

MURRAY NANKIVELL

CORONAVIRUS (COVID-19)

BUSINESS CONTINUITY PLAN



V4.0



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BUSINESS CONTINUITY PLAN

STEP 3 – CLIENT COVID-19 CONTINUATION PLAN



Introduction

“Most people aim at nothing – and they hit it with alarming accuracy.”

The Murray Nankivell team are here during these difficult times to support and provide positivity to you and your business!

As a business owner, there’s one key thing you need to totally focus on now – **keeping your business alive during these difficult times**. It’s not all doom and gloom either – withstanding the tough times sets a business up to be a fast turning cash flow business when everything bounces back in a positive way in the future.

Remember that while cash flow is under control then so is your business. Downturns can be scary in the moment, usually because there is no plan in place for your business and the world around you appears to be panicking.

If you take actionable appropriate steps to create a Continuity Plan, then in reality a downturn is just a stop gap to the next upturn, where your business will be cash flow fit and ready to take full advantage.

You will need to build a cash “war chest” which will let you keep trading through the coming difficult months.

There are 7 key areas you need to consider immediately:

1. **Cash** – Preserve cash at all costs. You must immediately start building a cash “war chest” for your business to survive.
2. **Protection** – Update and upgrade your Asset Protection IMMEDIATELY. It’s very important to review strategies to protect the equity in your family home and other assets in personal names. It’s also vital for you to have an up to date Enduring Power of Attorney (EPOA) and Will, and

to know where the original signed copies of these are located.

3. **Banks and Funding** – You should contact your bank immediately to arrange additional lines of credit if possible. Alternative funding sources should also be immediately considered. The time to act is NOW, not in 2 weeks’ time when the banks will be overwhelmed by other bank loan applications.
4. **Management Team** – Work through the COVID-19 Continuity Plan with your Management Team, then quickly communicate appropriate decisions to your entire team.
5. **Employees** – You need to openly discuss reduced working hours with your employees to save cash (if this does save cash) and working from home arrangements. Employees will be scared, so they need to be reassured by you and they need to be given an understanding of your plan to keep the business alive.
6. **Customers & Suppliers** – Great communication is needed to so that customers have peace of mind that it’s “business as usual” where possible, and so that you can rely on your suppliers.
7. **Mental Health** – This could be one of the most stressful times ever for you and your employees. We can provide links to assistance for you to help you and your team through this crisis.

To assist you, included in this Plan are the following checklists for meetings and emails for you to use in your business.

We recommend that you use them in the following order:

1. Business Owner Decisions – Meeting with Accountant
2. COVID-19 Continuity Plan for your Business
3. Agenda for Team Meeting with all Employees

BUSINESS CONTINUITY PLAN

BUSINESS OWNER DECISIONS*Meeting with Accountant*

To maintain your cash “war chest”, you may need to consider options that you haven’t consider before. Right now, above all else, you need to do anything that is needed to keep your business alive.

ACTION**PERSON RESPONSIBLE****Maximise Cash Receipts from the Updated Government Stimulus Package**

Review the Australian Government stimulus package for business cash flow. Work with your Accountant to identify which key parts your business is eligible for and get the process started to obtain these cash flow bonuses.

- Boosting Cash Flow - Up to \$100,000 credit or cash payment against activity statements equal to 100% of PAYG withheld from employees from March 2020 to September 2020
- Boosting Cash Flow – Minimum payment of up to \$20,000 even if employers aren’t required to withhold tax from employees
- JobKeeper Payment – Subsidy paid to you by the Government of \$1,500 per fortnight per eligible employee from 30 March 2020 for a maximum of 6 months. This will help you to keep staff and will help you restart when the crisis is over.
- Supporting Apprentices + Trainees – Wage subsidy of 50% of wages paid up to a maximum of \$21,000 per apprentice for the 9 months from 1 January 2020 to 30 September 2020
- Instant Asset Write-off – Up to \$150,000 per asset can be instantly written off for assets purchased by 30 June 2020. Applies to businesses with turnover up to \$500 million.
- Accelerated Depreciation Deductions – Deduction of up to 50% of the cost of an asset in addition to existing depreciation rules.

