Business Management Units 1 & 2

Chapter 16 — Employment standards, obligations, induction and CSR

Aboriginal and Torres Strait Islander content has been excluded as accuracy cannot be guaranteed, and it is better to be respectful than cover the entire curriculum inaccurately.

Significant effort has been made to ensure this content is legal. Please send any areas of concern to admin@vwx.au with appropriate document/legal references so errors can be verified and changes be made.

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Chapter 16 Employment standards, obligations, induction and corporate social responsibility — 16A The National Employment Standards

Theory

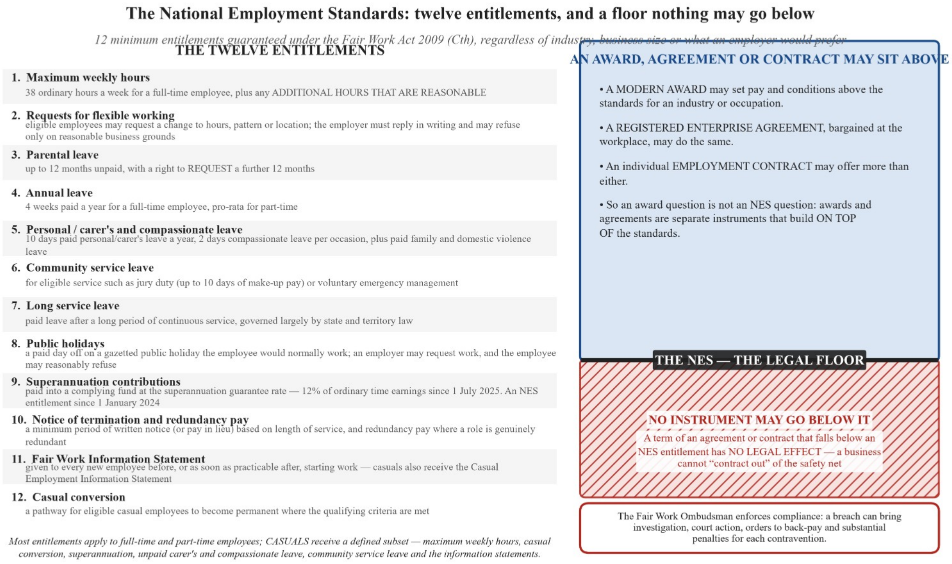
When a business establishes its staffing, the conditions it offers employees are not simply a matter of choice — they are set against a legal floor. The **National Employment Standards (NES)** are the **12 minimum employment entitlements** that are **guaranteed to employees under the *Fair Work Act 2009* (Cth)**. They form part of Australia's national workplace relations system and apply to employees covered by that system, regardless of the industry, the size of the business or what an individual employer might prefer to offer.

The NES are best understood as a **minimum safety net**. Other instruments — a **modern award**, a **registered enterprise agreement** or an individual **employment contract** — can provide entitlements that are *more generous* than the NES, but they can **never provide less**. Any term of an agreement or contract that falls below an NES entitlement has **no legal effect**. In this way the NES sit underneath every employment arrangement and guarantee a baseline of conditions that cannot be bargained or contracted away.

The 12 entitlements. The NES guarantee eligible employees the following.

- **Maximum weekly hours.** A full-time employee's **ordinary hours are capped at 38 per week**, plus any **additional hours that are reasonable**. An employee may refuse additional hours that are unreasonable, judged by factors such as notice given, personal circumstances, health and safety, and whether extra pay applies.
- **Requests for flexible working arrangements.** Eligible employees (for example a parent or carer, an employee with a disability, an employee aged 55 or over, or one experiencing family or domestic violence) may **request a change** to their hours, pattern or location of work. The employer must **respond in writing** and may only **refuse on reasonable business grounds**.
- **Parental leave and related entitlements.** Eligible employees are entitled to **up to 12 months of unpaid parental leave** for the birth or adoption of a child, with a right to **request a further 12 months**.
- **Annual leave.** Full-time employees accrue **four weeks of paid annual (holiday) leave per year** (pro-rata for part-time employees; more for some shift workers), taken at a time agreed with the employer.
- **Personal/carer's and compassionate leave.** Employees are entitled to **10 days of paid personal/carer's leave per year** (when they are unwell, or must care for an ill or injured member of their immediate family or household) and **2 days of compassionate leave** per occasion (for example the death or serious illness of a family member). Paid **family and domestic violence leave** is also guaranteed.
- **Community service leave.** Leave to undertake eligible **community service** — such as **jury duty** (which attracts up to 10 days of "make-up pay") or **voluntary emergency management** activities (for example volunteer firefighting) — which is generally unpaid apart from jury make-up pay.
- **Long service leave.** A period of **paid leave after a long period of continuous service** with the same employer; under the NES this continues to be governed largely by the applicable **state or territory** long service leave laws.
- **Public holidays.** Employees are entitled to a **paid day off on a gazetted public holiday** if they would normally work that day. An employer may **request** an employee to work a public holiday, and the employee may **reasonably refuse**.
- **Superannuation contributions.** An employer must pay **superannuation contributions** into a complying super fund for the benefit of the employee, at the rate required by superannuation guarantee law (**12% of ordinary time earnings** since 1 July 2025). This became an NES entitlement on **1 January 2024**, so unpaid super is now a breach of the standards themselves and can be pursued under the *Fair Work Act 2009* (Cth) as well as by the Australian Taxation Office.
- **Notice of termination and redundancy pay.** When an employer ends employment, the employee is entitled to a **minimum period of written notice** (or pay in lieu), based on length of service, and to **redundancy (severance) pay** based on years of service where a role is made **genuinely redundant**.

- **Fair Work Information Statement.** Every new employee must be given the **Fair Work Information Statement** (and casual employees also the **Casual Employment Information Statement**) **before, or as soon as practicable after, starting work**. The statement sets out an employee's rights under the NES.
- **Casual conversion.** Eligible **casual** employees have a **pathway to become permanent** (full-time or part-time) employees where the qualifying criteria are met, so that ongoing, regular work is recognised with the security of permanent employment.



Who they apply to. The NES cover employees in the national workplace relations system. Most entitlements apply to full-time and part-time employees; **casual employees receive a defined subset** (for example maximum weekly hours, casual conversion, superannuation contributions, unpaid carer's and compassionate leave, community service leave, and the information statements).

Why a business must comply. Compliance with the NES is **not optional** — it is a **legal obligation**, and there are strong reasons to meet it.

- **It is the law.** Providing less than an NES entitlement is **unlawful**, and any contract term that attempts to do so is **unenforceable**. A business cannot "contract out" of the safety net.
- **Enforcement and penalties.** The **Fair Work Ombudsman (FWO)** monitors and enforces compliance. A breach can lead to **investigation, court action, orders to back-pay** unpaid entitlements and **substantial financial penalties** for each contravention.
- **Reputation and staffing.** A business known for underpaying or mistreating staff suffers **reputational damage** and finds it **harder to attract and retain** skilled employees, raising recruitment and training costs and weakening morale and productivity.
- **Ethical and responsible conduct.** Meeting the minimum standards is part of treating employees **fairly and responsibly**, which supports positive workplace relations from the outset.

Keep straight. The NES are a *legislated minimum* (from the *Fair Work Act 2009*), **not** an award or an agreement — those are separate instruments that build *on top of* the NES. There are **12** entitlements (superannuation was added in 2024), they cannot be reduced by any contract, and every new employee must receive the Fair Work Information Statement.

Contemporary example — My IT Partner, July 2025

My IT Partner Pty Ltd, an information technology support business trading in Perth, Western Australia as My Info Tech Partner, was penalised **$41,250** by the Federal Circuit and Family Court — the maximum penalty available — for failing to comply with a **Compliance Notice** issued by a Fair Work Inspector. The **Fair Work Ombudsman** reported the outcome on **25 July 2025**.

The notice, issued in May 2023, required the business to calculate and back-pay a worker it had employed full-time in an IT helpdesk support role between August 2019 and August 2022. Among the amounts the inspector believed were owing were the worker's **accrued but untaken annual leave** entitlements, payable under the National Employment Standards. The Court also ordered the business to work out and pay the entitlements still outstanding under the notice, together with interest and **superannuation**.

The case illustrates the NES operating as a **minimum safety net**. **Annual leave** is one of the **12 minimum entitlements** guaranteed by the ***Fair Work Act 2009* (Cth)**, so it could not be reduced or removed by any award, agreement or contract, and the size of the employer did not change the obligation — an entitlement accrued by a single employee remained payable when that employment ended. It also shows enforcement in operation: the **Fair Work Ombudsman** pursued the breach, a court imposed a **financial penalty** for the contravention, and separate orders required the **back-payment** of the entitlements themselves.

Source: Fair Work Ombudsman, "Defiant" Perth IT company receives maximum available penalty, 25 July 2025 — https://www.fairwork.gov.au/newsroom/media-releases/2025-media-releases/july-2025/20250725-my-it-partner-penalty-media-release. Accurate as at July 2026.

Worked examples

Example 1 — scaffolded

Loomcraft Textiles has just employed its first full-time worker. Outline what the National Employment Standards (NES) are, and explain why Loomcraft must comply with them.

Working	Comment
The **NES** are the **12 minimum employment entitlements** that the ***Fair Work Act 2009* (Cth)** guarantees to employees in the national workplace relations system.	Begin by defining the NES accurately — what they are and the law that creates them.
They form a **minimum safety net** — for example maximum weekly hours, annual leave, personal/carer's leave and notice of termination — that **no award, agreement or contract can undercut**.	Give the "safety net" idea with a couple of examples to show breadth.
Loomcraft must comply first because the NES are a **legal obligation**: providing less than an entitlement is **unlawful and unenforceable**.	The first reason to comply is that it is the law.
Second, the **Fair Work Ombudsman** can investigate breaches and seek **penalties and back-payment**, and non-compliance would damage Loomcraft's **reputation** and ability to keep staff.	Add the consequences of not complying to complete the "why".
∴ the NES are the legal minimum Loomcraft must meet for its new employee.	State the conclusion.

Example 2 — scaffolded

BrightSpark Electrical wants its full-time employee to work 47 hours in an unusually busy week. With reference to the NES, explain whether BrightSpark can require this.

Working	Comment
Under the NES, a full-time employee's **ordinary hours are a maximum of 38 per week**, **plus additional hours that are reasonable**.	State the relevant entitlement (maximum weekly hours).
Whether the extra 9 hours are lawful depends on whether they are **reasonable** — judged by factors such as **notice given, the employee's personal circumstances, health and safety, and any extra pay**.	Apply the "reasonable additional hours" test rather than giving a flat yes/no.
The employee **may refuse additional hours that are**	Note the employee's matching right under the

Working	Comment
unreasonable, but reasonable additional hours can be required.	entitlement.
∴ BrightSpark can ask for the extra hours **only if they are reasonable in the circumstances** — it cannot simply demand them.	Conclude with the conditional answer.

Example 3 — unscaffolded

Explain why the National Employment Standards are described as a “minimum safety net”.

The NES are described as a **minimum safety net** because they set the **lowest level of employment entitlements** that an employer may lawfully provide to employees covered by the national workplace relations system. The ***Fair Work Act 2009*** **(Cth)** guarantees **12 entitlements** — such as maximum weekly hours, annual leave, personal/carer’s leave and notice of termination — to every eligible employee. A **modern award, a registered enterprise agreement or an individual employment contract can offer more** than the NES, but it can **never provide less**; any term that falls below an NES entitlement has **no legal effect**. The NES therefore act like a floor beneath all other employment arrangements, “catching” employees so that their conditions cannot drop below the guaranteed minimum. ∴ the NES are a safety net because they guarantee a baseline of conditions that no agreement or contract can remove.

Example 4 — unscaffolded

Analyse how a failure to comply with the National Employment Standards could affect a newly established business.

If a newly established business fails to comply with the NES — for example by underpaying annual leave or denying the required notice of termination — the failure sets off a chain of consequences. Because the NES are **legally enforceable**, the **Fair Work Ombudsman** can investigate and take the business to court, which can **order it to back-pay** the missed entitlements and impose **financial penalties**. These unexpected costs **reduce the cash flow** of a new business that is already stretched, making it harder to survive its early trading. The breach also **damages the business’s reputation** as an employer: word spreads, and a business known for mistreating staff will **struggle to attract and retain skilled employees**, which raises recruitment and training costs and lowers productivity through higher turnover and weaker morale. ∴ non-compliance does not stay contained — it flows through to higher costs, a weaker reputation and poorer staffing, undermining the new business’s objectives.

Practice questions

Scaffolded

Q1. Define the term *National Employment Standards*.

Q2. State **how many** minimum entitlements make up the NES, and identify the **legislation** that guarantees them.

Q3. List any **four** of the entitlements contained in the National Employment Standards.

Q4. For each of the following, name the NES entitlement being described: (a) four weeks of paid holiday leave each year for a full-time employee; (b) the document a business must give every new employee setting out their rights under the NES; (c) a minimum period of written notice (or pay in lieu) when an employer ends a person’s employment.

Q5. Rivergum Roasters is about to hire its first two employees. (a) Identify the document Rivergum must give each new employee under the NES. (b) Explain the purpose of this document.

Q6. Explain **two** reasons why a business must comply with the National Employment Standards.

Unscaffolded

Q7. Outline the National Employment Standards. *(2 marks)*

Q8. Describe **two** entitlements provided to employees under the NES. *(4 marks)*

Q9. Explain why the National Employment Standards can be described as a “minimum safety net”. *(3 marks)*

Q10. Distinguish between **annual leave** and **personal/carer’s leave** as entitlements under the NES. *(4 marks)*

Q11. Explain the purpose of the **Fair Work Information Statement**. *(3 marks)*

Q12. Explain the entitlement to **request flexible working arrangements** under the NES, including how an employer must respond to a request. *(4 marks)*

Q13. Explain **one** consequence for a business that fails to comply with the National Employment Standards. *(3 marks)*

Q14. Compare **community service leave** and **long service leave** as entitlements under the NES. *(4 marks)*

Q15. *Case study.* **Peak Pursuits** is a new outdoor-adventure equipment store being established by its owner, Dario. He is about to hire his first three staff — a full-time store manager, a part-time salesperson and a casual — and wants them to start next week. During peak seasons Dario expects staff to work extra hours, and one prospective employee has asked what happens if a family member becomes ill. (a) Identify the document Dario must give each new employee under the NES. *(1 mark)* (b) Explain **one** NES entitlement that would apply to the employee who asked about time off to care for an ill family member. *(3 marks)* (c) Analyse **one** consequence for Peak Pursuits if Dario were to ignore the NES when setting his employees’ hours and leave. *(4 marks)*

Q16. Analyse how complying with the National Employment Standards can affect a business’s ability to attract and retain staff. *(4 marks)*

Q17. Discuss the impact of the National Employment Standards on a newly established small business. *(6 marks)*

Q18. Justify why a business establishing its staffing should give priority to complying with the National Employment Standards. *(4 marks)*

Q19. *Extended response.* “The National Employment Standards are a minimum safety net that every business must comply with.” Analyse the National Employment Standards, and evaluate the view that complying with them is more of a benefit than a burden for a business that is establishing itself. *(10 marks)*

Q20. In July 2025 the Fair Work Ombudsman reported that **My IT Partner Pty Ltd**, a Perth information technology support business, had been penalised $41,250 for failing to comply with a Compliance Notice requiring it to back-pay a former employee’s accrued but untaken annual leave. Analyse what this outcome demonstrates about the National Employment Standards as a minimum safety net. *(6 marks)*

Answers

Q1. The 12 minimum employment entitlements guaranteed to employees under the *Fair Work Act 2009* (Cth). **Q2.** 12 entitlements; guaranteed by the *Fair Work Act 2009* (Cth). **Q3.** Any four of: maximum weekly hours; requests for flexible working arrangements; parental leave; annual leave; personal/carer's & compassionate leave; community service leave; long service leave; public holidays; superannuation contributions; notice of termination & redundancy pay; the Fair Work Information Statement; casual conversion. **Q4.** (a) annual leave; (b) the Fair Work Information Statement; (c) notice of termination. **Q5.** (a) The Fair Work Information Statement. (b) It sets out the employee's rights and entitlements under the NES. See solutions. **Q6.** Any two of: it is a legal obligation (providing less is unlawful/unenforceable); the Fair Work Ombudsman can enforce breaches (penalties/back-pay); reputation and ability to attract/retain staff; ethical/fair treatment. See solutions. **Q7.** The 12 minimum entitlements guaranteed to employees under the *Fair Work Act 2009* — a minimum safety net. See solutions. **Q8.** Model response in solutions (name + describe two entitlements). **Q9.** Because they set the legal minimum that no award, agreement or contract can go below. See solutions. **Q10.** Both are paid NES leave; differ in purpose (recreation vs illness/caring), amount (4 weeks vs 10 days) and timing. See solutions. **Q11.** It informs every new employee of their NES rights; must be given on starting. See solutions. **Q12.** Eligible employees may request a change to hours/pattern/location; employer must respond in writing and may refuse only on reasonable business grounds. See solutions. **Q13.** e.g. FWO penalties/back-pay, or reputational damage and lost staff. See solutions. **Q14.** Both are NES leave entitlements for eligible employees; differ in trigger, pay and source. See solutions. **Q15.** (a) The Fair Work Information Statement. (b) Personal/carer's leave. (c) Analysis of the consequence for Peak Pursuits. See solutions. **Q16.** Compliance builds reputation/fair conditions → easier to attract and retain staff. See solutions. **Q17.** Model response in solutions (advantages and disadvantages). **Q18.** Justification — why compliance should be a priority, with reasoning. See solutions. **Q19.** Model response (10 marks) in solutions. **Q20.** Annual leave is one of the 12 NES entitlements, so it could not be contracted out of or waived; the FWO enforced it through court penalties and back-pay orders, regardless of the employer's size. See solutions.

Fully-worked solutions

Q5. (a) The **Fair Work Information Statement** (and, for the casual employee, also the **Casual Employment Information Statement**). (b) The purpose of the statement is to **inform every new employee of their rights and entitlements under the NES** — such as maximum weekly hours, leave, notice of termination and how to get help. The employer must give it to each employee **before, or as soon as practicable after, they start work**, so that employees know the minimum conditions that protect them.

Q6. A business must comply for two main reasons. **First, it is a legal obligation:** the NES are guaranteed by the *Fair Work Act 2009*, so providing **less** than an entitlement is **unlawful**, and any contract term that tries to do so is **unenforceable** — the business simply cannot contract out of the safety net. **Second, breaches are enforced and costly:** the **Fair Work Ombudsman** can investigate and take court action, resulting in **orders to back-pay** unpaid entitlements and **financial penalties**, as well as **reputational damage** that makes it harder to attract and keep good staff.

Q7. The **National Employment Standards** are the **12 minimum employment entitlements** guaranteed to employees under the ***Fair Work Act 2009* (Cth)**. They form a **minimum safety net** — covering matters such as maximum weekly hours, annual leave, personal/carer's leave, parental leave, public holidays, superannuation contributions and notice of termination — that applies to employees in the national workplace relations system and that no award, agreement or contract can go below.

Q8. *(Any two entitlements, each named and described.)* One entitlement is **annual leave**: a full-time employee is entitled to **four weeks of paid leave each year** (pro-rata for part-time employees), which they may take, at a time agreed with the employer, for rest and recreation. A second entitlement is **maximum weekly hours**: a full-time employee's **ordinary hours are limited to 38 per week**, plus any **additional hours that are reasonable**, and the employee may refuse additional hours that are unreasonable. *(Full marks: two correct entitlements, each with an accurate description — one mark for naming and one for describing each.)*

Q9. The NES are a "minimum safety net" because they set the **lowest level of conditions** an employer may lawfully provide to covered employees. Awards, registered agreements and individual contracts may provide **more** than the

NES but **never less**, and any term that falls below an NES entitlement has **no legal effect**. The NES therefore sit beneath every employment arrangement as a guaranteed floor, ensuring employees' conditions cannot drop below the legislated minimum.

Q10. Under the NES, **both annual leave and personal/carer's leave are paid leave entitlements** that full-time employees accrue over the year. They differ in **purpose, amount and timing**. **Annual leave** provides **four weeks per year** for **rest, recreation and holidays**, and is usually taken at a time **agreed in advance** with the employer. **Personal/carer's leave** provides **10 days per year** to be used when the employee is **unwell**, or must **care for an ill or injured member of their immediate family or household**, and is taken **as the need arises** rather than being planned. The key difference is that annual leave is planned recreation leave, whereas personal/carer's leave responds to illness or caring needs.

Q11. The **Fair Work Information Statement** exists to **inform new employees of their rights under the NES**. An employer must give it to **every new employee** before, or as soon as practicable after, they start work (casual employees also receive the Casual Employment Information Statement). It sets out the employee's key entitlements — such as hours, leave, notice and flexibility rights — and where to get help, so that employees **understand and can rely on the minimum conditions** the law guarantees them.

Q12. The NES give **eligible employees the right to request flexible working arrangements** — for example a change to their **hours, pattern or location of work**. Employees who may make a request include **parents or carers of young children, employees with a disability, those aged 55 or over, and employees experiencing family or domestic violence**. When a request is made, the employer must **genuinely consider it and respond in writing**, usually within a set period, and may **only refuse on reasonable business grounds** (for example that the change would be too costly or impractical). The entitlement therefore gives employees a formal avenue to seek flexibility while allowing the employer to decline for sound business reasons.

Q13. *(One consequence explained with a causal link.)* One consequence of failing to comply is that the **Fair Work Ombudsman can take enforcement action**. Because the NES are legally binding, the FWO can investigate a breach — such as underpaying leave or not giving proper notice — and take the business to **court**, which can **order it to back-pay** the entitlements owed and impose **financial penalties** for each contravention. This creates **unexpected costs** that damage the business's cash flow and finances. *(Alternatively: reputational damage leading to difficulty attracting and retaining staff.)*

Q14. Under the NES, **both community service leave and long service leave are leave entitlements available to eligible employees**, allowing time away from work that is protected by law *(similarity)*. They differ in their **trigger, payment and source** *(differences)*. **Community service leave** is taken to perform an eligible community activity — such as **jury duty or voluntary emergency management** — is triggered by that activity, and is **generally unpaid** (apart from up to 10 days of jury "make-up pay"). **Long service leave** is a reward for a **long period of continuous service with the same employer**, is **paid**, and is governed largely by **state or territory law**. So while both are NES leave entitlements, community service leave responds to a community duty and is mostly unpaid, whereas long service leave rewards loyalty and is paid.

Q15. (a) The **Fair Work Information Statement** (and the **Casual Employment Information Statement** for the casual). (b) The entitlement that applies is **personal/carer's leave**. Under the NES, **Peak Pursuits' full-time and part-time employees** are entitled to **10 days of paid personal/carer's leave per year** (pro-rata for the part-timer), which the employee could use to **care for a member of their immediate family or household who is ill or injured**; the **casual** would be entitled to **unpaid carer's leave** for the same purpose. This directly answers the prospective employee's question about time off to care for an ill family member. (c) If Dario **ignores the NES** — for example by refusing leave or demanding unreasonable extra hours — the consequence flows through the business. Because the NES are **legally enforceable**, an employee could complain to the **Fair Work Ombudsman**, which could require Peak Pursuits to **back-pay entitlements and pay penalties**, draining the **limited cash** of a business in its risky start-up phase. The dispute would also **damage Peak Pursuits' reputation** as a new employer in the local outdoor-retail community, making it **harder to attract and keep the skilled sales staff** Dario needs, and increasing turnover and recruitment costs. ∴ ignoring the NES would expose Peak Pursuits to enforcement costs and staffing problems that threaten the new store's survival. *(Full marks: a genuine causal chain applied to Peak Pursuits, not merely naming the business.)*

Q16. Complying with the NES **affects staffing through the business's reputation and the conditions it offers**. When a business reliably provides the guaranteed minimum — correct pay, leave, reasonable hours and proper notice — employees experience **fair, secure and predictable conditions**, which **raises job satisfaction and trust** in the employer. This makes current staff **more likely to stay**, reducing turnover, and gives the business a **reputation as a fair employer**, which makes it **more attractive to prospective employees** when it recruits. Conversely, a business that breached the NES would gain a poor reputation and lose staff. In this way, compliance **causally improves the business's ability to attract and retain staff**, lowering recruitment and training costs and supporting productivity.

Q17. The NES have both positive and negative impacts on a newly established small business. *Advantages:* the NES provide a **clear, ready-made set of minimum conditions**, so the owner does not have to work out entitlements from scratch and knows exactly what must be offered. Meeting them helps the business offer **fair and secure conditions**, which supports **staff morale, retention and a good employer reputation** — valuable when a small business is competing with larger rivals for good workers — and keeps the business **safely on the right side of the law**, avoiding penalties. Because the same standards apply to every employer, they also create a **level playing field** so competitors cannot undercut wages and conditions. *Disadvantages:* compliance imposes **costs and obligations** on a business with limited resources — paying for leave, public holidays, notice and redundancy adds to **wage and administrative costs**, and keeping records, issuing the information statement and responding to flexibility requests takes **time and effort** the owner may lack. The standards also **reduce flexibility**: the business cannot simply demand unlimited hours or offer below-minimum conditions even if an employee were willing. *(For "discuss", advantages and disadvantages are each developed; no evaluative judgement is required, and each point is used only once — advantages and disadvantages are not simply the reverse of one another.)*

Q18. A business establishing its staffing **should give priority to complying with the NES**, and this can be justified on several grounds. **First, compliance is compulsory:** the NES are guaranteed by the *Fair Work Act 2009*, so a new business has **no lawful choice** — providing less is illegal and any contrary contract term is unenforceable. **Second, early compliance avoids serious costs:** setting up correct pay, leave and record-keeping from day one prevents the **back-pay orders and penalties** the Fair Work Ombudsman can impose, which could cripple a business that has little financial buffer in its first year. **Third, it builds the foundation for good staffing:** a new business relies on attracting and keeping capable employees, and offering **fair, legally compliant conditions** builds a reputation that helps it recruit and retain staff and start workplace relations positively. Because the risks of non-compliance are high and the benefits of getting it right early are lasting, compliance is clearly **worth prioritising** over cutting corners. *(Justify: the response argues **why** compliance should be a priority, using reasons and evidence, rather than merely describing the NES.)*

Q19. *Model response (10 marks).* The **National Employment Standards (NES)** are the **12 minimum employment entitlements** guaranteed to employees under the ***Fair Work Act 2009* (Cth)**. They cover maximum weekly hours, requests for flexible working arrangements, parental leave, annual leave, personal/carer's and compassionate leave, community service leave, long service leave, public holidays, superannuation contributions, notice of termination and redundancy pay, the Fair Work Information Statement, and casual conversion. As the statement recognises, the NES act as a **minimum safety net**: awards, registered agreements and contracts may provide **more** than the NES but **never less**, and any term below an entitlement has no legal effect. Because they are legislated, the NES **directly shape** how a new business must staff itself — they set the pay-related costs it will carry (leave, public holidays, superannuation, notice and redundancy), the limits on the hours it can demand, and the documents it must issue, and the **Fair Work Ombudsman** can enforce any breach through back-pay orders and penalties. In this way the NES flow through to the business's costs, its administrative obligations and its exposure to legal risk.

