

EMPLOYERS PLAN FURTHER STAFF CUTS IN REACTION TO THE NEW FAIR WORK BILL

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A national survey of almost 600 employers conducted by the HR and recruitment firm, Drake International, has revealed that few are prepared for the introduction of the Fair Work Bill on July 1st 2009, and that in the current economic environment there may be some unintended consequences.

David Edwards, Strategic Manager of Drake International, said, "This survey shows that many employers are preparing to cut back on recruitment, and even bring forward retrenchments, due to their concerns about new obligations and costs resulting from the legislation".

The unfair dismissal provisions are causing the greatest concern, with the survey revealing that 25% of employers are expecting to employ fewer staff as a result of the unfair dismissal laws, and another 25% are still undecided about how they will react.

Only 4 % of employers had implemented changes to their employment policies in preparation for the Bill, while over 64% admitted to knowing nothing or only a little about how the new obligations in the bill would impact them.

"A comprehensive education program is urgently needed by both the government and private sector advisers otherwise, come July, many employers will not be complying with the new IR legislation", said David Edwards

Small businesses with less than 15 employees are even more concerned about the Bill, and 41% say they will employ fewer staff. "Small employers want to avoid new red tape associated with employment, and therefore there is a risk that they will employ less", said David Edwards. "We expect to see a further swing away from using permanent staff and an increase in temporary staff." Almost half of the employers in the survey had already decided to increase their use of temporary staff or consider the option.

The survey also revealed other unintended consequences of the Bill. There was strong concern about the flexible hours provisions for parents, with almost 50% of the employers saying they would be less likely to employ staff who have young families.

And employers were also worried about the Bill's redundancy provisions, with 37% considering bringing forward retrenchments to before July 1.

Drake is holding complimentary briefings on the Fair Work Bill. Visit drakeintl.com.au for information.