

A Summary

This Small Business Index Special Report examines a range of issues relating to Industrial Relations in the Small Business environment. In particular, the report focuses on current employment arrangements; the impact of the new federal government industrial relations legislation; awareness and use of the new National Training Wage; and attitudes towards employing the long-term unemployed. Some of the key findings are summarised below.

- Whilst small businesses have accounted for more than half the total growth in employment during the recovery, 60% of small business employers believe that there are barriers to prevent them taking on more staff in the future.
- The main barriers to taking on more employees are seen to be lack of work/sales (33%), cost of labour/high wages (20%), lack of money (16%), employees being hard to dismiss (13%) and superannuation costs (12%).
- Most small businesses are covered by industrial awards to some extent. In 61% of workplaces, all employees are covered by awards.
- Union membership, however, is low. Only 5% of the employees of small businesses are union members. Most (91%) small businesses with employees are not unionised at all.
- Most small business employers (70%) pay more than the award.
- Three quarters of small business state that they are satisfied with their present arrangements with their employees.
- On the other hand, half of small business employers would prefer to have registered agreements with their employees on an individual basis.
- Only a third of employers would prefer to have an industry award that sets minimum rates of pay for all firms in their industry.
- Nearly three quarters (72%) of small business employers had heard of the new federal industrial relations legislation but only 18% of small business employers had been personally briefed (mostly by accountants and employer associations).
- The legislation has had an impact on small business to date in only 12% of cases.
- Most small business employers (59%) believe that the impact of the legislation on them in the future would be neither beneficial nor harmful.
- Nevertheless, a sizeable minority (38%) of small business employers think the effect of the new legislation will be harmful. The harmful effects are seen to be: too many restrictions on ability to take decisions, and difficulty in dismissing people.
- The three main components of the new legislation are assessed differently by small business employers. Provisions for **mon-union agreements** and the **requirement to bargain in good faith** are seen as harmful by 10% or less. Close to 50% of employers see these provisions as beneficial.
- In contrast, over half (57%) see the **unfair dismissals provision** as harmful.
- Most small business (72%) have heard about the new training wage and 30% of small business employers said that they are interested in employing someone using the training wage.

- Lack of capacity to take on new employees, preference for persons already skilled or qualified and concern about the additional costs of employing someone are the main reasons employers give for not wanting to employ someone under a training wage.
- Most small business employers are aware of wage subsidies available to employ the long-term unemployed. However, only 31% of small business employers are prepared to offer employment to the long-term unemployed, even with a cost to the employer as low as \$10 per week.

In Conclusion

- There is a sizeable concern amongst small business employers about the provisions in the new federal government industrial relations legislation relating to termination of employment. This is spontaneously identified by small business employers as a significant barrier to taking on more staff.
- Awareness of the new national training wage is high and as many as 30% show an interest in employing new staff under this arrangement. However, interest in using the training wage in combination with new subsidies for the long-term unemployed (even where the cost of employment can be reduced to as low as \$10 per week) does not increase this proportion. The financial inducement does not appear to be a sufficiently strong incentive to encourage more employment of the long-term unemployed.

Introduction

The *Yellow Pages*™ Small Business Index is an ongoing series of surveys designed to track confidence and behaviour in the small business sector.

The primary objectives of the Index are to track small business activity over the last three months; expectations over the next three months; and to measure overall confidence within the small business community. A second purpose is to provide an independent, objective channel for reporting proprietors' experience and attitudes on key issues.

Each quarter the Index also examines one or more special issues in addition to these key economic indicators.

The August survey sought information on attitudes towards and experiences of small business employers concerning industrial relations. Of particular interest is the impact of the recent Federal Industrial Relations Reform Act which made enterprise bargaining easier as well as imposing requirements on employers in relation to the dismissal of employees. Also of interest is response to the new National Training Wage.

The Index is an initiative of Yellow Pages Australia as part of its commitment to this vital business sector and is conducted by the research firm Brian Sweeney and Associates. Economic advice is provided by economic consultant, Dr. John Marsden. Additional advice on this special report was provided by Dr. Richard Curtain, of Curtain Consulting. Dr. Curtain is a former Associate Professor, National Key Centre in Industrial Relations, Monash University.

About the Survey

The Index is the largest economic survey of small business in Australia and focuses specifically on businesses employing nineteen people or fewer.

The Index uses an established panel of a minimum of 1,000 randomly selected small business proprietors who are interviewed, by telephone, on a three monthly basis.

The panel was drawn from all metropolitan and non-metropolitan regions of Australia. Quotas are set on geographical location and type of business (ASIC) division to produce the sample breakdown shown opposite. Where replacement panellists are recruited this sample breakdown is maintained.

In the August survey, the sample was extended to provide for increased sample sizes in the non-metro areas of Tasmania and Victoria. In total, then, for the August survey, results are based on a sample size in excess of 1,150 small business proprietors. The data in this report is based on the 809 small business employers who employ one or more full time or part time staff.

Because this is a quota sample, at the analysis stage results are weighted by ASIC division within the metro and non-metro region of each State to reflect actual small business population distribution. The ABS Business Register as at February 1994 was used to obtain the population of businesses.

Interviewing for this survey was conducted over the period 12 July to 25 July 1994.

	Total	Metro	Non-Metro
NSW/ACT	200	100	40
VIC	200	180	40
QLD	200	110	20
SA/NT	150	130	20
WA	150	130	20
TAS	100	60	40
TOTAL	1000	750	250

C (Manufacturing)	180
E (Building/Construction)	180
F (Wholesale/Retail)	180
G (Transport/Storage)	100
I (Finance/Property/Business Services)	180
L (Recreation/Personal & Other Services)	180
Total	1000

Note: The sample breakdown above excludes the additional August sample extensions for Victoria and Tasmania.

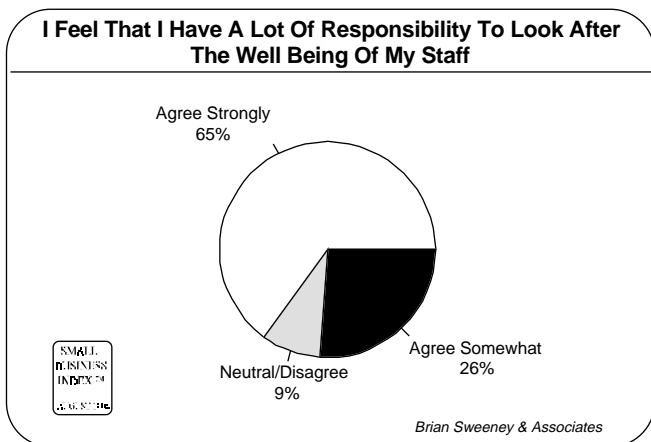


The Small Business Workplace

Small businesses surveyed by the Yellow Pages Small Business Index typically employ 5 persons, one of whom is part time. Around 80% of small businesses are family businesses and for 96% of small business employers the proprietor is present at the workplace.

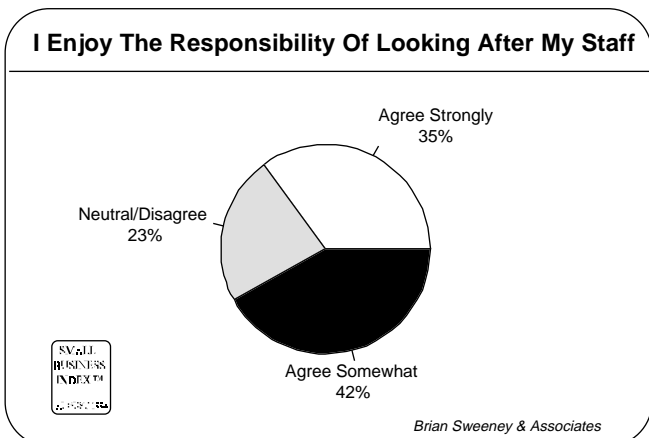
The impression of a small tight team is confirmed by the results of an earlier (November 1993) Small Business Index survey in which the attitudes of proprietors towards running their business was examined in detail. This provides useful background to understanding the results of this Special Report.

