



**KNOWLEDGE BITES- BROUGHT TO YOU BY D&M RESEARCH**

Welcome to Knowledge Bites, periodic bite sized pieces of knowledge exchange, designed to be consumed immediately without ruining your appetite for the rest of the day.

**WorkChoices: Do Australian businesses think it's been beneficial or not?**



(courtesy of *The Chaser*)

**ENTRÉE**

Australians were recently given a new industrial relations regime when the Howard government's WorkChoices act came into effect in March, 2006.

The stated aim of the new laws was:

"A simpler, fairer national Workplace Relations System for Australia."



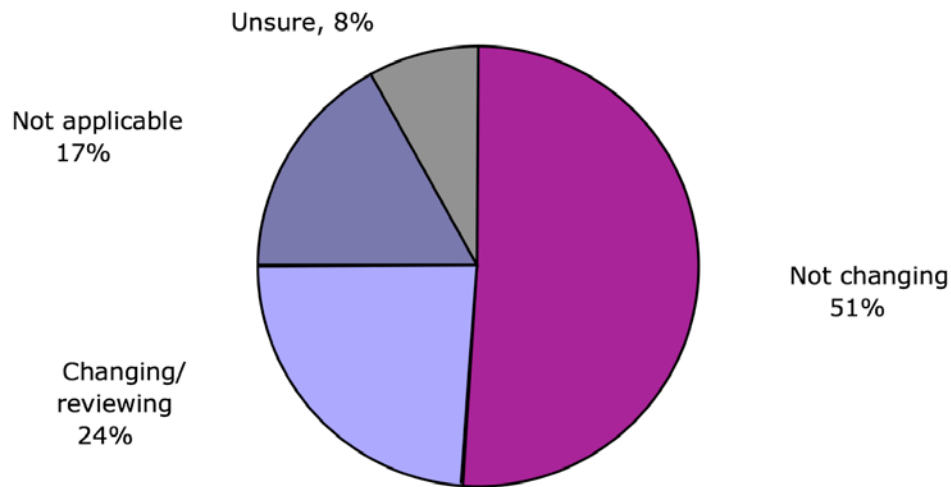
Much opposition to WorkChoices came from the Trade Unions, churches and political commentators who claimed that the new regime would place too much responsibility on individuals to negotiate their own wages and conditions whilst giving employers greater power to reduce take-home pay and benefits.

This argument has continued and we felt it was time to see what has actually happened in the marketplace. Have employers rushed to adopt WorkChoices? Or, as Mark Bahnisch, a sociologist from Griffith University\* has suggested, 'will employers' desire for a cooperative workplace and less regulation mean the new system will only be introduced slowly?'

**MAIN**

*So how has the business community reacted to WorkChoices?*

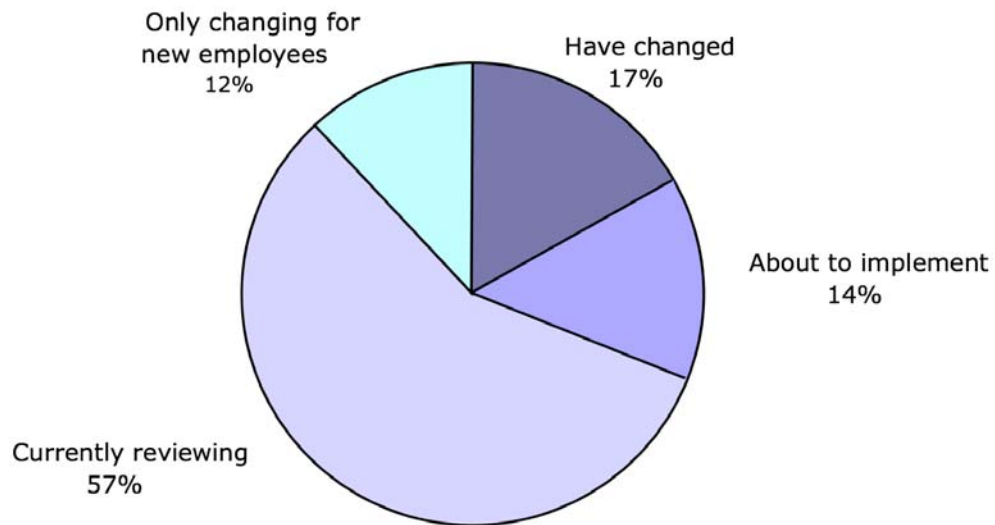
It seems that the new legislation has had little effect so far. Only one in four (24%) businesses has changed or intends to change its workplace arrangements. Half (51%) do not plan to change whilst the legislation does not apply to a further one in six (17%) companies:



The companies who do not plan to change their employment conditions are mainly smaller and from industries other than retailing and hospitality.

*But how far have those businesses which are changing or reviewing their arrangements progressed?*

Three in ten (31%) of these companies have already decided to use the new agreements. Two in ten (17%) have the new agreements in place already, while a further one in ten (14%) is implementing them. The majority (57%) are still reviewing their options.



