

Impacts of the Proposed Industrial Relations Legislation — Rapid-fire Survey

SNAPSHOT – NOVEMBER 2022

The Federal Government's new industrial relations legislation shifts the nature of workplace regulation. To identify the impacts of the proposed changes on WA businesses, the Chamber of Commerce and Industry WA (CCIWA) has developed a rapid-fire survey of the WA business community. The survey opened on Friday, November 11 and in quick time recorded 326 responses.

In this document, we take a deep dive into the attitudes of businesses towards key components of the proposed industrial relations legislation.

For all questions, results are available at the industry level and by business size, however not all of these results have been included in this summary document.

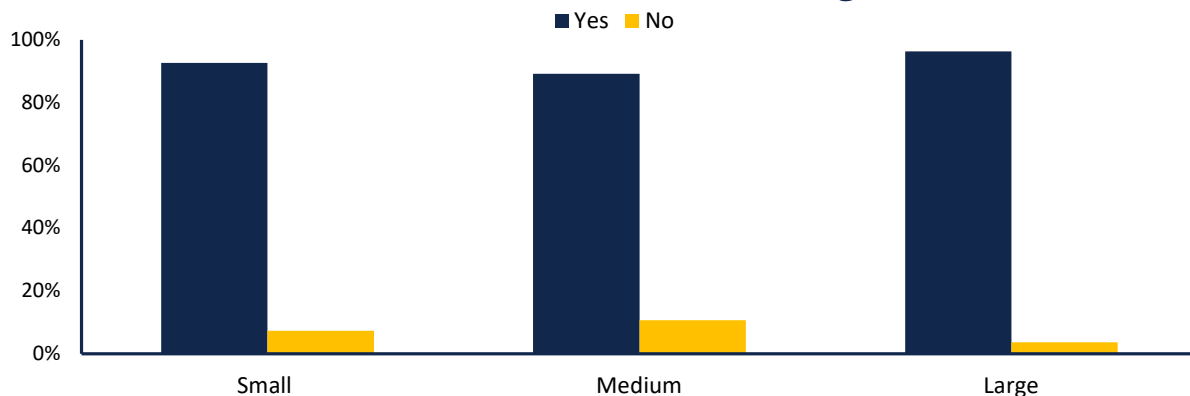
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Headline Results

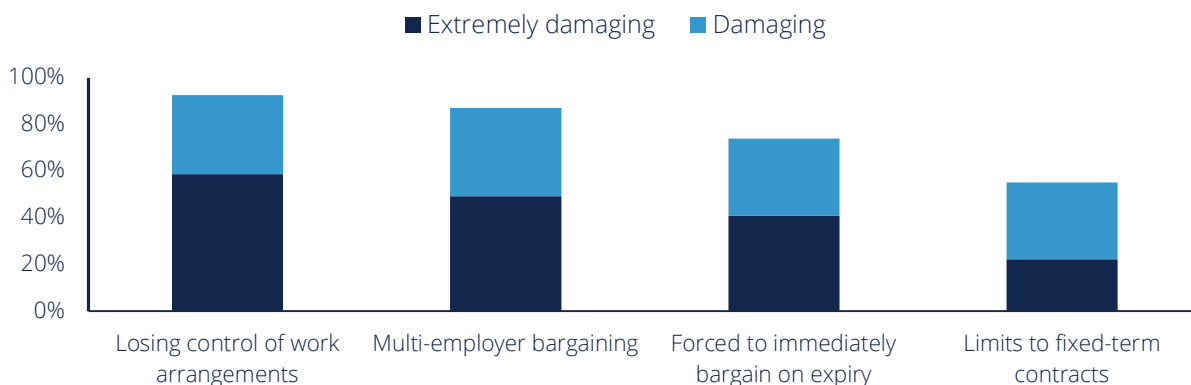
WA BUSINESSES ARE GRAVELY CONCERNED ABOUT THE PROPOSED POLICY

Are you worried by any aspect of the Federal Government's industrial relations legislation?



The vast majority of respondents, amongst all business sizes, are worried by at least one aspect of the Federal Government's industrial relations legislation. More than nine out of ten (92%) businesses indicated they were worried about the new legislation, with small (93%), medium (89%) and large (96%) businesses all voicing concern.

Concern by issue "What impact would ... have on your business?"

