



TRANSCRIPT

BUSINESS COUNCIL SLAMS BEAZLEY'S AWAs PROPOSAL

ACCI Chief Executive Peter Hendy on ABC TV's Lateline Program - ALP AWA Proposal - 15 June 2006.

REPORTER: RACHAEL CARBONELL

MAXINE McKEW: The country's business groups have launched a fresh broadside at Labor leader Kim Beazley, for his pledge to abolish individual employment contracts. The Business Council of Australia has written an open letter to Mr Beazley, criticising the move "in policy and economic terms" and for not consulting with business groups before announcing such a big shift. And, according to the Australian Chamber of Commerce and Industry, the announcement is hampering Labor's attempts to patch up its poor relationship with the business sector. Rachael Carbonell reports.

RACHAEL CARBONELL: It's been four days since the Opposition Leader Kim Beazley announced that a Labor government would scrap Australian Workplace Agreements, and business groups and the Government won't let up.

KEVIN ANDREWS, WORKPLACE RELATIONS MINISTER: As the business community in Australia has indicated, this was a very serious misjudgement and it throws into question the entire economic credibility of Kim Beazley.

RACHAEL CARBONELL: The Business Council of Australia has published a letter to Mr Beazley on its website, saying:

LETTER FROM MICHAEL CHANEY, PRESIDENT, BUSINESS COUNCIL OF AUSTRALIA: We find your recent announcement unacceptable, both in policy and economic terms, and for the fact there was little, if any consultation, with business before arriving at this decision.

RACHAEL CARBONELL: The Australian Industry Group is also critical, as is the Australian Chamber of Commerce and Industry.

PETER HENDY, AUSTRALIAN CHAMBER OF COMMERCE AND INDUSTRY: The ALP has been trying to rebuild its relationship with the business community after Mark Latham's leadership. Unfortunately, this type of decision does nothing to help rebuild that relationship.

RACHAEL CARBONELL: The Government says the pledge has exposed a split within the Labor Party.

KEVIN ANDREWS: Mr Smith's been running around the country for the last year or so, privately intimating to business groups that things would continue, that AWAs would be alright, that that process would continue on. Now what happened on the weekend was that Kim Beazley has undermined the credibility of Stephen Smith.

RACHAEL CARBONELL: Mr Smith says there's no evidence of that and questioned the motives of employer groups.

STEPHEN SMITH, OPPOSITION INDUSTRIAL RELATIONS SPOKESMAN: Maybe it's not about flexibility. Maybe it's about a good old-fashioned, straightforward shift from profit to wages.

RACHAEL CARBONELL: Labor tried to suggest that the flexibility businesses desire could be achieved with common law contracts.

STEPHEN SMITH: We support individual employment contracts. They're called common law contracts and there are 3 million of them.

RACHEL CARBONELL: But that didn't wash with the Government or employers.

KEVIN ANDREWS: If the Member for Perth and the Opposition don't know the difference between common law contracts and individual AWAs, then they are deeply in trouble.

PETER HENDY: A common law contract cannot alter the award, it cannot alter the red tape, the inflexibilities in the award system.

RACHEL CARBONELL: Undeterred, Labor continued its campaign to highlight the evils of AWAs using office products manufacturer Esselte Australia as an example.

STEPHEN SMITH: Prime Minister, isn't it a fact that this AWA leaves a full-time employee working two hours of overtime during the week and a Saturday shift, \$60 a week or \$9,360 over three years worse off?

JOHN HOWARD, PRIME MINISTER: It is a fact that often questions asked by the Opposition are not true. It is a fact that since this Government has been in office we've created 1.8 million more jobs. It is a fact that real wages have risen by 16.8%.

RACHEL CARBONELL: Labor also took a broader swipe at the workplace laws, quoting an OECD report that questions whether minimum wages, trade unions and unfair dismissal laws cause unemployment.

WAYNE SWAN, SHADOW TREASURER: Treasurer, don't these new findings from the OECD severely undermine the economic case for the Government's objective to lower minimum wages through the Fair Pay Commission?

PETER COSTELLO, TREASURER: The world economic outlook of April 2006 says this, the world economic outlook: "In Australia, recent reforms to the industrial relations system and changes to tax and benefits system will improve work incentives and should set the stage for strong employment growth."

RACHEL CARBONELL: Regardless of the findings of that report, employer groups are overwhelmingly supportive of the Government's IR laws, and Labor isn't winning their favour with its latest campaign against AWAs. Rachel Carbonell, Lateline.