

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Industry, Tourism and Resources Portfolio

Supplementary Budget Estimates 2005-2006, 2 November 2005

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY, TOURISM AND RESOURCES
OUTCOME/OUTPUT: Outcome 1, Output 1.2
TOPIC: INDUSTRIAL RELATIONS REFORMS
REFERENCE: WRITTEN QUESTION

QUESTION No.SBI-93

Senator Campbell asked:

- (a) The total size of the IR legislation tabled today is 600 pages. What will be the compliance cost of dealing with the new legislation? Can this be put into the departmental model for costing compliance effects on business?
- (b) Do you expect that the average small business person will be able to deal with the legislation without assistance?
- (c) Will this law increase or reduce the legislation compliance burden in the short term?

ANSWER

- (a) The compliance costs associated with *Workplace Relations Amendment (Work Choices) Act 2005*, including the impact on small business, are set out in general terms in the Regulation Impact Statement in the Explanatory Memorandum for the Bill. It is the responsibility of the agency initiating implementation of regulatory measures to apply the costing model.
- (b) The Government has recognised that the workplace relations reforms will involve some change for small business employers. The Explanatory Memorandum to *Workplace Relations Amendment (Work Choices) Act 2005*, states that a targeted awareness and education campaign will be undertaken to ensure that small business operators are informed about the proposed changes. The education campaign will be developed by the Department of Employment and Workplace Relations in consultation with the Office of Small Business.
- (c) The Small Business Impact Statement contained in the Explanatory Memorandum to the *Workplace Relations Amendment (Work Choices) Act 2005* identifies that small business will benefit significantly from the proposed reforms, in that they will introduce a simple and more universally applicable and understood set of minimum wages and conditions, as opposed to the myriad of state and federal awards that currently exist. This will greatly simplify the negotiation of agreements, thereby increasing small business access to the flexibilities to be gained by tailoring arrangements to the needs of the workplace. In addition, a lodgement-only process for all agreements will remove a significant layer of complexity and will reduce the uncertainty and frustration caused by processing delays. The benefits of the proposed reforms may vary from business to business.