



09th April 2020

Notice: to all Employers and Business Houses in Vanuatu

Department of Labour and Employment Services Selected Measures on the Management of Employment during COVID19 crisis

Due to the COVID 19 Crisis which affects the whole world including the small island nations in the big blue Pacific Ocean like Vanuatu, the Department of Labour and employment has taken some measures to protect and support workers and employers in response to the COVID 19 crisis.

Below are the proposed options:

1- Case of Terminating Employees/Staffs from Service:

- a- Employers are not encouraged to apply permanent or mass termination of employment to their employees/staffs during this COVID 19 crisis as we consider the crisis as a temporary situation. Termination will only be applicable if the Business House or Companies are facing financial constraints and are able to prove that there are reduction of revenue collection and income that cannot sustain their business during this critical time as a result will enable them to lay off their employees/staffs.
- b- Termination should always be regarded as the last option if the company is really facing financial constraint to retain its employees/staffs and the level of business activity is very low and that there is no other option to consider, then the Employer will consider terminating its Employees/Staffs.
- c- In terminating the Employees/staffs, Employers are advised to compensate all lawful benefits to their Employees/Staffs in terms of severance entitlements, notice period and accrued leave payout.
- d- Business House/Companies and Employers are encouraged to put in place recovery plan on how they can re-engage those terminated Employees/staffs once our Country Overcome COVID 19 crisis.
- e- Business House, Employers and Companies must provide support and assistance to the Government in the recovery stage to make sure those terminated Employees/staffs are re-engaged in their employment after COVID 19 crisis.

2- Case of Business Continuity:

- a- Employers who still have their business in operation to provide service to the population of Vanuatu, can Rotate their employees on the following manner:

- i) For Employees/staffs who have accrued outstanding leave, the Employer may put them on paid leave and allow those with less days to perform their duties. The arrangement must be made known to the Employees/staffs so there is a common understanding between the Employer and the Employee/staff.
- ii) Rotate Employees/staffs on shift hours but this will not affect their hours of work and their hourly rate.
- b- Reduction of hours/days of work. For instance, those employees/staffs who are working (while others on Annual leave) their working days / hours can be reduced but not their hourly rate because they are on Continuous employment. This will apply to big business industries including hotels/Resort, Guest house, supermarket versus small hotels, depending on size of the business.
- c- For Companies/Business House with good financial status, if the business activities are low, you can release staff on paid leave (for those staff with outstanding accrued leave) with salaries on a fortnightly basis while they are at home without being terminated and this will be regarded as a continuous employment. Meaning that this will not affect their severance package at the end of their service with the Company. Again this arrangement needs to be made known to the Employees/Staffs so there is a common understanding between the parties.
- d- We encourage Employers to also think about the welfare of their employees/staffs during this challenging time as we all go through, and not to try abuse this situation of COVID19 crisis and apply mass termination to all their employees/Staffs. As mentioned above, termination should be regarded as the last recourse where no other options above can be considered and that the company is facing financial constraint and the only option will be termination.
- e- Based on the above formal approaches the Department of Labour shall have record of the proper management of all employees during this Cov-19 crisis from their employers as provided under section 73 and 74 of the Employment Act.
- f- The Department of Labour continues to encourage all business houses to practice good hygiene at work place and ensure all employers provide safety equipment for the employees/staffs during this Covid 19 crisis.

Further to the above directives, for any information relating to the Employment Stimulus Package that was recently announced by the Government as a result of Covid-19 crisis, all Employers and Employees are advised to contact the Ministry of Finance and Economic Management to the implementation plan of the stimulus package.

Should you request further clarification or queries please do not hesitate to contact the Department of Labour and Employment Services on Tel: 33130.

Yours Sincerely,

Murielle MELTENOVEN
Commissioner
Department of Labour and Employment Services
Ministry of Internal Affairs



Cc: DG- MOIA

VCCI

Vanuatu National Workers Union

Chrono