

IR POLICY AND GOVERNANCE UPDATE



INTRODUCTION

This week we cover various issues of significance to members from current interest rates and economic projections along with COVID vaccinations in the workplace, or not, and a review of government COVID response and business support measures.

NATIONAL COVID-19 PLAN AND RESPONSE

The internationally renowned Doherty Institute for Infection and Immunity, based in Melbourne, has prepared a report for the 30 July 2021 National Cabinet meeting assessing the impact of different levels of community vaccination on the transmission potential of the Delta variant of COVID-19. The federal Treasury then estimated the costs of those various management strategies by comparison to lockdown periods in 2020 relative to pre-COVID levels.

In summary, the key findings of that report are:

- > Continuing to minimise the number of COVID-19 cases, by taking early and strong action in response to outbreaks of the Delta variant (Track, Trace, Isolate and Quarantine), is consistently more cost effective than allowing higher levels of community transmission, which ultimately requires longer and more costly lockdowns.
- > As vaccination rates rise, significantly less lockdowns and other restrictions will be required to continue to minimise cases of COVID-19, thereby reducing the economic cost of managing the virus.
- > Once vaccination rates for adults reach 70%, lockdowns are unlikely to be required thereby significantly reducing the economic cost of managing COVID-19 to around \$200m per week. This is compared to 50% vaccination rates where the costs are estimated to be approximately \$570m per week.
- > At 80% vaccination rates, the direct economic cost of COVID-19 management is expected to fall to around \$140m per week.

UPDATE ON COVID BUSINESS SUPPORT

Further to the Collectives advisory on the current government business support measures we direct members to the updated document [here](#). This updated version includes a section for New Zealand. The Collective provides members with all the current and proposed measures being offered by various states and federally in this updated advisory. We recommend members review this periodically as there are timeframes for making applications and amendments are made regularly.

MANDATORY WORKPLACE VACCINATIONS

Several Australian companies have made the decision to implement mandatory vaccination policies in their workplaces. In the absence of clarity from government, the issue of whether an employer can mandate employee vaccinations continues to cause employers and their employees' anxiety and uncertainty. Further to our advisory from earlier in the week, and given the ongoing rhetoric and debate on this issue, businesses really have only two options at this time.

IR POLICY AND GOVERNANCE UPDATE



The first option is to continue internally promoting to your employees of the need, purpose and benefits of being vaccinated. As we advised members in June, the regulatory authority of the Department of Health, the Therapeutics Goods Administration (TGA), released guidelines that allow businesses to develop their own promotional materials about TGA approved COVID-19 vaccines. Businesses can supplement government public health campaigns through offers of practical support and rewards that encourage Australians to be vaccinated. A company could even go so far as to promote employee vaccinations as an expectation, albeit stopping short of making it mandatory.

Secondly, if a business determines to implement a mandatory COVID vaccination policy it will need to be carefully drafted and based around an employer's responsibility to provide a healthy and safe workplace and the inherent requirements of the particular job. This consideration could be of particular relevance at a workplace where employees work in reasonably close proximity to each other.

Consideration of timeframes for obtaining a vaccination and other factors such as processes for handling a refusal to vaccinate or religious exemptions need to be mapped out. If a business determines to implement such a mandatory policy, we recommend using available medical advice, undertake risk management, address any barriers and make workplace consultation part of the overall consideration and strategy prior to formalising and implementing such a policy.

Whichever approach is taken, members are encouraged to openly discuss the issue with their employees. Employers are a trusted sources of information and are often best able to provide assistance and direction to employees on the issues, benefits, obstacles and questions that employees may have relating to COVID vaccinations.

To assist members in promoting vaccinations in the workplace, the Collective has provided Australian and New Zealand members with [promotional factsheets](#) and posters to use in their workplaces. The Collective has also released a detailed advisory on the issue which is available [here](#) and feel free to contact Charles Watson to discuss any related issue.

RAPID ANTIGEN TESTING

The Collective has also called upon state and federal government to show greater support for the widespread use of rapid antigen testing and make it part of the overall solution for moving out of the pandemic.

The Collective have spoken with a local Australian designer and manufacturer of rapid antigen and antibody testing kits, Atomo Diagnostics, who are ready and able to help implement rapid and less invasive testing within workplaces. They have been working with the Australian Defence forces since last year, are used by Opera Australia, and the Australian Olympic team where they provided daily testing of athletes to safely get them across to Tokyo.

Atomo's testing process and devices received approval from the Therapeutics Goods Administration back in August 2020 and appear to have a 97% accuracy rate, which is not dissimilar to PCR testing which can still have false negative and false positive results.

IR POLICY AND GOVERNANCE UPDATE



The cost and speed of rapid testing is less than the current pathology testing methods. It only requires a nurse and a data entry person to enter and distribute results. The results takes approximately 10 – 20 minutes and can be sent to an employee's mobile. For those employees living in LGA's that require a test every three days, this saves the usual next day outcome from current pathology testing, and can be used as evidence if police enquire.

From a workplace perspective, if an employee was to test positive via a rapid test their employer can move quickly to ensure less chance of wider exposure in the workplace, and guide the employee to their medical professional for further testing and a treatment plan.

Unfortunately, it seems only the pathology industry has had the ear of state governments over the last 16 months. They have strongly disputed and resisted the worth of rapid antigen testing. NSW alone has spent over \$580m on testing to this point with the current testing methods. It has become clear that rapid testing must have a place in the national plan and this issue needs to be addressed quickly.

Rapid antigen testing has a place as part of the overall solution. It is obvious that the supplementation of current PCR testing through rapid antigen testing would make a significant impact. Employers and their employees, along with their families, would get quicker results and that would provide greater security and less anxiety for everyone.

RBA KEEPS CASH RATE ON HOLD

Unsurprisingly, at its August meeting this week the Board of the RBA has determined to maintain the official cash rate at 0.1%. Further the Board determined to continue purchasing government securities at the rate of \$5 billion a week until early September and then \$4 billion a week until at least mid-November. This means that although the RBA continues to maintain its monetary stimulus measures, it has effectively pulled all available levers at this time.

The RBA's view on the economic outlook for the coming months is uncertain and depends upon the evolution of the health situation and containment measures. However, the experience to date has been that once virus outbreaks are contained, the economy bounces back quickly. Although there will be some level of economic contraction for the numbers in the last quarter of this year given the number and length of lockdowns across Australia over the last few months.

Prior to the current virus outbreaks, the Australian economy had considerable momentum and it is still expected to grow strongly again next year. This scenario is based on a significant share of the population being vaccinated by the end of this year and a gradual opening up of the international border from the middle of 2022.

IR POLICY AND GOVERNANCE UPDATE



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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