



Combined Small Business Alliance of Western Australia Inc. (CoSBA)

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NEXT MEETING: BOARD MEETING

To be advised

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ATTACHMENTS:

Buswell backflips on tax competitiveness.pdf



Buswell's backflip on tax relief for small business

The attached 'pdf' Media Statement (Buswell backflips on tax competitiveness.pdf) by Labor's Ben Wyatt, Shadow Treasurer, brings starkly into focus the Government's policy for small business, and demonstrates clearly the reality of its 'flat earth', 'one-size fits all' attitude to business, which is reinforced by its statement "business is business". Another kick in the guts for small business.

Samantha Calder Marries

The former Executive Officer of the Stirling Business Association and CoSBA Board member, Samantha Calder recently married Rob Hammond at the Cottesloe Civic Centre. We wish her well for the future. Congratulations Sam!

Hospitality, retail awards strike a nerve

ACCOMMODATION industry groups have expressed concern their members may face harsh penalties for breaching recently introduced industry award changes while bodies representing the retail sector have claimed a minor award modernisation victory.

The introduction of the Hospitality Industry General Award 2010 and the 10 National Employment Standards this year have forced hospitality businesses to face a number of changes to their respective employment arrangements. A survey conducted by the nation's peak body for the accommodation industry late last year found that 62 per cent of its members felt unprepared and needed more advice.

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Hotel, Motel and Accommodation Association chief executive Lorraine Duffy said her workplace relations team was overwhelmed with enquires from members regarding ramifications of the changes. "While education surrounding the new award has been delivered for some time the transitional arrangements weren't announced until a week before Christmas," Ms Duffy told WA Business News.

Ms Duffy believes it was an unrealistic demand of government to expect business operators, in particular small businesses which lack the resources to do the appropriate research, to make substantial changes to their employment arrangements at the busiest time of year with such little lead time. She said smaller operators were suffering and severe penalties - \$6,600 for an individual and \$33,000 for a corporation - had already been imposed.

Australian Hotels Association (WA) chief executive Bradley Woods said he would be shocked if any WA businesses had already been penalised by the Fair Work Ombudsman, the prosecuting arm of Fair Work Australia. "There's been significant levels of frustration and costs involved in implementing changes... and there's a whole range of bugs to iron out," he said. (SOURCE/EXTRACT: WA Business News 4.2.10)

Rudd needs reality check

By Peter Switzer

THE most stupid policy option of the highly successful former Howard government was to take away the safety net that went with its Work Choices legislation. That gave the ACTU an election target that KO'd the government. This dumb move came back to me like a horror movie as I tried to get my head around the Rudd government's Fair Work laws.

At the same time, the Prime Minister's calls for we Aussies to embrace productivity to ensure intergenerational equity kept ringing, ironically, in my ears. If that wasn't bad enough the damage all of this was doing to my head - it was then revealed that Fair Work storm troopers, sorry, inspectors, will visit 10,000 businesses in NSW this year - Similar workplace raids will happen in all states as the new labour laws are bedded in.

"Ignorance is no excuse," Fair Work ombudsman Nicholas Wilson said. "But we recognise ... we must help employers understand the law and the obligations it imposes on them."

Adding to the drama, this happened in a week when a colleague who owns a [small] business was confronted by an employee who expected a pay rise and followed up with a show of tears on rejection. The business owner had had a torrid time with the GFC, with many of his big business customers delaying payments or cutting annual budgets. Like any wise boss, he hoarded his good staff and copped a lower profit to keep his team together.

His employee had faced a rent rise and thought a pay rise was a natural right, as he had always had them in previous years. In fact, my friend said, the worker was a valued staff member who deserved a pay rise when the business was doing well, but not this year, yet.

This is probably the only downside from Australia's miraculous escape from a severe recession - not enough employees have had a reality check. The reality illusion is not just the curse of many employees who have-not linked pay hikes to the related productivity and profits of the business. Kevin Rudd needs to rethink his notion of where productivity comes from.

