



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

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## **NEXT BOARD MEETING**

**5.00pm Tuesday 15 JUNE 2010**

**Stirling Small Business Centre, 45 Delawney Street, BALCATT**

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### **ATTACHMENTS:**

Stirling SBC-Marketing Plan.pdf

Federal Budget - Address In Reply.pdf

SCC Enews 13\_5\_10.pdf

Training @ SBC Stirling-Service Excellence the Relationship Connection.docx

ATO prosecutions .pdf

China\_Partner, Customer, Investor, Competitor.pdf



## **COSBOA chief executive Jaye Radisich resigns**

Council of Small Business of Australia chief executive Jaye Radisich has resigned unexpectedly, with sources saying tensions at board level led to her departure. The shock resignation comes just 15 months after Radisich was appointed and just weeks after the organisation scored one of its biggest wins, with Communications Minister Stephen Conroy specifically citing COSBOA's lobbying as a reason for his decision to reverse his decision to extend the Do Not Call Register to business numbers.

However, a number of sources have suggested that Radisich, who was appointed as COSBOA's first full-time in early 2009, has clashed with some members of the organisation's board over issues including resources, lobbying strategies and COSBOA's priorities. COSBOA chairman Richard Brooks praised Radisich's work and told SmartCompany this morning that he had enjoyed working with the CEO, but said that in any organisation with a diverse membership base there will be differences of opinion in the way matters should be handled.

"There is always going to be issues with regards to the priorities within the small business sector," Brooks says. "In any not-for-profit at different times there will be differences of opinions and those issues have to be resolved."

Radisich emphasised that it was her decision to resign and told SmartCompany this morning she was proud of her achievements during her time at COSBOA, including boosting the organisation's revenue 12-fold, making an "unprecedented" number of oral and written submissions to Government and greatly boosting the organisation's profile. "Those activities have certainly taken COSBOA to the next level. The scene is set for another small business advocate to take on the mantle. "

However, one area of difference between the board and the chief executive appears to have been government relations. While some business lobby groups favour the strategy to lobbying via media statements, Radisich – a former Labour politician in Western Australia – was able to use her networks to get regular access to Government Ministers, Opposition spokespeople and department chiefs.

Radisich's Labour Party past may have also led to some tensions, with source suggesting some COSBOA board members felt the organisation should lean more to the Coalition, as industry groups have traditionally done. But Brooks says Radisich did a very good job of "maintaining a very balanced and realistic approach" to both sides of politics and worked hard to keep COSBOA as an apolitical organisation that "tells it like it is". "At times the role of COSBOA as a genuine apolitical organisation becomes very difficult to manage, because there are people within the sector who have very strong political views. "

Radisich has strongly defended claims she may have favoured one side of politics over the other at any stage during her tenure. "I have acted in an apolitical manner at all times in my role and the proof is in the pudding. Anyone can review my record and will find that the interests of small business were front and centre of all my commentary. Sometimes the Government was criticised, sometimes the Opposition was criticised."

Brooks says COSBOA is currently examining potential replacements for Radisich and will stick with the model of a full-time CEO who he hopes will continue "down the path that Jaye and I have taken".

Radisich declined to comment this morning, but said in a note to "small business supporters, colleagues and friends" that it had "been a privilege to meet so many new colleagues, friends and advisors who have the interests of small businesses at heart". Her resignation is effective May 21 and she said she plans to take a "a short but much-needed break followed by further pursuits in business and a few exciting personal projects". (SOURCE: [www.smartcompany.com.au/politics](http://www.smartcompany.com.au/politics), 13.5.10)

## **Surprise exit**

Why has Jaye Radisich left COSBOA? And what will she do now? This is the question swirling through the small business community after the surprising news this morning that she will leave her CEO post on May 21. Radisich was forthright, outspoken and knew how to play the political game and fight for a cause. Her cause for the last 15 months has been to lobby for small business as head of COSBOA.

And boy, the sector needed it whether they knew it or not. The small business community in Australia has always struggled to find a coherent voice, unlike the US which has a strong and powerful lobby group. One of our problems is the dominance of duopolies in Australian industry means many companies end up selling out before they achieve scale. In the US a small company has up to 500 employees. Get enough companies of that size together and their owners can make a lot of loud noise.

But in Australia a small business has less than 20 employees. A medium-sized business has less than 200. Most of those business owners are too busy and lacking the power to make a lot of noise. And don't forget a lot of Australian small businesses are tiny, buy-yourself-a-job type affairs and their owners do not see themselves as part

of any small business community. Add to that the crazy tall poppy syndrome that seems to afflict many of Australia's entrepreneurs and we know that the lobbying is never going to come from the business owners themselves.

