



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: CoSBA POLICY LAUNCH
NECA, Unit 18, 199 Balcatta Road, BALCATT
5.30pm, 23 AUGUST 2011**

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States in call to stall new OHS laws

Further cracks have appeared in the national consensus on workplace safety reform, with Western Australia flagging an extension of the deadline for introducing uniform laws designed to reduce red tape. *The Aus* (SOURCE: *WA BUSINESS NEWS*, Today's Business Headlines, 26.7.11)

WA growth will be rapid but constrained: report

Western Australia's economic growth is set to go from "comfortable" to "stellar", but it won't be as fast as many businesses would like, a new report from Deloitte Access Economics says. Deloitte's quarterly Business Outlook, released today, highlighted WA and Queensland as the superchargers of the Australian economy, with other states struggling to keep up with the resource states' free-wheeling project pipelines.

But because of slowing population growth and decreasing skilled migration, coupled with more than a quarter of a trillion dollars of investment in the state's pipeline, Deloitte warned WA's rapid economic growth was likely to be marked by negative supply-side issues.

"Policymakers are trying to help around the edges, including via the likes of Enterprise Migration Agreements, and businesses say (they) are working well," the report said. "But such is the tsunami of development dollars about to break atop the state that it is hard to see the next few years as being characterised as anything other than severe skill shortages and related cost pressures." (SOURCE: *WA BUSINESS NEWS*, Daily Business Alert, 25.7.11)

FREE HELP AT HAND FOR SMALL BUSINESSES IN STIRLING

Small businesses – from manufacturers to retailers in the Stirling region – are being urged to make time to take advantage of an Australian Government-funded advisory service that could help them improve the way they run their businesses. Small Business Minister, Senator Nick Sherry, today visited the Stirling BusinessEnterprise Centre (SBEC) at Balcatta, which has received \$1.2

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million over four years from the Australian Government's Small Business Advisory Services (SBAS) program.

"Small business owners should try to take time away from their computer screens, the factory floor or shop counter and spend a hour or two at one of the centre's training sessions," Senator Sherry said. **See attachment: FREE HELP AT HAND FOR SMALL BUSINESSES IN STIRLING.pdf**

WA businesses lead the country online

WEST Australian businesses are leading the online charge with nearly half having a presence on the internet, the highest in the nation. Research by accounting software provider MYOB found more businesses are taking advantage of the internet with many finding the move online creates more revenue. The survey found 43 per cent of WA businesses were now online.

Nationally 39 per cent of businesses were online, up from 35 per cent last November, with a further 22 per cent planning to create a website in the next 12 months. Almost a third of the 1000 respondents surveyed reported increase revenue compared with just 22 per cent without a website.

"Today consumers look online first when making buying decisions," MYOB CEO Tim Reed said, releasing the survey findings on Wednesday. "If your business can't be found via a search engine, it's as if you don't exist." NSW and Victoria were not far behind WA at 41 and 40 per cent respectively.

Still, not all businesses are making full use of the internet and some are convinced that the internet is not the way forward. The survey found that 57 per cent of business still do not promote or sell products and services online. Almost half without a website said they have no intention of creating one in the future, and 26 per cent don't believe a website would benefit their business at all.

"While only 26 per cent of business owners believe their competitors are ahead of them when it comes to the online economy, I'm concerned for Australia's future international competitiveness if business owners don't do more to embrace the online economy," Mr Reed said. "It's important Aussie business owners take action now to make sure they don't lose market share to global competitors."

He said one of the biggest challenges for businesses getting online appears to be having the right skills and knowledge to take the necessary steps to move. (SOURCE/EXTRACT: *WA BUSINESS NEWS*, PerthNow, 27.7.11)

SMartEn up your act

In the wake of GFC pressures and new technology innovations, small to medium enterprises are facing unprecedented changes to the way they operate. For SMEs that want to stay ahead of the pack, that means getting to grips with everything from digital strategies and computer security to anti-fraud initiatives, financing options and new payment systems.

