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Tax breaks for older workers

AUSTRALIANS face tax hikes as a result of the Henry tax review, but older workers could be offered lower marginal tax rates to stay in their jobs as the nation grapples with the demographic time bomb of an ageing population. Ken Henry, chairman of the tax review, yesterday put higher taxes firmly on the agenda when he delivered a blunt warning that future governments would need to produce strongly growing revenues in the longer term, and that taxes would have to have as a share of GDP.

"The tax system needs to be prepared for the probability that in order to finance the government-provided goods and services demanded by the community, revenue needs will grow strongly in the longer term," Dr Henry told a tax conference in Sydney yesterday.

"It would be prudent to plan on the basis that the tax system will over time have to generate revenues to meet substantially larger fiscal costs." But older workers may do well from the Henry review as the government searches for ways to keep people in jobs longer to ease the pressure on the social security system.

Dr Henry suggested cutting taxes would make a bigger difference to the number of older workers deciding to remain in the workforce than it would for people of prime working age, who were likely to stay employed in any case. "Older people are less likely to be in the workforce, due to retirement or working less hours," he said. (SOURCE/EXTRACT: *The Australian*, 22.1.10)

Eureka flag 'hijacked by racists'

There are union calls to stop abuse of the Eureka flag after an Australian of the Year raised fears it could become a swastika-like symbol of racism. Construction union boss Kevin Reynolds agreed with Australian of the Year Warwick Thornton, from the Northern Territory, who said the symbol was sometimes used as a racist nationalistic emblem.

Mr Reynolds accused groups such as the Australian Nationalist Movement and participants in the 2005 Cronulla race riots of using it to give radical views a cloak of legitimacy. He said the flag, first flown at the 1854 Eureka Stockade rebellion in Ballarat, should not be hijacked from its primary role as a union symbol. "The Eureka flag doesn't belong to racists," he said. "People have their own uses for it but primarily it is a symbol of the working-class struggle."

Professor Greg Craven, vice-chancellor at the Australian Catholic University, said racist links had destroyed the true meaning of the Southern Cross, which was about dignified rebellion. He said 20 years ago, the Southern Cross rivalled the Australian flag as a national symbol but it was now tainted by racism and appeared on bumper stickers with racist slogans.

"The Southern Cross is becoming a symbol not of unity but of exclusion," Professor Craven said. He said the union movement also politicised the symbol since it was first used in the 1850s. The Eureka Stockade was not exclusively about the working class but also the middle class, he said. (SOURCE/EXTRACT: *The West Australian*, 22.1.10)

Union dirty on dumping

THE Construction Forestry Mining and Energy Union is gearing up for a major fight with the Rudd government in an election year over toilet paper. The CFMEU has called on the government to take action over hundreds of millions of rolls of cheap Chinese and Indonesian toilet paper being dumped in the Australian market. The union is furious at a decision by federal Attorney-General Robert McClelland to remove anti-dumping duties that had been slapped on the toilet paper, sold in the Australian market at up to 40 per cent below the cost price.

The decision came after an appeal for an investigation by Customs against the anti-dumping duties by a number of companies, including Woolworths. Customs found the toilet paper had been dumped in Australia, causing injury to local businesses, including loss of market share, but that the injury was not "material".

The national secretary of the CFMEU's forestry division, Michael O'Connor, wrote to Mr McClelland yesterday arguing that the decision was unfair and unreasonable, and had threatened the jobs, wages and conditions of Australian workers. "If even just one job is lost due to the anti-dumping duties being removed, injury is not immaterial or without consequence," he wrote.

An Attorney-General's Department spokesman said the Customs reinvestigation found the injuries were not material, which was a requirement for imposing dumping duties, and that domestic competition was the culprit. (SOURCE/EXTRACT: *The Australian*, 22.1.10)

TWU faces fines over strike

THE Transport Workers Union risks substantial fines after the Rudd government's workplace watchdog sought to prosecute the union for allegedly organising unlawful industrial action at a national transport company.

In its third action against the union, the Fair Work Ombudsman alleged the TWU and one of its organisers, Neale Harper, organised employees of McColls Transport to engage in unlawful industrial action at the company's Wetherill Park depot, in western Sydney. The union claimed yesterday that the ombudsman was "living in the past and still thinks the boss is always right".

According to documents lodged in the Federal Magistrates Court in Sydney, the unlawful industrial action allegedly lasted for the entire working day of February 16 last year. It is alleged that the industrial action was conducted in objection to McColls Transport dismissing an employee, who was a TWU member, on February 13.