Prepare a Cash Flow Forecast for 12 Months

Meet with your Accountant to create or update your business cash flow plan over the coming months. You need to your daily and weekly planned cash position to make informed decisions, like when you may need additional bank funding.

Prepare the Cash Flow Forecast with these scenarios:

- Income reduced by 50%
- Income reduced by 75%
- Expenses cut to minimum, including
 - Reduced Wages
 - Rent reduced by 50%?
 - No payments to ATO
 - Include Superannuation payments when due

How long can your business survive with the above assumptions?

ACTION



PERSON RESPONSIBLE



Consider Delaying Tax Payments to the ATO

Keeping your business alive means paying your employees, your key suppliers, your rent and your Accountant (so we can keep helping you during this crisis) each week! Nothings else matters over the short term.

You may need to delay making payments of GST, PAYG Withholding Tax and Employee PAYG Tax to the ATO. You should set up a second bank account (separate from your main trading account) and each week transfer cash for these payments across into it. If needed, you can then dip into this cash reserve to keep your business alive.

See the section below about ATO Tax Relief Options.

Important: It's vital that you keep lodging your Business Activity Statements (BAS's) and Instalment Activity Statements (IAS's) by their due dates and negotiate a delayed payment with the ATO, otherwise the ATO may view the PAYG withholding portion as non-compliant and you will then lose you tax deduction for these amounts.

Request an immediate Rent reduction

Contact your Landlord ASAP and request an immediate reduction in your rent. Ask for 3 months rent free or 6 months at half rent. You never know what they will say unless you ask!

Arrange Additional Bank Funding

Contact your Bank Manager ASAP and arrange for additional bank funding / lines of credit that can be approved NOW for use in an emergency. Making these arrangements early before things have gone bad is the key. Bank approvals may take up to one month or longer, so start the process today.

The Government has just released support for banks to support the following loans:

- Maximum size of loan of \$250,000 per borrower
- The loans will be up to 3 years, with an initial 6 month repayment holiday.
- The loans will be in the form of unsecured finance, meaning that borrowers will not have to provide an asset as security.

Consider Alternative Funding Arrangements

Consider using alternative funders such as Moula or Prospa to set up a short term line of credit now to pay for inventory and operating costs. These funders lend based on the cash flow of your business and don't need property security. You should consider doing this as a backup now to any other bank lending arrangements you may have.

Protect Your Personal Assets

Now is the time to upgrade / update your asset protection. Consider if you need to protect the equity in your Family Home or other assets in personal names with a "Gift and Loan Back arrangement" – with no stamp duty or Capital Gains Tax consequences.

ACTION

PERSON
RESPONSIBLE**Enduring Power of Attorney (EPOA) + Will – Create or Update these NOW**

If you have to self-quarantine or if you are incapacitated in any way, you need to have an EPOA in place so your business can continue to operate.

Ensure your EPOA and Will are up to date now and ensure your family and your Accountant know where the original signed documents are.

We can assist you to quickly and professionally have these documents prepared and signed this week if required.

Employee Policies

While all your employees want to keep receiving their full salaries and wages, if your business runs out of cash then they no longer have their jobs. Everyone is suffering and tightening up in the short term, so we all have to work together.

- Do you have to reduce working hours of some employees?
- Decide if you should offer unpaid leave to your employees. Some businesses are suggesting that employees take unpaid leave on a roster basis.
- Decide on how to inform employees of you need to stand them down for the short term.
- Help your employees to understand the new Jobseeker payments plus COVID-19 Supplement they can receive. Provide them with the Individual fact Sheets at <https://treasury.gov.au/coronavirus/households>

Insurance

Review your general insurance policies for any Business Interruption Insurance inclusions. Now is the time to contact your insurance agent to review your policy to understand precisely what you are and are not covered for in the event of an extended incident.

Review ATO Tax Relief Options

The Australia Taxation Office (ATO) is implementing a series of relief options to assist those impacted by the coronavirus. The relief will not be automatically applied.

You or your Accountant will need to contact the ATO to make any of the following requests for assistance.