It doesn't come from giving employees carte blanche to act unproductively, knowing it is a lot harder to be sacked. It doesn't come from slam-dunking bosses for not being across a complicated set of workplace rules. "If a business is not already complying with the new laws, they may be at risk of disruptive, time-costly interaction with the Fair Work ombudsman," the NSW Business Chamber says.

Thankfully, employers will have the chance to voluntarily rectify any non-compliance issues, but businesses that do not co-operate maybe prosecuted. For breaches of the workplace laws, the maximum penalty per breach is \$33,000 for the company and \$6000 for the director.

This new labour world, conceived in the heady boom times before the GFC, might have seemed a good idea at the time but-it was never framed to boost productivity - equity yes, productivity no. If the national leadership has a reality challenge, what can you expect from employees? (SOURCE/EXTRACT: *The Weekend Australian*, 6.2.10)

Rio Tinto warns of Pilbara industrial relations war

MINING giant Rio Tinto has warned that growing industrial unrest in Australia's booming resources sector could spread to its critical iron ore mines, as it prepares to start bargaining with unions over workers' pay and conditions for the first time in 15 years.

The warning came as Fair Work Australia deputy president Brendan McCarthy was last night [4.2.10] locked in a

meeting with Woodside Energy in a last-ditch bid to stop workers building its \$12 billion Pluto gas plant in the Pilbara from walking off the job again as early as today.

In an internal memo obtained by The Australian, Rio Tinto Iron Ore chief executive Sam Walsh warned staff that the ramp-up in industrial activity under the Rudd government's new workplace laws could serve as an omen for Rio Tinto and other companies in the Pilbara.

Mr Walsh described last week's illegal strike by 1600 Pluto workers over accommodation demands as "disappointing" and "unnecessary", and said the action had been "encouraged" by the militant Construction Forestry Mining and Energy Union.

The CFMEU last night described Mr Walsh's memo as "propaganda". Under the act, protected industrial action could be taken only after all legal avenues had been exhausted. (SOURCE/EXTRACT: *The Australian*, 5.2.10)

Julia Gillard steps in on arbitration

THE ACTU will face off against the Rudd government and employers today over the powers of Fair Work Australia, with unions fighting to uphold a ruling that employers fear could lead to compulsory arbitration of workplace disputes. The government is backing a bid by retail giant Woolworths to overturn a decision by commissioner Greg Smith, which lawyers say could allow just one party in a dispute access to arbitration.

The nation's biggest employer groups are backing Woolworths, claiming the ruling had cast doubt over the validity of hundreds of workplace agreements. The ACTU said yesterday it would seek leave to intervene in the case, to be considered by a full bench of Fair Work Australia, led by president Geoff Giudice. The ACTU will argue that Mr Smith's decision should be allowed to stand and the appeal by Woolworths dismissed. (SOURCE/EXTRACT: *The Australian*, 5.2.10)

Minister aims to target industrial hotspots

WORKPLACE Relations Minister Julia Gillard has responded to recent unlawful industrial action in Western Australia by unveiling proposals that would allow the government to direct the building industry watchdog to target industrial hotspots. But the proposed changes appear unlikely to be passed by the Senate, with the opposition and independent senator Steve Fielding insisting they could not support the changes to the powers of the Australian Building and Construction Commission.

Ms Gillard announced amendments yesterday giving her the power to direct the proposed new building inspectorate over the allocation of resources. She said the power would ensure the inspectorate's resources were targeted effectively to combat unlawful behaviour in the building industry and ensure those contravening the law faced tough and decisive action.

"It comes as no surprise that the sort of situations and locations the government has in mind include the recent unlawful industrial action occurring in northern Western Australia," Ms Gillard said. The director of the building inspectorate would be able to initiate or intervene in proceedings for contempt of court where a person did not comply with a court order.

Meanwhile, the watchdog has launched legal proceedings against a Queensland building union official, claiming he swore at an employer and dropped his shoulder into his chest during a dispute over the official's right to enter a construction site. (SOURCE/EXTRACT: *The Australian*, 5.2.10)

Court extends Pluto injunction

The Federal Court in Perth has extended an injunction preventing any workers at the Pluto project from taking further industrial action while the Chamber of Commerce and Industry WA says it will pursue damages and penalties from striking employees.

