

Ali Moore speaks with Heather Ridout

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Heather Ridout from the Australian Industry Group joins Lateline Business to discuss Labor's election victory.

Transcript

ALI MOORE: To see what the big end of town thinks of Labor's election victory, I was joined in the studio earlier by Heather Ridout from the Australian Industry Group which represents some 10,000 employers across a range of sectors.

Heather Ridout, welcome to Lateline Business.

HEATHER RIDOUT: Good to be here.

ALI MOORE: Is business nervous or relaxed and comfortable now you have a Rudd Government?

HEATHER RIDOUT, CHIEF EXECUTIVE OFFICER AUSTRALIAN INDUSTRY GROUP: Business is never relaxed and comfortable in Australia, in a very contested economy - it's a tough place to do business. But we've had a good look at Kevin Rudd over the last 12 months.

He's put a lot of policy out in areas that we agree a lot about, like education and training. We all agree something needs to be done about climate change, we all know we need better Commonwealth state relations, we know we need a better coordination of infrastructure.

He's got a lot of economic credentials. He's conservative, he's put good fiscal policy out there. There's a lot of things about him that business is not frightened of. Areas like WorkChoices they have narrowed the difference between themselves and the Government policy and addressed very important issues to business like pattern bargain issues, areas around right of entry provisions, the construction reforms have gone a long way there.

So a lot of the really raw issues were hard fought, but a lot of them were negotiated in the lead up to the election. Business had a chance to have a good look.

ALI MOORE: Is it fair to say now it is business as usual, or do you see some elements perhaps waiting, putting some decisions on hold?

HEATHER RIDOUT: I don't think business wants business as usual. I think business is really looking for some real action in a number of areas.

So we'll be disappointed if Kevin Rudd comes in with this mandate and doesn't give more certainty to business in a number of areas and I think the issue like

Commonwealth state relations that is a major gateway. If we can get that right, get a good deal done on that, it will be an enabler of fast and better solutions to a whole raft of issues we face.

Whether they're education, whether they're infrastructure, whether they're broadband or water, or occupational health and safety - it's all there. So I think business as usual it's not, and business doesn't want business as usual. It wants investments in these medium term productivity and capacity building initiatives.

ALI MOORE: You say that you've had a good look at Kevin Rudd over the past year, how well known a quantity, it's not just he as the Prime Minister now, but his team, how well do you know them?

HEATHER RIDOUT: Well I mean, Wayne Swan we've known for many years as a junior politician. Mick Young who was an icon of the Labor party brought him to our offices in North Sydney and introduced him to our council as a budding potential politician.

So I suppose that's 16 years ago, a long time ago.

Julia Gillard, we didn't know her as well in health but we've spent an awful lot of time together this year arguing the toss about workplace relations reform. She speaks, she's really tried to adopt the language and understanding of business. But there's a long way to go in that debate.

I think Stephen Smith, he's a good guy with lots of credentials.

Lindsay Tanner is well known.

Simon Crean was a minister and Kevin Rudd himself, I hear has spent a lot of time in our national executive. We know him reasonably well, but I think the Australian people have never seen him in this sort of role. He's got some way to go.

ALI MOORE: Have you been approached to work on the business advisory council?

HEATHER RIDOUT: I haven't been approached about their business advisory council, but I think we will work with them in whatever aspect of it. I mean, I assume I will be quite close in terms of trying to shape these policies, because we have a lot at stake and we've made our views clear.

ALI MOORE: How important is that council?

HEATHER RIDOUT: I think it's fundamental. I mean, business has to have a really honest, robust discussion. We've got to toss off any ideas of political correctness in dealing with government.

It won't help them, it won't help business.

But I really feel if we have that constructive, open dialogue we can tell them in a way that's not offensive, it's trying to be constructive, get a better solution.

Business has to recognise that the Labor Party have had a very emphatic mandate. We've got to help to make things happen and make it better for Australia. By doing it better for business, I think that can, in a way that can also be better for Australia.

ALI MOORE: You talk very positively, but if we can look at some of the specifics like industrial relations and if we remember the ads funded by big business, during the election campaign, it has to be said not by the Australian Industry group, but those ads really raised the spectre of union thugs taking control if the ALP won government.

Do you have any concern about a resurgence of union power? About a wind back of reform further than what you know?

ALI MOORE: Well, I think it's going to be Kevin Rudd's challenge to make sure that people don't get alarmed by those sorts of issues.

We deal with unions every day settling disputes, really tough situations and 95 times out of 100, 99 times out of 100 we find them cooperative. They've got to do a job. They're not all thugs walking through with blazes and turning off the lights...

ALI MOORE: Was that a stupid ad?

HEATHER RIDOUT: I'm not a, I wasn't part of the ads, it wouldn't have been an ad we would have wanted to have been part of. But it certainly was their decision to run them.

But you know the unions have been a force for good but they've also been a very disruptive force. And the construction industry, for example, has been a classic example. And better right of entry arrangements, the tough cop on the beat with the ABCC has been fundamentally important in turning around the thuggery in that industry and we don't want that to go backwards.

ALI MOORE: If we can turn to the other side of politics now, John Howard has gone, Peter Costello has gone. Who do you think should lead the Liberal Party?

HEATHER RIDOUT: I'm not a political commentator Ali, I do think they have a lot of talented people. That's good. They have Brendan Nelson, they have Malcolm Turnbull, they have people like Andrew Robb in Melbourne who are very talented.

ALI MOORE: Business doesn't have a favourite?

HEATHER RIDOUT: We don't have a favourite. We never get involved in politics, that's why we didn't get in the campaign.

But I think, in a sense, they are good people and I think the noises coming out of the Liberal Party are vital that they regroup and revisit and reform. Because it's a great political institution and Australia needs a strong opposition and what we're seeing is quite worrying, I think.

ALI MOORE: Are you seeing them fall apart when you look at the numbers of people who are walking away?

HEATHER RIDOUT: I think when you see the Liberal Party out of government in every state and out of government now in Canberra and a new broom coming in, it's going to be very important that the leadership of that party really holds together and unifies behind a new agenda.

But deals with its problems and I tell you if Labor hasn't dealt with its issues that will be shown up in government and if the Liberal Party don't deal with their issues it will be shown up frankly, in Opposition over the next few years.

WALI MOORE: What do you think is the key issue for the Liberal Party, why do you think they lost?

HEATHER RIDOUT: I think they're ideologically split. And I think that's been a very hard issue, and I think the right have been very forceful in the party and it's really severed a lot of their connection to a lot of ordinary people and the issues that concern them.

I think there are a lot of very, very smart people in the Liberal Party who have picked up on that. I think they've also been quite good on ideas, but just not quite able to translate that into the futuristic messages that were required in this election to win it.

ALI MOORE: Of course a key issue for the Liberals now is going to be fundraising, will business give to a party without power?

HEATHER RIDOUT: Business has got to support both sides of politics. We want a robust contest of ideas.

The great thing actually about this election, is we had a great contest of ideas about WorkChoices, we had a great contest of ideas about education, broadband, all these big issues.

We had a robust Opposition, we had a strong Government and they went head to head. I think we'll get better policy out of that.

ALI MOORE: Heather Ridout, many thanks for talking to us.

HEATHER RIDOUT: Thank you.