



Business backs call for action on IR

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BUSINESS has backed a call for labour reforms to help Australia and other G20 nations boost growth amid hopes for an imminent review of workplace laws to shape debate at the next election.

As Joe Hockey acclaimed the result of a G20 finance summit in Cairns last weekend, the Australian Industry Group cited a reform call from the International Monetary Fund as proof of the need for more action on workplace laws.

But the ACTU rejected the industry calls and argued that the IMF challenge could be met by lifting the minimum wage — a labour market change strongly supported by the fund's managing director, Christine Lagarde.

The Australian revealed yesterday the Abbott government was thinking of launching a long-awaited Productivity Commission review of the Fair Work Act at the same time it releases a "competitiveness agenda" to encourage business growth.

Adding an international angle to the domestic debate, Ms Lagarde said at the G20 meeting on Sunday that labour market rules should be one of the reforms tackled as part of the global forum's goal of adding 2 per cent to collective growth. She did not specify the changes that countries should make and ACTU president Ged Kearney noted that the IMF boss argued as recently as June for an increase in minimum wages to "kick-start" growth.

Industry groups, however, saw the IMF comments as a call for wider reform.

"The IMF is absolutely right in that labour market reform will be critical to meeting the G20's global

growth target," said Australian Mines and Metals Association chief Steve Knott. "Australia's workplace relations laws can and should provide a much more supportive framework for economic and employment growth."

G20 business adviser Robert Milliner said there was "clear scope" for more progress on employment policies in the lead up to the leaders' summit in November.

"Labour market programs are an important element of the overall structural reform agenda," said Mr Milliner.

There were differences, however, on the urgency of the Productivity Commission inquiry, with Australian Industry Group chief Innes Willox saying the comments at the G20 showed the review was urgently needed.

"The review needs to be started as soon as possible to give time for its recommendations to be considered and inform policy changes to be put to the next election," he said.

The key outcome at the Cairns summit was a claim that G20 nations had already put forward reform plans that could add 1.8 per cent to growth, almost another \$2 trillion in world economic output if their plans were acted on.

Mr Hockey told parliament yesterday there was "much work to be done" to reach a goal of 2 per cent growth when Tony Abbott hosts G20 leaders in Brisbane in November.