

SMALL BUSINESS UNPREPARED FOR FURTHER CHANGES

Around half of all small businesses do not understand the key changes of the *Fair Work Act* and are not prepared for the 1 January 2010 compliance deadline, warns specialist compliance and governance firm CompliSpace.

The figures are initial findings from CompliSpace's national study into SME-preparedness for the *Fair Work Act*. Some 47 per cent of organisations with 50-200 employees believe management does not have a good understanding of the key changes to be introduced in the final phase of the *Fair Work Act*.

"Having had to deal with three different industrial relations systems over the past four years, many business managers are feeling overwhelmed by the looming compliance deadline for the *Fair Work Act*," says CompliSpace Executive Director, David Griffiths.

From 1 January 2010, 10 new National Employment Standards (NES) will replace the Minimum Conditions of Employment introduced by WorkChoices. On the same day the new system of Modern Awards commences. Both the Standards and Modern Awards will apply to most Australian businesses.

To help SMEs prepare for the adoption of these significant workplace changes, CompliSpace has developed a free online tool that identifies 'gaps' and compliance risks that need to be addressed before the 1 January 2010 deadline. One example is the obligation to provide flexible work arrangements for parents of pre-school children. "To put it simply nearly every employer in Australia will need to review and upgrade their internal policies and procedures over the next 2 months."

Griffiths said that "Employers need to take positive steps to mitigate risk. Our early benchmark data indicates more than two in five employers are ill-prepared for the Modern Awards system, which will see 4000 awards merged into 100, and one in four aren't sure how they will effectively communicate new company policies with staff."