A further one in ten (12%) businesses will introduce the new agreements gradually as new employees join.

However, we found that there is a distinct trend in the way the legislation is being adopted.

It appears larger companies, those with twenty employees or more, in Sydney and Perth who have been in business more than ten years and who are in the primary/industrial and education/health/personal services sectors are leading the change. They are more likely to have introduced the new agreements already. These businesses appear to have strong connections to their industry associations. They are being followed closely by another group also from the primary/industrial sector but which have been in business for a shorter time (under 2 years) and who are from smaller businesses (5-9 employees). This second group is in the process of changing their workplace agreements.

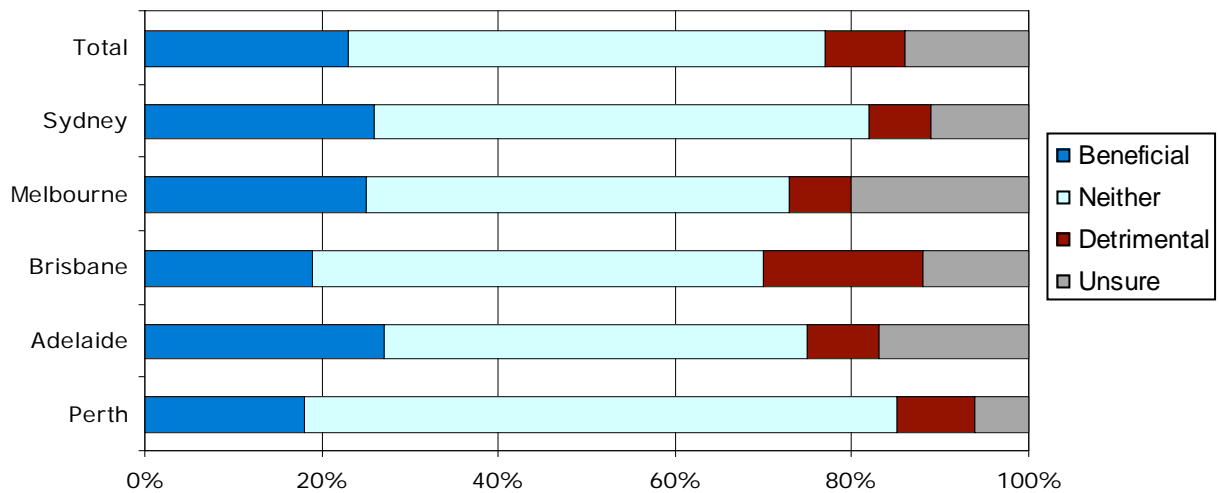


The companies who are currently reviewing their employment conditions are similar to those who have already moved to the new system. They are larger companies (20+ employees) who have been in business for over 10 years and are close to their industry associations. However, they are more likely to be from the health/education/personal services rather than the primary/industrial sector. They are also from different cities, Brisbane and Adelaide.

The businesses who are introducing the new agreements gradually for new staff are more likely to be medium (5-9 employees) or larger (20+ employees) companies in the Sydney retail and hospitality sector. Both their owners and the businesses themselves are comparatively young: they are more likely to have been in business for less than 5 years and under 40 years of age.

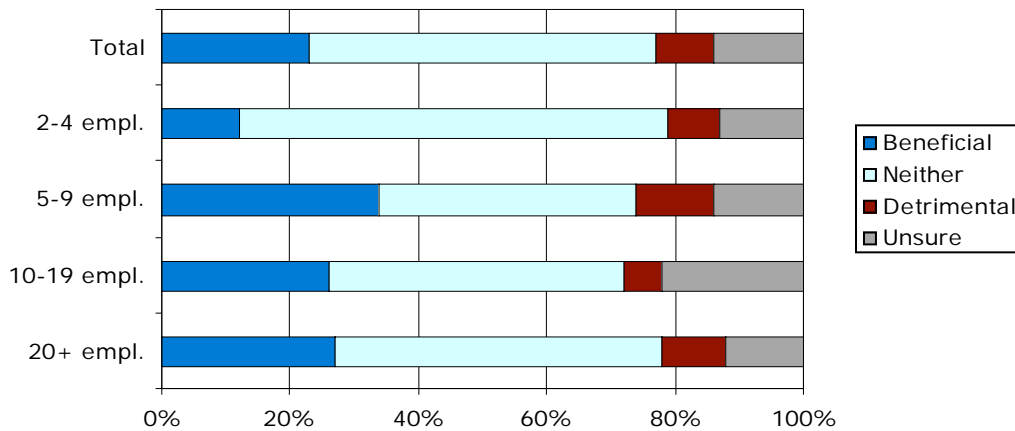
***So what does the business community think of WorkChoices four months after it was introduced?***

Their reactions are mainly neutral. Most (54%) managers think WorkChoices has not affected them at all, whilst one in ten (14%) is still unsure whether WorkChoices has been beneficial or not. However, on balance they're cautiously positive:

