



Australian
Chamber of Commerce
and Industry

TRANSCRIPT

Event: Andrew McKellar interview Luke Grant, 2GB Drive.

Speakers: Andrew McKellar, chief executive Australian Chamber of Commerce and Industry; Luke Grant, host 2GB Drive.

Date: 19 January 2022

Topics: Visa rebates, international students, working holiday makers, staff shortages, supply chain pressures, declining consumer activity, rapid antigen testing, foreign tourism, international border closures, Western Australia reopening.

E&OE

Luke Grant, host 2GB Drive: On the line is Andrew McKellar, the chief executive of the Australian Chamber of Commerce and Industry. Andrew, welcome to the program.

Andrew: Good afternoon, Luke.

Luke: Nice to talk. Let's get to the tourist ban perhaps in a moment or two, but the announcement to get backpackers and others here to help out our workers. Good decision? Bad decision? What do you make of it?

Andrew: I think it's a very welcome step. I mean, these people are very significant contributors to the economy. International students, before the pandemic, we were bringing in somewhere between 400 and 500,000 international students each year, and it was contributing about \$40 billion to the Australian economy. That's a huge contribution that can be made. I mean, this is a good first step for those visa holders that we currently have, able to come into the country in the near term. That's about 150,000 students. So, look, it's not the whole problem, but it's, I think, a very useful first step and equally for working holiday makers, backpackers, again, an important source of labour. Normally we'd have about 250,000 backpackers coming in to help out in some critical sectors of the economy. So again, look, it's

I think something that hopefully will encourage those young people to come back to Australia just that little bit more quickly.

Luke: You talk to business every day, no doubt. Just how badly has Omicron hit them when it comes to labour shortages? Are we talking mainly about people who are unwell? Are we talking about people who are isolated? And just how widespread is it from your talking to people who are actually on the ground?

Andrew: Oh, look, it's something that I think has really snuck up and hit business pretty hard. It's a triple whammy. I mean, certainly there were some issues before Christmas, but those have just been magnified several times with what's happened with Omicron, and it's really three things. It's difficulties in getting supplies, so supply chain is significantly disrupted. Difficulties in getting labour, the labour force impacts in terms of actual case numbers and then the close contacts. So in addition, of course, all of that has impacted consumer confidence. So many people are not out there spending. They might have saved some money away during periods of lockdown last year, but the confidence for people to spend has evaporated somewhat with the current circumstances.

Luke: Yeah. Look, I've seen that at my local shopping centre. People aren't dumb. If they are concerned that they might get ill, then they're obviously not going to put themselves in harm's way. So they don't go out and shop. And from what I've seen from international reporting, I mean, sometimes we think, oh, everything bad happens in Australia, but this is all around the world. This isn't just an Australian thing. Even with the announcement today, we're not going to fix this next week. How soon do you think, even with those large numbers and those waiving of fees, when can you see things perhaps getting something like normal again?

Andrew: That's very hard to say. I mean, there's a mix of factors going on here. Obviously, the public health situation is evolving and the economic impacts are going with that. But look, I think from a business standpoint, there are a couple of things that will really help the situation going forward. Giving business the tools to support healthy and safe workplaces. Rapid antigen testing, this is a big requirement. We've got to find a way to make sure that we have the supply and to make sure that people have access to those very affordably, as they're doing in other countries. We're seeing what they're doing in the US now. We've seen what they've done in the UK and other countries in Europe. We've seen Singapore doing it with providing those tests essentially for free. I mean, that doesn't mean you have unlimited numbers of tests going out to anybody who wants them, but you need to have it in the right place. And at the moment we haven't got that. And honestly, I don't think we've had the right decisions out of government on that. If this continues for much longer, then you've got a

shadow lockdown going on in much of the economy at the moment. And really, in those circumstances, we've got to think about whether or not we are going to need some financial support for the worst affected areas.

Luke: What about tourists? I mean, we're accepting people if they're fully vaccinated now. There might be some pushback from people who don't want illness brought to the country because even if you're vaccinated, you can obviously carry it and spread it. But do you believe we're at a point now where we should just open up to tourists full slapper?

Andrew: Look, I think it's going to come to that point soon. I fully understand if governments say the community wants to get past the worst of the current surge, then look, I think that's quite understandable, but as we go forward, you're exactly right. I mean, if the strategy is that we are getting to a position where we have to live with COVID and we are getting to that point, then obviously sooner rather than later, we are going to need to open up to international tourists, to other business travellers. And if you look at the data right now, in fact, infection rates in Australia are higher than in many other countries around the world, right at this present point in time. So the entire logic and rationale on which the border closures are built is not there anymore. Now, we are not saying drop everything, do it right now. We understand that the first priority here is to address the pressure on the health system, to get past the peak of this wave, to ensure that we're safely through that. But then after that, there are no more excuses. It's time to reopen Australia to the rest of the world, knowing that we have the capability to deal with that.

Luke: Western Australia's meant to open on the 5th of February. Can you see that happening?

Andrew: I really don't know. I mean, they have to take that step at some point in time. Hopefully as we go forward and in another three or four weeks time, the situation nationally will be very much on the improve and they can proceed safely. They've been a bit of a law unto themselves in the recent past couple of years, but at some point we need them back. They need to be part of the broader Australian economy and they have to be prepared to take that step again, I think in the very near future.

Luke: It's certainly a low time in politics. I mean, you got the Government trying to look after all this and the other mob trying to get into the Government benches. Every day there's another pot-shot of the prime minister and the others. It's not helpful, is it?

Andrew: Well, I recognize it's an extremely challenging situation to be in for any political leader and I'm sure no one goes into it with any illusions about the fact that a lot of things you do will be unpopular. It's not about popularity. I think it's about doing the right thing in the national interest. That's what we've got to ask of our leaders. We can always have debate and business won't retreat from pushing the agenda that benefits jobs and the economy. We recognize that that's got to be balanced with health outcomes, but I'm sure everybody understands that that's part of the process.

Luke: Yeah. Andrew McKellar, the chief executive of the Australian Chamber of Commerce and Industry, thank you for your time.

Andrew: Thank you very much.

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