The ombudsman alleged the industrial action was unlawful as it occurred prior to the expiry of the enterprise bargaining agreement covering the McColls workers. The ombudsman also alleged that Mr Harper breached workplace laws by failing to return his permit to enter and inspect premises within 14 days of it expiring in 2008.

Fair Work Ombudsman executive director of complex investigations Karsten Lehn said the agency launched the prosecution "because laws regarding how industrial action can be lawfully conducted had allegedly not been adhered to". (SOURCE/EXTRACT: *The Australian*, 22.1.10)

ACCC to prevent 'creeping acquisitions'

Retail giants Woolworths and Wesfarmers, owners of Coles, may have to adjust their plans to buy out smaller rivals and develop new outlets after the federal government announced plans to toughen up market protection. The government will give its competition regulator power to crack down on what are known as "creeping acquisitions", where big companies seek to expand their market power by buying up smaller operations.

The move will ensure the Australian Competition and Consumer Commission has the power to reject acquisitions that would substantially lessen competition in any local, regional or national market. The government will also ensure that the commission has the power to review acquisitions of greenfield sites.

That move is aimed at preventing the two major supermarket chains from substantially lessening competition by buying up land in a local area to keep out competitors, Competition Policy and Consumer Affairs Minister Craig Emerson said. "The government is seeking to open opportunities for competition in grocery retailing by removing anti-competitive barriers to entry," he said in a statement. (SOURCE: *WA Business News*, Daily Business Alert, 23.12.09)

Striking workers defy orders

Industrial chaos has broken out in the Pilbara, with up to 1000 workers on Woodside's \$12 billion Pluto LNG project defying an official order by walking off the job over a housing dispute. The workers now face becoming homeless because Woodside, which runs the project, and Foster Wheeler WorleyParsons, a major contractor, warn it will evict them from Karratha's Gap Ridge Village unless they accept a new housing system.

The fly-in, fly-out workers yesterday refused the ultimatum to accept the new arrangement, known as motelling, and will stay off the job until Monday. Under the system, workers would have to live in a different donga each rostered work cycle instead of getting a permanent unit. Woodside said motelling would increase capacity at the village by 25 per cent but workers claim it would be unsettling to get a new room every cycle.

Australian Manufacturing Workers Union secretary Steve McCartney said the ultimatum was appalling. "This is nothing but a cost-cutting exercise by Woodside and Foster Wheeler Worley who are trying to diminish the previously negotiated working conditions," Mr McCartney said. Up to 2000 workers downed tools over the issue last month and hundreds of United Resources employees were ordered back to the job by Fair Work Australia.

The strikers face fines up to \$22,000 each for the unlawful action. They were told they could apply for accommodation at Karratha's Searipple Village, which does not have motelling, but there is limited capacity. A spokesman for Woodside said the industrial action was "extremely disappointing and in Woodside's view illegal". The Construction, Forestry, Mining and Energy Union and the Australian Workers Union have agreed with Chevron to allow motelling at its Gorgon project. (SOURCE: *The West Australian*, 14.12.09)

Fourth rate hike looming

The outcome of inflation data could be a mere formality for the Reserve Bank with economists tipping a fourth consecutive interest rate hike is on the way. *Herald Sun* (SOURCE/EXTRACT: *WA Business News*, Today's Business Headlines, 25.12.09)

Maritime Union rejects 29pc pay rise and threatens to take fresh strike action

THE Maritime Union of Australia will take fresh strike action in the offshore oil and gas sector this week, after rejecting an offer of a 29 per cent pay rise over three years. Mining employers yesterday attacked the union after confirming that the company, Total Marine Services, would be hit with a 48-hour strike from Friday.

In addition to a 30 per cent pay rise over three years, the MUA is seeking a daily construction allowance. The union wants seafarers engaged in offshore construction to earn the same as riggers. Employers said the union had originally sought a \$500-a-day allowance but, after lengthy negotiations, the union was prepared to accept \$200 a day.

The Australian Mines and Metals Association said Total Marine Services had offered a 29 per cent pay rise and agreed to an allowance of \$175 a day. However, the AMMA's chief executive, Steve Knott, said the offer had been rejected.

A spokeswoman for Workplace Relations Minister Julia Gillard yesterday reiterated that the government wanted both parties to sit down and resolve their differences. "Under the Fair Work Act, there are a number of steps either party can take to help facilitate an outcome, including seeking the assistance of Fair Work Australia to mediate or to make recommendations to resolve the dispute," the spokeswoman said. (SOURCE/EXTRACT: *The Australian*, 25.1.10)

Business alarm at power of IR body, Fair Work Australia

EMPLOYERS are alarmed that businesses and workers could be subject to compulsory arbitration of workplace disputes, after federal Labor's industrial tribunal threw out a proposed deal agreed between one of the nation's biggest employers and a prominent union.

