

VACC Submission

Victorian Government's plan to introduce working from home legislation

September 2025



About VACC

VACC is Victoria's peak automotive industry association, representing the interests of more than 5,000 members in over 20 retail automotive sectors that employ over 50,000 Victorians. VACC members range from new and used vehicle dealers (passenger, truck, commercial, motorcycles, recreational and farm machinery), repairers (mechanical, electrical, body and repair specialists, i.e. radiators and engines), vehicle servicing (service stations, vehicle washing, rental, windscreens), parts and component wholesale/retail and distribution and aftermarket manufacture (i.e. specialist vehicle, parts or component modification and/or manufacture), tyre dealers and automotive dismantlers and recyclers.

VACC is also an active member of the Motor Trades Association of Australia (MTAA) and contributes significantly to the national policy debate through Australia's peak national automotive association.



1. On behalf of its membership, the Victorian Automotive Chamber of Commerce ('VACC') welcomes the opportunity to provide the following submission on the Victorian Government's plan to legislate a right to work from home for at least two days per week for all Victorian employees who can reasonably do so ('Victorian Government's proposal').
2. VACC is a member of the Victorian Congress of Employer Associations ('VCEA') and the Australian Chamber of Commerce and Industry ('ACCI') and has actively contributed to informing the submissions of both organisations on this important issue. Accordingly, VACC endorses those submissions in principle.
3. VACC submits from the outset that working arrangements, including flexible working arrangements such as work from home, are matters best determined at the individual workplace level between employer and employee – not by a one-size-fits-all Government mandate. VACC therefore suggests that rather than introducing additional inflexibility, any legislative reform introduced by the Victorian Government must be focused on removing barriers that threaten such mutually beneficial arrangements from being introduced or continuing.
4. Whilst it is acknowledged that some of these barriers are outside of the Victorian Government's jurisdiction, such as current inflexibilities contained within federal modern awards, others are within the Victorian Government's remit. These include regulatory compliance-related matters, such as occupational health and safety ('OHS') and workers compensation, which are currently ill-suited to an increased uptake of working from home arrangements.
5. VACC believes that it is best able to contribute to this initial consultation process by sharing the key insights that have arisen from feedback it has received from its membership in response to the Victorian Government's proposal:
 - there has been no large-scale shift to working from home in the automotive industry
 - there are real OHS and other compliance-related concerns that must be addressed prior to further consideration of such legislative reform
 - there are real fairness and productivity-related concerns that must be addressed prior to further consideration of such legislative reform
 - the *Fair Work Act 2009* (Cth) already provides a fair and balanced legislative right to request flexible working arrangements, including working from home.

There has been no large-scale shift to working from home in the automotive industry

6. The media release that accompanied the announcement of the Victorian Government's proposal suggested that it was intended to protect the "... more than a third of Australian workers – including 60 per cent of professionals – regularly working from home."¹ The Engage Victoria survey continued this underlying premise, asking "How has the large-scale shift to working from home impacted your business...?"
7. VACC notes that there has been no such large-scale shift to working from home in the automotive industry. Fundamentally, this is due to the nature of the work performed in the industry being incompatible with working from home arrangements, as well as – relatedly – that the uptake of the practice was not adopted at scale during COVID-19, as large parts of the industry were entitled to continue to operate on-site during the COVID-19 lockdowns in accordance with then applicable public health orders.

¹ Media release, Hon Jacinta Allan MP, Premier, Victorian State Government, Work from Home Works for Families, 2 August 2025.

8. VACC conducted a survey of its membership in August 2025 to gain a detailed understanding of their views on the Victorian Government’s proposal. The survey received over 120 responses and was representative of VACC’s overwhelmingly small to medium-sized enterprise (‘SME’) membership (over 98 per cent). It confirmed VACC’s understanding of the very limited utilisation of working from home arrangements in the automotive industry, with over 86 per cent of respondents not having any employees currently working from home. As VACC survey respondents noted:

“We have not experienced a large-scale shift towards working from home. Even during the COVID we continued operating relatively unchanged, since we are classified as an essential business.”

