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NEXT BOARD & CHRISTMAS MEETING

12.00noon Tuesday 30 November 2010

Royal Perth Yacht Club

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Coalition moves to cut red tape from Government paid parental leave scheme

The Coalition will introduce legislation to end the needless and pointless red tape and compliance burden being imposed on employers under the Gillard Labor Government's paid parental leave scheme.

Despite strong objection to this new bureaucratic requirement from small business organisations and employer groups, the Gillard Government insisted that employers act as 'pay clerks' and handle the Government-funded payments for their eligible employees. The Coalition amendments, supported at the time by the Senate, will be reintroduced to Parliament as a Private Members' Bill and will seek to have Centrelink's Family Assistance Office directly make payments to eligible workers. See attachment: Coalition moves to cut red tape from Government paid parental leave scheme.pdf)

Royalty 'double tax' for miners

The Federal Government's mining tax panel has ruled out shielding miners from unscheduled increases in state royalties, sparking claims the industry will face double taxation. *The West* (SOURCE: *WA Business News*, Today's Business Headlines, 15.10.10)

Mine tax truth could wreck havoc for Govt

The Gillard Government's new mining tax could be torn down by the High Court, denying the Prime Minister billions of dollars in revenue and

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wrecking her reform agenda for the next three years, previously secret Treasury documents have revealed.

Almost 100 documents released to *The West Australian* under Freedom of Information laws, including 300 pages of confidential emails, letters and briefing papers between Treasurer Wayne Swan and senior bureaucrats, expose a Government under siege as attacks over the resources super profits tax and its successor, the mineral resources rent tax, grew more ferocious.

The advice included a warning in June from Government solicitors to Mr Swan that the super profits tax could be found to be unconstitutional if just one State changed a royalty rate. The same argument applies to the proposed mineral resources tax, which throws \$10 billion in anticipated revenue into doubt.

The Government's plan to lift the superannuation guarantee, cut the company tax rate, establish a regional infrastructure fund and deliver small business tax breaks are all predicated on the mining tax revenue offsetting the increased costs. "Australian Government Solicitors have advised . . . the RSPT would risk being unconstitutional on the grounds that the RSPT would have the potential to discriminate between . . . States or parts of a State," Mr Swan was advised in June.

WA Liberal frontbencher Mathias Cormann said the documents exposed why the Government wanted to cover up the details of the mining tax. "We have always queried the constitutionality of this new national tax on mining," Senator Cormann said. "Turns out so did the Government's own internal legal advisers," he said. (SOURCE/EXTRACT: *The West Australian*, 16.10.10)

Firms must be all ears using social media: online reviews

SOME companies understand social media and how to deal with negative comments about their businesses. But most small and medium-sized firms prefer to ignore the comments rather than deal with the problem head-on, as Mocks founder Lara Solomon has.

Last year Solomon decided to swap PR for social media as the main marketing method for her business, which sells sock-like mobile phone covers in Australia, Britain and the US. She focused on a Facebook page but didn't anticipate the full consequences of engaging with her customers on social media sites.

The Mocks brand attracted about 12,000 Facebook fans (it now has more than 15,000) within three months, with the result that sales doubled in the final quarter of last year compared with 2008. What Solomon didn't expect was the magnitude of the task of dealing with online comments from mainly 12 to 20-year-old girls.

Many of the comments related to postal problems, particularly in the US, with fans saying they were angry and leaving negative comments. Others were just upset they hadn't won competitions.

Solomon's YouTube channel, where she gives simple social media advice, received personal insults. On YouTube one person called her a "foolish woman" because her advice was basic. She responded with a polite "you are entitled to your view". "I did respond to them all and I didn't delete any," she says. "And I responded in a polite way."

At Mocks the five-strong team tackles criticism head-on and puts extra effort into ensuring delivery or any other problems or criticisms are solved, turning disgruntled customers into happy fans. "I'm a big believer in taking those negative comments and turning them into a positive," Solomon says.