Business groups said they were concerned the newly empowered Fair Work Australia was becoming more interventionist after striking out the deal between Woolworths and the shop assistants union. In what lawyers said was a "significant departure" from previous rulings, the tribunal last week rejected the proposed deal because it did not require nor allow third-party arbitration in relation to a dispute unless both sides agreed.

Workplace Relations Minister Julia Gillard last night acknowledged the ruling was important, and signalled the government could intervene. "The commonwealth understands this is a significant decision and we are getting advice on the matter," a spokeswoman for Ms Gillard said. "We understand Woolworths will be appealing the decision and the commonwealth will then make a decision on whether or not to participate in the proceedings."

Opposition workplace relations spokesman Eric Abetz said the decision by commissioner Greg Smith contradicted Ms Gillard's previous position on the workplace laws. The Australian Chamber of Commerce and Industry said the tribunal had recently rejected another proposed deal, despite a firm and a union agreeing to it.

The chamber's director of economics and industry policy, Greg Evans, said: "While two hot days don't make a summer, and it is early days for the new Fair Work laws, it would nonetheless be a major concern to business if the newly empowered Fair Work Australia was going to regularly throw out agreements made in good faith between employers and employees. "ACCI will be closely monitoring the tribunal's decisions over coming months and will be taking our concerns directly to government if necessary." (SOURCE/EXTRACT: *The Australian*, 25.1.10)

Forecasts put WA back in boom business

WA is on the verge of another economic boom, the Chamber of Commerce and Industry has declared. It predicts business and consumer spending will match and even surpass levels from immediately before the global financial crisis within months.

In its quarterly snapshot of the WA economy, to be released today, the chamber upgraded all its forecasts in areas such as investment, economic growth, employment growth and wages. The new boom could also be kick-started by a delay in interest rate rises after Australian Bureau of Statistics figures showed a fall in the prices paid by businesses, a sign that inflation remains under control.

Chamber chief economist John Nicolaou said more than \$200 billion worth of major investments was already in the pipeline. These business ventures coupled with free-spending consumers would ensure the State would return to the boom that was interrupted by the global recession.

"Within months, the State has gone from the verge of recession to ramping up for growth that will be the envy of the nation," he said. "The local impacts of the global economic slowdown will soon be a distant memory as WA enters the new decade to enter a fresh era of economic growth and prosperity."

UBS senior economist Scott Haslem said the figure suggested consumer prices would barely move over the first half of this year. A low result in overall inflation figures was also expected tomorrow, which should allay Reserve Bank fears further. "We continue to look for a 25 basis point hike next month, with the RBA then on hold until the second half of 2010," he said. (SOURCE/EXTRACT: *The West Australian*, 26.12.09)

Woodside strikers face fines of \$22,000

ABOUT 1500 workers at Woodside's \$12 billion Pluto LNG project in the Pilbara face individual fines of up to \$22,000 after voting yesterday to continue their illegal strike until Saturday. The workers' decision prompted West Australian Premier Colin Barnett to warn that construction contracts might be lost to other countries, and Woodside to question the effectiveness of the Rudd government's industrial relations system.

Western Australia's Chamber of Commerce and Industry applied for an urgent injunction in Perth's Federal Court yesterday afternoon in response to the workers' decision to continue the strike, which has been going since Friday. The court was still hearing the CCI's application last night.

The construction workers are members of the Australian Manufacturing Workers Union, the Construction Forestry Mining and Energy Union and the Communications Electrical and Plumbing Union. They have already ignored an order by the government's industrial relations umpire to return to work. Other contractors were seeking further orders against the strike from Fair Work Australia yesterday.

Woodside was also considering its own legal action. Its spokesman, Roger Martin, said the strike raised concerns that the Rudd government's workplace relations system did not provide an effective deterrent to illegal strikes. "What is the value of the independent umpire if workers feel able to ignore its orders?" Mr Martin said. "Are there suitable means to enforce these orders?"

The unions have sought to distance themselves from the action and did not return calls yesterday. (SOURCE/EXTRACT: *The*

Australian, 28.1.10)

Fears for economy as new IR laws create 'year of the strike'

A LEADING industrial relations expert has predicted 2010 will be the year of the strike, saying unions emboldened by the Rudd government's new laws risk damaging Western Australia's powerhouse economy.