Whether complying is **more of a benefit than a burden** for a business establishing itself can be weighed on both sides. On the **burden** side, a new business with limited cash and few staff must fund paid leave and entitlements, keep accurate records, issue the information statement and respond properly to flexibility requests — all of which add cost, time and administrative effort, and reduce the owner's freedom to set conditions as they please. On the **benefit** side, complying **avoids the far larger costs of breaching** the law (penalties, back-pay and legal action that could sink a fragile start-up), provides a **clear ready-made framework** so the owner need not design conditions from scratch, and helps the business offer **fair, secure conditions** that build morale, retention and a reputation as a good employer — which is exactly what a new business needs to attract capable staff and compete with larger rivals. Because every employer faces the same standards, compliance also creates a **level playing field** rather than a competitive disadvantage. **On balance**, while the NES do impose real short-term costs and reduce flexibility, the alternative — non-compliance — carries penalties and reputational damage that a new business can least afford, and the standards' role in stabilising staffing and reputation supports the business's objectives; the evidence therefore indicates that compliance is **more of a benefit than a burden** for a business establishing itself, provided it plans for the costs from the outset. *(Full marks require: an accurate account of the NES as the 12 legislated minimum entitlements/safety net; genuine **analysis** of how the NES affect a new business (causal links, not a list); a two-sided weighing of benefits and burdens; explicit engagement with the prompt statement; and a clear, evidence-based **evaluative judgement**.)*

Q20. The outcome demonstrates that the **National Employment Standards** operate as a **minimum safety net** that a business cannot step outside. **Annual leave** is one of the **12 minimum entitlements** guaranteed by the ***Fair Work Act 2009*** **(Cth)**, so the leave the employee had **accrued but not taken** was still legally owed when the employment ended — no contract or private arrangement could have reduced or removed it, because any term falling below an NES entitlement has **no legal effect**. The case also shows that the safety net applies **regardless of the size of the business**: the obligation attached to one employee of an IT support business exactly as it would to a large employer.

The outcome further demonstrates that the standards are **legally enforceable**, not merely advisory. Because the NES bind every covered employer, the **Fair Work Ombudsman** could investigate, issue a **Compliance Notice** directing back-payment and, when that notice was not complied with, take the business to court. The court's response had two limbs — a **financial penalty** of $41,250 for the contravention **and** orders to **back-pay** the entitlements still owed, plus interest and superannuation — so the business ultimately bore the original entitlement *and* a penalty on top, an unexpected cost far larger than paying the leave correctly in the first place.

∴ the case demonstrates that the NES are a floor that cannot be bargained away, and one the Fair Work Ombudsman can enforce against an employer of any size. *(Full marks: causal analysis of both limbs — the entitlement's non-excludable status and its enforcement — applied to the facts of the case, rather than a general description of the NES.)*

Chapter 16 Employment standards, obligations, induction and corporate social responsibility — 16B Employer and employee expectations

Theory

The **employment relationship** is the ongoing working relationship between an **employer** and the people it employs. Like any relationship, it works in **two directions**: the employer brings **expectations of its employees**, and employees bring **expectations of their employer**. When a business staffs itself, understanding these expectations matters, because a relationship in which **both sides' expectations are met** is a **positive** one — cooperative, trusting and productive — while a relationship in which expectations are **broken** quickly turns into conflict, disputes and high staff turnover. This section explains what each side reasonably expects, and why meeting **both** sets of expectations builds a positive employment relationship.

Employer expectations are the things an **employer reasonably expects of its employees** in return for offering them work and paying them. The study design identifies three: **contracts of employment, loyalty and terms of notice.**

- **Contracts of employment.** A *contract of employment* is a **legally binding agreement** between the employer and the employee that sets out the **terms and conditions** of the job — such as duties and responsibilities, hours of work, pay, and the **type of employment** (full-time, part-time, casual or fixed-term). The employer expects the employee to **understand and honour this contract**: to perform the role they were hired to do, to follow **lawful and reasonable instructions**, and to meet the **standards of work and behaviour** the contract describes. Because the contract makes each side's obligations clear, the employer's expectation is simply that the employee will **do what they agreed to do**.
- **Loyalty.** Employers expect **loyalty** — that employees will act in the **best interests of the business**. A loyal employee is **committed and dedicated** to the business's goals, is **honest and trustworthy**, **keeps confidential information private** (rather than passing it to competitors), **protects the business's reputation**, and does not act in ways that **compete with or damage** the employer. Loyalty is valuable because it builds **trust**, reduces the risk of **information, ideas or customers being lost to rivals**, and encourages employees to **stay** rather than leave, which lowers turnover.
- **Terms of notice.** *Terms of notice* are the **agreed period of warning** a party must give before ending the employment relationship. As an employer expectation, this means the employer expects an employee who intends to **resign** to give the **required notice** — as set out in the contract, award or agreement — rather than **leaving suddenly**. Proper notice gives the business **time to hand over duties, recruit and train a replacement, and reorganise work**, so the resignation causes **minimal disruption**. (Notice runs both ways — an employer must also give notice when it ends an employee's job — but as an *employer's* expectation the focus is on the employee providing **fair warning** before they leave.)

Employee expectations are the things **employees reasonably expect from their employer** in return for their work. The study design identifies four: **conditions of employment, remuneration, job security and work-life balance.**

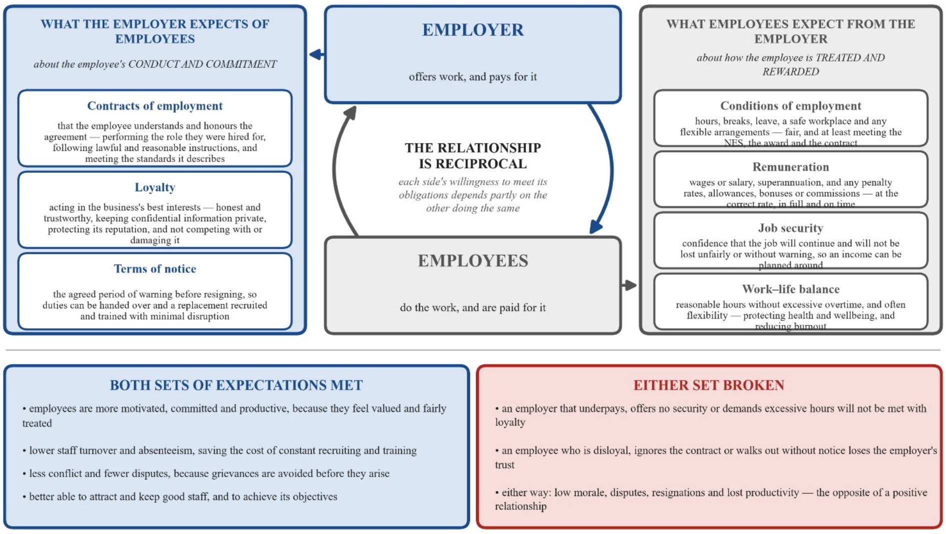
- **Conditions of employment.** These are the **circumstances and entitlements under which an employee works** — such as **hours of work, rest and meal breaks, leave** (for example annual leave and personal/carer's leave), a **safe and healthy workplace**, and any **flexible arrangements**. Employees expect these conditions to be **fair** and to at least **meet the legal minimum** set by the National Employment Standards, awards and agreements, and their contract. Reasonable conditions let employees do their job **safely and sustainably**.
- **Remuneration.** *Remuneration* is the **financial reward an employee receives for their work** — chiefly **wages or a salary**, together with entitlements such as **superannuation**, and, where they apply, **penalty rates, allowances, bonuses or commissions**. Employees expect to be paid the **correct rate** (at least the legal or award minimum), **in full and on time**, and to feel that their pay is **fair for the work they do**. Because remuneration is how most people **support themselves**, it is one of the strongest expectations employees hold.
- **Job security.** *Job security* is an employee's **confidence that their employment will continue** and that they will **not lose their job unfairly or without warning**. Ongoing (permanent) full-time and part-time employees generally have **more** job security than **casual** employees, whose hours can change from week to week.

Employees value job security because a stable income lets them **plan their lives** — commit to rent or a mortgage, or support a family — and because feeling secure improves their **motivation and loyalty**.

- **Work-life balance.** *Work-life balance* is the ability of an employee to **manage the demands of their job alongside their personal, family and social life**. Employees expect **reasonable hours and not excessive overtime**, and often value **flexibility** — such as flexible start and finish times, part-time options, or the ability to work from home. Good work-life balance protects employees' **health and wellbeing**, reduces **stress and burnout**, and helps them stay **engaged and productive** at work.

The employment relationship runs in two directions

a positive relationship exists only when BOTH sides' expectations are met — meeting one and ignoring the other is not enough



Meeting both sides' expectations builds a positive employment relationship. A **positive employment relationship** is one in which the employer and its employees **trust, respect and cooperate with** one another. This is built when **both sets of expectations are met at the same time**: the employee honours the contract, works loyally and gives proper notice, *and* the employer provides fair conditions, correct remuneration, reasonable security and a workable balance. When this happens:

- employees are **more motivated, committed and productive**, because they feel **valued and fairly treated**;
- the business enjoys **lower staff turnover and absenteeism**, saving the cost of constantly recruiting and training;
- there is **less conflict and fewer disputes**, because grievances are avoided before they arise; and
- the business is better able to **attract and keep good staff** and to **achieve its objectives**, since a stable, willing workforce performs better.

The relationship is **reciprocal**: each side's willingness to meet its obligations **depends partly on the other doing the same**. If an employer **underpays, offers no security or demands excessive hours**, employees are unlikely to feel loyal or to stay; if an employee is **disloyal, ignores the contract or walks out without notice**, the employer loses trust. Broken expectations on either side therefore lead to **low morale, disputes, resignations and lost productivity** — the opposite of a positive relationship.

Key ideas to keep straight.

- **Employer expectations are what the business expects OF employees; employee expectations are what employees expect FROM the business.** The **direction** is the key distinction — one is about the employee's **conduct and commitment**, the other about how the employee is **treated and rewarded**.
- **A contract of employment is the reference point for both sides.** It records the duties the employer expects *and* many of the conditions and remuneration the employee expects, which is why honouring it matters to everyone.
- **Terms of notice protect against sudden departures.** The expectation is *fair warning* before the relationship ends — most relevant to the employer when an employee **resigns**.

- **Remuneration is not the same as conditions of employment.** Remuneration is the **money** paid for work; conditions are the **non-pay circumstances** of the job (hours, breaks, leave, safety, flexibility) — although both are shaped by the NES, awards and agreements.
- **A positive employment relationship is reciprocal.** It exists only when **both** sides' expectations are met; meeting one side's expectations while ignoring the other's is **not enough**.

Contemporary example — Woolworths Group, November–December 2024

Woolworths Group is an ASX-listed supermarket retailer whose distribution centres supply its stores across eastern Australia.

On **21 November 2024**, warehouse employees at four of its distribution centres — Melbourne South Regional, Melbourne Liquor and Wodonga Regional in Victoria, and Erskine Park in New South Wales — began indefinite strike action while new enterprise agreements were being bargained. On **3 December 2024** the business applied to the **Fair Work Commission**, alleging that the United Workers Union had breached the good faith bargaining requirements of the *Fair Work Act 2009* and seeking orders about access to the sites. The Commission made **interim orders on 6 December 2024** prohibiting the union from preventing access. On **7 December 2024** Woolworths Group announced that its enterprise agreement offers had been endorsed at all four sites, with the Melbourne South centre to reopen that evening.

The dispute shows **employer and employee expectations set against each other**. The employees pressed their expectations of **remuneration** and **conditions of employment** through bargaining, while the employer pressed its own expectation that its sites could be accessed and its operations continue. Neither set of expectations is unlimited — an external tribunal set a **boundary on how the dispute could be pursued** — and the **employment relationship** returned to a workable footing only once a negotiated agreement addressed **both** sides. It illustrates that a **positive employment relationship** is **reciprocal**: it holds while both sets of expectations are being met, and bargaining is how they are reset when they are not.

Source: Woolworths Group, "Woolworths files application to Fair Work Commission", 3 December 2024 — https://www.woolworthsgroup.com.au/au/en/our-newsroom/latest-news/2024/woolworths-files-application-to-fair-work-commission.html; and Woolworths Group, "Woolworths reaches endorsed deal on enterprise agreements at all distribution centres taking industrial action across Victoria and NSW", 7 December 2024 — https://www.woolworthsgroup.com.au/au/en/our-newsroom/latest-news/2024/woolworths-reaches-endorsed-deal-on-enterprise-agreements-at-all.html. Accurate as at July 2026.

Worked examples

Example 1 — scaffolded

Harbour Health Physio is a newly opened physiotherapy clinic that is struggling to keep its qualified therapists. Explain how meeting the employee expectation of **work-life balance** could benefit the clinic.

Working	Comment
Work-life balance is an employee's ability to manage their job alongside their personal and family life, usually supported by reasonable hours and flexibility.	Anchor the answer in what the expectation means.
Harbour Health Physio could offer its therapists **flexible start and finish times and no compulsory weekend work**.	Give a concrete way of meeting the expectation, suited to the business.
Because their expectation of work-life balance is met, the therapists are likely to feel **valued and less stressed**, making them **more motivated and less likely to resign**.	Explain the causal link from meeting the expectation to the benefit.
∴ meeting the work-life balance expectation helps the clinic **retain its qualified staff and build a positive employment relationship**.	State the conclusion — the benefit to the business.

Example 2 — scaffolded

Ferndale Fabrication is a small metalworking business. A skilled welder has just told the owner she will leave to join a competitor "at the end of the week". Explain the employer expectation the welder may be failing to meet, and why it matters to the business.

Working	Comment
Employers expect employees to provide the agreed **terms of notice** — the required period of warning — before resigning.	Identify the relevant employer expectation.
Leaving "at the end of the week" gives Ferndale Fabrication **little or no notice** to prepare for her departure.	Apply the expectation to the scenario.
Without proper notice the business has **no time to hand over her jobs, recruit and train a replacement, or reorganise work**, so production is disrupted.	Explain why the expectation matters to the employer.
∴ by not providing the expected terms of notice, the welder makes the departure hard to manage, straining the employment relationship.	State the conclusion.

Example 3 — unscaffolded

Distinguish between **employer expectations** and **employee expectations**.

Employer expectations are the things an **employer reasonably expects of its employees** in return for employing and paying them — namely that employees will **honour their contract of employment**, show **loyalty** by acting in the business's best interests, and provide the agreed **terms of notice** before resigning. They are therefore mainly about the employee's **conduct, commitment and reliability**. **Employee expectations**, by contrast, are the things **employees reasonably expect from their employer** in return for their work — **fair conditions of employment, correct remuneration, reasonable job security and a workable work-life balance**. They are mainly about how the employee is **treated, rewarded and protected**. The key difference is the **direction** of the expectation: employer expectations flow **from the business to the employee** and concern the employee's **behaviour**, whereas employee expectations flow **from the employee to the business** and concern the **rewards and conditions** the business provides. ∴ although both operate within the same employment relationship, one describes what the **business expects of its people** and the other what the **people expect of the business**.

Example 4 — unscaffolded

An employer states, "As long as I pay my staff correctly, I have a positive employment relationship — nothing else matters." Evaluate this statement.

The statement is **partly true but far too narrow**. It is correct that **remuneration** is one of the **strongest employee expectations**: paying staff the **correct rate, in full and on time** meets a fundamental need, and underpaying staff would quickly destroy any positive relationship. **However**, the claim that "nothing else matters" ignores the **other expectations** on which a positive relationship depends. Employees also expect **fair conditions of employment, job security and work-life balance**; a business that pays well but demands **excessive hours, offers no security, or provides an unsafe or inflexible workplace** will still face **stress, resentment and resignations**. The statement also overlooks that the relationship is **reciprocal and two-sided**: a positive relationship depends not only on the employer meeting employee expectations but on **employees meeting the employer's expectations** of loyalty, honouring the contract and giving proper notice — and pay alone cannot buy loyalty or commitment if employees feel otherwise poorly treated. ∴ correct remuneration is **necessary but not sufficient** for a positive employment relationship; the employer must meet the **full range** of employee expectations and can reasonably expect employees to meet theirs in return, so the statement should be **rejected as an overstatement**.

Practice questions

Scaffolded

Q1. Define the term *contract of employment*.

Q2. List the **four** employee expectations identified in the study design.

Q3. For each of the following, name the concept described: (a) an employee's ability to manage their job alongside their personal and family life; (b) the period of warning an employee is expected to give before resigning; (c) the financial reward, such as wages or a salary, that an employee receives for their work.

Q4. Explain what is meant by *loyalty* as an employer expectation.

Q5. Copperleaf Café is a new café hiring its first employees. (a) Identify **one** employee expectation Copperleaf Café should aim to meet. (b) Explain how meeting this expectation could benefit the café.

Q6. Explain the difference between **employer expectations** and **employee expectations**.

Unscaffolded

Q7. Describe **one** employer expectation of its employees. *(2 marks)*

Q8. Explain why an employer expects an employee to provide the agreed **terms of notice** before resigning. *(3 marks)*

Q9. Distinguish between **employer expectations** and **employee expectations**. *(4 marks)*

Q10. Explain how meeting **employee expectations** can contribute to a positive employment relationship. *(3 marks)*

Q11. Compare **remuneration** and **job security** as employee expectations. *(4 marks)*

Q12. Analyse how employees meeting the employer expectation of **loyalty** can affect a business. *(6 marks)*

Q13. Discuss offering above-award **remuneration** as a way of meeting employee expectations. *(6 marks)*

Q14. Justify a business's decision to offer **flexible working arrangements** that support employees' work-life balance. *(4 marks)*

Q15. Propose and justify **one** way a business could meet its employees' expectation of **job security**. *(4 marks)*

Q16. *Case study.* **Bellbrook Landscaping** is a growing garden-and-landscaping business that employs a team of gardeners and labourers. To win more contracts, the owner has begun rostering staff for **long hours at short notice, including most weekends**, while keeping pay at the **award minimum**. Two experienced gardeners have resigned in the past month, and others are grumbling that they "never get a weekend off". (a) Identify **one** employer expectation Bellbrook Landscaping has of its employees. *(1 mark)* (b) Explain how meeting the employee expectation of **work-life balance** could benefit Bellbrook Landscaping. *(3 marks)* (c) Analyse how continuing to ignore its employees' expectations could affect Bellbrook Landscaping's employment relationship and its ability to achieve its objectives. *(4 marks)*

Q17. Evaluate the importance of the **contract of employment** in building a positive employment relationship. *(6 marks)*

Q18. A business decides to pay a new employee **below the minimum award rate** and to roster them for long hours in order to save costs. Explain **one** implication of this decision for the employment relationship, and recommend a **better** approach. *(4 marks)*

Q19. *Extended response.* A positive employment relationship depends on the expectations of both the employer and its employees being met. Analyse how meeting **employer** and **employee** expectations can build a positive employment relationship, and evaluate the view that **meeting employee expectations matters more than meeting employer expectations**. *(10 marks)*

Q20. *Contemporary example.* In November 2024, warehouse employees at four **Woolworths Group** distribution centres began strike action while new enterprise agreements were being bargained, and in December 2024 the business applied to the Fair Work Commission before its agreement offers were endorsed at all four sites. Analyse how this dispute illustrates the relationship between **employer expectations** and **employee expectations**. *(6 marks)*

Answers

Q1. A legally binding agreement between an employer and an employee that sets out the terms and conditions of the job — such as duties, hours of work, pay and the type of employment (full-time, part-time, casual or fixed-term). **Q2.** Conditions of employment; remuneration; job security; work-life balance. **Q3.** (a) work-life balance; (b) terms of notice; (c) remuneration. **Q4.** Loyalty is the employer's expectation that employees will act in the best interests of the business — being committed and honest, keeping information confidential, protecting its reputation and not helping competitors. See solutions. **Q5.** (a) e.g. conditions of employment, remuneration, job security or work-life balance. (b) Meeting it makes staff feel valued and fairly treated, improving motivation and loyalty and lowering turnover — building a positive relationship as the café establishes. **Q6.** Employer expectations = what the business expects **of** employees (honour the contract, loyalty, terms of notice); employee expectations = what employees expect **from** the business (conditions, remuneration, job security, work-life balance). See solutions. **Q7.** e.g. loyalty / honouring the contract of employment / providing the agreed terms of notice — described. See solutions. **Q8.** Notice gives the business time to hand over duties, recruit and train a replacement and reorganise work, so the resignation causes minimal disruption. See solutions. **Q9.** Distinguish — employer expectations concern the employee's conduct (contract, loyalty, notice); employee expectations concern rewards and treatment (conditions, remuneration, security, work-life balance); the direction differs. See solutions. **Q10.** Meeting expectations → employees feel valued and fairly treated → higher motivation and loyalty, lower turnover and less conflict → a positive, cooperative relationship. See solutions. **Q11.** Compare — similarity: both are employee expectations the employer must meet, and both affect motivation and wellbeing; difference: remuneration is the financial reward for work now, whereas job security is confidence that the job will continue into the future. See solutions. **Q12.** Analyse (causal) — loyal staff → confidential information, ideas and customers kept from rivals, less need for close supervision, reputation upheld → lower turnover and recruitment costs → a more stable, productive business better able to achieve its objectives. See solutions. **Q13.** Discuss — advantages (attracts and retains staff, boosts motivation and loyalty, strengthens the relationship) and disadvantages (higher wage costs, may be unaffordable for a new business, does not address non-pay expectations); no judgement required, don't double-dip. See solutions. **Q14.** Justify — flexibility meets the work-life balance expectation, reducing stress and burnout and raising motivation and retention, and helps the business attract staff, so it is worth the trade-offs. See solutions. **Q15.** Propose one action (e.g. offer ongoing/permanent contracts rather than casual work) + justify (stable income builds confidence, motivation, loyalty and retention). See solutions. **Q16.** (a) e.g. loyalty / honouring the contract / providing terms of notice. (b) Work-life balance met → less stress, more motivated staff, lower turnover. (c) Causal chain: unmet expectations → lost trust and morale → resignations and disputes → lost skills and productivity → objectives (retaining staff, winning contracts, making a profit) undermined. See solutions. **Q17.** Evaluate — the contract is legally binding and is the reference point recording what each side has agreed, so it removes uncertainty and makes disputes easier to settle; but it cannot create loyalty or trust, cannot guarantee job security or work-life balance, and much of the conditions floor comes from the NES, awards and agreements. Judgement: an essential foundation rather than sufficient on its own. See solutions. **Q18.** Implication: paying below the award and demanding long hours is unlawful and destroys trust, causing resentment, disputes and resignations; better approach = pay at least the award rate and set fair, reasonable conditions. See solutions. **Q19.** Model response in solutions. **Q20.** Analyse (causal) — employees pressed their expectations of remuneration and conditions of employment through bargaining while the employer pressed its expectation of continued access and operations → each side's unmet expectation frustrated the other's, producing a stoppage and an application to the Fair Work Commission → a tribunal set limits on how the dispute could be pursued → the relationship returned to a workable footing only when a negotiated agreement addressed both sides; shows the relationship is reciprocal. See solutions.

Fully-worked solutions

Q4. *Loyalty*, as an **employer expectation**, is the expectation that employees will **act in the best interests of the business**. A loyal employee is **committed and dedicated** to the business's goals, is **honest and trustworthy**, **keeps confidential information private** rather than passing it to competitors, **protects the business's reputation**, and avoids acting in ways that **compete with or damage** the employer. Employers value loyalty because it builds **trust**, protects the business's information, ideas and customers from rivals, and encourages employees to **stay**, which reduces turnover and the cost of replacing staff.

Q6. Employer expectations are the things a business reasonably expects **of its employees** in return for employing them: that employees will **honour their contract of employment**, work with **loyalty** in the business's best interests, and provide the agreed **terms of notice** before resigning. **Employee expectations** are the things employees reasonably expect **from their employer** in return for their work: **fair conditions of employment, correct remuneration, reasonable job security and a workable work-life balance**. The difference is therefore one of **direction and focus**: employer expectations are about the employee's **conduct and commitment**, whereas employee expectations are about how the employee is **treated, rewarded and protected** by the business.

Q7. One employer expectation is **loyalty**. Employers expect employees to **act in the best interests of the business** — to be **committed and honest**, to **keep confidential information private**, to **protect the business's reputation** and not to help competitors. In practice this means an employer expects a loyal employee to put the business's interests ahead of personal gain that would harm it, which builds the **trust** on which a positive employment relationship depends.

Q8. An employer expects an employee to provide the agreed **terms of notice** before resigning because notice gives the business the **time it needs to manage the departure**. With proper notice, the employer can **hand over the employee's duties, recruit and train a suitable replacement, and reorganise work and rosters** so that the resignation causes **minimal disruption to operations**. Without notice — if an employee simply walks out — the business may be **left short-staffed**, unable to complete work or serve customers, and forced to recruit in a hurry. Providing the expected notice is therefore a matter of **fairness and reliability** that allows the employer to keep the business running smoothly.