With negative and offensive comments she often will take a deep breath first rather than tackle the issue in the heat of the moment. "Sometimes I will come back half an hour later when I have thought of a polite way to respond," she says.

When Theo Thomas was running the listings site Dlook.com.au, which he sold last year, he encouraged people to leave comments and for listed businesses to respond. What he found was that 78 per cent of comments were negative against 22 per cent positive, and that most businesses preferred not to deal with negative comments.

"The biggest problem was that more than half the businesses that had negative comments insisted that their listings be removed from the site," he says. "People get very intimidated -- small business particularly -- by negative feedback. "Nobody can say every single customer they service is happy. What I was trying to do was encourage businesses to respond to negative comments and offer some kind of recompense. I found many small businesses and many large ones just have blinkers on.

"But with the exponential growth of social media you have to respond." Solomon admits that things do go wrong in business all the time. What counts is dealing with each problem in a positive way and turning negative customers into fans, just as a company would when dealing with people on the telephone.

While Solomon signs off on all content on her social media and websites, her employees are trained to handle comments, most of which are responding to questions, positive feedback and minor delivery problems. "It's all about trust and making sure staff are trained well to deal with comments," she says.

Simon Foster, who runs the Australian version of Shoeboxed, a site that stores online receipts and paperwork, actively sought comments on local websites when the venture launched earlier this year. Foster found that a lot of traffic was directed to Shoeboxed.com.au from the Ozbargain website, where some people were disgruntled with a special offer. He responded politely and factually, and many other people posted comments defending the company.

"If you do it well it will amplified positively," Foster says. "If you are short with a customer and hide behind anonymity people will see through it. Treat customers exactly the same way you'd treat customers on the phone."

DEALING WITH ONLINE REVIEWS

Always identify yourself as coming from your company. Many businesses make the mistake of leaving anonymous positive comments on their own behalf, which customers can see through.

Don't be nasty. Treat negative comments with respect and answer politely. If issues are especially tricky ask the customer to email you and take the discussion offline.

Don't delete comments. Deleting negative comments is a sure-fire way to inflame disgruntled customers. But it is OK to delete offensive language. Email the user to say you are deleting offensive language or the whole comment if nothing can be salvaged.

Be real. Corporate and PR speak doesn't go down well in social media. Be helpful and deal with the problem as you would deal with a customer on the phone.

Deal with comments as a company rather than as an individual.

Ensure comments are dealt with immediately. Social media is immediate and commenters get aggravated if they have to wait days for a response.

Deal with the good comments and not just the bad. Social media is about having a conversation, not one-way feedback. (SOURCE: *The Australian*, 24.9.10)

Up go phone bill - Telstra rings changes

MILLIONS of Australian households will pay more for calls on their home phones. Prices for two of Telstra's seven fixed-line packages will go up from December, with Homeline Complete and Plus plans rising by \$1 a month to \$28.95 and \$30.95 respectively. Call connection fees on all plans for timed STD, fixed-to-mobile and international calls will also go up, from 39c to 45c, in the first rise since 2006.

But in a move seemingly aimed at deflecting criticism from consumer groups, the price of monthly access on Telstra's low-income plan, Homeline Budget, remains unchanged. The fixed mobile call rate would drop to 18c for 30 seconds, plus call connection, for calls made to Australian mobiles, executive director Rebekah O'Flaherty said.

Telstra will also lower its prices for calls from fixed phones to inter-national mobiles and introduce new mobile value packs for landline customers who call Australian mobiles. For an extra \$20 a month customers can get \$50 worth of calls to Australian mobiles, or for \$30 a month they can get \$100 worth of calls. Also, calls from fixed line to Australian mobiles will be simplified at 18c for 30 seconds, whether or not you're calling a Telstra mobile.

