

Workforce options during COVID-19



If you are suffering from a downturn in business or supply chain uncertainty due to economic conditions brought on by COVID-19, you may need to re-consider the existing structure of your workforce.

While making redundancies is an obvious cost saving measure, it is important not to rush into any decision and instead to consider the morale of your workforce and your business's long-term needs.

You may wish to consider the following alternatives.

1. Communicate with your workforce. Seek feedback and discuss options with your employees, there may be some employees who have suggestions you may not have thought of.



- a. You can explore temporary adjustments to rosters that better align with any downturn and reduce the business's exposure to penalty or overtime rates.
- b. Implement flexible working arrangements that may benefit both the business and the needs of individual employees. For example, if an employee can reasonably work from home it may mean they do not need to spend money on childcare.
- c. Your employees may agree to a reduction in hours. For example your workforce may wish to temporarily convert to a three or four day week, or seek job sharing arrangements.
- d. You could seek an agreed temporary reduction to salary or wages, provided that the temporary salary or wage meets the requirement minimum award or enterprise agreement rate
- e. Voluntary retirement may be an option which allows those employees the opportunity to leave the business, which may assist in delaying or stopping the need to make forced redundancies on employees.
- f. Consider redistribution of your workforce; more significantly impacted parts of your business may have skills that can be temporarily redistributed to those less impacted.

2. Explore leave options. Employees may agree to take annual leave or long-service leave or even a period of unpaid leave. Some awards and enterprise agreements may allow the employee and business to agree to the taking of paid annual leave in advance of its accrual, subject to certain criteria being met.



3. Explore whether you have an enterprise agreement or contractual term for standing down employees without pay. Alternatively, there are provisions in the Fair Work Act that allow for stand down in limited circumstances. This is not generally available just due to economic challenges, so you should seek specific legal advice about your individual circumstances before implementing this option.



4. Redundancy. Where there are no other options, you will have various obligations to consult and explore redeployment before you can make a redundancy. You may also have additional obligations if you are considering making redundancies of more than 15 employees so you should seek specific legal advice about your individual circumstances before implementing this option.