- Businesses can call the **ATO's Emergency Support Infoline (1800 806 218)** to discuss relief options based on their needs and circumstances.
- Individuals and businesses can request deferral of some payments (by up to 4 months) and vary instalments.
- Businesses (under \$20 million turnover) can elect to report and pay their GST monthly instead of quarterly to accelerate access to GST refunds, but only from 1 April 2020, and must remain monthly for 12 months.
- Quarterly payers can vary their PAYG instalments for the March 2020 quarter, and claim a refund of instalments paid for the Sep and Dec 2019 quarters.

ACTION 

PERSON RESPONSIBLE 

- Businesses can request remittance of interest and penalties applied to tax liabilities incurred after 23 January 2020.
- Businesses can request a low interest payment plan.
- Employers still need to meet their SG obligations. The ATO has no discretion under the SGC rules to vary the due date or waive the SGC where contributions are late/unpaid.

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COVID-19 CONTINUITY PLAN

Your Cash Flow



You and your Management Team will need to remain calm as you lead your employees through this crisis. This will allow for decisive and clear decisions to be made without any undue disruptions. If you are calm, you will have a competitive advantage over most businesses.

Remaining positive and being seen to be positive is the best way through any crisis.



CASH INFLOWS



ACTION 	PERSON RESPONSIBLE 
<p>Outstanding Accounts Receivable</p> <p>Double down on verifying outstanding invoices with customers, so you know there is no realistic reason for a customer to dispute or delay payment when the time comes.</p>	
<p>Confirm Expected Receipt Dates</p> <p>Confirm the date that your customer has in their payable schedule for paying your invoices. You can then send reminders to see if the payment arrives on time, and if not you have an alarm bell to be proactive in following up your cash flow.</p>	
<p>Chase Up Late Payments FAST</p> <p>Don't be complacent in chasing late payments. You need to set a standard with your customers of what is expected. It's proven that setting the expectation means you will be paid quicker than the other suppliers who are not chasing up on this.</p>	
<p>Sell Unused Equipment</p> <p>Be realistic about what equipment you need in your business. Decide if you can sell any underutilised or obsolete equipment so as to create your cash "war chest".</p>	
<p>Liquidate Stock at or just above Cost Price</p> <p>Consider selling excess or main stock items at cost or just above cost price to help build up your cash "war chest". There is no point to your business running out of cash in a month's time but having a large amount of stock on hand – stock that a liquidator will sell at "fire sale" prices.</p>	

CASH OUTFLOWS



ACTION 	PERSON RESPONSIBLE 
<p>Rent</p> <p>Request an immediate 3 month rent free period from your Landlord, or a 6 month period of half rent to assist your business to get through these difficult times. You never know what they may say until you ask.</p>	
<p>Fixed Term Contracts</p> <p>Discuss these with Suppliers and ask if they can be reduced or cancelled. Don't assume that suppliers won't work with you. You paying a supplier a smaller payment will be better for them than receiving no payment if your business closes.</p>	
<p>Supplier Terms</p> <p>Discuss terms with your suppliers to see if you can extend your terms, have a cash reserve request or get a discount from your suppliers if you pay early.</p>	
<p>Reduce Costs</p> <p>Reduce costs where possible. Many businesses have extras that in the good times seem to be needed (e.g. lunches, training courses). Be critical and if there is an expense that will not put you at risk or reduce productivity at this time, then think seriously about cutting it.</p>	
<p>Loan & Lease Repayments</p> <p>Most banks have hardship teams offering a range of services that may be of support. For more information, or to find the number for your bank's hardship team go to https://www.ausbanking.org.au/campaigns/financial-hardship/.</p>	