FROM HIS EYRIE above the Australian business scene, Mike Smith is worried about what he sees. Smith is the chief executive of ANZ and he banks a lot of the country's small businesses. He believes those businesses are operating in an increasingly difficult environment. In a presentation to investors in May, he said, "Parts of the Australian economy have clearly hit a flat spot, with consumers and businesses becoming more conservative after the financial crisis and being reluctant to spend in an uncertain economic climate.

"The big picture is that we're starting to see the effects of a major structural change that's underway as the Australian economy continues to shift towards being much more based around hard [extracted] and soft [grown] commodities. The magnitude of this shift is still not fully understood, nor its implications for industries such as manufacturing, tourism and retail. Business models are clearly going to have to adapt to a lower-margin, lower-growth environment."

Most small business people have had a sense of this already. Scratch any business owner and you tend to find the same preoccupations with finding good staff, access to funds, rising interest rates, new government regulations and ever-increasing competition. But last December, a National Australia Bank survey of small business found the biggest concern to be lack of demand.

It might provide some comfort for small business owners to know that their worries are widely shared. But there are also business ideas, new technologies and management practices that are helping companies stay ahead of the pack. They include adapting to fast-moving trends in consumer behaviour, such as mobile payments, adapting to the challenges of the internet, beating avoidable business costs such as fraud, developing alternative sources of finance and making the business more sustainable. (SOURCE/EXTRACT: *QANTAS The Australian Way*, July 2011)

BCA on attack over union strike-first laws

THE Business Council of Australia has demanded changes to Labor's workplace laws, including stripping Fair Work Australia of any power to allow unions to strike first and bargain later.

Shedding its reluctance to openly criticise the Fair Work Act, the BCA has demanded the legislation be amended to avoid a repeat of last year's ruling that shocked big business by upholding the right of workers to take protected

action before bargaining had started. The BCA has warned that unions were "routinely" using the laws to gain strategic advantage and secure "go-away" money by threatening to sue for victimisation under "exceedingly wide-ranging" provisions in the law.

It also wants the laws changed to block a union push to have contractors included in enterprise agreements, saying that some members of Fair Work Australia were "not unsympathetic" to a campaign by some unions on this. In a previously private letter to Workplace Relations Minister Chris Evans, the BCA warns that this "constitutes a potentially severe constraint upon the improved productivity upon which the future of the Australian economy depends".

A spokesman for Senator Evans said last night the government welcomed and considered contributions from all parties to a "mature debate about our national industrial relations system". "I remind them all that under the new system the number of days lost due to industrial disputes is down, the number of agreements being made is up, and wages growth is contained," he said. "The act is delivering positive results." (SOURCE/EXTRACT: *The Australian*, 27.7.11)

SKIMMERS & SCAMMERS

OCCUPATIONAL FRAUD TYPICALLY goes on in a company for 12 months before it is detected. Perpetrators are hard to detect because most are first-time criminals and the most common means of detection is through a tip-off to management by a colleague or a customer.

The Association of Certified Fraud Examiners' *Report To The Nations On Occupational Fraud And Abuse* found that the most valuable resources a business has in dealing with fraud are its employees, customers and suppliers. They will, it seems, let you know when something is not right.

The most common type of fraud is asset misappropriation: skimming cash receipts, submitting false invoices for payment and forging cheques. The average loss from this type of fraud is \$4.3m. Also common are financial statement fraud (the misstatement of information in financial reports) and corruption schemes (bribery and extortion).

Fraud detected through tip-offs from employees, customers, suppliers and competitors comprises 43 per cent of cases, a much higher proportion than via internal or external audits, or management reviews. The report recommends that companies should consider setting up anonymous hotlines and running anti-fraud awareness programs to encourage more reporting.

The size of the organisation does not matter much when it comes to fraud. Incidents occur in big and small companies at pretty much the same rate. The industries where occupational fraud is most common include financial services, manufacturing, government and public administration, retail, technology and construction.

