



# Coronavirus Strikes Australian Employers

By Leah Shepherd

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**L**ike elsewhere in the world, Australian employers have been hit hard by the coronavirus and bans on public gatherings.

"The pandemic has been and still is an incredibly difficult time for Australian employers, employees and the whole community," said Sarah McCann-Bartlett, CEO of the Melbourne-based Australian HR Institute. "Employers have had to be agile, as the situation has been changing day by day and week by week."

Due to the fast spread of COVID-19, an infectious respiratory disease caused by coronavirus, the Australian government is offering JobKeeper payments, which are subsidies to help struggling businesses, nonprofits and entrepreneurs continue paying employees and restart business operations when the pandemic is over.

Through credits in the tax system, the Australian government also is providing tax-free cash flow boosts to some small and midsize businesses and nonprofits to help them manage cash flow challenges and keep paying employees.

## SHRM RESOURCE SPOTLIGHT

Coronavirus and COVID-19 ([www.shrm.org/ResourcesAndTools/Pages/communicable-diseases.aspx](http://www.shrm.org/ResourcesAndTools/Pages/communicable-diseases.aspx))

Feedback

## Getting Creative

The worldwide pandemic has caused Australian employers to get creative in their solutions to save money, avoid bankruptcy and keep the workforce safe.

While some employers have resorted to layoffs, other Australian employers have implemented a variety of strategies, including:

- Allowing employees to work remotely.
- Using staged working weeks, so that only a portion of the workforce is in the office on any given day.
- Asking staff to agree to temporary pay cuts.
- Having senior executives take pay cuts or not accept bonuses.
- Reducing employees' work hours.
- Asking employees to take annual leave or unpaid leave.

"Some larger companies have even offered for employees to take a significant period of leave, but where they can retain a portion—for example, 20 percent—of their pay," said Carly Corbett-Burns, an attorney with Squire Patton Boggs in Sydney.

"There are many restrictions around forcing employees to take leave in Australia, so exploring agreements with employees, rather than enforcing periods of leave, is recommended."

Some multinational employers need to determine what decisions can apply to all their locations. "Employers with operations and employees in multiple countries are predominantly taking a global approach in their response," said Kathleen O'Driscoll, vice president at Business Group on Health, based in Washington, D.C. "Decisions related to communication strategy, working from home, pay continuation and leave strategies, support for employees working from home during school closures, mental health support, and telehealth promotion is approached with intent to apply to their worldwide workforce."

[*SHRM resource spotlight: Coronavirus and COVID-19* ([www.shrm.org/resourcesandtools/pages/communicable-diseases.aspx](http://www.shrm.org/resourcesandtools/pages/communicable-diseases.aspx))]

"The global response is then adapted for any local requirements, government policy updates or labor requirements that may require adaptation," she added.

### Local Laws

HR professionals need to fully understand the local laws around when employers can close operations and not pay their workers.

"Some Australian employers have utilized the stand-down provisions in the Fair Work Act 2009," Corbett-Burns said. "This legislation allows for a stand down—that is, employees directed not to attend work and not be paid—where employees cannot usefully be employed because of a stoppage of work for a cause for which the employer cannot reasonably be held responsible. This obviously impacted those employers such as clubs and bars that were forced by government direction to shut down operations."

In general, reaching an agreement with employees is the best option, if possible. "Unilateral action, even where justified, can pose risks of claims for unfair dismissal, improper stand-down or breach-of-contract claims. Try to keep productivity by exploring options to work at home, or consider people performing alternative duties that may not fit into their usual duties, keeping in mind contractual restraints on forcing any serious or unreasonable changes upon an employee," she recommended.

Feedback

### Working Remotely

Meanwhile, employers must be mindful of laws impacting employee safety, especially as more people are teleworking.

"Keep on top of safety issues," Corbett-Burns said. "Australia's strict work health and safety laws and obligations on employers continue to apply when employees work from home." Employers should be making sure they are contacting employees and doing whatever is reasonable to ensure safe conditions, such as providing ergonomic checklists and reviewing what equipment employees are using. Some employees may be able to borrow equipment from the office.

The capability to quickly switch to remote work has been crucial during this pandemic. McCann-Bartlett said, "With almost everyone in nonessential roles working from home in Australia, those employers with the right technology, a workforce that is comfortable working remotely and a culture of flexible working have adapted the best."

She added, "Those employers who were able to respond fastest to the changing situation either had a tried-and-tested business continuity plan in place or had a workforce where a high proportion of employees already worked flexibly, or both. Having a workforce that was used to working from home and had the technology to do so really helped in those early days of transitioning to social isolation."

HR should be flexible and focus on employee well-being. "By far, the greatest concern of most Australian employers at the moment is the well-being of their employees," McCann-Bartlett said.

This might be the right time for managers and HR to bend or suspend some of the company rules and protocols. "Sometimes companies adhere strictly to HR policies, which can be counterproductive in these times when policies or expectations may need to be flexed. For example, employers may need to increase the span of hours to enable working from home while home schooling," she explained.

Parents, in particular, need benefits like flextime and paid leave. "HR professionals in Australia can look to what companies in many other countries across the globe have done to support employees telecommuting while their children are home due to school closures. Providing leave and flexibility are pivotal," O'Driscoll said

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