Q9. *(Distinguish — both terms must be addressed.)* **Employer expectations** are the things an **employer reasonably expects of its employees** in return for employing and paying them: that employees will **honour their contract of employment** (perform their duties and follow reasonable instructions), show **loyalty** by acting in the business's best interests, and give the required **terms of notice** before resigning. They are mainly about the employee's **conduct, commitment and reliability**. **Employee expectations** are the things **employees reasonably expect from their employer** in return for their work: **fair conditions of employment, correct remuneration, reasonable job security and a workable work-life balance**. They are mainly about how the employee is **treated, rewarded and protected**. The two therefore differ in **direction** — employer expectations flow from the **business to the employee** and concern the employee's **behaviour**, whereas employee expectations flow from the **employee to the business** and concern the **rewards and conditions** provided — even though both exist within the one employment relationship.

Q10. Meeting **employee expectations** contributes to a positive employment relationship because it makes employees feel **valued and fairly treated**. When a business provides **fair conditions, correct remuneration, reasonable job security and a workable work-life balance**, employees are more likely to respond with **higher motivation, commitment and loyalty**, and are **less likely to resign or be absent**. This reduces **conflict and disputes** and builds **mutual trust and respect** between the two sides. Because the relationship is **reciprocal**, employees whose expectations are met are also more willing to meet the **employer's** expectations in return, reinforcing a **cooperative, positive** employment relationship.

Q11. *(Compare — a similarity and a difference are both required.)* **A similarity** is that **remuneration** and **job security** are both **employee expectations** that the employer is expected to meet, and both strongly affect an employee's **motivation, financial wellbeing and willingness to stay**. **A difference** lies in **what each provides and when**: **remuneration** is the **financial reward an employee receives for the work they do now** — the correct wage or salary, superannuation and any penalty rates or bonuses — whereas **job security** is the employee's **confidence that their employment will continue into the future** and that they will not be dismissed unfairly or without warning. In short, both are things employees expect from the employer, but remuneration addresses **how well they are paid today**, while job security addresses **how safe their job is tomorrow**.

Q12. *(Analyse — show the causal relationships, not a list of benefits.)* When employees meet the employer expectation of **loyalty** — acting in the **best interests of the business** — the effects flow through the business in a **chain**. Because loyal staff **keep confidential information private**, the business's customer lists, pricing and methods **stay out of a competitor's hands**, so it holds on to the **competitive advantage** those ideas give it. Because they are **honest and dependable**, the owner or manager can **delegate work and supervise less closely**, releasing management time for planning and customers and **cutting the cost of monitoring staff**. Because they **speak well of the business and protect its reputation**, customers are **more confident in dealing with it**, supporting **sales and profit**. Loyalty also makes employees **more willing to stay**, so **turnover falls** and the business avoids the **cost and disruption of**

recruiting, selecting and training replacements, keeping an **experienced team that works efficiently**. Each of these effects also deepens the employer's **trust** in its people, which makes it more willing to meet their expectations in return. ∴ employees meeting the loyalty expectation sets off a causal chain — protected information, lighter supervision, a stronger reputation and lower turnover — that leaves the business **more stable and productive** and better able to **achieve its objectives**.

Q13. *(Discuss — advantages and disadvantages; no judgement required; avoid double-dipping.)* Offering **above-award remuneration** — paying more than the legal minimum — has real **advantages** as a way of meeting employee expectations. Because remuneration is one of the **strongest expectations** employees hold, paying above the award makes staff feel **well rewarded and valued**, which can **attract high-quality applicants**, **improve motivation and loyalty**, and **reduce turnover**, giving the business a more stable, committed workforce and a **positive employment relationship**. However, the strategy also has **disadvantages**. Higher pay **increases the business's wage costs**, which may be **difficult for a new or small business to afford** and can reduce profit, and once paid, higher rates are **hard to reverse**. Above-award pay also **only addresses one expectation**: it does nothing for employees who are frustrated by **excessive hours, poor job security or a lack of work-life balance**, so on its own it may not deliver a positive relationship. Above-award remuneration is therefore a **powerful but costly and partial** way of meeting employee expectations — strong on the financial side, but effective in building a positive relationship only if the business can afford it and also meets employees' **non-pay** expectations.

Q14. *(Justify — argue why, with reasoning.)* A business's decision to offer **flexible working arrangements** can be justified because it directly meets the employee expectation of **work-life balance**, and doing so brings the business clear benefits. First, flexibility — such as **flexible hours, part-time options or working from home** — lets employees **manage their job alongside personal and family commitments**, reducing **stress and burnout** and helping them stay **healthy and engaged**. Second, employees whose work-life balance expectation is met tend to be **more motivated and loyal** and **less likely to resign**, lowering the business's **turnover and recruitment costs**. Third, offering flexibility helps the business **attract good staff** in a competitive labour market, since many workers now weigh balance heavily when choosing an employer. Although flexible arrangements can add some **coordination and rostering complexity**, these costs are usually **outweighed** by the gains in motivation, retention and reputation. ∴ offering flexible working arrangements is justified because it meets a key employee expectation and, in doing so, builds a **more motivated, stable and loyal workforce** and a positive employment relationship.

Q15. *(Propose and justify — do more than name the action; argue why it suits the situation.)* One way a business could meet its employees' expectation of **job security** is to **offer ongoing (permanent) full-time or part-time contracts rather than relying on casual employment**. This means giving employees a **guaranteed, continuing position with regular hours** and access to entitlements such as paid leave, instead of hours that can change or disappear from week to week. This action is **well-suited** to meeting the job-security expectation because it gives employees the **confidence that their employment will continue**, which lets them **plan their finances and lives** with certainty. Employees who feel secure are typically **more motivated, committed and loyal**, and are **less likely to leave**, so the business benefits from a **stable, experienced workforce** and lower turnover. ∴ offering ongoing contracts is an effective way to meet the job-security expectation because it provides the certainty employees value while giving the business a more loyal and reliable team, strengthening the employment relationship.

Q16. (a) Any **one** of: **loyalty** (acting in the business's best interests); **honouring the contract of employment** (performing agreed duties); or **providing the agreed terms of notice** before resigning. (b) Meeting the employee expectation of **work-life balance** could benefit Bellbrook Landscaping by addressing the very complaint driving its staff away. If the owner offered **more reasonable hours and rostered regular weekends off** instead of long hours at short notice, the gardeners and labourers would feel **less stressed and more valued**, which would **improve their motivation and morale**. Employees whose work-life balance is respected are **more likely to stay**, so Bellbrook would **retain its experienced staff** rather than lose them, keeping the skills and reliability it needs to complete jobs well. In this way, meeting the work-life balance expectation would help rebuild a **positive employment relationship** and a stable team. (c) *(Analyse — the causal effect on the relationship and objectives.)* If Bellbrook Landscaping **continues to ignore its employees' expectations** — demanding long hours at short notice, most weekends worked, and only award-minimum pay — the consequences would flow through a **chain**. First, employees would **lose trust and morale**, feeling **overworked and undervalued**, which damages the **employment relationship**. That lost morale would fuel further **resignations** (the two experienced gardeners have already gone) and possibly **disputes and grievances**. As experienced staff leave, Bellbrook would lose **skills and reliability** and face the **cost and delay of recruiting and training replacements**, while remaining staff — stretched further — become **less productive**.

Because the owner took on the extra hours specifically to **win more contracts**, this loss of a capable, motivated workforce would **undermine the very objective** the change was meant to serve, as well as threatening **profit** and the business's **reputation** as an employer. ∴ ignoring employee expectations would set off a causal chain — lost trust and morale leading to resignations and lower productivity — that damages both the employment relationship and Bellbrook's ability to achieve its objectives.

Q17. *(Evaluate — weigh both sides and reach an evidence-based judgement.)* The **contract of employment** is **highly important** to a positive employment relationship, though it is not what makes the relationship positive. Its value is easy to demonstrate. As a **legally binding agreement** setting out duties, hours, pay and the type of employment, it is the **one reference point both sides can return to**: it states what the business expects its employee to do and what it has promised in return, so **uncertainty is removed**, disagreements are **easier to settle**, and each side has something **enforceable** if the other does not deliver — including the **notice** required before the relationship ends. Where no clear contract exists, expectations rest on memory and assumption, and disputes are far more likely. **However**, the document also has real **limits**. It cannot manufacture **loyalty, goodwill or trust**, which depend on how the two sides behave day to day rather than on what was signed. It cannot on its own deliver **job security or work-life balance**, which are shaped by how the business rosters and manages its people. Much of what employees expect in **pay and conditions** is set instead by the **National Employment Standards, awards and agreements**, which apply whatever the contract says. And a contract that is **signed and then ignored** by either side builds nothing at all. ∴ the contract of employment is best judged as the **essential foundation** of the relationship rather than the source of its quality: it matters a great deal because it defines and secures both sides' expectations, but a positive relationship is built by both sides **honouring it in practice** and by the employer meeting expectations the document itself cannot guarantee.

Q18. *(Explain an implication, then recommend a better approach.)* One **implication** of paying a new employee **below the minimum award rate** and rostering them for **long hours** is that it will **breach the law and destroy the employment relationship before it begins**. Employees expect **correct remuneration and fair conditions**; underpaying them is **unlawful** and, once discovered, makes the employee feel **cheated and exploited**, causing **resentment, low motivation, disputes and a quick resignation** — and it exposes the business to **back-pay claims, penalties and reputational damage**. A **better approach** is for the business to **pay at least the applicable award (or minimum) rate, in full and on time, and to set reasonable hours and conditions**. Although this **costs more** in wages, meeting the remuneration and conditions expectations **lawfully** builds the **trust, motivation and loyalty** that a positive employment relationship depends on, and avoids the far greater costs of legal action, high turnover and a damaged reputation.

Q19. *Model response (10 marks).* A **positive employment relationship** — one built on trust, respect and cooperation between a business and its staff — depends on the expectations of **both** sides being met. The employer holds **expectations of its employees**, while employees hold **expectations of their employer**, and it is the meeting of **both** sets that builds a positive relationship.

Employer expectations are what the business reasonably expects of its people: that employees will **honour their contract of employment** by performing their agreed duties, show **loyalty** by acting in the business's best interests and protecting its information and reputation, and provide the agreed **terms of notice** before resigning. When employees meet these expectations, the employer gains **trust and reliability**: work is done to standard, information and customers are protected, and departures are managed without disruption. **Employee expectations** are what workers reasonably expect from the business: **fair conditions of employment, correct remuneration, reasonable job security and a workable work-life balance**. When the employer meets these, employees feel **valued and fairly treated**, which raises their **motivation, commitment and loyalty** and reduces **turnover, absenteeism and conflict**. The two sets of expectations are linked in a **reciprocal cycle**: employees whose expectations are met are more willing to meet the employer's, and an employer who can trust its staff is more willing to reward and support them. Meeting both therefore produces **mutual trust and cooperation**, a **stable and productive workforce**, and a business that is better able to **achieve its objectives** — whereas failing to meet either side's expectations breaks the cycle, driving **low morale, disputes and resignations**.

The view that **meeting employee expectations matters more** than meeting employer expectations is **only partly justified**. There is a case for it: the employer generally **holds more power** and controls pay, conditions and security, so if it **fails to meet employee expectations**, staff become demotivated and leave, and the relationship cannot survive — meeting employee expectations is, in effect, the **precondition** for everything else. **However**, this overstates the point, because the relationship is **reciprocal**. A business can meet every employee expectation and still lack a positive relationship if employees are **disloyal, ignore their contracts or walk out without notice**, because the employer's **trust** is then destroyed. Employee and employer expectations are not really **rivals**: they are **two halves of the same relationship**, and each side's willingness to meet its obligations depends on the other doing the same. On balance, meeting employee expectations may reasonably be seen as the **starting point** — since the employer has the greater responsibility and power — but it is **not more important in any absolute sense**, and a genuinely positive employment relationship requires **both** sets of expectations to be met together. ∴ meeting employer and employee expectations builds a positive employment relationship through a reciprocal cycle of trust and cooperation, and while the employer's duty to meet employee expectations often comes first, a lasting positive relationship depends on **both** sides meeting their expectations, not on either alone. *(Full marks require: accurate explanation of both employer and employee expectations; analysis of how meeting both builds a positive relationship, including the reciprocal cycle and its effect on business objectives; and a sustained, two-sided evaluation of the "employee over employer" view reaching a justified judgement.)*

Q20. *(Analyse — show the causal relationships between the two sets of expectations, not a retelling of events.)* The Woolworths Group dispute shows what happens in an **employment relationship** when **employer and employee expectations are not being met at the same time**. Because the warehouse employees' expectations of **remuneration** and **conditions of employment** had not been settled in bargaining, they withdrew their labour from **21 November 2024**; and because that stoppage in turn frustrated the employer's expectation that its distribution centres could be accessed and kept **operating**, the business applied to the **Fair Work Commission** on **3 December 2024**. Each side's unmet expectation therefore **fed the other's**: the longer the employees' expectations went unaddressed, the longer the employer's were frustrated, and the more **trust, cooperation and productivity** the relationship lost — the very opposite of the **positive employment relationship** both sides depend on. The dispute also shows that **neither side's expectations are unlimited**: an external tribunal made **interim orders on 6 December 2024** setting a boundary on how the dispute could be pursued, so expectations are held **within legal limits** rather than being whatever either side demands. Finally, it shows how a strained relationship is **repaired** — the stoppage ended only once enterprise agreement offers were **endorsed on 7 December 2024**, addressing the employees' expectations while restoring the employer's. ∴ the dispute demonstrates that the employment relationship is **reciprocal**: unmet expectations on one side quickly frustrate the other, and a positive relationship can only be rebuilt when **both** sets of expectations are met together.

Chapter 16 Employment standards, obligations, induction and corporate social responsibility — 16C Legal obligations for staffing (OH&S, EEO)

Theory

Staffing a business is not only a management decision — it is a **legally regulated** activity. Once a business employs people, the law tells it **how it must treat them**, whether or not the owner has thought about it. These rules are the business's **legal obligations for staffing**: the **binding duties imposed on an employer by legislation and regulation** in relation to the people it hires. They sit alongside the National Employment Standards and go further than the *expectations* each side brings to the employment relationship — an unmet expectation damages that relationship, but a **breached legal obligation exposes the business to prosecution, penalties and compensation orders**. Two are named in the course: **occupational health and safety (OH&S)** and **equal employment opportunity (EEO)**.

Occupational health and safety (OH&S) refers to the **laws, regulations and workplace practices designed to protect the health, safety and welfare of people at work**. In Victoria the principal law is the ***Occupational Health and Safety Act 2004*** **(Vic)**, supported by the ***Occupational Health and Safety Regulations 2017*** **(Vic)**, which set detailed requirements for hazards such as manual handling, plant and machinery, hazardous substances, noise and working at height. The regulator is **WorkSafe Victoria**.

The employer's primary duty is to **provide and maintain, so far as is reasonably practicable, a working environment that is safe and without risks to health**. In practice this requires the business to:

- provide and maintain **safe plant, equipment and systems of work** — guarded, maintained machinery and work methods that do not put people at risk — and keep the **workplace itself** safe;
- ensure the **safe use, handling and storage** of **substances**, provide **adequate welfare facilities**, and **monitor** employees' health and workplace conditions; and
- provide the **information, instruction, training and supervision** employees need to work safely.

"So far as is reasonably practicable" is the standard the law sets: the duty is **not absolute** — an employer need not eliminate every risk at any cost — but it is **demanding**. It is judged by weighing the **likelihood** the hazard will cause harm, its **severity**, what the employer **knows or ought to know** about the hazard and its controls, the **availability of those controls**, and only then the **cost**. Note too that **health includes psychological health**, so **bullying, occupational violence, sexual harassment and unmanageable workloads** must be controlled like any other hazard.

Duties run further, and both ways. The employer must also protect **other people at the workplace** — contractors, delivery drivers and visitors — and must **consult employees** on matters affecting their health and safety; employees in a designated work group may elect a **health and safety representative (HSR)**, who can issue a **provisional improvement notice** requiring a safety problem to be fixed. **Employees** in turn must take **reasonable care for their own health and safety and that of others**, **cooperate** with the employer's safety measures, and **not misuse** anything provided for safety.

Enforcement. WorkSafe inspectors may issue an **improvement notice** (fix the contravention by a set date) or a **prohibition notice** (stop the activity immediately); serious breaches are **prosecuted** and attract **substantial fines**. Where negligent conduct causes a workplace death, Victoria's **workplace manslaughter** offence carries **up to 25 years' imprisonment** for an individual and multi-million-dollar fines for a company. An employer paying wages above the threshold must also hold **WorkCover insurance** and support an injured worker's **return to work**.

Equal employment opportunity (EEO) is the principle that **every person should have an equal chance to compete for a job and to be treated fairly at work on the basis of merit** — their skills, qualifications, experience and capacity to perform the role — rather than on personal characteristics that have nothing to do with the job. EEO legislation gives that principle legal force by making **discrimination, sexual harassment and victimisation unlawful** in employment. **Bullying** sits elsewhere in the law: it is controlled as an **OH&S hazard to psychological health**, and the *Fair Work Act 2009* (Cth) allows the **Fair Work Commission** to order that it **stop** — but bullying directed at someone **because of a protected attribute** is also unlawful discrimination or harassment.

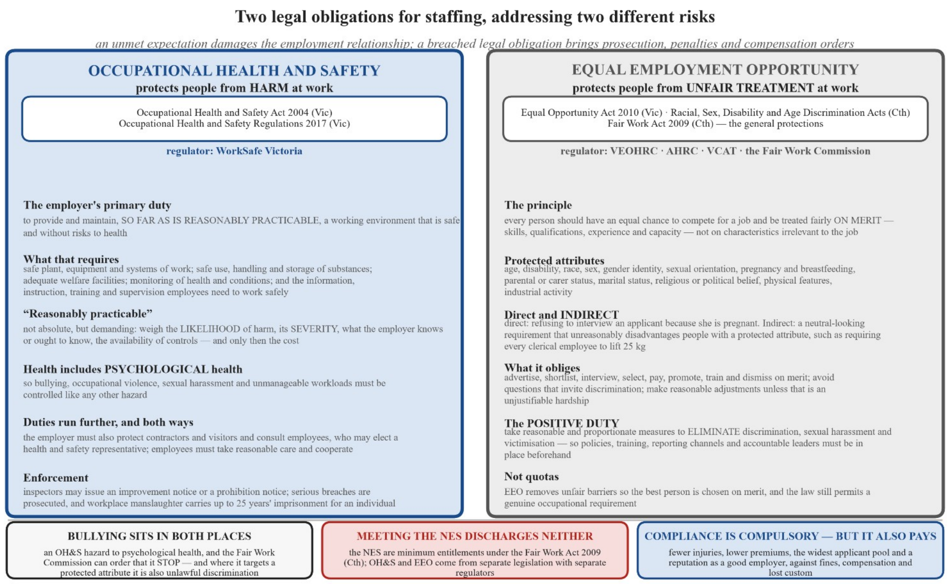
Discrimination means treating a person **unfavourably because of a protected attribute**. In Victoria the ***Equal Opportunity Act 2010*** **(Vic)** lists the **protected attributes**, which include **age, disability, race, sex, gender identity,**

sexual orientation, pregnancy and breastfeeding, parental or carer status, marital status, religious or political belief or activity, physical features, and industrial activity. Commonwealth laws cover much of the same ground — the ***Racial Discrimination Act 1975***, ***Sex Discrimination Act 1984***, ***Disability Discrimination Act 1992*** and ***Age Discrimination Act 2004*** (all Cth) — while the ***Fair Work Act 2009* (Cth)** adds the **general protections**, making it unlawful to take **adverse action** (refusing to hire, dismissing or demoting someone) because of a protected attribute. Discrimination is **direct** where a person is treated **less favourably because of the attribute** — refusing to interview an applicant because she is pregnant — and **indirect** where a **requirement that appears neutral** applies to everyone but **disadvantages people with a protected attribute** unreasonably, such as requiring every clerical employee to lift 25 kg.

The obligations this creates. A business must **advertise, shortlist, interview, select, pay, promote, train and dismiss on merit**, using criteria tied to the **genuine requirements of the job** (a role may require a licence it truly needs, but may not seek someone "young" or "male"). It must avoid **questions that invite discrimination** — an applicant's age, marital status, plans to have children, religion or health — and must make **reasonable adjustments**, such as an adjusted workstation or modified hours, so a person with a disability can perform the role, unless that would impose unjustifiable hardship. It must also keep the workplace **free of sexual harassment and victimisation**. None of this amounts to **quotas**: EEO **removes unfair barriers** so the best person is chosen on merit, and the law still permits a **genuine occupational requirement**.

The positive duty. Both the *Equal Opportunity Act 2010* (Vic) and, for sex-based conduct, the *Sex Discrimination Act 1984* (Cth) require employers to take **reasonable and proportionate measures to eliminate discrimination, sexual harassment and victimisation as far as possible**. This makes the obligation **proactive rather than reactive**: waiting for a complaint is not enough, so a business is expected to have **policies, training, reporting channels and accountable leaders** in place beforehand.

Enforcement. A person who believes they have been discriminated against may complain to the **Victorian Equal Opportunity and Human Rights Commission (VEOHRC)** or the **Australian Human Rights Commission (AHRC)**, with unresolved disputes heard by **VCAT** or a federal court; a general protections claim goes to the **Fair Work Commission**. Remedies include **compensation** for lost earnings and hurt, apologies, reinstatement and orders to change practices, on top of **legal costs and reputational damage**. Private-sector employers with **100 or more employees** must also report annually under the ***Workplace Gender Equality Act 2012* (Cth)**.



Key ideas to keep straight.

- **OH&S protects people from harm at work; EEO protects people from unfair treatment at work.** Both are legal duties owed to staff, but they address **different risks**.
- **Legal obligations are not the same as expectations.** Expectations shape the *relationship*; OH&S and EEO obligations are **imposed by law** and enforced by regulators and courts.
- **Meeting the NES does not discharge OH&S or EEO duties.** The NES are minimum entitlements under the *Fair Work Act 2009*; OH&S and EEO come from **separate legislation** with **separate regulators**.

- **Compliance is compulsory but it also pays** — fewer injuries, lower premiums, the widest applicant pool and a reputation as a good employer — whereas breach brings fines, compensation and lost custom.
- **Discrimination can be indirect**, and **the positive duty makes EEO proactive** — a rule that treats everyone alike can still be unlawful, and employers must *prevent* discrimination and harassment, not merely respond to complaints.

Contemporary example — Ambulance Victoria, January 2025

Ambulance Victoria is the Victorian public-sector emergency health service responsible for statewide ambulance care, employing paramedics and support staff across metropolitan and regional Victoria.

On **21 January 2025** the **Victorian Equal Opportunity and Human Rights Commission (VEOHRC)** published its **progress evaluation audit** of Ambulance Victoria — the final phase of an independent review into workplace equality that Ambulance Victoria had itself requested from the Commission. The review's earlier reports, released on **30 November 2021** and **31 March 2022**, made **43 recommendations**, of which **25 were treated as priorities**. The 2025 audit assessed how far those 25 had been carried out and reported that **5 had been fully implemented**, **18 had been partially implemented or commenced**, and **2 had not yet been commenced**. The Commission identified the establishment of a professional standards and behaviours function and an anonymous complaints service as the most significant step taken.

The audit shows both legal obligations at work in a single employer. The conduct the review examined — **discrimination, sexual harassment and victimisation** — is unlawful under **EEO legislation**, while **bullying** is controlled as an **OH&S hazard to psychological health**. It also illustrates the **positive duty**: because the obligation is **proactive rather than reactive**, what was audited was whether **policies, reporting channels and accountable leaders** had been put in place beforehand, not whether individual complaints had been answered afterwards.

Source: Victorian Equal Opportunity and Human Rights Commission, Ambulance Victoria Review Progress Evaluation Audit, 21 January 2025 — https://reports.humanrights.vic.gov.au/reports/ambulance-victoria-review-progress-evaluation-audit. Accurate as at July 2026.

Worked examples

Example 1 — scaffolded

Drummorne Panelworks is a newly opened smash-repair workshop. Its two panel beaters use power tools and work near a spray booth where solvent-based paints are used. The owner has given them no training, saying they "learned all that as apprentices". Explain **one** OH&S obligation Drummorne Panelworks is failing to meet, and why it matters.

Working	Comment
Under the *Occupational Health and Safety Act 2004* (Vic), an employer must provide a working environment that is **safe and without risks to health, so far as is reasonably practicable**.	Start from the employer's primary duty and name the law.
Part of that duty is providing the **information, instruction, training and supervision** employees need to work safely — including on the **safe handling of substances** such as solvent-based paints.	Identify the specific obligation being breached.
Drummorne has provided **no training at all**, so its panel beaters may not know the correct ventilation, respiratory protection or storage procedures for the paints.	Apply the obligation to the facts.
This matters because untrained workers are **more likely to be injured or suffer long-term respiratory harm**, and WorkSafe Victoria could issue an **improvement or prohibition notice** or prosecute.	Explain the consequence — to employees and to the business.
∴ Drummorne Panelworks is failing its duty to provide adequate training and must address it before someone is	State the conclusion.

Working	Comment
harmed.	

Example 2 — scaffolded

Wexmoor Freight is recruiting two delivery drivers. Its owner drafts an advertisement seeking "young, energetic drivers who'll fit in with a youthful team". Explain why this advertisement may breach equal employment opportunity legislation, and what Wexmoor Freight should do instead.

Working	Comment
EEO legislation requires people to be treated on **merit** and makes it unlawful to treat someone unfavourably because of a **protected attribute**. **Age** is protected under the *Equal Opportunity Act 2010* (Vic) and the *Age Discrimination Act 2004* (Cth).	Identify the principle and the attribute at issue.
Advertising for "young" drivers screens out older applicants **because of their age** — **direct discrimination**, since the wording itself deters them from applying.	Classify the conduct and apply it to the advertisement.
Age is **not a genuine requirement** of driving a delivery van; the genuine requirements are a **current licence, a safe driving record and the ability to handle the loads**.	Show why the criterion cannot be justified.
Wexmoor should **rewrite the advertisement around those genuine job requirements** and assess every applicant against them, avoiding any reference to age or "fitting in".	Give the corrective action.
∴ the advertisement risks a discrimination complaint to VEOHRC or the AHRC and should be replaced with merit-based, job-related criteria.	State the conclusion, including the exposure.