Your Team

ACTION 	PERSON RESPONSIBLE 
<p>Open Communication</p> <p>Talk openly with your employees. They will possibly be scared and unsure for their jobs. Let them know you are in control and that while there is a tough outlook in the short term, the business is prepared to sustain things as best it can. Be honest but positive and rallying your team to give all the productivity they can is the best plan of action.</p>	
<p>Policy for Customer / Client Meetings</p> <ul style="list-style-type: none"> • No Client Meetings – encourage Zoom / Skype / Microsoft Teams online meetings • No hand shaking – use toe taps or elbow bumps instead! 	
<p>Productivity Goals</p> <p>Share the numbers with your employees and, as a team, work through the solutions so that EVERYONE knows what part THEY have to play.</p>	
<p>Innovation + Technology</p> <p>Use technology wherever you can such as Zoom, Skype, Facetime or Microsoft Teams. This is an effective way to communicate generally, however it is even more important during this time.</p>	
<p>Health Policies</p> <p>Have measures been put in place to support good hygiene and health for your employees, including restrictions to international travel, advice on attending client meetings, site visits and events?</p>	
<p>Policy if Feeling Unwell</p> <p>Do you have a clearly communicated policy on what your employees should do if they are feeling unwell – including seeking medical attention and isolation? What will this mean for colleagues and clients if you suspect a case of COVID-19?</p>	
<p>Reduce Infection Risk</p> <p>How will you reduce the risk of others becoming infected, such as closing the workplace and cleaning?</p>	
<p>Monitoring Health</p> <p>How will you monitor the health of any employees that may be exposed?</p>	



ACTION 	PERSON RESPONSIBLE 
<p>Working From Home Policy</p> <p>Consider a working from home policy. Requirements include:</p> <ul style="list-style-type: none"> • Policy Agreement for employees • Hardware requirements • Software • Video conferencing • Management of data security risks • Can you test working from home arrangements? 	
<p>Policy on Events</p> <p>Defer non-essential training. Reduce attendees.</p>	

Your Customers / Clients

ACTION 	PERSON RESPONSIBLE 
<p>Communication</p> <p>Communicate regularly with your customers/clients through email, your website and social media pages to ensure they know you are open for business.</p> <ul style="list-style-type: none"> • Advise clients / customers of your businesses COVID-19 plans. • Do you need to inform your clients and customers of any changes to your services? This could include different opening times, delays in deliveries or deadlines. 	
<p>Safety Protocols</p> <p>Advise your customers/clients about the measures and protocols you are taking to make your premises safe and how you will interact moving forward.</p>	
<p>Key Customers</p> <p>Offer discounts or other payment terms to your key customers to encourage them to keep buying from you.</p>	
<p>Unwarranted Fear</p> <p>How will you respond to customers not consuming your goods or services for fear of catching Coronavirus?</p>	

ACTION 	PERSON RESPONSIBLE 
<p>Forward Purchases</p> <p>Give reasons to customers to increase their purchases of your goods and services now before the full impacts hit their business.</p>	
<p>Marketing</p> <p>Develop strategies for winning back customers.</p>	

Your Suppliers

ACTION 	PERSON RESPONSIBLE 
<p>Communication</p> <p>Talk to your key suppliers about their COVID-19 contingency plan.</p>	
<p>Alternative Suppliers</p> <p>With international travel and export impacted by COVID-19, have you assessed the strength of your supply chain and do you have alternatives in place if you need to source another provider?</p>	
<p>Keep your Stock Levels Up</p> <p>Stockpile essential items you believe may run out.</p>	
<p>Support from Suppliers</p> <p>Which customers will need extended terms from you and which suppliers might require different arrangements? Liaise with your suppliers to determine how they can support you.</p>	

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TEAM MEETING AGENDA*All Employees*

CHAIRMAN	[BUSINESS OWNER / CEO]
1. Introduction	<ul style="list-style-type: none"> • Thanks for your help and support during this crisis time with the Coronavirus / COVID-19 affecting everyone across the world. • I want to inform everyone of what is happening here at [BUSINESS NAME] so you are fully aware. • Right now, it's business as usual. <ul style="list-style-type: none"> ○ If the Government makes us all stay home for a period of time, we'll then make some changes to comply with this. • My focus is to create a cash "war chest" for the business so we can keep making vital payments each week to our employees and key suppliers. • As a business owner, there's one key thing I am keeping totally focused on now – keeping this business alive during these difficult times. <ul style="list-style-type: none"> ○ It's not all doom and gloom either – withstanding the tough times sets a business up to perform well when everything bounces back in a positive way in the future.
2. Our Team	<ul style="list-style-type: none"> • Your physical and mental health is exceptionally important to me. • Please ensure you use hand sanitiser on a continual basis during the day and avoid touching your face • Please inform your manager if you feel unwell at any time, and we're happy for you to self-quarantine at home. • We may have to discuss working arrangements in the near future. <ul style="list-style-type: none"> ○ If we can keep working at our workplace and if our income keeps coming in, then nothing changes. ○ But if our income from customers drops, we may need to consider working less hours or even asking if anyone wants to take unpaid leave on a roster basis. ○ I hope it doesn't come to this, but a reduced wage for a short period of time is better than no job if this business can't survive. This is when we all need to work together to help each other.
3. Working Arrangements	<ul style="list-style-type: none"> • If we do end up allowing or requesting that you do work from home, you will need to be very aware of our IT and Internet Usage Policy and Working from Home employment policies. • We will also provide you with working from home best practice tips.

