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NEXT MEETING: AGM & BOARD MEETING

5.00 pm 8 MARCH 2011

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Unions oppose fast visas for jobs

UNIONS have put the Gillard government on notice that they will not tolerate too great an influx of migrant workers under the 457 visa scheme, even after the Queensland floods. Ged Kearney, national secretary of the powerful ACTU, said yesterday Canberra should "proceed with caution" in fast-tracking visa applications to import labour to help with the reconstruction. "No one wants to see a return to the sorts of abuses we saw under the former Coalition government where unscrupulous employers were allowed to . . . remove job opportunities and push down the wages of Australian workers," she said.

Julia Gillard yesterday promised her government would process "decision-ready" 457 visa applications from temporary skilled migrants within five days -- slashing the processing time by more than a third. The Immigration Department was inundated with calls from potential employers wanting to access priority processing for migrants. Business groups welcomed the extra resourcing for the program, which had been wound back with union support after Labor first came to power in 2007.

A spokesman for Immigration Minister Chris Bowen's said the government's first priority was to see Australian workers in flood reconstruction jobs. "However, the demand for labour . . . is on such a scale that we expect temporary overseas workers will need to contribute to the urgent reconstruction task."

Opposition immigration spokesman Scott Morrison called on the government to temporarily waive work restrictions for people who are already in the country. (SOURCE: *The Australian*, 28.1.11)

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Corporate leaders slam Gillard's flood levy

THE business community has criticised the Gillard government's plan to hit taxpayers earning more than \$50,000 a year with a levy to pay for damage caused by floods across eastern Australian. Business groups, as well as the retail and insurance industries, have raised concerns about the size and structure of the levy and urged the federal government to consider cuts to existing programs as an alternative.

Business Council of Australia president Graham Bradley said Julia Gillard risked putting the "cart before the horse" when the cost of rebuilding remained unknown. "Until we get a final assessment of the rebuilding costs we can't gauge the impact on the federal budget, but the first step should be to reassess spending priorities in preference to raising new taxes," Mr Bradley said.

Australian Industry Group chief executive Heather Ridout was more supportive, saying that industry could "live with the package" given "the extraordinary circumstances". However, Ms Ridout said there needed to be clear oversight of the spending. The retail sector warned the levy would impose further cost-of-living pressure on families.

The insurance industry warned that one of the unintended consequences of the levy would be to encourage people not to take out proper cover. Insurance Council of Australia chief executive Rob Whelan said a flood levy "may have unintended consequences -- creating a moral hazard and encouraging fewer people to take responsibility for their own risks through purchasing appropriate insurance products". (SOURCE/EXTRACT: *The Australian*, 28.1.11)

Bosses buck scheme

EMPLOYERS who fear they are the "pay clerk" for the new taxpayer-funded paid maternity leave scheme face fines up to \$33,000 if they refuse to run the government scheme through their payroll. Thousands of mothers have applied for the \$570-a-week paid parental leave scheme since it was introduced on January 1, according to new figures released by Families Minister Jenny Macklin.

But small business groups are fighting back over demands they administer the scheme after July 1 with a legislative showdown looming when parliament resumes next month. They warn the scheme and the big fines employers could face are simply not on many employers' radar. MPs will vote on Coalition reforms to force the Gillard Government to instruct Centrelink to continue running the scheme, a move that could force the Prime Minister to back down.

Faced with a choice between the paid parental leave scheme offering up to \$10,000 to working mums and the \$5000 baby bonus which is available to stay-at-home mums, eligible parents are flocking to the new scheme with 15,450 families lodging applications starting this week.

Ms Macklin told *The Sunday Times* she was determined to see the scheme administered by business rather than Centrelink. "Paid parental leave is a workplace entitlement, just like annual leave or sick leave, and like other leave, should be paid through employers," she said. "Our scheme helps employers retain skilled and valuable staff. It's important for women to maintain a connection to the workplace when they take time off to have a baby."

But Opposition small business spokesman Bruce Billson said there was no excuse for red tape. "If it's good enough for Centrelink to run the system now, why not keep the operations in place?" he said

PAID LEAVE FACTS

- Eligible working parents can claim 18 weeks of paid parental leave at the minimum wage of \$570 a week, amounting to \$10,260.
- The primary carer must have an income no greater than \$150,000 and have worked at least 330 hours over 10 of the 13 months before the baby's birth.
- The parent has to choose between the commonwealth parental leave and the baby bonus (worth \$5294) if eligible for both.
- Employers will have to administer the scheme through their payroll from July 1. (SOURCE: *The Sunday Times*, 30.1.11)

Union hit with \$45,000 penalty

THE building watchdog has had a minor victory in the long-running fight involving building worker Ark Tribe, with the construction union and a key organiser fined \$45,000 over industrial action in Adelaide. The Australian Building and Construction Commission said Mr Tribe was among a number of workers who took part in the industrial action in 2008.

The action led to him being targeted by the ABCC, and generated an intense dispute between unions and federal Labor. In November, Mr Tribe was found not guilty of failing to attend an ABCC examination.

In a decision last Friday, the Federal Magistrates Court imposed penalties totalling \$45,000 on the Construction Forestry Mining and Energy Union, and its official Justin Feehan, for engaging in unlawful industrial action on two sites in Adelaide. (SOURCE/EXTRACT: *The Australian*, 1.2.11)

Green light at last for foreshore

Funding to redevelop the Perth foreshore will be in this year's state Budget, and prime riverfront land will be sold to help pay for it, Premier Colin Barnett says. *The West* (SOURCE: *WA BUSINESS NEWS*, Today's Business Headlines 1.2.11)

More rate hikes likely later in 2011

Low inflation and flooding in Queensland may have spared borrowers a February rate rise, but economists say there will be a series of hikes later in the year. The Reserve Bank of Australia (RBA) on Tuesday cited low inflation and the "temporary adverse effect" of the Queensland floods on the nation's economy as reasons for keeping the cash rate at 4.75.

