

IR POLICY AND GOVERNANCE UPDATE



INTRODUCTION

In this week's bulletin we review another interest rate rise, remind members of the updated Fair Work Information Statement, the Fair Work Commissions new sexual harassment jurisdiction is now operating, and we had International Women's Day this week.

INTERNATIONAL WOMENS DAY

We celebrated International Women's Day on Wednesday this week. IWD is an important opportunity to acknowledge the positive steps that have been taken for gender equality and to shine a light on those areas that continue to need change and improvement. Regardless of gender we can all participate in IWD to celebrate how far society has come and to support those necessary changes and improvements both in Australia and in other countries that have a long way to go to give women agency with no repercussion. On IWD we take the opportunity to acknowledge the contributions and improvements women make to all aspects of our industry.

RBA MARCH DECISION

As expected, the RBA Board has in its second decision for 2023 determined this week to once again increase the cash rate target by 25 basis points to 3.6%. This is the tenth consecutive interest rate rise.

The monthly CPI indicator suggests that inflation has peaked in Australia. It is expected that goods price inflation will moderate over the months ahead due to both global developments and softer demand in Australia. Services price inflation remains high, with strong demand for some services over the summer. Rents are increasing at the fastest rate in some years, with vacancy rates low in many parts of the country. The central forecast is for inflation to decline this year and next, to be around 3% in mid-2025. Medium-term inflation expectations remain well anchored, and it is important that this remains the case.

Growth in the Australian economy has slowed, with GDP increasing by 0.5% in the December quarter and 2.7% over the year. Growth over the next couple of years is expected to be below trend. Household consumption growth has slowed due to the tighter financial conditions and the outlook for housing construction has softened. In contrast, the outlook for business investment remains positive, with many businesses operating at a very high level of capacity utilisation.

The labour market remains very tight, although conditions have eased a little. The unemployment rate remains at close to a 50-year low. Employment fell in January, but this partly reflects changing seasonal patterns in labour hiring. Many firms continue to experience difficulty hiring workers, although some sectors report a recent easing in labour shortages. As economic growth slows, unemployment is expected to increase.

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Wages growth is continuing to pick up in response to the tight labour market and higher inflation. At the aggregate level, wages growth is still consistent with the inflation target and recent data suggest a lower risk of a cycle in which prices and wages chase one another. The RBA Board, however, stated it remains alert to the risk of a prices-wages spiral, given the limited spare capacity in the economy and the historically low rate of unemployment. Accordingly, it will continue to pay close attention to both the evolution of labour costs and the price-setting behaviour of firms.

FAIR WORK INFORMATION STATEMENT UPDATED

We remind members that you are required to provide every new employee with a copy of the Fair Work Information Statement prior to or upon commencement of employment. To ensure members are utilising the current version of the statement we provide a link to a copy [here](#). Additionally, there is a specific Casual Employment Information Statement that must also be provided to every new casual employee prior to or upon commencement of their employment. We provide a link to a current copy of that Statement [here](#).

Unreasonable additional hours?

A case brought by a former staffer against an independent MP may be a test case for determining what constitutes “reasonable” overtime hours — a decision set to impact all employees in the labour market. Independent member for Kooyong, Dr Monique Ryan, has been brought into a legal battle by her former chief of staff, Sally Rugg, who claims she was fired for refusing to work “unreasonable” hours.

In court documents, Ms Rugg claimed that she was denied her workplace right of refusing to work “additional hours that were unreasonable”. Her lawyers allege Ms Rugg was expected to work an unreasonable amount of overtime on top of working up to 80 hours per week – claims Dr Ryan has denied. Dr Ryan and the Commonwealth are defending the case and deny the claims made by Ms Rugg.

What constitutes “reasonable” overtime hours is currently undefined in the *Fair Work Act 2009*, yet determining factors that have been brought into consideration in past litigation mainly centre around the health and safety of an employee. Ms Rugg’s case will be a test case for what constitutes ‘reasonable’ overtime or additional hours for parliamentary staffers and may impact other employees, particularly those who are Award free.

FAIR WORK COMMISSIONS SEXUAL HARASSMENT JURISDICTION

The *Fair Work Act 2009* now includes a prohibition against sexual harassment in connection with work. The new protections apply to:

- workers including employees, contractors, work experience students and volunteers;
- future workers; and
- people conducting a business or undertaking.

Under the amendments, a person or company can be liable for sexual harassment conducted by an employee or agent in connection with work, including if they were involved in the employer’s

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contravention. This applies unless the person or company can prove that they took all reasonable steps to prevent the sexual harassment.

Workers who allege they have been sexually harassed can apply from this week to the Commission to deal with a sexual harassment dispute, although it can't involve past conduct (pre 6 March 2023). The Commission can deal with sexual harassment disputes by:

- making a stop sexual harassment order;
- otherwise dealing with the dispute; or
- both making a stop sexual harassment order and by otherwise dealing with the dispute.

If a related matter remains unresolved through conferencing, the Commission will issue a certificate and offer the option of consent arbitration. Alternatively, an applicant may seek to lodge a court application on their claims. However, a court application cannot be made against a party who has consented to arbitration (a notifying party). It can be made against a respondent to a sexual harassment dispute in the Commission who was removed from the dispute because they did not agree to consent arbitration.

CONTACT

Any Industrial Relations Member who has a related query should contact Charles Watson, GM – IR, Policy and Governance via email charles_watson@pvca.org.au

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