

# IR POLICY AND GOVERNANCE UPDATE



## INTRODUCTION

This week we provide members with a copy of the revised Fair Work Information Statement. We also review the RBA's first decision for the year, and as expected it was an increase. Additionally, we review workplace safety related consultation in the workplace and as a result of a recent decision of the Fair Work Commission whereby the employer failed in their managing employee requests for flexibility.

## FAIR WORK INFORMATION STATEMENT UPDATED

Employers 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](#).

## RBA FEBRUARY DECISION

In its first decision for 2023 last week, the RBA Board determined to increase the cash rate by 25 basis points to 3.35%. Expectations are for further raises in the coming months. The Board determined to make this increase due to the ongoing high global and domestic inflation.

In Australia, CPI inflation over the year to the December quarter was 7.8%, the highest since 1990. In underlying terms, inflation was 6.9%, which was higher than expected. Global factors explain much of this high inflation, but strong domestic demand is adding to the inflationary pressures in a number of areas of the economy.

Inflation is expected to decline this year due to both global factors and slower growth in domestic demand. The central forecast is for CPI inflation to decline to 4.75% this year and to around 3% by mid-2025. Medium-term inflation expectations remain well anchored, and it is important that this remains the case.

The Australian economy grew strongly over 2022. The central forecast has changed little from three months ago, with GDP growth expected to slow to around 1.5% over 2023 and 2024. The recovery in spending on services following the lifting of COVID restrictions has largely run its course and the tighter financial conditions will constrain spending more broadly.

The labour market remains very tight. The unemployment rate has been steady at around 3.5% over recent months, the lowest rate since 1974. Job vacancies and job ads are both at very high levels, but have declined a little recently. Many businesses across most industries continue to experience difficulty hiring workers, although some report a recent easing in labour shortages. As economic growth slows, unemployment is expected to increase. The central forecast is for the unemployment rate to increase to 3.75% by the end of this year and 4.5% by mid-2025.

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Wages growth is continuing to pick up from the low rates of recent years and a further pick-up is expected due to the tight labour market and higher inflation. Given the importance of avoiding a prices-wages spiral, the RBA Board will continue to pay close attention to both the evolution of labour costs and the price-setting behaviour of firms in the period ahead.

## **WHS CONSULTATION WITH WORKERS**

Employers have a requirement to consult with their workers over workplace health and safety related matters. Often it is a legal requirement, but it also makes sense to involve workers in discussions that can overcome risks and issues that may affect your business.

We recommend members regularly hold discussions with your employees to canvas potential WHS issues and seek feedback from your employees. At the least, notes from such discussions should be kept along with any identified WHS risks that have been identified along with steps taken to assess and control those risks.

Safe Work Australia has recently produced a useful infographic that covers many of the factors you need to consider and approaches to take in the workplace consultation. To assist members, we provide a link to that SWA infographic [here](#).

## **EMPLOYEE REQUESTS FOR FLEXIBILITY**

A recent decision of the Fair Work Commission illustrates the need for employers to fully consider and appropriately respond to an employee's flexible work requests.

In that case the employee of a Victorian Government health agency requested changes to her hours of work due to parental responsibilities. The employee was ordinarily rostered to work shifts between 6.00 pm and 8.00 am. However, the employee requested to change her shifts so she could work between 9.00 pm to 6.00 am to care for her children while her partner was at work. The agency rejected the request outright.

The Fair Work Commission found that various alternative options existed that could have been suitable to canvas with the employee. It also found that the agency did not meet with the employee to discuss its decision, nor did it make any genuine attempts to discuss possible alternatives.

Members need to remember that requests for flexible working arrangements are a right under section 65 of the *Fair Work Act*, including where an employee is a parent, carer, has a disability, is 55 or older, and or experiencing domestic violence.

Under the Act, companies must genuinely attempt to reach an agreement, but may refuse requests for flexible working arrangements on 'reasonable' business grounds. Such grounds for refusal include issues relating to inhibitive costs, no capacity to alter the working arrangements, impracticality, loss of productivity, and significant negative impact on customer service. If such grounds for refusal exist, there needs to be evidence that will support that decision.

If a suitable arrangement can be negotiated, the amendments to the terms of employment need to be drafted and agreed. However, if a suitable compromise cannot be reached, a detailed explanation

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must be provided to the employee in writing within 21 days of the request being made. If the employee disputes a refusal to their request they can take it to the Fair Work Commission which will attempt to conciliate the matter, but may also arbitrate if the dispute is not resolved.

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## 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](mailto:charles_watson@pvca.org.au)

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