A court injunction, sought late last month by the Chamber of Commerce and Industry WA on behalf of 13 contractors, was due to expire today. The injunction was granted during the middle of a week-long strike by half of the 3,200 workforce at the \$13 billion gas project.

Workers were striking over a plan to introduce motelling, a system where each worker is allocated a new room at the start of each roster. The injunction has been extended to February 18. Anyone found breaching the order could face penalties of up to \$22,000. (SOURCE: *WA Business News*, Daily Business Alert, 5.2.10)

Pluto strikers testing IR laws - Voelte

Woodside Petroleum chief Don Voelte says recent strikes at the company's Pluto project are not overly concerning and were aimed at testing new industrial relations laws. Mr Voelte says it is unlikely workers who want to leave the company over the dispute will find better pay and conditions elsewhere. (SOURCE: *WA Business News*, Daily Business Alert, 10.2.10)

RBA warns on wage claims as markets face fresh uncertainty

THE Reserve Bank has warned of a wages blowout and higher inflation if the resources sector grows faster than expected, as it upgraded its economic forecasts and said unemployment had peaked. As Kevin Rudd and Tony Abbott squared off over the government's industrial relations policies, the RBA said capacity constraints in the construction sector remained a key risk to the economy.

Despite its domestic concerns, the RBA remains wary about the strength of the recovery of the global economy. World sharemarkets plunged yesterday after worse than expected jobless numbers in the US and concerns about government debt in Greece, Spain and Portugal stoked fears about the pace of world recovery.

The RBA's concerns on wages come after shipping company Total Marine Services caved in to the Maritime Union of Australia's push for wage and allowance increases of up to \$50,000 over four years for workers servicing the lucrative oil and gas industry, without any productivity gains.

[The RBA said] While wage growth remained moderate in the December quarter "the recent improvement in labour market conditions may contribute to higher wage growth over 2010" although it was likely to be less than the levels reached before the global financial crisis. (SOURCE/EXTRACT: *The Weekend Australian*, 6.2.10)

Dangers in union power revival

Matthews Stevens

THE rapidly eroding industrial relations climate around Australia is made all the more compelling to watch by the macabre predictability of an accumulating national crisis.

When the Rudd government surged into power in 2007 with its commitment to roll back John Howard's Work Choices, many of us warned that preparing new policy through vision of a rearview mirror was going to trigger a new era of industrial tension as re-empowered unions moved to recover relevance lost over 20 years of successful, liberating reform.

Sure, Work Choices had gone too far and the Howard government had unnecessarily linked its electoral fate to small business and its legendary ruthless management of workplace relations. But delivering legislative oxygen to a union movement left increasingly irrelevant by an evolutionary shift in the way workers and employers engage was always going to be a dangerous path. So it is proving.

This week alone we have seen maritime unions crush employer resistance to a massive, utterly unjustified \$50,000 pay rise for boat workers that service the offshore oil and gas industry. These, then, are not your ordinary workers. And that is the point. It is workers with unique leverage, those on oil rig service boats and train drivers in the Pilbara, who can most easily and effectively exercise their industrial muscle to achieve headline-grabbing gains.

It is these workers who do not have to deliver "dinosaur" productivity gains to secure better conditions. And every time they exercise their industrial might, their successes will add gloss to the unions' ability to market the effectiveness of collective bargaining as a tool for all.

Right now, Western Australia appears to be the crucible of union-inspired tension, but no one should imagine this is an exclusively west coast problem. "My view is that this has been on the cards for the last two and a half years," a very senior Queensland coal miner told me this week. "And my very personal view is that this is going to go to go to go berserk once the next election is over. "The bad old days are coming back." (SOURCE/EXTRACT: *The Weekend Australian*, 6.2.10)

Rudd Government to cancel 20,000 skilled migrant visa applications

THOUSANDS of would-be migrants to Australia will have their applications cancelled as part of a federal government overhaul of the skilled migration program. Immigration Minister Chris Evans has announced Labor is reforming the permanent skilled migration program so it's demand rather than supply driven.