“We only catered for working from home during covid, and only for admin/computer work purposes. It couldn’t be used for salespersons in retail selling of used motor vehicles. Our productivity for persons working from home at that time was definitely less”

9. As such, should the proposed introduction of a right to work from home extend to the automotive industry, its effect will be to introduce a new working arrangement – rather than protecting those currently utilising such an arrangement. Accordingly, the claimed policy intent of the Victorian Government’s proposal to prevent plans to “... *force workers back to the office ...*”,² are not applicable to the Victorian automotive industry. Other than in circumstances agreed in the workplace – either generally, or where employees have particular family or carer responsibilities that can be reasonably accommodated – such arrangements remain the exception, rather than the rule.
10. The ill-suitedness of the Victorian Government’s proposal to the automotive industry was further illustrated by the finding that whilst over 78 per cent of VACC survey respondents reported that they were extremely concerned by the Victorian Government’s proposal, this figure actually increased to 88 per cent for those who currently had at least one employee working from home.
11. VACC therefore rejects the apparent underlying premise that working arrangements applying to SMEs operating in predominantly blue-collar industries within the private sector are broadly analogous to those applying in large, white-collar enterprises predominantly in the public sector. Small businesses are not ‘little big businesses’, nor is the automotive industry akin to the Victorian public sector. Such fundamental and qualitative differences cannot be accommodated through the proposed one-size-fits-all legislative approach. As VACC survey respondents noted:

“The government needs to look at all sectors of trade - not just office workers that are able to work from home.”

“We are not office workers, it would be illegal for our team to work from home”

“If they are having problems managing their public sector employees, tell them it’s their issue and not the private employer sector problem.”

12. VACC also rejects any inference that businesses that do not operate in an office environment and/or do not have employees working from home are somehow akin to second-class citizens living in “the past”.³ Such a notion is ill-informed, dismissive of the sophisticated nature of contemporary automotive workplaces, divisive and serves only to diminish the ongoing contribution that VACC members and their employees make to the Victorian economy and road safety every day. VACC survey respondents were particularly strong on this point, with many viewing the Victorian Government’s proposal as seeking to deliberately alienate traditional blue-collar, working-class industries:

² Ibid.

³ Ibid.

"It is an insult to every hard working person who could not even contemplate the ludicrous idea of working from anywhere but their workplace."

"... so out of touch with the people that they are meant to represent."

"They are plotting the office white collar and blue collar workers [against each other]"

There are real OHS and other compliance-related concerns that must be addressed prior to further consideration of such legislative reform

13. The Victorian Government's proposal introduces a number of regulatory compliance concerns for employers in the automotive industry – including, but not limited to, those relating to OHS, workers compensation, environment and privacy.

OHS Concerns:

14. From an OHS perspective, VACC members have raised a number of legitimate concerns relating to the increased risk of physical and psychological injury when employees are working from home. VACC further notes that in respect to the latter, the imminent introduction of Psychological Health Regulations later this year are likely to generate a renewed focus on psychosocial hazards more generally.

15. Relevantly, the ability of an employer to provide and maintain a safe working environment can be significantly compromised where an employee is working from home.⁴ Working from home arrangements raise similar concerns in relation to an employer's ability to monitor the health of employees and conditions at the workplace⁵ as well as the ability to ensure employees are meeting their complementary OHS duties.⁶

16. VACC survey respondents were particularly concerned by the adverse impact working from home arrangements would have on their ability as employers to adequately control the working environment and supervise employees in the performance of their work:

"Safety. Employers have less control/oversight over work that is being done and working conditions; we are already at unreasonable risk of being held liable for staff injuries and/or professional misjudgements and WFH would make it worse."

"As a small business this is an added risk [of injury], I would need to ensure the work environment is safe for the member, I can control this in my workplace but not in someone's home..."

"It is virtually impossible for a business to ensure a safe workplace at home; there are also risks with employees working by themselves and unsupervised."

"... any WorkSafe situation that arises whilst they work from home. It's loss of control of the workplace but responsibility for it."

17. Notably, these concerns extended to computer-based roles, such as bookkeeping, where technology-based solutions are currently available to assist employers. VACC notes in this regard that under recommendations made by the recent (majority) Final Report to the Inquiry into Workplace Surveillance,⁷ future legislative amendments are likely to make such oversight even more difficult for employers to achieve in practice.

⁴ Occupational Health and Safety Act 2004 (Vic) s 21.

⁵ Ibid s 22.

⁶ Ibid s 25.

⁷ Legislative Assembly Economy and Infrastructure Committee, Parliament of Victoria, Inquiry into Workplace Surveillance, May 2025.

18. Building on psychosocial hazard-related concerns, VACC survey respondents also highlighted the likely impact of the Victorian Government's proposal on mental health and the community more broadly:

"I don't believe working from home is good for the person or the business. You don't have the one-on-one conversations with customers or work colleagues when you isolate yourself working from home."

"It is definitely not for the motorcar industry and I do not like having any staff member isolated and not being amongst the team, bouncing ideas off each other and helping each other"

"Community, it is not good for the community that people are isolated. business cannot get going again until people learn to interact with each other again."