Neither has there been a strong lobby group acting on behalf of this sector. For 25 years I have watched as various organisations claim to be the voice of small business. I have seen a few crooks come in, usually from right wing organisations who quickly got short shrift - usually after I or other journalists - dug into their past and exposed them.

There are also lots of good organisations that claim to also represent the views of small business. But they are hopelessly conflicted: many of their members are large corporates and of course they pay very large fees. And there has been COSBOA, a toothless tiger that for as long as I remember, ran more like some gentleman's club, full of blokes who liked the association with a prestige board and who sometimes had several agendas. I never took much notice of anything COSBOA said, although the last CEO Tony Stevens began to get a little bit of traction.

Then Radisich came along. Radisich knew she had a big challenge on her hands. She was a young female, fronting up to a board with different ideas on what she should be doing and how things should be run. Radisich began to get noticed. She had some clear wins for the sector on issues like stopping the Do Not Call Register being extended to business numbers and pushing the Government for action on improving SME access to finance.

But she also began to ruffle feathers and there were some members of her board who felt the organisation would be better off without her. Time will tell if they can do a better job without her. But don't expect Radisich to go quietly. Apparently her supporters are urging her to start a rival organisation, something she may well consider doing. Radisich isn't talking about her future plans, but watch this space. Things suddenly got interesting in small business lobby land. (SOURCE: [www.smartcompany.com.au/boss-lady](http://www.smartcompany.com.au/boss-lady), 13.5.10)

## **WA jobless rate falls to 4.7%**

Western Australia has emerged with the lowest unemployment rate in the country, dropping to a seasonally adjusted 4.7 per cent in April, the Australian Bureau of Statistics said. The jobless rate fell from a downwardly revised 5 per cent recorded in March, and is the lowest rate since April 2009.

The total number of Western Australians people employed in April dropped from 1.1824 million in the previous month to 1.1777 million, however the number of people employed in a full-time capacity increased from 833,200 to 839,400. The state's participation rate decreased from 68.2 per cent to 67.5 per cent. The number of unemployed people in WA fell from 62,200 to 58,300.

WA recorded the nation's lowest jobless rate with Tasmania at 5.9 per cent, New South Wales with 5.8 per cent, Queensland and Victoria both at 5.6 per cent and Victoria at 5.3 per cent. The unemployment rate for the country was 5.4 per cent in April, compared with a revised 5.3 per cent in March. (SOURCE/EXTRACT: *WA Business News*, Today's Business Headlines, 14.5.10)

## **Tony Abbott shuns Work Choices**

**THE Coalition won't go back to Work Choices if elected, Opposition Leader Tony Abbott says.** The federal government replaced the Coalition's controversial workplace regime with the Fair Work system.

Mr Abbott said he was certain Labor would campaign ahead of the next election on the premise that the Coalition would return to Work Choices. "I'm not John Howard and our policy won't be the same as in 2007," Mr Abbott told the Nine Network.

"We will work within Labor's frameworks, we will work within Labor's safeguards. "Yes, we want to make it more flexible and more workable, but we really will be working within the Gillard framework that the Labor Party has put in place." (SOURCE: *WA Business News*, Today's Business Headlines, 17.5.10)

## **Union denies TV ad campaign a class attack against resources bosses**

**AUSTRALIA'S largest blue-collar union, the Australian Workers Union, has denied suggestions it has revived the politics of class warfare in a series of attack ads targeting some of Australia's top mining bosses.**

The ads, which began airing on Foxtel yesterday, target the sizeable profits made by the heads of the three behemoths of the Australian mining industry: Clive Palmer, BHP's Marius Kloppers and Rio Tinto's Tom Albanese. "For decades the mining industry has been taking things out of Australia," the ad begins, before running shots of the men. "Along the way it's made some mining bosses very, very rich." The commercial concludes with the exhortation: "Let the mining bosses know: It's time to put something back".

The ads follow a series of incendiary remarks by some mining bosses criticising the Rudd government's proposed 40 per cent resource rent tax. After the tax was announced, Mr Palmer declared Wayne Swan a "fool" and compared the policy to those favoured by communist regimes.

