



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

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## **NEXT MEETING: BOARD & CHRISTMAS MEETING**

**12.00noon, 30 NOVEMBER 2010**

**ROYAL PERTH YACHT CLUB, CAWLEY**

### **IN THIS ISSUE:**

One man's boom is another's bust

40km/h speed limit for CBD

Workplace tribunal got it wrong: CFMEU

Watchdog shown to boost building output

Fair Work Act leads to a rise in dismissal claims

Workers' rights begin with jobs (Peter Switzer)

Call to reexamine tax preference

Prime Minister's crisis of authority

Local content in focus as manufacturing jobs disappear

Retailers wants franchise Bill support

More rate pain on RBA's cards

ANZ sued by 30,000 customers over penalty fees

Bosses in fear of holiday pay chaos

Unpaid workers get \$2.6m boost

Employers crank up pressure for reform

SMALL BUSINESS DEVELOPMENT CORPORATION

### **ATTACHMENTS:**

Correspondence In.pdf

Correspondence Out.doc

ATO-Give your business a health check.pdf

SCC Breakfast Flyer.pdf

Unfair Contracts Session.pdf

SwanBusinessConnect 2010.pdf



### **One man's boom is another's bust**

WA's supercharged resources sector has masked a broader tale of malaise as the half of the State's economy that is not connected with mining struggles in the shadows of the global financial crisis. While the diggers, drillers and associated construction and professional services firms that live off the resources industry fill their boots on the back of Asian demand, WA's housing, retail, agricultural, hospitality and tourism sectors are limping. Such is the mounting evidence of a two-speed economy right across Australia, including within WA.

The State's main real estate group predicts house prices, which doubled between 2004 and the GFC in 2008, to be flat for the next 12 to 18 months. Retailers are reporting soft consumer demand leading into what looms as a make-or-break Christmas season. Agricultural production is also set to plummet as WA's farmers face what Premier Colin Barnett described yesterday as possibly the most severe drought WA had seen.

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And the strength of the Australian dollar, which has surged to parity with the greenback on demand for our minerals and energy exports, is a double whammy for tourism and hospitality businesses. It has decimating international visitor numbers while making overseas travel for West Australians enticing and affordable.

Mr Barnett, who chafes at the two-speed economy label, conceded yesterday that significant sectors of WA business were struggling. He also criticised the Reserve Bank's decision to increase interest rates, saying it would do nothing to put the brakes on the miners while crueiling the recovery in the housing and retail markets. "It's a poorly directed measure, given what is happening in our economy," he said. (SOURCE/EXTRACT: *The West Australian*, 5.11.10)

### **40km/h speed limit for CBD**

The speed limit in the Perth central business district is to be cut to 40km/h to protect pedestrians. A Main Roads spokeswoman said yesterday the department had recently made an "in principle" agreement with the City of Perth to reduce the speed limit from 50km/h to 40km/h on most CBD roads. Shopping strips and roads with high pedestrian use across the metropolitan area were also being identified.

Main Roads will soon receive the results of the first year of 40km/h speed limits in Beaufort Street in Mt Lawley and Fitzgerald Street in North Perth and would then decide whether to implement wider speed reductions. The number of pedestrians killed by vehicles in WA rose sharply last year and accounted for one in seven road deaths, which prompted calls for a review of speed limits in built-up areas. Of the 193 road fatalities last year, 26 were pedestrians, compared with 19 out of 209 deaths in 2008 and 21 out of 235 fatalities the previous year.

City of Perth chief executive Frank Edwards said the speed limit reduction was designed to increase pedestrian safety and would not affect the flow of traffic greatly. "Travel times across the city are more directly impacted upon by traffic signals so the journey time impacts drivers would experience will not be significant," he said. A timeline for the implementation of the new speed limit had not yet been finalised. (SOURCE/EXTRACT: *The West Australian*, 5.11.10)

### **Workplace tribunal got it wrong: CFMEU**

**UNIONS have suffered a fresh setback in their bid to rebuild their standing in Western Australia's Pilbara region, with mining unionists employed at Rio Tinto's rail division effectively prevented from taking protected legal action until late 2013.**

Fair Work Australia has dismissed a bid by the Construction Forestry Mining and Energy Union for a protected action ballot while a five-year non-union agreement applying to other workers in the rail division continues to operate. In August, the Federal Court rejected a CFMEU challenge to the validity of the non-union employee collective agreement struck by Rio directly with the group of employees in 2008.

