



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

PO Box 253, JOONDALUP WA 6919

President: Les Marshall

Vice President: Rod Henderson

Secretary/Treasurer: Terry Bright

Chief Executive Officer: Oliver Moon

Administration Secretary/Treasurer: Val South

Phone: 9250 3549

CoSBA WEB SITE: <http://www.cosba.com.au>

Phone: 9306 0155

NEXT MEETING: BOARD MEETING

To Be Advised

Stirling Small Business Centre, 45 Delawney Street, BALCATTA

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ATTACHMENTS:

CORRESPONDENCE.PDF
Product Safety Australia Website - ACCC.pdf
WBA Trivia Night _ Auction Dinner.pdf
SCC Enews 29_04_10.pdf
Tax Reform Opposition Press Release.pdf
SBC Stirling-Advanced Time Management.pdf
SBC Stirling-Time for a Quickie.pdf
China International SME Fair.pdf
SBA Luncheon-Peter Fitzpatrick.pdf



Union withdraws Labor support

THE union representing Telstra and Australian Post workers in Victoria has abandoned support for the ALP in favour of the Greens, citing anger at the inadequacy of the Rudd government's workplace laws. The decision is unsettling for the national president of the Communications Electrical and Plumbing Union, Ed Husic, who recently won ALP preselection for the safe western Sydney seat of Chifley.

The CEPU's communications division in Victoria also revealed it would not provide funds for the ACTU's campaign against Tony Abbott unless the peak union council demanded Workplace Relations Minister Julia Gillard commit to a second wave of workplace changes. The fresh tensions came as construction unionists in Victoria said this week they would back the Greens in the Senate, and building unions nationally threatened to withhold campaign donations in protest at Labor's retention of the building industry watchdog's coercive powers.

Meanwhile, McDonald's said yesterday it would appeal a Fair Work Australian ruling throwing out its proposed workplace deal with the shop assistants union. (SOURCE/EXTRACT: *The Weekend Australian*, 1.5.10)

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Small business owner fears blow to economy

The Federal Government's tax reforms will "break the backbone" of the Australian economy, Perth father and small business owner Darren Hughes said yesterday. The father of three, who runs a small bricklaying company in Thornlie, said the boost to small business announced yesterday was well and truly overshadowed by the disastrous resources super profits tax, which he believed would eventually hurt all Australians.

"The thing that worries me the most about all of this is the tax on the mining sector," he said. "Most of us already benefit, from the mining boom. "We shouldn't muck around with something that's not broken. " Mr Hughes, who along with his wife Lisa, a dance teacher, earns more than \$80,000 a year, said damaging the resources sector would hurt his children's future.

While the 2 per cent cut to corporate tax for small business was good news, it would not be enough to offset the increase to the superannuation guarantee, which will rise from 9 per cent to 12 per cent in 2019-20. "You won't be able to give pay rises," Mr Hughes said. "I'm sitting here thinking about going backwards and employing less guys. "

He said his three workers aside, the worst hit by the reforms would be the workers subcontracting for his business, who would essentially get the same money but need to apportion more of their wage for superannuation. Mr Hughes was also unimpressed by the prospect of having more in his superannuation fund by age 67, because he said people were "better off having the money to play with now". (SOURCE: *The West Australian*, 3.5.10)

COMMENT: Another Rudd/Swan furphy – true to form, misleading and deceptive. See details of what's in it for small business in attachment: [Tax Reform Opposition Press Release.pdf](#)

Many low-paid won't be among winners

Agnes Wright is one of thousands of low-paid workers set to miss out on the benefits of Kevin Rudd's superannuation shake-up. The aged-care hostel cook is the type of worker who needs the biggest boost to retirement income – lowly-paid and with little saved in super.

But Mrs Wright, 62, of Maddington, plans to retire in two years, just before the new super changes are due to kick in. She said she was "very disappointed" the Prime Minister had not offered immediate help for workers such as her. Mrs Wright earns less than \$35,000 a year and has a similar amount tied up in super.

She only began accruing super from 1994, when she started at the hostel. After her meagre super balance lost value as the economy soured, Mrs Wright fears the pension will not be enough for her and husband Brian to live on in retirement. (SOURCE/EXTRACT: *The West Australian*, 4.5.10)

Resistance to tax reform strategy growing

KEVIN Rudd faces stiffening resistance to his tax reform plans, with business warning that superannuation increases will crush jobs and the mining industry accusing him of not understanding "the real world".

With a row brewing among the states over the carve-up of a new mining infrastructure fund, the Coalition hardened its rejection of the reform plans, while independent senators withheld their support, citing concern about the effect on the mining sector.

Criticism mounted as the Prime Minister blitzed the airwaves to promote his plan to create a 40 per cent tax on mining company profits and an increase in the compulsory superannuation guarantee from 9 per cent to 12 per cent. Mr Rudd's sales pitch yesterday stressed the benefits of lifting the superannuation guarantee, including bigger retirement incomes for average workers and growth in national savings.

But the Australian Chamber of Commerce & Industry savaged the move as a breach of a 2007 election promise, and said it would cost employers \$20 billion a year. "Last year, the Henry review (which released its final report on Sunday) released a report that concluded that the 9 per cent superannuation levy was adequate for retirement purposes.

