



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

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## **NEXT MEETING: BOARD MEETING**

**To be advised**

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MEDIA RELEASES 10 & 12 January 2010

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ANALYSIS NOT PROPAGANDA NEEDED ON NEW WORKPLACE REGIME SMALL BUSINESS IMPACT.pdf

IBC - GREYHOUNDS FUNCTION - REGISTRATION FORM.PDF



**A HAPPY & PROSPEROUS NEW YEAR TO ALL**



### **Calls for an urgent grass-roots education and information campaign for small business**

Attached is a media release (ANALYSIS NOT PROPAGANDA NEEDED ON NEW WORKPLACE REGIME SMALL BUSINESS IMPACT.pdf) from the Hon Bruce Billson MP, Shadow Minister for Small Business, Deregulation, Competition Policy and Sustainable Cities, regarding the Rudd Government's failure to respond positively to the Opposition's calls for an urgent grass-roots education and information campaign for small business employers and employees. Media contact: Vincent Sheehy 0431 149 970.

### **Market ends week at 15-month high**

Banks and consumer staples stocks pushed the Australian share market to a 15-month high as profit taking drove mining stocks lower. The benchmark S&P/ASX200 index was up 12.7 points, or 0.26 per cent, at 4,912.1 points, while the broader All Ordinaries index had gained 11.7 points, or 0.24 per cent, to 4,942.2 points.

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On the Sydney Futures Exchange at 1626 AEDT, the March share price index contract was 12 points higher at 4,896 on a volume of 14,904 contracts.

CMC Markets analyst David Taylor said the strong performance of the consumer staples sector could relate to better-than-expected retail sales figures released on Thursday "or just a simple move out of resources and into defensives by some of the bigger players". (SOURCE/EXTRACT: *WA Business News*, Daily Business Alert, 8.1.10)

## Job vacancies at 14-month high, ads fall

The number of jobs available in Australia accelerated to a 14-month high in December, while the number of jobs advertised continues to fall, a report shows. The IPA Monthly Employment report showed nationwide job vacancies increased 6.5 per cent in December, its fastest pace since October 2008. The result also compares to a 3.4 per cent increase in November.

However, the number of jobs advertised fell for the second month in a row to be down 17.8 per cent in December, after falling 23.7 per cent the month before. "The employment market was in a hole for much of 2009, with April marking the low point," IPA chief executive Rabieh Krayem said in a statement on Friday. "Slowly, but doggedly, the market has picked up. "December 2009 vacancies were around 40 per cent higher than April 2009, and around 10 per cent higher than December 2008."

The research found both temporary and permanent job vacancies increased in the month, Mr Krayem said. "Although we usually expect a jump in temporary vacancies in the month of December, this month's spike was especially pleasing because it was larger than anticipated and spread across several sectors, including retail, finance, transport, logistics and mining." The monthly survey is drawn from data from IPA's 36 national branches. (SOURCE/EXTRACT: *WA Business News*, Daily Business Alert, 8.1.10)

## Costs mount as maritime workers strike

STRIKE action by the Maritime Union of Australia is set to cost shipping company Farstad more than \$2 million and has left business groups demanding the Rudd government intervene in the interests of the national economy.

About 75 workers on Farstad's operations off Western Australia's northwest and in the Bass Strait took strike action over the weekend and plan to strike again for 24 hours from tomorrow. Farstad Australia managing director Joe Homsey said the latest action would cost the company in excess of \$2m and would have significant flow-on effects for clients, including Woodside and Chevron.

The action was allowed after a last-ditch appeal by Farstad to the government's industrial relations umpire, Fair Work Australia, was dismissed on Friday evening. Mr Homsey said Farstad was prepared to give a pay rise of 27.5 per cent over 3.5 years, taking the annual salary of a seaman to \$128,000. But the company was not prepared to meet demands for an additional construction allowance.

Yesterday, the Australian Chamber of Commerce & Industry joined calls by West Australian Premier Colin Barnett and the Australian Mines and Metals Association for Workplace Relations Minister Julia Gillard to intervene. "The Australian government, and Deputy Prime Minister Julia Gillard in particular, should intervene by calling on the MUA to abandon or dramatically moderate its excessive claim and immediately direct an end to the strike," ACCI chief executive Peter Anderson said.