Allan Drake-Brockman, a Perth-based partner at law firm DLA Phillips Fox, said industrial relations laws had returned unions to "centre stage" and unlawful strike action taken by about 1000 workers at Woodside's Pluto project in the Pilbara this week was an example of the "bad old days" of industrial disputes in the northwest.

Mr Drake-Brockman, who represented militant unionist Kevin Reynolds about two decades ago, said there was now an element of payback, with unions keen to regain a stronghold. "What's happening in Western Australia is not only putting the WA economy at risk, it's putting the Australian economy at risk because so much of what's produced in Australia is produced in Western Australia," he said.

Australian Mines and Metals Association chief executive Steve Knott said that if the government did not act, this year would see a return to "crazy industrial action" that Australia had not seen for 15 years.

Australian Workers Union national secretary Paul Howes said the union was aiming to increase its members, as it had done under the Howard government. But he said the new laws were the same as those in the Howard era when it came to illegal strikes, except penalties had actually increased. He said employer groups, particularly AMMA, had exaggerated the impact of the new laws and unions were not a threat to Western Australia's economy. (SOURCE/EXTRACT: *The Australian*, 27.1.10)

Concern as unions ramp up IR action

BUSINESS is asking why the federal government has gone missing in action as emboldened unions extend industrial relations action across the state's north-west in a series of costly moves being noted by investment and commodity markets.

Australian Mines and Metals Association chief executive Steve Knott blasted the failure of Deputy Prime Minister Julia Gillard to take action to stop the crippling and unjustified industrial action taken by Pilbara maritime and gas construction workers. Mr Knott said AMMA had repeatedly asked Ms Gillard to take action before Christmas, including a formal request for ministerial intervention on December 18.

Chamber of Commerce and Industry WA workplace relations policy manager, Marcia Kuhne, believes unions have become a lot more confident under the Labor government's changes, which grant them more power to enter workplaces and represent workers in collective bargaining. (SOURCE/EXTRACT: *WA Business News*, 28.1.10)

Rates tipped to rise 1.75 points

Interest rates will rise up to 1.75 percentage points over the next 18 months, one of the country's leading economic forecasters has predicted as the economy rebounds from the global recession on the back of strong demand from Asia. Ahead of vital inflation figures out today, Access Economics used its first update on the state of the economy to bet that official interest rates will rise from their current level of 3.75 per cent to between 5 and 5.5 per cent by the middle of 2011. Such an increase would add more than \$300 a month to repayments on a \$300,000 mortgage.

But Access director Chris Richardson said while there would be some financial pain, there were signs the commercial banks may not super-size their increase in mortgage rates. "That is bad news for those with mortgages, as well as business borrowers, though easing credit spreads will eventually mean the banks pass on less than RBA rate rises rather than more," he said. (SOURCE/EXTRACT: *The West Australian*, 27.1.10)

WA happy days not yet here - forecaster

West Australians have been warned not to get too confident about the year ahead, with Access Economics warning the state's economy had stalled significantly and that "happy days are not yet here again". The economic forecaster said despite the build-up surrounding the Gorgon LNG project go-ahead, Western Australia like the rest of the country was still impacted by the global financial crisis and may take time to fully recover.

Access Economics veteran economist Chris Richardson pointed out that business cycles in Western Australia are tied to the pace of investment in resource projects and that it is the investment rather than the export phase of projects which generate the most spending and the biggest impact on employment.

He said, however, the resource-rich states of WA and Queensland can expect to do better than 2009, but forecasts suggest there will be a reasonably level playing field across state growth throughout the country. "Faster than a speeding global bullet, able to leap tall financial crises in a single bound, Australia has once again shown itself to be a miracle economy," he said. "The world is recovering, but Australia is outpacing that rebound, aided by similar

strength in China.

"Although the withdrawal of stimulus will hit harder than most realise - the cash splash has passed and interest rates are on the way back toward normal - recovery should continue through 2010 and 2011. "Yet beware the overconfidence that many are now feeling: Australia's successfully small downturn means that, by the standards of history, a small recovery awaits." Mr Richardson said there will be negatives this year as government spending eases back, and consumers may continue to reduce spending as interest rates rise.

However, the Chamber of Commerce and Industry WA was more optimistic, saying the local impacts of the global economic slowdown will soon be a distant memory, as WA enters the new decade poised to enter a fresh era of economic growth and prosperity.