"It is also important to recognise that while CPI has increased by 16 per cent in the past five years, the price of telecommunications has remained relatively flat at just over 1 per cent," Ms O'Flaherty said. Australian telcos are fighting each other to grab and retain market share. Australian Communications Consumer Action Network chief executive Teresa Corbin said any price rises were regrettable, but they seemed fair given the inflation rate over the same time. (SOURCE: *The Sunday Times*, 17.10.10)

Sex-case miners lose fight for jobs

TWO coalminers sacked over the sexual harassment and victimisation of a worker have failed to have their dismissal overturned. The nation's workplace tribunal found their conduct "reprehensible and intolerable" Fair Work Australia backed the decision by Austar Coal Mine to sack Nathan Rollason and Jonathon Rowland from its Cessnock mine in NSW on December 22 last year.

Their dismissal sparked a 24-hour protest strike by Construction, Forestry, Mining and Energy Union members at the mine, but the tribunal found the hypocrisy and arrogance of the arguments used to defend the duo's conduct was astonishing.

Mr Rollason was accused of sexually harassing and victimising another miner, Ben Donaldson, who was targeted after suggesting Mr Rollason back off his harassment of another employee. Mr Rollason was accused of drawing male genitalia on hardhats, jackets and other items of employees; continually referring to Mr Donaldson as "c. . tarie" and "bleeding from the bum Bennie", and regularly displaying his penis to Mr Donaldson and other employees.

He allegedly drew a face on the end of his penis then, mocking Mr Donaldson to other employees, said: "Hi, I'm Ben Donaldson, I'm a dickhead." Mr Rollason was also accused of "openly masturbating for personal gratification" in the transport from the pit top to the work site. The trip is about 1300m down in a dolly car and 7km laterally underground in a transporter, the entire journey taking up to an hour. Mr Rollason denied the conduct. . . .

Mr Rowland, accused of exposing his genitals to Mr Donaldson, admitted adding entries to a Christmas shopping list that he had found in Mr Donaldson's trousers. The entries, which included "touch myself (down there)" and "finger in bum (by self)", were allegedly read by Mr Rollason aloud to a group of employees.

While Mr Rowland sought to pass the conduct off as good-natured banter, the tribunal found Mr Donaldson was "shattered" as the items he had listed to buy his wife and daughter as Christmas gifts were being ridiculed. The CFMEU claimed the dismissal was motivated by other factors. (SOURCE/EXTRACT: *The Australian*, 18.10.10)

Greens back Keneally in IR row with Gillard

THE Greens have backed NSW Premier Kristina Keneally and the nation's trade unions in trying to sink Julia Gillard's new national workplace safety laws. Melbourne MP Adam Bandt, whose August 21 election campaign was partly bankrolled by unions, said yesterday NSW workers would lose rights under the laws agreed to last year by the

Council of Australian Governments.

Mr Bandt, an industrial lawyer before entering politics, said the Greens backed uniform national laws, but not at the expense of existing entitlements. "The right to prosecute and the requirement for employers to show they have fulfilled their duty of care are important aspects of the OH&S regime that has been hard won by workers in NSW," he said.

It was unclear last night whether the federal parliament would need to pass legislation to enact the reforms, which would be legislated by states. If it did, the Coalition, which attempted to deliver uniform OH&S laws under the Howard government, would almost certainly side with the Prime Minister.

Ms Gillard yesterday continued to insist Ms Keneally deliver the new laws, as promised, by the end of next year. "There was this process where NSW and others got to have their say," she said. "They signed an agreement; a deal is a deal. We require the deal to be honoured."

Last year, all states except Western Australia agreed to implement uniform occupational health and safety laws as part of an economic reform program designed to reduce the costs for businesses facing different compliance standards in each state.

But last week, Ms Keneally backflipped, saying her state should be able to retain two union-friendly elements of its laws - employers accused of negligence are presumed guilty unless they can prove otherwise and the ability for third parties to launch negligence prosecutions.

NSW Opposition Leader Barry O'Farrell attacked Ms Keneally as a union "puppet". He vowed to abolish the reverse onus of proof if he were successful in next March's state election.

