

IR POLICY AND GOVERNANCE UPDATE



INTRODUCTION

In this week's Bulletin, the PVCA Board has determined its Office Bearers for the year, Australia Post member related surveying, the PVCA is requesting federal government to review A4 copy paper related tariffs, the RBA holds interest rates for this month, we provide a synopsis of the upcoming changes to the federal government paid parental leave scheme, along with recent legislative amendments to an employee requesting an extension of unpaid parental leave, and we review the requirements and good practices for worksite site inductions.

PVCA BOARD OFFICE BEARERS 2023

In accordance with the Rules of the PVCA the election of Office Bearers, elected from and by members of the PVCA Board, has been recently undertaken. The election processes were administered by the Australian Electoral Commission. In accordance with AEC Regulation 141, we can advise the following Board members have been duly elected to the stated positions:

- > President – Mr Matt Aitken (IVE Group)
- > Deputy President – Mr Kevin Pidgeon (Lithocraft)
- > Honorary Secretary – Mr Rodney Frost (Lamson Group)
- > Honorary Secretary – Mr Stuart Fysh (The Label Factory)

These Office Bearers will hold those positions for the 2023 calendar year. We take this opportunity to thank all Board members for their ongoing dedication in ensuring the PVCA is and remains the peak industry body representing and advocating for the needs of the industry.

MEMBER SURVEY – AUSTRALIA POST – WE NEED YOUR RESPONSES

The Federal Communications Minister, the Hon. Michelle Rowlands, has written to our CEO, Kellie Northwood, requesting a submission on behalf of industry into its review of Australia Post. The Government review seeks to work with Australia Post and stakeholders to improve Australia Post's productivity and revenue in the delivery of services, while managing costs to support both sustainability objectives and benefits from modernisation. The PVCA has re-enlivened the Mail Industry Coalition of members to roundtable and consult with over an appropriate response to the Minister.

As part of formulating our submission we will be opening a related survey next week and will need your responses.

A4 COPY PAPER ANTI-DUMPING DUTIES AND TARIFFS NEED TO BE REVIEWED

With the closure of A4 copy paper production at the Opal Maryvale paper mill, Australia has lost the domestic production of 200,000 tonnes of A4 copy and related paper grade stock. These production quantities covered approximately 80% of the domestic copy paper market, along with the international exportation of approximately 88,000 tonnes of premium grade paper to approximately 70 countries.

Effectively, there is no longer a commercial manufacturer of A4 copy paper in this country. This has resulted in detrimental flow on effects and outcomes beyond the loss of sovereign manufacturing capability, the loss of approximately 200 jobs at the Maryvale site, and the economic detriment from the disappearance of an export market. Australia now needs to import all its copy related paper to

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satisfy the needs of the domestic market, including for the production requirements of many of our member companies.

This most unwelcomed challenge is already having negative cost effects on various sectors within our industry (particularly printers and paper merchants) as well as their clients and end consumers. It is unfair to maintain tariffs and duties and related measures that materially injure and economically oppress paper importers and the wider print and paper industry, as well as the end consumer.

The Australian Paper Industry Association (APIA), through the PVCA, is therefore seeking the Minister for Industry and the Anti-Dumping Commissioner, urgently review current tariffs and duties on imported A4 copy paper. In the interim, we are strongly urging a temporary suspension of related tariffs and duties be implemented so as to open up supply, and that remain until such a review be undertaken.

RBA APRIL DECISION

In its April interest rate decision this week, the Board of the Reserve Bank of Australia decided to hold the case rate at 3.6%. In a statement, RBA Governor Philip Lowe said that the decision follows a cumulative increase in interest rates of 3.5 percentage points since May last year. The RBA Board took the decision to hold interest rates steady this month to provide additional time to assess the impact of the increase in interest rates to date and the economic outlook

A range of indicators, including the monthly CPI, suggests inflation has peaked in Australia. Goods price inflation is expected to moderate over the months ahead due to global developments and softer demand in Australia. The prices of utilities are also rising quickly. The central forecast is for inflation to decline this year and next, to around 3% in mid-2025. Medium-term inflation expectations remain well anchored, and it is important that this remains the case. That being said there remains evidence to believe the RBA may still increase rates in the coming months to ensure its target of 2 – 3% inflation target is achieved.

GOVERNMENT PAID PARENTAL LEAVE SCHEME

The Paid Parental Leave scheme is changing from 1 July 2023. The changes, which come into effect for parents whose children are born or adopted from 1 July 2023, include an entitlement to 20 weeks' paid leave, up from the current 18 weeks, with two weeks reserved on a 'use it or lose it' basis.

The primary changes to the government scheme are:

- > The existing maximum 90 days (18 weeks) parental leave pay will be combined with the two weeks' father and partner pay to provide a single 100 days (20 weeks) scheme, to be shared between each parent.
- > Parents can take days at the same time and can be at the same time as paid employment related leave, and between periods of paid work.