4. Our Customers / Clients

- Where possible, we will have online meetings using Zoom / Skype / Microsoft Teams / Facetime.
- If you do meet with a client, we recommend no handshakes (use toe taps instead!)

5. Concluding Comments

- We're positive that if we work closely together, we will get through this unprecedented time and this business will be in great shape when customer demand picks up.
- Good open communication is the key here.
- If anyone has any questions or concerns at all – please see your Manager or myself and we can assist you!

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HAPPY HR RESOURCES

Your Business and COVID-19 – FAQs surrounding your rights and obligations to your employees



During this COVID-19 pandemic, employers need to know their obligations to employees and consider what needs to be done to protect the physical and financial health of your employees and business.

The Fair Work Act 2009 provides that employers have a right to stand down employees in certain circumstances. Modern awards, enterprise agreements or employment contracts may also contain stand down provisions and generally such periods are unpaid.

WHAT IF YOUR EMPLOYEE IS UNABLE TO RETURN FROM OVERSEAS OR IS QUARANTIED?

Consider if there is any way for the employee to work remotely. This may not be possible if they are overseas and do not have access to work laptops.

Employers should choose if the employee can access their paid personal/carer's leave entitlements or annual leave. Employers may decide that employees can take other paid or unpaid leave.

WHAT IF YOUR EMPLOYEE CAN'T ATTEND WORK BECAUSE THEY HAVE OR ARE SUSPECTED OF HAVING CORONA VIRUS OR THEY ARE CARING FOR SOMEONE IN THIS SITUATION?

In the first instance, consider if the employee can work from home in any capacity at all. If not, employees should use their paid personal/carer's leave entitlements. If these are exhausted, your employees might wish to consider other alternatives, such as taking annual leave or leave without pay. Happy HR recommends that employee receives a medical clearance prior to them returning to work.

WHAT IF YOUR EMPLOYEES WANT TO STAY AT HOME AS A PRECAUTION?

Employees will need to request to work from home or to take some form of paid or unpaid leave. Employers should treat these requests as you would treat other applications for this type of leave.

WHAT IS YOUR OPERATIONAL NEEDS CHANGE BECAUSE OF A DOWNTURN OR SUPPLY-CHAIN ISSUES?

The Fair Work Act stand down provisions are likely to apply, subject to any provisions in your employment arrangements, meaning that some employees may be able to be stood down without pay.

It is vital to consider whether you intend to pay your employees during any stand down. A plan to communicate this message to employees should be done before an event not during or post. Before you do this you should obtain advice if uncertain of your obligations. Standing an employee down without pay when you do not have the right to may lead to Fair Work cases against you which is not ideal in the current climate.

IS IT NECESSARY TO CLOSE IF A STAFF MEMBER TESTS POSITIVE?

If an employee tests positive for COVID-19, you are not mandated to close the store but we would strongly suggest vigorous cleaning to all areas the staff member had been within the business premises and everyone who had been on shift with the employee to be tested.

IF WE ARE FORCED INTO LOCKDOWN, DO I NEED TO STILL PAY MY EMPLOYEES?

The Fair Work Act stand down provisions are likely to apply, subject to any provisions in your employment arrangements, meaning that some employees may not be paid.

It is vital to consider whether or not you intend to pay your employees during any lock down. A plan to communicate this message to employees should be done before an event not during or post. Before you do this you should obtain advice if uncertain of your obligations!

