

Submission to Productivity Commission

My business is a small business employing 7 people. It is my view that many government policies, both state and federal, are implemented without any real consideration of or an understanding of the impact it they have on businesses like mine. The imposition of very complex rules and regulations stretch resources to the limit and there is always an underlying fear that some industrial calamity is just around the corner. There is a real perception that the Fair Work Australia framework is heavily weighted in favour of the employee and that any small breach, however innocently, may have catastrophic consequences. Ideally there needs to be a level playing field.

In particular, unfair dismissal provisions. There seems, from a number of case decisions I have read, to be an unjustified emphasis on the process irrespective of the seriousness of the employee behaviour. A fairer balance is required.

Maternity Leave Provisions: One size does not fit all. In my business, hairdressing, which fundamentally relies of developing personal relationships with clients, a return after a twelve month absence can potentially be a significant financial burden to the business. Not to mention the inherently unfair and difficult position the small business owner is placed in having to release another employee engaged to replace the employee on maternity leave. Furthermore having the option to return to work even after twelve months exacerbates the situation. More certainty for the business owner is required in these provisions.

Penalty Rates: The notion that a weekend is Saturday and Sunday is no longer applicable particularly in retail. In recent years there is a determined push, particularly from government and big retail business for deregulated trading hours. Essentially I have little issue with that provided the industrial rules and regulations keep pace with those reforms. In hairdressing a 33% loading for Saturday work is long outdated. Penalty rates for work required to be performed in the middle of the night may be applicable but not for now considered regular hours on a Saturday or Sunday. Employees will still get fair time off (or be paid appropriately) outside their 38 hours work each week. Furthermore, penalty rates are not sustainable for small business. This is quite a separate issue to overtime rates which I advocate.

Union Influence in Shaping Industrial Law: Recent figures I have seen indicate that industrial unions only represent about 20% of the workforce. Their influence, in my view, far outweighs this level of representation. This in now highlighted by their insistence that penalty rates are sacrosanct. Reform is required and an open mind to adjustments to suit the modern era is essential.