MUA national secretary Paddy Crumlin said the union had been forced into strike action after the company failed to negotiate in good faith. Ms Gillard has previously urged the company and union to "resolve their differences". (SOURCE: *The Australian*, 11.1.10)

## Gillard warns on wages disputes

Acting Prime Minister Julia Gillard has called for greater co-operation between employers and unions, warning there could be more industrial disputes due to the expiry of a large number of wage deals rushed through before the former government's Work Choices reforms. *The Fin Review* (SOURCE/EXTRACT: *WA Business News*, Today's Business Headlines, 11.1.10)

## Strikers in WA putting economy at risk

Strike action by maritime workers off the Western Australian coast is putting Australia's economy at risk, a peak business group warns. The Australian Chamber of Commerce and Industry has joined others in urging immediate government intervention in the dispute between shipping company Farstad and the Maritime Union.

Critics have labelled it one of the first failures of the federal government's new industrial laws. At a cost of \$1 million to the resources sector for each day of strike action, the chamber's chief executive Peter Anderson said the government could no longer afford to sit on its hands.

"We are now at that threshold where a significant part of the Australian economy ... is being affected in a substantial

way," he told reporters in Canberra today. "I don't think you can underestimate the damage that is done if Australia is not seen as a reliable supplier in this industry." (SOURCE/EXTRACT: *WA Business News*, Daily Business Alert, 11.1.10)

## 90% of small businesses mull staff cuts

Almost 90 per cent of small businesses are considering cutting staff hours because of the new industrial laws, a poll suggests. The Retailers Association says it is a damning indictment on the government's new Fair Work system.

The snap email poll found 89.4 per cent of small businesses were considering reducing staff hours because of the increased wage costs of Fair Work. Another 91.8 per cent said they were less confident their businesses would grow in 2010, while an overwhelming 96.5 per cent said they needed more information about the changes.

The association predicts 3,000 retail jobs will be lost as a result of the new industrial relations laws - a figure rejected by Workplace Relations Minister Julia Gillard. (SOURCE/EXTRACT: *WA Business News*, Daily Business Alert, 11.1.10)

## WA, ACT enjoy top economies

WESTERN Australia and the ACT boast the best performing economies in Australia, a ranking compiled by broking firm CommSec, has found, while NSW ranks last.

CommSec chief economist Craig James said that NSW had the potential to lift its ranking if its population growth, at present second only to Tasmania, translated into increased construction, investment and overall economic growth. The study ranks the states on eight indicators: economic growth, retail spending, business investment, construction, population growth, housing finance, housing starts and unemployment.

Their performance on each measure was compared with their 10-year average, with the survey tracking how they are faring relative to their own long-term trend. So although Tasmania's unemployment rate of 5.4 per cent is well ahead of the ACT's 3.6 per cent, Tasmania's result is a long way ahead of its trend rate of 6.8 per cent.

WA ranks first for economic growth, business investment and construction, while the ACT has the most rapid increase in mortgage lending and new housing starts, as well as having the second most positive economic growth. Tasmania comes next in the rankings, followed by South Australia, where resource development is lifting construction work and employment. (SOURCE/EXTRACT: *The Australian*, 11.1.10)

## Skills shortage looms as WA booms

Western Australia is almost certain to revisit the skilled labour shortages that accompanied the state's most recent mining boom, an economic analyst says. In CommSec's State of the States report published today, WA was named alongside the ACT as Australia's best performing economies.

The report coincided with the release of the Deloitte Index which showed the market capitalisation of its indexed WA companies grew more than 123 per cent, or \$93 billion, in calendar year 2009. Deloitte's WA managing partner, Keith Jones, said the bounce back from the turmoil of 2008 was indicative of the overall strength of the state's economy. CommSec chief economist Craig James said WA was the nation's fastest growing economy, buoyed by mining-related construction and investment.

