

IR POLICY AND GOVERNANCE UPDATE



INTRODUCTION

In this week's Update, we look at the Reserve Bank's decision to cut rates this week, ASIC's enforcement priorities for 2025, and we review a recent decision of interest relating to bullying in the workplace.

RESERVE BANK MAKES FIRST 2025 DECISION

Having held the cash rate in its December 2024 Board meeting, the Reserve Bank of Australia has this week determined to cut the cash rate by 25 basis points from 4.35% to 4.1%.

In making the decision the Board of the Reserve Bank held the view that inflation has fallen substantially since the peak in 2022, as higher interest rates have been working to bring aggregate demand and supply closer towards balance. In the December quarter, underlying inflation was 3.2%, which suggests inflationary pressures are easing a little more quickly than expected. There has also been continued subdued growth in private demand, and wage pressures have eased. These factors give the board more confidence that inflation is moving sustainably towards the midpoint of the 2–3% target range.

They tempered that view by stating that certain upside risks remain. Some recent labour market data have been unexpectedly strong, suggesting that the labour market may be somewhat tighter than previously thought. The central forecast for underlying inflation, which is based on the cash rate path implied by financial markets, has been revised up a little over 2026. So, while today's policy decision recognises the welcome progress on inflation, the board remains cautious on prospects for further policy easing.

ASIC ENFORCEMENT PRIORITIES FOR 2025

Remaining aware of ASIC's enforcement focus and the regulator's broader enduring priorities is key to avoiding business risk and preventing unlawful conduct. The Deputy Chair of ASIC, Sarah Court, unveiled the regulator's current and enduring priorities for 2025. These include:

- > Greenwashing and misleading conduct involving ESG claims – carrying over from 2023 and 2024, ASIC will continue to investigate alleged greenwashing in 2025, with particularly focus on claims that are inaccurate or made without reasonable grounds.
- > Misconduct impacting small businesses and their creditors – a new enforcement priority.
- > Governance and directors' duties failures.
- > Misconduct that damages market integrity – including insider trading, breaches of continuous disclosure obligations and manipulation of markets.

DECISION OF INTEREST

In a recent matter before the Fair Work Commission an employee applied for anti-bullying orders claiming that she was being bullied while off work on workers compensation. The employee made allegations relating to events said to have occurred in the period after she commenced her absence on workers compensation.

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The employee claimed co-workers were making derogatory comments about “her WorkCover”, her children, her past relationships and her family life, and constantly talking about and laughing at her. Additionally, the employee alleged that confidential and personal information about her workers compensation claim had been released. Further, the employee claimed the conduct continued despite sending an email to her employer requesting the conduct cease.

Pursuant to the Fair Work Act, an employee may be considered to have been bullied at work if an individual or a group of individuals repeatedly behave unreasonably towards the worker and that behaviour creates a risk to health and safety.

In its related decision, the Commission held that none of the alleged instances of bullying behaviour towards the employee occurred while she was at work, for the simple reason that she was absent from work on worker’s compensation at the time. During the period of absence, she was not performing any work or engaging in any other employer-authorized or permitted work activity. As a result, the Commission dismissed the application. Whether or not the employer had anti-bullying policies and procedures in place, or the veracity of the bullying allegations, were not canvassed in the decision.

Member action

This decision provides members with a reminder of two related issues. First, where instances of bullying occur while an employee is on leave the employee may not be able to benefit from the related legislative provisions.

Secondly, although such a claim in those circumstances may fail, an employer nevertheless has legal obligations to eliminate bullying in the workplace as it is a risk to health and safety of employees. Members should ensure they have related policies and procedures, and apply them both reactively and by taking reasonable steps to ensure bullying and harassment does not occur in a workplace.

CONTACT

Any Industrial Relations Member who has a related query should contact the HR Hotline on 1800 835 167 or contact Charles Watson, GM – IR, Policy and Governance via email: charles@visualmediaassociation.org.au

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