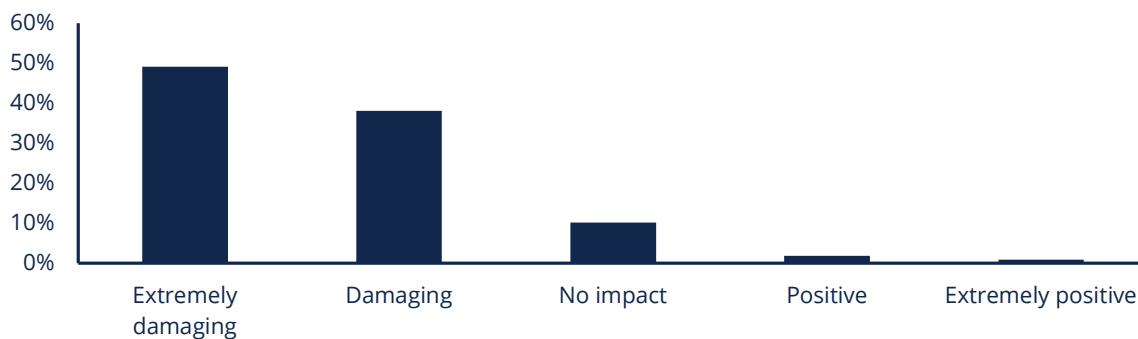


Losing control of work arrangements is set to have the biggest impact on businesses, with 93 per cent saying this would at least have a damaging impact – 59 per cent of which is extremely damaging. This is closely followed by multi-employer bargaining, which 87 per cent said would be damaging.

Section 1 - Multi-Employer Bargaining

THE IMPACT

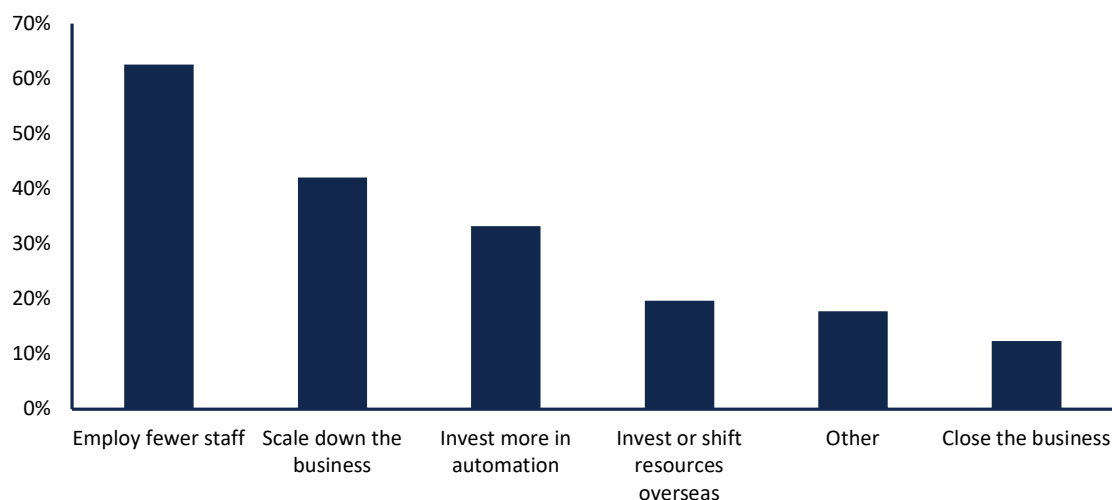
What impact would multi-employer bargaining have on your business?



Almost 9 out of 10 businesses (87%) said multi-employer bargaining would have at least a damaging impact on their business, with half (49%) saying it would be extremely damaging.

