



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

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## **NEXT MEETING: BOARD STRATEGIC PLANNING MEETING**

**NECA, Unit 18, 199 Balcatta Road, BALCATT**

**4.00 pm 25 MAY 2011**

### **IN THIS ISSUE:**

Telstra outlines \$600m broadband network upgrade  
CFMEU pay rise 'the price of peace'  
Contractor sham could make Abbott PM: Robert Gottliebsen  
Business claims unions hurting self-employed  
Employer groups use budget to press demand for restraint in wage case  
Wage claims to swamp business  
Labor backs pay rises for apprentices  
Budget much ado about nothing  
First detainees facing PNG flight as Thailand looks on  
WorkSafe loses case over storm damage in Pilbara  
Lodging government forms just got easier  
Gillard obstinate despite business dismay about IR  
BER bullying: unionist accused  
Mining giant Xstrata to threaten shutdown  
Carbon price trade-off may hit tax breaks  
Start date for NBN up in the air  
International Business Council

### **ATTACHMENTS:**

Shorten\_Broken\_Promise\_Delivers\_To\_Union.pdf

SCC\_SWIB\_Lunch.pdf

SCC-Enews-13May.pdf

Industry\_Networking.pdf

ABCC\_LUNCH.jpg

WBA\_Weekly\_Update.pdf



### **Telstra outlines \$600m broadband network upgrade**

TELSTRA is positioning itself for a major move on the nation's flourishing small business sector after unveiling a \$600 million upgrade to its broadband network that will allow it to offer companies a new range of digital communication tools.

Telstra will upgrade 1600 of its telephony exchanges nationally over five years to enable them to deliver high-quality voice, internet services, Eftpos and fax over a single broadband connection. Telstra chief executive David Thodey yesterday used the launch of the new offerings to underline the telco's commitment to small businesses.

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"Small business is critically important to Telstra, it always has been and we've enjoyed a strong relationship with small business operators for a long time," he said. "Often people say they want a cheaper price, but what they're really saying is that they want more functionality at a more affordable price. We are doing both those things. We estimate (that small businesses will save) around \$2400 a year from this suite of services that we are providing."

The investment marks a new strategy for Telstra as it prepares to relinquish its status as the monopoly wholesale provider of broadband in return for \$11 billion from the National Broadband Network. (SOURCE/EXTRACT: *The Australian*, 3.5.11)

### **CFMEU pay rise 'the price of peace'**

THE nation's biggest building union, "emboldened" by a groundbreaking pay deal at a Victorian desalination plant, has launched a push for more generous redundancy benefits on top of extracting productivity-free pay rises totalling 27 per cent. Employers last night vowed to resist the move, which they warned was a thinly disguised attempt by the Construction Forestry Mining and Energy Union to use the desalination agreement as a "template" for claims across the building industry.

Julia Gillard yesterday defended the Fair Work Act after *The Australian* revealed the deal handing workers \$50 an hour more than their counterparts at other major projects threatened to establish a benchmark for new projects across the nation. Employers yesterday revealed they had reached an in-principle deal with the CFMEU in Victoria that delivers upfront 5 per cent pay rises annually for four years.

Companies have further agreed to pay double time for any overtime worked, increasing the annual pay rise to each worker to 6.5 per cent, equivalent to 27 per cent by 2015. Senior industry figures conceded the deal, which also increases superannuation contributions from 9 to 12 per cent, was the "price for peace" with the union's militant Victorian branch. Employers admitted they failed to win any productivity trade-offs and agreed to the high pay rises rather than face industrial action on multi-million-dollar commercial construction projects.

However, industry sources revealed the deal threatened to be torpedoed by a last-minute union push to have companies agree to make increased weekly payments into an industry redundancy scheme. Employer sources, who declined to be identified, said the union had been "emboldened" by the desalination plant agreement. "In terms of being used as a template, there's real evidence of that in the negotiations," one senior industry figure said yesterday. "The redundancy claim is a thinly disguised attempt to say they want the desalination agreement to apply." (SOURCE/EXTRACT: *The Australian*, 13.5.11)

### **Contractor sham could make Abbott PM: Robert Gottlieb**

When Assistant Treasurer Bill Shorten was addressing some 700 Canberra accountants and other business people at the traditional after budget breakfast in the Great Hall, he went out of his way to emphasise that good government involved doing research before making big decisions.

And he illustrated his contention with some of the decisions he has made, and is making, which involved careful research. I agree, and my view is this is one of the reasons that decisions coming out of the Shorten camp involving financial planning, institutions insurance and other prickly areas have been generally well accepted.

