

IR POLICY AND GOVERNANCE UPDATE



INTRODUCTION

Just like that we are well into the second quarter of the year, and week 17 of 52. In this week's update we look at the ABS release of CPI figures and its effect on today's RBA decision on interest rates, various New Zealand specific issues including the inaugural Matariki public holiday, easing of some restrictions in Victoria, and the Victorian Small Business Ventilation Program and more.

CONSUMER PRICE INDEX INCREASE

The Consumer Price Index (CPI) measures household inflation and includes statistics about price change for categories of household expenditure. Price indexes published by the Australian Bureau of Statistics (ABS) provide summary measures of the movements in various categories of prices over time. They are published primarily for use in Government economic analysis. Price indexes are also often used in contracts by businesses and government to adjust payments and/or charges to take account of changes in categories of prices.

Last week the ABS released its CPI data for the first quarter of 2022 which evidenced a rise of 2.1% for the quarter and a rise of 5.1% over the twelve months to March 2022. The most significant price rises were new dwelling purchase and construction costs by owner-occupiers (+5.7%) and automotive fuel prices (+11.0%). Additionally, price rises were seen across all food and non-food grocery products in the March quarter, reflecting a range of price pressures including transport costs, supply chain disruptions and increased input costs.

RERERVE BANK MAY DECISION

At its meeting today, the Reserve Bank Board determined to increase the cash rate target by 0.25%, up from 0.10% to 0.35%. This is the first RBA increase for over a decade.

The Board judged that now was the right time to begin withdrawing some of the extraordinary monetary support that was put in place to help the Australian economy during the pandemic. The Board views the economy has proven to be resilient and inflation has picked up more quickly (as detailed in the previous item), and to a higher level, than was expected.

Additionally, they held that there is also evidence that wages growth is picking up. Given this, and the very low level of interest rates, it is appropriate to start the process of normalising monetary conditions.

Consistent with this, the Board has stated it does not plan to reinvest the proceeds of maturing government bonds and expects the Bank's balance sheet to decline significantly over the next couple of years as the Term Funding Facility comes to an end. The Board is not currently planning to sell the government bonds that the Bank purchased during the pandemic.

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INCREASE IN NZ MINIMUM WAGE – 1 APRIL 2022

We remind our New Zealand based members that the minimum wage rate increased on Friday, 1 April 2022. Effectively:

- > The adult minimum wage will increase from \$20.00 to \$21.20 per hour.
- > The minimum wage for starting-out and training (undertaking an approved industry training programme) will increase from \$16.00 to \$16.96 per hour.

If a worker's minimum rate increases as a result, they should be notified of the increase. The increase can be absorbed into minimum rates of pay that are currently higher than the new minimum rates.

The new rates are before tax and any other lawful deductions (PAYE tax, student loan repayment, child support). To avoid possible future underpayment issues, we recommend confirming any required amendments to minimum rates of pay and payroll systems are made by the effective date.

NEW ZEALAND - NEW PUBLIC HOLIDAY

Employers need to be aware that this year will be the first inaugural Matariki public holiday which, this year, falls on Friday 24 June 2022. The calendar date for the Matariki public holiday will shift each year to align with Maramataka (Māori lunar calendar). Based on advice from Employment NZ the public holiday will be treated as a standard public holiday whereby a worker who would otherwise normally have worked on the day if it wasn't a public holiday, they would be entitled to receive their relevant daily pay. If a worker does work on the public holiday they would be entitled to time and a half rates for the hours worked and a full day's alternative holiday.

NEW ZEALAND - UPDATES ON WORKPLACE COVID-19 VACCINATIONS REQUIREMENTS

The New Zealand Government has updated COVID-19 vaccination requirements for various workplaces. Government mandated COVID-19 vaccination requirements only now apply to health, prison and Border/MIQ workers. Otherwise, workplaces are not able to rely on the Government mandate for their workplaces.

However, and relevantly for employers in our industry, businesses can continue to determine what safety controls are required by a risk assessment or in relation to third party access requirements. This may include continuing to require work be done only by vaccinated workers. TRMC recommends undertaking consultation with workers should form part of the determining process. Further information on this issue can be accessed at the Employment New Zealand site [here](#).

VICTORIAN COVID RESTRICTIONS

Although many of the restrictions and requirements in Victoria have been removed or eased since last Friday, 22 April 2022, we remind Victorian members that COVIDSafe Plans continue to be required in all Victorian workplaces. Additionally, a number of critical settings will be retained, including the essential requirement to isolate for seven days following a COVID-19 diagnosis and existing vaccination mandates for workers. COVID positive individuals will be required to notify their workplace contacts, in addition to informing their social contacts. However, workplaces won't have to individually identify and notify each potentially exposed worker. The use of facemasks continues

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to be recommended when individuals can't physically distance, and are required on public transport and at airports.

VICTORIAN SMALL BUSINESS VENTILATION PROGRAM

The Victorian Government has opened a new grant program for public-facing small businesses to improve ventilation. Eligible businesses can now apply for funding to invest in equipment, undertake works or engage professional services to improve ventilation in areas of the workplace that are accessible to customers. Effectively, the program offers two types of support:

1. Ventilation Rebate – A \$500 rebate for public-facing small businesses to undertake immediate actions such as purchasing equipment or hiring a qualified tradesperson to undertake minor services to improve ventilation in areas accessible to customers.
2. Ventilation Grant – Matched grants of \$1000 to \$5000 to enable public-facing small businesses who employ staff to invest in larger projects such as building works, engaging professional services or equipment to improve ventilation in areas accessible to customers.

For the purposes of this program, a small business is considered to have a Victorian payroll below \$10m for the 2020/2021 financial year on an ungrouped basis as determined by the Victorian State Revenue Office. Further details on eligibility and application process can be found [here](#). Applications are open until 11:59pm Friday 24 June 2022, or until funds are exhausted.

OAIC GUIDELINES ON IHI'S AND COVID VACCINATION CERTIFICATES

Some versions of the COVID-19 digital certificate contain a sixteen-digit Individual Healthcare Identifier (IHI). This number is considered a highly sensitive and confidential identifying number. The Office of the Australian Information Commissioner (OAIC) has recently released updated guidance for organisations that collect COVID-19 digital vaccination certificates. Under the *Privacy Act*, you 'collect' personal and sensitive information if you include it in a record or generally available publication.

The new guidelines make it clear that if an entity keeps a copy of an individual's Covid-19 Certificate containing an IHI, the entity is required to comply with the Australian Privacy Principles (APP). This applies to any entity, even if the APP's do not otherwise apply to the entity. We provide a link to the OAIC guidance [here](#).

Essentially, to comply with related requirements, the updated guidance recommends:

- > Don't collect a COVID-19 digital certificate if it is not required - sight a copy of the certificate instead.
- > If a copy of a COVID-19 digital certificate must be collected, do not collect the IHI.
- > Consider removing or redacting IHI's from any COVID-19 digital certificates that have already been collected and stored in a record.

These new OAIC guidelines are in line with TRMC's original recommendations advised to members in 2021.

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CONTACT

Any Industrial Relations Member who has a related query should contact Charles Watson, GM – IR, Policy and Governance at The Real Media Collective via email charles@thermc.com.au or mobile: +61 428 568 032.

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