The International Monetary Fund has upgraded its 2010 growth forecasts for Australia by 0.5 per cent to 2.5 per cent and said growth would accelerate to 3 per cent next year. This is compared with its last assessment in October 2009, and said growth would accelerate to 3 per cent next year. (SOURCE/EXTRACT: *WA Business News*, Daily Business Headlines, 27.1.10)

27 million people lost jobs in 2009 - UN

Twenty-seven million people around the world lost their jobs in 2009, the UN labour agency said on Wednesday, warning of a jobless recovery in a report released on the opening day of the World Economic Forum. About 12 million of the newly unemployed were in North America, Japan and Western Europe, the International Labour Organisation (ILO) said.

The jobless jumped by nearly four million in both Eastern Europe and Latin America, while unemployment rates were more stable last year in Asia, Africa and the Middle East. The figures point to the need for a "global jobs pact" to boost employment around the world, the ILO said. "Avoiding a jobless recovery is the political priority of today," ILO chief Juan Somavia said. "We need the same policy decisiveness that saved banks now applied to save and create jobs and livelihoods of people." (SOURCE/EXTRACT: *WA Business News*, Daily Business Headlines, 27.1.10)

State abolishes property advisory boards

Three property licensing and advisory boards in Western Australia are set to be abolished next year as part of the state government's efforts to slash red tape. The Real Estate and Business Agents Supervisory Board; the Settlement Agents Supervisory Board; and the Land Valuers Licensing Board are set to be abolished by July 1 2011.

A smaller committee of industry and consumer representatives would be formed so that the property industry had a more streamlined process for input to Government.

Legislation to implement these reforms is likely to be introduced into State Parliament by the end of 2010. Under the new regime, licensing and regulatory functions would be managed by the Commissioner of Consumer Protection and employing authority and financial responsibility would be handled by the Director General of the Department of Commerce.

The changes would position the local property industry for the national harmonisation of licensing, standards and regulatory arrangements of property agents under the National Occupational Licensing system which is expected to begin on July 1 2012.

The latest reform follows the state government announcements to abolish the Hairdressers Registration Board and consolidate the Builders Registration Board; Painters Registration Board; Plumbers Licensing Board; and the Building Industry Development directorate into the Building Commission. (SOURCE/EXTRACT: *WA Business News*, 28.1.10)

House price growth in 7-year high

House prices are at all time highs in most capitals with more buying in expensive suburbs driving the strongest annual growth in seven years. An Australian Property Monitors' report says the medium-long term outlook for property prices remains strong as the population grows incomes rise and demand for houses outstrips new supply.

Despite a sluggish start 2009 ended with the biggest price growth since 2003 on a rise in activity at the top end of the market. Median national house prices have risen 4.8 per cent in the December quarter bringing the rise for 2009 to 12.1 per cent.

Melbourne's prices jumped 18.5 per cent for the year past the 500-thousand dollar mark for the first time. Sydney's median house prices rose 12.1 per cent over the year, while Perth's annual growth was 8.7 per cent. Adelaide remains the most affordable capital after posting the slowest median annual growth for houses at 2.4 per cent. (SOURCE/EXTRACT: *WA Business News*, Daily Business Headlines, 28.1.10)

Workplace bullies cost \$15bn each year

BULLYING and harassment in the workplace costs the economy about \$15 billion a year and is not properly addressed in occupational health and safety laws. In a draft report released yesterday, the Productivity Commission found 2.5 million Australians experienced some aspect of bullying during their working lives.

It said while some progress had been made in ironing out inconsistencies in OH&S standards nationally, businesses were still burdened by 3392 pages of regulation across Australia. The report prompted federal Sex Discrimination Commissioner Elizabeth Broderick to call for employers and governments to turn their sights on the psychological safety of workers.

The Productivity Commission found the total cost to the economy of bullying and harassment was about \$14.8bn a year. This did not include the hidden costs, such as hiring and training employees to replace those who left as a result of workplace stress.

The report said "psychosocial hazards" such as bullying and harassment were not given the same attention by inspectors as physical dangers. "This adds to uncertainty for businesses about the extent of their duty of care and how to address (such) hazards," it said.

Workplace stress claims tended to be more costly than claims for less serious physical injuries and resulted in more time taken off work. The report said only Queensland and Western Australia had codes of practice on how to detect and manage bullying, which gave business more clarity about their responsibilities. South Australia was the only state to include specific laws in its OH&S act about inappropriate behaviour in the workplace. In other parts of Australia, the issue was covered only by the employer's general duty to provide a healthy and safe workplace.

Ms Broderick said complaints to the Australian Human Rights Commission suggested sexual harassment was increasing. But while sexual harassment was unlawful under the Sex Discrimination Act, the law relating to harassment and bullying more generally was less clear. (SOURCE: *The Australian*, 28.1.10)



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