



Transcript

#BackAustralianBusiness

Event: Andrew McKellar interview with Tom Connell, Sky News NewsDay.

Speakers: Andrew McKellar, chief executive Australian Chamber of Commerce and Industry; Tom Connell, host Sky News NewsDay.

Date: 1 November 2022.

Topics: Workplace relations; multi-employer bargaining.

E&OE

Tom Connell, host Sky News NewsDay: The government is gearing up for a fight over industrial relations. It has its legislation out, in Parliament, introduced, wants it passed by December 1. There's a hold up. The Greens will support it. So far they can't get another cross bencher which is all they need in the Senate. All three that they could get the vote of is saying at the very least, they want more time. In the interim, we're seeing business groups possibly launch a campaign against this. They're not happy with the changes as they understand it to be so far. Joining me live is Australian Chamber of Commerce and Industry chief executive Andrew McKellar. Thanks for your time. So advertising campaign, is it coming?

Andrew McKellar, chief executive Australian Chamber of Commerce and Industry: Thanks, Tom. Look, wait and see. There are many in business who I think are very concerned about a number of provisions in this legislation. And now, as we start to look through the detail of it, there are a lot of questions that business is asking. In particular, we're very concerned about these multi-employer arrangements, and the extent to which that can rope in smaller and medium sized businesses against their will, into agreements that really they don't want and can't afford. So, I think there's a lot of concern and we obviously need some answers from government on those points.

Tom: So to begin with on small business, so a true small business, 14 or fewer employees, there seems to be essentially no real change here. That part of the bill doesn't worry you?

Andrew: Well, there are exemptions there for very small businesses. We don't think that goes far enough. I mean there are other aspects in the bill that we are concerned about for small business, but there are going to...

Tom: There's no strike right for 14 or fewer employees, so a small business, in this definition. And it's also totally voluntary. Whatever they enter into, they can be out at any time.

Andrew: At that very small end of the chain. So above that there's these new...

Tom: Yeah, I'm just carving that off first...

Andrew: Correct. That's correct.

Tom: So, for that size, 13 or fewer, the small business, that doesn't worry you in this bill. Is that fair to say?

Andrew: That's correct.

Tom: Okay. And then so above that, when we get to the issue is, the single interest stream seems the biggest worry, how this is broadened. So whether employees from different businesses have a common interest has been broadened as to whether it might be geographical or regulatory regime. What's your concern? An example of who that would catch up as a business here?

Andrew: Well, I think it's very unclear at this point as to exactly what defines that single interest. So it could be geographical, it could be in a single shopping centre where you have a number of shops operating side by side, or in close proximity. You could have a department store, you could have a hardware store, you could have a hairdresser, you could have a cafe. Are they bound together under a single interest? If you get employees in one of those larger stores, if it has a high union presence saying, "We want an agreement that covers everybody in this area." You have a smaller cafe owner, or a hairdresser dragged in as well.

Tom: You still have to be more than 15 but smaller.

Andrew: Well, that's right. And there are plenty of cafes that employ more people than that.

Tom: Because casuals are included.

Andrew: Exactly. Casuals. It's all part of the head count. So, I think that's where we...

Tom: So, and that's what you want clarity on for now because it's not entirely sure when the Fair Work Commission is told geographical is a factor. What does that mean? How much of a factor should that be? And regulatory regime, do they both have to marry up? Is that part of what you're after here, more clarity both from the minister, but obviously, in the bill as well, because the Fair Work Commission has to rule on these sorts of things?

Andrew: Yes, absolutely. I think this is why rushing it through at this point, there needs to be an open and transparent inquiry. The Senate needs to have the opportunity to ask these questions and get some answers from government. And then we still have the uncertainty that if it is passed, well, how will the Fair Work Commission interpret it? And again, it might be quite different. So there are real uncertainties here for business and I think we need to get those answers. There are some parts of the bill that I think business can support, around gender pay equity, around the low paid sectors. Those sorts of things. They could be split off and put forward first. These other more difficult issues, take them aside, look at them in more detail, bring them back next year. Let's see what happens then.

Tom: And if there are different workplaces all in the one shopping centre, as you say, what's the problem with them all bargaining and perhaps making sure they're all getting it? Maybe a few of them get a slight pay rise, but they can all get that same access to that negotiation. What's wrong with that?

Andrew: Well, the issue here is it's one-size-fits-all. So it's not a case of the individual business owner being able to look at those circumstances, sit down with their employees and work out what suits them and how to make better productivity gains in their enterprise. It's, "Well, we have to do the same as is the case for a larger unionised business across the road." Those circumstances might be quite different. They have different cost structures; they have different business imperatives. This is not how enterprise bargaining works.

Tom: So what's the concern if the arbiter is brought in on that and there's compulsory arbitration that the Fair Work Commission decides something that will work for a bigger business, for a smaller business, just can't make ends meet. Is that what you're saying?

Andrew: Well, we don't have any confidence in the Fair Work Commission being able to make decisions about how to run individual businesses rather than the business owners themselves. That's not the way the economy should work. These people don't have experience running businesses. They shouldn't be the ones making the decisions.

Tom: Let's pull that back because another thing that's been removed is the ability of employer to just tear up existing conditions when they're in negotiations. Is that fair enough to remove? Because it seems that there are a lot of deals that reach an impasse and at that point the employer has the whip hand, they can keep going as they are while there's no new deal struck. Someone's wages are just flatlining and going backwards in real terms and they can always say, "Well we'll just stick you back on the award." Is that fair enough to take away that threat? Is that kind of effective to getting wages going?

Andrew: I think this is an overreaction. If you actually look at the number of cases where that occurs, it's extremely limited. That provision is there...

Tom: But if there's a threat, right? It's not just it being used?

Andrew: It's activated very rarely. And it can only ever be put into place with the approval of the Fair Work Commission, having regard to a number of factors, including the interests of the parties and the public interests. So it happens very rarely at the moment, to be honest...

Tom: It's so rare, if it goes then it wouldn't be a big problem?

Andrew: Well, I think, it's not a problem at the moment. It's not a problem that needs fixing and it certainly doesn't go to the core of what is required. If we're going to get enterprise bargaining working again and get wages moved.

Tom: How much money would your organisation tip into an advertising campaign if it came to that?

Andrew: Oh look, I think that's a premature question. We're going to sit down, we have the discussions with government, we'll see how that goes. But obviously I think...

Tom: It's looking pretty ominous, isn't it?

Andrew: There's a lot of consideration.

Tom: You think you're going to get a lot of agreement? You're talking to Tony Burke this afternoon, I understand.

Andrew: That's correct, yes.

Tom: Have talks been cooperative, fruitful so far?

Andrew: Well, we will come to those discussions in good faith. We're not going to threaten,. I think we're going to see what progress we make with the government. We want an open and transparent process.

Tom: I'm sure we'll talk once we've seen how those talks go. Andrew McKellar.

Andrew: Good, good.

Tom: Thank you.

Andrew: Thank you.

Media contact:

Jack Quail | Media adviser

P | 02 6270 8020

E | media@acci.com.au