



Transcript

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Event: Andrew McKellar interview with Karina Carvalho, ABC News.

Speakers: Andrew McKellar, chief executive Australian Chamber of Commerce and Industry; Karina Carvalho, host ABC News.

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E&OE

Karina Carvalho, host ABC News: Business groups are urging the new government to address workforce shortages or risk shops shutting their doors. While the unemployment rate is at a record low, many employers can't find staff to fill positions. Andrew McKellar is the chief executive of the Australian Chamber of Commerce and Industry. He joins me now from Canberra. Andrew McKellar, thank you so much for your time. What do you want to see from a new Labor government to address the worker shortage in Australia?

Andrew McKellar, chief executive Australian Chamber of Commerce and Industry: Good morning, Karina. Indeed, this is one of the most pressing challenges for business and for the Australian economy at the moment. We have probably the most severe shortage of Labor in nearly 50 years. So, we would say that the new government needs to be looking at three main things to address that. They need to be investing in skills and vocational education and training. They need to be bringing in some policies to address labour force participation, in particular childcare support is one of those priorities. The third thing that we think they should be doing as well is setting some ambitious targets in terms of skilled migration, so lifting that target up to 200,000 places for the next couple of years to make up for the lost ground that we've had during the course of the pandemic over the past two years.

Karina: At the moment, it's set at about 160,000 people a year. How confident are you that that higher number will be allowed in?

Andrew: We're not confident at all. We think this is a discussion that we have to have with government. It's certainly something that we will be urging the government to take an ambitious approach to. The reality is, nothing else is going to shift the needle as quickly as is required for the Australian economy. That is something that will give short-term results. We still need to be doing the long-term things. We need to be investing in skills and training. We need to be introducing measures to boost participation further, but migration absolutely has to be on the table very quickly.

Karina: More workers will keep wages lower, won't it?

Andrew: No, not necessarily. I think the economic evidence here is that skilled migration doesn't dampen wages. Of course, it feeds back into demand. It creates opportunities. So, we would expect that it wouldn't depress wages. In fact, we think it's an overall win-win for the economy. I think that's been the evidence over many decades in Australia.

Karina: Is the reason you're not confident that Labor will lift the skilled migration cap because you'll get a counter campaign from the unions? They're calling for the minimum income for temporary skilled visa holders to be lifted dramatically.

Andrew: Well, that's clearly part of the debate. Obviously, we want to sit down with other groups as part of this process. The government has signalled that it will convene an employment summit in September. So business looks forward to being part of that discussion. We think we need some clear short-term directions that are going to make a difference, as well as some of the medium- and longer-term plans. We want to be part of that dialogue. It should be a very constructive dialogue, but I don't think anybody should be clinging to historical positions on this. I think we've got to look at really what the needs of the Australian economy are now and over the next one, two, three years.

Karina: Because in the short term, you mentioned the employment summit, which is scheduled for September. Labor's more generous childcare scheme doesn't get underway until next year. So are we going to see these workforce shortages really bite in the next six to 12 months?

Andrew: That's right. The childcare incentives that the government have signalled, these will make a difference. They have a budget coming up in October. Again, I think business will be quite open to looking at how quickly some of those measures can be implemented. If there's an opportunity to respond more rapidly, then I think that's something that business will also be open to look at as part of the solution.

Karina: Okay, Andrew McKellar, we really appreciate your time this morning.

Andrew: Great. Thanks very much.

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