Small business proprietors recognise that they have a responsibility to look after their staff, with over 90% agreeing with the statement shown in the chart below.



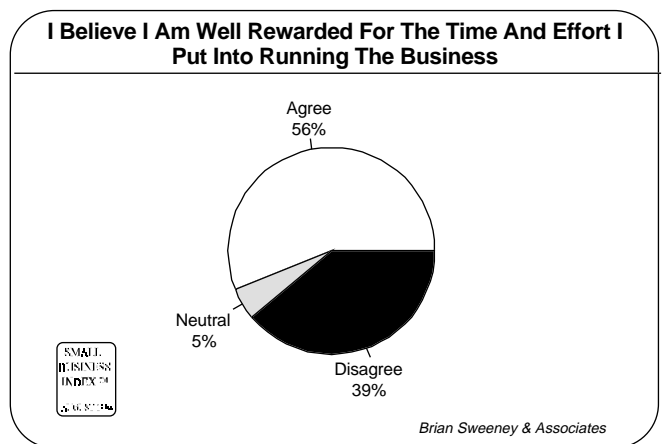
The more employees that proprietors have, the more responsible they feel. 74% of those employing 5 or more strongly support the statement versus 55% of those employing just 3 or 4 staff.

Moreover, this responsibility is enjoyed.



As indicated above, 77% agree that they enjoy the responsibility of looking after their staff - over a third strongly so.

The November 1993 survey also revealed that the benefits of running a small business may not always be reflected in financial gain.



As illustrated above, only 56% would agree that they are well rewarded while almost 40% disagree that this is the case.

In the latest survey, small business employers were asked how workplace grievances are resolved in their business. They were asked to distinguish between which approaches they have used and which they mainly use.

Consistent with the strong positive attitude towards responsibility for their employees noted in the November 1993 survey, the overwhelming response (98%) is that employers have used and mainly use direct negotiation with individual employees. Other means used occasionally are:

- Negotiation solely by management without negotiation with employees or union representatives (8%)
- Reference to an industrial relations commission or tribunal (5%)
- Negotiation with union delegates (3%)
- Negotiation with union officials outside the firm (3%).

Employment Growth

Small businesses have accounted for more than half of the total growth in employment during the recovery. Nearly a third of the small business employers (30%) interviewed in August Small Business Index Survey have taken on new employees over the three months to July 1994, continuing the strong employment growth measured in previous surveys.

The trend looks like continuing with 27% of small business employers saying that over the next three months they intend to take on new employees.

60% of small business employers, however, said that there are barriers which prevent them from taking on more employees. This was as high as 71% for small business in non-metro areas and 69% of employers in finance, property and business services.

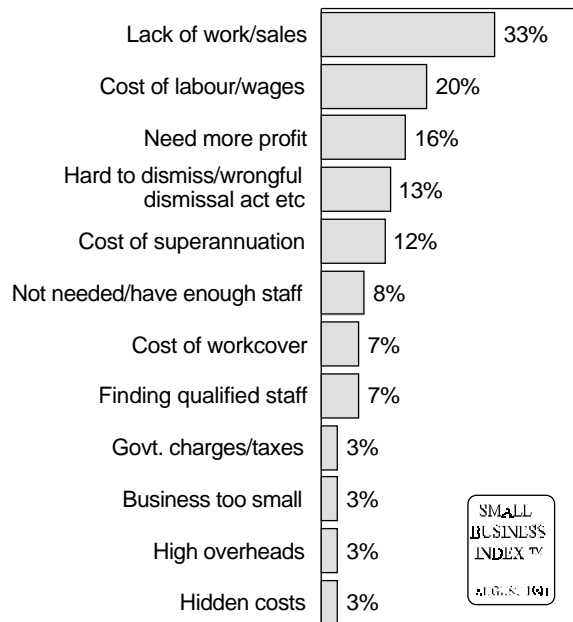
The most important barriers or impediments identified are:

- Lack of work/sales (33%)**
 (Tasmania 42%, Queensland 39%, Victoria, 38%, Construction 54%)
- Cost of labour/high wages (20%)**
 (WA 29%, NSW/ACT 24%, Transport and Storage 28%, Finance 28%)
- Need more profit (16%)**
 (Non-metro 25%, Wholesale/Retail 24%, Personal Services 34%)
- Hard to dismiss employees/policies regarding redundancy packages (13%)**
 (Melbourne 23%, Manufacturing 23%)
- Cost of superannuation (12%)**
 (WA 22%).

The larger employers are more likely to cite difficulties with dismissing employees as the barrier to taking on more new employees. Nearly a quarter (24%) of the small business employers with 10 to 19 employees claim it to be a key factor for them.

This key issue is addressed in detail in the "Changes to the Federal Industrial Relations Legislation" section of this report.

Barriers To Taking On More Employees Unprompted Responses



BASE: RESPONDENTS WHO IDENTIFY BARRIERS
 Q. Are there any particular barriers or impediments which prevents you taking on any more employees? What would these barriers be?

Brian Sweeney & Associates - August 1994

Small Business and Industrial Relations Arrangements

Small business employers were asked a number of questions about award coverage and union membership of their employees.

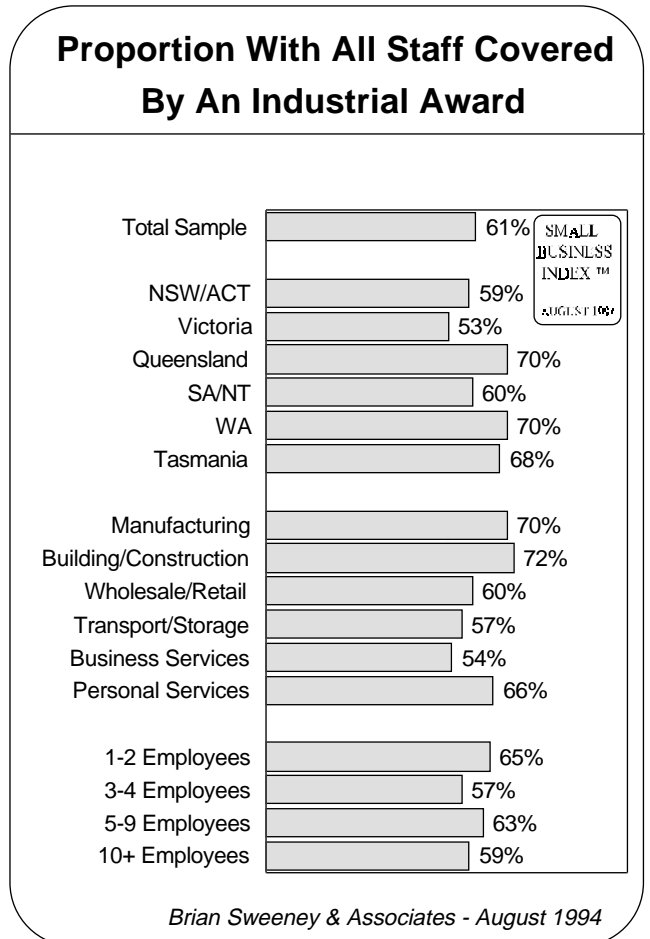
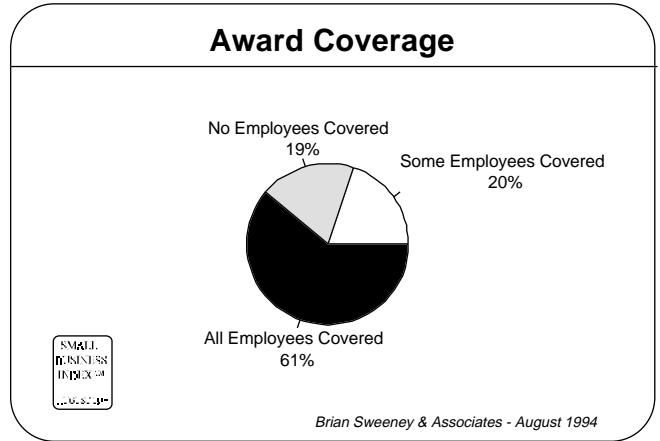
Award Coverage

Most small business employers (81%) have staff who are covered by industrial awards and in 61% of cases **all** staff are covered.

