



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

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NEXT MEETING: BOARD STRATEGIC PLANNING MEETING

4.00 pm 10 MAY 2011

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ATTACHMENTS:

CORRESPONDENCE.PDF

Consultation_Australian Business Number (ABN) & Names_Registration.pdf

IBC_CURRENT_NEWS/EVENTS.pdf

SCC_E-news_25March.pdf

BGC_smallbusiness.pdf

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Please Explain PM

Prime Minister Gillard will be spending the next couple of days in Western Australia. While she is over here she must explain why she continues to use WA as a cash cow for Labor's wasteful spending out of Canberra. (See attachment: PleaseExplainPM.pdf)

Contractors prepare for surge in business

CONTRACTORS in Western Australia have a problem, and it's one that many other businesses would like to have. Most contractors are already experiencing a tight labour market and are wondering how the industry is going to cope when the expected surge in project spending occurs in the next two to three years.

About a dozen contractors dominate the civil market in WA and the slow progress made by new entrants shows it isn't easy to break in, despite the plentiful volume of work. The largest player in the market continues to be Leighton Holdings and its satellite businesses. Their success on Chevron's Gorgon project over the past 18 months highlights this. (SOURCE/EXTRACT: *WA BUSINESS NEWS*, 24.3.11)

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Funding threat to WA over royalties

The Gillard government says funding for projects, including the \$500 million upgrade to roads around Perth Airport, could be lost if the WA government tries to increase mining royalties under the planned mineral resources rent tax. *The West* (SOURCE: *WA BUSINESS NEWS*, Today's Business Headlines, 28.3.11)

CoSBA meets with the Minister

On 29 March CoSBA executive met with the Minister for Small Business to discuss: CoSBA/Minister relationship; Small Business Commissioner; Payroll Tax; Amendola IR Review; Stability of electricity supply and Workers Compensation. A positive outcome of the meeting was a commitment by the minister to hold regular meetings with CoSBA to discuss issues affecting small business. Attending for CoSBA were Rod Henderson Les Marshall, Oliver Moon & Stephen Knight.



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CCI calls for small pay rise

The Chamber of Commerce & Industry has called for a pay rise for low paid workers of \$10 to \$12 per week, about one-third the claim lodged by the union movement. The business lobby urged the Fair Work Australia tribunal to exercise caution when determining the Federal minimum wage because the country's economic recovery is still patchy.

"This moderate wage rise takes into account the two-speed economy, and the impact that natural disasters, including droughts, floods, bushfires and cyclones that have affected several states and territories in Australia, will have on the Nation's economic recovery," CCI manager industrial relations policy Marcia Kuhne said.

"Many of the businesses which are still finding conditions tough, including community services, retail and hospitality, are those who can least afford a substantial hike to the minimum wage. "The imminent return of severe labour shortages is already seeing their wages bill rise, eroding their ability to afford any other wage increases. "A union bid to increase the Federal minimum wage by between \$28 and almost \$38 a week is an unjustified and irresponsible claim that could harm businesses still finding the economic conditions challenging." (SOURCE/EXTRACT: *WA BUSINESS NEWS*, Daily Business Alert, 28.3.11)

ACTU success in job clause push

THE ACTU has claimed a victory in its efforts to spread contentious job security clauses across the workforce, after TNT agreed to a new enterprise bargain that pays outside labour the same rates as direct employees.

ACTU president Ged Kearney said yesterday the company's agreement with the Transport Workers Union was a "great win" for the union movement's strong campaign to tackle insecurity of employment. Tony Sheldon, the union's national secretary, said the agreement with TNT should send a message to Qantas, which has rejected the job security clauses as a "veto on change".

While the company declined to comment yesterday, Mr Sheldon said the agreement provided that labour-hire employees received the same rates of pay as workers directly engaged by TNT. "This agreement means the company can no longer turn to labour hire or casuals to undermine the working conditions of their direct-hire employees," he said.

Casuals would have the right to seek conversion to permanency after nine months, he said, and TNT had committed to use permanent full-time workers before casuals, labour hire or outside-hire employees. Having struck agreements with other major transport companies including Linfox, the TWU is yet to finalise an agreement with Star Track Express, a joint-venture express logistics business operated by Qantas and Australia Post. (SOURCE/EXTRACT: *The Australian*, 29.3.11)

WA building skills crisis looms

Western Australia's construction industry has "no more than" 10 to 15 per cent of capacity left before impending worker shortages lead to delays and building price increases in both the residential and commercial sectors. *The Fin* (SOURCE: *WA BUSINESS NEWS*, Today's Business Headlines, 28.3.11)

Self employed under siege from Labor/union pact

The Gillard Labor Government's triple-fronted assault on legitimate independent contractors and self employed people, at the behest of the union movement, has all the hallmarks of the kind of self-serving misuse of power that saw Labor comprehensively repudiated at the NSW election. (See attachment: Media Release - Self employed ynder siege from Labor union pact.pdf)

Mining tax stays as is, says Gillard

Prime Minister Julia Gillard will push ahead with corporate tax cuts funded by the mining tax, despite a new push by the Greens to use the money for health and community services.