Example 3 — unscaffolded

Explain how equal employment opportunity legislation affects the way a business recruits and selects staff.

EEO legislation makes it **unlawful to treat an applicant unfavourably because of a protected attribute** — such as **age, sex, race, disability, pregnancy, carer responsibilities or religious belief** — so it constrains a business at **every stage** of hiring. When **advertising**, the business must describe the role using the **genuine requirements of the job** (qualifications, licences, skills and availability), not wording that signals a preference for a particular age, sex or background. When **shortlisting**, applications must be assessed against those job-related criteria rather than assumptions about who "fits". At **interview**, it must avoid questions about an applicant's **age, marital status, plans to have children, religion or health** unless genuinely relevant. Throughout, it must watch for **indirect discrimination** — an apparently neutral requirement that unreasonably disadvantages a group — and must make **reasonable adjustments** so an applicant with a disability can be fairly assessed. ∴ EEO legislation obliges a business to build its whole recruitment and selection process around **merit and genuine job requirements**, which keeps it lawful and widens the pool of talent it can draw on.

Example 4 — unscaffolded

A small business owner argues, "OH&S and EEO obligations are just red tape — they add cost and paperwork and give a small business nothing in return." Evaluate this statement.

The statement **contains a grain of truth but should ultimately be rejected**. It is fair that compliance **imposes real costs**: the owner must buy and maintain safe equipment, provide training, prepare safe work procedures, keep records, hold WorkCover insurance and train managers in lawful interviewing — all consuming **money and time** a small business has little of. **However**, the claim that these obligations give "nothing in return" is wrong on three counts. First, they are **not optional**: OH&S duties under the *Occupational Health and Safety Act 2004* (Vic) and the obligations imposed by EEO legislation apply from the first employee, and breaching them exposes the owner to **prohibition notices, prosecution, compensation orders and — where negligence causes a death — imprisonment**, costs vastly greater than the cost of compliance. Second, they deliver **direct business benefits**: a safe workplace means **fewer injuries, less lost time and lower WorkCover premiums**, while non-discriminatory hiring gives the **widest possible pool of applicants**. Third, both build a **reputation as a fair and safe employer**, precisely what a small business needs to compete with larger rivals for staff. Calling them "red tape" also misreads the standard: OH&S duties apply only **so far as is reasonably practicable**, so what a small workshop must do is proportionate to its size and risks. ∴ the burden is genuine, but the obligations are legally unavoidable and generate benefits that outweigh their cost, so the statement is a **serious overstatement**.

Practice questions

Scaffolded

Q1. Define the term *occupational health and safety (OH&S)*.

Q2. Define the term *equal employment opportunity (EEO)*.

Q3. Identify the **Act** that sets out an employer's occupational health and safety duties in Victoria, and the **body** that enforces it.

Q4. For each of the following, name the concept or instrument described: (a) treating a person less favourably because of a protected attribute such as their sex or age; (b) an apparently neutral requirement that unreasonably disadvantages people with a protected attribute; (c) the compulsory Victorian insurance that covers employees for work-related injury and illness.

Q5. Sablecrest Aged Care is a newly established residential aged-care provider about to employ its first personal-care workers. (a) Identify **one** occupational health and safety obligation Sablecrest Aged Care owes these employees. (b) Explain how meeting this obligation could benefit the business.

Q6. Explain **two** ways a business can meet its equal employment opportunity obligations when recruiting and selecting staff.

Unscaffolded

Q7. Outline the primary duty an employer owes its employees under Victoria's occupational health and safety legislation. *(2 marks)*

Q8. Explain what is meant by the phrase **"so far as is reasonably practicable"** in occupational health and safety law. *(3 marks)*

Q9. Describe **two** obligations a business has under equal employment opportunity legislation. *(4 marks)*

Q10. Distinguish between **direct** and **indirect** discrimination. *(4 marks)*

Q11. Explain the occupational health and safety duties owed by **employees**. *(3 marks)*

Q12. Explain the **positive duty** that discrimination law places on employers. *(3 marks)*

Q13. Compare a business's **OH&S obligations** with its **EEO obligations**. *(4 marks)*

Q14. Explain **one** consequence for a business that breaches its occupational health and safety obligations. *(3 marks)*

Q15. Analyse how meeting its equal employment opportunity obligations could affect a business's ability to staff itself successfully. *(6 marks)*

Q16. Kettlebrook Joinery is a small furniture workshop where employees use saws, routers and sanders. Propose and justify **one** action Kettlebrook Joinery could take to meet its occupational health and safety obligations. *(4 marks)*

Q17. *Case study.* **Maravale Produce** is a newly established fruit-and-vegetable packing business in Victoria's north. It employs 24 packers, many of whom speak English as a second language. The work involves long shifts on the line, lifting crates weighing up to 20 kg, and operating a conveyor and a mechanical grader. The owner, Hanne, has provided no formal safety training — “the job is obvious”, she says — and there are no written safe work procedures. She has also told her supervisor to “stop hiring women over 50, they can’t keep up with the line”. (a) Identify the Victorian Act that sets out Maravale Produce’s OH&S obligations. *(1 mark)* (b) Explain **one** OH&S obligation Maravale Produce is failing to meet. *(3 marks)* (c) Analyse how Hanne’s instruction about hiring could affect Maravale Produce. *(4 marks)*

Q18. Discuss the introduction of a written OH&S policy and a compulsory safety training program as a way for a business to meet its legal obligations for staffing. *(6 marks)*

Q19. *Extended response.* A business establishing its staffing must meet legal obligations in relation to both occupational health and safety and equal employment opportunity. Analyse these obligations and their effects on the business, and evaluate the view that **meeting the legal minimum is enough** for a business establishing its staffing. *(10 marks)*

Q20. In **January 2025** the Victorian Equal Opportunity and Human Rights Commission published a **progress evaluation audit** of **Ambulance Victoria**, reporting that of the 25 priority recommendations from its independent review into workplace equality, **5 had been fully implemented**, **18 had been partially implemented or commenced** and **2 had not yet been commenced**. Analyse how this example demonstrates the **positive duty** that discrimination law places on employers, and its effects on the employer. *(5 marks)*

Answers

Q1. The laws, regulations and workplace practices designed to protect the health, safety and welfare of people at work. **Q2.** The principle, given legal force by anti-discrimination legislation, that every person should have an equal chance to compete for a job and be treated fairly at work on the basis of merit, free from unlawful discrimination and harassment. **Q3.** The *Occupational Health and Safety Act 2004* (Vic); enforced by WorkSafe Victoria. **Q4.** (a) direct discrimination; (b) indirect discrimination; (c) WorkCover insurance. **Q5.** (a) e.g. provide safe systems of work / safe plant / information, instruction, training and supervision. (b) Fewer injuries and less lost time, lower WorkCover premiums, better morale and retention, no enforcement action. See solutions. **Q6.** Any two of: advertise and select against genuine job requirements; avoid discriminatory interview questions; check requirements for indirect discrimination; make reasonable adjustments. See solutions. **Q7.** To provide and maintain, so far as is reasonably practicable, a working environment that is safe and without risks to health. See solutions. **Q8.** The duty is not absolute: what must be done is judged by weighing the likelihood and severity of harm, what the employer knows about the hazard and its controls, the availability of those controls, and finally cost. See solutions. **Q9.** Model response in solutions (two obligations, each named and described). **Q10.** Direct = less favourable treatment **because of** a protected attribute; indirect = a neutral requirement that unreasonably disadvantages people with a protected attribute. See solutions. **Q11.** Take reasonable care for their own and others' health and safety, cooperate with the employer's safety measures, and not misuse safety equipment. See solutions. **Q12.** Employers must take reasonable and proportionate measures to eliminate discrimination, sexual harassment and victimisation as far as possible — proactive, not merely reactive. See solutions. **Q13.** Compare — similarity: both are legal obligations owed to staff, enforced by regulators, with penalties for breach; difference: OH&S protects health and safety at work (Vic Act, WorkSafe), EEO protects against discrimination in employment (state and federal law, VEOHRC/AHRC/FWC). See solutions. **Q14.** e.g. WorkSafe improvement or prohibition notice, prosecution and fines, higher WorkCover premiums, or lost production — explained causally. See solutions. **Q15.** Analyse (causal) — merit-based hiring → widest applicant pool → better skills match and a more diverse workforce; reasonable adjustments and the positive duty → capable staff retained, higher morale, lower turnover → reputation as a fair employer → easier to staff the business. See solutions. **Q16.** Propose one action (e.g. machine guarding plus documented training and supervision on every machine) + justify why it suits a workshop of that kind. See solutions. **Q17.** (a) The *Occupational Health and Safety Act 2004* (Vic). (b) e.g. failure to provide information, instruction, training and supervision, or safe systems of work for manual handling. (c) Causal chain: direct discrimination on age and sex → complaint to VEOHRC/AHRC or a general protections claim → compensation and legal costs → reputational damage → narrower applicant pool. See solutions. **Q18.** Discuss — advantages (clarifies duties, evidences compliance, reduces injuries and enforcement risk, discharges the training obligation) and disadvantages (cost and time, lost production, ineffective if not enforced, covers OH&S only); no judgement required. See solutions. **Q19.** Model response (10 marks) in solutions. **Q20.** Analyse (causal) — the positive duty requires reasonable and proportionate measures taken **in advance**, so what the Commission audited was **systems** (policies, a professional standards function, an anonymous reporting channel, accountable leaders), not responses to individual complaints → most priority recommendations only partly implemented → the duty is not yet discharged → continued external scrutiny, exposure to complaints and reputational and staffing effects. See solutions.

Fully-worked solutions

Q5. (a) One obligation is to provide the **information, instruction, training and supervision** employees need to work safely — for Sablecrest Aged Care this would include training in **safe manual handling** when assisting residents to move, and in managing **occupational violence and aggression**. (b) Trained carers are **far less likely to be injured** — back and shoulder injuries from lifting are among the most common in aged care — so Sablecrest loses **less time to injury and claims**, faces **lower WorkCover premiums** and avoids **WorkSafe enforcement action**. Carers who feel safe are also **more likely to stay**, reducing the cost of recruiting replacements in a sector where skilled staff are hard to find.

Q6. *(Two ways, each explained.)* **First, the business can build its selection criteria around the genuine requirements of the job.** Advertisements, shortlisting and interviews should assess applicants against the **skills, qualifications, licences and experience the role actually needs**, never against personal characteristics such as age, sex, race or family responsibilities. This ensures the best applicant is chosen on **merit**. **Second, the business can train the people who conduct interviews.** Managers should know which questions are **unlawful or risky** — an applicant's age, religion, marital status, health or plans to have children — and should ask instead about their **ability**

to perform the genuine requirements of the role, offering **reasonable adjustments** where an applicant has a disability.

Q7. Under the ***Occupational Health and Safety Act 2004*** **(Vic)**, an employer's primary duty is to **provide and maintain, so far as is reasonably practicable, a working environment that is safe and without risks to health**. This covers **safe plant and systems of work**, the safe handling of substances, adequate **welfare facilities**, and the **information, instruction, training and supervision** employees need — and "health" includes **psychological** as well as physical health.

Q8. The phrase **"so far as is reasonably practicable"** means an employer's safety duty is **demanding but not absolute** — the business need not remove every conceivable risk at any cost, but it must do everything reasonable in the circumstances. What is reasonably practicable is decided by **weighing several factors**: the **likelihood** the hazard will cause harm, the **severity** of that harm, what the employer **knows or ought reasonably to know** about the hazard and its controls, the **availability and suitability** of those controls, and only after all of these, the **cost**. Because cost is weighed last, an employer **cannot rely on expense alone** to justify leaving a serious risk uncontrolled.

Q9. *(Any two obligations, each named and described.)* One obligation is to **select and treat employees on merit, using the genuine requirements of the job**: a business must not refuse to hire, promote, pay or train a person **because of a protected attribute** such as age, sex, race, disability, pregnancy or carer responsibilities. A second is to **make reasonable adjustments for employees and applicants with a disability** — modifying a workstation, adjusting hours or providing assistive technology — so the person can perform the genuine requirements of the job, unless that would impose unjustifiable hardship. *(Full marks: two correct obligations, each accurately described.)*

Q10. *(Distinguish — both terms must be addressed.)* **Direct discrimination** occurs when a person is treated **less favourably than another would be, because of a protected attribute** such as age, sex, race, disability or pregnancy; it is usually **obvious on its face**, as with refusing to interview an applicant because she is pregnant. **Indirect discrimination** occurs when a business imposes a **requirement, condition or practice that applies to everyone and appears neutral**, but that **disadvantages people with a protected attribute** and is **not reasonable** — for example requiring all employees in a clerical role to lift 25 kg. The difference is **how the unfairness arises**: direct discrimination targets the attribute openly, whereas indirect discrimination results from an even-handed rule whose **effect** falls unfairly on a group. Both are **unlawful** under EEO legislation.

Q11. Occupational health and safety is a **shared responsibility**, and the *Occupational Health and Safety Act 2004* (Vic) places duties on **employees** as well as employers. An employee must **take reasonable care for their own health and safety** and for **that of others** who may be affected by what they do or fail to do — for example by following safe work procedures and wearing the protective equipment provided. Employees must also **cooperate with anything the employer does to comply with the Act**, such as attending safety training and reporting hazards, and must **not intentionally or recklessly interfere with or misuse** anything provided in the interests of safety, such as a machine guard. These duties are **narrower than the employer's**, but an employee who ignores safety rules is also breaching the law.

Q12. The **positive duty** is the obligation on an employer to take **reasonable and proportionate measures to eliminate discrimination, sexual harassment and victimisation as far as possible**, imposed by the *Equal Opportunity Act 2010* (Vic) and, for sex-based conduct, the *Sex Discrimination Act 1984* (Cth). It makes the obligation **proactive rather than reactive**: the business cannot wait for a complaint and then deal with it, but must act in advance to **prevent** unlawful conduct. In practice this means **clear policies**, **training for staff and managers**, **accessible reporting channels** and **accountable leaders**, proportionate to the business's **size and the nature of its work**.

Q13. *(Compare — a similarity and a difference are both required.)* **A similarity** is that OH&S and EEO obligations are both **legal obligations owed by an employer to the people it staffs its business with**: neither is optional, neither can be contracted out of, both are **enforced by external regulators**, and a breach of either exposes the business to **orders, penalties, compensation and reputational damage**. **A difference** lies in **what each protects and which law imposes it**. **OH&S obligations** protect employees from **physical and psychological harm at work** and require a safe working environment so far as is reasonably practicable; in Victoria they come from the ***Occupational Health and Safety Act 2004*** **(Vic)**, enforced by **WorkSafe Victoria**. **EEO obligations** protect employees and applicants from **unfair discrimination, harassment and victimisation** and require decisions on **merit**; they come from **state and federal legislation** such as the *Equal Opportunity Act 2010* (Vic), administered through **VEOHRC, the AHRC and**

the Fair Work Commission. Both are compulsory duties to staff, but one guards their **safety** and the other their **fair treatment**.

Q14. *(One consequence explained with a causal link.)* One consequence of breaching OH&S obligations is **enforcement action by WorkSafe Victoria**. Because the *Occupational Health and Safety Act 2004* (Vic) is legally binding, an inspector who finds a contravention — unguarded machinery, or untrained workers handling chemicals — can issue an **improvement notice** requiring the problem to be fixed, or a **prohibition notice** that **stops the activity immediately**. A prohibition notice can **halt production**, costing output and revenue while the business makes changes, and serious breaches can be **prosecuted**, resulting in **substantial fines** and, where negligent conduct causes a death, the **workplace manslaughter** offence. *(Alternatively: an injury leading to a WorkCover claim.)*

Q15. *(Analyse — show the causal relationships.)* Meeting its **EEO obligations** affects a business's staffing through a chain of consequences. Because the business must **advertise and select on merit against the genuine requirements of the job**, it does not screen out applicants on grounds such as age, sex, race, disability or carer responsibilities, so it draws from the **widest possible pool of applicants**. A larger pool raises the probability of finding the **skills the business actually needs**, producing a **better match between staff and roles** and a **more diverse workforce** whose range of backgrounds and perspectives improves problem-solving and helps the business connect with a diverse customer base. The duty to make **reasonable adjustments** works the same way: an adjusted workstation or modified hours **retains capable employees the business would otherwise lose**, so hard-won experience stays in the business instead of having to be recruited again. Once employed, staff who are treated fairly and work free of discrimination report **higher morale and job satisfaction**, so **turnover and absenteeism fall** and the cost of replacing people falls with them, while a reputation as a **fair employer** makes future recruitment easier and cheaper. The **positive duty** strengthens the chain again, because the policies, training and reporting channels it requires **prevent** the harassment and discrimination that would otherwise drive good staff out and consume management time in complaints. ∴ compliance with EEO obligations does more than avoid legal risk: it causally improves the **quality, diversity, stability and availability** of the staff a business can draw on. *(Full marks: a genuine multi-step causal chain, not a list of the benefits of EEO compliance.)*

Q16. *(Propose and justify — argue why the action suits the situation.)* One action **Kettlebrook Joinery** could take is to **fit and maintain guards on every saw, router and sander, and require every employee to complete documented training and supervised sign-off on a machine before using it**. This combines an **engineering control** — the guard, which removes contact with the blade at its source — with the employer's duty to provide **information, instruction, training and supervision**. It is **well-suited to Kettlebrook** because the workshop's dominant hazards are **fast-moving cutting tools and dust**, where an injury is **severe and often permanent**; that severity means guarding and training would clearly be judged **reasonably practicable** even for a small business, since guards are cheap and readily available. The benefits are direct: **fewer and less serious injuries**, so **lower WorkCover premiums**; a training record that **evidences compliance** if WorkSafe inspects; and joiners who feel safer and are therefore **more productive and likely to stay**. ∴ guarding backed by documented training is an effective and proportionate way for Kettlebrook to discharge its safety duty.

Q17. (a) The ***Occupational Health and Safety Act 2004* (Vic)**. (b) Maravale Produce is failing its obligation to provide the **information, instruction, training and supervision** employees need to work safely, and with it **safe systems of work**. Packers are lifting crates of up to 20 kg and operating a conveyor and mechanical grader with **no formal training and no written safe work procedures**, so they have not been shown correct **manual-handling technique** or safe operation of the machinery. The risk is heightened because **many packers speak English as a second language**, so Hanne's assumption that "the job is obvious" cannot be relied on — the Act requires instruction employees can actually **understand**. Without it, they face a real risk of **back and shoulder injuries and machinery incidents**. (c) *(Analyse — the causal effect on the business.)* Hanne's instruction to "stop hiring women over 50" is **direct discrimination** on the basis of **both sex and age**, protected attributes under the *Equal Opportunity Act 2010* (Vic) and the Commonwealth *Sex Discrimination Act 1984* and *Age Discrimination Act 2004*; refusing to employ someone for that reason is also **adverse action** under the general protections in the *Fair Work Act 2009*. The consequences flow through Maravale in a chain. First, a rejected applicant could **complain to VEOHRC or the AHRC, or lodge a general protections claim** with the Fair Work Commission, and Maravale could be **ordered to pay compensation** for lost earnings and hurt, plus its own **legal costs and management time**. Second, the instruction **narrows Maravale's applicant pool** at the very moment a new business needs staff, excluding experienced workers on an untested assumption rather than the **genuine requirements of the job**, so it is likely to end up **short-staffed or with a poorer skills match**, slowing the line. Third, word of it would **damage Maravale's reputation** in a regional labour market where workers talk to one another. ∴ the instruction exposes Maravale Produce to legal liability while worsening the staffing shortage it is trying to solve. *(Full marks: a genuine causal chain applied to Maravale, not merely naming it.)*

Q18. *(Discuss — advantages and disadvantages; no judgement required; avoid double-dipping.)* Introducing a **written OH&S policy** and a **compulsory safety training program** has clear **advantages** as a way of meeting a business's legal obligations for staffing. It converts the general duty to provide a safe workplace into **specific, written procedures** that employees and supervisors can follow, so hazards are managed consistently rather than left to individual judgement. It directly discharges the employer's duty to provide **information, instruction, training and supervision**, and creates a **documented record** the business can produce to WorkSafe Victoria as evidence of compliance. Because trained employees make fewer mistakes, the business should experience **fewer injuries, less lost time and lower WorkCover premiums**, and staff who see safety taken seriously report **higher morale and trust**. However, there are **disadvantages**. Preparing a policy and running training **costs money and management time**, and training hours are hours **not spent producing** — a significant impost on a newly established business. A policy can also become a **paper exercise**: written once and never enforced or explained in a way employees understand, it will **not change behaviour** and offers little legal protection, because the law asks what the employer *did*, not what it *wrote*. Finally, it addresses **OH&S only**, so the business would still need separate measures to discharge its **EEO obligations**.

Q19. *Model response (10 marks).* A business that employs people takes on **legal obligations for staffing** — binding duties imposed by legislation that apply regardless of what the owner or the employees would prefer. Two of the most significant are **occupational health and safety (OH&S)** and **equal employment opportunity (EEO)**.

OH&S obligations arise in Victoria under the ***Occupational Health and Safety Act 2004*** **(Vic)** and its regulations, enforced by **WorkSafe Victoria**. The employer's primary duty is to **provide and maintain, so far as is reasonably practicable, a working environment that is safe and without risks to health**, requiring **safe plant and systems of work**, the safe handling and storage of substances, adequate **welfare facilities**, and the **information, instruction, training and supervision** employees need — with "health" extending to **psychological** health, so hazards such as bullying and unmanageable workloads must also be controlled. The employer must **consult employees** on safety matters, and employees in turn must take **reasonable care** for themselves and others. **EEO** obligations arise under the ***Equal Opportunity Act 2010*** **(Vic)** and Commonwealth legislation including the *Racial Discrimination Act 1975*, *Sex Discrimination Act 1984*, *Disability Discrimination Act 1992*, *Age Discrimination Act 2004* and the general protections in the *Fair Work Act 2009*. They make it unlawful to treat a person unfavourably because of a **protected attribute**, whether **directly** or **indirectly**, require decisions on **merit against the genuine requirements of the job**, require **reasonable adjustments** for people with a disability, and impose a **positive duty** to take reasonable and proportionate measures to eliminate discrimination, sexual harassment and victimisation.

These obligations affect the business through clear **causal chains**. On the **cost side**, compliance requires spending on safe equipment, training, policies, insurance and management time, and it **constrains the owner's freedom** to hire, roster and organise work as they please. On the **benefit side**, a safe workplace produces **fewer injuries and less lost time**, lowering **WorkCover premiums**; merit-based hiring opens the **widest possible applicant pool**, improving the **skills match**; and both raise **morale, retention and reputation as an employer**. Breach runs the chain the other way: **prohibition notices, prosecution, compensation orders, higher premiums, lost production and reputational damage**, with the **workplace manslaughter** offence carrying imprisonment where negligence causes a death.

Whether **meeting the legal minimum is enough** can be argued both ways. There is a **case for it**: the minimum is by definition what the law demands, so a business that meets it is **lawful and not exposed to enforcement**; a start-up has **limited cash and time**, and spending beyond what is required may be unaffordable when survival is the priority; and the OH&S standard of **"reasonably practicable"** is already scaled to the size and risk of the business, so for a small operator the minimum may be close to best practice. **However**, treating the minimum as sufficient is risky. First, it is **not always clear in advance**: "reasonably practicable" is judged **after the event**, and the **positive duty** expects proactive prevention, so a business aiming only at the line may find it has fallen below it. Second, the minimum is a **floor, not a strategy**: it prevents harm but does little to build the **motivation, retention and reputation** a new business needs to compete for staff with larger rivals. Third, obligations are **not static** — laws and regulator expectations change — so a business fixed at yesterday's minimum drifts into non-compliance. **On balance**, meeting the legal minimum is **necessary but not sufficient**: it must be the non-negotiable starting point, because the penalties for falling below it could sink a new business, but a business is better served by treating compliance as a **baseline it**

comfortably exceeds where its own risks are greatest. ∴ OH&S and EEO obligations impose real duties and costs while also improving safety, staffing and reputation; the legal minimum must always be met, but the view that meeting it is "enough" is **only partly correct —** it is the foundation of good staffing, not the whole of it. *(Full marks require: accurate explanation of both OH&S and EEO obligations, naming the relevant legislation and regulators; genuine* ***analysis*** *through causal links; a two-sided weighing of whether the legal minimum is enough; and a clear, justified* ***evaluative judgement****.)*

Q20. *(Analyse — show the causal relationships.)* The **positive duty** obliges an employer to take **reasonable and proportionate measures to eliminate discrimination, sexual harassment and victimisation as far as possible**, which makes the obligation **proactive rather than reactive**. The Ambulance Victoria audit demonstrates this in the **way progress was measured**. Because the duty is about **prevention**, the Commission did not ask how well individual complaints had been handled after the event; it asked whether **systems** were in place beforehand — which is why the audit tracked recommendations covering **policies, training, reporting channels and accountable leaders**, and why it identified a **professional standards and behaviours function** and an **anonymous complaints service** as the most significant step taken. The **implementation pattern** then shows the consequences of a duty only partly discharged. With **5 of 25 priority recommendations fully implemented**, **18 partially implemented or commenced** and **2 not yet commenced**, the preventative structures the duty requires were **incomplete**, so the risk of the very conduct the review examined **remained live** — and unlawful conduct that is not prevented becomes complaints, which consume **management time and legal cost** and can end in **compensation orders**. The incompleteness also **prolongs external scrutiny**: because progress is **audited and published**, the employer's compliance is on the **public record**, which in turn affects its **reputation as an employer** and therefore its ability to **attract and retain** the staff it needs. The example also shows that the positive duty is **not satisfied by a single act of reform**, since implementation was assessed **years after** the recommendations were made. ∴ the audit illustrates the positive duty as a **continuing, provable obligation to prevent** — one whose partial discharge leaves an employer exposed legally, reputationally and in its staffing. *(Full marks: a genuine causal chain linking the proactive nature of the positive duty to the audit findings and their consequences, not merely a description of what the audit reported.)*

Chapter 16 Employment standards, obligations, induction and corporate social responsibility — 16D Employee induction

Theory

Choosing the right applicant is not the end of staffing a business. The person who accepts the job arrives knowing almost nothing about how the business actually works — where things are kept, who to ask, and which rules matter. **Employee induction** (also called **onboarding**) is the process of **introducing a newly appointed employee to the business, to their job and to the people they will work with**, so that they can settle in quickly and begin working **safely, confidently and productively**. It begins **on or shortly before the first day** and continues over the **first days and weeks**. Induction is the **bridge between selection and everyday employment**: selection ends when the business appoints the best applicant, and induction turns that appointment into a working member of staff.

