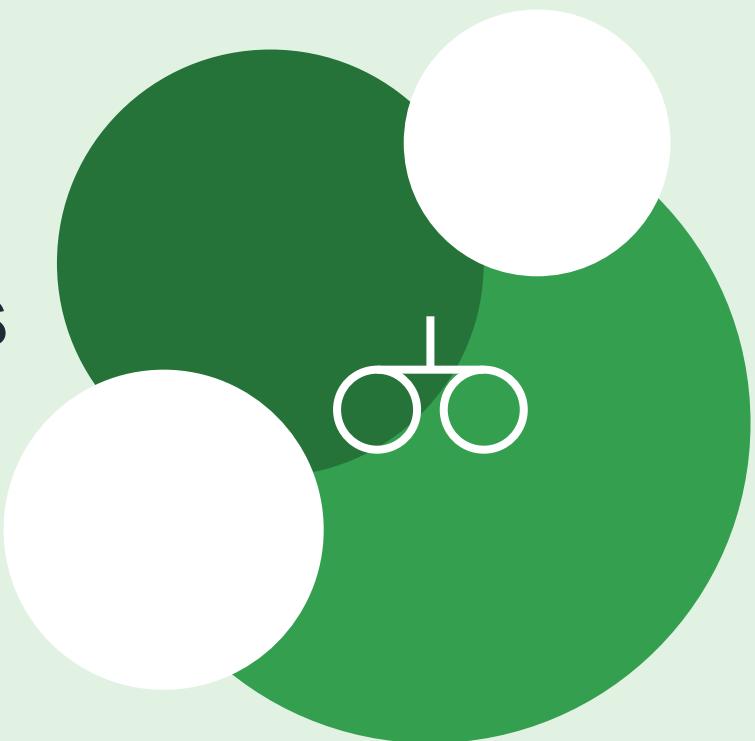


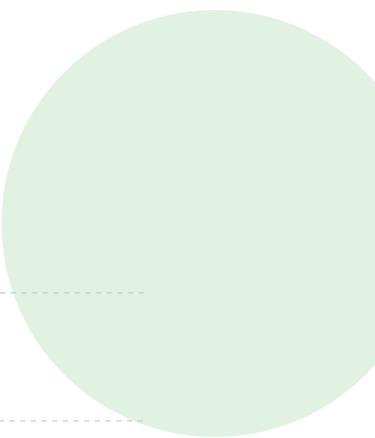
E-GUIDE

Flexible work arrangements

(Australia 2026)



Clear, Australian-focused guidance for SME owners and managers on flexible work obligations, managing requests, and maintaining compliance and productivity.



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Executive summary

Disclaimer

This guide provides general information only and does not constitute legal, payroll, or workplace advice. Employment obligations may vary based on awards, agreements, and individual circumstances. For specific advice, refer to the Fair Work Ombudsman or a qualified professional.

Flexible work arrangements have become a permanent feature of the Australian workplace. What was once considered an exception is now a standard expectation for many employees — including those in small and medium businesses.

Australian SMEs are increasingly required to balance operational needs with employee requests for flexibility. Changes to workplace laws, evolving workforce expectations, and competitive labour markets mean that flexible work is no longer optional for many roles.

This guide explains how flexible work arrangements operate in Australia, outlines employer obligations, and provides practical guidance on managing flexibility in a way that supports both compliance and productivity.

Flexibility is now expected, not exceptional. Managing it well is both a compliance and retention priority.

Key findings

Our review of Australian workforce research and guidance highlights six key insights.



Flexibility is now expected

Many workers view flexible work as standard



Requests are legally protected

Certain employees have a formal right



Not all roles are equal

Flexibility must suit operational realities



Process matters

How requests are handled affects compliance



Poor documentation creates exposure

Verbal arrangements are hard to defend



Well-managed flexibility improves retention

Flexibility supports engagement and loyalty

1 in 3

Australian workers

now regularly work flexibly, including from home, adjusted hours, or compressed schedules.*

*Based on ABS labour force data

What flexible work arrangements mean

Flexible work arrangements refer to changes in how, when, or where work is performed. Common forms include:



Flexible start and finish times



Part-time or reduced hours



Job sharing



Compressed workweeks



Remote or hybrid work

Under Australian law, flexible work must be considered in line with the Fair Work Act and applicable awards or agreements.

Who can request flexible work

Certain employees have a legal right to request flexible work arrangements, including those who:



Are parents or carers



Have a disability



Are aged 55 or over



Are experiencing family or domestic violence



Are supporting someone affected by family or domestic violence

Important

Employers must respond to requests within required timeframes and may only refuse on reasonable business grounds.

Common flexible work arrangements in SMEs

Australian SMEs commonly implement:



Staggered start and finish times

Allowing employees to start earlier or later within a range.



Reduced or part-time hours

Permanently reduced hours with adjusted pay and entitlements.



Work-from-home arrangements

Regular or occasional remote work days.



Flexible rostering

Input into shift preferences and availability.

The suitability of each arrangement depends on the role, industry, and business needs.

Managing flexible work requests

Handling flexible work requests correctly is critical for compliance. Best practice includes:

1 Receiving requests in writing

2 Assessing operational impact

3 Responding within required timeframes

4 Providing clear reasons if refusing

Key risk

Poorly managed requests increase the risk of disputes and complaints.

Balancing flexibility and productivity

Well-designed flexible work arrangements can:



Improve retention



Reduce absenteeism



Increase engagement

However, unmanaged flexibility can lead to:



Coverage gaps



Reduced accountability



Inconsistent performance

Clear expectations and boundaries are essential.

Common compliance risks

Australian SMEs often face compliance risk when:



Flexible arrangements are agreed informally



Refusals are poorly documented



Flexibility conflicts with award obligations



Arrangements drift over time

Key insight

Regular review helps ensure flexibility remains appropriate.

Why documentation matters

Employers should document:



Flexible work requests



Employer responses



Agreed arrangements



Review dates

Written records protect employers and support transparency.

Practical actions SMEs are taking

Successful Australian SMEs focus on:

1 Creating clear flexible work policies

Setting expectations early.

2 Standardising request processes

Ensuring consistency and fairness.

3 Reviewing arrangements regularly

Adjusting as business needs change.

4 Training managers

Supporting consistent decision-making.

Start small, then refine your approach

Small improvements often deliver significant compliance and retention benefits.

12-month outlook: What to expect

Over the next year, Australian SMEs can expect:



Continued growth in flexible work requests

Employees increasingly expect flexibility.



Greater employee awareness of rights

Workers know their entitlements.



Increased scrutiny of refusal reasons

Regulators watching compliance.



Ongoing debate around remote work

Hybrid models continue to evolve.

Flexibility will remain a key workforce issue.

Final thoughts

Flexible work arrangements are here to stay.

Australian SMEs that manage flexibility thoughtfully — balancing employee needs with operational realities — are better positioned to retain staff, reduce disputes, and remain competitive.

Sustainable flexibility relies on clarity, consistency, and review.

Our sources

This guide draws on Australian regulatory and research sources including:

1

Fair Work Ombudsman

Flexible work request guidance and obligations

2

Fair Work Commission

National Employment Standards and modern awards

3

Australian Bureau of Statistics

Labour force and flexible work data

4

Safe Work Australia

Workplace health and safety guidance

5

Australian Institute of Health and Welfare

Workforce research and analysis

Always refer to official guidance for current obligations. This guide provides general information only and does not constitute legal advice.



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