Greens leader Bob Brown supports the minerals resource rent tax (MRRT), but he doesn't want the revenue to pay for a cut in the corporate tax rate from 30 per cent to 29 per cent. The big end of town will be the main beneficiaries of the cut and the money could be better spent on small business, health, aged care and public transport, he said. Independent MP Andrew Wilkie also has concerns about the government's spending priorities and wants the MRRT to be broader. He has also queried why the revenue could not be spent on health care, education and infrastructure.

But Ms Gillard is standing firm on the corporate tax cut and MRRT. "We are committed to cutting the company tax rate through the minerals resource rent tax package of bills that comes to the federal parliament," she told reporters in Perth. (SOURCE/EXTRACT: *WA BUSINESS NEWS*, Daily Business Alert, 29.3.11)

Barnett queries federal power over GST

West Australian Premier Colin Barnett has questioned whether the Commonwealth has the power to withhold GST payments to states that raise mining royalties. But he admitted Canberra could reduce funding for roads, rail, ports, education and health as way of penalising recalcitrant states.

Federal Treasurer Wayne Swan has indicated he would cut back GST payments to states unwilling to work with the commonwealth over its planned minerals resource rent tax. "I don't think the federal treasurer can do that," Mr Barnett told ABC Radio, adding that GST arrangements were law. "Remember the states gave up their constitutional right to income tax and company tax in exchange for that."

Mr Barnett said the federal government could take the "malicious and vengeful" approach by reducing commonwealth funding to states if it wanted. "He can certainly cut infrastructure funds, he can cut services to people or education or health, but what sort of Australia would that be."

Mr Barnett said a return to WA of \$2 billion over 10 years from the MRRT for capital projects was inadequate. "I would much rather not have a mining tax and not have that \$2 billion," he said. "That would be a relatively small contribution to the infrastructure needs of this state." Under the MRRT, mining companies will have their royalty payments credited against their tax liabilities. (SOURCE: *WA BUSINESS NEWS*, Today's Business Headlines, 30.3.11)

Workforce decline to hurt small business

Australia is heading for a downswing in population growth that could last for a generation, making it harder for businesses to attract and retain workers, a report predicts. The labour market is set to contract as migration rates fall and baby boomers begin to retire in increasing numbers, PKF Chartered Accountants and Business Advisers says.

Its third annual Business and Population Monitor, released on Wednesday, also shows resource rich states such as Western Australia may face the greatest shortages right when they need extra workers. "The combination of official cutbacks to immigration, the slowing down of natural population growth, as well as the coming retirement of baby boomers means that just as the demand for workers is rising rapidly, the potential new supply for them is decelerating fast," PKF spokesman Matthew Field said.

"The likely implication is that workers will become harder to find, putting pressure on wages, inflation and eventually interest rates, while smaller businesses may struggle to compete for workers with the larger employers." Mr Field said small to medium businesses in resource rich states such as WA, Queensland and the Northern Territory would face the greatest challenges. Those regions had experienced the sharpest drop in population growth in the past year, he said. (SOURCE/EXTRACT: *WA BUSINESS NEWS*, Today's Business Headlines, 30.3.11)

Barnett pushes for 75c GST floor

Premier Colin Barnett has used Prime Minister Julia Gillard's announcement that the government would review the distribution of revenue from the goods and services tax to promote his idea of a GST 'floor' of 75 cents. Ms Gillard announced today a panel featuring former NSW Premier Nick Greiner, former Victorian premier John Brumby and South Australian businessman Bruce Carter would conduct the review.

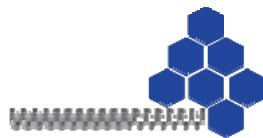
Mr Barnett said he was convinced the current GST distribution arrangements were unsustainable. "West Australians are willing to assist other weaker states through the GST carve up but we are not prepared to cop a return of just 68 cents for every GST dollar we pay, let alone the scenario we face in 2014-15 when we are forecast to receive less than 40 cents back for every dollar," Mr Barnett said in a statement.

Mr Barnett said his Liberal-National Government had long argued that there should be a floor at around 75 cents in the dollar. "It would give WA more certainty over revenue and allow us to make the long term investment decisions a State like Western Australia needs. " "If we had a 75 cent floor, the State would retain an additional \$5.6billion in GST revenue over the next four years and would allow us to get on with the business of powering Australia's economy.

Ms Gillard agreed the current arrangements were not satisfactory, and the current distribution system struggled to deal with changing economic conditions and that mining growth increased a discrepancy in the revenue raised by states and territories. (SOURCE/EXTRACT: *WA BUSINESS NEWS*, Daily Business Alert, 30.3.11)



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