Across the small business sector, some 70% of all employees are covered by an award.

Higher proportions of total award coverage of employees are recorded in Queensland, Western Australia and Tasmania, manufacturing, building/construction and recreational and personal services.

In Victoria where state awards have been abolished, 53% of small business employers report that all their employees are still covered by awards.

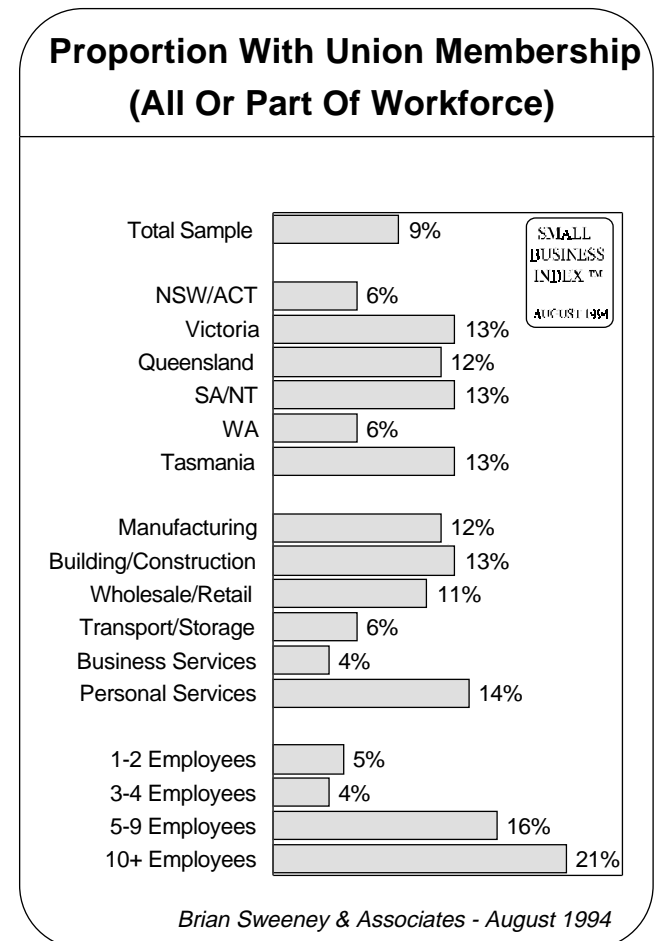
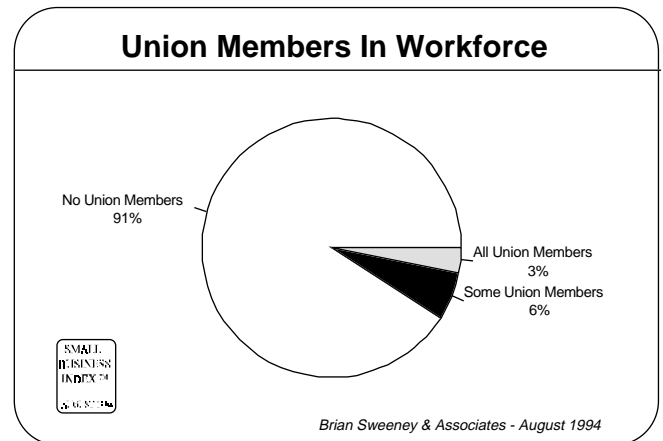


Union Membership

Contrasting with the high award coverage in the small business sector, the proportion of small business employers with employees who are union members is low. Most small businesses (91%) are not unionised at all and only 3% have all union members and 6% have some union members amongst their staff.

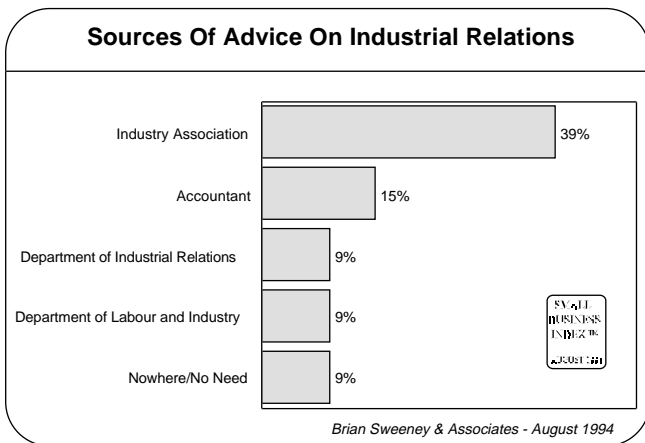
Across the small business sector an estimated 5% of employees are union members.

Larger businesses are more likely to have union members. Nonetheless, only 21% of workplaces with 10-19 employees have union members and only 3% of the larger workplaces are fully unionised.



Sources of Advice on Industrial Relations

Small business employers were asked "Where, if anywhere, would you normally seek advice on industrial relations matters?" Their most important sources of information are:

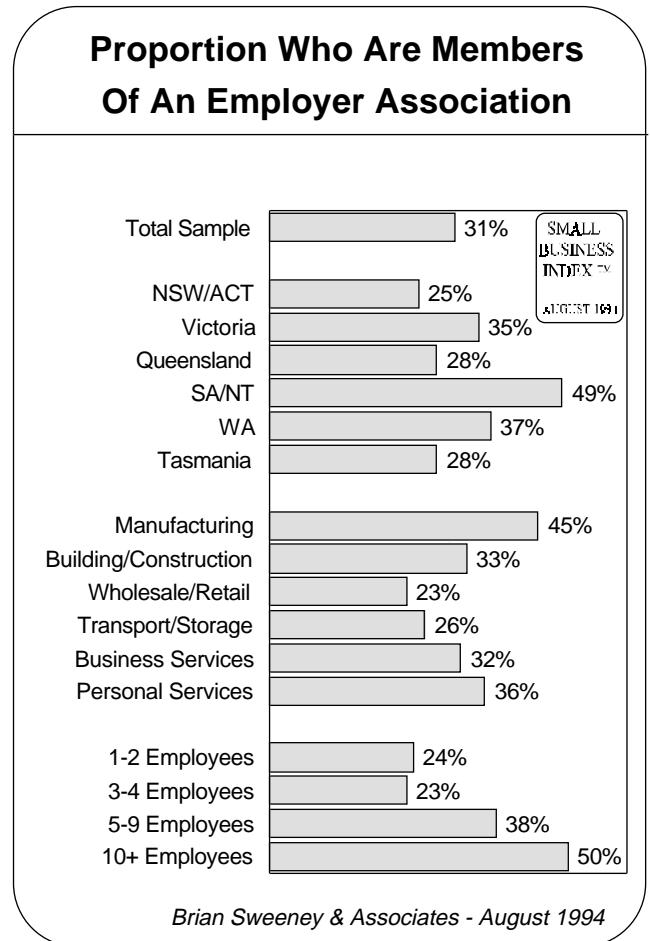


Users of industrial associations are strong in Queensland (45%), South Australia/NT (45%), WA (43%) and Tasmania (43%). Employers in manufacturing (44%) and construction (43%) are also strong users of information from employer associations. The largest small business employers (10-19 employees) are more likely (52%) to use industry associations. Small size employees are more inclined to use accountants as a source of information.