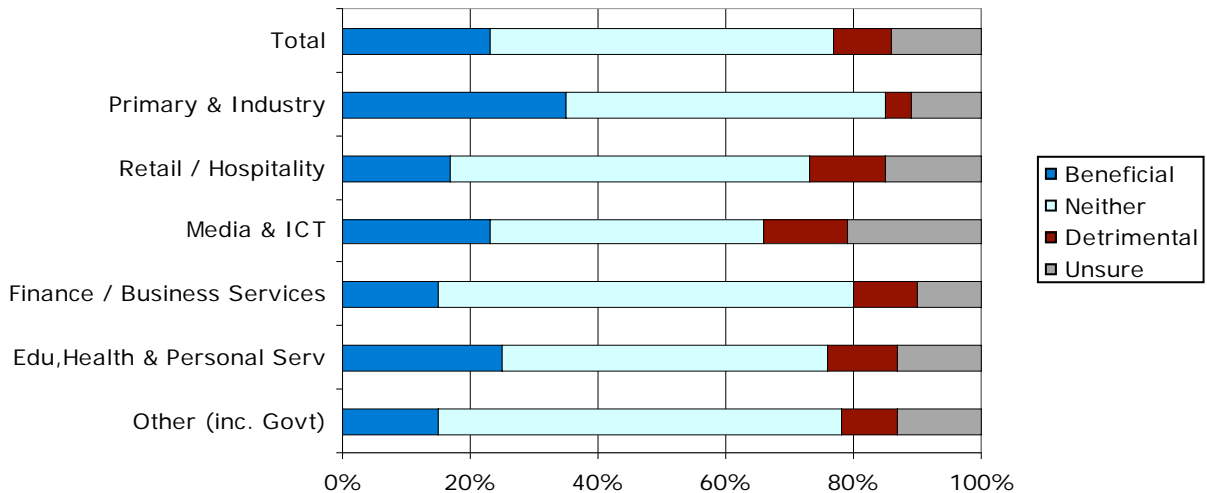


Managers in Sydney, Adelaide and Melbourne are more supportive of WorkChoices than their counterparts in Brisbane, where they are more critical, and in Perth, where they are less likely to think the changes have had any effect.

Companies with between five and nine employees have seen most benefits from the workplace changes and those with fewer employees the least:



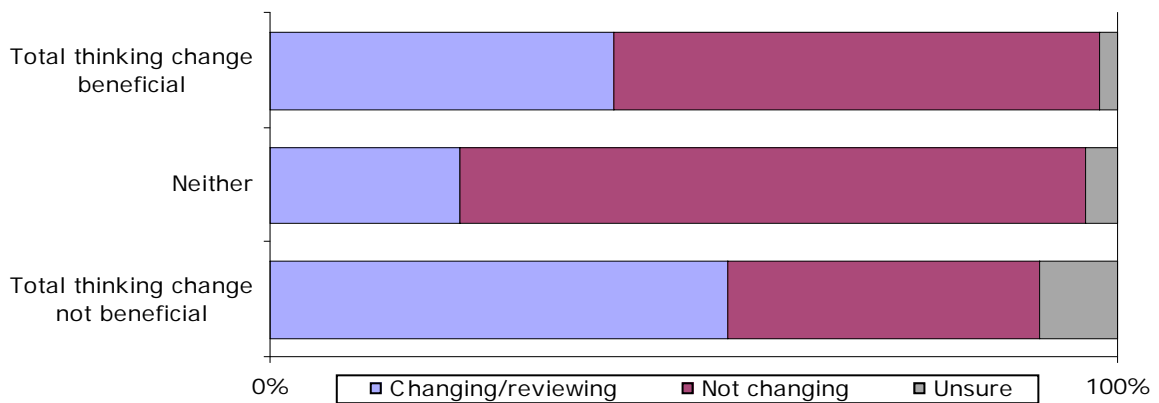
Managers in the primary industry and industrial sector are more supportive than those in other industries:



Use of an industry association for advice also seems to result in a more positive attitude towards WorkChoices (33% beneficial).

*So how much are these attitudes based on first-hand experience with WorkChoices?*

Interestingly, it appears that those who have no plans to change their current agreements feel more positively towards WorkChoices than those who have committed to change or who are currently reviewing their arrangements:



**Next Steps** So it appears that employers are being cautious about introducing WorkChoices and have not seen it as a major opportunity to change their employees' working conditions. Its benefits and disadvantages are not yet clear to most. We will revisit this topic in the future to see whether attitudes have changed.

**SECOND HELPINGS!**

**Want to know more?** We are happy to provide more details on any of the information in Knowledge Bites. To get dessert please forward your requests to Trudie at [trudie@dandmresearch.com.au](mailto:trudie@dandmresearch.com.au) or call us on 9565 2655.

You can also purchase this or any previous full reports on Knowledge Bites for \$250 plus GST.

**SAUCES**

\*The Two Worlds of WorkChoices Mark Bahnisch On-line Opinion [www.onlineopinion.com.au](http://www.onlineopinion.com.au).