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NEXT BOARD & CHRISTMAS MEETING

12.00noon Tuesday 30 November 2010

Royal Perth Yacht Club

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MPs rail against Tony Abbott's IR policy

TONY Abbott is facing a backbench push to abandon his promise not to touch Labor's industrial relations regime. This comes as several MPs agitate for a policy to exempt small business from unfair dismissal laws.

Before the election, the Opposition Leader dumped a proposal to exempt small business from unfair dismissal laws for three years as he tried to neutralise the Labor Party's scare campaign on Work Choices. Mr Abbott said that if the Coalition won power it would not change Labor's workplace relations laws during its first term. The Opposition Leader is sticking with all his election policies but has appointed his finance spokesman, Andrew Robb, to head up a review of all policies.

The Australian has spoken to senior MPs and backbenchers who say the opposition's current workplace relations policy is unsustainable and must be changed to give small business help. Four MPs - including recently dumped frontbencher Steve Ciobo - told *The Australian* Labor's work laws were unacceptable and Coalition policy should not mirror them.

Mr Ciobo said John Howard won many elections promising to exempt small business from the laws and the Coalition could do so again. "There's no doubt, with 2.4 million small businesses, that flexibility of the workplace remains supreme," the Queensland MP said. "People are concerned about having to pay go-away money. "We have been elected many times before embracing small business exceptions for unfair dismissal and we should be doing everything we can to be responsive to small business needs." (SOURCE/EXTRACT: *The Australian*, 5.10.10)

Business must lead on IR

JOE Hockey has declared industrial relations reform alive under the Coalition and has challenged business leaders to push for change. The opposition's Treasury spokesman yesterday urged business to find its voice and engage in debate about industrial relations and business reform.

"I think it's hugely important that members of the business community engage more directly in the policy debates that will shape Australia's economic future," he said. "The squeaky voice will get the oil in this parliament and we need advocates for mainstream change to balance against sectoral interests."

He backed the right of Coalition MPs to debate changes to Labor's work laws to boost productivity. "People are entitled to their views and I would be disappointed if colleagues were afraid to debate significant policy issues," Mr Hockey said.

He said that while Work Choices was dead, workplace reform was not. "Industrial relations reform will never be dead, whether it's under the Labor Party or under us. I think there is merit in looking for ways to improve productivity without reducing adequate protection for employees."

Mr Hockey's remarks drew a quick response from business leaders, who said IR reform was necessary to increase productivity. National Australia Bank and Woodside Petroleum chairman Michael Chaney said Labor industrial relations laws would hurt the economy. (SOURCE/EXTRACT: *The Australian*, 6.10.10)

Business 'threatened' by Labor

BUSINESS leaders claim they are being threatened by "thin-skinned" politicians when they choose to speak out on policy issues. They also believe a culture of "consequence and retribution" has emerged in Australia that threatens free speech and could stifle reform.

Speaking at The Australian and Deutsche Bank Business Leaders Forum yesterday, four of the nation's most senior company chairs said corporate leaders had a responsibility to speak out to set the agenda in the public policy debate. But they warned that some had been "threatened" by politicians for expressing their views.

"I have been amazed how thin-skinned some politicians are," said Michael Chaney, chairman of National Australia Bank and of Woodside Petroleum. "I have found that some politicians have been particularly spiteful about it and have gone around threatening people who have spoken out, which is pretty unfortunate because they are the same people who would extol the virtues of freedom of speech." (SOURCE/EXTRACT: *The Australian*, 7.10.10)

Smaller firms bear brunt of bank rates

Banks have been quietly raising interest rates for small and mid-sized business customers before [Tuesday's] expected rise in official cash rates, blaming higher funding costs. The move [would have been] a further setback to businesses still reluctant to invest while confidence levels are shaky.

The big banks [were] expected to use any increase in official cash rates to push through an additional 15 basis points on mortgages. This would [have caused] the cost of standard variable mortgages to rise as much as 40 basis points. Commonwealth Bank-owned Bankwest is among those banks that have written to business customers in recent weeks citing "funding pressures" as a decision to push through an out-of-cycle increase on business rates by 30 basis points.

A Bankwest spokesman said: "We've been reluctant to pass on increases in funding costs, however they've been building for some time. " For their part, banks argue pricing on wholesale funding remains elevated after costs rose from the onset of the financial crisis. Deposits fund a little more than half of banks' lending, with the short-fall made up from wholesale funding.

The executive director of the Council of Small Business of Australia, Peter Strong, said business customers were a soft touch. "It is an easy target and there are not many people there to defend us." Small businesses should make more use of brokers to organise their financing rather than going directly to banks, he said. This would bring more competitive tension to the market.