If the lockdown happens for your city or business, leave without pay might be the only option if they don't have any paid leave left.

WHAT ARE SOME WAYS I CAN BETTER MANAGE CASHFLOW AT THE MOMENT?

At this point in time, it is wise to look at what your essential and non-essential spending. If there are monthly costs you can reduce or stop, we strongly suggest this.

Any services that generate a positive ROI (i.e. help you generate more income than they cost) should be kept.

Additionally, we strongly suggest continuing using the service providers who give you guidance, advice or support as these are the times you need them most. They are experts who can guide you through difficult times and ensure your business is minimising the damage of the COVID-19 pandemic. Now is not the time for impulsive and misguided actions which will cost you more in the long run.

WHAT ARE SOME FAIR NEGOTIATIONS I CAN MAKE WITH MY EMPLOYEES IN REGARD TO PAY?

You may need to consider reduced hours for your employees for the short term and this conversation should happen in a constructive way as your trying to preserve the relationship with the employee while fulfilling your obligations as a Director to remain solvent. Working with people to request reduced hours is a way to maintain the employment while staying solvent.

WHAT IF I CAN'T PAY MY STAFF?

If you can't pay your staff under ASIC you could be trading while insolvent so you should immediately contact your accounting partner to look at finance options and or a way to manage the situation.

WORKING FROM HOME BEST PRACTICE

If your employees have the capacity to work from home, we strongly suggest they do due to the following reasons:

- Less chance of spread of infection
- Reduced expenses to you (power, amenities etc)
- Reduced expenses to your employees (travel costs etc)
- Ability to care for children if school is closed

Ensure your employees have everything they need if they are to work from home. Some processes may need to be flexible in this time so be open to ideas from employees that will allow productivity to stay high.

If you are not already using meeting or screen sharing software, consider things such as Skype or Zoom.

WHAT ELSE SHOULD YOU DO?

Remind employees on general hygiene precautions.

Employers should remind employees and others entering their workplaces of the importance of high personal hygiene standards which are vital to protect against the spread of infection.

Display signage reminding people to wash their hands regularly and thoroughly "clean hands protect against infection". A quick splash of water will not do the job.

You could consider installing hand sanitiser dispensers in bathrooms, meeting rooms and high pedestrian traffic areas such as reception areas.

Disclaimer: *The information is general in nature. You should consider whether the information is appropriate to your needs, and where appropriate, seek professional advice from an employment lawyer.*

Need more help surrounding how to best protect your business during the COVID-19 pandemic? Email through your query in detail to help@happyhr.com and one of our qualified HR consultants will be in touch.

At Happy HR we are here to help all Australian businesses.

Stand Down FAQs



WHAT IS A STAND DOWN?

A statutory right to stand down an employee without pay is provided by the Fair Work Act. No modern award provides for a stand down, although an enterprise agreement or contract of employment may include terms that require an employer meet additional requirements before standing down an employee, e.g. requirements relating to consultation or notice.

If an employer cannot stand down an employee under the Fair Work Act, they may be able to stand down the employee in accordance with the enterprise agreement or the contract of employment.

WHAT ARE MY OBLIGATIONS IN THE CASE OF STAND DOWN?

The Fair Work Act 2009 provides that employers have a right to stand down employees in certain circumstances.

Modern awards, enterprise agreements or employment contracts may also contain Stand Down provisions and generally such periods are unpaid.

WHAT ARE MY OBLIGATIONS AS AN EMPLOYER IN A CASE WHERE I MUST STAND DOWN MY EMPLOYEES?

Under the Fair Work Act, an employer may stand down an employee during a period in which the employee cannot be usefully employed because of one of the following circumstances:

- a stoppage of work for any cause for which the employer cannot reasonably be held responsible (COVID- 19 Pandemic, floods, fire, power failure etc)
- industrial action (other than industrial action organised or engaged in by the employer, e.g. a lockout by the employer)
- a breakdown of machinery or equipment, if the employer cannot reasonably be held responsible for the breakdown

IS THERE A STAND DOWN CLAUSE IN MY CONTRACTS?