"Over the next year or two, the efforts to repair or replace infrastructure and housing will add modestly to aggregate demand, compared with what would otherwise likely have occurred," RBA governor Glenn Stevens said in a statement. "The Bank's preliminary assessment is that the net additional demand from rebuilding is unlikely to have a major impact on the medium-term outlook for inflation." The central bank last raised the cash rate in early November, from 4.5 per cent to its current 4.75 per cent.

JP Morgan economist Helen Kevans said she expected inflation to rear its head in mid 2011, leading to a cash rate of 5.5 per cent by the end of the calendar year. "We weren't too surprised by the (RBA's) statement," she said. "The RBA did mention the impact of the Queensland floods and that's going to have an impact on prices. "The medium term outlook for inflation is uncomfortably high."

TD Securities senior strategist Roland Randall said the statement was "deliberately vague" on the impact of the Queensland floods on growth or inflation. "Which to me means that they want more time to assess the consequences of that," he said. (SOURCE/EXTRACT: *WA BUSINESS NEWS*, Daily Business Alert, 1.2.11)

Bosses' concerns rise over union entry

MORE than 50 per cent of resource companies have recorded increased concerns over union entry requests into their businesses, with a large jump in the number of bosses who have described their workplace relations environment as "barely acceptable" under Julia Gillard's workplace laws.

A survey of resource industry employers, undertaken by the employer group Australian Mines and Metals Association, in conjunction with RMIT University's School of Economics, Finance and Marketing, found a big drop in employer confidence with the new industrial relations regime -- the Fair Work Act -- over the six months to October last year.

The report found the overall workplace relations environment experienced by businesses in the minerals and resources sector deteriorated in the six months between April and October last year. "As the Fair Work Act becomes more familiar and more entrenched in the workplaces of Australia's resources sector, employers are becoming more, not less, concerned about key aspects of its operation," the report says.

AMMA chief executive Steve Knott said it was clear from the findings the Fair Work Act's more extensive right of entry provisions allowed more unions to enter more worksites more frequently, whether there were union members on the premises or not.

"We have seen 51.1 per cent of businesses recording increases in unions visiting workplaces," he said. "Many visits were union membership fishing expeditions, resulting in valuable resources being diverted to chaperone union officials around worksites." Over the six months of the survey, the number of businesses receiving weekly and monthly visits from unions rose from 17.5 per cent to 29.4 per cent.

The number of resource industry employers describing their workplace relations environment as either "good" or "excellent" has dropped from 54.4 per cent to 32.0 per cent. "This has been highlighted by a jump in the number of employers who have described their workplace relations environment as 'barely acceptable' -- increasing from just 4.4 per cent to 29.2 per cent over the same period," Mr Knott said.

He said other major IR concerns were inflated claims and outcomes for improved pay and conditions; the prospect of strike action and concerns over termination of employment and redundancy, including the prospect of unfair dismissal claims; and the transition to modern awards. (SOURCE/EXTRACT: *The Australian*, 2.2.11)

IR rigidity eroding confidence

EMPLOYERS have a strong case against the Fair Work Act. Barely a year after Labor's so-called Fair Work Act became fully operational its shortcomings are becoming more apparent. The serious fall-off in confidence in the system among employers in the resources sector in the six months to October last year, recorded in a survey by the Australian Mines and Metals Association in conjunction with RMIT University School of Economics, Finance and Marketing, is no surprise.

After decades of prosperity boosted by labour market deregulation, initiated under Bob Hawke, continued by Paul Keating and improved significantly by John Howard, the present, centralised system is an unfortunate throwback to the 1970s and is inimical

to productivity. The fact more than half of the businesses surveyed have experienced more workplace visits from union officials is to be expected because such visits are sanctioned by the system.

Potentially more damaging are the prospects of a wages breakout, increased strikes and the impact of a 35 per cent rise in unfair dismissal claims during the first year of the system. The government went too far in winding the IR clock back to an era years before Work Choices. Employers know it and need to consider whether to invest time and resources arguing the case for reform as effectively as the ACTU campaigned against Work Choices. (SOURCE: *The Australian*, 2.2.11)

WA wants tax fix for skills shortage

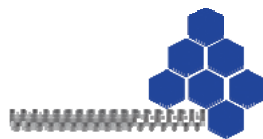
West Australian Treasurer Christian Porter will lobby independent federal MPs and his Coalition colleagues in an effort to win national tax changes to solve skills shortages in the state's resource-rich north. (SOURCE: *WA BUSINESS NEWS*, Today's Business Headlines 2.2.11)

O'Brien drags his feet on the appointment of WA Small Business Commissioner

The Barnett Government must introduce legislation to appoint a Small Business Commissioner in the first week of Parliament, Shadow Commerce and Small Business Minister Ljiljana Ravlich said today. Ms Ravlich said it had been more than six months since the Barnett Government committed to appoint a Small Business Commissioner. "The Barnett Government gave a commitment to appoint a commissioner in June last year after an in-principal agreement was struck between the Premier and the Leader of the Opposition on retail trading hours reform," she said. (SOURCE/EXTRACT: Attachment - *Appointment of WA Small Business Commissioner.pdf*)



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