Where small business employers have been specifically briefed on the new industrial relations legislation, accountants are as likely to be used as are employer associations.

Employer Association Membership

Nearly a third (31%) of small business employers surveyed are members of an employers association. This tendency is highest in SA/NT. Employers in metropolitan areas (33%) are more likely to be members than in non-metro areas (26%). By industry sector, employer association membership is higher in manufacturing than in other sectors. Understandably, the larger employers are more likely to be members.



Attitudes to Industrial Relations Arrangements

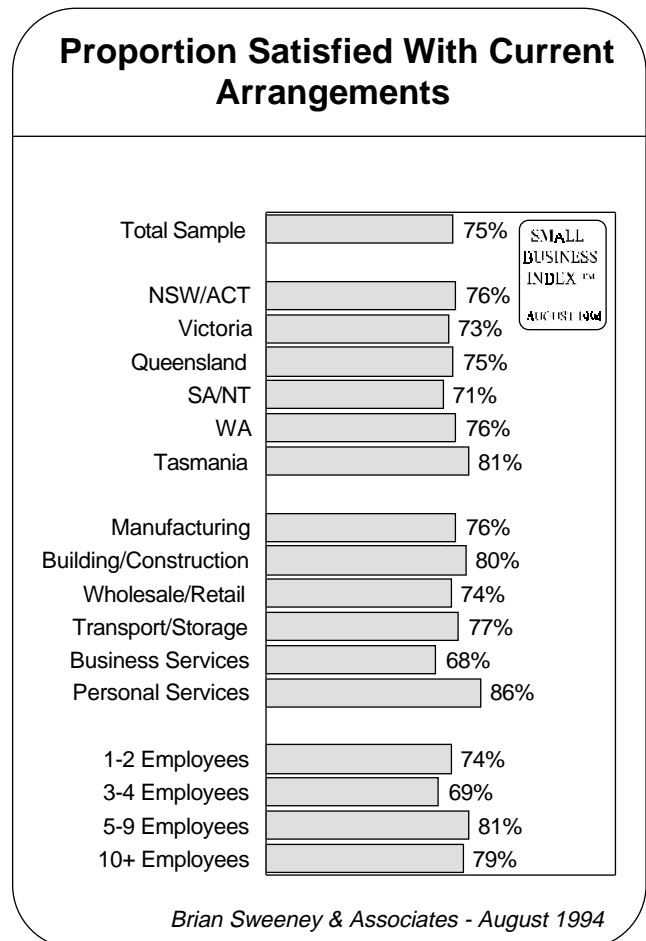
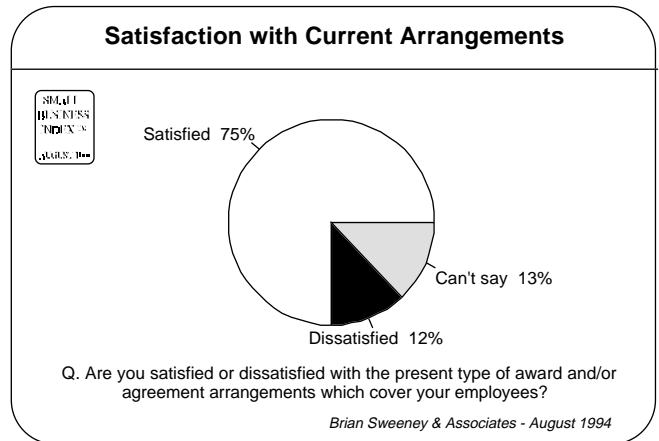
Satisfaction with Present Arrangements

Small business employers were asked whether they are satisfied or dissatisfied with the present type of award and/or agreement arrangements which cover their employees and why. We should emphasise that the award and/or agreement arrangements being evaluated are not necessarily formally registered arrangements.

Three quarters of small business employers stated that they are satisfied with their present arrangements, 12% are dissatisfied and 13% could not say. Employers in Tasmania showed a greater tendency to be satisfied but otherwise there was little variation between states despite the marked differences in state industrial relations legislation. Employers in the recreational and personal services sector are most likely to be satisfied with their present arrangements.

Reasons offered by employers for their dissatisfaction with current arrangements are:

- Not enough scope for flexibility
- Wages should be paid according to skill
- Too many benefits/leave loading/portable super/redundancy scheme
- Right to hire/fire as an employer.

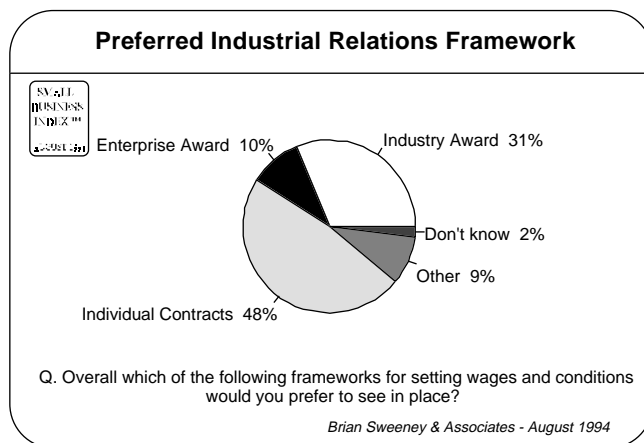


Preferred Industrial Relations Framework

Small business employers were asked which of the following frameworks for setting wages and conditions they would prefer to see in place:

- An **industry** award or agreement that sets minimum rates of pay for all firms in your industry
- An **enterprise** award or agreement that is registered with an industrial commission and applies to your firm only
- Registered contracts with **individual** employees
- Some other framework.

Registered contracts with individual employees receive the greatest support at 48%. The next most preferred approach is an industry award that sets minimum pay rates for all (31%). Only 10% of employers prefer an enterprise award that is registered with an industrial commission. Some 9% of employers nominated some other framework. These other options included direct negotiation, and a combination of industry awards and employee contracts.



There is a significant variation between industry sectors in preference for the different options. Individual employment contracts are preferred by transport and storage in particular (62%). Preference for an industry award to set minimum rates is strongest among small employers in manufacturing (50%).

PREFERRED INDUSTRIAL RELATIONS FRAMEWORK IN DETAIL

	PREFER INDUSTRY AWARD %	PREFER ENTERPRISE AWARD %	PREFER INDIVIDUAL CONTRACTS %
TOTAL	31	10	48
NSW/ACT	26	12	49
VICTORIA	32	10	50
QUEENSLAND	36	9	46
SA/NT	44	8	42
WA	28	7	56
TASMANIA	40	19	38
MANUFACTURING	50	8	39
BUILDING/CONSTRUCTION	24	12	51
WHOLESALE/RETAIL	30	8	53
TRANSPORT/STORAGE	19	15	62
BUSINESS SERVICES	28	11	45
PERSONAL SERVICES	34	13	40
1-2 EMPLOYEES	30	8	51
3-4 EMPLOYEES	30	14	48
5-9 EMPLOYEES	30	10	46
10+ EMPLOYEES	39	6	49

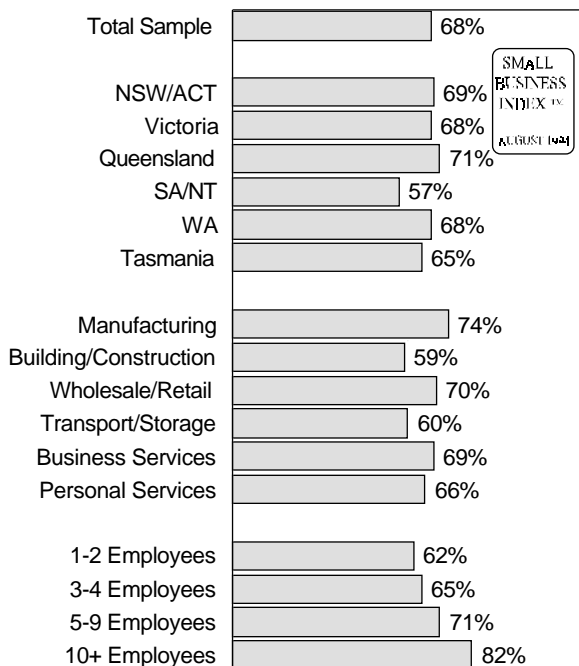
NOTE: HORIZONTAL PERCENTAGES

Changes to the Federal Industrial Relations Legislation

Awareness of Changes

Over two thirds of small business employers had heard of the federal government's changes to industrial relations legislation. Larger employers tend to be better informed.