Yesterday, Mr Howes rejected suggestions his union had revived the politics of class warfare, a tactic used to disastrous effect by former Labor leader Mark Latham in his 2004 attack on private school funding. "Since when is paying tax indulging in class warfare?" he told *The Australian*. Mr Howes said while he had nothing against mining companies, people like Mr Palmer were "fair game" given their remarks.

Minerals Council head Mitch Hooke accused the AWU of "playing the man and not the ball". (SOURCE/EXTRACT: *The Australian*, 17.5.10)

## **Barnett in royalty challenge to Rudd**

West Australian Premier Colin Barnett has vowed to ignore the so-called super profits tax regime when making future royalty rate decisions, opening the way for a double charge on miners. *The Fin* (SOURCE: *WA Business News*, Today's Business Headlines, 19.5.10)

## **Unions push for \$27 lift in minimum pay**

UNIONS will push their case for a \$27-a-week pay rise for workers on the lowest pay at a wages hearing today. The Australian Council of Trade Unions is calling for the minimum wage to increase by about 5 per cent to make up for last year's wage freeze.

This would take the pay packets of about 1.4 million low-paid workers up to \$570.78 a week. The minimum wage was stalled at \$543.78 a week last year in the first pay freeze in 15 years.

ACTU secretary Jeff Lawrence said improved economic forecasts in last week's federal budget strengthened the unions' wages claim and undermined arguments by employer groups for a further wage freeze. "It is appalling that millions of Australians were forced to suffer a wage freeze for more than 18 months given the strength of the economy," Mr Lawrence said.

He said the ACTU's wages claim - which would take the minimum wage above \$15 an hour for the first time - was responsible and came on the back of a strong economic outlook. Today's hearing in Melbourne is the first under the new wage setting mechanism established under the Fair Work Act. (SOURCE: *The Australian*, 17.5.10)

## **Rudd government backs pay rise for 1.4m low-paid workers**

**CANBERRA is backing an above-inflation wage rise this year for the nation's 1.4 million low-paid workers, prompting employers to warn they will be forced to shed jobs and cut hours if the position is backed by the wages umpire.**

As unions renewed their push for a \$27-a-week increase in the minimum wage, the government said increases in minimum wages could allow low-paid workers to share in the benefits of economic growth, while ensuring jobs growth continued. Appearing before Fair Work Australia's minimum wage panel, government advocate John Kovacic said the pay of low-income workers had "gone backwards" as a result of last year's minimum wage freeze.

Mr Kovacic said the stronger economic forecasts contained in last week's federal budget supported the government's view that minimum-wage workers should share in the benefits of recovery. "The cost of living has been increasing while the wages of the lowest-paid Australians have been standing still," Mr Kovacic said. "The government does not believe this is a fair . . . outcome." While refusing to nominate a quantum amount, he said the panel should support a "considered real increase" in minimum wages that reflected cost-of-living increases. (SOURCE/EXTRACT: *The Australian*, 18.5.10)

## **Opposition backs rise for low-paid**

The Federal Opposition has joined the Rudd Government and unions in supporting a rise in the minimum wage for Australia's 1.3 million lowest paid workers to make up for last year's freeze. Unions and business groups are appearing this week before the Fair Work Australia tribunal, which will decide the first minimum wage case since taking over from the Howard era Fair Pay Commission.

Shadow workplace relations minister Eric Abetz said yesterday there was a strong case for a catch up rise, the line also being pushed by the Australian Council of Trade Unions. The Commission surprised unions and employer groups last year by imposing the first minimum wage freeze in 27 years.

The ACTU wants a \$27 a week rise, which would bring the minimum wage above \$15 an hour. The Australian Chamber of Commerce and Industry will argue to the tribunal that any increase be limited to \$10.50 to \$12.50 a week. (SOURCE: *The West Australian*, 18.5.10)

## **WA employees win big in wage stakes**

Employees in large Western Australian companies received the biggest wage hike in the country with a 4.6 per cent increase over the past 12 months, higher than the 3.7 per cent national average, new figures show.

And the outlook is even better, with the companies forecasting average wage increases of 4.4 per cent for 2010-11, 0.8 per cent higher than the national average, the Australian Institute of Management's national salary survey 2010 said today.

The survey found that 73.6 per cent of companies paid salary increases in the 2009-10 year, which was significantly lower than the 96 per cent that did so in the previous 12 month period. And the average increase for those that did was 3.7 per cent - a figure lower than the average pay rise of 4.3 per cent awarded in the previous year. (SOURCE/EXTRACT: *WA Business News*, Daily Business Alert, 18.5.10)

## **Coalition must stay firm on IR**

TONY Abbott's budget reply address to parliament last week lays down a clear conservative campaign trail to this year's federal election. This is all very well, but the test for the Opposition Leader and his Coalition warriors is whether they stray from this path in the heat of battle. If they do, they deserve to lose an election that seems more winnable than at any time since the Coalition was defeated in 2007.

