clear from this study is that a great number of companies remain unaware and unprepared for the substantial changes," the report says. "Employers who ignore 'modern awards' may be in for a rude shock given that the flexibility clause contained in each award could mean their current common-law agreements no longer insulate them from obligations to pay overtime, penalty rates and leave loadings."

Among the new national employment standards are:

- > the extension from 12 to 24 months of unpaid parental leave that employees can request;
- > the introduction of an entitlement to redundancy pay for all workers, not just those covered by awards;
- > entitlement for carers of preschool children and children under the age of 18 with a disability to request flexible working arrangements.

Other changes provide for the extension of the definition of de facto partners to include same-sex couples and the removal of the restriction allowing an employee to take a maximum of 10 days carer's leave in any 12-month period.

Fewer than half of the businesses surveyed know of, understand or are prepared for the industrial relations changes and less than half understand the compulsory flexibility clause in each award. More than half of the companies surveyed were considered at an extreme or high risk of falling foul of the laws, given their lack of preparation.

The survey identified call-centre employees among those to be covered for the first time by the new awards system.

Administrative staff across all industries could fall under a new clerks/private sector award.

Part-time workers in some industries would also be entitled to shift loading.

The survey covered businesses that employ more than 100,000 staff across 25 industries and was conducted from August to earlier this month.

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