Treasurer Wayne Swan said yesterday that banks could not justify raising rates above the official cash rate if the Reserve Bank increased its rates when it met on [Tuesday]. (SOURCE/EXTRACT: *The West Australian*, 5.10.10)

PM urged to tackle business taxes

The Gillard government is under growing pressure to consider imposing a national tax regime for businesses and to force the states to abolish inefficient taxes such as payroll tax and stamp duties on insurance and commercial property. *The Fin* (SOURCE: *WA Business News*, Today's Business Headlines, 4.10.10)

Daylight saving 'to cost millions'

The return to a three-hour time gap between east and west for the next six months will cost businesses in Western Australia millions of dollars in lost productivity. *The Aus* (SOURCE: *WA Business News*, Today's Business Headlines, 4.10.10)

Rules will 'send shops to wall'

WA's discriminatory Sunday trading rules are already hurting significant parts of the retail sector, with the main industry body warning yesterday that some store owners would be sent to the wall because they were prohibited from competing on equal footing with their rivals. *The West* (SOURCE: *WA Business News*, Today's Business Headlines, 4.10.10)

Push to reveal secret mine tax figures

The Gillard government could be forced to release secret information on its \$10.5 billion mining tax, after key senators vowed to use new parliamentary reforms to uncover the data Labor is refusing to publish. *The Fin* (SOURCE: *WA Business News*, Today's Business Headlines, 4.10.10)

WA leads August retail sales growth

Western Australia led the growth in retail trade in August with a 1.1 per cent increase in sales according to the latest figures from the Australian Bureau of Statistics. Nationally retail sales were up 0.3 per cent, from an upwardly revised \$20.405 billion in July.

The result was mainly on the back of a 1.5 per cent rise in sales in cafes, restaurants and at takeaway food outlets in August - the largest increase of any retail trade sector. However, sales in clothing and footwear slumped 1.5 per cent in the month, as did grocery sales, which fell 0.3 per cent.

The other states to record an increase in retail sales were New South Wales (0.7 per cent), ACT (0.7 per cent), followed by South Australia (0.1 per cent) and Tasmania (0.2 per cent). Sales in Victoria (-0.2 per cent), Queensland (-0.1 per cent) and Northern Territory (-0.5 per cent) decreased in August. August was the sixth straight month of growth after the 0.9 per cent fall in February. (SOURCE/EXTRACT: *WA Business News*, Daily Business Alert, 5.10.10)

Job ads rise for fifth straight month

The number of jobs advertised online and in newspapers rose for the fifth straight month in September, increasing the chance of pulling the jobless rate below five per cent by the end of the year, a survey shows. But an economist warns that such a low rate of unemployment could cause inflation to pick up, causing the Reserve Bank of Australia to lift interest rates further next year.

The ANZ Job Advertisements survey showed the total number of jobs advertised in major metropolitan newspapers and on the internet rose by 0.7 per cent in the month, to a seasonally adjusted average of 177,380 per week. The series is now 32.9 per cent higher than a year ago, but is still below the record 40.2 per cent increase achieved in the year to May 2007.

ANZ Chief Economist Warren Hogan said the continued growth in job advertisements over September increased the likelihood of the unemployment rate falling below five per cent by year-end. (SOURCE/EXTRACT: *WA Business News*, Daily Business Alert, 5.10.10)

Modern Award breaches attract big penalties from Fair Work Ombudsman

If ever there was a time to ensure your business complies with the Fair Work Act 2009 and Modern Awards, it's now! Failing to apply the correct Modern Award to your employees can cost your company dearly. Take the recent case of Pop Art Australia, a Victorian-based design and manufacturing company.

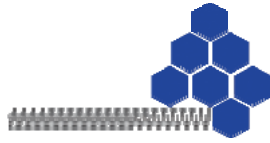
Pop Art had consistently paid its employees under a manufacturing industry award and had even received confirmation from the relevant authorities on eight separate occasions over five years. However, following a visit from the Fair Work Inspector, the Fair Work Ombudsman determined that the company should have been paying workers at a higher rate found in the Storage Services Award.

As the Fair Work Inspector found the company was in breach of a number of Award terms and conditions, Pop Art was required to take immediate action to ensure compliance. The company's managing director, Mr Colin Robertson, calculated that the cost of compliance with the new Award would be \$700,000 - almost equal to the company's annual wages bill. Luckily for Pop Art, their story made it into *The Australian* and the Fair Work Ombudsman conducted a further review and ultimately decided to withdraw the contravention notice.

It's alarming to think that if this story hadn't made it into *The Australian*, Mr Robertson's business would surely now be out of pocket to the sum of \$700,000. The Fair Work Ombudsman does not provide binding advice to employers and will not determine Award coverage upon request. It is therefore essential that you rely only on written advice which is verified by an expert in the field. Understanding and applying the correct Modern Awards in your business is vital. (SOURCE: *Workforce Guardian*, 6.10.10)



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