Industrial relations is going to play a key role in demonstrating the Coalition's policy resilience, particularly in the face of a sustained Work Choices-revisited campaign by the ACTU designed to spook employees and employers in the same way that it did in the lead-up to the previous election.

Abbott has acknowledged that the Howard government's industrial reforms went too far, particularly by scrapping the no-disadvantage safety net for employees signing up to workplace agreements. But he stresses that between 1996 and 2007 more than two million additional jobs were created and real wages were boosted by 20 per cent.

Abbott needs to win back business support that deserted the conservatives in the wake of the sweeping Rudd Labor victory in 2007. His capacity to do this will be assisted by the government's dramatic changes to industrial laws, which have significantly enhanced union shop-floor power, replacing voluntary employer-employee workplace agreements with mandatory enterprise bargaining. This restructuring of the industrial relations landscape was fashioned during the heady days of a booming economy and full employment. But it has come into operation against a backdrop of global financial turmoil and rising unemployment.

The government's unfair dismissal system and increased costs flowing from its award "modernisation" scheme has put small business under sustained pressure as rising home loan interest charges are driving down consumer spending. And this pressure is likely to increase in July with an anticipated hefty rise in the minimum wage being approved by the Fair Work Commission. Industry sources believe that with the previous Fair Pay Commission instituting a minimum wages freeze in late 2008, the new Labor-established tribunal will go most of the way to granting the ACTU's claim for a \$27 a week rise, which will affect more than 1.45 million workers.

The country's main business lobby, the Australian Industry Group, has urged the commission to keep any increase to \$12 a week with any flow-on to areas undergoing award modernisation being deferred until July 1 next year. Since it came to power the government has ducked quantifying the size of any minimum wage rise. Instead it has urged a "considered" real increase that reflects rises in the cost of living. (SOURCE: *The Australian*, 18.5.10)

## **New rules on use of indigenous workers**

BUSINESSES seeking government contracts will be forced to submit plans on how they would employ and train indigenous workers, and they will be penalised or see their contracts terminated if they fail to do so.

Under changes to be unveiled by the Rudd government today, companies applying for commonwealth contracts worth more than \$5 million, or \$6m for construction projects in regions with significant indigenous populations, must have plans for employing and training local indigenous people and for using indigenous suppliers.

The new policy will apply from July 1 this year. The enhanced Indigenous Opportunities Policy is part of the government's commitment to halving the gap in indigenous unemployment within a decade. The government is investing \$3m in a pilot project - the Australian Indigenous Minority Supplier Council to link indigenous businesses with some of the country's biggest firms. (SOURCE: *The Australian*, 18.5.10)

## **NT sets eyes on WA business**

The Northern Territory government has launched a concerted campaign to poach business from Western Australia and rival Perth as a regional oil and gas capital. Describing WA and Perth as "yesterday's hero and a road to nowhere", NT chief minister Paul Henderson said Darwin was the logical location for companies looking to develop oil and gas resources off the northern coast and supply the massive Asian energy market.

Mr Henderson said nowhere else in Australia could offer guaranteed industrial development sites just ten minutes drive from a modern capital city on the doorstep of the Asian market. "The future of the industry is very much to the north of Darwin so Perth ... really is on a road to nowhere and yesterday's hero in regards to the development of the offshore industry," he said.

Mr Henderson was confident more companies would use Darwin's Wickham Point LNG precinct now servicing Conoco-Phillips' Bayu-Undan gas project in the Timor Sea, but said his government also planned a world-class marine supply base to service northern Australia's rapidly growing offshore LNG industry.

Despite Mr Henderson's cheery optimism, Darwin has to date struggled to make inroads in luring major companies to relocate, with Conoco-Phillips the only multinational energy firm to make Darwin its Australian base in recent years. (SOURCE/EXTRACT: *WA Business News*, Daily Business Alert, 18.5.10)

### **Confession is Work Choices ammunition**

UNIONS will seek to exploit Tony Abbott's admission that he does not always tell the "gospel truth" by arguing it is further evidence why voters should not believe his pledge not to re-introduce Work Choices. The ACTU, currently running national television advertisements focusing on the Opposition Leader's "honesty", will consider using his admission on The 7.30 Report in a future round of pre-election advertisements.