Induction is **not** the same as **training**. **Induction orients** the employee to the *workplace* — the business, its people, its rules and the context of the role — and is given **once**, to everyone who joins. **Training develops the specific skills and knowledge** needed to perform the work to standard, and is **ongoing**. Induction answers *"where am I, who is who, and what are the rules here?"*; training answers *"how do I do this task well?"*

The purpose of employee induction. A business inducts new staff for several related reasons, which together aim to convert a new appointment into a **safe, informed, confident, productive and committed member of staff** in the shortest reasonable time.

- **To welcome the employee and reduce first-day anxiety.** A planned welcome — being expected, shown around and introduced by name — makes the new employee feel **comfortable, valued and part of the team**, rather than left to work it out alone.
- **To familiarise the employee with the business.** Induction explains the business's **objectives, values and culture**, its **structure** and who reports to whom, and its **products, services and customers**, so the employee understands **what the business is trying to achieve** and how their own work contributes.
- **To clarify the job and what is expected.** The employee is taken through the **duties and responsibilities** in their **job description**, the **standards of work and behaviour** expected, their **hours, rosters and breaks**, and **who supervises them** — preventing the mistakes that come from guessing.
- **To communicate policies, procedures and legal obligations.** Induction is when a business explains its **occupational health and safety (OH&S)** rules — hazards, safe work procedures, protective equipment and emergency evacuation — plus its **code of conduct**, **equal opportunity** policies and **grievance procedures**. This is partly **legal**: the *Occupational Health and Safety Act 2004* (Vic) requires employers to provide the **information and instruction** employees need to work safely.
- **To complete the administration of employment.** New employees typically **sign their contract of employment**, complete a **tax file number declaration** and a **superannuation standard choice form**, and are given the **Fair Work Information Statement** — which the *Fair Work Act 2009* (Cth) requires every new employee to receive before, or as soon as practicable after, they start work (casual employees also receive the **Casual Employment Information Statement**).
- **To bring the employee up to full productivity quickly.** An employee who knows the systems, people and standards **reaches competence sooner** and makes **fewer errors**.
- **To build commitment and retain the employee.** A new starter who feels well prepared and well treated is **more motivated and more likely to stay**; poorly inducted employees often resign within weeks, forcing the business to **re-recruit, re-select and re-induct** a replacement.

Common methods of employee induction. There is no single prescribed way to induct a new employee. Businesses choose from the following, usually using **several together**.

- **Orientation tour of the workplace.** A guided **walk through the premises** on the first day, showing where the employee will work, where equipment and amenities are, and where the **first-aid kit, fire extinguishers, exits and assembly point** are. It suits **every** business, however small.
- **Introductions to colleagues and management.** The new employee is **personally introduced** to the team, their supervisor and key contacts, building the support network they will rely on.

- **A formal induction session or presentation.** A **structured session** — run by the owner, manager or a human resources officer — covering the business's history, objectives, values, structure, policies and conditions of employment. It is **efficient when several people start at once** and ensures **everyone hears the same message**, but can be **impersonal**.
- **An induction manual, handbook or information pack.** A **written or digital reference** setting out policies, procedures, safe work instructions, conditions of employment and key contacts. It is **permanent and consistent** — the employee can **look things up later** — but cannot answer questions or check understanding.
- **A mentor or "buddy" system.** The new employee is **paired with an experienced colleague** who supports them through their first days or weeks, answering questions and showing them how things are done. It is **personal and reassuring**, but consumes the **experienced employee's time**.
- **Job shadowing / on-the-job orientation.** The new employee **works alongside and observes** an experienced employee doing the actual job. This suits **practical, safety-sensitive roles**.
- **Online induction (e-induction). Self-paced online modules** — often delivered through the business's **intranet** — covering safety, policies and business information, usually with a quiz and an automatic record of completion. It is **consistent**, **cost-effective for large numbers**, available **before the first day** and suited to **multi-site** businesses, but it is **impersonal** and cannot show the physical workplace.

Two tools support whichever methods are chosen. An **induction checklist** lists every item to be covered and is **signed off** as each is completed, so nothing — particularly safety information — is missed. **Follow-up meetings** let the supervisor **check how the employee is settling in**.

When induction is done poorly. Where induction is rushed, or skipped so the employee is "thrown in the deep end", the employee is **confused about their duties and the standards expected**, so they **work slowly, make mistakes** and **interrupt colleagues**. Not knowing the safety rules, they are **at greater risk of injury**, exposing the business to **WorkSafe Victoria enforcement, workers compensation claims and legal liability**, and they may give customers **wrong information**. Feeling unsupported, they are far more likely to **resign within weeks**, forcing the business to bear the cost of recruiting and inducting a replacement — the very expense the rushed induction was meant to save.

Key ideas to keep straight.

- **Induction is not training.** Induction **orients** a new employee to the business **once at the start**; training **develops job skills** throughout employment.
- **Induction is not selection.** Selection ends with the **appointment**; induction begins with the **arrival**. A question about choosing between applicants is a selection question.
- **"Purpose" and "methods" are different demands.** *Purpose* asks **why** a business inducts; *methods* asks **how** (tour, introductions, formal session, manual, buddy, shadowing, online).
- **Most businesses use a combination of methods**, chosen to suit the size of the business, the number of starters and the risks of the job — there is no single "correct" method.
- **Some induction content is legally required.** The *Fair Work Act 2009* (Cth) requires the **Fair Work Information Statement** to be given to every new employee, and the *Occupational Health and Safety Act 2004* (Vic) requires employers to provide the **information and instruction** employees need to work safely — even though "induction" itself is not a single legislated process.

Contemporary example — M.Z.K Constructions, November 2023

M.Z.K Constructions Pty Ltd is a Victorian building company. In 2022 it was carrying out construction work at a site in Hamlyn Heights, in Geelong.

In **November 2023** the **Geelong Magistrates' Court** convicted the company and fined it **$26,000**, with **$4,414** in costs, after it pleaded guilty to three charges of failing to ensure that a workplace under its management or control was safe and without risks to health, and one charge of failing to comply with a **prohibition notice**. **WorkSafe Victoria** inspectors had visited the site ten times between January and April 2022. On the first visit they found workers about **five metres** above the ground with no fall protection in place; those workers **had not been inducted**, and no **safe work method statement** had been prepared for the high-risk work. The court found it was **reasonably practicable** for the business to have provided **induction and/or site-specific training** to its workers, as well as preparing that statement and installing guard railing before work began.

This shows induction's purpose of **communicating policies, procedures and legal obligations** — in particular **OH&S** hazards and safe work procedures — operating as a **legal duty rather than a courtesy**. An employer must provide the **information and instruction** employees need to work safely, and here a court named **induction itself** as one of the steps the business could reasonably have taken and did not.

Source: WorkSafe Victoria, "Building company fined over multiple safety failures", 30 November 2023 — https://www.worksafe.vic.gov.au/news/2023-11/building-company-fined-over-multiple-safety-failures. Accurate as at July 2026.

Worked examples

Example 1 — scaffolded

Tallowwood Joinery is a small custom furniture workshop that has just appointed its first apprentice. The owner intends to "show him the bench and let him get started". Explain **two** purposes of employee induction that Tallowwood Joinery would fail to achieve by doing this.

Working	Comment
Employee induction introduces a new employee to the business, their job and their colleagues so they can begin work safely and productively.	Anchor the answer by defining the concept.
One purpose is to **communicate OH&S rules** — the hazards of the workshop, safe operation of the saws, protective equipment and emergency exits.	Identify the first purpose, applied to this workshop.
Sending the apprentice straight to the bench leaves him **unaware of these hazards**, risking **injury** and leaving the owner in breach of the duty to provide the information and instruction needed to work safely.	Explain the consequence of the purpose not being met.
A second purpose is to **clarify the job and the standards expected**. Without this the apprentice must **guess**, so he works slowly, produces work that must be **redone**, and repeatedly interrupts the owner.	Identify the second purpose and its consequence.
∴ by skipping induction, Tallowwood Joinery fails to make the apprentice **safe** and fails to make him **productive**.	State the conclusion.

Example 2 — scaffolded

Saltmarsh Seafoods is a fresh seafood retailer that has appointed one new casual shop assistant. The role involves filleting with sharp knives, handling chilled stock and following strict food-safety procedures. Propose **one** suitable induction method and justify your choice.

Working	Comment
A suitable method is a **mentor ("buddy") system**, pairing the new assistant with an experienced counter-hand for their first two weeks.	Name a specific method — don't just say "induct them".
The buddy **works alongside** the assistant, demonstrating safe knife handling, cold-chain rules and food-safety procedures, and answering questions as they arise.	Show how the method works in this business.
This suits Saltmarsh Seafoods because the work is **practical and safety-sensitive** — such skills are learnt far better by **watching and being corrected** than by reading a manual.	Justify the choice against the circumstances.
Because only **one** employee is starting, a formal group session would be wasteful, and the buddy gives the	Add supporting reasons.

Working	Comment
casual an **approachable contact** who makes them **less likely to leave**.	
∴ a buddy system is most appropriate because it delivers hands-on safety guidance and personal support to a single new starter.	State the conclusion.

Example 3 — unscaffolded

Distinguish between **employee induction** and **training**.

Employee induction is the process of **introducing a newly appointed employee to the business, to their job and to their colleagues**, so that they can settle in and begin working safely and productively. Its content is **orientating**: a workplace tour, introductions, the business's objectives, values and structure, the duties in the job description, and the policies, safety rules and paperwork that apply. It is delivered **once**, at the **start** of employment, to **every** new employee. **Training**, by contrast, is the process of **developing the specific skills, knowledge and abilities an employee needs to perform their work to the required standard**; its content is **task-focused** and it is **ongoing**. The key difference is one of **content and timing**: induction is a **one-off orientation to the workplace and its rules**, whereas training is the **continuing development of job skills**. ∴ induction settles a person **into** the business while training equips them to **do the work**.

Example 4 — unscaffolded

A business owner states, "New staff learn fastest by being thrown in the deep end — a formal induction just wastes time we don't have." Evaluate this statement.

The statement contains a **grain of truth but is largely wrong**. In its favour, induction has a **real cost**: it takes the owner or an experienced employee away from productive work, and an **overloaded** induction — hours of policy read out on day one — is genuinely inefficient, because a new employee cannot absorb it all. Some learning does happen fastest **by doing**, which is why **job shadowing and buddy systems** work well. **However**, the claim ignores the **larger costs of not inducting**. An employee thrown in the deep end does not know the **safety rules**, so is **more likely to be injured** — exposing the business to WorkSafe Victoria enforcement, compensation claims and legal liability. They do not know the **standards expected**, so they work slowly, make mistakes and **interrupt colleagues**, meaning the "saved" time is simply **paid for by everyone else**, and an employee who feels unsupported is far more likely to **resign within weeks**. The statement also presents a **false choice**: induction need not be a long seminar, since a small business can meet its purposes with a **tour, introductions, a short handbook and a buddy**. ∴ the statement should be **rejected**: time spent on a well-designed induction is **recovered many times over** through safer, faster and more loyal staff, and "the deep end" is not a method but the absence of one.

Practice questions

Scaffolded

Q1. Define the term *employee induction*.

Q2. List **four** common methods of employee induction.

Q3. For each of the following, name the induction method being described: (a) a new employee is paired with an experienced colleague who guides them through their first weeks; (b) a written or digital handbook setting out the business's policies, procedures and key contacts; (c) a guided walk through the premises showing equipment, amenities and emergency exits.

Q4. Explain **two** purposes of employee induction.

Q5. Ambercroft Aged Care is a residential aged-care home that has appointed a new personal care assistant. (a) Identify **one** common method of induction Ambercroft Aged Care could use. (b) Explain how this method would help the new employee.

Q6. Explain the difference between **induction** and **training**.

Unscaffolded

Q7. Outline the purpose of **employee induction**. *(2 marks)*

Q8. Describe **two** common methods of employee induction. *(4 marks)*

Q9. Distinguish between **employee induction** and **training**. *(4 marks)*

Q10. Explain how an effective induction can improve a business's **staff retention**. *(3 marks)*

Q11. Compare a **mentor ("buddy") system** and an **induction manual** as methods of inducting new employees. *(4 marks)*

Q12. Explain why the induction of a new employee includes information about **occupational health and safety**. *(3 marks)*

Q13. Analyse how a **poorly conducted induction** could affect a business's ability to achieve its objectives. *(6 marks)*

Q14. Discuss the use of **online induction** as a method of inducting new employees. *(6 marks)*

Q15. Windlass Removals is a furniture removals business that takes on six casual truck crew each December to cope with the moving season. Propose and justify **one** induction method the business should use. *(4 marks)*

Q16. *Case study.* **Hollowpine Holiday Park** is a regional holiday park that employs about fifteen seasonal staff each summer across reception, housekeeping, the kiosk and grounds maintenance. New staff currently receive a five-minute chat from the manager before starting their first shift. This season, guests have complained about being given **wrong information about bookings and park rules**, a housekeeper **mixed two cleaning chemicals** because she had not been shown the safe procedure, and four of the fifteen new staff **resigned within a fortnight**. (a) Identify **one** common method of induction Hollowpine Holiday Park could use. *(1 mark)* (b) Explain **one** purpose of employee induction that Hollowpine Holiday Park is currently failing to achieve. *(3 marks)* (c) Analyse how introducing a structured induction program could affect Hollowpine Holiday Park's staffing and its ability to achieve its objectives. *(4 marks)*

Q17. "Employee induction matters far more in a large business than in a small one." Evaluate this statement. *(6 marks)*

Q18. To save time during a busy period, a business decides to skip induction and put its new employees straight onto the job. Explain **one** implication of this decision, and recommend a **better** approach. *(4 marks)*

Q19. *Extended response.* A business that has selected the right person still has to make that person effective. Analyse the **purpose** of employee induction and the **common methods** a business can use to carry it out, and evaluate the view that **the time and money a business spends inducting new employees is one of the best investments it can make**. *(10 marks)*

Q20. *Contemporary example.* In November 2023 the **Geelong Magistrates' Court** convicted and fined **M.Z.K Constructions** $26,000 over safety failures at a Geelong building site where workers had not been inducted. The court found that providing **induction and/or site-specific training** to workers was a step it was **reasonably practicable** for the business to have taken. Analyse how this case demonstrates the **purpose of employee induction**, and the consequences for a business of failing to achieve that purpose. *(6 marks)*

Answers

Q1. The process of introducing a newly appointed employee to the business, their job and their colleagues, so they settle in and can begin working safely, confidently and productively. **Q2.** Any four of: orientation tour; introductions; a formal induction session; an induction manual/handbook; a mentor ("buddy") system; job shadowing; online induction. **Q3.** (a) mentor ("buddy") system; (b) induction manual/handbook; (c) orientation tour. **Q4.** Any two of: to welcome the employee; to familiarise them with the business; to clarify the job and the standards expected; to communicate policies, OH&S rules and legal obligations; to complete employment administration; to reach full productivity quickly; to build commitment. See solutions. **Q5.** (a) e.g. an orientation tour, a buddy system, an induction handbook or job shadowing. (b) It helps the new assistant learn the home's layout, residents, safety and care procedures and the people to ask, so she works safely and confidently sooner. See solutions. **Q6.** Induction = a one-off orientation to the business, its people and its rules at the start of employment; training = the ongoing development of the job skills needed to work to standard. See solutions. **Q7.** To introduce a new employee to the business, their role and their colleagues so they settle in quickly and become safe, informed and productive. See solutions. **Q8.** Model response in solutions (name + describe two methods). **Q9.** Distinguish — induction orients a new starter to the workplace, once, at the start; training builds job-specific skills and is ongoing. See solutions. **Q10.** Well-inducted staff feel welcomed, informed and supported → higher confidence and morale → fewer early resignations → lower turnover. See solutions. **Q11.** Compare — similarity: both pass on the business's procedures to a new starter; difference: a buddy gives personal, two-way guidance, a manual a permanent written reference. See solutions. **Q12.** Because the employer must provide the information and instruction needed to work safely (*Occupational Health and Safety Act 2004* (Vic)), and a new starter who does not know the hazards is at greatest risk of injury. See solutions. **Q13.** Analyse (causal) — poor induction → confusion, errors, safety incidents and early resignations → lost productivity, higher costs and damaged reputation → objectives undermined. See solutions. **Q14.** Discuss — advantages (consistent message, cost-effective for many or multi-site starters, completable before day one, completion records) and disadvantages (impersonal, cannot show the workplace or answer questions, needs technology). See solutions. **Q15.** Propose **one** method (e.g. a formal induction session run at the depot on the first morning) + justify (six casuals start at once, safety-critical manual handling, short season). See solutions. **Q16.** (a) e.g. an orientation tour, a formal induction session, an induction handbook or a buddy system. (b) e.g. communicating OH&S rules (the chemical incident), clarifying the information staff must give guests, or building commitment so staff stay. (c) Causal chain: structured induction → safer, better-informed staff → fewer incidents, accurate guest information, lower turnover. See solutions. **Q17.** Evaluate — large businesses need formal, consistent induction at scale, but small businesses depend even more on each employee; judge that the **scale and method** differ, not the importance. **Q18.** Implication: new staff who do not know the safety rules or the standards expected work slowly, make mistakes, risk injury and often resign, so the "saved" time costs far more; better approach = a short, planned induction over the first days. See solutions. **Q19.** Model response in solutions. **Q20.** Analyse (causal) — induction's purpose of communicating policies, OH&S rules and legal obligations; workers not inducted → unaware of the fall risk and the safe procedures → exposed to serious injury; the duty to provide information and instruction is legal, so the omission → WorkSafe Victoria enforcement, a prohibition notice halting work, conviction, a $26,000 fine and costs → financial and reputational damage. See solutions.

Fully-worked solutions

Q4. *(Any two purposes, each explained.)* One purpose of **employee induction** is to **clarify the job and the standards expected**. The new employee is taken through the duties in their **job description**, the quality and behaviour expected, their hours and who supervises them, so they do not have to **guess** what their role involves. A second purpose is to **communicate the business's policies and legal obligations** — particularly its **OH&S** rules (hazards, safe work procedures, protective equipment and emergency evacuation) and its code of conduct. Meeting this purpose keeps the employee **safe** and helps the employer satisfy its duty to provide information and instruction.

Q5. (a) Any **one** of: an **orientation tour** of the home; **introductions** to residents, nursing staff and the supervisor; an **induction handbook**; a **mentor ("buddy") system**; **job shadowing**; or an **online induction module**. (b) *(Using a buddy system.)* Pairing the new assistant with an **experienced carer** for her first shifts would let her **observe and be guided through** the home's care routines, residents' needs, manual handling and infection control procedures. Because she has an **approachable person to ask**, she becomes **competent sooner** and is **less likely to make errors**.

Q6. Induction is the process of **introducing a newly appointed employee to the business, their job and their colleagues** so that they can settle in and start work safely and productively. It is delivered **once, at the beginning** of employment and covers **orientating** matters — the workplace layout, the people, the business's objectives, the duties in the job description, and the policies, safety rules and paperwork that apply. **Training** is the process of **developing the specific skills and knowledge needed to perform the work to standard**; it is **task-focused** and **ongoing**. In short, induction settles a person **into** the business, while training equips them to **do** the job.

Q7. The purpose of **employee induction** is to **introduce a newly appointed employee to the business, their job and the people they will work with**, so that they settle in quickly and can begin working **safely, confidently and productively**. It does this by welcoming the employee, familiarising them with the business's objectives, structure and rules, clarifying what is expected of them, and completing the necessary employment paperwork.

Q8. *(Any two methods, each named and described — one mark for naming, one for describing each.)* One method is a **mentor ("buddy") system**, in which the new employee is **paired with an experienced colleague** for their first days or weeks; the buddy shows them how tasks are done, answers questions and introduces them to other staff, giving a **personal and approachable point of contact**. A second method is an **induction manual (handbook) —** a **written or digital document** setting out the business's **policies, procedures, safe work instructions and key contacts** for the employee to keep.

Q9. *(Distinguish — both terms must be addressed.)* **Employee induction** is the process of **introducing a newly appointed employee to the business, their job and their colleagues** so that they can settle in and begin working safely and productively. Its content is **orientating** — a workplace tour, introductions, the business's objectives, values and structure, the duties in the job description, and the policies, safety rules and paperwork that apply — and it is delivered **once, at the very start** of employment, to **every** new employee whatever their role. **Training** is the process of **developing the specific skills, knowledge and abilities an employee needs to perform their work to the required standard**; its content is **task-focused** and it is **ongoing**. The two differ in **content, timing and frequency**: induction is a **one-off orientation to the workplace and its rules**, whereas training is the **continuing development of job skills** — which is why an employee is inducted once but may be trained many times.

Q10. An effective induction improves **staff retention** through a clear causal link. When a new employee is **welcomed, shown around, introduced to colleagues and told clearly what is expected**, they feel **valued, supported and confident** rather than lost and anxious. Because they understand their duties and can find help easily, they **experience early success** instead of repeated mistakes and frustration, which builds **job satisfaction and commitment**. Such employees are **far less likely to resign in their first weeks**, so the business keeps the people it worked to select and **avoids the cost and delay of replacing them**.

Q11. *(Compare — a similarity and a difference are both required.)* **A similarity** is that a **mentor ("buddy") system** and an **induction manual** are both **methods of inducting new employees**: each passes on the business's procedures and expectations so that a new starter can work safely and correctly. **A difference** lies in **how the information is delivered and what it costs**. A **buddy system** delivers it **personally and verbally** through an experienced colleague working alongside the new employee, so it is **two-way** — the buddy can answer questions, demonstrate tasks and check understanding — but it **consumes that employee's productive time**. An **induction manual** delivers it in a **written, one-way** form that is **identical for everyone** and **permanent**, so it can be consulted later, but it **cannot answer questions or check understanding**. The buddy provides **personal, interactive guidance**; the manual, a **consistent, lasting written reference**.

Q12. Induction includes **occupational health and safety** information because a **new employee is the person most at risk in a workplace**: they do not yet know the hazards, the safe way to perform tasks, where the protective equipment is, how to report an incident, or what to do in an emergency. Covering these matters at induction warns the employee **before** they are exposed to the risk, rather than letting them learn by having an accident. It is also a **legal** requirement in substance: under the *Occupational Health and Safety Act 2004* (Vic) an employer must, so far as is reasonably practicable, provide employees with the **information, instruction, training and supervision** necessary to perform their work safely. This protects the employee from injury and the business from **WorkSafe Victoria enforcement and compensation claims**.

Q13. *(Analyse — show the causal relationships, not a list of problems.)* A **poorly conducted induction** damages a business's ability to achieve its objectives through a **chain of effects**. Because the new employee has not been told the **duties and standards expected**, they **work slowly and make mistakes** that must be corrected, and **repeatedly**

interrupt colleagues, so **overall productivity falls** and the objective of **operating efficiently** is undermined. Because they have not been taken through the **safety rules**, they are **more likely to be injured or to create a hazard**, bringing **WorkSafe Victoria enforcement, compensation costs and lost working time**. Because they do not understand the business's products or procedures, they may give customers **wrong information**, weakening **customer satisfaction, reputation** and therefore **sales and profit**. Finally, feeling **unsupported and undervalued**, the employee is far more likely to **resign within weeks**, so the business must **recruit, select and induct a replacement**, losing the benefit of its selection decision. ∴ a poor induction sets off a causal chain — confusion and risk leading to lost productivity, higher costs and higher turnover — that works directly against objectives such as profitability, efficiency, customer satisfaction and retaining quality staff.

Q14. *(Discuss — advantages and disadvantages; no judgement required; avoid double-dipping.)* **Online induction (e-induction)** delivers induction content as **self-paced modules** through the business's intranet, usually with a quiz and an automatic record of completion. Its **advantages** are considerable. Every employee receives **exactly the same, accurate information**, so nothing is forgotten or explained differently by different supervisors, and content can be **updated centrally**. It is **cost-effective when many employees are inducted**, or when staff are spread over **several sites**, because no manager's time is consumed repeating the session. Employees can complete modules **before their first day**, and the **completion records** give the business evidence — valuable for safety content — that each employee was informed. However, it also has **disadvantages**. It is **impersonal**: it cannot welcome someone or build the relationships that help a new starter settle. It **cannot show the employee the physical workplace** — where the machinery, chemicals and exits actually are — which matters most in hands-on roles. It **cannot answer questions** or judge whether real understanding has occurred, and it depends on **reliable technology** and maintained content.

