



Transcript

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Event: Andrew McKellar interview with Karalee Katsambanis, 6PR Money News.

Speakers: Andrew McKellar, chief executive Australian Chamber of Commerce and Industry; Karalee Katsambanis, host 6PR Money News.

Date: 2 November 2022.

Topics: Industrial relations reforms; multi-employer bargaining.

E&OE

Karalee Katsambanis, host 6PR Money News: Well, Australian Chamber of Commerce and Industry chief executive Andrew McKellar is in town and has dropped into the studio tonight for a chat here on Money News. Mr McKellar, welcome.

Andrew McKellar, chief executive Australian Chamber of Commerce and Industry: Good evening, Karalee, it's great to be with you here at 6PR. Great to be in the studio and great to be in Perth as well.

Karalee: Lovely to have you here. All right let's get straight into it. You're keen to discuss the federal government's proposed industrial relations changes and what they mean for WA small business.

Andrew: Well, I think business has real concerns about the legislation that's been introduced. Look, there are some parts of the bill, which are fine. I mean, when we're talking about things like gender pay equity, and when we're talking about supporting low paid jobs, those things, business has no real argument with. What we're concerned about is an area called multi-employer bargaining, and here we have real concerns that this is going to have a big impact for many in the business sector, particularly for small and medium-sized businesses.

Karalee: Okay, so let me ask you, when you talk about multi-employer bargaining, break that down for our listeners for us.

Andrew: Well, what the legislation is trying to do is they're trying to set up a system where it becomes more or less one size fits all. So you can drag in a bunch of different businesses based on some common criteria, whether that's that they're in the same geographical area or they're under the same regulatory regime, or they're in the same sort of business line. I mean, it could be in a shopping centre, for example. It could be a case where there's a hardware store, there's a hairdresser, there's a cafe. Potentially, they could all get dragged into one agreement. It's one size fits all. You don't have to have a majority of employees in each of those businesses supporting an agreement. And really it will be forcing terms and conditions onto those businesses, which they really might not want and they can't afford.

Karalee: Now, I'm going to be devil's advocate here because the unions undoubtedly say that the business sector wants to perpetuate low wages. What do you say to that?

Andrew: Well, that's certainly not true. I mean, at the heart of our enterprise agreement system is exactly that. What we've got to do is we've got to get negotiations happening at the individual business level. That's where you get productivity gains. If you can get productivity gains going, then business is very happy to pay higher wages. It's a win-win in that circumstance. And unfortunately, what we've seen for a number of years now is a low productivity situation, also a low inflation situation. We've got to change that productivity equation, get that going, then we can see higher sustainable wages and better living standards.

Karalee: So let me say to you, you're over here in Perth, as I said, tonight. You are meeting with the Chamber of Commerce and Industry WA tomorrow. Now, more than 90 per cent of CCIWA membership base is actually made up from small and medium-sized businesses. They must have raised concerns with you?

Andrew: Absolutely. Well, indeed and in fact, 60 per cent of all private employment in Western Australia is small and medium-sized businesses. This is an absolutely critical part of the economy. It's the backbone of the economy. We don't want to see them being forced into a situation where they have been compromised. They have been through a lot of tough times over the past couple of years. They're trying to get back on their feet. This is not responsible policy. It's going to lead to an outcome, which I think ultimately it will mean higher costs for those small businesses. It will mean they will be less able to employ the people that they're trying to support now. That's not a good thing for the economy. It's not a good thing for Western Australia, and it's not a good thing for Australia.

Karalee: So Employment Minister Tony Burke was in Perth a couple of days ago and he's hit back because he says that more complexities, he says that there have to be some changes, but he wants to get wages moving. And what do you say? Are we going to be loggerheads? How will this get resolved?

Andrew: I think really what we would hope here is that the government would take an open and transparent approach to this. Let's have the discussion, let's not try to ram this through. So the government, I think, is really rushing this. They want to have an inquiry in three weeks. In other similar bills, it's taken three months. So I think you've got to get the detail right, you've got to respect the parliamentary process, you've got to let business have its say. We're just getting out there and talking to businesses now, informing them about the detail of this legislation. They need to understand how it's going to impact them and what it will mean for their employees. And if they rush this, if the government rushes this, they'll get it wrong and the consequences could be very severe.

Karalee: Yeah, and I have to say that you do point out, business points out, that provisions can go well beyond low paid sectors, and due to a common interest could apply to any business, only those with fewer than 15 employees can opt out. So what you're saying definitely has merit.

Andrew: Look, the 15 threshold, I don't think that really helps. You can have businesses where the employees don't support this. They still can get dragged in. It can be one size fits all. We'll get sector wide agreements. We have the risk then as well that you could have recurring levels of industrial disputation. We don't want to go to those bad old days. This pushes right against many of the changes that have been put into the labour market over the past 20, 30 years in order to get better outcomes and to ensure that we can have sustainable real wage increases.

Karalee: And definitely look, there's some recent news that's come out that the Australian Resources and Energy Employer Association has flagged it will actually fund a campaign against the legislation. It's claiming mining, oil and gas companies do not want to deal with this multi-employer bargaining within the IR system. Can we possibly see this happening with Australian business as well? Would you get behind something like that?

Andrew: Well, I think it's a measure of how seriously the businesses in that sector take this concern. I mean, I think from our point of view, we want to sit down and have the discussion with the government. We want to see what comes out of the parliamentary process. We don't want to damage the economy. We'll work constructively with the government. Let's have a sensible conversation. We're urging them to split this bill up into the parts that are less controversial and the parts where there are real questions. So I think if they do that, take the time, get it right, then I don't think we need to get into loggerheads like that.

Karalee: Australian Chamber of Commerce and Industry chief executive Andrew McKellar, it's been delightful to have you on Money News here in Perth.

Andrew: Great. It's been a pleasure. Thanks very much.

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