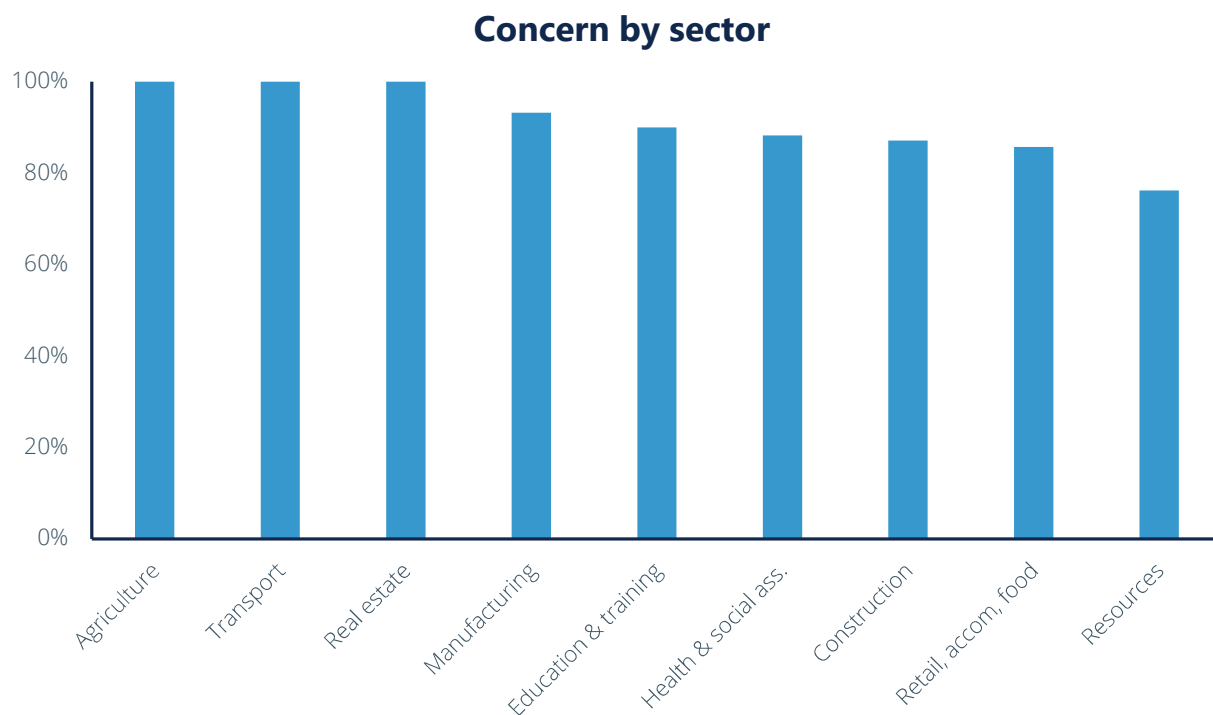
BUSINESS RESPONSE

What would you be forced to do in response to multi-employer bargaining?



By far and away, the greatest response to multi-employer bargaining would be employing fewer staff, with around three in five (63%) businesses indicating they would need to do so. CCIWA estimates 29,952 businesses may employ fewer staff due to multi-employer bargaining¹. Two in five (42%) said they would need to scale down their business, whilst one third (33%) said they would have to invest more in automation. Just over one in ten (12%) indicated they would need to close their business.

CONCERN BY SECTOR



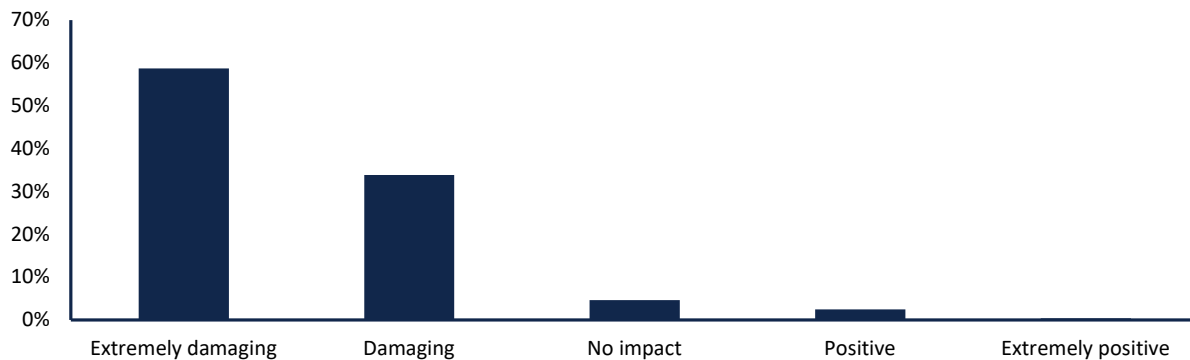
The agriculture, transport and real estate sectors indicated they were the most concerned, with all respondents from these sectors saying they would be negatively impacted by the legislation. Businesses in the manufacturing (93%), education & training (90%) and health care & social assistance (88%) industries also saw a large proportion of respondents indicate they would be damaged.

¹ Estimate calculated using the proportion of respondents who indicated they would be 'extremely damaged' by this part of the legislation multiplied by employing business count data from the Australian Bureau of Statistics. This was then multiplied by the proportion of businesses who indicated they would employ fewer staff due to the change in legislation (of those who would be 'extremely damaged'). We note we have been conservative in our assumptions.