Q15. *(Propose and justify — do more than name the method; show what it would involve, then argue why it suits these circumstances.)* One suitable method for **Windlass Removals** is a **formal induction session run at the depot on the first morning of the season**. The session would take the six new casuals through the business and its customers, the depot and the trucks, the **safe manual-handling and lifting procedures** they must follow and what to do if someone is injured, with the correct technique **demonstrated on the equipment they will actually use**. This method **suits Windlass Removals' situation**. Because **six people start at once**, one session is far more **efficient** than briefing each casual separately and guarantees that **every crew member hears the same safety message**. Because the work is **physical and safety-critical** — poor lifting technique causes back injuries — that message must reach the employee **before** the first job rather than being picked up on the run, and holding the session **on site** lets the business **show** the hazards rather than merely describe them. And because the crew are **casual and the season is short**, an hour or two is **proportionate**: it delivers what the employees must know without consuming days of a December the business cannot spare. ∴ a first-morning on-site induction session is the method that best fits six safety-critical, short-term starters. *(A mentor ("buddy") system pairing each casual with an experienced crew leader is equally acceptable if justified by the hands-on nature of the work.)*

Q16. (a) Any **one** of: an **orientation tour** of the park; **introductions** to the team and supervisors; a **formal induction session** for the seasonal intake; an **induction handbook**; a **mentor ("buddy") system**; **job shadowing**; or an **online induction module**. (b) *(One purpose, explained and applied.)* One purpose Hollowpine is failing to achieve is **communicating its policies and OH&S rules**. A proper induction would take each new staff member through the park's **hazards and safe work procedures** — including how cleaning chemicals must be stored, used and never mixed — as well as protective equipment and emergency arrangements. A **five-minute chat** cannot do this, which is why the housekeeper **mixed two chemicals**. Failing this purpose leaves staff **at risk of injury** and Hollowpine exposed to **WorkSafe Victoria enforcement and compensation claims**. *(Alternatively: clarifying the information staff must give guests.)* (c) *(Analyse — the causal effect on staffing and objectives.)* Introducing a **structured induction program** — a group session, an orientation tour, a short handbook and a buddy for each new starter — would work through Hollowpine in a **chain of effects**. First, staff would arrive **knowing the safety procedures**, so incidents like the chemical mixing would be **far less likely**, reducing the risk of injury, WorkSafe enforcement and compensation costs. Second, they would **understand bookings, park rules and the information guests need**, so the **wrong information given to guests would fall away**, improving **guest satisfaction** and protecting the park's **reputation** — which matters greatly for a regional park depending on repeat visits in a short season. Third, staff who feel **welcomed, prepared and supported** are far **less likely to resign within a fortnight**, so Hollowpine would **retain more of its fifteen seasonal staff**, avoiding the disruption of re-recruiting mid-season. ∴ a structured induction would give Hollowpine a safer, better-informed and more stable seasonal workforce, supporting its objectives of satisfying guests, protecting its reputation and trading profitably. *(Full marks: a genuine causal chain applied to Hollowpine, not merely naming the business.)*

Q17. *(Evaluate — weigh both sides and reach a justified judgement.)* The statement that induction **matters far more in a large business than in a small one** is **only partly correct**. There is a case for it: a large business inducts **many employees, often across several sites**, and cannot rely on the owner explaining things to each one, so it needs **formal, documented and consistent** induction — group sessions, handbooks and online modules — so everyone receives the same accurate information. Its **structure is also more complex**, and it faces **greater legal and reputational exposure** if a poorly informed employee is injured. **However**, the statement badly understates induction's importance in a **small** business, which employs **few people, so each one matters more**: one confused, unsafe or unproductive employee represents a far larger share of its workforce and output, and one early resignation costs a proportionately greater share of its limited time and cash. Small businesses have **no spare staff to absorb mistakes**, the owner is usually the only person able to answer questions, and they are **equally bound** by the duty to provide the information and instruction employees need to work safely. What genuinely differs is not the **importance** of induction but its **scale and method**. ∴ the statement should be **rejected as it stands**; induction is **important in businesses of every size**, and the **methods** should be scaled to the business — formal programs for a large one, a tour, introductions, a handbook and a buddy for a small.

Q18. *(Explain an implication, then recommend a better approach.)* One **implication** of skipping induction and putting new employees straight onto the job is that the business will **lose more time and money than it saves**. Employees who have not been told the **safety rules or the standards expected** work slowly, **make mistakes** and **interrupt experienced staff**, so the productivity "saved" is simply **paid for by everyone else**; worse, an employee who does not know the hazards is **more likely to be injured**, exposing the business to **WorkSafe Victoria enforcement, compensation costs and legal liability**, and one who feels unsupported is likely to **resign within weeks**. A **better approach** is a **short but properly planned induction staged over the first days**: a first-morning **orientation tour and safety briefing**, an **introduction to the team**, a **brief handbook**, and a **buddy** to work alongside, with remaining policy detail covered in a **follow-up meeting** once the rush has eased — meeting induction's purposes in a fraction of the time.

Q19. *Model response (10 marks).* **Employee induction** is the process of **introducing a newly appointed employee to the business, to their job and to the people they will work with**, so that they can settle in and begin working safely, confidently and productively. It sits between **selection** — which ends when the best applicant is appointed — and ordinary working life, and is distinct from **training**, which develops job-specific skills throughout employment.

Induction serves several linked **purposes**. It **welcomes** the employee and reduces first-day anxiety, and **familiarises** them with the business — its objectives, values, structure and customers — so they see how their work contributes. It **clarifies the job**, covering the duties in their **job description**, the standards expected and who supervises them, preventing the errors that come from guessing. It **communicates policies and legal obligations**, especially **OH&S** hazards, safe procedures and emergency arrangements — a partly legal purpose, since the *Occupational Health and Safety Act 2004* (Vic) requires an employer to provide the **information and instruction** employees need to work safely, and the *Fair Work Act 2009* (Cth) requires every new employee to receive the **Fair Work Information Statement**. It also **completes the administration** of employment. Through these, induction makes the employee **productive sooner** and **more likely to stay**.

The **common methods** used include an **orientation tour** of the workplace; **introductions** to colleagues and management; a **formal induction session**, efficient when several start together; an **induction manual**, a permanent written reference; a **mentor ("buddy") system**, in which an experienced colleague guides the newcomer personally; **job shadowing**, where the employee observes the real job; and **online induction**, self-paced modules that are consistent and scalable across sites, supported by **checklists** and **follow-up meetings**. Because each method covers what the others cannot, most businesses **combine several**, choosing the mix according to their **size**, the **number of starters**, the **risk of the job** and the **resources** available.

The view that induction is **one of the best investments a business can make** is **strongly, though not unconditionally, supported**. In its favour, its costs are **modest and one-off** while its returns compound: a well-inducted employee reaches **full productivity sooner**, makes **fewer errors**, is **less likely to be injured** (sparing the business WorkSafe enforcement, compensation costs and lost time), and is **far less likely to resign in the first weeks** — which alone can save the entire cost of repeating recruitment and selection. Induction also **protects the value of the selection decision**, since a business that spent time choosing the best applicant wastes that investment if the person is left to flounder. **However**, a **badly designed** induction consumes resources without delivering the benefits, so it is the **quality and fit** of the induction that produces the return; and induction is **not sufficient on its own**, since it cannot compensate for poor selection, inadequate training, unfair pay or weak management. ∴ because the cost of inducting is small and predictable while the costs it prevents are large and unpredictable, the evidence supports the view: induction is among the most cost-effective investments in staffing a business can make, provided it is designed to suit the job and the person and treated as the **start** of a well-managed employment relationship. *(Full marks require: an accurate definition of induction and its purposes; a range of common methods correctly described; genuine **analysis** linking purposes and methods to business outcomes (causal chains, not lists); and a sustained, two-sided **evaluation** of the "best investment" view reaching a justified judgement.)*

Q20. *(Analyse — build causal chains from the missing induction to its consequences; do not simply retell the case.)* The **M.Z.K Constructions** case demonstrates induction's purpose of **communicating policies, procedures and legal obligations**, and shows what follows when that purpose is not met. Induction is the point at which a business tells a worker arriving at a workplace what its **hazards** are, what its **safe work procedures** require, what protective equipment must be worn and what to do in an emergency. Because the workers at the Hamlyn Heights site **had not been inducted**, they had not been told how the risk of falling from the second storey was to be controlled, and so worked about **five metres** above the ground with no fall protection — a chain running directly from the absent induction to a **serious risk of injury**. The failure was also **legal**: an employer must, so far as is **reasonably practicable**, provide the **information and instruction** employees need to work safely, and the court identified induction as precisely such a step. That omission therefore produced **WorkSafe Victoria enforcement**, a **conviction** and **$26,000** in fines plus costs — a direct cost against **profit**, alongside the reputational damage of a publicised prosecution. Enforcement also interrupted the work itself, since a **prohibition notice** prevented work on the second storey until compliant protection was in place, so the business lost **working time** as well as money. ∴ the case shows that induction is **not a courtesy** a business may skip when it is busy but the means by which it discharges a **legal duty**, and that failing induction's safety purpose sets off a causal chain — risk of injury, enforcement, financial penalty and disrupted work — that damages the very objectives the business was pressing on to achieve. *(Full marks: causal chains linking the absent induction to risk, legal consequence and cost, use of the subtopic's terminology, reference to the case, and a synthesising conclusion — not a summary of the facts.)*

Chapter 16 Employment standards, obligations, induction and corporate social responsibility — 16E CSR considerations and overseas recruitment

Theory

Corporate social responsibility (CSR) is the extent to which a business takes responsibility for the **social, ethical and environmental consequences** of its activities, **beyond its legal obligations and beyond the pursuit of profit**. This subtopic applies that idea to how a business **establishes its staffing** — how it recruits, selects, employs, pays and treats its people — and to what happens when it looks **overseas** for them. Staffing is where CSR bites hardest, because the consequences of each decision fall on **people** whose income, health and security depend on the business.

The **legal floor** in staffing is already high: a business must meet the **National Employment Standards** under the *Fair Work Act 2009* (Cth), pay at least the applicable **award or minimum wage**, provide a safe workplace under the *Occupational Health and Safety Act 2004* (Vic) and not discriminate unlawfully under legislation such as the *Equal Opportunity Act 2010* (Vic). **None of that is CSR** — it is compulsory. **CSR in staffing begins above that floor**: it is what a business chooses to do for its people when nothing compels it.

CSR considerations regarding the establishment of staffing. When a business puts its workforce together, the following responsible choices are open to it.

- **Fair, inclusive and merit-based recruitment and selection.** Beyond simply not discriminating unlawfully, a business can **widen who gets a fair chance** — plain, inclusive advertisements placed broadly, selection on **genuine merit** against the job specification rather than on connections, **adjustments volunteered to every applicant** rather than waiting to be asked (equal opportunity law already compels **reasonable adjustments**, so offering them up front is the choice), and effort to reach groups that often miss out, such as older workers and the long-term unemployed.
- **Fair pay and secure employment.** Paying **above the award** where the business can afford to, paying **superannuation above the compulsory guarantee**, and offering **ongoing contracts** where the work is genuinely ongoing rather than defaulting to **insecure casual work** — the law permits casual engagement, so choosing security is a real choice. Disguising employees as **independent contractors** and using **unpaid "trials"** to obtain free labour are not weak CSR but **breaches** of the *Fair Work Act 2009* (Cth), so avoiding them belongs to the floor.
- **Wellbeing beyond the safety duties.** The *Occupational Health and Safety Act 2004* (Vic) defines **health to include psychological health**, so controlling **bullying and unmanageable workloads** is **compulsory**, not CSR. Above that floor a business can fund **mental-health support** such as counselling or an employee assistance program, grant **paid wellbeing leave beyond the NES**, and offer **flexible or predictable rostering to everyone** rather than only to the employees the NES gives a **right to request** it.
- **Training, honest dealing and local jobs.** Investing in **training, apprenticeships and traineeships**; describing the job and its pay **honestly**, **publishing the actual rate** rather than "competitive salary", **replying to unsuccessful applicants** and **protecting their personal information**; and choosing to **create and train local jobs**.

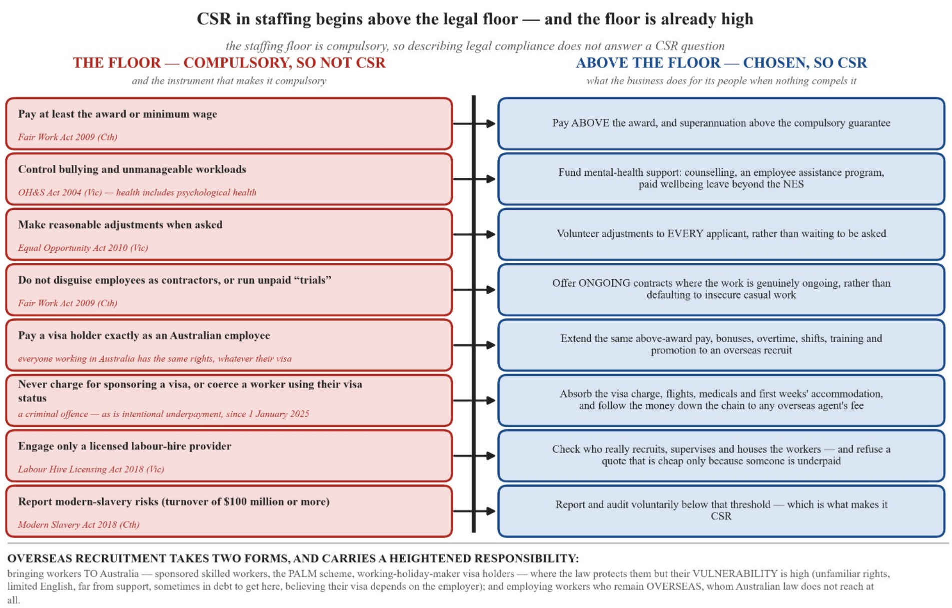
Overseas recruitment. Overseas recruitment is the practice of **sourcing staff from outside Australia**, in two quite different forms. The first is **bringing workers to Australia** — for example **sponsoring a skilled worker** on a temporary skilled work visa (currently the **Skills in Demand (subclass 482) visa**), engaging workers under a labour-mobility program such as the **Pacific Australia Labour Mobility (PALM) scheme**, or hiring **working-holiday-maker** visa holders already here. The second is **employing workers who remain overseas — offshoring —** where staff or contractors abroad perform work such as manufacturing, customer service or software development. Businesses do so because they **cannot fill a role locally**, need **scarce specialist skills**, or because **labour costs less**.

The legal floor for overseas recruitment. Before CSR is considered, the business must **become an approved sponsor** under the *Migration Act 1958* (Cth), nominate a genuine position and pay at least the **legislated salary threshold** and the market rate; must apply the *Fair Work Act 2009* (Cth), the **NES** and the relevant award **exactly as to an Australian employee**, since everyone working in Australia has the same rights **whatever their visa status** and **intentional underpayment has been a criminal offence since 1 January 2025**; must never **ask for or receive payment in return for sponsoring a visa**, or **coerce a worker by using their visa status**, which is also a criminal offence; and, in Victoria, must engage only a **licensed labour hire provider** under the *Labour Hire Licensing Act 2018* (Vic). Only businesses turning over at least **$100 million** must report modern-slavery risks under the *Modern Slavery Act 2018* (Cth); for everyone else that is **voluntary** — which is what makes it CSR.

Why overseas recruitment carries a heightened responsibility. Overseas recruits are usually **more vulnerable than local employees**. A newly arrived worker may **not know their Australian rights**, may have **limited English**, is **far from support**, may have **borrowed money to get here**, and often believes their **visa — and their whole future in Australia — depends on keeping the employer happy**. That **imbalance of power** makes exploitation easy and complaint unlikely. Workers employed **offshore** are more exposed again: Australian law does not reach them at all.

CSR considerations for workers recruited to work in Australia. Much of what looks generous here is in fact the floor set out above — **equal pay, no charge for sponsorship and no coercion are already the law** — so CSR is what a business adds on top of them. It means extending to an overseas recruit the **same above-award pay, bonuses, overtime, shifts, training and promotion** its Australian staff receive, so recruitment **fills a skills gap rather than buying cheaper, more compliant labour**. It means absorbing the costs it could lawfully leave with the worker — the **visa application charge, flights, medicals and first weeks' accommodation** — and **following the money down the chain**, since an agent overseas may charge a "placement fee" Australian law cannot reach: a worker who arrives **owing a year's wages** is trapped in the job whoever took the money. It means practical **support to arrive and settle**, and **language and cultural support** well past the safety instruction the law already requires the worker to understand: **interpreters, translated contracts and pay slips, English classes and a bilingual mentor**. It means giving the worker **a real voice** — telling them plainly, in their own language, that they may raise concerns or contact the **Fair Work Ombudsman without any risk to their visa**. It means the **responsible use of agents and labour-hire providers**: checking who really recruits, supervises and houses the workers, and refusing a quote that is only cheap because someone is being underpaid. And it means **continuing to develop local skills**, so overseas recruitment **complements** local training rather than replacing it.

CSR considerations for workers employed overseas. Where the workforce stays offshore, responsibility means voluntarily supplying standards no Australian law imposes: **fair wages and reasonable hours by the standards of the host country**, often **above the local minimum**; **safe and healthy conditions** the business would accept for its Australian staff; **no child labour, forced labour or other modern slavery** anywhere in the workforce it engages, including contractors; and **verifying rather than assuming**, by writing standards into contracts, auditing sites and acting on what is found. Where offshoring costs Australian jobs, the **notice, consultation and redundancy pay** owed to those affected are already set by the *Fair Work Act 2009* (Cth) and their award, so CSR is what goes further: **consulting early and genuinely**, **redeploying** those who can be placed elsewhere, and funding **retraining and outplacement support** for those who cannot.



Benefits, costs and tensions. Managing these considerations responsibly builds a **reputation as an ethical employer**, makes the business **better able to attract and retain staff** in hard-to-fill roles, raises **motivation and productivity** while cutting **turnover costs**, and reduces **legal and reputational risk**. But responsible staffing is **not free**, and the tension is sharpest for a business still establishing itself. Above-minimum pay, ongoing contracts and training **raise costs when cash is tightest**, and overseas recruitment is **expensive and slow** (visa and sponsorship charges, the **Skilling Australians Fund levy**, relocation support, months of processing). Many benefits are **long-term and hard to measure** while the costs are **immediate**, so managers must **judge how far to go** beyond the legal minimum.

Key ideas to keep straight.

- **CSR is what a business does *beyond* the law.** The staffing floor — NES, awards, OH&S and equal opportunity law — is compulsory, so describing legal compliance does **not** answer a CSR question. The commonest error is to offer the floor as CSR: **controlling bullying and workloads, paying the award, making reasonable adjustments, not sham contracting or running unpaid "trials", not charging for a visa and not coercing a visa holder are all compulsory** and earn no marks as CSR.
- **Overseas recruitment is not, in itself, responsible or irresponsible** — the CSR consideration is **how it is done**. It takes **two forms**: bringing workers **to** Australia, where the law protects them but their **vulnerability** is high, and employing workers **in** another country, beyond its reach.
- **Visa holders working in Australia have exactly the same workplace rights** as Australians. What differs is not the law but the **power imbalance**, which makes the CSR obligation greater, not smaller.
- **Keep the answer to *staffing*** — how the business treats the people it employs, not CSR in planning, marketing or supplier choice.

Contemporary example — Sushi Bay, August 2024

Sushi Bay was a small privately owned group of sushi retail outlets trading in New South Wales, the Australian Capital Territory and the Northern Territory.

In August 2024 the Federal Court imposed penalties totalling **$15.3 million** on the four companies that had operated the outlets and on their director, after finding the companies had underpaid **163 workers** a total of **$653,129** between February 2016 and January 2020 — largely by paying flat cash rates for overtime instead of the **Restaurant Industry Award 2010** rates — and had falsified records. Most of the 163 were **visa holders**, largely Korean nationals on student, working-holiday and subclass 457 skilled-worker visas, and twenty on 457 visas were at times required to pay part of their wages back to the employer. The Fair Work Ombudsman reported the penalties as the largest it had obtained in a legal action to that date.

Note carefully that this is a case about the **legal floor**, not about CSR: everyone working in Australia is covered by the **NES and the applicable award whatever their visa status**, so underpaying these workers was a **breach**, not weak corporate social responsibility. What it illustrates is the **imbalance of power** described above. Employees unfamiliar with their Australian rights, working in a second language and dependent on a visa are the **least likely to question their pay**, which is why the underpayments ran for close to four years. That vulnerability is exactly what **CSR in overseas recruitment responds to**, above the floor: a **real voice**, information in the worker's own language, and the assurance that they may contact the **Fair Work Ombudsman without any risk to their visa**.

Source: Fair Work Ombudsman, "Record penalties of $15.3 million for exploitation of migrant workers at sushi outlets", 6 August 2024 — https://www.fairwork.gov.au/newsroom/media-releases/2024-media-releases/august-2024/20240806-sushi-bay-penalty-media-release. Accurate as at July 2026.

Worked examples

Example 1 — scaffolded

Tarnbrook Engineering is a new precision-engineering workshop about to employ its first four staff. Explain how the CSR consideration of **secure and fairly paid employment** could be applied as it establishes its staffing.

Working	Comment
CSR means taking responsibility for the social and ethical consequences of the business's decisions **beyond its legal obligations**; the law only requires Tarnbrook to pay the applicable award rate.	Anchor the answer in what CSR is and where the legal floor sits.

Working	Comment
Tarnbrook could choose to **pay above the award rate** and to offer **ongoing part-time or full-time contracts** rather than defaulting to casual work.	Apply the consideration concretely — a choice the law does not compel.
Because the roles are genuinely ongoing, permanent contracts give the machinists **predictable income and paid leave**, and above-award pay recognises the skill the work demands.	Explain why this is the *responsible* choice for these particular jobs.
∴ Tarnbrook takes responsibility for its employees' financial security from the outset, which also helps it **attract and keep skilled machinists** in a trade where they are scarce.	State the conclusion — responsibility plus the benefit to the business.

Example 2 — scaffolded

Braewick Care Services is a new in-home aged-care provider that cannot find enough qualified personal-care workers locally and plans to sponsor six workers from overseas. Explain **one** corporate social responsibility consideration Braewick should manage in doing so.

Working	Comment
Workers recruited from overseas are **especially vulnerable**: they may not know their Australian rights, may have limited English, are far from support, and may believe their visa depends on pleasing the employer.	Identify why overseas recruitment raises a heightened responsibility.
The *Migration Act 1958* (Cth) already forbids Braewick to charge for the sponsorship itself, so the CSR consideration is to **absorb the costs it could lawfully leave with the workers** — visa application charges, flights, medicals and the first weeks' accommodation — and to check that **no agent overseas has charged them a fee** either.	Name a consideration that sits above the floor, not the floor itself.
A worker who arrives **owing a year's wages** cannot leave a bad job, and an offshore agent's fee is beyond Australian law's reach; absorbing the costs means the workers arrive **free to work or to complain**.	Explain the mechanism — why this choice protects the worker.
∴ by absorbing these costs, Braewick takes responsibility for the power imbalance overseas recruitment creates, going well beyond simply obeying the visa rules.	Conclude by linking the action back to CSR.

Example 3 — unscaffolded

Distinguish between a business **meeting its legal obligations** when recruiting workers from overseas and a business **acting with corporate social responsibility**.

A business **meeting its legal obligations** when recruiting from overseas does only what the law **compels**: becoming an **approved sponsor** under the *Migration Act 1958* (Cth), nominating a genuine position, paying at least the legislated salary threshold and the market rate, and applying the *Fair Work Act 2009* (Cth), the **National Employment Standards** and the relevant award to the worker exactly as it would to an Australian employee — the **compulsory minimum**. A business **acting with corporate social responsibility** goes **beyond** these requirements, **voluntarily** taking responsibility for the vulnerability that overseas recruitment creates — for example by **absorbing the visa, travel and settling-in costs it could lawfully leave with the worker**, providing **settlement, language and cultural support** such as interpreters, translated documents and English classes, checking the **accommodation and labour-hire providers** involved and whether any **overseas agent has charged a placement fee**, and telling the worker plainly that they may raise concerns **without any risk to their visa**. The difference is one of **standard and**

motivation: compliance is an enforced floor, whereas CSR is what the business **chooses** to do above it. ∴ a business can satisfy every legal requirement and still fall short of CSR.

Example 4 — unscaffolded

A business owner states, "If our overseas workers are paid more than they would earn at home, then we are being socially responsible." Evaluate this statement.

The statement contains a **small truth but is largely wrong**. It is true that wages **above the local rate** can genuinely improve the lives of workers employed **offshore**, where Australian law does not reach and the only benchmark is the host country's standard. **However**, the claim fails on two grounds. First, for workers recruited to **work in Australia** the comparison is **irrelevant and unlawful**: the *Fair Work Act 2009* (Cth), the NES and the award apply to **everyone working in Australia regardless of visa status**, so an overseas recruit must be paid the **same as an Australian doing the same job** — paying less than the award is **underpayment**, not responsibility, and doing so intentionally has been a **criminal offence since 1 January 2025**. Second, even where pay is genuinely generous, **remuneration is only one consideration**: responsibility also requires **safe conditions, reasonable hours, freedom from coercion, no recruitment fees or debt, no child or forced labour, and support to settle and be heard**. ∴ the statement should be **rejected** as a self-serving half-truth: paying above the local rate may form part of acting responsibly towards offshore workers, but it is no answer for workers employed in Australia, where the **legal floor**, not the worker's home country, is the starting point.

Practice questions

Scaffolded

Q1. Define the term *corporate social responsibility*.

Q2. List **four** CSR considerations a business could apply when establishing its staffing.

Q3. For each of the following, name the concept being described: (a) sponsoring a skilled worker from another country to fill a role the business cannot fill locally; (b) engaging staff who remain located in another country to do the business's work from there; (c) paying new employees more than the award requires because the business believes it is fair.

Q4. Explain what is meant by *overseas recruitment*.

Q5. Ashcombe Interiors is a new interior fit-out business about to advertise its first three jobs. (a) Identify **one** CSR consideration Ashcombe Interiors could apply when recruiting. (b) Explain how applying this consideration could benefit the business.

Q6. Explain the difference between a business **meeting its legal obligations** when it staffs itself and a business **acting with corporate social responsibility**.