Workers Compensation:

19. The impact of these OHS-related concerns in relation to Victoria's workers compensation scheme – which is viewed as structurally ill-suited to effectively manage claims arising from working from home arrangements, as well as psychological injury claims more generally – has also been raised by members. VACC survey respondents noted that:

"It also has high risk of WorkCover as we cannot control the home environment safety or standard of someone working from their home."

"What changes will be made to Workcover to enable working from home?"

"...it would mean an extra costs and burden financially and leave the employer vulnerable to workcover claims should the worker get injured at home..."

Environmental Compliance:

20. Further highlighting the unsuitability of the Victorian Government's proposal to the automotive industry, VACC survey respondents raised a number of obvious environmental compliance issues:

"EPA laws, how can we fix cars from home???"

"How can we dispose of old paints at home? Our houses aren't zoned for industry work"

"We can't stockpile tyres at our houses"

"How do they drain the oil so there is no effect to the environment. What happens if they spill the oil, who will be held accountable - the employee or the employer?"

Privacy and security of information:

21. Privacy and security of information, including associated organisation risks, were also matters raised by VACC survey respondents in relation to the practical compliance-related implications of the Victorian Government's proposal:

"Privacy of sensitive information." "...unacceptable.

lack of privacy"

"The employees home security and internet security and upgrade of internet access etc will be a nightmare! Hence why our business will not employ staff to work from home, otherwise we will close up. We will not be bullied by the government!"

Compliance Costs:

22. Consistent with the above, the compliance costs of the Victorian Government's proposal was raised as a major issue of concern for VACC survey respondents, with 87 per cent reporting that they would incur additional financial costs.
23. Notably, the increased cost was not limited to those without working from home arrangements currently in place, with over 82 per cent of respondents with at least one employee working from home reporting that the Victorian Government's proposal would directly increase their costs.
24. Whilst the amount of the increase was dependent upon the size and nature of the particular business, the costs were significant — with the estimates provided by VACC survey respondents ranging from \$3,000–\$10,000 per employee.

There are real fairness and productivity-related concerns that must be addressed prior to further consideration of such legislative reform

25. The perceived unfairness of the Victorian Government's proposal is another major issue, with VACC survey respondents raising serious concerns on behalf of both automotive employers and their employees. The loss of productivity and related increase to business costs were also identified as major issues of concern.

Fairness for employers:

26. From an employer fairness perspective, VACC survey respondents confirmed concerns relating to the loss of managerial prerogative in how the business owner, who pays the wages and carries the risk, chooses to operate its business. These concerns were a common feature of feedback received. Often expressed emotively, it demonstrates the adverse impact that perceived government overreach has on Victorian employers:

"... It is not the government's business and therefore, if it is introduced, we will either not employ anyone wanting to work from home or cease trading all together. The government can then pay them to sit at home!"

*"...they don't employ the f**cking staff = we do = don't tell us how to run our f**cking business..."*

"Who is paying the staff, not the government..."

"... people who pay the wages and carry the risk"

"Victorian Government is deliberately costing jobs and closing small businesses."

27. VACC member survey feedback also highlighted the fact that employers are ultimately best placed to determine the working arrangements that are appropriate for their businesses, and do so, where appropriate, at the individual workplace level in consultation with their employees:

"No one knows their industry or business like the owner! They are extremely capable of making that decision themselves and do not need any legislation to make it happen."

"Let the employer work it out with staff."

"I think the government needs to keep out of this; smart employers will know how to incentivize their staff and can make those arrangements directly with their employees."

"I don't object to people working from home, but it is NOT a RIGHT, in every business, in every scenario, in every role, and for every staff member. Each business must be allowed to decide what works for their unique circumstances."

Fairness for employees:

28. VACC survey respondents were also concerned about the unfairness of the Victorian Government's proposal for employees who cannot, or choose not to, work from home. In addition to the negative impact on teamwork and performance, a significant number commented on the internal division and isolation of staff, as well as increased workload on those who remained in the workplace:

"... in a smaller team, (not the public service) where everyone is required to work together and help each other, one rule for one is potentially going to cause resentment and annoyance which will impact teamwork, morale and performance."

"The practical impact of staff not being in an environment where assistance can be provided in a hands-on manner. How this impacts other staff that cannot undertake their role from home and the division this will create in a business."

"The inherent unfairness and divide that will be created for those that can't work from home."

"Increased workload on those on-site during business hours."

