



Transcript

#BackAustralianBusiness

**Event:** Andrew McKellar interview with Scott Haywood, Nine Radio Money News.

**Speakers:** Andrew McKellar, chief executive Australian Chamber of Commerce and Industry; Scott Haywood, host Nine Radio Money News.

**Date:** 21 November 2022.

**Topics:** Secure Jobs, Better Pay Bill; industrial relations campaigning; Senate inquiry process; employment and wages data; new COVID-19 wave.

**E&OE**

**Scott Haywood, host Nine Radio Money News:** Andrew McKellar is the CEO of the Australian Chamber of Commerce and Industry, and he joins me this evening from Parliament House. Andrew, welcome back to Money News.

**Andrew McKellar, chief executive Australian Chamber of Commerce and Industry:** Well, thank you. Great to be with you.

**Scott:** Andrew, the various chambers of commerce around the country have stepped up their campaign against these industrial relations bills. Why and what does the parliament need to do instead?

**Andrew:** Well, I think it's very important today, we've seen all of the state and territory chambers of commerce coming together with the national chamber of commerce, speaking as one voice, and putting forward the concerns that business has with this legislation. We are very concerned that if this Bill goes through in its current form, it will mean that many businesses, particularly smaller and medium-sized businesses, will get roped into agreements that they can't afford, that they don't want, and that their employees actually don't want. It's not a good result for the economy.

**Scott:** The prime minister has accused opponents of reforms, Andrew, of harbouring an ingrained ideological objection to workers being paid fairly. What do you say to that?

**Andrew:** Look, that's simply not true. I think business is very happy to see workers getting a pay rise and they deserve a pay rise. But what we've got to ensure is that if we pay more, that that isn't then simply eaten up by higher inflation and higher interest rates. The problem with this bill is it implements a fundamental change in the way that bargaining occurs in this country so that it becomes one size fits all, that we have industry or sector wide agreements, rather than making bargaining work at the enterprise level, which is where you're able to get productivity gains. And if you can do that, then you can get sustainable wage increases that are preserved, that don't get eaten up by inflation. That's what we need to do. We need to address the fundamental problem, and that's not what this Bill is doing.

**Scott:** And with the RBA meeting Tuesday week or Tuesday, two weeks away, the first Tuesday in December, where they're likely to put rates up by 0.25 per cent, that is already a concern to a number of business owners and households. But Labor has vowed to extend the parliamentary calendar to get this legislation through. Isn't it more important that the bills have the time to be considered properly first?

**Andrew:** Absolutely. That's what we've been saying all along. The government is rushing this. It's trying to jam this legislation through. If you want an example of that, well, then tomorrow, the Senate committee, which is conducting an inquiry into this, they were given three weeks to do this inquiry. They've got their final hearings tomorrow with the Department with the Fair Work Commission, and then within two hours of the end of those hearings, they're expected to produce their final report. That is a ludicrous situation. It is actually contemptuous, and I think really we should have a process where that inquiry should be allowed to run its course. The Senate should be given more time, and then we should see an objective proper analysis of this legislation coming out of that inquiry process.

**Scott:** Andrew, you're calling on a split of the bill, so why is there so much pushback against that idea from the government? Because that would solve part of the problem of this short timeframe, wouldn't it?

**Andrew:** I don't know why they're pushing back on that. We think that is a reasonable way to go. There are parts of the Bill where business has no fundamental arguments. So, if there are parts of the bill that are trying to achieve improved transparency and gender pay equity, no problem. If there are parts of the bill that are trying to address pay in the low paid sectors, in the care sector, in healthcare, a childcare, in aged care, then those parts of the Bill should be able to be looked at by the Senate and, if possible, passed. But there are other parts of the Bill where they have these fundamental problems, and they want to ram those through as well. That's why we have an issue.

**Scott:** How different is this from the peace and love we saw from business groups and unions around the Job and Skills Summit?

**Andrew:** I think here there's still a lot of good will out there. We don't want to see all of that evaporate. We want to work constructively with the government, but I think there's got to be an equal partnership here. We've got to have a proper dialogue. And when business has fundamental concerns, we're going out, we're speaking to our members, we're talking to businesses, we're doing surveys at the moment. In Western Australia, for example, the chamber there came back with initial survey results; 90 per cent of businesses that they spoke to said they are concerned about the impact of this legislation. So really here, I think there's a role for government to listen to those concerns, to take those concerns on board. And where these problems exist, rather than trying to push that through, then really, I think let's have the conversation.

**Scott:** Andrew, we're only six months into this new government. Do you feel like the next two and a half years are going to be littered with similar problems for businesses that you represent?

**Andrew:** Well they don't have to be. I mean, I do think the Jobs and Skills Summit, it was an exercise where people from business, from unions, from other areas of society, came together and there was a reasonable dialogue, and some good ideas came out of that. So I think we should try to continue and go forward in that spirit. But ultimately here, the government has to be part of that process. They have to set the tone, and I'm not sure that they're doing that in this particular case because if they're going to be intransigent, if they're not going to sit down and have that discussion and offer up some real prospects of compromise, then I think we run the risk that we're going to have this debate happening over a longer period.

**Scott:** Andrew, just switching topics. Last week we saw wages, unemployment data come out. Were either of those numbers a surprise to you, and do you think fuller employment with higher wages gives Australian households the tools to weather any oncoming headwinds?

**Andrew:** We saw last week the employment figures continue to be very strong. We know that there is still strong demand out there for labour, that business is still struggling to fill all those vacancies that we have, to get skilled employees into the labour force and into the jobs that we have. At the same time, I think what was understated were the figures in terms of wages growth. The Wage Price Index is a very narrow measure of wage growth and the evidence that we're looking at says that, in fact, in the marketplace at the moment, total remuneration is growing much more than those official figures suggest.

**Scott:** Finally, Andrew, one thing that's said to dominate business conversations, if not today, but very soon, but we heard on the weekend, and we've heard again today about the next wave of COVID that's expected to sweep through the country over the next few months. You'd be encouraged to get back to

the office throughout the year and then maybe employers will be saying work from home again. Does this new COVID wave change everything?

**Andrew:** Look, I think obviously we've got to be vigilant, and we've got to follow that public health advice. We certainly hope that the directions that have been set are sustainable. We cannot go back to a situation of significantly more restrictions again. There's no way that we can go back into that kind of environment. But if we have to take some other measures along the way, if we have to encourage things like a bit of social distancing and mask wearing, those sorts of things, make sure that people are getting the booster shots if they've got the opportunity to do so, then those are sensible precautions that we should look at applying. We don't want to go back into a situation where we are doing fundamental damage to the economy and to society. If we have to go back to those much harsher restrictions, I think that's just untenable.

**Scott:** Agree. Andrew McKellar, thank you so much for joining me this evening on Money News.

**Andrew:** Great. Good to be with you. Thanks very much.

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