But Shorten and his boss Wayne Swan should hang their heads over their decision to introduce a bureaucratic nightmare into building (and later IT) contracting by making every contracting business report every payment to the government. Source: *BusinessSpectator* 12 May 2011 (COURTESY: *International Business Council*, 14.5.11)

### **Business claims unions hurting self-employed**

**BUDGET slugs aimed at the self-employed will sabotage the government's goal of boosting workforce participation and productivity, business groups say.**

They claim pressure from trade unions is behind new reporting requirements for businesses hiring contractors and the removal of the Entrepreneurs Tax Offset, a tax rebate designed to help small businesses and independent contractors. Julia Gillard said last week: "We believe our economy can't afford to waste a single pair of capable hands."

Barbara Gabogrecan from Home Based Business Australia said the new imposts would cause many independent contractors and micro-business owners to abandon work. "The smaller you are, the less time you can spend fighting the system so you just don't bother," she said. Ms Gabogrecan believes women with caring responsibilities and people of retirement age keen to keep working will be particularly affected.

National Electrical and Communications Association chief executive James Tinslay called the changes a "disincentive to workplace participation". "It's not going to help productivity if those reporting arrangements are put into place" he said.

Independent Contractors Australia chief executive Ken Phillips believes the government is "working against their very budget objectives", pointing to Bureau of Statistics figures that suggest there are more than 2 million self-employed people in Australia, with close to half employing others.

Mr Phillips, Mr Tinslay and Ms Gabogrecan said the government was ignoring the swing from old-style unionised workforces to new arrangements, under pressure from unions worried about record low rates of membership. "There will be a lot of angry people who see that their rights to have legitimate businesses are going to be undermined by the government's activity, the ACTU's activity," Mr Tinslay said.

The opposition small business spokesman Bruce Billson accused the government of "hounding" independent contractors into arrangements "that facilitate union intervention and control". (SOURCE: *The Australian*, 16.5.11)

### **Employer groups use budget to press demand for restraint in wage case**

**EMPLOYER groups have pointed to the federal budget to bolster their demands for the workplace relations tribunal to adopt a cautious approach in this year's minimum wage case.** With hearings due to begin before the Fair Work Australia Minimum Wage Panel today, the Australian Chamber of Commerce and Industry argues that the budget will have a negative effect on business incomes.

The group says the government's plan to scrap the Entrepreneurs' Tax Offset and an overhaul of the fringe benefit tax treatment of cars come at a significant cost to business and are only modestly offset by other measures. In a submission filed on Friday, the ACCI points to warnings in the budget that the economy is at risk from a fragile global recovery, high oil prices and the woes in Europe's sovereign debt markets.

The Australian Industry Group has pointed to the impact on manufacturers related to a soaring currency. "In adjusting minimum wages, account should be taken not just of aggregate economic performance but also of the likely disproportionate impact that a large adjustment would have on high-emplying sectors such as manufacturing and tourism for which immediate prospects are very much less optimistic than either the aggregate economy or the booming mining sector," the AI Group states in its submission.

The ACTU is pushing for a \$28-a-week rise in the case, which would boost the weekly earnings of the lowest-paid workers to \$597.90. Yesterday, ACTU secretary Jeff Lawrence said unions would present new research -- commissioned by the unions and conducted by academics from Harvard University and Duke University, in association with Melbourne-based Empirica Research -- suggesting that Australians were surprised to learn what the minimum wage was.

But the AI Group has been pushing for a \$14-a-week rise and says that last week's budget supports its case, while the ACCI has called for the rise to be under \$10.

Also using the budget to urge wages restraint is the peak group for restaurants and cafes, Restaurant & Catering Australia, which has pointed to Treasurer Wayne Swan's comments about what he dubs the "patchwork economy". "There are regions within Australia that are not growing and that patchwork economy requires a move away from the 'one size fits all' application of wage increases," the group states in its submission. (SOURCE/EXTRACT: *The Australian*, 16.5.11)

### **Wage claims to swamp business**

Trade unions in the resources, manufacturing, retail and services industries are ramping up pay claims in a move that threatens to raise pressure on inflation and interest rates despite the fragility of parts of the economy. *The Fin Fin* (SOURCE: *WA BUSINESS NEWS*, Today's Business Headlines, 19.5.11)

### **Labor backs pay rises for apprentices**

The Gillard government has thrown its support behind a wide-ranging review of apprentice and trainee training by Fair Work Australia that could break the long-standing practice of pay based on seniority. *The Fin* (SOURCE: *WA BUSINESS NEWS*, Today's Business Headlines, 17.5.11)

### **Budget much ado about nothing:** Peter Switzer

**ON budget night, as I pored over Wayne Swan's effort, it occurred to me that this was a Seinfeld budget -- a budget about nothing.** Sure, there were lots of little socially important proposals, such as more than \$2.2 billion for mental health and \$1.8bn for regional hospitals. However, there was no gutsy gamble in the first year of a three-year term.

