



Opinion Piece by ACCI Chief Executive Peter Hendy in the Daily Telegraph - 27 May 2004

Should small business be exempt from paying redundancy to retrenched workers?

YES

By PETER HENDY*

THE exemption is necessary to preserve jobs and prevent insolvencies. As many bi-partisan parliamentary reports show, small businesses do not have the capacities to access capital or service borrowings as larger employers.

Unless the exemption is retained, small business would be required to find about \$190 million more each year in redundancy payments, on top of termination pay and unfair dismissal laws.

The decision by the Industrial Relations Commission to remove the exemption has created serious concern. Even seasoned participants in the industrial relations system regard it as a risky decision.

During the case, the Federal Government and the NSW, Queensland and WA state governments all opposed removal of the exemption. No one other than trade unions supported its removal.

Legislating a small business exemption from redundancy payments is not without precedent. The existing exemption in NSW is a legislated exemption by the parliament of that state.

* Peter Hendy is chief executive of the Australian Chamber of Commerce and Industry.