Section 2 - Compulsory Arbitration of Work Arrangements

THE IMPACT

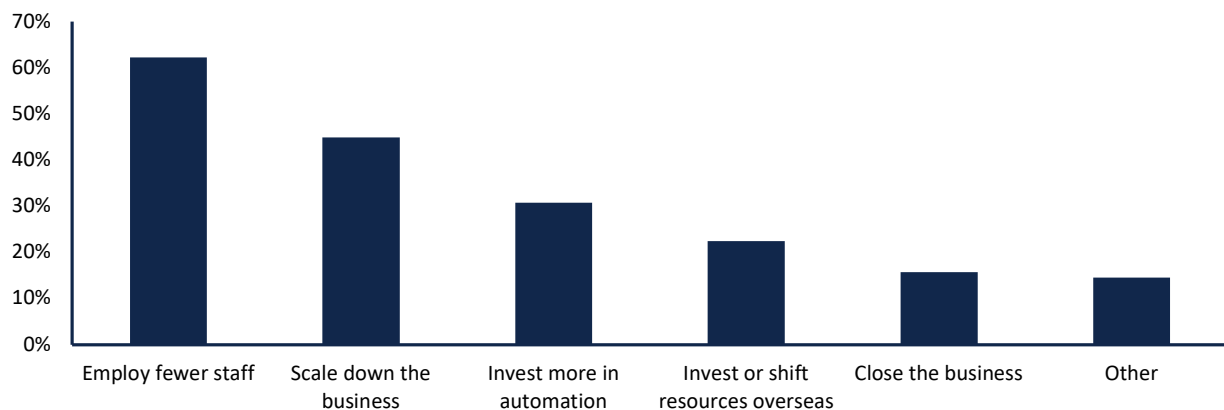
What impact would losing the ability to set your own work arrangements have on your business?



More than 9 out of 10 WA businesses said losing the ability to set their own work arrangements would have a damaging impact – 3 in 5 (59%) said this impact would be extremely damaging.

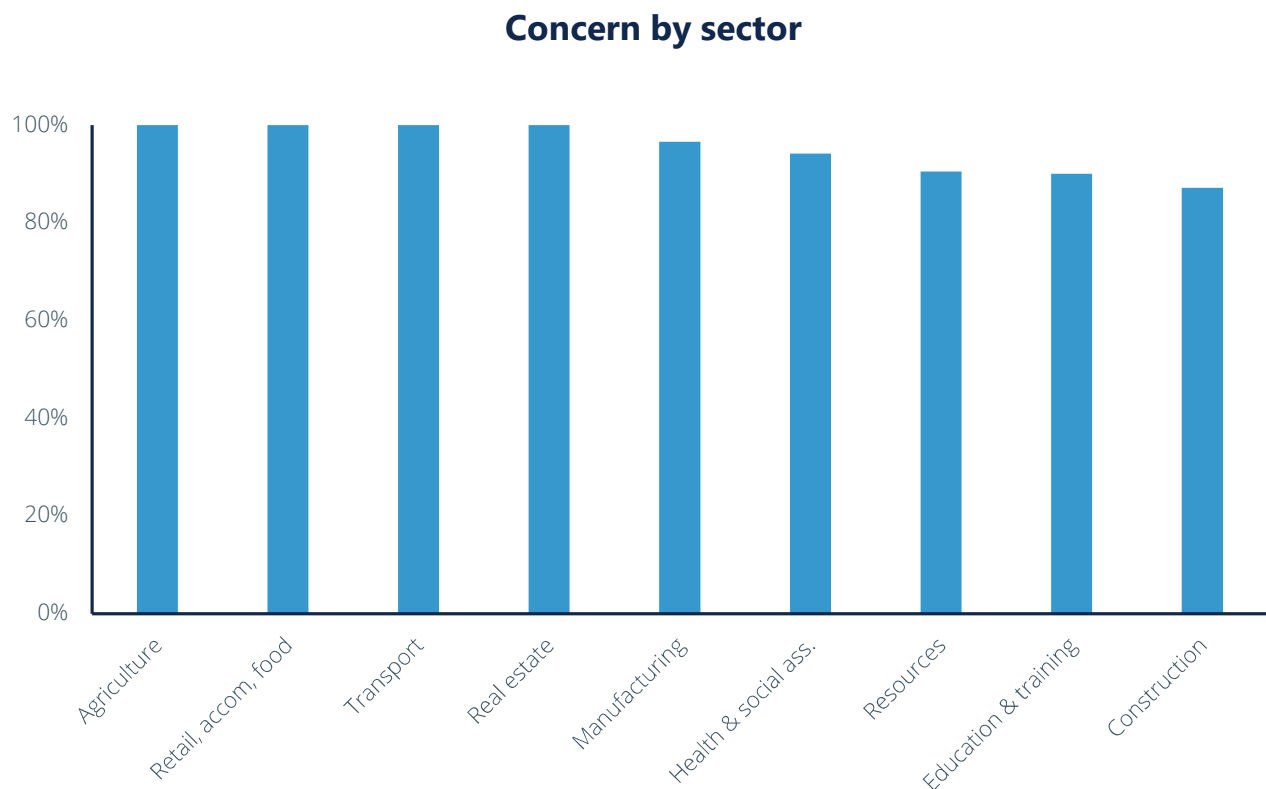
Business response

What would you be forced to do in response to losing control of setting your own work conditions?