But I don't just blame the Treasurer -- we have to take some blame for voting in this dumb hung parliament. And then there were the two swords of Damocles hanging over Swan, threatening to make mincemeat of many businesses and households if he got his budgeting wrong.

These two worrying forces that dominated the framing of the budget are the Reserve Bank and China. One is a ruthless dictatorship determined to get its way. The other is a communist economy. Had the Treasurer tried to help the struggling slow lane -- part of this two-speed economy -- he would have boosted demand, already strong thanks to China and other emerging economies.

This would have added to the inflation threat, which brings in the Reserve Bank's menacing interest in what the budget could do to inflation. So the only way the Treasurer could have appeased the RBA would have been with a typical first-year horror budget. That's why he opted for a whole lot of tinkering that hurt higher middle income people and did a bit to rekindle the love of Labor voters.

With the government's popularity taking a battering from the carbon tax and asylum-seekers, and given that making a big economic play looked too politically dangerous, a budget that would save \$22bn was something Swan could crow about. Without doubt, the biggest threat to businesses and households with mortgages is the RBA's

intention to burn out inflation before it takes root.

There is an attitude of "to hell with the circumstances of mortgagees and slow-lane businesses" as the RBA targets future inflation. That's why I wanted a gutsy gamble of a bigger commitment to pumping up skilled migration. We have a labour supply problem and need quality workers. More skilled migration could help contain wages, inflation and ultimately interest rates while creating demand and growth.

However, the Greens and the unions don't like more immigrants and the voters in western Sydney think they have enough migrants. This is why this budget is economically about nothing. (SOURCE/EXTRACT: *The Australian*, 14.5.11)

### First detainees facing PNG flight as Thailand looks on

Saturday's boatload of 32 asylum-seekers at Christmas Island, where they will be held before likely deportation to Port Moresby. **The first boatload of asylum-seekers intercepted after the government announced it would begin deporting boatpeople to foreign countries is likely to be sent to Papua New Guinea.** (SOURCE/EXTRACT: *The Australian*, 16.5.11)

Courier Mail 7 May 2011



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### Shorten broken promise delivers new weapon to Labor/Union attack on contractors /self employed

The Budget has added onerous new reporting and red-tape requirements for independent contractors in the construction sector to the Gillard Labor Government's multi-pronged assault on legitimate contracting and self employed arrangements. This new impost, demanded by the union movement to enable it to control the working arrangements of all who enter a work-site, amounts to another Gillard Government broken promise.

While not as well publicised as the Prime Minister's 'there will be no carbon tax under a government I lead' broken promise, Assistant Treasurer, Bill Shorten pledged not to change personal service income tax law "or make life difficult for self-employed working people" (AFR, 13 Oct 2010, p.3).

This is another instalment in the Gillard Labor Government's concerted and coordinated campaign to hound and harass small business people out of legitimate contracting arrangements and into employee-employer relationships that facilitate union intervention and control. **See attachment:**

**Shorten Broken Promise Delivers To Union.pdf**

### **WorkSafe loses case over storm damage in Pilbara**

The State's work safety watchdog has been delivered another blow in its prosecution of companies accused of negligence after cyclone George, with construction company Laing O'Rourke winning its appeal yesterday against convictions for failing to ensure a safe workplace.

Three Court of Appeal judges, Chief Justice Wayne Martin and Justices Graeme Murphy and Robert Mazza, acquitted Laing O'Rourke of any criminal wrongdoing and found Supreme Court Justice Michael Murray erred in his ruling to find the company guilty. Justice Murray had overturned Laing O'Rourke's acquittal in Perth Magistrate's Court and fined the company \$90,000 in October for two convictions of failing to provide a safe workplace which led to two workers being injured.

Laing O'Rourke was contracted by Pilbara Infrastructure, a wholly owned subsidiary of Fortescue Metals Group, to help construct a rail line in the Pilbara. In March 2007, category-five tropical cyclone George ripped apart FMG's Rail Camp One, killing two workers and injuring dozens more.

In yesterday's judgment, Chief Justice Martin said it was correct to conclude that Laing O'Rourke had "discharged its obligation to take all practicable steps to provide and maintain a working environment in which its employees were not exposed to hazards". Justice Murphy stated a reasonable employer could not have foreseen or appreciated that the dongas were not properly built to withstand cyclonic winds or that they posed a risk to workers. (SOURCE/EXTRACT: *The West Australian*, 18.5.11)

### **Lodging government forms just got easier**

Employer obligations, such as submitting TFN declarations and PAYG payment summaries, can be time-consuming, especially in industries such as retail or food services, where a lot of casual staff members are employed. The Australian Tax Office now accepts these reports and more through Standard Business Reporting (SBR) enabled software.