Mr Wood said the union had sought leave to appeal to the High Court and the matter was listed for February. He said the union was disappointed that Labor's Fair Work Act would allow a situation where unionists seeking to have a collective agreement were prevented from seeking protected action ballot orders. "The Labor Party essentially got it wrong," he said.

A Rio Tinto spokesman said the company was "committed to bargaining in good faith to see if we can reach agreement that meets the company's objectives -- performance-based pay and productivity improvements -- and the interests of all our train drivers and car examiners". "There is no point in compromising just to reach an agreement," the spokesman said. (SOURCE/EXTRACT: *The Australian*, 5.11.10)

### **Watchdog shown to boost building output**

**EMPLOYERS and the Coalition last night called on the Gillard government to retain the contentious powers of the building industry watchdog.** The moves comes as a new analysis shows the body has added 9.4 per cent to labour productivity in the construction industry.

Master Builders Australia last night released the fourth annual edition of the KPMG Econtech report that purports to show the productivity contribution of the Australian Building & Construction Commission. The report says the gain to the community equates to \$59 billion over 10 years or \$5.9bn annually. It says the effects of the ABCC have contributed to a permanent reduction in inflation of about 0.7 per cent and a 0.6 per cent boost to gross domestic product.

Since 2002, the industry's labour productivity has outperformed predictions -- based on historical performance relative to other industries -- by 7.7 per cent. Labor's plans to replace the ABCC with an inspectorate with watered-down powers have been stalled in the Senate. While unions have ridiculed the findings of Econtech reports and demanded the ABCC's abolition, Mr Harnisch said the report showed why the watchdog must retain its powers.

Opposition workplace relations spokesman Eric Abetz said the Econtech reports showed the Howard government had been correct in acting on the findings of the Cole royal commission and setting up the ABCC. Senator Abetz said the Coalition would stand firm in its opposition to legislation seeking to replace the ABCC. (SOURCE/EXTRACT: *The Australian*, 5.11.10)

### **Fair Work Act leads to a rise in dismissal claims**

**UNFAIR dismissal applications increased to more than 13,000 in the first year of Labor's Fair Work Act.** The increase represents a 63 per cent rise on the previous 12 months.

The significant increase is revealed in the annual report of Fair Work Australia tabled in federal parliament yesterday. The latest figures are considerably higher than recent data released by the government showing there were 10,751 claims at June 18 this year.

Under the Fair Work Act, the vast majority of employees are covered by unfair dismissal rules once they serve a period ranging from six to 12 months. This compares with John Howard's Work Choices regime when businesses with 100 or fewer employees were exempt from unfair dismissal claims. According to the tribunal, 11,823 of the unfair dismissal applications lodged last financial year were finalised at, or prior to, conciliation. There were 7994 applications made during 2008-09.

In its report, the tribunal pointed out that total number of claims was lower than the 13,643 applications lodged during 1995-96, "which arguably was the last full year in which a national termination of employment jurisdiction existed".

Meanwhile, Climate Change Minister Greg Combet has privately rebuked unions over their continued attempts to pressure the Gillard government into making further changes to Labor's Fair Work Act. *The Australian* understands that the former ACTU secretary told unions attending a meeting of the ALP's national Left on Sunday that they should spend less time complaining about the Fair Work Act. ACTU president Ged Kearney was in the audience when Mr Combet, who said he was proud of the legislation, spoke. (SOURCE/EXTRACT: *The Australian*, 5.11.10)

### **Workers' rights begin with jobs** (Peter Switzer)

**IN this week's fuss over John Howard's new book , or the Melbourne Cup, a really significant small business issue, typically, was ignored.** The really significant business story, which NSW small business owners have to watch, concerns death row Premier Kristina Keneally and her fight with Prime Minister Julia Gillard over workplace safety laws.

In case you missed it, federal Labor is right on the money, wanting to harmonise the laws governing safety in Australia's workplaces. Every other state has signed up to Canberra's smart idea of a national standard but Keneally won't surrender NSW's over-the-top and excessive laws that govern occupational health and safety.

Why would she reduce the standard of worker protection, she argues. It sounds like a sensible question, but the NSW laws are excessive, draconian and unfair on job creators. Is she seriously arguing that Gillard and the rest of the Labor premiers are not entrenched in union traditions and mindful of how important it is to look after workers' rights?