Around three in five (62%) businesses indicated they would need to employ fewer staff in response to losing control of setting their own work conditions – CCIWA estimates 33,760 workplaces may reduce the number of staff they employ¹. Just under one half (45%) said they would have to scale down their business, with three in ten (31%) having to invest more in automation. Nearly one in six (16%) said they would be forced to close their business.

CONCERN BY SECTOR

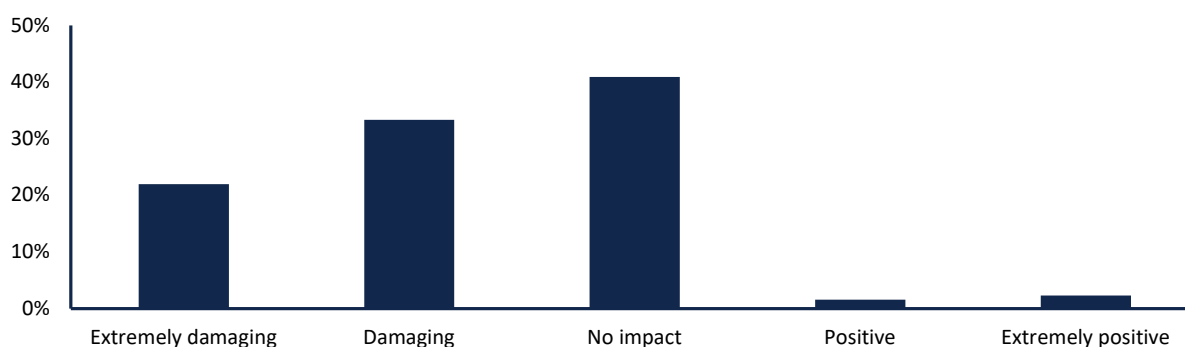


All respondents from the real estate, transport, agriculture and retail, accommodation and food industries indicated that losing the ability to set their own work arrangements would be damaging to their businesses. Manufacturing (97%), health care & social assistance (94%) and the resources sector (90%) also indicated a significant majority of businesses would be negatively impacted.

Section 3 - Limiting Fixed Term Contracts

THE IMPACT

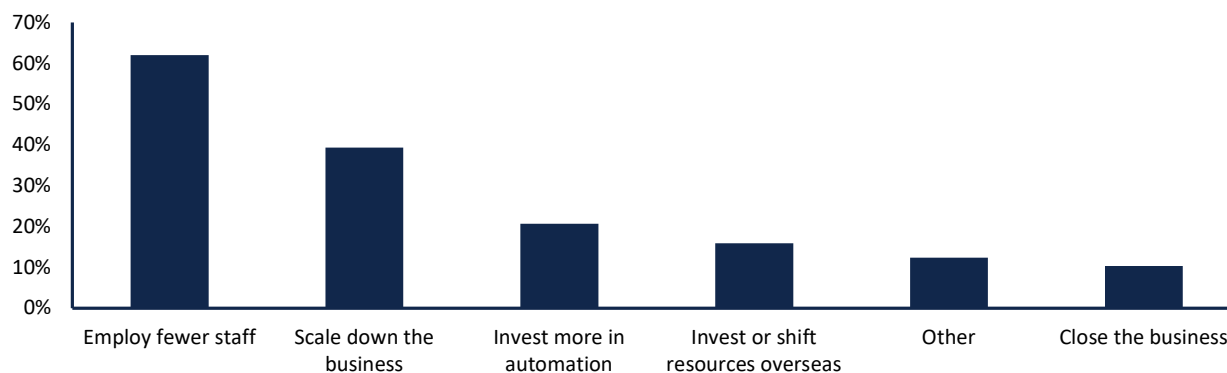
What impact would limits to fixed-term contracts have on your business?



Just over half (55%) of businesses indicated limits to fixed term contracts would have a damaging impact on their business, with one in five (22%) saying it would be extremely damaging. Reflecting the fact that many businesses do not rely on fixed-term contracts, 41% indicated it would have no impact.