These days fraud is often facilitated by lax computer security. The Australian Institute of Criminology issued a report last year, which maintained that effective cyber crime prevention strategies were quite straightforward: companies must ensure that basic computer security tools - such as firewalls, intrusion-detection systems and intrusion prevention systems - are in place and up to date. (SOURCE: *QANTAS The Australian Way*, July 2011)

Productivity critical now the good old days are gone: RBA

Reserve Bank governor Glenn Stevens has urged the federal government to confront the nation's dismal rate of productivity growth, saying that the mining boom has masked a dramatic downshift in consumer spending. *The Aus* (SOURCE: *WA BUSINESS NEWS*, Today's Business Headlines, 27.7.11)

Sherry's carbon comment shows Labor is out of touch with reality

At the COSBOA Small Business Summit today, small business Minister Nick Sherry once again has shown how out of touch the Labor government is by proclaiming small business will not be directly affected by the carbon tax. Referring to the carbon tax, Senator Sherry said "it will not have a direct operational impact on small business", while moments later admitting small business operating costs will rise and this new cost impost will be passed on to consumers.

Senator Sherry's and Labor clearly do not understand small businesses face not only the direct cost increases for the energy they use but also all of the carbon tax costs imposed on every business involved at every step of their supply chain. This cascading and compounding carbon tax cost will particularly harm smaller businesses and manufacturing enterprises where higher energy costs combined with longer supply chains all amount to small business paying a heavy price for Labor's carbon tax hike.

The carbon tax and lack of any compensation for small business and inability to push back on higher supply chain prices means that the gap between small and larger business conditions will get even worse. Consumers are

already concerned about cost of living increases and with consumer confidence already in free-fall, it is clear small businesses and their customers have little appetite for price rises.

While Senator Sherry has convinced himself the carbon tax will have a 'modest' impact on small businesses, no Treasury modelling has been produced to back up his claims. Small businesses are already facing difficult trading conditions with low margins and ever increasing costs eating away at business viability and their ability to employ, and now Labor's carbon tax with no compensation will make this hard time even harder.

For further enquiries please contact Vincent Sheehy on 0417 236 109 (SOURCE: *BRUCE BILSON MEDIA RELEASE*, 26 July 2011) See report on Nick Sherry's ADDRESS TO THE SMALL BUSINESS FORUM at <http://minister.innovation.gov.au/Sherry/Speeches/Pages/ADDRESSTOTHESMALLBUSINESSFORUMJULY2011.aspx>

Keep rates on hold, business tells RBA

Business groups have warned it would be wrong for the Reserve Bank to lift interest rates next week in the wake of today's stronger than expected inflation numbers. The consumer price index rose by a solid 0.9 per cent in the June quarter for an annual rate of 3.6 per cent, well above the RBA's two to three per cent target band.

Underlying inflation measures, which smooth out volatile price swings, also accelerated by 0.9 per cent in the quarter, lifting the annual rate to 2.7 per cent from 2.25 in the year to March. The central bank holds its monthly board meeting on Tuesday.

Housing Industry Association senior economist Andrew Harvey said the numbers did not suggest inflation was getting out of hand. "When today's CPI is considered alongside the weakness in the non-resource sectors of the domestic economy and the considerable volatility in the global economy, the only sensible call by the RBA is rates on hold for the remainder of 2011," he said.

The Reserve must send a clear and consistent signal that rates would be on hold for the foreseeable future. "Interest rate stability is fundamental to any chance of avoiding what looks likely to be a weak forthcoming period of home building," Mr Harvey said. (SOURCE: *WA BUSINESS NEWS*, Daily Business Alert, 28.7.11)

Food prices soar as bank eyes rate rise

Perth residents are facing the fastest rising prices in the country and could be hit with even more pain as the Reserve Bank considers a surprise interest rate rise. *The West Aus* (SOURCE: *WA BUSINESS NEWS*, Today's Business Headlines, 28.7.11)

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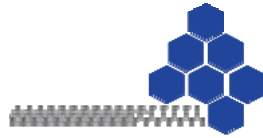
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Fax: 9356 9437 Tel: 9451 9449 Mob: 0413 437 708

PO Box 691, BENTLEY WA 6982



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