Awareness Of Changes To Federal Industrial Relations Legislation



Q. Have you heard of the Federal Government's recent changes to Federal Industrial Relations Legislation??

Brian Sweeney & Associates - August 1994

As many as 72% of those small business employers who had heard of the new legislation had read about details in the press. Only 18% had been personally briefed on the changes with small business employers in building and the wholesale/retail sectors were least likely to have been personally briefed.

The briefings were provided mostly by:

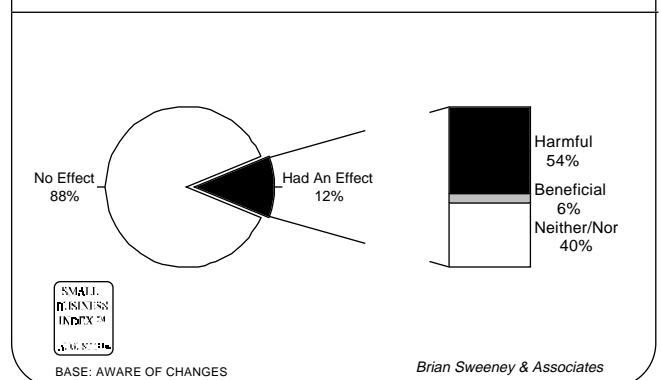
- Accountants (43%)
- Employer associations (35%).

Impact on Business of the New Legislative Changes to Date

Only 12% of small business employers who are aware of the legislative changes said that there had been, to date, any impact on their business. This proportion was higher in Victoria (17%), and particularly in Melbourne (19%), in recreation and personal services (17%), and among enterprises with 5 to 19 employees (16%).

Most (54%) of those who said it has an effect on their business said that the effect was harmful, (40%) stated that the effect was neither good nor harmful. Only 6% of those who said the changes have affected their business claim that the effect is beneficial.

Effect On Business To Date



Those who felt that the legislation would be harmful gave the following reasons:

- Hard to dismiss inappropriate employees
- Reluctant to employ people
- Risk of legal complications
- Time consuming
- Too many restrictions on employers.

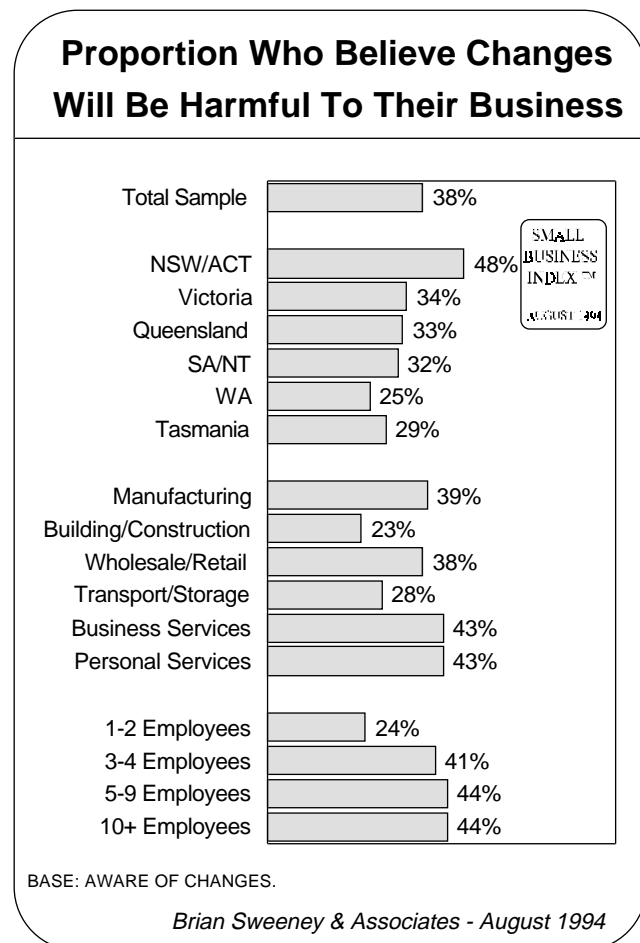
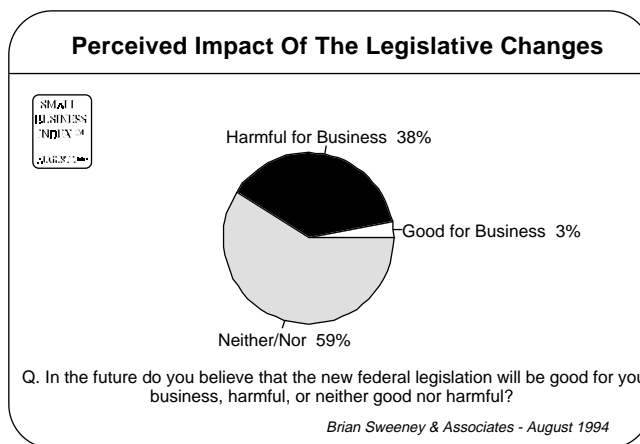
Perceived Impact in the Future

Small business employers who said that they are aware of the legislation were also asked, "In the future, do you believe that the new federal legislation will be good, harmful or neither good nor harmful for your business?". Whilst most small business employers (59%) believe that the effect will be neither good nor harmful, a significant group (38%) believe the effect would be harmful and only 3% think the effect will be positive.

Those with three or more employees were almost twice as likely to see the legislation changes as being harmful than those with only one or two employees.

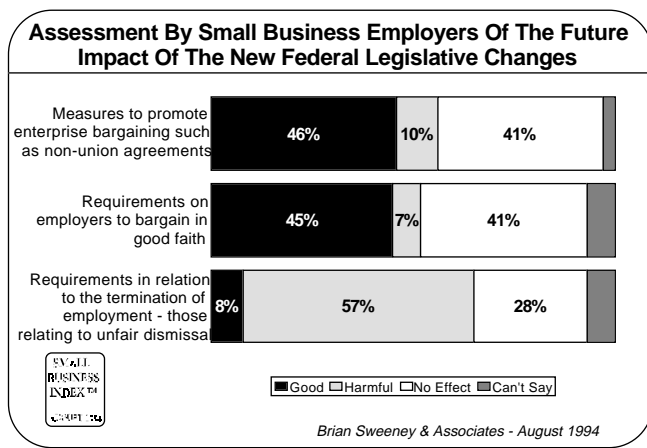
The 38% who see the legislation as being harmful in the future, gave the following reasons:

- Too many restrictions/restricted in what you can do/ unable to make a decision
- Difficulty in dismissing people
- High cost of dismissal
- Making it difficult to employ people
- Placing a financial burden on small business.



Overall Assessment of the Effect of the Legislation

Small business employers were asked to rate the three main components of the legislation as either good for their business, harmful or as having no effect.



