



The World Today - Industry leaders look to business future under Labor

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Reporter: Peter Ryan

ELEANOR HALL: Much of the big end of town, including the powerful Business Council of Australia, is now racing to mend fences with the Labor Party after bankrolling an anti-union advertising campaign.

But one business lobby group which remained politically neutral, is the Australian Industry Group. Its chief executive, Heather Ridout, has been speaking to business editor Peter Ryan about the new political environment and about the leadership challenges now facing the Liberal party.

PETER RYAN: Well Heather Ridout, with John Howard's political career now over and Peter Costello out of the leadership picture, are you worried about an effective opposition, even in the short term?

HEATHER RIDOUT: Oh look, there's a lot of talent in the Opposition frontbench and backbench. I mean there's plenty of people to fill that bridge, very experienced people, younger people learning the ropes. So I think the Opposition can form itself into a pretty smart and professional outfit, but it's going to take them time to learn the skills of opposition as against 11 and a half years being a government.

PETER RYAN: Well given Peter Costello's well known political ambitions for top political office, are you surprised that he pulled the pin so quickly after being defeated?

HEATHER RIDOUT: I think everyone would be surprised. I mean he's a very formidable member of the Government. He was the most powerful and really cut-through advocate on the economy. I think with he John Howard going out of that, the Government on the economic side won't be nearly as strong as they are, as they have been in opposition now going forward.

But I think everyone was surprised and I think it must be extremely disappointing for Peter Costello that he's never ever become the prime minister, very tough decision for him.

PETER RYAN: It does clear the way for fresh leadership, but it does provide fresh uncertainty given the enormity of the defeat.

HEATHER RIDOUT: Well I think so. And I think we're entering uncertain times economically. I think Kevin Rudd is going to have to negotiate an economic high-wire act. We've got much more complex economic circumstances, the inflation genie is right out of the bottle and we really are probing new lows in unemployment so, the task of economic management is going to be much more complex.

PETER RYAN: You took a neutral position on industrial relations or WorkChoices during the campaign and you didn't participate in the anti-union campaign run by other business lobby groups. Do you think that WorkChoices was John Howard's undoing and that it damaged the face of business?

HEATHER RIDOUT: The areas where the thing really came unstuck was around job security and around the areas of penalty rates and these sorts of issues. Now, they're not big in terms of the essential architecture of WorkChoices, and our conversations with Kevin Rudd and Julia Gillard have been about trying to preserve the essential integrity of that system, which is its real element of reform, whilst preserving the emphasis they place on fairness. And the Australian people have clearly given them a mandate to make sure that that focus continues.

PETER RYAN: But do you believe the anti-union campaign run by the Government and other business lobby groups that featured union thugs walking onto work sites, do you think that that was a campaign that was offensive to many Australians?

HEATHER RIDOUT: All union officials aren't thugs. Some of them certainly have been and they've been pretty clearly identified throughout this long campaign we've had about unions. So I thought some of that probably didn't actually depict the full story. We negotiate with unions every day of the week and settle disputes and make, get arrangements organised for our members.

But look I think the whole emotion that went around on WorkChoices, it was very political, didn't necessarily have a lot to do with good workplace regulation. And I think now that is over and done with, what we need to be able to do is sit down with Labor and we've been doing it, and we're out to get some good legislation which meets their needs and the mandated needs of the Australian people, and still preserve the essential flexibilities for our economy.

PETER RYAN: Given the promised abolition of Australian Workplace Agreements, do you believe industrial relations policy remains the single, most important bridge that the Government has to build with business?

HEATHER RIDOUT: I think it is an area that business and Labor need to work closely together. The differences between us have narrowed in recent months and substantially narrowed, but there are important areas that we still need to discuss.

And of course the AWA issue I think the Opposition's policy is much more agreeable to industry these days. They've got very good transition arrangements. The existing AWAs can stay in place for five years. So there's quite a lot of narrowing, which I think has been important for business.

PETER RYAN: There are some new faces in the Rudd Government, such as trade union identities Greg Combet and Bill Shorten, but do you believe their election translates into union control of the Rudd Cabinet?

HEATHER RIDOUT: Greg Combet and Bill Shorten will be very good members of Parliament. Both have a lot to offer the Parliament. It's very different being an advocate for one group and being a member of Parliament when you've got to advocate for whole communities, including the business community. So I think that the onus is also on them to exercise that role.

ELEANOR HALL: The chief executive of the Australian Industry Group, Heather Ridout, speaking to Business Editor Peter Ryan.