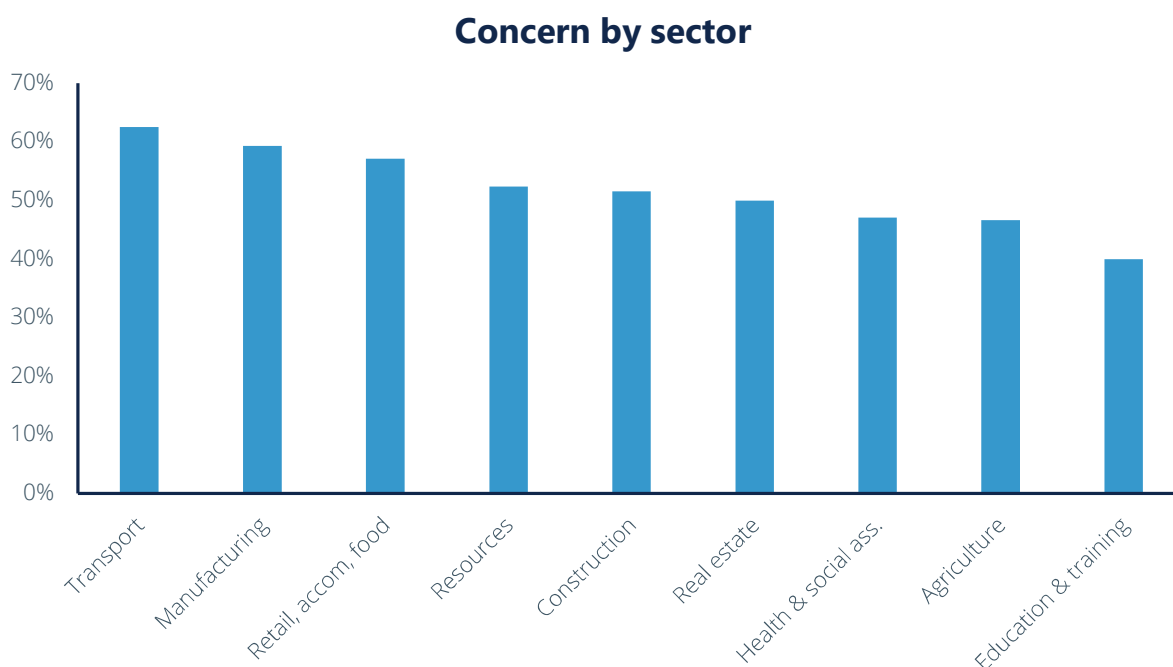
BUSINESS RESPONSE

What would you be forced to do in response to limits to fixed-term contracts?



Around three in five (62%) businesses indicated they would need to employ fewer staff as a result of limits to fixed-term contracts. Two in five (39%) said they would have to scale down their business, with one in five (21%) indicating they would need to invest more in automation. One in ten (10%) said they would be required to close their business.

CONCERN BY SECTOR

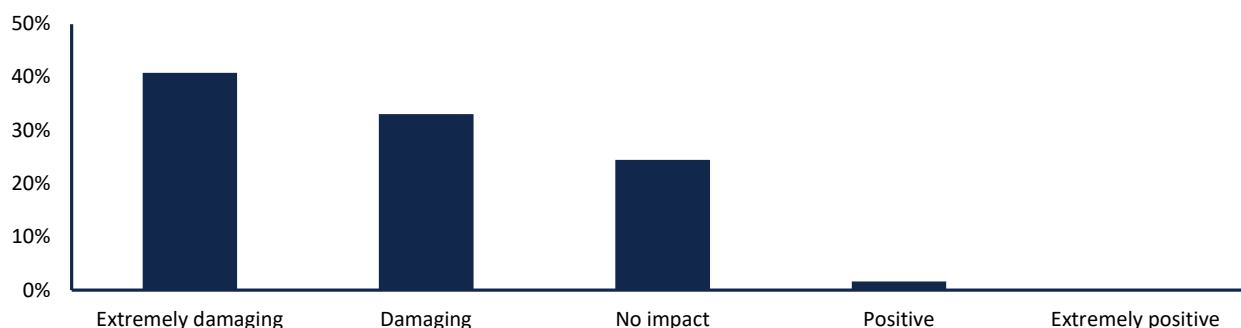


Around three in five (63%) businesses in the transport industry indicated they would be impacted by limits to fixed-term contracts. This was closely followed by the manufacturing (59%) and the retail, accommodation, and food (57%) industries.