Provisions for **non-union agreements** and a **requirement to bargain in good faith** are supported by nearly half of employers. On the other hand, 41% believe that these provisions would have no effect on their business. Few employers saw these two provisions as having a harmful effect. As illustrated below, larger employers (10-19 employees) and those in building/construction and recreational/personal services are most likely to be in favour of both of these aspects. Small business employers in Tasmania and Western Australia are also more likely to support these provisions in the legislation.

Small business employers are far less positive with respect to the **unfair dismissal provisions**. A high proportion of employers (57%) say that the requirements to do with the termination of employment are likely to be harmful to their business, with only 8% saying that the effect is likely to be good. The larger businesses (10-19 employees) tend to be more concerned than most.

PERCEPTIONS OF THE LEGISLATIVE CHANGES IN DETAIL

	MEASURES TO PROMOTE ENTERPRISE BARGAINING			REQUIREMENTS TO BARGAIN IN GOOD FAITH			REQUIREMENTS IN RELATION TO TERMINATION OF EMPLOYMENT		
	GOOD	HARMFUL	NO EFFECT	GOOD	HARMFUL	NO EFFECT	GOOD	HARMFUL	NO EFFECT
	%	%	%	%	%	%	%	%	%
TOTAL	46	10	42	45	7	41	8	57	28
NSW/ACT	38	15	44	40	10	45	5	59	30
VICTORIA	49	9	41	48	5	38	13	55	20
QUEENSLAND	51	7	38	49	7	38	9	59	26
SA/NT	44	6	46	45	3	45	5	53	40
WA	58	2	41	52	3	38	6	50	39
TASMANIA	67	3	29	58	2	36	11	46	29
MANUFACTURING	35	11	49	38	7	50	4	61	30
BUILDING/CONSTRUCTION	66	3	31	58	4	32	13	59	15
WHOLESALE/RETAIL	42	13	43	42	14	39	10	54	30
TRANSPORT/STORAGE	35	6	48	38	6	48	9	52	37
BUSINESS SERVICES	42	10	45	38	2	50	5	56	30
PERSONAL SERVICES	66	3	27	74	0	21	8	65	19
1-2 EMPLOYEES	53	7	38	36	4	50	7	58	29
3-4 EMPLOYEES	31	14	52	39	11	43	8	52	30
5-9 EMPLOYEES	50	9	39	52	7	38	11	56	29
10+ EMPLOYEES	63	7	28	62	3	28	5	68	17

NOTE: HORIZONTAL PERCENTAGES

The New National Training Wage

Awareness of the Training Wage

Small business employers were given an introduction to the new national training wage in the following terms:

"The new national training wage has recently been agreed between the government and the trade union movement. This was the result of the government's recent white paper on measure to combat unemployment.

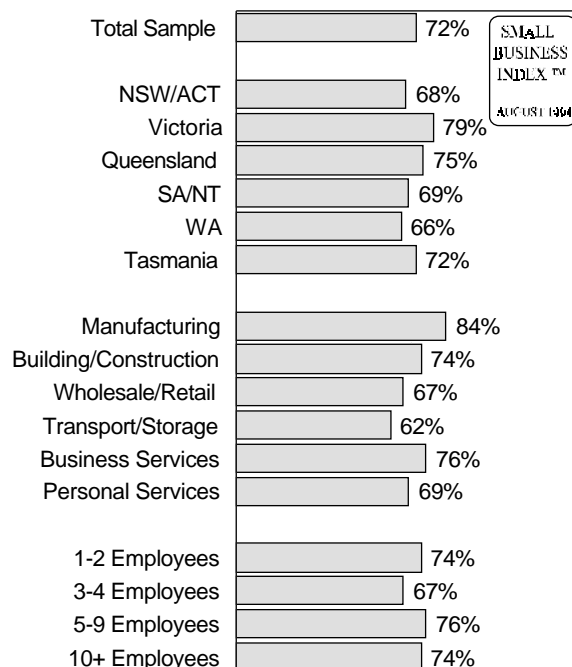
The new training wage enables all new employees to be employed at lower than the award rate for nine months provided they receive recognised or accredited training for one day a week or equivalent. The structured training can be delivered on or off the job. The new training wage applies to adults as well as young people.

The training wage for adults is set at between \$270 to \$333 according to the skill level of the new employee".

Employers were then asked about whether they had heard about this new training wage.

Overall, 72% had head of the training wage - although awareness varies across the sectors from a low of 62% in transport/storage to a high of 84% in manufacturing.

Awareness Of The National Training Wage



Brian Sweeney & Associates - August 1994

Interest in Employing Someone Under the Training Wage

30% of small business employers said that they are interested in employing someone on the new training wage; 62% said that they are not interested; 8% are unsure. The industry sectors where there is most interest are recreation/personal services and building/construction.

There is strong interest in employing someone on the training wage from small business employers in Western Australia and the Northern Territory. Employers with the greater number of employees (10-19) are the most likely to indicate an interest in employing someone.

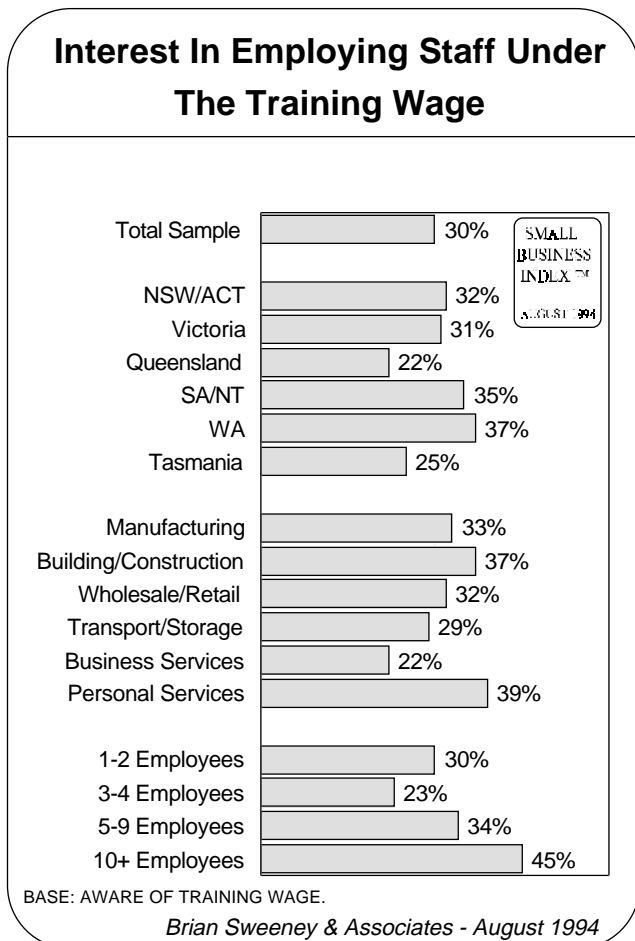
Employers who expect to increase their employment in the next three months are more likely to be interested in the training wage (45%).

Obstacles to Using the Training Wage - Unprompted Responses

Reasons were also sought from an open ended question on why an employer would not be interested in employing someone under the training wage.

The lack of capacity to take on additional employees is the most common reason - mentioned by 22%. Other important reasons for lack of interest by employers in using the training wage are:

- The need to employ skilled or qualified people (18%)
- Time consuming nature of the assistance required to employ the long term unemployed (10%)
- Too expensive to train (8%)
- Too much red tape (4%).

