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WORKPLACE LAW CHANGES HIT AT CHALLENGING TIME FOR BUSINESS

New federal workplace laws introduced today come amid declining business confidence and falling consumer demand.

The state's peak business organisation, [Business NSW](#), says the new right to disconnect laws – as well as changes to casual employment and independent contract rules – have arrived at a challenging time for small and medium businesses.

The most comprehensive temperature check of NSW's business conditions – the [Business Conditions Survey](#) – reveals business confidence has declined for the second straight quarter, dropping from -59.7 to -67.8.

“Business confidence in NSW has declined for the second straight quarter, making for a tough outlook for business,” Business NSW CEO Daniel Hunter said.

“Into this environment has come the Federal Government's so-called ‘closing loopholes’ legislation. These laws will take time to have their full effect, but there is no doubt that it's an additional layer of red tape our economy doesn't need.

“This will increase the compliance and regulatory burden on business.”

NSW has the highest number of business insolvencies. In 2023-24 NSW had 42% of Australia's insolvencies yet only 31% of the country's population. Since the pandemic NSW is the only state which has seen average yearly insolvencies increase.

“Small business (with less than 15 employees) will have another year before the right to disconnect laws kick in for them – and that's positive because there will most likely be teething problems for medium and large businesses,” Mr Hunter said.

“Ultimately, modern day employers are shifting to this informal ‘give-and-take’ approach anyway. Workplaces are saying ‘you can work in the morning and can pick up the kids in the afternoon no problem’.

“But under the new laws, contacting someone after hours is now considered problematic – even if someone’s traditional workday has already had those family friendly allowances factored in.

“If the unions want a regimented workplace, then that flexibility needs to cut both ways.”

Key findings from the Business Conditions Survey:

- The Business Confidence Index has declined for the second straight quarter, dropping from -59.7 to -67.8;
- 38% of businesses say taxes and government charges are the biggest barriers to business expansion;
- 67% of the businesses say the cost of doing business is the biggest barrier to business expansion;
- More than 90% of businesses have experienced an increase in general insurance costs in the last 12 months, the majority of which reported an increase of between 11% and 30%;
- 81% of businesses say high freight costs as their biggest supply chain issue;
- 43% of businesses have sought a new energy deal in the last 12 months;
- 64% of businesses have identified barriers to winning government contracts, with the most common barrier being the high cost or time involved in preparing applications (33%); and
- Only 45% of small businesses surveyed have accessed the instant asset write-off scheme and got some benefits from it.

About Business NSW

Formerly the NSW Business Chamber, **Business NSW** is the peak policy and advocacy body which has been representing businesses in NSW since 1826. We represent almost 50,000 businesses.

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