Productivity:

29. VACC survey respondents rejected claims that working from home increases productivity for businesses, with overwhelming feedback suggesting that in fact the opposite is true, at least in relation to the Victorian automotive industry:

"Work from home has slowed down the process between assessment and repair timeframes, parts supply and placed pressure on my business to meet turnaround times. It puts cashflow under pressure as a result of slow turnaround"

"...other staff are required to look after the answering of phones, this has shown a decrease in productivity as the staff stop jobs to answer phones. This has not been effective hence all will be working from the workshop"

"when our staff work from home we see a decline in productivity, the only time we allow this to take place is when they have personal circumstances where we try to assist them to navigate through."

Increased cost of doing business:

30. In addition to increased compliance-related costs referred to above, VACC survey respondents also noted the increased costs associated with the loss of productivity, as well as related longer-term implications of the Victorian Government's proposal for the automotive industry and small businesses:

"the cost of doing business will increase, production will go down and it will further impact the cost of living. We should be encouraging higher productivity not taking away from the already difficult landscape of small business."

"What is the full cost on a business for employees to work from home? What is the necessity for employees to work from home, why can they no longer perform their duties at the business premises?"

"It is very important for all businesses to understand this could be catastrophic, lack of people wanting to enter our industry because they would rather do a job from home. Business Owners need to take on more when they are already stretched."

Further Observations:

31. Whilst broadly covered in the feedback provided above, VACC survey feedback also highlighted the incompatibility of the Victorian Government's proposal with the multifaceted and interdependent nature of employee roles within the automotive industry, particularly within small businesses:

"Our business requires face-to-face contact with customers collecting their car as well as parts delivery etc. I do not have the resources to juggle and split their duties between home and office."

"... employees tend to have many roles and responsibilities. How does an employee interact with an irregular face to face contact with another employee, employer and customers if they have been scheduled to work at home that day. How do you put a price on this situation? It may need an employer to hire another employee to take up the slack."

32. Consistent with the Australian Bureau of Statistics' *Labour Force Survey* series, showing that Victoria has endured the highest unemployment rate in the nation for 15 of the last 17 months, and the belief that Victoria has become the hardest place to do business in Australia,⁸ VACC member survey respondents confirmed the precarious state of many Victorian businesses. In this context, it is evident that the Victorian Government's proposal will make the current business operating environment in Victoria even worse:

"As a long time employer, I am exhausted with what we need to keep up with these days and can see why people ... feel defeated when it comes to the way Victoria is being run. Small business is tough enough. When I see another business pull the plug I fully understand."

"...I am ready to close the doors as all I am doing is working for my employees and the government."

"Many years ago our business employed 50 workers now it's just a family business. We would not want to employ any one else these days, and this would be just another reason why not to."

The Fair Work Act 2009 (Cth) already provides a fair and balanced legislative right to request flexible working arrangements, including working from home

33. As noted by a number of VACC survey respondents, the *Fair Work Act 2009* (Cth) already provides a fair and balanced legislative right to request flexible working arrangements, including working from home, with disputes determined by the Fair Work Commission.⁹
34. Indeed, some of the key reasons provided for the extreme level of concern by VACC member survey respondents was the legal uncertainty (including Constitutional validity), regulatory duplication and disputation that would arise from having a potentially unenforceable Victorian right to work from home operating concurrently with an existing, enforceable federal right to request flexible working arrangements.

⁸ Jacob Greber, ABC News, Victoria ranked worst for business as Labor debates brand damage in Albanese stronghold, 3 December 2024.

⁹ *Fair Work Act 2009* (Cth), Part 2-2, Div 4.

35. In addition to perceived governmental overreach, VACC survey respondents expressed valid concerns over how decisions on the 'reasonableness' of an employee working from home would be determined under the Victorian Government's proposal – with the existing *Fair Work Act 2009* (Cth) provisions widely seen as already providing a fair and balanced framework:

"... the balance of decision making needs to sit with the employers. The current model and FWA legislation provides the right amount of coverage in this space."

"There is already the right to make flexible arrangements - if needed - ... However, the job requirements are - in the main - to be in premises, and customer facing. You simply CANNOT service a customer's car, or wash a customer's car while working from home."

"Since we already have the flexible work arrangements, we need to define what 'reasonably' means. Who decides who can reasonably work from home?"

Conclusion

36. Consistent with the overwhelming feedback from its membership, as illustrated by the responses from survey respondents highlighted above, VACC does not support the Victorian Government's proposal and strongly recommends that it abandon its plan to legislate working from home in the Victorian private sector.
37. VACC notes its continued willingness to engage in constructive dialogue on measures that the Victorian Government can take that will, in practice, help to improve flexibility, productivity and profitability within Victorian automotive industry for the benefit of employers, employees and the broader Victorian community.



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