Section 4 - Enterprise Agreements

THE IMPACT

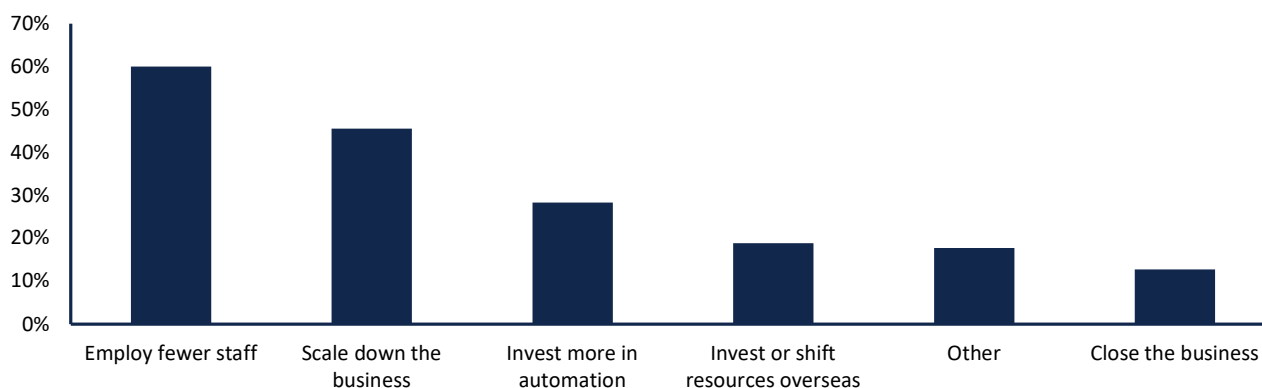
What impact would being compelled to immediately bargain on a new agreement have on your business?



Almost three quarters (74%) of WA businesses said being compelled to immediately bargain on a new agreement would have at least a damaging impact on their business, with two in five (41%) saying this would be extremely damaging.

BUSINESS RESPONSE

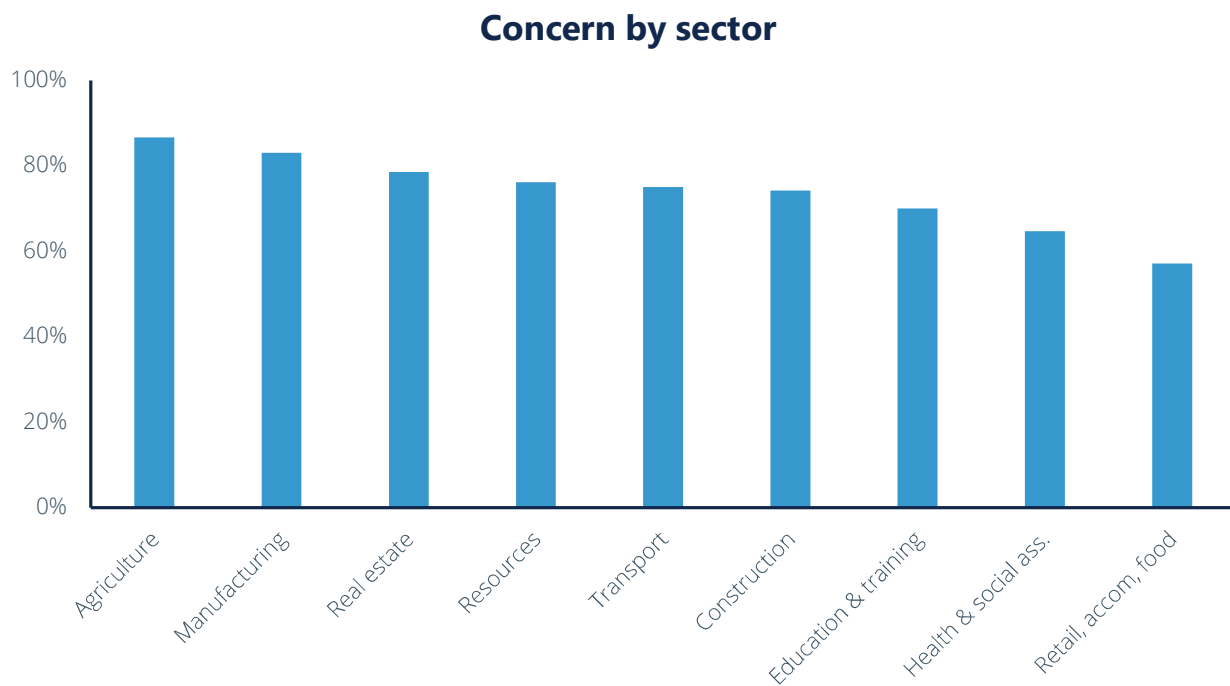
What would you be forced to do in response to being compelled to immediately bargain on a new agreement?