ACTU secretary Jeff Lawrence said Mr Abbott was being dishonest about his plans to bring back Work Choices. "At his first press conference as Liberal leader, Mr Abbott said 'the phrase Work Choices is dead', precisely because he was avoiding telling the Australian public the truth," Mr Lawrence said.

"He has since made it clear, including in his budget response last week, that the Liberals are committed to bringing back key elements of Work Choices by winding back unfair dismissal protection and reintroducing individual contracts. But he has

Union-commissioned research undertaken this year found that once voters were told what Mr Abbott had said on workplace relations, they became angry at what they saw as him ignoring their decision to vote against Work Choices in 2007. "That's why we believe it is essential that the Australian public are properly informed of Tony Abbott's plan to bring back Work Choices, and that's why we will be continuing to run a major ad campaign on the issue," Mr Lawrence said.

"There is no doubt that Mr Abbott's honesty with the Australian voters about Work Choices is set to become a major election issue. Unions will make sure it is." (SOURCE: *The Australian*, 19.5.10)

### **State offices to leave CBD**

A major shift of public servants to Perth's suburbs will be unveiled in tomorrow's Budget, with the State Government to launch a long-awaited "master plan" to cut up to \$25 million a year in office rents. And substantial funding for a new rectangular sports stadium in East Perth is likely, although its immediate future hinges on stalled negotiations between the Government and the Town of Vincent amid speculation its cost has blown out from a working figure of \$160 million to as much as \$260 million.

Commerce Minister Bill Marmion said yesterday that up to 20 per cent of the Government's expensive central business district office space would be replaced with cheaper suburban rentals over the next five years. The plan has already begun, with some Treasury staff from five separate buildings and Department of Training officers shifting to Osborne Park early next year.

Transfers of other public agencies are likely to revolve around building developments close to transport hubs, with an initial target understood to be in the City of Stirling. There will also be consolidation of remaining Government offices in the CBD, including those in Governor Stirling Tower, when 140 William Street, which the Government is leasing in its entirety at a cheaper rate, is completed.

Lord Mayor Lisa Scaffidi and urban planning think tanks said the move to save money was short-sighted and would affect the city's vitality. (SOURCE/EXTRACT: *The West Australian*, 19.5.10)

### **Minister's decision on chefs is hard to digest**

Immigration Minister Senator Chris Evans presumably enjoys a good restaurant meal from time to time. And you would think he would be keen to develop the nation's tourism and hospitality sector. Perhaps not.

His decision this week to axe chefs and cooks from Australia's Skilled Migration Programme makes little sense. It makes even less sense when you consider that the Tourism Ministers' Council has called on the senator to keep chefs on the list because of a national shortage of top international chefs.

The senator's argument that chefs were culled from the list of valued vocations to ensure that the program was demand-driven doesn't stand up to scrutiny. The demand is well and truly evident and his decision is hard to digest. (SOURCE: *The West Australian*, 19.5.10)

