



## Compliance Essentials e-bulletin May 2012

### Paid Parental Leave

This scheme has been in place for over a year now, with the employer taking on the role of paymaster from mid 2011. There is useful information with regard to Paid Parental Leave on the Centrelink website which is worth checking out as the scheme is wide reaching and can apply to eligible part time, casual or seasonal workers, contractors, self-employed, those working for multiple employers or those who have just changed jobs. Employers, as well as individuals who want to make a claim, should check eligibility carefully and seek advice if there is any doubt.

### Best Practice?

What do you make of the expression 'best practice'? If you ask ten people you would probably achieve at least six different answers. Best practice isn't just about doing the filing or answering incoming calls on the third ring, it cuts across the length and breadth of an organisation as part of the improvement and/or continual improvement processes. What *isn't* best practice? Not managing areas of risk exposure to the business; turning a blind eye to compliance obligations; putting employees at risk by not implementing safe work methods and/or the correct training, disregarding site safety; endorsing double and triple handling of documents. The list can go on.....best practice is part of continual improvement and performance optimisation, a means to sustainability and achieving a competitive edge.

### The Benefits of Compliance

We have created a simple financial model of the basic costs of getting ahead with compliance versus the financial ramifications of responding to an unwitting breach. This model shows that a reactive response to a proven regulatory breach can be easily three to four times more costly than making a proactive effort to be compliant (not counting the respective consequential loss or consequential benefits). There are also other potential benefits to consider. By moving the perception of being compliant from one of policing and dodging threats to a philosophy that works with and FOR your organisation, it is possible to protect your organisation from outside investigation (and the drain on resources), pecuniary penalties and other attendant disadvantages, at the same time adding other benefits (the following list is not exhaustive):

- *Frees up management time to concentrate on core business*
- *Staff feel more secure in their working environment - may reduce staff turnover*
- *Involve staff in creating operational procedures to cultivate commitment to the organisation as well as to a compliant culture*
- *Presenting a positive face for clients and suppliers*
- *Possible reductions in insurance premiums*

Compliance and best practice go hand in glove; managing compliance and risk can contribute to a more effective workplace, a positive impact on the bottom line.

### ASIC Responsibilities

Whatever the size of business, an entity incorporated with ASIC needs to be aware of compliance obligations; these are not always given the correct priority. What may need to be reported to ASIC? Change of director's information, appointment or resignation of a director and/or company secretary, change of address, change to a company constitution, in some instances annual financial statements, the above are only some of the list. Required reporting to ASIC should occur within the correct timelines and be accompanied by the correct documentation, for example a special resolution where the Corporations Act determines that this is needed. Failure to report correctly to ASIC can incur financial penalties and these may increment over time. Visit the ASIC website [www.asic.gov.au](http://www.asic.gov.au)

*The contents of this document are for information purposes only. It is not intended to be advice and you should not act specifically on the basis of this information alone. If expert assistance is required, professional advice should be obtained.*

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