Unscaffolded

Q7. Describe **one** CSR consideration relevant to establishing a business's staffing. *(2 marks)*

Q8. Explain why **overseas recruitment** raises particular CSR considerations. *(3 marks)*

Q9. Distinguish between a business **complying with its legal obligations** when recruiting workers from overseas and a business **acting with corporate social responsibility**. *(4 marks)*

Q10. Explain **one** benefit to a business of acting with CSR when staffing itself. *(3 marks)*

Q11. Compare the CSR considerations that apply to the **establishment of staffing** generally with those that apply to **overseas recruitment**. *(4 marks)*

Q12. Analyse how the **exploitation of overseas workers** could affect a business. *(6 marks)*

Q13. Discuss **overseas recruitment** as a way of establishing staffing for a business. *(6 marks)*

Q14. Justify a business's decision to provide **relocation, language and cultural support** to employees it recruits from overseas, even though the law does not require it. *(4 marks)*

Q15. Propose and justify **one** way a business could act with CSR when **recruiting and selecting** its first employees. *(4 marks)*

Q16. *Case study.* **Marradine Orchards** is a stone-fruit grower in Victoria's north that needs **40 extra pickers and packers** for a ten-week harvest. Unable to fill the roles locally, the owner, Nadia, is bringing workers from overseas through a labour-hire contractor. Its quote is very cheap, but Nadia has learned that it **charges the workers a "placement fee" before they leave home**, houses them **eight to a room in a converted shed**, and tells them their visas depend on "keeping the boss happy". A neighbour uses a **licensed** provider that costs more but pays award rates, supplies proper accommodation and briefs workers on safety in their own language. (a) Identify **one** CSR consideration regarding overseas recruitment that Marradine must manage. *(1 mark)* (b) Explain **one** way Marradine could act with CSR in recruiting its harvest workers. *(3 marks)* (c) Analyse how continuing with the cheaper contractor could affect Marradine Orchards. *(4 marks)*

Q17. Evaluate a business's decision to **offshore** work to a low-wage country. *(6 marks)*

Q18. A business decides to fill its lowest-paid roles with workers on temporary visas because it believes they "won't complain" about long hours and below-award pay. Explain **one** implication of this decision, and recommend a **better** approach. *(4 marks)*

Q19. *Extended response.* A business that staffs itself responsibly must look beyond what the law requires. Analyse the CSR considerations a business should manage when **establishing its staffing** and when **recruiting overseas**, and evaluate the view that these are a cost a business establishing itself can **rarely afford**. *(10 marks)*

Q20. In August 2024 the Federal Court imposed penalties totalling **$15.3 million** over the underpayment of **163 workers** — most of them visa holders — at the **Sushi Bay** sushi outlets in New South Wales, the ACT and the Northern Territory, in conduct that ran from February 2016 to January 2020. Analyse what this case shows about the **corporate social responsibility considerations** a business should manage when it **recruits workers from overseas**. *(5 marks)*

Answers

Q1. The extent to which a business takes responsibility for the social, ethical and environmental consequences of its activities, beyond its legal obligations and the pursuit of profit. **Q2.** Any four: inclusive merit-based recruitment; pay above the legal minimum; secure ongoing employment; wellbeing beyond the OH&S minimum; flexibility; training; honesty with applicants; local jobs. **Q3.** (a) overseas recruitment (sponsoring a skilled worker on a temporary skilled work visa); (b) offshoring; (c) corporate social responsibility — specifically above-award remuneration. **Q4.** Sourcing staff from outside Australia — either recruiting workers from another country to work in Australia, or employing workers who remain located overseas (offshoring). See solutions. **Q5.** (a) e.g. inclusive merit-based recruitment; honest advertisements; above-award pay; secure ongoing contracts. (b) It builds a reputation as a fair employer and widens the pool of applicants, helping the firm attract and keep capable staff. **Q6.** Legal obligations = only what the law compels (NES, award rates, OH&S, equal opportunity law); CSR = voluntarily going beyond that floor in how staff are recruited, paid and developed. See solutions. **Q7.** e.g. secure ongoing employment / above-award pay / inclusive recruitment / wellbeing beyond the OH&S minimum / training — named and described. See solutions. **Q8.** Overseas workers are far more vulnerable (unfamiliar with their rights, language barriers, isolated, possibly in debt, visa seen as tied to the employer); offshore workers sit outside Australian law entirely. See solutions. **Q9.** Compliance = sponsorship and visa rules, no charge for sponsorship, no coercion, plus the Fair Work Act, NES and award applied equally; CSR = going further voluntarily (absorbing visa, travel and settling-in costs, settlement support, checking providers and agents). See solutions. **Q10.** e.g. reputation as an ethical employer → more and better applicants and lower turnover → reduced recruitment and training costs. See solutions. **Q11.** Similarity: both are voluntary responsibilities taken on above the legal floor. Difference: staffing CSR concerns local employees already protected by Australian law, whereas overseas-recruitment CSR concerns workers made vulnerable by visa dependence, distance and language, or offshore workers outside Australian law. See solutions. **Q12.** Causal chain: exploitation exposed → Fair Work Ombudsman action, back-pay, penalties, possible loss of sponsorship → reputational damage → customers and staff lost → objectives threatened. **Q13.** Discuss — advantages (genuine skill shortages, scarce skills, seasonal roles, diversity, lower offshore labour cost) vs disadvantages (expensive and slow, sponsorship obligations, settlement support, exploitation risk, community criticism). See solutions. **Q14.** Justify — the business created the vulnerability; support makes the worker safe and productive sooner, builds retention in hard-to-fill roles and protects reputation. See solutions. **Q15.** Propose one measure (e.g. a structured, merit-based selection process with inclusive advertising and identical questions) + argue why it suits a business hiring its first employees. See solutions. **Q16.** (a) e.g. responsible use of labour-hire providers; checking who really houses and supervises the workers; checking no overseas agent charged them a fee; bearing travel and settling-in costs. (Not charging for sponsorship, paying award rates and not coercing workers via their visa are legal duties, not CSR.) (b) e.g. pay more to engage the licensed provider, inspect the accommodation, make sure the safety briefing is given in the workers' own language. (c) Causal chain: unlawful arrangement → regulator action, back-pay and penalties → workforce withdrawn mid-harvest → reputational damage → lost buyers and objectives undermined. See solutions. **Q17.** Evaluate — benefits (lower labour costs, extra skills and capacity) vs risks (weak local protections, modern-slavery risk, verification cost, local job losses), with a judgement. See solutions. **Q18.** Implication: it is unlawful (award/NES breach, criminal if intentional; coercion via visa status), bringing back-pay orders, penalties, loss of sponsorship and reputational damage. Better approach: pay at least the award and treat overseas recruits identically. See solutions. **Q19.** Model response in solutions. **Q20.** First separate floor from CSR: underpaying visa holders breaches the NES and the award, which apply whatever the visa, so it is unlawful rather than "weak CSR". Causal chain: unfamiliarity with Australian rights, language barriers and visa dependence → workers unlikely to question their pay → underpayment ran for years → the legal floor protects overseas recruits only on paper unless the business acts above it (a real voice, translated documents, checking agents and providers, bearing costs) → penalties and reputational damage once exposed. See solutions.

Fully-worked solutions

Q4. Overseas recruitment is the practice of **sourcing staff from outside Australia** to meet a business's staffing needs, and it takes **two forms**. The first is **recruiting workers from another country to come and work in Australia** — for example by sponsoring a skilled worker on a temporary skilled work visa. The second is **employing workers who remain located overseas**, known as **offshoring**. Businesses do so mainly because they **cannot fill a role locally**, need **scarce specialist skills**, or because **labour costs less** overseas.

Q6. A business **meeting its legal obligations** when it staffs itself does only what the law **compels**: providing the **National Employment Standards** under the *Fair Work Act 2009* (Cth), paying at least the applicable **award or minimum wage**, providing a safe workplace under the *Occupational Health and Safety Act 2004* (Vic), and not discriminating unlawfully — the **compulsory minimum**. A business **acting with corporate social responsibility** goes **beyond** that floor, **voluntarily** taking responsibility for how its people are treated — for example by **paying above the award**, offering **ongoing rather than insecure casual contracts**, **widening who gets a fair chance** at a job, and investing in **training**. ∴ a business can obey every workplace law and still not act with CSR.

Q7. One CSR consideration is **secure employment**. Rather than engaging staff as **casuals** simply because it is cheaper for the business, an employer can offer **ongoing (permanent) full-time or part-time contracts** wherever the work is genuinely ongoing. This goes beyond the legal minimum — the law permits casual engagement — and gives employees **predictable hours, a reliable income and access to paid leave**, taking responsibility for their financial security.

Q8. Overseas recruitment raises **particular** CSR considerations because it creates an unusually large **imbalance of power** between the business and the worker. A worker recruited from another country often **does not know their Australian workplace rights**, may have **limited English**, is **far from support**, may have **borrowed money to take the job**, and frequently believes their **visa — and their whole future in Australia — depends on keeping the employer happy**, so they are far less likely than a local employee to question underpayment or unsafe work. Workers employed **offshore** are more exposed again, because Australian law does not reach them at all. Acting responsibly therefore requires **considerably more than the minimum** — bearing recruitment costs, providing settlement and language support, and guaranteeing that workers can speak up safely.

Q9. *(Distinguish — both must be addressed.)* A business **complying with its legal obligations** when recruiting from overseas does only what the law **requires**: it becomes an **approved sponsor** under the *Migration Act 1958* (Cth), nominates a genuine position, pays at least the legislated salary threshold and the market rate, and applies the *Fair Work Act 2009* (Cth), the **NES** and the relevant award **exactly as it would to an Australian employee**; it must also **not sell the sponsorship** or **coerce the worker through their visa status**, both criminal offences. A business **acting with corporate social responsibility** goes **beyond** these requirements **voluntarily**, taking responsibility for the vulnerability overseas recruitment creates: **absorbing the visa application charges, flights and settling-in costs it could lawfully leave with the worker**, providing **relocation and settlement support**, funding **interpreters, translated documents and English classes**, **inspecting accommodation and checking whether any overseas agent has charged a fee**, and telling the worker plainly they may **raise concerns without any risk to their visa**. The two differ in **standard** (the legal floor versus rising above it) and **motivation** (obligation versus voluntary choice). ∴ compliance keeps the business lawful, whereas CSR is what it chooses to do for a worker it has brought across the world.

Q10. One benefit of acting with CSR when establishing staffing is that it makes the business **significantly better at attracting and retaining employees**. A business that pays fairly, offers secure contracts, recruits inclusively and invests in training builds a **reputation as a good employer**, so it receives **more and better applicants** for hard-to-fill roles, and the employees it hires are **more motivated and far less likely to leave**. Lower turnover saves the repeated cost of **recruiting, inducting and training replacements**, so responsible staffing pays for part of itself.

Q11. *(Compare — a similarity and a difference are both required.)* **A similarity** is that both are **voluntary responsibilities a business takes on above the legal floor** in relation to the people it employs, and in each case acting responsibly builds **trust, reputation and retention**. **A difference** lies in **who is being protected and how exposed they are**. CSR in the **establishment of staffing** generally concerns **local employees already protected by Australian law**, so the considerations are about giving them **more** than the law provides — better pay, security, flexibility and a fair chance at the job. CSR in **overseas recruitment** concerns workers in a far weaker position: those brought **to** Australia are legally protected but **practically vulnerable** through visa dependence, distance and language, so the considerations are about **removing that vulnerability**; while those employed **offshore** are **outside Australian law altogether**, so the business must voluntarily **apply decent standards where no Australian law applies**. Staffing CSR builds **above** a protective floor; overseas-recruitment CSR must often **supply the floor itself**.

Q12. *(Analyse — show the causal chain, not a list of pros and cons.)* Exploiting overseas workers — underpaying them, working them excessively or using their visa status to keep them quiet — damages a business through a **chain of consequences**. The conduct is **unlawful** from the start: overseas workers in Australia are covered by the **NES and the applicable award**, intentional underpayment has been a **criminal offence since 1 January 2025**, and coercing a worker through their visa status is also a criminal offence. When it is **reported** — by a worker, a union, a community group or the media — the **Fair Work Ombudsman** can investigate and take the business to court, producing **orders to back-pay every affected worker**, **financial penalties** and, for a sponsor, the possible **loss of the right to sponsor overseas workers at all**, which removes the very staffing solution the business relied on. The publicity then **damages its reputation**: customers **take their business elsewhere** and the firm's ability to **attract any staff** collapses — so legal costs drain cash, revenue falls, and the staffing shortage becomes **worse than before**. ∴ exploitation sets off a legal, financial and reputational chain that costs far more than treating workers properly would have.

Q13. *(Discuss — advantages and disadvantages; no judgement required; avoid double-dipping.)* Overseas recruitment offers real **advantages** as a way of establishing staffing. It can **fill roles the business genuinely cannot fill locally** — a persistent problem in health and aged care, engineering, trades and agriculture — and can secure **specialist skills scarce in Australia**. It suits **seasonal work** local labour will not cover, brings **new ideas and perspectives** into the workforce and, offshore, can be obtained at a **much lower labour cost**. However, it has significant **disadvantages**. It is **expensive and slow**: the business must become an approved sponsor, pay visa and sponsorship charges and the **Skilling Australians Fund levy**, wait months for processing, then fund **relocation and language support**. It carries a **heightened risk of exploitation** because of the power imbalance created by visa dependence and distance — impossible to manage offshore without **auditing** the workplaces concerned — and it can attract **community criticism** for taking local jobs. Overseas recruitment is therefore a powerful answer to a genuine skill shortage, but a costly and ethically demanding one.

Q14. *(Justify — argue why, with reasoning.)* Providing **relocation, language and cultural support** to overseas recruits, although not legally required, can be justified on several grounds. First, the business **created the situation**: it brought the worker across the world into an unfamiliar country, so it bears a genuine **ethical responsibility** for their ability to arrive, settle and cope. Second, support is what makes the worker **productive**: one who can read their own contract and pay slip, follow a conversation on the floor and ask a question becomes effective far sooner than one left to struggle, and one who is housed, banked and enrolled at school is not distracted by a crisis at home. Third, it strongly supports **retention** — these roles are by definition the hardest to fill, so losing the worker after a few months would mean repeating an expensive, slow recruitment — and it protects the business's **reputation** as an ethical employer. Its cost is **modest beside that of sponsoring and then losing the worker**. ∴ settlement, language and cultural support is justified because it discharges a responsibility the business itself created while making the recruitment safer, more productive and more likely to last.

Q15. *(Propose and justify — do more than name the measure; argue why it suits the situation.)* One way a business could act with corporate social responsibility when recruiting and selecting its first employees is to adopt a **structured, merit-based selection process**: advertising the roles **openly and in plain, inclusive language**, describing the pay **honestly**, asking **every candidate the same questions** against the job specification, **inviting every applicant to ask for an adjustment** rather than waiting for someone to disclose a disability, and **replying to unsuccessful applicants**. This is **well-suited to a business hiring for the first time**, because a new employer would otherwise fall back on **friends, family and word of mouth** — quick, but it narrows the field and can exclude capable people. A structured process goes **beyond the legal obligation not to discriminate** by giving a **wider range of people a genuine chance**, which discharges a social responsibility *and* gives the business a **larger, better pool of applicants** and an early **reputation as a respectful employer**. ∴ it is an appropriate CSR measure because it widens opportunity for applicants while giving the new business a better-chosen, more committed team.

Q16. (a) Any **one** of: the **responsible use of agents and labour-hire providers** — checking who actually recruits, houses and supervises the pickers; **checking that no agent overseas charged them a placement fee**, which Australian law cannot reach; **inspecting the accommodation**; **bearing travel and settling-in costs**; or **making sure the workers know they can complain safely**. *(Not charging for sponsorship, paying award rates and not coercing workers via their visa are legal duties — see (c) — so earn no mark as CSR.)* (b) *(Explain — one way, developed and applied to the case.)* Marradine Orchards could act with CSR by **paying more to engage the licensed labour-hire provider instead of the cheap contractor**. Award rates, decent housing and a safety briefing the pickers can understand are what the law requires of any employer; the CSR is Marradine **spending its own margin to make sure they actually happen**, when the cheaper quote would let it look away. The pickers would then be housed in **proper accommodation** rather than eight to a room in a converted shed, briefed on **safety in their own language** before working around ladders and machinery, and told they may **raise concerns without any risk to their visa** — voluntary responsibility for people it brought here. (c) *(Analyse — the causal chain of effects on the business.)* If Nadia **continues with the cheaper contractor**, the consequences would flow through Marradine Orchards in a chain. The arrangement is **unlawful, not merely unpleasant**: charging workers a fee to obtain sponsored work is prohibited, telling workers their visas depend on "keeping the boss happy" is **coercion through visa status**, a **criminal offence**, and the workers are almost certainly not receiving their **award entitlements**. Once a worker, a community group, a union or the media reports it, the **Fair Work Ombudsman** and migration authorities can investigate, exposing Marradine to **back-pay orders, penalties and loss of access to overseas labour**, and the harvest workforce could be **withdrawn in the middle of a ten-week picking window**, leaving fruit unpicked and perishing. The publicity would then **damage Marradine's reputation** with the wholesalers and retailers who buy its fruit — many of whom have their own responsible-sourcing commitments — so it would find it **harder to sell and harder to recruit** in future seasons. ∴ the saving is illusory: it exposes Marradine to legal penalties, a failed harvest and lasting reputational damage. *(Full marks: a genuine causal chain applied to Marradine Orchards.)*

Q17. *(Evaluate — advantages and disadvantages plus an evidence-based judgement.)* Offshoring part of a workforce to a country where wages are much lower has clear **advantages**: the **saving in labour costs** can be large, and it can give access to a **larger pool of workers and skills** than is available locally. The **risks**, however, are serious. Offshore workers are **outside Australian law entirely**, protected only by the law of their own country, which may permit low wages, long hours and poor safety and may be weakly enforced — so unless the business sets and checks its own standards there is a real risk of contributing to **exploitation, unsafe conditions or even forced or child labour** in its supply chain — and **verifying** conditions on the other side of the world costs **time and money**. Offshoring may also **cost Australian jobs**, drawing criticism from employees and customers. Weighing these, the decision is **defensible only if the business carries the responsibility that comes with it**: where it sets fair wages and safe conditions by host-country standards, writes them into its contracts, **audits** them rather than assuming compliance, and deals honestly with any Australian employees affected, offshoring can be a legitimate way to obtain capacity at lower cost. Where it offshores **purely for the cheapest labour and never checks what that price buys**, the likely exploitation and the damage that follows exposure make the saving a poor bargain. ∴ offshoring should be judged not by the wage difference but by **how the business manages it**.

Q18. *(Explain an implication, then recommend a better approach.)* One **implication** of deliberately hiring temporary visa holders for long hours and **below-award pay** because they "won't complain" is that the business is **breaking the law**. Overseas workers in Australia are covered by the **NES and the award regardless of visa status**, deliberate underpayment has been a **criminal offence since 1 January 2025**, and relying on visa vulnerability to suppress complaints edges into **coercion**, which is also an offence. Once reported, the business faces **Fair Work Ombudsman investigation, orders to back-pay every affected worker, penalties, the possible loss of any right to sponsor overseas workers**, and publicity that destroys its reputation. A **better approach** is to treat overseas recruits **exactly as it would treat an Australian doing the same job**: pay at least the applicable **award rate**, apply the same hours and rosters, provide **safety information in a language the worker understands**, and state plainly that workers may **raise concerns or contact the Fair Work Ombudsman without any risk to their visa**. Although this costs more per hour, it is **lawful and sustainable** and produces motivated employees who stay, avoiding the far greater costs of back-pay and penalties.

Q19. *Model response (10 marks).* **Corporate social responsibility (CSR)** is the extent to which a business takes responsibility for the **social, ethical and environmental consequences** of its activities, **beyond its legal obligations and the pursuit of profit**. In staffing the legal floor is already high — the **National Employment Standards** under the *Fair Work Act 2009* (Cth), award or minimum wages, occupational health and safety duties and equal opportunity law are all **compulsory** — so CSR is what a business chooses to do **above** that floor for the people it employs.

When **establishing its staffing**, a business can recruit and select **fairly and inclusively**, choosing on genuine merit rather than connections and volunteering adjustments before being asked; pay **above the award** where it can afford to; offer **secure employment** — ongoing contracts where the work is genuinely ongoing, although the law would permit it to engage everyone as a casual; protect **wellbeing beyond the OH&S minimum**, which already obliges it to control bullying and unmanageable workloads; offer **flexible rostering more widely than the NES right to request** it; invest in **training**; deal **honestly with applicants**; and create **local jobs**. **Overseas recruitment** — bringing workers **to** Australia on visas or employing them **offshore** — adds further considerations, because the power imbalance is far greater. A worker brought to Australia may not know their rights, may have limited English, is far from support, may be in debt from the move, and often believes their **visa depends on pleasing the employer**; a worker employed **offshore** is outside Australian law altogether. Equal pay, no charge for sponsorship and no coercion are **already the law**, so acting responsibly means going past them: extending to overseas recruits the **same above-award pay, shifts, training and promotion** local staff receive, **absorbing the visa charges, flights and settling-in costs it could**

lawfully leave with them, providing **settlement and language support**, **checking agents, labour-hire providers and accommodation** — including any fee an agent overseas has charged — telling a worker plainly they can complain **without risk to their visa**, and — offshore — insisting on **fair wages, safe conditions and no child or forced labour**, then **verifying** it. This produces a **reputation as an ethical employer**, makes the business **better able to attract and retain staff** in the roles hardest to fill, and reduces **legal and reputational risk**.

The view that these considerations are a cost a business establishing itself can **rarely afford** is **partly justified but overstated**. There is real force in it: above-award pay, ongoing contracts and training all **raise costs at the moment cash is tightest**, and overseas recruitment is **particularly expensive and slow** — sponsorship and visa charges, the **Skilling Australians Fund levy**, relocation support and months of processing — while the benefits are largely **long-term and hard to measure**. **However**, the claim goes too far. First, much of what matters **costs almost nothing**: honest advertisements, a structured and inclusive selection process, replying to applicants, pairing a new arrival with a bilingual workmate, and telling workers plainly that they may raise concerns are matters of **conduct rather than expenditure**. Second, the alternative is not free — **irresponsible staffing is expensive**, through constant turnover and through the back-pay orders, penalties, loss of sponsorship rights and reputational damage that follow exploitation. Third, responsible staffing **buys the very things a new business most needs**: capable people who stay, and the trust of customers and the community. ∴ a business establishing itself must be **selective**, since the most expensive measures may be beyond its early means, but it is wrong to call these considerations an unaffordable luxury: the low-cost ones are affordable immediately, the expensive ones are largely **an investment that repays itself**, and irresponsible staffing carries costs a new business can afford even less. *(Full marks require: an accurate definition of CSR against the staffing legal floor, with no credit for measures the law already compels; analysis of CSR considerations for both the establishment of staffing* ***and*** *overseas recruitment, including the vulnerability that makes overseas recruitment distinctive; and a sustained, two-sided evaluation of the "rarely afford" view reaching a justified judgement.)*

Q20. *(Analyse — separate the legal floor from CSR first, then trace the causal chain.)* The conduct in this case was **unlawful, not merely irresponsible**: everyone working in Australia is covered by the **National Employment Standards and the applicable award regardless of visa status**, so underpaying 163 workers, and requiring some of them to hand wages back, **breached the legal floor** that sits beneath CSR. Its significance for corporate social responsibility lies in **why such conduct is possible at all**. Workers recruited from overseas often **do not know their Australian rights**, may have **limited English**, are **far from support** and commonly believe their **visa depends on keeping the employer happy**, so an **imbalance of power** exists that makes questioning a pay slip feel dangerous. That is why the underpayments could run for **close to four years** before penalties followed — evidence that the legal floor protects overseas recruits **only on paper** unless the business itself acts. The CSR considerations for overseas recruitment address precisely that vulnerability: giving the worker a **real voice**, telling them plainly they may contact the **Fair Work Ombudsman without any risk to their visa**, supplying **interpreters and translated contracts and pay slips**, **checking the agents and labour-hire providers** who recruit, supervise and house them, and **absorbing the costs** that would otherwise leave a worker in debt and unable to leave. ∴ the case shows that a business recruiting overseas must **meet the floor and then take responsibility above it**, because the same vulnerability that makes exploitation easy also makes voluntary safeguards necessary — and, as the **$15.3 million** in penalties shows, the cost of failing arrives eventually.

Topic 6 Test A — Section A: short-answer and extended-answer questions

Reading time: 5 minutes. Writing time: 55 minutes. Total 40 marks. No calculator. Answer all questions in the spaces provided. Cumulative over Chapters 14–16.

Question 1 (8 marks)

Larkmead Larder is a new catering business in Ballarat that prepares hot meals for three aged-care homes and for workplace functions. Its founder, Ines Marchetti, has costed the wages she can afford and written her staffing plan as "six people — three in the kitchen, two drivers, one on the phone". She has recorded nothing about what those six people must know or be able to do.

a. Define the term *staffing needs*. 2 marks

b. Distinguish between the knowledge and the skills that staff can contribute to a business. 3 marks

c. Explain how the ideas staff contribute could benefit Larkmead Larder. 3 marks

Question 2 (8 marks)

Tarrowin Timberworks manufactures timber windows and doors in Wangaratta. Of its eleven employees, six cut and sand components by hand and two enter orders, invoices and stock records manually. Its owner, Rhys Tolladay, has ordered a computer-controlled (CNC) cutting machine and is installing accounting and stock-control software.

a. Identify two developments in technology, other than a CNC machine, that may affect a business's staffing needs. 2 marks

b. Describe how the developments in technology Rhys has adopted would reduce Tarrowin Timberworks' need for staff in its existing roles. 3 marks

c. Explain one new staffing need that these developments in technology create for the business. 3 marks

Question 3 (6 marks)

Ellisgate Physiotherapy in Geelong is creating a new position of "clinic coordinator". Its practice manager, Priya Kulkarni, has written a short advertisement stating the pay and the hours, but has not studied what the role would actually involve or who would be able to do it.

a. Outline one difference between a job description and a job specification. 2 marks

b. Explain the relationship between job analysis and job design, job descriptions and job specifications. 4 marks

Question 4 (8 marks)

Vantry Fabrication is a sheet-metal business in Dandenong with nine employees. Its owner, Callum Strachan, needs a qualified welder. He has always filled vacancies by asking his current staff whether they know anyone, and has never advertised a position.

a. Distinguish between recruitment and selection. 2 marks

b. Discuss the use of word of mouth as a recruitment method for Vantry Fabrication. 6 marks

Question 5 (10 marks)

"Staff do not achieve a business objective — the work they do achieves it."

Analyse the relationship between the performance of staff and the achievement of business objectives. In your response, refer to:

- how the features of well-performing staff produce the business outcomes through which objectives are achieved;
- how poor staff performance undermines those same objectives, and how achieving objectives can in turn affect performance;

- at least one contemporary business case study (a business studied within the last four years).