## Neighbours resent Greek gifts

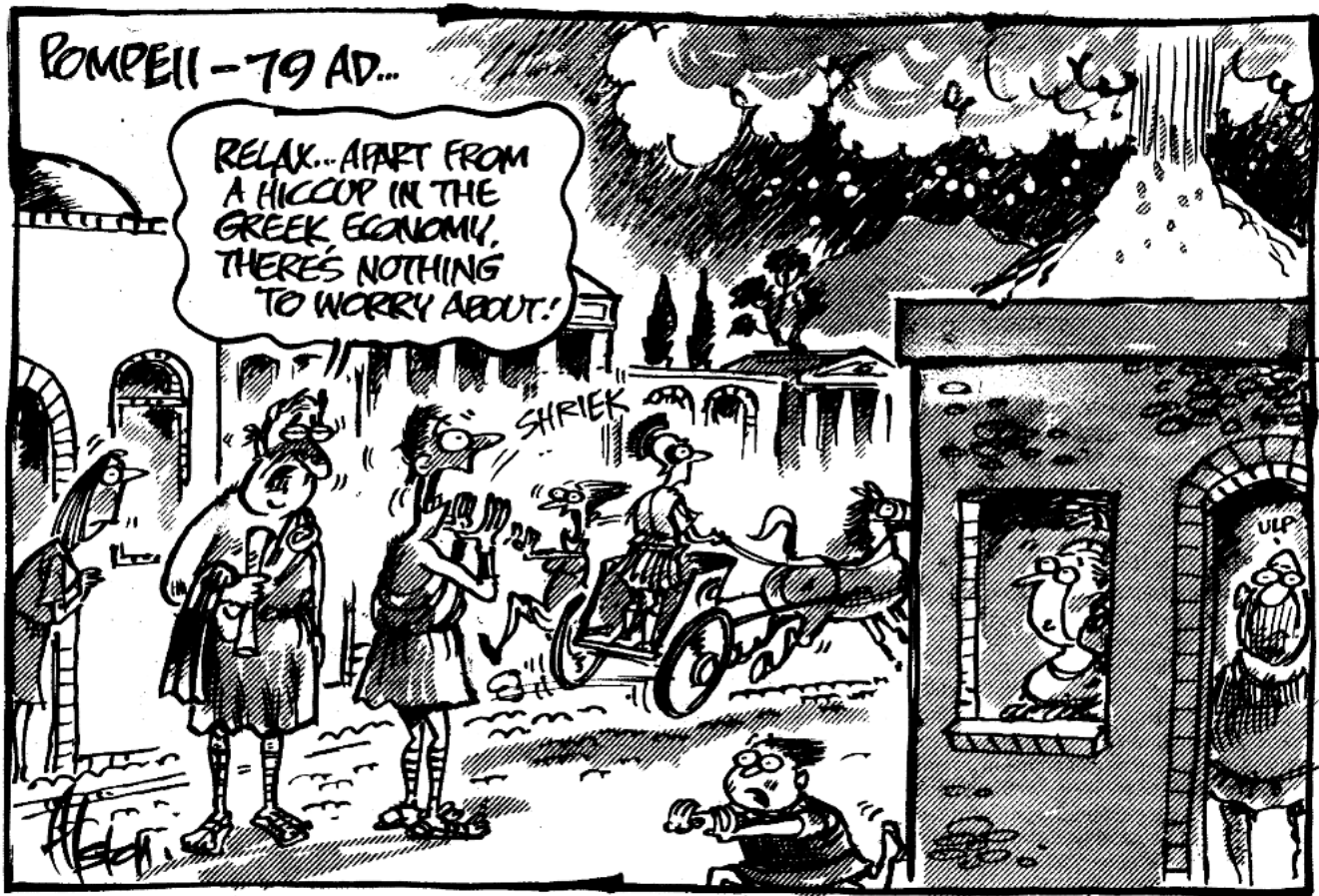
In Greece, trombone players and pastry chefs are able to retire as early as 50 on grounds their work causes them late career breathing problems. Hairdressers enjoy the same perk thanks to the dyes and other chemicals they use. Then there are masseurs at steam baths: they get an early out because prolonged exposure to all that heat and steam is deemed unhealthy.

Until the Greek debt crisis, northern Europeans looked at Greek early retirement with an amused roll of the eyes. But more and more such loopholes are angering them: they bristle at being asked to pay for their laggard southern neighbours' early retirement.

In a bloc with a shared currency but no power to enforce budgetary restraint and keep members from spending themselves into messes like that of Greece, the retirement quirk illustrates another fault line that crept to the surface with the debt crisis that began in Athens and is threatening to spread across the euro zone.

Germany, making available as much as C22.4 billion (\$31.7 billion) for the joint European Union and International Monetary Fund bailout of Greece, and which not long ago raised its retirement age from 65 to 67 to offset a shrinking, ageing population, is being made "the laughing stock of Europe," one reader wrote. Another said of the Greeks: "Why don't they call upon their gods? They seem to have enough of those."

Like many EU countries, the general retirement age in Greece is 65, although the actual average is about 61. However, the deeply fragmented system also provides for early retirement - as early as 55 for men and 50 for women in many professions classified as "arduous and unhealthy." Along with early retirement, Greece has one of Europe's highest longevity rates - with an average life expectancy of 77.1 years for men and 81.9 for women. (SOURCE/EXTRACT: *The West Australian*, 19.5.10)



(SOURCE: *The West Australian*, 20.5.10)

## **Minister quits over husband's tax debt**

Greece's deputy tourism minister has resigned after tax officials said her husband, a popular singer, owed millions of euros in unpaid taxes, a major embarrassment for the cash-strapped Government's war on tax evasion. A Government statement on Monday said Angela Gerekou, 51, stepped down "out of sensitivity" hours after the scandal broke in a daily newspaper. It added that Ms Gerekou claimed she had no involvement in the tax affairs of her husband, Tohs Voskopoulos.