"The government decision is a breach of a promise made to the employer community prior to and following the 2007 election that it would not increase the compulsory 9 per cent employer contribution." The ACCI statement said some media reports gave the inaccurate impression that the increase in superannuation contributions would be funded by the new super tax on resources.

Opposition Treasury spokesman Joe Hockey went further, saying the government had promoted the connection between the measures as part of a "great lie" to win support for its plans. Mr Hockey said two-thirds of small

businesses were not incorporated, meaning they would not benefit from planned cuts in company tax from 30 per cent to 28 per cent but would still face extra superannuation levies.

Tony Abbott, who has described himself as hostile toward the tax package, refused to commit to a position in parliament until he saw the legislation, but attacked the plan as being a tax grab, rather than genuine reform. Family First senator Steve Fielding and South Australian independent Nick Xenophon said they were unsure about whether they would back the mining tax. (SOURCE/EXTRACT: *The Australian*, 4.5.10)

Super increase to slug minnows

ABOUT 418,000 small businesses will be slugged by an increase in compulsory superannuation payments over the next decade but will miss out on a tax cut because they are not incorporated. The government this week announced it would cut the company tax rate from 30 per cent to 28 per cent for small business by 2012.

But the change will benefit only the 720,000 small businesses that are incorporated. Almost two million small businesses that are run not as companies but as trusts, partnerships or sole traders will miss out on the company tax cut. However, all businesses with employees, regardless of how they are structured, will be slugged with an increase to compulsory superannuation contributions, which will rise from 9 per cent to 12 per cent by 2019.

Australian Chamber of Commerce and Industry director of industry policy and economics Greg Evans said the government must compensate small-business owners who would miss out on the tax cut -- but be forced to pay higher superannuation contributions.

ACCI estimates about 418,000 small unincorporated businesses have at least one employee and fall into this category. "This is an added 3 per cent expense on their payroll without the benefit of the reduction in company tax," Mr Evans said. (SOURCE/EXTRACT: *The Australian*, 5.5.10)

ACTU demands earlier super payoff

The ACTU has flagged that unions will use bargaining to push for increases in real wages while raising superannuation contributions by employers to 12 per cent at a faster rate than planned by the Rudd government's timetable. *The Fin Review* (SOURCE/EXTRACT: *WA Business News*, Today's Business Headlines, 4.5.10)

Unions signal stoush over retirement savings

A new industrial flashpoint is looming as unions warn they will not accept the increase to superannuation contributions in lieu of wage rises, after calls from the business community for a trade-off. The State's biggest union, the Liquor, Hospitality and Miscellaneous Union, said workers needed immediate wage increases to keep up with the cost of living and could not rely on future benefits under the superannuation changes.

The Australian Industry Group said unions should take into account when negotiating agreements the extra 3 per cent superannuation, to be phased in over the next decade. "We've estimated that business is going to have an extra annual bill in the order of \$12 billion in 2010 dollars to fund this 3 per cent extra super from the year the changes are fully implemented," chief executive Heather Ridout said.

"That's a big cost on business and we'll be seeking a similar approach which accompanied the introduction of compulsory superannuation in the early 1990s. "That is for Fair Work Australia to take account of the super increase when it awards minimum wage increases. Also, the increases should be taken into account when enterprise agreements and productivity improvements are being negotiated."

But LHMU secretary Dave Kelly said companies did not reward workers with higher wages when profits were up and should not expect them to accept lower wages when profits were down. (SOURCE/EXTRACT: *The West Australian*, 5.5.10)

Business to ease in parental pay

Labor has dropped plans to force business to deliver paid parental leave from January 1, agreeing to a six-month grace period after protests over mid-financial year disruption. But it has promised parents will be paid directly by the Government if their employer delays and, in extra sweeteners, it will pay parental leave even when casual staff are out of work for two months before the birth, or if a woman resigns three months before.

It would also let people work up to 10 days while on parental leave without jeopardising their leave payments in an attempt to help them keep in touch with the workplace. Families Minister Jenny Macklin yesterday released draft legislation for the scheme, which the Government will try to rush through the Senate next month so it can be up and running from January 1. (SOURCE/EXTRACT: *The West Australian*, 5.5.10)

Consumer law triggers backlash

A BUSINESS backlash against the country's first national consumer law is pressuring the Rudd government to water down

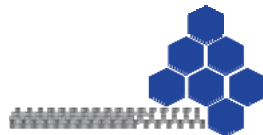
another key reform in time for the election. Retailers, consumer groups, and legal and professional lobby groups have combined in their criticism of the sweeping 1000-page consumer law bill and explanatory memorandum now before the Senate Economics Committee.

The greatest consumer reform in a generation, signed off by the Council of Australian Governments in mid-2008, would give the federal government's consumer watchdog new powers to slap hefty on-the-spot fines on businesses and employees who mislead their customers. The new law would limit door-to-door and telephone sales on weekends and after-hours, and give consumers the right to a 10-business-day cooling-off period on contracts. Government consumer agencies would be given new powers to recall defective or dangerous products.

Businesses that provide misleading information could be fined up to \$1.1 million. If retailers become aware that a product they have sold has been associated with a death, serious injury or illness, they must report the matter to the Consumer Affairs Minister within two days or face a \$16,650 fine. (SOURC/EXTRACT: *The Australian*, 5.5.10)



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ABN: 32 431 773 142

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