End of Topic 6 Test A

Topic 6 Test A — Solutions

Question 1.

a. *(Define, 2 marks.)* A business's staffing needs are the **number of employees, and the positions and employment arrangements**, it requires, **together with the knowledge, skills and ideas those employees must contribute**, so that it can operate and achieve its objectives. *(Two accurate elements required: how many people and in what positions/employment types, plus the capability they must bring. An answer limited to "how many staff a business needs" caps at 1 mark, because it omits the capability dimension the dot point is built on.)*

b. *(Distinguish, 3 marks.)* **Knowledge** is what an employee **knows** — the information, facts and understanding built up through education, qualifications, training and experience, such as technical and product knowledge, knowledge of customers and of the business's own systems, or knowledge of legal requirements such as food safety. It contributes by enabling **sound decisions and fewer mistakes**. **Skills** are what an employee **can do** — the practical abilities to perform tasks, developed through training and practice, such as operating equipment, preparing food, communicating with customers, planning and prioritising, or supervising others. Skills contribute by getting the work **done correctly, quickly and to standard**, and skilled staff need less supervision. The difference is therefore **knowing versus doing**: a cook may know the temperature control the *Food Act 1984* (Vic) requires yet lack the skill to plate 200 meals in a service, or be fast on the line yet not understand the rule at all. Because the two can come apart, a business must identify **both**. *(Both terms defined and the basis of the difference stated explicitly. Two separate definitions with no stated difference cap at 2.)*

c. *(Explain, 3 marks.)* **Ideas** are the suggestions, insights and creative thinking employees contribute — proposals for new products, improvements to how work is done, ways of cutting waste, and solutions to problems the business has not solved. Larkmead Larder's cooks and drivers **do the work every day and deal with the aged-care homes and function clients directly**, so they see the wasted portions, the meals arriving cold at the end of a run and the dishes residents refuse — things Ines, planning from her costings, cannot see. Acting on those ideas produces **continuous improvement**: a change to the packing or run order that gets meals to the homes hot, or a new menu item a client has asked for, lifts efficiency and can become a **competitive advantage** over other caterers, while staff whose suggestions are used feel **valued** and are more likely to stay. *(3 marks: ideas defined, why these staff are well placed to generate them, and a stated benefit to the business. "Staff might have good ideas" with no mechanism caps at 1.)*

Question 2.

a. *(Identify, 2 marks.)* Any two of: automation; robotics; artificial intelligence (AI); business software (accounting, stock-control, rostering or point-of-sale systems); e-commerce and online systems; self-service technology. *(1 mark each; naming only is sufficient. A CNC or other cutting machine, or any restatement of it, earns nothing, as the question excludes it.)*

b. *(Describe, 3 marks.)* Technology is very good at tasks that are **routine, repetitive, manual or rule-based**, and when it takes such a task over the business needs **fewer staff to do it**. The **CNC cutting machine** performs the cutting and sanding that **six employees currently do by hand**, so the same output can be produced with **fewer manual process workers** on those steps. The **accounting and stock-control software** records transactions, produces reports and tracks stock automatically, replacing the **routine clerical work of the two staff who enter orders, invoices and stock records manually**, so fewer administrative hours are required. Tarrowin Timberworks' staffing need for those roles therefore falls, which it may meet by **not replacing staff who leave**, redeploying them to other work, or — where the work itself has gone — **redundancy**. *(3 marks: the principle that technology absorbs routine tasks, plus both adopted technologies matched to the specific roles they reduce. Naming the technologies without identifying whose work they replace caps at 1.)*

c. *(Explain, 3 marks.)* The same technology **creates** a staffing need, because the machine must be chosen, programmed, operated and maintained. Tarrowin Timberworks now needs someone who can **program and set up the CNC machine and keep it running** — reading the cutting files, loading and calibrating it, and troubleshooting faults — a **technical role the business did not previously have**. This is a genuine need because an idle or badly programmed CNC machine halts production entirely, so the saving from replacing hand-cutting is only realised if someone can run it. Rhys can meet the need by **retraining an existing employee** — an experienced hand-cutter who already understands the timber and the tolerances — or by **recruiting** someone who already has the skills. *(An equally acceptable answer is the new need for **digital literacy in existing roles**, since the two administrative staff and the* *supervisor must now use the accounting and stock-control software rather than paper. 3 marks: the new need identified, why the technology creates it, and how it would be met. "He will need an IT person" alone caps at 1.)*

Question 3.

a. *(Outline, 2 marks.)* A **job description** is a document setting out the **JOB** — the job title, duties, tasks and responsibilities of the position, its reporting lines and often its hours and conditions. A **job specification** is a document setting out the **PERSON** needed to do it — the qualifications, skills, experience, knowledge and personal attributes a candidate must have. The difference is that one describes **the work to be done** and the other describes **the worker needed to do it**. *(2 marks: both documents correctly identified and the job/person distinction stated. Naming the two without the distinction caps at 1.)*

b. *(Explain, 4 marks.)* **Job analysis** is the process of **studying a role to identify and record the tasks, duties and responsibilities it involves, and the skills, knowledge, qualifications and attributes a person needs to perform it well** — gathered by observing the work, interviewing the current jobholder and their supervisor, issuing questionnaires, or reviewing existing records. Job analysis is the **foundation** of the other three, and the relationship runs in one direction. First, the information it gathers **informs job design** — the structuring of those tasks and responsibilities into a defined role, deciding which duties belong in the position, how much responsibility and autonomy it carries and how it fits alongside other roles — because a business can only structure a role sensibly once it understands what the role genuinely has to achieve. Second, the same information is used to **produce the two documents**: the **job description**, which records the duties and reporting lines of the designed role, and the **job specification**, which records the qualifications, skills and attributes the person needs. Accuracy therefore flows through the whole sequence: because advertising is built from these documents and applicants are later judged against the specification, a sound analysis leads to well-targeted recruitment and a sound selection decision. At Ellisgate Physiotherapy the sequence has been **skipped** — Priya has advertised pay and hours without studying the role, so the coordinator's position has never been designed, there is no description to advertise from and no specification to assess applicants against, making a poorly targeted field, a weak selection decision and an early departure far more likely. *(4 marks: job analysis defined; analysis → job design; analysis → the two documents; and the consequence, applied to Ellisgate. Listing the four terms without stating how analysis feeds the others caps at 2.)*

Question 4.

a. *(Distinguish, 2 marks.)* **Recruitment** is the process of **seeking out and attracting a pool of suitable applicants** for a vacancy; **selection** is the process of **gathering information about those applicants and choosing the most suitable one**. The difference is that recruitment **attracts** and ends once a field of applicants exists, whereas selection **chooses** from within that field — advertising the welding position is recruitment, interviewing and appointing is selection. *(2 marks: both defined and the attract/choose difference stated. Two definitions with no stated difference cap at 1.)*

b. *(Discuss, 6 marks.)* **Word of mouth** is an internal recruitment method in which a vacancy is spread **informally, by people talking about it** — managers or staff mention the opening, and existing employees refer people they know.

Strengths: it costs **almost nothing** and can fill a role **quickly**, which matters to a nine-person business with no recruitment budget and no HR staff. A candidate **recommended by a trusted employee** is often a good fit, and for a **skilled trade** this is unusually valuable: Callum's existing welders can vouch for whether someone can actually weld to standard, which an application form cannot show, and the referrer's own standing is at stake, so referrals tend to be careful. The person referred often already knows the workshop or the trade, so **induction is shorter** and they become productive sooner.

Weaknesses: the method is **unstructured** and depends entirely on **who happens to hear about the role**, so the best available welder in Dandenong will never learn the job exists and Callum may be choosing "the best of a very small field" rather than the best candidate. With only **nine employees** the network is tiny, and for a **qualified** trade it may contain nobody suitable at all. Because people tend to recommend others **like themselves**, sustained reliance on word of mouth **reduces the diversity** of the applicant pool, which both narrows the ideas and experience entering the business and exposes Callum to **equal opportunity risk** if applicants are effectively excluded from ever applying. There is also no advertisement and no written specification, so applicants cannot be compared against agreed criteria.

(Discuss requires strengths AND weaknesses applied to Vantry Fabrication; an overall judgement is not required. Do not double-dip by reversing one point to serve as both sides. 6 marks: several developed points on each side, with the mechanism explained rather than asserted.)

Question 5. *(Analyse, 10 marks — model response.)*

Staff performance is how well employees carry out their jobs — the **quantity and quality** of the work they produce and the extent to which they meet the standards the business expects. **Business objectives** are the **goals a business is trying to achieve**, such as making a profit, improving efficiency, improving effectiveness, satisfying customers and growing. The relationship between the two is **causal but indirect**: staff performance is the cause, the day-to-day **business outcomes** it produces — output, quality, costs and customer service — are the bridge, and the objectives are the result. Because staff are the resource that actually **carries out** almost everything a business does, their performance flows through to every objective.

The first direction of the relationship is that each feature of good performance produces outcomes that feed a particular objective. **Productive** staff get more work done in the time available — more units made or more customers served per hour — which raises **output** and lowers the **labour cost per unit**, improving **efficiency**; the extra output that can be sold lifts **revenue** and therefore **profit**, and meeting the target makes the business more **effective**. **Skilled** staff complete tasks correctly the first time, so there are **fewer errors, less waste and less rework**: inputs are not consumed twice (efficiency) and the goods and services are of **higher quality** (customer satisfaction, and the achievement of quality goals). **Motivated** staff supply **discretionary effort**, take fewer sick days and are less likely to resign, so output is **steadier** and **recruitment and training costs fall**, while their enthusiasm generates the ideas that support **growth**. **Customer-focused** staff provide friendly, helpful service, so customers are **satisfied**, return, buy again and recommend the business — repeat sales and referrals that lift revenue, profit and growth. The essential point is that in every case the objective is reached **through an outcome**, never directly: it is not the friendliness itself that grows the business but the repeat purchases it produces.

The second direction is that the same chain runs in **reverse**. Unproductive staff produce less output, so unit costs rise and targets are missed — the business becomes both **inefficient and ineffective**. Careless or unskilled staff generate errors, **waste, rework and faulty products**, consuming resources twice and lowering quality. Unmotivated staff are absent more often and leave more frequently, forcing **costly recruitment** and disrupting output. Staff who treat customers badly drive them away, damaging customer satisfaction, sales and reputation. The combined effect — **higher costs, lower quality, lost customers and unmet targets** — pushes profit down, stalls growth and, in a newly established business with little margin for error, can threaten **survival** itself.

The relationship is also **reinforcing**, which is why it runs in both directions rather than one. Achieving objectives, particularly **profit**, gives the business the resources to **reward, train and develop** its staff, to hire enough of them and to invest in better equipment; that lifts performance further, which lifts the outcomes again. The reverse loop is equally real: a business missing its profit objective often cuts training and hours first, which depresses performance and makes the objective harder still to reach. Two implications follow for management. Because performance works **through outcomes**, a business that wants a particular objective should target the **matching feature** of performance — productivity and skill for efficiency, skill and customer focus for satisfaction, motivation for cost stability. And because staff are the resource that acts, the earlier decisions about **staffing needs, recruitment, selection and induction** are what determine the level of performance the business has to work with. ∴ staff performance and business objectives are joined by a two-way causal chain in which performance produces the outcomes that deliver the objectives, poor performance produces the outcomes that defeat them, and the objectives achieved feed back into the capacity to perform.

(Contemporary case study: a full-mark response applies this chain to at least one business studied within the last four years — for example a business whose investment in training or in reducing turnover produced measurable gains in output, quality or customer satisfaction, or one whose service or quality failures cost it customers and profit. Any appropriate, correctly-applied contemporary business earns the application marks.)

(Mark guidance: full marks require accurate definitions of both terms; the causal chain performance → outcome → objective made explicit rather than asserted; specific features of performance matched to specific objectives; the reverse case of poor performance; the reinforcing loop back from objectives to performance; sustained links to a contemporary business; and a clear concluding statement. Analyse = show relationships and causal effects; a list of the features of a good employee, or of the five objectives, caps the response.)

Topic 6 Test B — Case study

Reading time: 5 minutes. Writing time: 40 minutes. Total 30 marks. Answers must apply to the case study.

Case study

Brackwater Linen Services is a commercial laundry in Bendigo. It washes, presses and delivers linen for hotels, restaurants and three aged-care homes, and has grown from 8 to 34 employees in two years. Its owner, Trish Vandenberg, works in the plant most days and says she "has no time for paperwork" — the legal side of staffing, she believes, can be dealt with "if a problem ever comes up".

The plant runs large industrial washers, a gas-heated flatwork ironer that operates at high temperature, and an automated chemical dosing system. A new employee is taken to a machine by whoever is closest and told to "watch for ten minutes and then start". There is no written safe work instruction and no record of what any employee has been shown. Two employees have been burned at the ironer in the past year.

Most staff are engaged as casuals, including twelve who have worked a regular 38-hour week for more than a year and have never been told of any pathway to permanent employment. Operators are routinely rostered 52 hours a week and told that refusing is "not an option". Trish has never given a new starter the Fair Work Information Statement — "they get the contract, that's enough" — and a full-time press operator who asked for two days off after her grandfather died was told to take the time unpaid. Four employees have resigned in the past year, two of them walking out without giving any notice.

The business has never advertised a vacancy. Trish's supervisor tells her when someone's cousin is looking for work, and she hires them after a short chat in the car park. When a delivery driver's position came up, an applicant who uses a hearing aid was not interviewed because Trish "didn't think he'd cope with the phone", although phone work is a small part of that job and could be done by text message.

Brackwater must now appoint a plant maintenance technician to keep the ironer and dosing system running — a role needing genuine mechanical skill and a licence. Trish cannot find anyone locally. A labour-hire contractor has quoted her an hourly rate well below what she pays her own operators and has offered to "bring in workers from overseas and take care of everything, including their fees". Trish is also considering sponsoring a qualified technician from overseas herself.

Question 1 (4 marks)

Describe two selection methods Brackwater Linen Services could use to appoint its plant maintenance technician, referring to the case study.

Question 2 (4 marks)

Distinguish between employer expectations and employee expectations, using evidence from the case study.

Question 3 (4 marks)

Describe two common methods of employee induction Brackwater Linen Services could use, and outline the purpose each would serve.

Question 4 (6 marks)

Evaluate Trish Vandenberg's view that the legal obligations for staffing can be dealt with "if a problem ever comes up".

Question 5 (6 marks)

Analyse how Brackwater Linen Services has failed to meet the National Employment Standards, and the effects this could have on the business.

Question 6 (6 marks)

Discuss Brackwater Linen Services' proposal to recruit its plant maintenance technician from overseas, with reference to corporate social responsibility management considerations.

End of Topic 6 Test B

Topic 6 Test B — Solutions

Question 1. *(Describe, 4 marks.)* **Work testing** requires an applicant to **actually perform a task, or a sample of the tasks, that the job involves**, so the business can observe the skill directly. Brackwater could have each shortlisted applicant **diagnose a staged fault on the flatwork ironer or strip and reassemble a dosing pump** under supervision. This is the appropriate method here because the role needs **genuine mechanical skill**, and a work test **directly demonstrates whether the applicant can do the job** and is **hard to fake** — which matters in a plant where a badly maintained ironer has already burned two people. **Interviewing — a structured conversation in which one or more representatives of the business ask questions to assess suitability** — should also be used, in its **structured** form, with **the same predetermined questions asked of every applicant and answers scored against set criteria**. Brackwater could ask each applicant how they would respond to the ironer failing mid-shift, and assess their communication with operators. This replaces the **"short chat in the car park"**, which is unstructured, inconsistent between applicants and highly exposed to Trish's own bias, and it lets the business judge **communication and fit**, which a work test cannot. *(2 marks per method: the method defined and applied to this specific vacancy. Accepted alternatives are **psychological testing** — an aptitude test of mechanical reasoning — and **online selection** — screening applications against the licence and qualification criteria, or a video interview to reach applicants outside Bendigo. Naming two methods without applying them caps at 2.)*

Question 2. *(Distinguish, 4 marks.)* **Employer expectations** are the things an employer **reasonably expects OF its employees** in return for offering work and pay — that they will honour their **contract of employment** and do what they agreed to do, act with **loyalty** in the best interests of the business, and give the required **terms of notice** before resigning. Brackwater's expectations have been broken: **two of the four employees who resigned last year walked out without giving any notice**, so Trish had no time to hand over duties or find a replacement and the plant lost cover without warning. **Employee expectations** are the things employees **reasonably expect FROM their employer** in return for their work — fair **conditions of employment**, correct **remuneration**, **job security**, and **work-life balance**. These have been broken too: **twelve casuals have worked regular 38-hour weeks for more than a year** with no pathway to permanent employment, so they have no job security and no certainty of income; **52-hour rosters that may not be refused** destroy work-life balance; and a plant with **no safe work instruction and two burns** does not meet the expectation of safe conditions. The distinction is one of **direction**: employer expectations concern the employee's **conduct and commitment**, whereas employee expectations concern **how the employee is treated and rewarded**. The two are also **reciprocal**, which the case illustrates — staff given no security, no balance and no safety are unlikely to feel loyal or to bother giving notice, so Brackwater's failure to meet its employees' expectations is the reason its own are not being met. *(Both sets defined with case evidence, and the difference stated explicitly. Two lists of expectations with no stated difference cap at 3.)*

Question 3. *(Describe / outline, 4 marks.)* An **orientation tour of the workplace** is a **guided walk through the premises on the first day**, showing the new employee where they will work, where equipment and amenities are, and where the **first-aid kit, fire extinguishers, exits and assembly point** are located. Its purpose is to **communicate the business's occupational health and safety rules and the hazards of the plant** — the ironer's heat, the chemical dosing system — which is the very thing "watch for ten minutes and then start" fails to do, and which the *Occupational Health and Safety Act 2004* (Vic) requires an employer to provide as **information and instruction**. A **mentor or "buddy" system** pairs the new employee with an **experienced colleague** who supports them through their first days or weeks, answering questions and showing them how the work is done. Its purpose is to **reduce first-day anxiety and bring the employee to full productivity quickly**, since a new starter at Brackwater currently has nobody to ask and must guess at a machine that has already injured two people. *(2 marks per method: the method described and its purpose stated. Accepted alternatives are a **formal induction session** — to explain the business's objectives, policies and conditions of employment consistently; an **induction manual or checklist** — a permanent reference that is signed off so nothing, particularly safety information, is missed and a record exists; **job shadowing**; or **online induction**. Note the business must also use induction to hand over the **Fair Work Information Statement**. Listing methods with no purpose caps at 2.)*

Question 4. *(Evaluate, 6 marks.)* Trish's view should be **rejected**, although the pressure behind it is real.

In its favour: Brackwater is a **small business that has grown very fast** — from 8 to 34 employees in two years — with no human resources staff, and Trish works in the plant most days. Compliance genuinely **takes time and money** that a business at this stage has little of, and some obligations do not apply to it at all (annual gender equality reporting under the *Workplace Gender Equality Act 2012* (Cth) begins at 100 employees). The business is trading, has not been prosecuted, and its informal hiring has kept the plant staffed.

Against: the obligations are **legal duties, not choices**, and they are **proactive**. Under the *Occupational Health and Safety Act 2004* (Vic) the employer must provide and maintain, **so far as is reasonably practicable**, a safe working environment, including the **information, instruction, training and supervision** employees need to work safely — "watch for ten minutes and then start" at a **gas-heated ironer** is not that, and the absence of any record means Brackwater could not show otherwise. **Two burns in a year** are evidence the risk is both real and foreseeable, so the low cost of written instructions weighs heavily against the likelihood and severity of harm. **WorkSafe Victoria** may issue an **improvement notice** or a **prohibition notice** stopping use of the ironer immediately — which would halt the business's core service to its hotel and aged-care customers — and serious breaches are prosecuted; where negligent conduct causes a death, Victoria's **workplace manslaughter** offence carries up to **25 years' imprisonment**. On equal employment opportunity, refusing to interview the applicant who uses a hearing aid is **direct discrimination** because of **disability**, a protected attribute under the *Equal Opportunity Act 2010* (Vic), made worse by the failure to consider the **reasonable adjustment** of texting when the phone work is a small part of the role; it may also be **adverse action** under the *Fair Work Act 2009* (Cth). That can bring a complaint to **VEOHRC**, a hearing at **VCAT**, and orders for **compensation** on top of legal costs and reputational damage.

Judgement: the view is **not sustainable**. It misunderstands the timing of these duties — the **positive duty** under equal opportunity law requires an employer to take reasonable and proportionate measures to **prevent** discrimination and harassment, not to respond once a complaint arrives, and an OH&S duty discharged only after an injury has already failed. Waiting until "a problem comes up" means waiting until someone has been burned or excluded, at which point the cost is a penalty, a claim and a stopped ironer rather than the modest cost of written procedures, an induction and merit-based hiring. *(Evaluate = weigh both sides AND reach an evidence-based judgement applied to Brackwater. A response that only lists what the business has done wrong, or that gives a judgement with no case evidence, caps the mark. Both OH&S and EEO must be addressed for full marks.)*

Question 5. *(Analyse, 6 marks.)* The **National Employment Standards (NES)** are the **12 minimum employment entitlements guaranteed to employees under the *Fair Work Act 2009* (Cth)**. They are a **safety net**: an award, agreement or contract may offer more, but any term offering less has **no legal effect**. Brackwater has fallen below the net in at least four places. It has **never given a new starter the Fair Work Information Statement**, which every new employee must receive before, or as soon as practicable after, starting work — and its casuals must also receive the **Casual Employment Information Statement**. It denied **paid compassionate leave**: a permanent employee is entitled to **two days paid per occasion** on the death of a member of their immediate family, which includes a **grandparent**, so telling a **full-time** press operator to take the time unpaid was a breach. Rostering operators **52 hours a week** with refusal "not an option" exceeds the **38 ordinary hours plus reasonable additional hours** the standard allows and removes the employee's right to refuse hours that are unreasonable. And the **twelve casuals working regular 38-hour weeks for over a year** have never been told of the **pathway to permanent employment** the NES provides for eligible casuals. Trish's belief that "they get the contract, that's enough" is the underlying error: the NES **cannot be contracted out of**.

The effects run through three chains. **Legally**, the **Fair Work Ombudsman** may investigate and take court action, with orders to **back-pay** unpaid entitlements and **substantial penalties for each contravention** — and with twelve long-term casuals and 34 employees the back-pay exposure is not trivial, so the money "saved" becomes a larger liability later. **In staffing**, a business known for underpaying and over-rostering suffers **reputational damage** and finds it **harder to attract and retain** staff: four resignations in a year already show the turnover, each one costing recruitment and induction, and the same reputation makes the **skilled technician vacancy Trish already cannot fill** harder still, so the NES failures directly worsen her most pressing staffing problem. **In performance**, operators working 52-hour weeks are **fatigued**, and fatigue produces **more errors and more injuries** on a high-temperature ironer — compounding the OH&S exposure, lowering the quality of the linen supplied and putting the **hotel and aged-care contracts** at risk, since those customers are themselves regulated and reputation-sensitive. ∴ the breaches are not isolated paperwork failures: they create a legal liability, degrade the workforce Brackwater depends on, and feed back into the very staffing shortage and safety risk that are already the business's worst problems. *(Analyse = identify the failures accurately and trace their causal effects on the business, using the case. At least three NES entitlements correctly named and applied, plus developed effects, are required for full marks; a list of breaches with no effects, or a recital of all 12 entitlements, caps the response.)*

Question 6. *(Discuss, 6 marks.)* **Corporate social responsibility (CSR)** is the extent to which a business takes responsibility for the **social, ethical and environmental consequences of its activities, beyond its legal obligations and beyond the pursuit of profit**. **Overseas recruitment** means sourcing staff from outside Australia — here by **sponsoring a qualified technician** on a skilled work visa such as the **Skills in Demand (subclass 482)** visa, or by using the labour-hire contractor's offer.

Arguments in favour: Brackwater has a **genuine skills gap it cannot fill locally** for a licensed, safety-critical role, so recruiting overseas would fill a real need rather than buy cheaper, more compliant labour — which is the central CSR test of the practice. Done responsibly it can be **positively good**: it offers a skilled worker a secure job at Australian rates, and it builds a **reputation as an ethical employer**, which makes hard-to-fill roles easier to fill in future, raises motivation, cuts the turnover costs Brackwater is already bearing, and reduces legal and reputational risk with its hotel and aged-care customers. Appointing a competent technician also **improves safety for every other employee**, since the ironer and dosing system would finally be properly maintained.

Arguments against, and the responsibilities it creates: overseas recruitment is **expensive and slow** — sponsorship and visa charges, the **Skilling Australians Fund levy**, relocation support and months of processing — while the ironer needs maintaining now, and it does nothing to **develop local skills**, so the gap will recur unless Brackwater also trains an apprentice. More seriously, an overseas recruit is **more vulnerable than a local employee**: unfamiliar with Australian workplace rights, possibly with limited English, far from support, and often believing their **visa and their future in Australia depend on keeping the employer happy**. That **imbalance of power** makes exploitation easy and complaint unlikely — and it is especially dangerous in a plant that gives **no safety instruction** and has already burned two people, since a worker who cannot follow spoken English instructions and dare not object is at far greater risk. The **labour-hire quote is a warning**: an hourly rate **well below what Brackwater pays its own operators** can usually only be achieved if someone is being underpaid, and "taking care of everything, **including their fees**" means the worker would be **charged for the job**, arriving in debt and trapped in it — conduct that is not merely irresponsible but unlawful, since **payment in return for sponsorship is a criminal offence** and, in Victoria, a labour hire provider must be **licensed** under the *Labour Hire Licensing Act 2018* (Vic).

Acting responsibly would therefore mean paying the recruit the **same rate as an Australian doing the same job**, **bearing the visa and recruitment costs itself**, providing settlement and **safety instruction in a language the worker actually understands**, making clear the worker may raise concerns or contact the **Fair Work Ombudsman with no risk to their visa**, checking who really recruits and supervises anyone supplied by a contractor, and continuing to train locally.

(Discuss requires arguments on both sides applied to Brackwater; an overall judgement is not required. Full marks require CSR correctly located ***above*** *the legal floor — describing legal compliance alone does not answer a CSR question — and specific use of the case, particularly the labour-hire quote and the fees. Do not double-dip by reversing one point to serve as both sides.)*