The Finance Ministry confirmed that Voskopoulos faces criminal prosecution for debts of C5.5 million (\$7.6 million) in unpaid taxes and fines. A ministry said an investigation is under way into the delay in collecting Voskopoulos' debts.

Debt-ridden Greece has cracked down on rampant tax evasion, recently publishing the names of alleged high-profile tax cheats and seeking to catch tax evaders by using satellite photos to spot undeclared swimming pools - an indicator of taxable wealth. (SOURCE/EXTRACT: *The West Australian*, 19.5.10)

## **Trainee hairdressers in safe hands**

Hairdressing is not what most would consider a high-risk job but hairdressers are prone to one of the most common work-related medical problems in Australia. Up to 70 per cent of hairdressers suffer from occupational dermatitis, skin damage caused by repeated exposure to chemicals.

The prevalence of this easily preventable condition in the hairdressing industry is what caught the attention of WA Group Training Scheme chief executive Frank Allen. "When I worked as a WorkSafe trainer, I spent a lot of time talking to students and found that many first-year hairdressing apprentices had dermatitis on their hands," he said. "So when we were asked to diversify our group training scheme, I immediately thought hairdressers could really benefit from being part of a training scheme where we could manage the quality of training, including safety. "

Aspiring hairdresser Katie Hillard, 15, said the WAGTS training centre in Wangara had broadened her horizons. "I really enjoy the training because it's not just about styling hair," she said. "I have learnt how to run a hairdressing salon, how to sell products and I've even had tr on how to look for a job." The Skills West Expo will be hel from September 3-5 at the Perth Convention Exhibition Centre. (SOURCE: *The West Australian*, 19.5.10)

## **WA skilled vacancies surge in May**

Western Australia has recorded the largest rise in skilled job vacancies over the past 12 months, new national data shows. The Department of Education, Employment and Workplace Relations skilled vacancies index for the nation in May was 46.8 points, 24.4 per cent higher than in May 2009 and 1 per cent higher on the previous month. The department's internet vacancy index was unchanged for the month of April at 78.8 points, but was still 5.2 per cent lower than in April 2009.

Vacancies in May rose in two of the three occupational groups monitored by the department. Trades were up 2.2 per cent and associate professionals increased 0.8 per cent, but professionals fell by 2.1 per cent. Increases were recorded in advertised vacancies for just four of the 18 skilled occupations monitored.

The largest rise was recorded in marketing and advertising professionals, up 7.5 per cent, while the biggest decrease was in hairdressers, down 8.7 per cent. The largest increase in advertised skilled vacancies was recorded in NSW, up by 4.6 per cent, and Western Australia, rising 2.5 per cent. (SOURCE/EXTRACT: *WA Business News*, Daily Business Alert, 19.5.10)

## **Business struggles to come to grips with new workplace regime**

SINCE January 1, the most significant change to the country's industrial relations landscape has been implemented by the Rudd government, under the banner of Fair Work Australia. In particular, the changes include a new award safety net and a new set of default employee entitlements contained in the National Employment Standards.

Corporate employers that have not adapted to the reforms run the risk of prosecution by the federal regulator, the Fair Work Ombudsman, for the recovery of large civil penalties of up to \$33,000 for each breach by businesses, while fines of up to \$6,600 can be imposed on sole traders or managers. The penalties exist despite whether employers know of the changes to the legislation or not.

At a recent WA Business News boardroom roundtable, businesses, lobby groups, and IR consultants alike agreed that a high degree of angst and confusion exists with businesses over the new workplace laws. Adding to the complexity of the situation is the dual state and federal workplace relations systems that many WA businesses operate in. "Small business in particular is at a disadvantage because they don't have the resources to deal with the legislation because it's very complex," Raykon Group WA general manager Glenn Hutchinson told the roundtable.

Mr Hutchinson said his Burswood-based workplace relations and management consultancy firm was increasingly

assisting businesses with staff rosters because the legislation was too difficult for company owners to deal with. "The legislation itself is complex and is compounded by the fact there's preceding (WorkChoices) legislation to that, and small businesses don't have the capacity to deal with it," he said.

"The capacity of small business to be able to pay, particularly for legal services, can be costly, and they don't have the capacity in many cases. "So it's up to organisations like the Chamber of Commerce and Industry and to a lesser extent ourselves to provide information that small business has to pay for."