Labor in NSW is a sinking ship -- even the rats are deserting before the March election. Keneally fears a local union backlash and so a sensible policy that would help small business is dispensed with. This butt-saving approach for the sake of electoral victory is common in Australia and explains why the level of productivity is of national concern.

This week I interviewed Howard for my Sky News Business Channel program and asked him what he thought was his greatest business or economic achievement. His response: seeing "unemployment dip to 3.9 per cent in the quarter following our defeat". This happened under Kevin Rudd but, as Howard points out, "they'd only been there a few days".

I also asked if getting rid of the "no disadvantage" test for changes to workers' contracts was a big reason for losing the election? He conceded it was a mistake seized upon by the unions. While conceding the political error, he made reference to a chapter in his book: "Billy gets a job but who cares." Howard believes economic reform is only valuable if it brings "human dividends" like more jobs.

Howard has a passion for industrial relations and admitted it kept him in the policy game, which meant he was relevant, when leaders John Hewson and Alexander Downer struggled with Paul Keating. It kept the door open on a chance to be PM, which he confessed he had given up on.

Wages and the workplace are the most important playing field for employees and employers. That's why the referee -- the respective governments -- have to be astute and it helps if they at least look unbiased. The Rudd and Gillard governments are leaning a tad too far to the Left, while the Keneally government is so biased that even supporters in other states are embarrassed. (SOURCE: *The Australian*, 5.11.10)

### **Call to reexamine tax preference**

**The president of the iBusiness Council of Australia has charged into the interest rate fray.** Graham Bradley called on the government to reexamine tax preference policies to encourage more Australians to keep their money in bank deposits rather than in property.

Speaking at a business lunch organised by the Australian British Chamber of Commerce yesterday, Mr Bradley said the move would help cut the cost of funding for the big four banks, which get 30 per cent of their funding from

global financial markets.

"If we can reduce this exposure, we would be able to insulate ourselves against future shocks to the global financial system. We do not advocate more regulation by government. At the end of the day, governments should not regulate against interest rate rises."

He said the best way to encourage greater competition in the banking industry was to have less regulation, which would attract more foreign banks to the local market. (SOURCE: *The Australian*, 5.11.10)

### **Prime Minister's crisis of authority**

**FEDERAL Labor appears weak, unconvincing and hostage to its many dilemmas.** THE Gillard government, deft at tactics, is losing its policy authority in the nation and facing a relentless haemorrhage in political support with repeated exposures of its inability to shape events or outcomes.

Labor is in serious difficulty, a fact more apparent the greater the distance from Canberra. The government looks out of its depth, weak and devoid of strategic purpose. So overwhelming are these early signs they demand an urgent rethink of Labor's policy and messages. In June Julia Gillard explained Kevin Rudd's removal by saying the government had "lost its way", but Labor's risk is that of changing jockeys but failing to get back on track. If this perception takes hold, the government will be finished.

This week the Commonwealth Bank dismissed Wayne Swan with abject contempt in its near doubling of the Reserve Bank's official interest rate rise. Gillard returned to Australia after her bizarre Asian visit that disastrously enshrined the highly dubious East Timor processing centre as the centrepiece of our regional diplomacy. President Barack Obama, in response to the mid-term election defeat, announced he would not proceed with "cap and trade" legislation, but would look for "other means" to confront climate change, thereby undermining Gillard's push to price carbon.

And Reserve Bank governor Glenn Stevens warned that inflation remained the threat with Australia "now subject to a large expansionary shock" from the highest terms of trade for 60 years, a situation loaded with economic time bombs for the Treasurer and the Prime Minister.

Its failure is symbolised in the complete political alienation of Western Australia, now the centre of one of the greatest resource developments in world economic history. The Liberal Premier in WA, Colin Barnett, with partial support from Labor Opposition Leader Eric Ripper, opposes the new mining tax, the surrender of one-third of the state's GST revenue and the Commonwealth Grants Commission's redistribution among states. Federal Labor has mismanaged each of these issues. (SOURCE/EXTRACT: *The Weekend Australian*, 6.11.10)

### **Local content in focus as manufacturing jobs disappear**

**THE Barnett Government is set to review the state's local-content policy as massive job losses are predicted in WA manufacturing industries next year.** The review comes as local businesses join the growing call by unions and representative groups to address the local-content issue, which has seen lucrative resource contracts go offshore.