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- > Parents will be able to receive a maximum of 18 weeks' parental leave pay each, and a maximum of 20 weeks' parental leave pay between them (e.g. one parent could receive 15 weeks' pay, and one parent 5 weeks' pay, or both parents could receive 10 weeks' pay each).
- > The fixed 12-week parental leave pay period (and the requirement to not return to work in order to be eligible) will be abolished, meaning that claimants can receive parental leave pay in multiple blocks, of at least a day at a time, up to two years from the birth or adoption of their child.
- > The means test for eligibility will be amended by introducing a \$350K per annum family income limit test under which claimants can qualify for parental leave pay if they do not meet the individual income test.
- > Eligible fathers and partners will be able to access parental leave pay regardless of whether the birth-parent meets the income test or residency requirements.
- > Employees who are single at the time they claim will be able to receive the full 20 weeks' parental leave pay.

Employer issues

- > Review and amend any related workplace policies to reflect the legislative scheme amendments.
- > Employees who want to use remaining paid parental leave flexibly when they return to work from parental leave need to come to an agreement with their employer about how it will work in their circumstances.
- > Employer related record keeping and related payslip requirements remain unchanged from the current scheme.
- > Should one of your employees make related enquiries about the scheme we recommend referring them to [Services Australia](#) or via [myGov](#) for further information.

EMPLOYEE REQUESTING AN EXTENSION OF UNPAID PARENTAL LEAVE – JUNE 2023

Under the Fair Work Act an employee taking 12 months unpaid parental leave has the right to request an extension for a further 12 months leave from their employer, unless their partner has already taken 12 months of leave.

Currently, the Fair Work Act requires an employer to respond to a request for an extension of unpaid parental leave by providing a written response within 21 days. If the employer is intending to refuse the request, they must provide an opportunity for the employee to discuss their request and then detail the reasons for the refusal in writing. The request can only be rejected on "reasonable business grounds". However, previously there is little clarification or guidance on what that means.

Changes from 6 June 2023

The legislative amendments to the Act, mean that from 6 June 2023 employers have increased clarification requirements if and when they refuse such a request.

Employers will be required to consult effectively if they intend to refuse a request to extend unpaid parental leave (noting an employee taking 12 months unpaid parental leave can request an extension of a further 12 months leave, unless their partner has already taken 12 months of leave).

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Additionally, employers will be required to respond in writing to a request within 21 days and, in the event of a refusal, must include these three things:

- > An explanation of the reasonable business grounds for refusal;
- > Set out what period of extension would be granted (if any); and
- > Explain the employee's right to challenge the refusal. The amendments also provide increased access to dispute resolution for employees through the Fair Work Commission if they cannot resolve their dispute about an extension of unpaid parental leave directly with their employer.

Reasonable business grounds

The threshold of "reasonable business grounds" for refusing a request has not changed. However, from 6 June 2023, the amendments provide additional guidance on this threshold by listing examples of reasonable business grounds on which an employer can refuse a request. Without limiting these grounds, they include the following:

- > that the extension of the period of unpaid parental leave requested by the employee would be too costly for the employer;
- > that there is no capacity to change the working arrangements of other employees to accommodate the extension of the period of unpaid parental leave requested by the employee;
- > that it would be impractical to change the working arrangements of other employees, or recruit new employees, to accommodate the extension of the period of unpaid parental leave requested by the employee;
- > that the extension of the period of unpaid parental leave requested by the employee would be likely to result in a significant loss in efficiency or productivity;
- > that the extension of the period of unpaid parental leave requested by the employee would be likely to have a significant negative impact on customer service.

The specific circumstances of the employer, including but not limited to the size and nature of the employer's enterprise, are relevant to whether an employer has reasonable business grounds to refuse a request.

SITE INDUCTIONS

Site inductions should be completed by all those who work at the workplace, including management, workers and contractors. Site inductions should ensure workers receive appropriate safety information and, before commencing work, can recognise site related hazards. Workers should also understand the control measures in place to protect them from those hazards. Induction requirements should be determined using information sourced from a variety of sources, including:

- > legislative requirements
- > site-specific competency and training needs
- > risk management processes
- > changes to site (e.g. changes in traffic management)
- > health and safety management system
- > standards applicable to site.

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All site inductions should contain an assessment to ensure the required knowledge has been retained by the worker. It is important to periodically review the site's induction to determine if the content is still relevant.

Site inductions should comprise a formal program that provides workers with an understanding of:

- > site layout including emergency muster points
- > emergency contact numbers and emergency procedures
- > the duty-of-care obligations of the PCBU and the workers
- > common hazards and risks on the site and their control measures
- > basic risk management principles and tools used on site
- > reporting processes including hazards, incidents, injuries and faults
- > the standard of behaviour expected of workers
- > communication and reporting procedures
- > the roles and function of health and safety representatives and the health and safety committee.

When deciding how to present the induction content we also recommend you consider your workers literacy levels, learning styles, and their grasp of English language. Providing material that is too technical, is unlikely to achieve the aims of the induction, and may not be considered an effective or adequate induction. Additionally, overloading the inductee with information may prevent worker retention.

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

DISCLAIMER

The content of this update, current at the date of publication, is intended to provide general guidance and consideration for PVCA Members only. The content does not constitute advice and should not be relied upon as such. Specific advice about your circumstances should be sought separately before taking any action. PVCA recommends Members ensure any related decisions are made on current and up to date information.