



Transcript

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**Event:** Andrew McKellar interview with Gemma Veness, ABC News Afternoon Briefing.

**Speakers:** Andrew McKellar, chief executive Australian Chamber of Commerce and Industry; Gemma Veness, host ABC News Afternoon Briefing.

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**Topics:** New Labor government, wages growth, annual wage case, inflation, Labor childcare policy, labour shortages, workforce participation, skilled migration, skills and training investment, supply chain disruptions.

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**Gemma Veness, host ABC News Afternoon Briefing:** Andrew McKellar is the CEO of the Australian Chamber of Commerce and Industry, and he joins us now from Canberra. Andrew McKellar, thank you for joining us. You've congratulated Anthony Albanese on his win and the Labor government on the win. You're ready to work with them. Are you optimistic?

**Andrew McKellar, chief executive Australian Chamber of Commerce and Industry:** Good afternoon, Gemma. Indeed, I think the result is very clear and I must say, throughout the campaign and beforehand, obviously the business community has spent a lot of time talking to Mr Albanese, talking to Jim Chalmers, talking to the other incoming ministers. I think there's a well-established dialogue with the incoming government. And obviously, yes, we are very ready to work constructively with the new government. They have some very clear policy directions they'll be pursuing. Of course, we won't agree on everything, but we will work very constructively.

**Gemma:** Well, this submission to the Fair Work Commission backing this pay rise for minimum workers, is that going to be the first big disagreement?

**Andrew:** The government is entitled to make a submission. At the end of the process, the expert panel

of the Fair Work Commission will take into account the submissions from all the parties. From the union movement, from employers, the business community more broadly, and anyone else who wants to make a submission in the community. So the government won't make the decision, though they can make a submission as part of the process. The expert panel will make its determination. And of course, all of the parties will have to go with that.

**Gemma:** There's no doubt the cost of living is up. Why shouldn't wages keep up?

**Andrew:** Well, wages do need to go up, there's no doubt about that. We've made a submission. We've said a 3 per cent increase in the minimum wage. And let's be clear, this is the safety net at the base of the wages system in Australia. It's not what everyone's paid. We think that should go up by 3 per cent and fundamentally, we think that's a fair thing. The inflation target that the Reserve Bank has is between 2 and 3 per cent. There are other things that are feeding into the welfare of employees, including the superannuation guarantee going up by half a percent from the 30th of June. So on balance, we think that's the result that will support continued growth in the economy, continued growth in jobs, that will support a fair outcome and that will also encourage the Reserve Bank's target of 2 to 3 per cent inflation being achieved again. At the moment, inflation is running at much more than that, as we know.

**Gemma:** And as to other policy changes that may help business. Looking at the government's childcare policy, where does that sit?

**Andrew:** I think it's a very constructive thing. I mean, one of the things that we face at the moment is the most chronic shortage of labour in this country in nearly 50 years. Vacancy levels last month were at record levels, over 310,000 jobs where we're looking to find people to go into those positions. Employers are finding it incredibly difficult at the moment to find the right people for jobs, the right skills. So any way we can go about encouraging people to come into the labour force, people who've got children coming back into the labour force, young Australians, keeping them off the unemployed list, investing in skills, apprenticeships, training. All of these things are very important. Equally, lifting our sights on migration, having a level of ambition there, that's got to be part of the solution as well. So it's a complicated solution that we've got to put forward. There are many aspects to it, but of course, stronger childcare will be part of that.

**Gemma:** And do you believe supply chain disruption can and will be addressed in a timely manner?

**Andrew:** It's a fundamental challenge at the moment. There's no easy solution here. One of the big disruptions we're seeing around the world that's affecting supply chains everywhere is there's nearly 400

million people in China locked down at the moment and that's still our biggest trading partner. So clearly that's impacting but we have to do more to invest in our local industry, in the capacity, ensuring that we diversify our sources of supply. So it has to be very much on the radar screen with the incoming government. Business will be working hard to put forward solutions in that space as well.

**Gemma:** Andrew McKellar, CEO of the Australian Chamber of Commerce and Industry. Thanks for your time.

**Andrew:** Thank you very much.

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