Highly skilled workers like healthcare, engineering and mining professionals will be among those most sought after under the new scheme.

Senator Evans said major changes he'll be making include cancelling and refunding the applications of 20,000 prospective migrants currently living overseas and tightening the list of occupations in demand so only highly skilled migrants will be eligible for a visa. The points test used to assess migrants will be reviewed to ensure it selects only the best and brightest, state and territory-specific migration plans will be developed and certain occupations may be capped.

The new arrangements will give first priority to skilled migrants who have a job lined up with an Australian employer. For those who don't have a professional sponsor, Senator Evans said the bar is being raised. "There are plenty of occupations where there is an adequate supply of young Australians coming through our schools ... to take up new job opportunities," he said in a statement. "They must be given the opportunity to fill these vacancies first." (SOURCE: *The Australian*, 8.2.10)

Unions pushing for \$30 rise in minimum wage

Trade unions are gearing up for another battle on behalf of Australia's 1.3 million low-paid workers by campaigning for a catch-up increase to the federal minimum wage. The Australian Fair Pay Commission, in July last year, froze the minimum wage at \$543.78, rejecting the unions' claim for a \$21 a week increase.

"I think the amount will be above that," ACTU secretary Jeff Lawrence told ABC Radio on Monday when asked what the unions would seek from this year's review. But he played down suggestions the claim could be between \$30 and \$40 a week. "I'm not saying that is the amount, but we're talking about... a moderate stimulus to people's purchasing power," he said, adding economic circumstances had changed since the commission's 2009 decision. "There's no reason why minimum wage-earners... should be disadvantaged," he said.

Treasurer Wayne Swan says the federal government will be looking for a balanced outcome that maximised economic and employment growth and minimised inflationary potential. "Fairness is part of our consideration as well," he told ABC Radio when asked whether low income workers deserved a pay rise.

The federal opposition says employers cannot afford to pay minimum wage workers big increases. "What we have got to do is really look at what can be afforded, not what the unions want," opposition finance spokesman Barnaby Joyce told Sky News. But he declined to nominate an amount that was affordable, saying it was up to the commission. (SOURCE/EXTRACT: *The West Australian*, 8.2.10)

Abbott woos families with baby leave

A six-month scheme of paid parental leave and plans to extend to nannies similar pay and conditions enjoyed by childcare workers are at the heart of a coalition policy to woo families and female voters. Opposition Leader Tony Abbott has approved the development of a policy for the election campaign that would outdo Labor's promised taxpayer-funded, 18-week parental leave plan. Mr Abbott has changed his mind since advocating last year in his book, *Battlelines*, a parental leave scheme to be funded by a levy on business.

Business balked at the proposal and, in a recent interview with the Australian Women's Weekly, Mr Abbott admitted that since becoming leader, "my thinking has moved on a bit" and "it's very important that any national scheme doesn't disadvantage small business". It is understood he has charged shadow early childhood education and child-care spokeswoman Sharman Stone with developing a policy that would be more generous and potentially more expensive than the Rudd Government's. (SOURCE/EXTRACT: *The West Australian*, 9.2.10)

The laws against working

Flawed government policy lies behind a debacle on awards. IT'S a bad look when your industrial relations laws stop people who want to work from working. And it's a straight out public relations disaster when those same laws cut the wages of some of the nation's workers. Which is why the Rudd government is in a mess over the promises it made when it took an axe to John Howard's Work Choices laws after the last election.

Back then, the deal was that the awards system - which had inhibited prosperity for decades - would be cemented at the heart of labour law. The sop to business was that the awards would be streamlined, the promise to workers was that no one would be worse off, and the pitch to the nation was that the awards would not damage the economy.