Peter Kenyon, professor of economic policy at Perth's Curtin University, said WA was the state "in the right place at the right time". But there was a penalty to be paid, he said, with the state set to revisit the skills shortages that were the downside of the mining boom that ended in late 2008.

"WA is doing well in terms of population growth and labour supply is increasing ... we are likely to see a little bit of amelioration in the absolute skills shortage that we saw towards the end of the boom in 2008," Prof Kenyon said. "I think that will be short-lived.

"I think before very long we will again see the job advertisements increasing for waiters and all sorts of staff in the windows of all the businesses around Perth. "Not enough time has passed for us to build the skills base to get over that shortage." Prof Kenyon said Australia's governments needed to pay urgent attention to policies of "long-term skills accumulation". (SOURCE/EXTRACT: *WA Business News*, Daily Business Alert, 11.1.10)

## Buswell warns of tough times

WA's economy may be the strongest in the nation, according to the Commonwealth Bank, but Treasurer Troy Buswell warned yesterday that the State still faced a struggle to balance the books and meet service demands because of the lag in revenues flowing into the State's coffers from any economic recovery.

And Mr Buswell called on the Federal Government to agree to a State-based migration scheme to overcome the shortages in both skilled and unskilled workers which hampered growth during the boom years from 2002 to 2007. Mr Buswell said the quick recovery of

the State's economy from the global financial crisis was not immediately reflected in Treasury figures and WA was still in for a round of belt-tightening.

Mr Buswell said. "At a time when the economy is improving, State finances are still under stress and yet the improving economy brings with it increased demands for economic and social infrastructure." Mr Buswell said population growth and major projects associated with WA's economic growth put pressure on the State Budget way ahead of anticipated returns.

The WA Treasury forecast a paper-thin surplus of \$50 million this year in the mid-year review and Mr Buswell said it was still the Government's aim to deliver a surplus, reduce growth in the public sector and to manage overall debt levels. With 2010-11 Budget submissions closing on Friday, Mr Buswell said his Cabinet colleagues were taking a restrained approach. "Everyone in the Government from the Premier, myself down through all levels of Government understand the pressure we're under. (SOURCE/EXTRACT: *The West Australian*, 12.1.10)

## Balance required in spending on new work laws

The Federal Government's grant of \$10 million to a union trust fund to explain the new workplace laws leaves it open to more charges that it is giving unions too much and employers too little under the new industrial relations system.

The Government will give the money to the Union Education Foundation, while another \$2.7 million will go to the Government Fair Work Ombudsman. But there will be nothing for business, though the Government has previously given \$10 million to employer organisations, as well as \$2.5 million to the ACTU.

The Opposition says while it doesn't have a problem with unions getting some funding, the problem is its scale and proportion. Its small business spokesman, Bruce Billson, points out that the unions had a seat at the table with Minister for Employment and Workplace Relations Julia Gillard as the workplace changes were negotiated. In comparison, he says, more than 2.5 million employers across Australia did not have that privilege, don't have access to expensive specialists and need practical help which they are not getting.

It could well be argued that the Government has no business giving taxpayers' funds to either unions or employers to explain the law, as it is up to them to make sure they know how it works. After all, ignorance of the law is held to be no excuse for anyone and the average person does not get a handout to help understand even the most complex tax laws, for example. They have, instead, to pay for expert help and take full responsibility for their decisions, even when they are based on expensive professional advice.

Small business groups, on the other hand, argue that a lack of information about the new laws is leading to frustration and creating a reluctance to hire new staff as the economy recovers. The Retailers Association says a snap survey found 96.5 per cent of small businesses said they needed more information on the changes while 89.4 per cent were considering reducing staff hours because of increased wage costs under the new system.