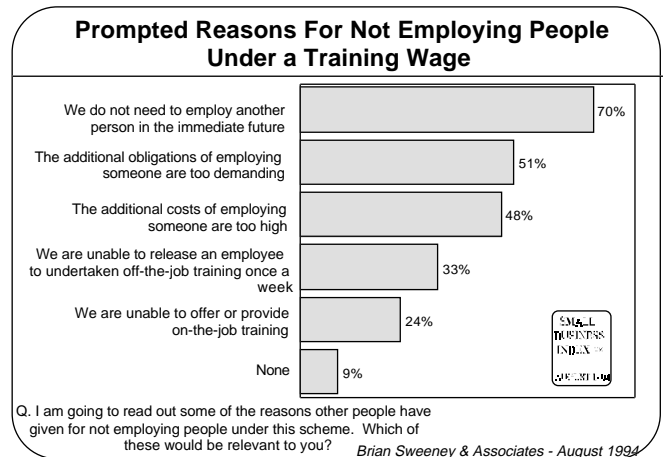


Obstacles to Using the Training Wage - Prompted Responses

All small business employers were presented with a series of five reasons for not wishing to employ someone under a training wage and asked whether or not the reason was relevant to their business.

Apart from there being no need to employ someone, the most important reasons given for not employing people using the new training wage are the additional obligations imposed and the additional costs of doing so. The time taken to work with a new employee to bring them up to full productivity is clearly seen as an impediment to participating. Being unable to release them for off-the-job training or to provide on-the-job training are also important factors.

Small business employers in NSW and the ACT are the most likely (60%) to raise concerns about additional obligations of employing someone as being too demanding. The additional costs of employing someone are nominated by a high proportion of employers in construction (59%) as too high. The smaller size employers (1 to 4 employees) are more likely to claim that the additional costs are too high. Employers with only one to two employees are also more likely to claim that the additional obligations of employing someone are too demanding.



Jobs for the Long-Term Unemployed

Awareness of Long-Term Unemployed Subsidies

Small business employers were asked whether they had heard about the additional wage subsidies to employ the long-term unemployed or people from disadvantaged groups. A high 89% of small business employers say that they have heard of such subsidies. No substantial variation by state, sector or size of business is evident.

These responses are likely to refer to wage subsidies in general and not the subsidies announced in the Government's May 1994 White Paper on Employment, which could substantially lower still further the cost of employment.

Interest in Employing Long-Term Unemployed in Conjunction with Training Wage

Employers were asked a further question to identify their interest in using the wage subsidy available to employ the long-term unemployed.

"These wage subsidies for the long-term unemployed when taken in conjunction with the training wage mean that the cost of having long-term unemployed person could be as low as \$10 a week for the first three months of employment."

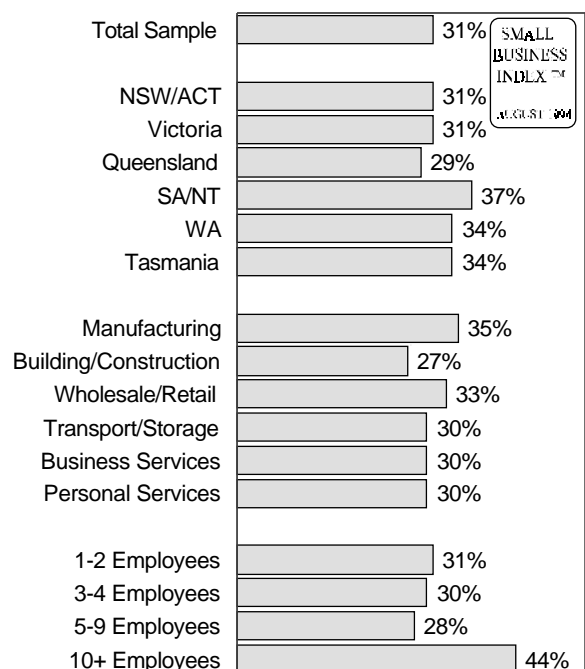
"Under these circumstances, would you be interested in employing and training a long-term unemployed person?"

Nearly a third of small business employers (31%) indicated an interest in making use of the training wage in combination with the long-term unemployed subsidy.

Small business employers in SA/NT and in rural areas generally are more likely to indicate an interest in employing the long-term unemployed under these incentives. Employers with 10-19 employees show the most interest in using the new training wage.

Small business employers intending to take on new employees in the next three months are more likely to show an interest in employing people under this arrangement.

Interest In Employing Staff Under Training Wage/Subsidy Combination



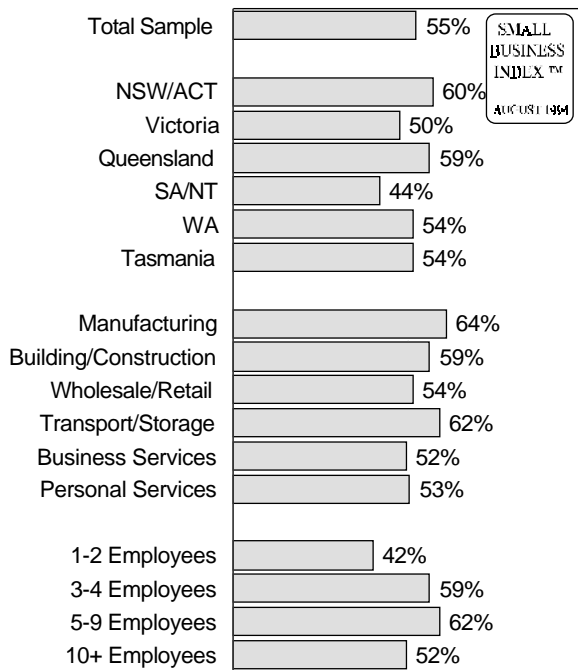
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Preparedness to Employ the Long-Term Unemployed in General

Employers were asked whether, in general, they saw any difficulties or problems associated with employing someone who has been out of work for a long time. Over half of the small business employers (55%) believed that there would be no difficulties.

The larger employers (3-19 employees) and those with turnovers of \$500,000 plus show a greater tendency to indicate that they see difficulties in employing the long-term unemployed.

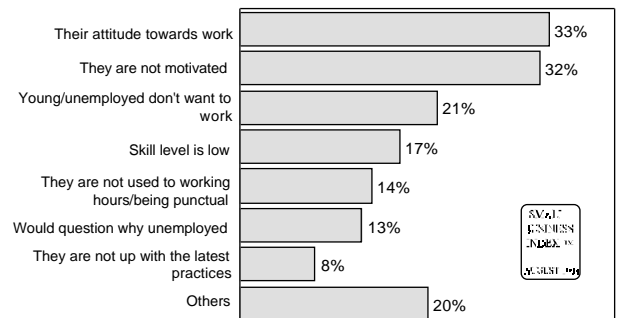
Proportion Who See Difficulties In Employing Long Term Unemployed



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Small business employers who foresaw difficulties were asked to specify what they would be:

Difficulties Or Problems Associated With Employing Someone Who Has Been Out Of Work A Long Time



BASE: SEE DIFFICULTIES IN EMPLOYING LONG-TERM UNEMPLOYED.

Brian Sweeney & Associates - August 1994

Essentially the key problem relates to a strong perception that the long-term unemployed have a poor attitude to work or are not motivated.

By comparison, the perception that the long-term unemployed lack sufficient skills is relatively small.

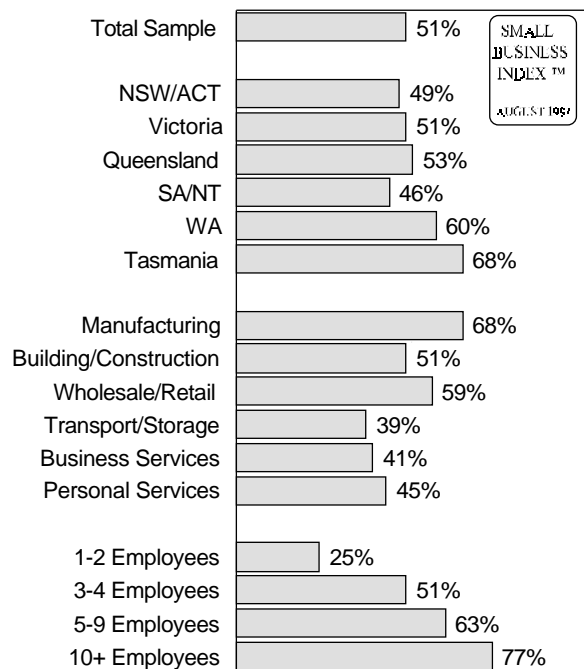
Experience with Wage Subsidies

Small business employers were asked whether they had ever employed anyone under some sort of government wage subsidy. Half of small business employers had done so, with employers in Tasmania and Western Australia and non-metro areas in general more likely to have done so.