Two years later, there are 122 awards, not 2600. That's the good news. The bad news is that the anomalies keep on coming - from kids losing their part-time jobs at a hardware store in central Victoria, to aged-care nurses in Queensland and NSW losing up to \$300 a week, to clerical, retail and airline workers losing pay.

Workplace Relations Minister Julia Gillard has been putting out grassfires for months, but even she seems stumped by how to defend a system that denies jobs to kids. You can't, and the problem is compounded by our report today of inconsistencies in how awards treat minimum hours - the issue behind the Victorian case.

Ms Gillard was forced to intervene last year to make sure workers in the fruit and horticulture and hospitality sectors were not paid so much that employers closed up shop. Now she says workers who find themselves worse off can apply to Fair Work Australia for a special order to top up their pay - a cumbersome way to ensure Labor's own constituents don't end up poorer. At least Ms Gillard has an answer, but Kevin Rudd has made a hash of trying to explain his own IR laws in recent days.

The awards debacle is only the tip of the iceberg just part of Labor's decision to recreate an industrial relations framework that harks back to the 1970s, with a re-empowered central tribunal already interfering in the relationships between employers and employees. It's time for the government to recognise it has gone too far with its laws and start ensuring that its ideologically driven approach does not cause long-term damage to the economy. (SOURCE: *The Australian*, 9.2.10)

Too many dismissal cases unresolved

UNFAIR dismissal applications increased to 5200 in the first six months of the Rudd government's workplace regime, prompting business to warn they will be discouraged from hiring new staff. A Senate estimates committee yesterday heard that only about half of the new claims had been resolved through conciliation.

The Australian Chamber of Commerce & Industry said it was concerned fewer claims were being settled than under previous systems. Peter Anderson, the chamber's chief executive, said unfair dismissal systems operating before Work Choices had seen a

settlement rate of 75 to 80 per cent. Under Work Choices, small and medium-sized businesses with 100 or fewer employees were exempt from claims, and employers could also dismiss workers for operational reasons.

"Those problems were the number of claims, the go-away money that had to be paid under the claims, and the right of lawyers to push matters to arbitration and add costs to business in defending arbitrations," he said. "If the same or worse outcomes are produced by the new system, then the new system will similarly drive up costs and act as an disincentive to permanent employment."

Figures released by the Australian Industrial Relations Commission last October showed the number of applications by workers contesting their dismissal rose to 7994 last financial year, the highest since 2000-01. (SOURCE: *The Australian*, 11.2.10)

Tailoring migration to industry needs

THE Rudd government's revamped skilled migration program must be flexible and extend to a range of skilled trades if it is to help alleviate Western Australia's looming skills shortage, local industry bodies have warned.

The WA Chamber of Minerals and Energy, which estimates the state will need up to 38,000 extra workers by 2012 to meet the needs of new mining and energy developments, said the shake-up was long overdue and critical to the state's economic future.

"Because our population is lower than other states ... by the time the data is aggregated at a federal level, the current system is more in line with the needs of east coast industry," CME director Nicole Roocke. "So the key benefits for WA will be in being able to target people and groups in occupations of critical importance here in WA." Ms Roocke warned the new program must also target skilled tradesmen, and not just university-qualified professionals, such as engineers.

The Chamber of Commerce and Industry WA also welcomed the adoption of a "flexible and transparent migration system which is responsive to the needs of all employers". Both chambers said they were working closely with the state government to develop a migration strategy tailored to WA's specific needs. (SOURCE/EXTRACT: *WA Business News*, Daily Business Headlines, 10.2.10)



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- Dates:** Wednesday 24th February, 2010
Time: 9.00am to 1.00pm
Venue: Small Business Centre - Stirling, 45 Delawney St, BALCATTWA 6021
Cost: \$110.00 per person incl. GST, includes refreshments & workbook.

Don't miss out!! **Register Now.** Your business may be eligible for a **FREE training voucher** to go towards the cost of this workshop. Please direct any queries to **Maxine Scott** on 9240 6337.
Small Business Centre - Stirling (SBCS), 45 Delawney St, Balcatta WA 6021



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