Imposing complex new rules on businesses, particularly small businesses, which they don't understand, which carry penalties of up to \$33,000 for breaches and discourage them from hiring more staff, while handing money to unions to explain workers' rights, makes little sense. (SOURCE: *The West Australian*, 12.1.10)

## Barnett shuffle on the cards

SPECULATION is strengthening about a Barnett government reshuffle, with a string of poorly performing ministers testing the patience of the Liberal Premier. Colin Barnett is determined to present a polished Liberal-Nationals team to the West Australian electorate in the lead-up to the federal poll later this year, insiders say. Mr Barnett is expected to announce portfolio changes when he returns from leave in two weeks. (SOURCE/EXTRACT: *The Australian*, 12.1.10)

**COMMENT/PLEA:** If the Premier is contemplating a change of Ministers and portfolios, he would be well placed to seriously consider the appointment of a dedicated Minister for Small Business, who is not a lackey of CCI, to replace the current farcical situation of a nefarious pseudo Minister for Small Business, and at the same time recognise the needs, aspirations and significance of small business to the WA economy, instead of the rhetorical lip service, by ditching the current "flat earth" "one size fits all" big end of town business policy dictated by CCI. *TCB*

## Unions tightens grip with Rio workers

Trade unions have tightened their grip on the North-West with the construction and mining union yesterday forcing Rio Tinto to negotiate a collective deal for its iron ore rail workers for the first time in 15 years.

The concession came as Treasurer Troy Buswell warned that increased union militancy in the State's north was jeopardising investment. He called on the Federal Government to intervene in a protracted dispute affecting local oil and gas projects.

The Construction, Forestry, Mining and Energy Union's Gary Wood said yesterday that the new agreement would cover wages and conditions of more than 250 Rio workers in the Pilbara.

"In its decision to negotiate, Rio Tinto has finally come to terms with the reality that the rights of Australian workers have been restored under the Federal Government's fairer industrial relations laws," Mr Wood said. He hoped it signalled the beginning of the end of Rio's hostility towards union agreements and a "new era of co-operation".

But the union's hopes may be dashed with *The West Australian* obtaining a copy of an internal Rio memo flagging that it did not plan a major change to how it negotiated with the rest of its workforce - the vast majority of whom have individual workplace agreements. (SOURCE: *The West Australian*, 13.1.10)

## Rio breaks with 15-year IR tradition

Rio Tinto will negotiate a collective deal with its iron ore rail workers for the first time in 15 years, the Construction, Forestry, Mining and Energy Union (CFMEU) says. The CFMEU mining and energy division said the mining giant would negotiate a new collective agreement to cover the wages and conditions of more than 250 workers across its iron ore rail operations in the Pilbara region.

Rio Tinto moved to a system of individual contracts more than 15 years ago, CFMEU mining and energy secretary Gary Wood said. The company's decision to bargain with the union was a recognition the industrial landscape in Australia had changed, he said.

"In its decision to negotiate, Rio Tinto has finally come to terms with the reality that the rights of Australian workers have been restored under the federal government's fairer IR (Industrial Relations) laws," Mr Wood said. Mr Wood said he hoped it signalled the beginning of the end of Rio Tinto's hostility towards union agreements.

"The CFMEU is hopeful that Rio Tinto's decision to negotiate collectively with its workforce marks the beginning of the new era of co-operation," Mr Wood said. The union said it would enter into negotiations with Rio Tinto management in the coming weeks. (SOURCE: *WA Business News*, Daily Business Alert, 12.12.09)

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### **MEDIA RELEASE 10 January 2010**

## **GILLARD'S \$10 MILLION 'SLAP IN THE FACE' FOR SMALL BUSINESS OVER NEW WORKPLACE REGIME**

The Rudd Labor Government's new workplace regime that commenced on January 1 continues to be a mystery for small businesses.

The mystery is set to continue as the Government refuses to respond positively to Opposition and small business calls for an urgent grass-roots education and information campaign on what the dramatic changes mean.

Julia Gillard has reacted to the calls from the Opposition and small business community for practical information and support to implement the new workplace regime by handing \$10 million to a union shop-front to train shop stewards when help is urgently need by shop keepers and other small businesses.

In addition to the \$10 million allocation to the Union Education Foundation, Julia Gillard has signalled more money for the Fair Work Ombudsman. No specific new funding has been announced for organisations committed to supporting the small business community to cope with the recently introduced so-called Modern Awards and national employment standards.

Little wonder Julia Gillard slipped the announcement out as a 'Friday night special' designed to avoid scrutiny when it involves a \$10 million gift to the union movement for 'delegate development' and no extra help for the decision-makers in small businesses left to make sense of the botched reforms.