"The Department of Commerce is set to review the local-content policy," Commerce Minister Bill Marmion told *The Sunday Times*.

"As part of this, a draft strategy is also being prepared by the Industry Capability Network Advisory Board to look at ways of gaining work for West Australian companies. "In the interim, a Local Content Working Group has been established to help maximise local content for the Wheatstone Project."

The focus on the \$25 billion Wheatstone gas project, located in Onslow, follows uproar last year that WA had missed out on thousands of jobs and billions of dollars as steel contracts for the \$43 billion Gorgon project went overseas and interstate. (SOURCE/EXTRACT: [www.perthnow.com.au/business/news](http://www.perthnow.com.au/business/news), 7.11.10)

### **Retailers wants franchise Bill support**

**RETAILERS in WA are backing proposed changes to State legislation regarding the protection of local franchisees from "rogue" franchisors that rip them off.** As reported by *The Sunday Times* last month Liberal MP Peter Abetz has introduced a Private Members Bill to Parliament aimed at boosting the prospects of franchise owners.

Among the recommendations were a statutory duty of good faith clause, as well as financial penalties for franchisors that breach the Franchising Code of Conduct. Considering about 40 per cent of WA's retail businesses are franchises the Retail Traders' Association of Western Australia is calling on all Members of Parliament to support the WA Franchising Bill 2010. (SOURCE/EXTRACT: [www.perthnow.com.au/business/news](http://www.perthnow.com.au/business/news), 7.11.10)

### **More rate pain on RBA's cards**

**WITH a set of economic forecasts little changed from six months ago, Australia's central bank is signalling the likelihood of further rises in the cash rate, and probably more than most expect.** The bottom line from the quarterly statement on monetary policy, released by the Reserve Bank of Australia (RBA) today, is that economic growth and underlying inflation are set to accelerate – growth to above its long-term average and inflation to the top of the RBA's two to three per cent target range.

The new set of forecasts in the statement show underlying inflation, which was 2.4 per cent by the average of the RBA's two favoured measures in the September quarter, staying at 2.5 per cent before stepping up to 2.75 per cent by the end of 2011 and then rising to three per cent at the end of 2012. These underlying inflation forecasts are all a quarter of a percentage point lower than the outlook in the August statement, although the end point - three per cent underlying inflation by the end of 2012 - is exactly the same. (SOURCE/EXTRACT: [www.perthnow.com.au/business/news](http://www.perthnow.com.au/business/news), 7.11.10)

### ANZ sued by 30,000 customers over penalty fees

More than 30,000 customers have joined a class action to sue ANZ over penalty fees. AUSTRALIA'S largest ever class action case, involving almost 30,000 people taking on the ANZ bank over fee-gouging, could come down to just one witness for each party to decide the winner. In the first of a series of class actions planned against Australian banks, law firm Maurice Blackburn is alleging ANZ charged their customers excessive fees since 2006.

Maurice Blackburn is claiming around \$50 million for fees the banks charged, including dishonour fees on bank accounts, as well as over limit fees and late payment fees on credit cards. In a directions hearing in the Federal Court today, Justice Ray Finkelstein told counsel for Maurice Blackburn and the defendant ANZ he would prefer both parties picked their best witness to try the case. "One case, one calculation, one fee - then hang your case on the result of that on the basis if you lose your best case then you lose the lot," he said.

Maurice Blackburn counsel Michael Lee said it seemed a sensible course to take, but ANZ counsel Alan Archibald SC believed it could be more complicated than that. "It is an enormous and difficult case," Mr Archibald said. He said the bank's systems, processes and costs had changed over time so cases would be very diverse. (SOURCE/EXTRACT: [www.perthnow.com.au/business/news](http://www.perthnow.com.au/business/news), 7.11.10)



**Anthony Melvin**, who was pulled over by the rozzers for drink-driving. His girlfriend - concerned that he was banged up at the local cop shop in nothing but thongs brought a pair of shoes down to the police station so her man would be shod properly. The only trouble was, he kept his stash in his shoes, which a police search promptly found.

