

## Opinion



# Business takes to the airwaves to oppose the government's IR changes

Business is keen to work with Labor, but industrial relations is a sticking point. There may soon be a major public campaign to have its message heard nationwide.

**Jennifer Hewett** *Columnist*

Kate Pounder's decision to reject the position of new CEO of the Business Council of Australia leaves succession plans for Jennifer Westacott's departure later this year in total disarray. But it makes the coming big push by business against the government's next industrial relations changes rather less awkward to manage.

Pounder is currently CEO of the Tech Council but her husband, Andrew Dempster, is a senior policy adviser to Anthony Albanese, including on industrial relations.

[The BCA – along with other key business groups](#) – is planning a major public relations and advertising campaign against the government's latest proposals altering workplace laws after mid-year. These are primarily designed to make official the union concept of “same job, same pay” and put further restrictions on the definition and conditions of casual or “gig” work.

Although business is keen to work co-operatively with Labor on policy and appreciates greater engagement with this government, companies are deeply worried about its approach to industrial relations, and Minister Tony Burke's willingness to acquiesce to ACTU demands.

**There's still little confidence the minister will change course or even compromise at the margins without coming under greater public pressure.**

The result is that major business groups such as the BCA, the Minerals Council, the Australian Chamber of Commerce and Industry and potentially

the Australian Industry Group will join forces in a new campaign to oppose the government's direction.

Although some organisations hope this starts later this month, full agreement on the exact timing and budget is still to be completed.

But it will clearly be a test of the Albanese government's confidence in proceeding with its agenda against express warnings by almost the entire business community and a rare attempt by business to get public opinion on side via a united campaign.

Innes Willox from AiG tells *The Australian Financial Review* that despite AiG's traditional reluctance to participate in ad campaigns, the "enormous implications" of the changes that the government wants mean that it is considering involvement this time around.

"It's basically an attempt to [eradicate labour-hire](#) which gives businesses the flexibility they need for seasonal needs, upturns in orders, all the cyclical things that impact business," he says.

"Couple that with a redefinition of casuals which is being considered, and it will put businesses into a straitjacket about who they can employ and how they can employ them.

"That just means that [businesses lose the ability](#) to adapt to changing circumstances."

According to AiG's submission last Friday to the Department of Employment and Workplace Relations, the "same job, same pay" proposal has caused alarm among a wide range of manufacturing, construction, maintenance, ICT, consulting and other businesses that have entered into contractual arrangements.

"Thousands of small and medium-sized businesses which supply services to larger businesses would be forced to increase the remuneration they pay to their employees in order to comply with the 'Same Job, Same Pay' requirement.

"This would substantially increase their costs," the submission states. "It would be naive to assume that these businesses would be able to fully

recoup those cost increases from their clients through charging higher prices for their services.”

After being wrong-footed by the government’s surprise inclusion of multi-employer bargaining in legislation last year, the BCA is trying to head off another defeat by querying what problem the government is trying to solve.

It is determined to challenge any government claims that “same job, same pay” requirements has anything to do with equity, including the emotive issue of gender equity for feminised workforces.

The BCA submission also argues strongly against the idea of people unable to be paid differently in order to take into account attributes such as experience, skill, productivity and customer satisfaction.

Tania Constable, chief executive of the Minerals Council, says the council consistently develops “education campaigns” on issues that affect the minerals sector and the broader economy.

“The government’s so-called same job, same pay proposal will be [a backwards step](#) for the Australian economy at a time when we need more investment and more productivity growth,” she argues.

“This policy would inhibit both goals, and we will work with business to ensure any new industrial relations laws and regulations are going to work for the whole economy”.

Some of her most important members are strongly opposed to any attempt to prevent the use of labour-hire companies for short-term contract work with the mining industry a flashpoint for arguments with the unions.

BHP is particularly antagonistic to the government’s plans after having established Operation Services as an internal subsidiary that can pay people less than those in its direct workforce but with workers still highly paid at above-award rates on a contractual basis.

Such arrangements are opposed by mining unions with BHP’s coalfields a primary battleground for the government’s workplace agenda and a major reason for Labor’s commitment to “same job, same pay” legislation.

Although the Australian Resources and Energy Employer Association is not joining the campaign, its submission last Friday also emphasised its view that the new laws would have “operations close, jobs lost, regional communities adversely affected and state and federal tax and royalty revenues forgone.”

There’s still little confidence the minister will change course or even compromise at the margins without coming under greater public pressure.

But although the mining industry’s campaign against the Rudd government’s mining tax was highly effective 15 years ago, other general business advertising campaigns on industrial relations were less successful.

In today’s tight labour market with, if anything, even greater community scepticism about business, this campaign may prove an even tougher sell. Qantas’ criticisms about new IR restrictions certainly won’t attract much sympathy, for example.

But with their concerns so great and the government apparently intransigent, business leaders feel they have little choice but to try to make their case heard beyond Canberra.