Tony Abbott said Ms Gillard had claimed earlier this year that the reform was one of her key achievements. "Well, now it seems it's not an achievement at all."

Australian Industry Group chief executive Heather Ridout described Ms Keneally's 180-degree turn as unacceptable. "They should not be allowed to backslide on commitments that were given after a very honest negotiation and a very vigorous one," she said. "They have capitulated to trade union arguments that have no justification."

Business Council of Australia chief executive Katie Lahey said OH&S reform was "a linchpin reform" in the seamless economy reform agenda. "It's important for the federal government to hold firm on this issue to show it is genuinely committed to leading on economic reform," she said. "Given the long process that has brought us to where we are, there is no case for further compromise." (SOURCE/EXTRACT: *The Australian*, 19.10.10)

COMMENT: This repugnant stance of the "Greens" is another clear demonstration that it is a party that is without doubt anti-small business. This is yet further demonstration that the "Greens" are totally devoid of any understanding of and empathy with the needs and aspirations of small business. Small business should be afraid, very afraid, of a political party that espouses policies that are of the extreme far left and operate to persecute small businesses. Of this the "Greens" are presumed guilty unless they can prove otherwise. *CB*.

ATO special assistance to the people who run a business

The Tax Office is one of the few organisations that puts a human face on a small business. The ATO understands that we are people with the sorts of problems and behaviours that real people have. We also know that, with a complex tax regime and 22,000 employees, the ATO also cannot be perfect. But our experience is that they are willing and ready to listen to anyone who has a problem or feels hard done by and this latest program is a great example of that willingness.

Basically the ATO does not want to make life harder for a small business person who is already experiencing a life crisis or business crisis. Details are below and you can contact Peter Strong at ceo@cosboa.org.au if you wish to use this support service or for more information. COSBOA wishes more power and influence to any person or any organisation that treats us like the individuals that we are.

Details

The ATO Small Business Assistance Program (SBAP) is piloting a program to engage business owners who may not have the capacity to meet their tax obligations as a result of a life crisis such as illness, injury or tragedy. People in this group will be provided with intensive support from experienced ATO officers who may be able to assist the taxpayer with:

Reconstruction of tax records (eg after fires, floods etc)

Lodging outstanding returns that have been missed due to unmanageable circumstances

Establishing a payment arrangement that will limit hardship and provide some surety for future financial management and/or exit the tax system as needed.

This intensive assistance program will be piloted for up to six months and will then be evaluated to determine its effectiveness. We think the fact that this program exists is already an effective outcome. When was the last time any government department cared about the health of a small business owner? COSBOA believes this is a ground breaking approach by the ATO.

ADVICE

The ATO has also established a referral process with external organisations that are likely to have the most contact with

the taxpayers that need the ATO Intensive Assistance Program - people in crisis. If you consider yourself in this group, or you know someone who is in crisis and they have a tax debt or tax problem, send an email to ceo@cosboa.org.au and we will call you back.

For this activity four groups of taxpayers have been identified. Each group will receive assistance that best suits their circumstances:

Taxpayers who possess records and have the capacity to comply

This group may need additional assistance from the ATO to manage their affairs such as where external events have led to a delay in lodgment or payment. This could include disaster management and also personal life events.

Taxpayers who do not possess records but have the capacity to comply

Taxpayers in this situation may have suffered a traumatic event resulting in failure to keep records or records that may have been destroyed. The loss of records could be from a natural disaster or other reason.

Taxpayers who possess records but do not have the capacity to comply

Taxpayers in this situation may not have the capacity to maintain their taxation obligations as a result of severe injury or mental impairment. In these situations, records will exist, but the taxpayer is not in a position to lodge or manage their affairs. Assistance will be provided that best suits the situation.

Taxpayers who do not possess records and do not have the capacity to comply

This category of taxpayer would generally include those who have no capacity to comply with their obligations following severe injury or illness, with the possibility of being represented by third party intermediaries (power of attorney, associates/family members etc). The third party may not have access to records, or records may not have been retained by the taxpayer.