He went before the Margaret River beak and was fined \$200 for possession of cannabis, \$100 for driving with blood alcohol in excess of 0.08 and \$1000 for driving with a cancelled licence. As the officer in charge at Margaret River police station, Sgt Paul Daly, told *IC*, "We love it when they bring the drugs to us." (SOURCE/EXTRACT: *The West Australian*, 9.11.10)

### Bosses in fear of holiday pay chaos

EMPLOYERS have taken legal action to try to prevent "public holiday chaos" over the Christmas period. Companies warn that the different approaches taken by the states risks confusion and extra costs. Christmas Day and Boxing Day fall on a weekend, as does New Year's Day, and employers say six states have adopted five different approaches to proclaiming the public holidays.

Australian Industry Group chief executive Heather Ridout said yesterday "some states had proclaimed 'substitute days', some had proclaimed 'additional days' and some a mixture of both". "The way public holidays are proclaimed is vitally important, given that it impacts upon the penalty rates payable for days worked," Ms Ridout said. "In an effort to head-off this potentially costly confusion and uncertainty, AI Group has applied to Fair Work Australia to take action which will clarify the situation and provide consistency across the country."

While the employer application is confined to the manufacturing modern award, the relevant award clause is common in other awards. Where Christmas Day falls on a Saturday or Sunday, employers want public-holiday penalty rates to be payable for work performed on December 27, and not payable on December 25.

Where Boxing Day falls on a Saturday or Sunday, public-holiday penalties should apply for work performed on December 28 but not on December 26. Where New Year's Day or Australia Day fall on a Saturday or Sunday, public holiday penalty rates would be payable for work performed on the following Monday, but not payable on the original day.

Ms Ridout said the introduction of modern awards should not impose additional public-holiday penalty costs upon employers: "Many employers in many industries need to operate over the Christmas-New Year period, including, for example, employers with continuous manufacturing processes." (SOURCE: *The Australian*, 9.11.10)

### **Unpaid workers get \$2.6m boost**

EMPLOYERS in Western Australia have been ordered to pay \$2.65 million in unpaid wages and entitlements as a result of Fair Work Ombudsman investigations in the past financial year. Figures in the federal government agency's 2009-10 annual report show it recovered the payments for 1,634 Western Australians.

Fair Work Ombudsman executive director Michael Campbell said in a statement that most of the underpayments were the result of a lack of understanding by employers of their legal obligations with respect to wages and entitlements. Mr Campbell said the underpayments were discovered through a combination of routine audits and investigations into complaints from workers. (SOURCE/EXTRACT: *WA Business News*, 4.11.10)

### **Employers crank up pressure for reform**

**PREDICTIONS of economic capacity constraints and rising inflation have renewed business pressure on Julia Gillard to make bold reforms.** Business groups have focused on tax and welfare impediments to work and better targeting of skilled migration.

Business Council of Australia chief executive Katie Lahey said the projected strengthening of Australia's economy -- to an above-trend rate over the next two years -- highlighted the importance of pressing ahead with bold reforms.

Australian Chamber of Commerce and Industry economics director Greg Evans called on the government to re-examine tax and welfare disincentives to entering the workforce and better targeting of the skilled migration program to address skills shortages.

The calls come ahead of a speech today at an AiGroup function in Sydney at which Immigration Minister Chris Bowen is expected to announce immigration points system changes that shift the emphasis to high skills and employee sponsorship and make it harder for overseas students with low-quality local qualifications to secure permanent residency. (SOURCE/EXTRACT: *The Australian*, 5.11.10)

### **SMALL BUSINESS DEVELOPMENT CORPORATION**

FOR more than 25 years, the Small Business Development Corporation's specialist business advisory service has been assisting small business operators with issues such as cash flow, business planning, accessing finance and commercial tenancy inquiries.

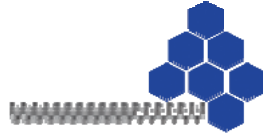
Andy Conlin, of The Roc Candy store in Piccadilly Arcade in Perth, is a regular client of the Small Business Development Corporation and says the free advisory service is an invaluable resource for small businesses at all stages of development.

"We've accessed the SBDC advisory service throughout the 10 years we've been in business on everything from leasing our premises to marketing and franchising. There's always someone at the SBDC batting for you," Andy said.

For more information on the M range of services offered by the Small Business Development Corporation, contact 131 249 or visit [www.smallbusiness.wa.gov.au](http://www.smallbusiness.wa.gov.au). (SOURCE: *The Hills Gazette*, 6.11.10)



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