Using SBR-enabled software, you can lodge these forms directly from your payroll/accounting system to the tax office using your AUSkey and receive instant confirmation your lodgment has been received. You'll also be able to lodge your business activity statements and FBT returns using SBR-enabled software.

To find out more about SBREnabled software, talk to your software provider. Try an online demonstration on SBR's website to discover how using SBREnabled software will save you time. Visit [www.sbr.gov.au](http://www.sbr.gov.au) to find out more. (SOURCE/EXTRACT: *The West Australian*, SME Pathways supplement 18.5.11)

### **BER bullying: unionist accused**

**THE building industry watchdog has launched legal action against a construction union organiser for allegedly trying to coerce two non-union workers employed on a Building the Education Revolution project in Victoria to become union members.**

Court documents allege Construction Forestry Mining and Energy Union organiser George Bollas threatened to shut down a number of BER sites until they joined the union. The workers were engaged for carpentry at the Pender's Grove Primary School in the Melbourne suburb of Thornbury last July.

According to the Australian Building and Construction Commission, at about 8.30am on July 9, Mr Bollas approached the workers to ask if they were union members. When they said no, he allegedly said words to the effect of: "Well, sounds like we've got a problem then. It's compulsory to be in the union to work on this site and you can pack up your tools and go unless you join."

One of the workers said he was not going to join, as it was not compulsory, but Mr Bollas allegedly said words to the effect of: "If you guys don't want to join the union, I'll shut down all the other school sites Multiplex is running and sit everyone in the sheds until you boys become union members." (SOURCE/EXTRACT: *The Australian*, 18.5.11)

### **Gillard obstinate despite business dismay about IR**

THE government should respond to the needs of industry. "WE have created the Fair Work system and it is there to stay."

So declared an intractable Julia Gillard in response to serious concerns from senior business leaders at the *Australian Agenda* forum in Sydney on Monday. The Prime Minister shared a panel with Westfield group's Steven Lowy, Westpac's Gail Kelly and the Seven Group's Kerry Stokes, who were united on one issue: workplace laws need to be reformed. Ms Gillard's blunt rejoinder was that voters had rejected Work Choices and she would defend the system she put in place.

This is not good enough. The shortcomings of Labor's approach were apparent as long ago as the party's 2007 national conference. And recent developments should prompt an overhaul of the worst rigidities of Fair Work that are acting as a straitjacket on productivity in a way last seen in the early 1980s, before the Hawke government embarked on early workplace reform. (SOURCE/EXTRACT: *The Australian*, 18.5.11)

### Mining giant Xstrata to threaten shutdown

SWISS mining giant Xstrata is expected to threaten the closure of two of its Queensland plants to escape an imminent deadline for tougher emissions standards, despite long-held plans to shut the operations under a corporate restructure.

Xstrata's copper smelter in Mount Isa and its refinery in Townsville are facing closure - with the loss of up to 500 jobs - in an increasingly bitter standoff over a crackdown on emissions. It is understood Xstrata has been considering closing the operations in the medium term, as part of an international restructure, but is now fast-tracking the shutdown in the face of the looming deadline to meet the new environmental standards. (SOURCE/EXTRACT: *The Australian*, 18.5.11)

### Carbon price trade-off may hit tax breaks

Billions of dollars in fuel subsidies - including \$2.2 billion a year to the resources sector - could be axed as part of the deal the Gillard government will have to cut to win Greens support for a relatively low starting carbon price. *The West* (SOURCE: *WA BUSINESS NEWS*, Today's Business Headlines, 18.5.11)



(SOURCE/EXTRACT: *The Australian*, 18.5.11)

### Start date for NBN up in the air

The timetable for the WA rollout of the national broadband network remained in doubt yesterday as the Federal Government flicked the switch on the first mainland section of the \$36 billion project. Construction of the NBN rollout's second stage, which includes fibre connections for Victoria Park, Geraldton and Mandurah, was due to start this quarter.

However, Government negotiations with 14 companies vying for construction contracts remain suspended over cost disputes. Communications Minister Stephen Conroy insisted yesterday that IIBN Co would soon sign up a builder to roll out the fibre-optic system, as pressure grows on the Government over claims of cost blowouts and a lack of customer interest.

NBN Co head of product development and sales Jim Hassell confirmed the national tendering delays would affect the WA rollout, as would delays in negotiating an agreement with Telstra for use of its infrastructure. But Mr Hassell

said NBN Co "did not want to put a date" on when construction at the WA sites was likely to begin. "We are still working through these construction agreements and we need to finalise them," he said. (SOURCE/EXTRACT: *The West Australian*, 19.5.11)

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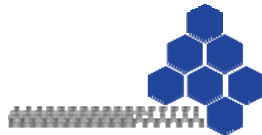
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