#### Dual IR system

The WA industrial relations laws, including the Industrial Relations Act 1979 and the Minimum Conditions of Employment Act 1993, apply primarily to organisations that are not constitutional corporations, such as sole traders and partnerships. In WA, a constitutional corporation – a business that undertakes trading activities, or is a foreign or financial corporation – is covered by the federal system. Other than WA, all other Australian states have referred their IR powers to the federal government.

Premier Colin Barnett has indicated the government will not refer its powers to the Commonwealth, meaning it is crucial for WA businesses that are constitutional corporations to comply with the law and correctly pay new terms and conditions of employment to their employees.

"The Small Business Development Corporation is frightened by the lack of knowledge and understanding about the dual system that some WA businesses are facing," SBDC acting managing director Jacky Finlayson said. "There are a lot of businesses out there that are frightened and unaware of how the changes impact them.

"Having a state and federal system has created confusion; it comes back to what we will gain by maintaining a separate system, and I think it's fairly marginal. "It has changed the risk profile of businesses and we've seen a lot of businesses that were happy to continue on as sole traders, moving into an incorporated status and moving into a federal system. "They have had to change their entire business model." (SOURCE/EXTRACT: *WA Business News*, Daily Business Alert, 19.5.10)

### **Julia Gillard, employers hail tribunal ruling**

JULIA Gillard and employers have welcomed the overturning of a Fair Work Australia ruling that found flexibility provisions in Labor's workplace laws could not be used to vary the terms of an enterprise agreement. A tribunal full bench, led by president Geoff Giudice, rejected the earlier ruling relating to an agreement between TriMas Corporation and the Australian Manufacturing Workers Union at the towbar firm's Victorian plant. Under the Fair Work Act, a flexibility clause, known as an individual flexibility arrangement, must be included in all new enterprise agreements.

Ms Gillard, the Workplace Relations Minister, committed to the clauses after business leaders expressed concerns that the abolition of Australian Workplace Agreements would result in a loss of flexibility. In approving the TriMas deal, commissioner John Ryan decided to insert the model flexibility term prescribed in a schedule to the Fair Work Regulations, instead of the flexibility term agreed to by the employer and the union. Mr Ryan decided the wording of the clause agreed by the parties was not legally effective.

The parties had agreed the flexibility clause would allow certain "terms of the agreement to be varied", but he found the clause could be effective only if it was expressed in precise terms, namely that "the effect of the terms of the agreement" was varied.

The full bench found his decision could not stand. It said while an individual flexibility arrangement did not vary the terms of an enterprise agreement, it altered the legal rights of the parties to an agreement. Heather Ridout, Australian Industry Group chief executive, said the full bench ruling was logical. (SOURCE/EXTRACT: *The Australian*, 20.5.10)

### **Unions' Fair Work entry 'breaks promises'**

One of the nation's top mining groups has accused the Federal Government of stacking the independent industrial relations umpire with unionists and breaking a key workplace election promise. Australian Mines and Metals Association chief executive Steve Knott said five of six new appointees to Fair Work Australia, the national workplace relations tribunal, had been union officials.

Mr Knott said the move broke a promise from Kevin Rudd and Workplace Relations Minister Julia Gillard to end political appointments, as well as the perception of bias within the industrial umpire. "(We) reflect on the bipartisan pledge and the reality that no employer-aligned appointment with real-life business experience has been appointed," Mr Knott said in Perth yesterday.

Five of the six new FWA commissioners were current or former high-ranking unionists when appointed in December. Only one, a senior public servant in the South Australian Government, did not have a union background. Mr Knott said the Federal Government had also broken a promise to retain right of entry provisions from the previous regime.

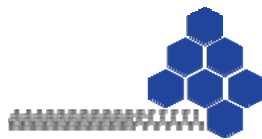
Labor's Forward with Fairness policy implementation plan 2007 states on page 23 that "Labor will maintain the existing right of

entry rules". The promise was repeated several times. But Mr Knott said new laws broadened the number and type of unions and officers that could enter worksites. A spokesman for Ms Gillard denied the FWA had been stacked, claiming there was no "deliberate plan" and new appointees had won their publicly advertised positions on merit. He said the authority was well-balanced, with the total cohort of 38 primary FWA appointments, mostly inherited from the previous industrial regime, including only slightly more from union backgrounds than the employer field.

He said 17 of the 20 appointees under the previous government came from an employer background. The spokesman denied a backflip on right of entry provisions, claiming the 2J)07 policy document also showed changes in access, albeit under the subheading which said that existing rules would be kept. (SOURCEEXTRACT: *The West Australian*, 20.5.10)



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