

## **AM Program – 29 September 2015**

**MICHAEL BRISSENDEN:** The Prime Minister is continuing to push his economic reform agenda, calling a summit of business, community and union leaders to meet in Canberra this week.

The group of eight will discuss a range of measures to create jobs and stimulate growth, including lowering company tax rates and superannuation concessions.

Australian Industry Group chief executive Innes Willox is one of those attending the summit, and I spoke to him a short time ago.

**INNES WILLOX:** Well this is an opportunity that the participants in the summit have been talking about for some time. That if we could all get together around some key principles, around work force participation, tax, fiscal policy, and retirement incomes, those four key areas and we can reach some agreement about principles, that that would give us the opportunity to talk with Government about long term reform.

And since we've had the summit, in late August of course, we now have a new Prime Minister and he's obviously decided to see some of the momentum that was driven out of the summit to have conversations around what Australia can do to develop long term structural reform principles and outcomes that will drive growth and increase competitiveness.

**MICHAEL BRISSENDEN:** Well what's been the feeling among the business community since Malcolm Turnbull took the reins? Do you get a sense that there is a change of momentum or a change of direction?

**INNES WILLOX:** Well we've seen a lift in business confidence through surveys and at Ai Group (The Australian Industry Group) I've talked to and communicated with well over 100 CEOs since the leadership change, and although there is recognition that there's a lot to be done and that our growth is low and slow and there are some pockets of real potential out there in parts of the economy are doing well, there's also areas of great hardship.

But overall I think there's been a confidence boost, the Prime Minister is focused on innovation which is very welcome, the fact that he hasn't ruled anything out in terms of a tax debate is very welcome, and the focus on competitiveness is very clear.

And I think that's been well received by the business community. What we now need to do is to turn some of that sentiment into action. We've seen increases in confidence in the business community. And the Prime Minister I think has some political capital that he could usefully spend on the reform agenda.

**MICHAEL BRISSENDEN:** It's pretty clear that work place relations is one area that has frustrated business. The pace of change or the lack of change in that area. In a speech last week you said it was time for the Government to change tack on workplace relations, are you confident that that's about to happen?

**INNES WILLOX:** Well so far we've had some very positive signs on that. Again it's one of those issues where not much has been achieved through a combination of circumstances over the past couple of years. A set up that's been quite difficult for the Government to deal with and before that the business community would argue that we went quite significantly backwards in some areas.

At least now we're able to have the discussion, the Prime Minister's been talking about the need for instance to work through the issue of penalty rates, which the productivity commission has brought up as part of its draft report. And these are positive things.

And these are the sorts of issues we think we need to address overall if we're going to restructure our economy to be competitive. So we're much more positive that over the longer term that we'll be able to have the debate. Of course we'll have the productivity commission report later this year and that should give us some momentum going forward.

So at least now Michael we're talking about these things and that's positive.

MICHAEL BRISSENDEN: One of the main issues is penalty rates. And clearly that's politically difficult an emotive and divisive issue.

Already we've seen the ACTU threatening a fierce campaign against any move to cut rates. But that is what you want isn't it?

INNES WILLOX: What we have suggested at Ai Group and the productivity commission has taken up is that Sunday penalty rates be adjusted to reflect Saturday penalty rates, so there still is a penalty rate that employees will receive, it just won't be so great, so that businesses are more able to open seven days a week.

That's what we would like to see.

Of course it's an emotive issue, unfortunately the union movement's come out very strongly against it without really wanting to have the discussion around what the implications of such a move would be.

But that's the discussion that we need to have and we believe all things should be on the table. We need our businesses to be open, we need them to be working, we need them to be competitive and we need to look at ways we can do that in a fashion that is still fair, is still equitable.

And in the end of the day when it comes to penalty rates I think it comes down to this choice Michael, we either have less people working for a bit more or we have a lot more people working for a little bit less on Sundays.

MICHAEL BRISSENDEN: Would you like to see the Government talks that argument to an election, to articulate that, to actually give them some political capital - to use a phrase you've already used?

INNES WILLOX: Well that would obviously be a decision that Government would take, but we would be encouraging Government to be bold when it comes to the reform agenda more generally and workplace relations is part of that. And we would argue it's not a single issue, it's part of a coherent set of reforms that would need to be stitched together and argued by Government in support with business community and others, that these are the reforms we need to make.

I mean what you saw from the reforms summit, which is what we are going to be talking to the Prime Minister about on Thursday, is an agreement around a whole lot of set of principles, which included workforce participation where we need to get - where we need to create the jobs of the future with the emerging technologies.

That's why the comments that the Prime Minister made around innovation and the change in technological disruption and the changing nature of work are positive, because it's recognition from Government of the highest levels that our economy is changing and we need to have these discussions. We can't just stand still Michael in what is a rapidly changing world.

So we would hope the Government will be able to put together a coherent narrative around the sort of principles that we talked about at the reform summit to take to voters at the next election and push forward the reforms we need.

MICHAEL BRISSENDEN: Australian Industry Group chief executive Innes Willox.