In general, the larger the employer, the more likely they are to have employed someone on a wage subsidy. Some 77% of employers with 10-19 employees had done so compared with only 25% of employers with 1-2 employees.

The most frequent wage subsidy users are small business employers in manufacturing and wholesale and retail. Employers in transport and storage, financial, business and property services together with recreational and personal services have been less inclined to use wage subsidies compared with employers in other industries.

Proportion Who Have Ever Used Wage Subsidies



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THIS WAS NOT USED IN THE SEPTEMBER REPORT

New Employees and Retrenchments

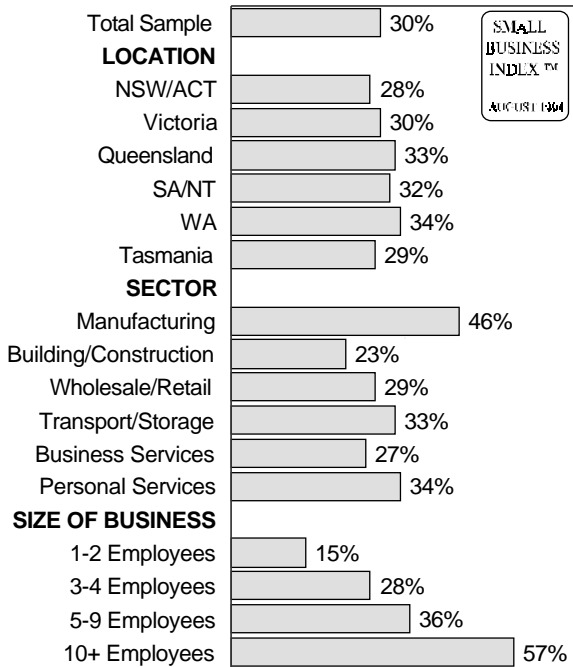
New Employees

Nearly a third of the small businesses employing full or part time staff surveyed have taken on new employees over the three months to July 1994. This trend was the most prominent in manufacturing where as many as 46% of small business employers had taken on new employees in the last three months. Over half (57%) of employers with between 10 and 19 employees have taken on new employees.

The trend of the last three months looks like continuing with 27% of small business employers saying that over the next three months they intend to take on new employees. This intention was strongest in Victoria and Melbourne in particular.

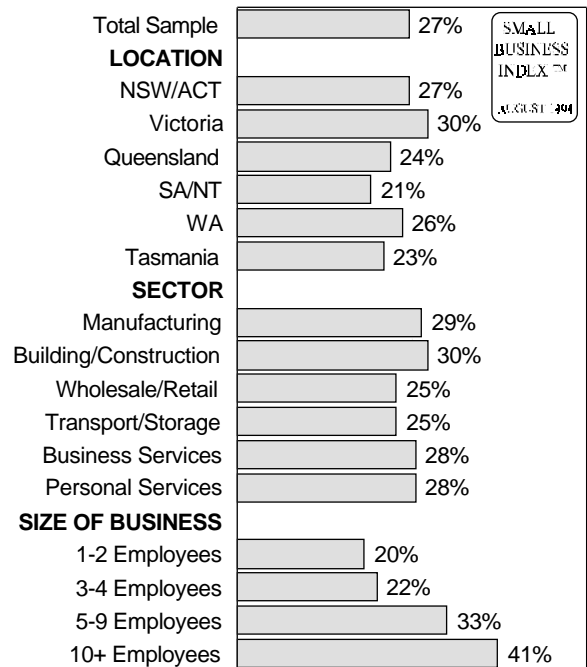
Again, it is the larger (5 or more employees) of the small business employers who are most likely to see themselves as able to employ additional employees. The industries where employers indicate a greater than average tendency to take on new employees in the future are construction and manufacturing.

Proportion Who Have Taken On Employees In The Last 3 Months



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Proportion Who Expect To Take On Employees In The Next 3 Months



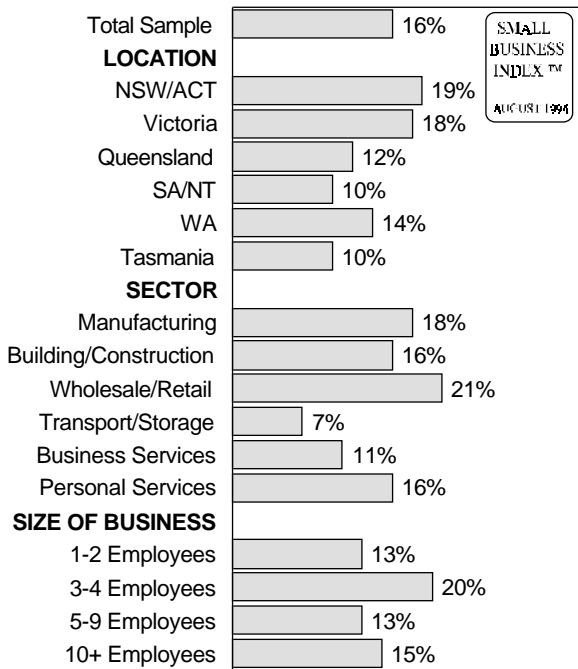
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Retrenchments

This picture of expanding employment opportunities has to be counterbalanced by acknowledgment of the 16% of employers in the survey that have had to lay off employees in the last three months. This trend was most noticeable in NSW and Victoria and in the wholesale/retail sector.

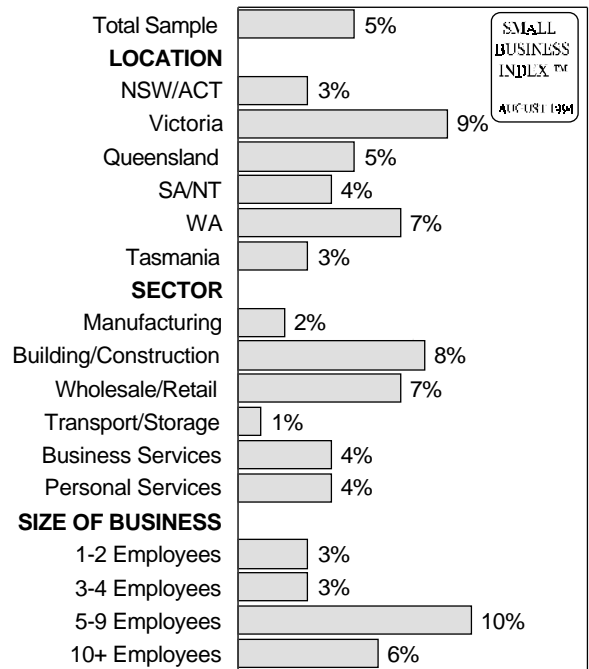
However, only 5% of employers said that they intended to do so in the next 3 months. Victoria, again, looks to be the major loser with 9% of employers from there saying that they intended to lay off employees in the future. Small business in construction and wholesale/retail sectors are more likely to be most affected. Employers with 5 to 9 employees are twice as likely as the average to indicate that they will lay off employees in the next three months.

Proportion Who Have Laid Off Employees In The Last 3 Months



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Proportion Who Expect To Lay Off Employees In The Next 3 Months



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SMALL

BUSINESS

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A Special Report On
Industrial Relations
and the New National Training Wage
September 1994

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