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## ‘Barking mad’ IR changes will be a slow burn on the economy

*Statement by Steve Knott AM, CEO, Australian Resources and Energy Employer Association (AREEA).*

Having passed its controversial industrial relations bill through Parliament, it is now incumbent on the Albanese Government to ensure its radical changes don’t wreak havoc on the economy, as countless business leaders and respected economic commentators have repeatedly warned.

The impacts of the Government’s radical IR reforms will be a slow burn, most likely reaching boiling point in late 2023 and 2024.

By that time the ALP may have learnt that managing Australia’s economy is more complicated than parroting simplistic focus group slogans like “getting wages moving”. They may also have learnt that managing a business is far more complicated than merely increasing wages and outsourcing management decisions to the Fair Work Commission (FWC).

With rising inflation, electricity costs and interest rates, the last thing businesses need is to be dragged into other companies’ IR disputes via multi-employer bargaining or have the FWC make their decisions for them.

Having a centralised employment tribunal set wages and conditions for private sector businesses, as it did in the 1970s and 1980s, put simply, is **barking mad policy** from our federal government in 2022.

This is a recipe for lower productivity, less competition, higher inflation and more strikes. It won’t create a single job, but it will drive away investment and cost future employment opportunities.

These concerns have been shouted from the rooftops by AREEA, other employer groups, countless private sector business leaders, and independent commentators like the Productivity Commission and Reserve Bank Governor.

Having refused to listen to such concerns, or even slow down and consult properly, the Albanese Government will be under constant pressure to ensure adverse predictions don’t come to fruition.

When they inevitably do, we expect the Government to engage in genuine consultation with all its constituents – not just doing the bidding of union bosses - on fixing the mess they would have created.

The business community, including members of the National Workplace Relations Consultative Council (the statutory body which by law is required to be consulted over IR legislative changes), don’t just expect to be consulted, we expect our views to be taken into account.

Unlike the IR changes passed this morning, we hope the Government will both consult with, and properly consider the views of business, for the so-called ‘second tranche’ of reforms mooted for 2023.

The ALP has now passed its legislation for more union power, more union revenues and more union donations. But at the end of the day, it’s business that creates economic activity and employs people, not trade union bosses.

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