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Transcript

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Event: Andrew McKellar interview with Lisa Millar, ABC News Breakfast.

Speakers: Andrew McKellar, chief executive Australian Chamber of Commerce and Industry; Lisa Millar, host ABC News Breakfast.

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Lisa Millar, host ABC News Breakfast: Well, last week the government unveiled details of its industrial relations bill, which it says will promote roster flexibility and increase wages. It won praise from unions, but it also triggered criticism from business groups, including Australian Chamber of Commerce and industry CEO Andrew McKellar, who joins us now. Good morning to you, Andrew. Look, you've had a bit of time now to absorb it. The government certainly wants to push ahead with the vote before Christmas on this. What concerns remain for you?

Andrew McKellar, chief executive Australian Chamber of Commerce and Industry: Well, good morning, Lisa. Indeed, I do think the government is really rushing this. We think there needs to be an open, transparent inquiry in the Senate. We've been going through the detail of the bill, and I've got to say, as we've looked at it more and more, we are seeing very significant issues, very significant issues that particularly concerns small and medium-sized businesses in relation to how some of these provisions will operate. Which I think really do cause us a lot of concern.

Lisa: Yeah, well, the government and the unions predicted this kind of argument, and also said the claims that there would be widespread strikes was something they were anticipating, which they reject. Tony Burke says, we can't delay something that is going to have that fundamental change to Australians to increase their wages. You agree they've got to go up, don't you?

Andrew: Absolutely, of course. If you can get the productivity increases, then of course, no objection whatsoever, wages should go up and that's an outcome that business wants to see. That's good for the economy if we can get those two things going. The other thing, Lisa, if I can say, there are aspects of this bill, where business has no argument at all. So, where we're talking about are measures that will promote greater gender pay equity, where we will address low-wage sectors then look, I think business is quite supportive of seeing those sorts of measures go through. What we would like to see, however, is to split away those parts, from the bits where we do have concerns, and which impact potentially small and medium-sized businesses, removing choice, wrapping those sorts of businesses into agreements which they don't support and which they can't afford. If we can make those sorts of changes, then I think we've got a prospect of making progress.

Lisa: Okay. This was something that David Pocock was putting forward to sort of get some of the bill passed by that December 1st date that the government would like and leave the rest of it for more intensive study. So, is that what you're suggesting, that some of it can get through?

Andrew: Well, look, I think that's a possibility. I mean, obviously, we want to have those discussions with the government. I'm meeting with the minister later today, so there'll be a chance, to put those ideas to him directly. Let's see what the government says. But what we've got to do is I think is take the time on those other elements of the bill. We don't want to end up with unintended consequences that really could be very harmful to many smaller and medium-sized businesses.

Lisa: Yeah. The reality is the multi-employer bargaining, which industry and businesses have been concerned about, when you see that occur, you do see wage rises. But that is the result, people do get increased wages.

Andrew: No, look, I would disagree, and I think here the risk is that if the bill doesn't generate a situation where there are genuine negotiations occurring at the enterprise level. If it's one-size-fits-all. I mean, we really don't know how this is going to work. Is it going to be applied at the geographic level? Is it across similar businesses? Is it in a local shopping centre, for example? Are we going to see the hardware store pulling in the hairdresser and the café owner? We don't know how that's going to work and if you have that sort of outcome then you aren't going to get sustainable wage increases. It's just going to feed back into higher inflation. As we're seeing today, the Reserve Bank is clamping down on that with higher interest rates so no one will win in that scenario.

Lisa: Andrew McKellar, Steve Knott from the Australian Resources and Energy Employees Association was quoted as saying there is white-hot anger out there in his industry, and that they will throw money at it, and you will see a campaign like you've never seen before. Is that what you're seeing?

Andrew: Well, certainly, there are very deep concerns across many sectors in our economy. And the resources sector, mining, and energy, those are very important sectors in our economy with very big projects. So of course, yes, they are deeply concerned about what they're seeing. My concern is more for small and medium-sized businesses, family businesses and the like, where they can't afford to get wrapped up in this sort of regulation and additional red tape that's going to add to complexity and make it much harder for them to manage their businesses. That's where my main concern is.

Lisa: So, the markets are predicting a quarter of a percentage point, maybe even half of a percentage point rate rise later today. What impact do you think that's going to have? Will that continue this move to try and put a bit of a break on the economy?

Andrew: Well, I think that's a risk. The Reserve Bank eased off a little bit last month, they only increased interest rates by a quarter of a percentage point. I'm hopeful that we will see a consistent approach to that today, and many of the experts are predicting it'll be something along those lines. We have to be careful; I think we can't have a situation where rates are tightened too rapidly. If they squeeze the life out of the economy, then really, the damage is going to be quite significant, and we don't want to end up with that outcome.

Lisa: All right. Andrew McKellar, thanks for joining us this morning.

Andrew: Thank you.

Media contact:

Jack Quail | Media adviser

P | 02 6270 8020

E | media@acci.com.au