Three in five (60%) businesses indicated they would have to employ fewer staff in response to being compelled to immediately bargain on a new agreement. Just under

one half (46%) said they would have to scale down their business, with three in ten (28%) needing to invest more in automation. One in seven (13%) said they would be required to close their business.

CONCERNS BY SECTOR

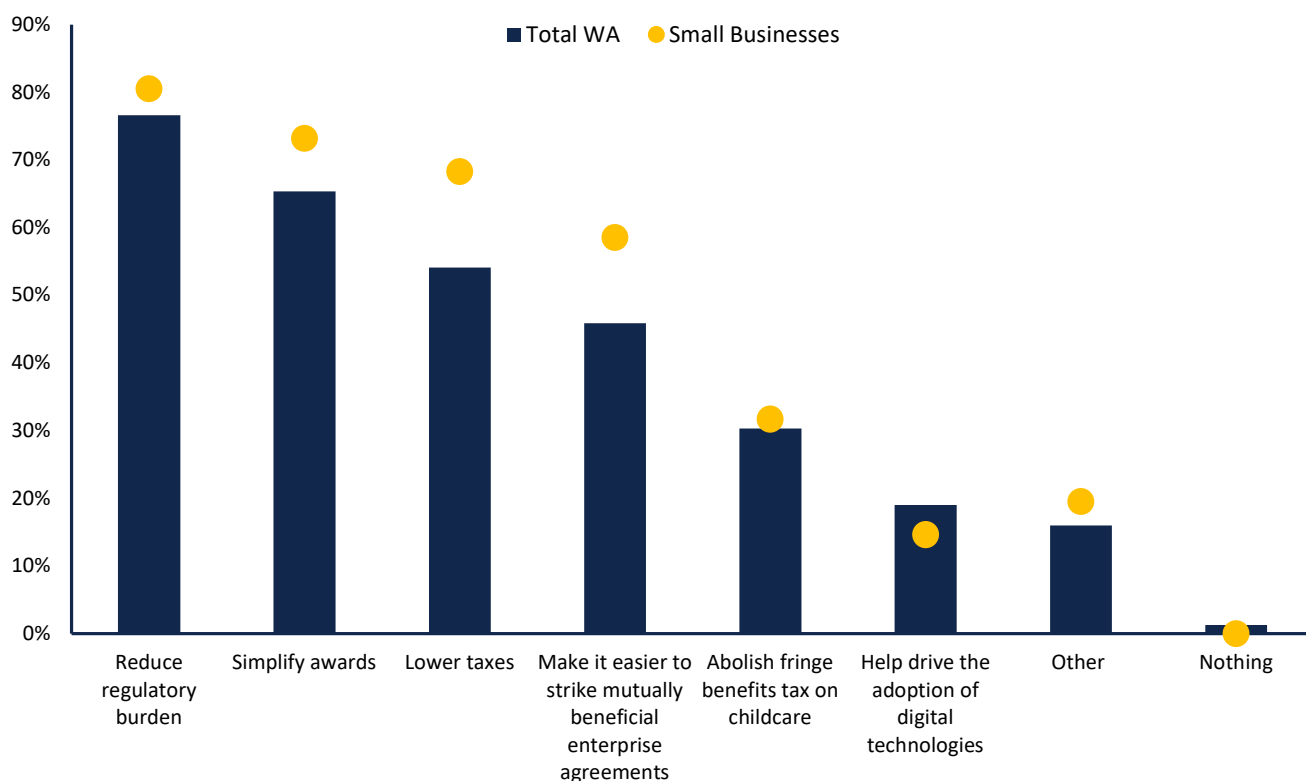


Nearly nine out of ten businesses in the agriculture sector (87%) indicated they would be adversely impacted if they were compelled to immediately bargain on a new agreement. This was followed by 83 per cent of businesses in manufacturing and 79 per cent in real estate.

Government Response

WHAT SHOULD THE GOVERNMENT DO TO BOOST EMPLOYMENT AND WAGES GROWTH

What should the Government do to make it easier for your business to employ more people and pay higher wages?



Reducing regulatory burden was the top response for what businesses believe the government should be doing to boost employment and wages growth, with more than three quarters (77%) agreeing. Simplifying awards (65%) and lowering taxes (54%) were also identified by a majority of respondents.

Small businesses in particular think the government should be doing more, with a greater proportion identifying reducing regulatory burden (80%), simplifying awards (73%) and lowering taxes (68%) as actions the government should be taking.

Many of those selecting 'Other' nominated reducing payroll tax as a key opportunity.