This is yet another Rudd Government 'slap in the face' for the small business community it continues to ignore and nothing like the practical education and useable information campaign small businesses and the Opposition has been calling for.

Rather than back small business employers and the 4 million people they employ, Julia Gillard boasts about the 'size and scale' of the changes, blissfully ignores small business confusion and calls for help to cope with and implement the new workplace regime, instead choosing to boost the union coffers.

Giving significantly more money to the union movement that has had a seat at the 'in crowd' table as the Rudd Labor Government crafted its new workplace regime, adds insult to the injury Julia Gillard is causing small business employers and employees.

There is no doubt that the Government's new Modern Awards will make it harder and more costly for small business to employ people. Increased wage costs mean jobs will be lost, working and trading hours will be reduced, services will decrease and small business will hurt under the Rudd Labor Government's new workplace regime.

The Opposition's industry consultations support survey results from the Australian Retailers Association (ARA) that the Rudd Government's new workplace regime will force nearly two-thirds of small retailers to decrease employment levels, four out of five to restructure their workforce and many to consider closing their doors.

The Rudd Labor Government's failure to urgently deliver the promised grass-roots education and information campaign on what the dramatic workplace changes mean will be chalked up as another broken promise and another failure to deliver, alongside Julia Gillard's failure to deliver Labor's 'no disadvantage' commitment to small businesses.

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**12 January 2010**

## **NEW RESEARCH CONFIRMS THAT GILLARD HAS FAILED SMALL BUSINESS**

Compelling new research released by the Australian Retailers Association confirms that the Rudd Labor Government has comprehensively failed small business with the new workplace regime that commenced on January 1.

A survey of 150 retailers further reinforces the calls from the Opposition and small business organisations for an urgent grass-roots education and information campaign on what the dramatic changes mean.

The ARA's snap poll puts beyond any doubt that the Rudd Labor Government has failed to deliver its promise to the small business community that modern awards would not "disadvantage employees" or "increase costs to business". Neither of these aims has been met.

Key findings include that nearly half of the retailers surveyed expect to see wage and operating costs to increase and more than 4 in 5 retailers still have work to do to comply with the new workplace regime.

The ARA reports that more than half of the retailers surveyed have made operational changes to comply with the Fair Work Act and 1 in 8 respondents feel obliged to shed staff as a result of the new workplace regime. More than one-third of retailers will limit hiring new staff; 2 in 5 have been forced to make changes to rosters; and almost one-third report employees will be given less hours.

To the credit of retailers, employers are committed to doing all they can to minimise the adverse impact of the Rudd Labor Government's new workplace regime on employees, while the Government does very little to help small business with practical information and support to implement the new employment standards and so-called modern awards.

Nearly half of all the retailers surveyed are uncertain about how the new workplace regime will impact on their businesses and more than 9 out of 10 retailers support a grace period for non-compliance before penalties are issued.

This ARA research adds to continuing reports of how wage costs will be pushed up meaning jobs will be lost, working and trading hours will be reduced, services will decrease and small business will hurt under the Rudd Labor Government's new workplace regime.

It is clear that the significant concerns many hold about the uncertainty and detrimental impacts on small business from the new workplace are being added to by fears of a heavy-handed approach to the enforcement of Labor's bungled award modernisation scheme.

Julia Gillard can't challenge the credibility of these findings as it involves 5 times the number of survey respondents questioned about the actual new workplace regime and not the mere 30 overwhelmingly big businesses her Department identified that were asked about a theoretical national IR system by Access Economics to support the Rudd Government's dubious claims and propaganda about benefits from the new regime.

The findings strongly endorse repeated calls from the Opposition and small business community for practical information and support to implement the new workplace regime and the Opposition's common sense call for a 6 month moratorium on prosecutions for any small business that unintentionally fails to comply with the new workplace requirements.

Rather than respond positively to calls from the Opposition and small business community for practical information and support to implement the

new workplace regime, Julia Gillard has instead handed \$10 million to a union shop-front to train shop stewards when help is urgently need by shop keepers and other small businesses.

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