

IR POLICY AND GOVERNANCE UPDATE



INTRODUCTION

This week we provide a synopsis of the Jobs and Skills Summit and what comes next from the two day love-in, the RBA lifts interest rates again, a reminder on the Fair Work Information Statement, some assistance for members who are looking to sell to the NSW Government, and a few updates on amendments to COVID-19 restrictions.

Jobs and Skills Summit Summary

Last week's Jobs Summit in Canberra was the hot ticket in town. Although there were pre-planned announcements made by the Government, there was some level of consensus across a few issues, and there were announcements that need greater details before passing judgement. The devil is in the detail on how these issues are to be legislated remains to be seen. In the TRMC update email that contained this Bulletin, we have provided a Member Advisory that summarises some of the relevant announcements and outcome of the summit.

RBA's Interest Rate Decision

This week the Reserve Bank of Australia has raised interest rates for the fourth consecutive month. In the September interest rate decision, the RBA Board decided to increase the cash rate by 50 basis points to 2.35%.

In a statement, RBA Governor Philip Low said that the Board is committed to returning inflation to the 2–3% range over time. "It is seeking to do this while keeping the economy on an even keel. The path to achieving this balance is a narrow one and clouded in uncertainty, not least because of global developments. The outlook for global economic growth has deteriorated due to pressures on real incomes from high inflation, the tightening of monetary policy in most countries, Russia's invasion of Ukraine, and the COVID containment measures and other policy challenges in China," he said.

Inflation in Australia is the highest it has been since the early 1990s and is expected to increase further over the months ahead. Global factors explain much of the increase in inflation, but domestic factors are also playing a role. There are widespread upward pressures on prices from strong demand, a tight labour market and capacity constraints in some sectors of the economy."

Inflation is expected to peak later this year and then decline back towards the 2–3% range. The expected moderation in inflation reflects the ongoing resolution of global supply-side problems, recent declines in some commodity prices and the impact of rising interest rates. Medium-term inflation expectations remain well anchored, and it is important that this remains the case. The Bank's central forecast is for CPI inflation to be around 7¾% over 2022, a little above 4% over 2023 and around 3% over 2024.

The Australian economy is continuing to grow solidly and national income is being boosted by a record level of the terms of trade. The labour market is very tight and many firms are having difficulty hiring workers. The unemployment rate declined further in July to 3.4%, the lowest rate in almost 50 years. Job vacancies and job ads are both at very high levels, suggesting a further decline

IR POLICY AND GOVERNANCE UPDATE



in the unemployment rate over the months ahead. Beyond that, some increase in the unemployment rate is expected as economic growth slows.

Wages growth has picked up from the low rates of recent years and there are some pockets where labour costs are increasing briskly. Given the tight labour market and the upstream price pressures, the Board will continue to pay close attention to both the evolution of labour costs and the price-setting behaviour of firms in the period ahead.

Although the RBA is committed to cooling inflation, we will have to wait for the lag time of some months to see if its decision is having the appropriate effect. This means that there are no guarantees in the coming months that interest rates will not rise further, although likely to be at a lesser percentage than over the last few months.

COVID-19 Updates

After the national cabinet meeting last week, a number of changes have been announced relating to COVID-19 restrictions. From Friday, September 9, people who have tested positive for COVID-19 will **only need to isolate for five days** instead of seven days, but **only if they have no symptoms**. However, workers in high-risk settings such as workers in the aged and disability care sectors will still have to isolate for seven days

Additionally, from 9 September 2022:

- > Paid Pandemic Leave Disaster Payments will be reduced (down to \$540 from \$750) to reflect this five-day isolation period.
- > Wearing facemasks on domestic flights will no longer be mandatory. However, airlines are able to determine their own settings on this issue. State governments will decide as to the requirement to wear facemasks on public transport.

Western Australia has determined the mask mandate for public transport, taxis and ride-share vehicles will be lifted from 9 September. The latest changes to COVID rules means masks will only be compulsory in hospitals, prisons, aged care homes and disability facilities. However, in a statement, the WA state Government said masks were still “encouraged” in crowded indoor settings where people are unable to physically distance.

FAIR WORK INFORMATION STATEMENT

Employers are required to provide every new employee with a copy of the Fair Work Information Statement prior to or upon commencement of employment. To ensure members are utilising the current version of the statement we provide a link to a copy [here](#).

Additionally, there is a specific Casual Employment Information Statement that must be provided to every new casual employee prior to or upon commencement of their employment. We provide a link to a copy [here](#).

IR POLICY AND GOVERNANCE UPDATE



NSW GOVERNMENT PROCUREMENT

Selling to government, their agencies, or lead contractors, is never a quick or straightforward process. Successful tendering requires satisfaction of numerous requirements including compliance efforts and may also necessitate entering into a pre-qualification services scheme.

Smaller businesses have every right to apply for procurement contracts but sometimes lacks dedicated internal expertise on the subject. The NSW Government wants to source more of the goods and services it purchases each year from NSW small businesses and has introduced new policies to achieve this. The Government's Small and Medium Enterprise (SME) and Regional Procurement Policy, for example, allows Government agencies to directly procure goods and services from an SME or regional business up to the value of \$150,000. Further, the NSW government must consider an SME before considering other suppliers.

After discussions with the NSW Small Business Commissioner they have created a range of procurement resources that gives small business training on tendering processes. Members can access four (4) free TAFE NSW courses to help understand how supplying to government works. The modules cover:

- > getting business ready
- > finding opportunities
- > selling to government
- > successful supplying

A link to those micro-skilling courses can be found [here](#). Although these micro courses are NSW centric they are a great resource for any member who may wish to tender to government in any other state

Further information on supplying to NSW government, contracts and opportunities can be found [here](#).

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.

DISCLAIMER

The content of this update, current at the date of publication, is intended to provide general guidance and consideration for TRMC Members only. The content does not constitute advice and should not be relied upon as such. Specific advice about your circumstances should be sought separately before taking any action. TRMC recommends Members ensure any related decisions are made on current and up to date information.