COSBOA knows this approach from the ATO is nothing but **Excellent!** Let's hope that the ACCC, the Workplace Ombudsman and other policing organisations can take the same approach.

What's hot for COSBOA

The issues we are promoting at the moment include:

Developing activities that focus on the health of a small business owner as well as on the employees

Calling for a review of the ACCC. It's been 15 years since the ACCC was created and in all that time no review has been undertaken. A review will help focus more resources on engaging with and communicating with small business people.

Creating portable bank account numbers. This would make changing banks a lot easier as well as create increased competition.

Putting workplace relations reform for small business back on the agenda - this is easier said than done as the government isn't interested and the opposition is very wary of being branded as "Workchoices tragics".

(SOURCE: *COSBOA Broadcast*, 19.10.10)

BHP threat to walk away from tax deal

Julia Gillard's mining tax compromise has come under fire from the companies that negotiated it, with BHP Billiton threatening to walk away from the deal amid reports Resources Minister Martin Ferguson wants to renege on a key part of the agreement. *The Aus* (SOURCE: *WA Business News*, Today's Business Headlines, 20.10.10)

Rio board eyes \$10bn expansion

Rio Tinto could announce approval of a massive planned expansion of its West Australian iron ore operations as early as today, wasting no time committing to further growth in the Pilbara region in the wake of Monday's decision to walk away from its \$US116 billion (\$117.5bn) joint venture with BHP Billiton. *The Aus* (SOURCE: *WA Business News*, Today's Business Headlines, 20.10.10)

Barnett, Rio stir debate on royalties

West Australian Premier Colin Barnett has left open the possibility of the state increasing its mining royalties in the future, putting further strain on the tax agreement struck by the federal government with major resources companies. *The Fin* (SOURCE: *WA Business News*, Today's Business Headlines, 21.10.10)

Shopping splits WA Labor

The push to deregulate Perth's shopping hours has caused a splintering within the right wing of Western Australia's Labor opposition, with upper house MP Helen Bullock changing factions over the issue. *The Fin* (SOURCE: *WA Business News*, Today's Business Headlines, 21.10.10)

Workers promised ear of building watchdog

THE nation's newly appointed building watchdog has sought to recast the organisation's image. Leigh Johns has promised to help recover employee entitlements and implement an "all-of-government action plan" to eliminate sham contracting in the construction industry. Leigh Johns, who took over from John Lloyd as Australian Building and Construction commissioner last week, also promised to personally preside over examinations where the organisation uses its coercive powers.

While Mr Johns said the ABCC would continue to be a "tough cop on the beat", he intended to publish a "litigation policy" in the interests of being open and transparent. "Having regard to the matters presently under investigation and being litigated by the ABCC, it is clear to me that the ABCC continues to operate in, and seeks to regulate, a commercial sector that continues to require cultural reform," he said.

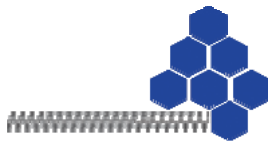
The Construction, Forestry, Mining and Energy Union said the change of direction followed widespread criticism that the ABCC had been "biased" against workers. "The ABCC has failed to prosecute even one employer for underpaying workers or ripping off workers' entitlements since it was established in 2005, despite widespread rorting by employers in the construction industry," the national secretary of the union's construction division, Dave Noonan, said.

Appearing before a Senate estimates committee hearing last night, Mr Johns said he wanted to "redefine a broader role for the ABCC with a respectful acknowledgment of the wide range of interests in the building and construction industry". He wrote to the Fair Work Ombudsman last week to terminate the longstanding practice of the ABCC referring claims of underpayments incurred by building workers to the FWO.

"We will not be turning away any citizen in the building and construction industry," Mr Johns said. The ABCC intends to host a government and industry round-table aimed at eliminating sham contracting in the building and construction sector. (SOURCE/EXTRACT: *The Australian*, 21.10.10)



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