



# Australian Association of Progressive Repairers

*Run by Repairers for Repairers*

## **SMALL BUSINESS INQUIRY**

### **WORKPLACE RELATIONS FRAMEWORK**

### **PRODUCTIVE COMMISSION**

13<sup>th</sup> MARCH 2015

AAPR has been established to offer a balanced view on behalf of networked and contracted automotive repair businesses. Our association interacts with key stakeholders and organisations that seek collaboration on issues and matters affecting progressive change and economic reforms.

We are a “not for profit” automotive body repair trade association and we facilitate collaboration on issues and matters that affect our motor vehicle repair members so that reform can affect positive and progressive change for the economy it serves.

On behalf of AAPR, our submissions is as follows:

#### **1: Wages, minimum wages, awards, penalty rates,**

Due to the competitive nature of our business environment, many of our members struggle to provide the services required at an affordable cost. More and more of our customers demand after hours attention and service but due to the restrictive nature of the current awards and penalty rates system, we are constantly battling and juggling our own work life due to the unwillingness of employees to work outside of the traditional “9 to 5” business hours in the automotive repair industry, unless being well compensated.

Increasingly, it is the business owners and their family members that sacrifice their home life to service customers’ needs to keep costs down and maintain good levels of customer service. We are required to maintain our own business to business relationships, which are defined under a contract with our major work providers, being Insurers and fleet management companies that benefits our employs with steady incomes at small business owner’s personal expense.

#### **Penalty Rates:**

We acknowledge the need for a safety net for employees, but at the same time we also advocate for the removal of penalty rates due to the ever changing demands of customers. It is our view that the removal of penalty rates and traditional working hours will provide more flexibility for employers to offer a greater range of working options for all staff to cater for consumer demands.



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## **SMALL BUSINESS INQUIRY (cont'd)**

### **2: Unemployment, Underemployment and Job Creation**

Unfair dismissal laws and dealing with disaffected former employees is a key factor for most small businesses that think twice before hiring new staff or even replacing staff.

#### **Employment – Penalising Small and Micro Businesses**

AAPR proposes the classifications of Businesses needs to be revised due to the nature of modern structures of emerging business models and types. In the Automotive industry there are businesses that operate at a micro level of staff compared with other Small businesses. AAPR proposes that there be a new clarification within the Small Business umbrella to account for different business sizes.

AAPR proposal: Small Business classifications:

Micro Business – between 1 to 5 employees with a monetary threshold of \$400,000

Small Business – Between 6 and 30 employees with a monetary threshold of \$1,250,000

The monetary threshold of \$600,000 for Small Businesses needs to be increased to \$1,000,000 so as not to penalise small businesses from paying employees more by way of incentives or by the use of offering overtime. As soon as the current threshold is reached the tax becomes too restrictive for employers to hire new staff or look to hire extra staff, as required, in times of greater demand. The Employer is forced to offer overtime or undertake the tasks themselves. Either way, it means in practical terms less employment opportunities and greater stress placed on those employees that already work 40 hour weeks and are juggling their work/life commitments.

New incentives need to be set in place to recognise businesses, such as ours in the automotive industry, that need to hire unskilled staff and train them up to a qualified level of expertise, which impacts on production, lost productivity, loss of profit and the burden of the possible breaching the current employment and monetary threshold criteria's.

#### **SMALL BUSINESS TAX SUMMIT**

AAPR proposes an economic summit of small business tax agents that deal directly on behalf of small businesses to work on a fairer tax model.

#### **Goods and Services Tax (GST)**

AAPR supports the broadening of the GST base by the removal of exemptions to simplify collection.

Kind Regards

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