If you use our Happy HR contract, there is a clause that states:

"We reserve the right to stand you down in the event that you cannot be usefully employed because of any strike, failure of services, breakdown of machinery or for any cause for which the Company cannot reasonably be held responsible. In the event of a stand down for such reasons, we will not be required to pay you and the time for which you are stood down shall be considered as leave without pay. The stand down period does not breach the continuity of your employment for the purpose of any entitlements"

The above allows an employer to stand down.

DOES STAND DOWN AFFECT AN EMPLOYEE'S ENTITLEMENTS?

The Fair Work Act recognises a period of stand down as 'service'. This means an employee will continue to accrue entitlements to annual leave and personal/carer's leave under the National Employment Standards (NES), as well as an entitlement to a public holiday that falls on a day the employee has ordinary hours of work. Please ensure you maintain this as part of your budgets.

WHAT IF MY OPERATIONAL NEEDS CHANGE AT SHORT NOTICE?

The Fair Work Act stand down provisions are likely to apply, subject to any provisions in your employment arrangements, meaning that some employees may not be paid.

It is vital to consider if you intend to or not pay your employees during any stand down. A plan to communicate this message to employees should be done before an event not during or post. Before you do this you should obtain advice if uncertain of your obligations!

AM I OBLIGATED TO PAY MY EMPLOYEES?

No as provisioned, entitlements will still accrue, but for a genuine stand down payments can stop.

HOW LONG SHOULD THE NOTICE BE FOR A STAND DOWN?

There is no fixed notice period for the Stand Down communication. However, we do encourage you to proactively communicate with employees in regards to the process of a Stand Down, likely scenarios and next steps for the business and its employees. Communication is critical.

ARE THERE OTHER RESOURCES I CAN USE?

You can refer to the Fair Work [website](#). Please also refer to our latest [blog](#) in regards to more facts re employer obligations.

Source: www.happyhr.com

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Meeting for the reduction of hours / redundancy process



The business should conduct a business continuity plan to ensure it understands its short, medium and long-term cash position.

Understand that employees don't have to accept the reduction of hours which can mean redundancy.

If redundancy is the outcome you need to know you can cover the liability.

Also, some awards must pay redundancy even if the business had less than 15 employees, so it's vital to ensure you get the best advice before having the below conversation. You may contact www.happyhr.com to get the advice you require on this.

PURPOSE:

The company is committed to ensuring the solvency of the company and as such needs to work to cut costs in expenditure as well as human capital costs to ensure the availability of the organisation.

INSIGHTS:

Consultation about major workplace change

If an employer makes a definite decision to make major changes in production, program, organisation, structure or technology that are likely to have significant effects on employees, the employer must:

- (a) give notice of the changes to all employees who may be affected by them and their representatives (if any); and
- (b) discuss with affected employees and their representatives (if any):
 - i. the introduction of the changes; and
 - ii. their likely effect on employees; and
 - iii. measures to avoid or reduce the adverse effects of the changes on employees; and
- (c) commence discussions as soon as practicable after a definite decision has been made.

For the purposes of the discussion the employer must give in writing to the affected employees and their representatives (if any) all relevant information about the changes including:

- a. their nature; and
- b. their expected effect on employees; and
- c. any other matters likely to affect employees.

Consultation about changes to rosters or hours of work applies if an employer proposes to change the regular roster or ordinary hours of work of an employee, other than an employee whose working hours are irregular, sporadic or unpredictable.

The employer must consult with any employees affected by the proposed change and their representatives (if any). For the purpose of the consultation, the employer must:

- (a) provide to the employees and representatives information about the proposed change (for example, information about the nature of the change and when it is to begin); and
- (b) invite the employees to give their views about the impact of the proposed change on them (including any impact on their family or caring responsibilities) and also invite their representative (if any) to give their views about that impact.

The employer must consider any views is to be read in conjunction with any other provisions of this award concerning the scheduling of work or the giving of notice.

DISCUSSION RE REDUCTION OF HOURS:

1. The business needs to change the hours due to economic reasons and it has nothing to do with the performance of yourself.
2. The choice is up to the employee re if they accept the reduction or not.
3. The business needs to reduce your hours to X per week to assist the business in remaining solvent.
4. Explain when the reduction in hours will commence. Usually it's the net pay period.
5. Give them 24 hours to decide if they are to accept.

