

INQUIRY INTO IMPACT OF COMMONWEALTH WORKCHOICES LEGISLATION

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Theme:

Summary



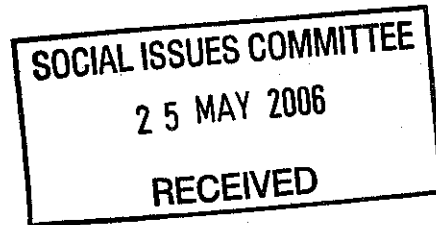
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*The Voice of the
Motor Industry*

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Standing Committee on Social Issues
NSW Parliament Legislative Council
Macquarie Street
SYDNEY NSW 2000



Submission by the Motor Traders' Association of New South Wales

To the Inquiry into the impact of Commonwealth WorkChoices legislation

The Motor Traders' Association of New South Wales (MTA) is an employer organisation registered under both the NSW Industrial Relations Act and the Federal Workplace Relations Act. MTA has been actively involved within both industrial relations systems in response to the needs of our membership.

MTA represents in excess of 5000 members and affiliate members engaged in business enterprises across NSW. The MTA membership is actively engaged in business in the retail motor industry and such enterprises are predominately small business. The industry includes enterprises such as motor dealers – new and used, vehicle repairers – smash repair and mechanical, vehicle dismantlers and other vehicle part and accessory sales, other specialist service and sales such as engine reconditioners, exhaust repairers, tyre retailing and fitting and steering & suspension services as well as fuel. A further smaller section of the membership undertake vehicle body building and vehicle part and component manufacturing.

MTA submissions are limited to “the impact on employers and especially small business.”

It is the opinion of the MTA that the conduct of this inquiry is too soon to effectively gauge the impact of the Commonwealth WorkChoices legislation. Having said this some of the issues identified presently by MTA that impact on members in an adverse way include:

- There are varying costs to small business in the transition to the new system. The method of defining entitlements means that for most businesses the new “Australian Fair Pay & Conditions Standard” (the Standard) will apply. The entitlements therein, as they relate to annual leave and personal leave, are described differently from the corresponding provisions in awards/legislation. As a result employers must go to the expense of updating leave accrual systems and train staff in these processes. In addition there are likely to be additional labour expenses as additional hours are likely to be necessary to bring record up to date.

- It is regrettable that at the conclusion of the 5 year transition period those member businesses that are already applying the federal system through membership of MTA and are not constitutional corporations will fall out of the federal system and into the state system. These types of businesses are generally small businesses that are partnerships or sole traders.


These businesses are unable to participate fully in the federal system with their employees during this transition period – they are unable to access federal workplace agreement options.

- For those small businesses that are corporations the complexity of the changes will mean that it will take a long lead time for small business to grasp the changes and options associated with them.
- The ongoing emphasis on the priority of an employee's family (responsibilities) over and above all elements of the employee's work obligations continue to increase the pressure on small business employers. The Standard only continues to add to this predicament.
- Removal of the ability of the small business employer to effectively manage annual leave under the Standard. Small business employers have no right to direct employees to go on annual leave until such time as an employee accrues an equivalent of two years worth of annual leave. In such circumstance an employer can only direct that one quarter of the accrued leave be cleared. For accrual and contingency purposes this has the potential to place substantial burden on small business.

Further, employers have lost a tool to better manage workplace flow and effective utilisation of staff. During down time employers with notice could send employees on annual leave, however, this opportunity has significantly diminished. This strategy was often taken for the overall good of the business and all of the employees of the business.

After earlier referred, it is likely to be some time before a clear understanding of the impact on small business can be clarified. The above issues are those major issues that can be identified at this point in time.

Yours Faithfully,



James McCall
Chief Executive Officer