If it is a "Yes" and they accept a reduction in hours.

6. If they accept then the new hours and pay will commence on X day
7. You must give them a Part time contract if full time with the days and times stated in the contract including the salary with loadings and entitlements in the contract
8. If part time you need to alter the contract with the new days and times.
9. It is doubtful you will be a part-time/full-time employee to accept a casual contract as this gives no job security and its strongly advised an organisation not do this.

If it is a "NO" and they do not accept a reduction in hours.

10. Then if the business can't afford the continuation of employment due to economic reasons the business may not have a choice but to make the role redundant
11. The employee must be told what their last day will be, what the pay out figure is and what their entitlements are.
12. You must pay them their money in the normal pay period.

OTHER ADVICE:

1. Support them and or offer services for them, this will be hard for any employee
2. Ensure they know what the process is for Centrelink
3. Assist them with references
4. Help them with writing their CV
5. Is there anyone in your network that can help them?
6. Contact Happy HR as we have a fixed fee recruitment division which regularly assists people in finding new opportunities.

Disclaimer: *This advice is general in nature and is intended for educational purposes. For your specific circumstances please contact Happy HR. We are here to assist with mediation services, redundancy calculations or other please call 1300 730 880 or go to www.happyhr.com*

Source: www.happyhr.com

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Policy - Working from home



DATE	
PURPOSE	[CLIENT COMPANY NAME] is committed to the principle of providing its employees with flexibility in the workplace. To this end, <i>working from home</i> is allowable in some circumstances and with the approval from your manager.
Procedure for seeking approval to work from home	<ol style="list-style-type: none"> 1. A request to work from home must be made to the relevant manager in advance of the day in question 2. The employee should provide the manager with the reason for requesting approval to work from home 3. Details of the work to be completed 4. Details of the technology (email, phone, network) available from the non- work location 5. Approval to work from home is at the discretion of the relevant manager and each request will be considered on its merits 6. If the request is approved, the employee must advise all [CLIENT COMPANY NAME] staff of their absence and the contact information during business hours
Circumstances where working from home may be approved	<ol style="list-style-type: none"> 1. When the request adheres to [CLIENT COMPANY NAME]'s working from home procedure 2. When appropriate email and phone access is available during work hours 3. Where the employee would be able to devote 7 hours during that day to work 4. Where it would be unreasonable for the employee to return to the workplace having attended to their personal business e.g. lengthy commute, appointment in the middle of the day 5. Where an employee's workflow (as negotiated with the relevant manager) allows them to be physically absent from the workplace, but remaining effective 6. An OH&S risk report must be conducted to ensure you're working from home environment meets legislation.
Circumstances where working from home may NOT be approved	<ol style="list-style-type: none"> 1. When the request does not adhere to [CLIENT COMPANY NAME]'s working from home procedure 2. Where the request to work from home is not made prior to the day in question 3. When appropriate email and phone access is not available during business hours 4. Where the employee is unlikely to be able to devote 7 hours during that day to work and is able to utilise other forms of leave i.e. personal leave to care for a sick family member 5. Where it would be reasonable that an employee could return to the workplace having attended to their personal business 6. Where an employee's workflow (as negotiated with the manager) does not allow them to be physically absent from the workplace 7. Your OH&S risk does not meet legislation.

Reporting Requirements	<p>Following an employee's return to the workplace, they are required to provide a report to the relevant manager on the work completed during their absence.</p> <p>These reporting requirements will assist with the management of workflow and to assess the merit of any future requests to work from home.</p>
Consequences	<p>The ability to work from home is a privilege and as such, any misuse of this arrangement can result in your manager revoking all access to it.</p>
Discipline under this policy	<p>The management team at [CLIENT COMPANY NAME] has primary responsibility for interpreting the working from home policy. This includes counselling employees whose commitment is inappropriate.</p> <p>The employee's supervisor or manager will counsel any employee whose use is not in line with this policy. Repeated violations or first violations of a serious nature could result in disciplinary action up to and including termination.</p>

Source: www.happyhr.com

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