



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

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NEXT MEETING: BOARD MEETING **NECA, Unit 18, 199 Balcatta Road, BALCATT** **5.00 pm Tuesday 21 June 2011**

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CORRESPONDENCE_O'Brien/Harvey.doc

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Budget_Papers_SBDC.pdf

\$12.4_MILLION_TO_SUPPORT_BUSINESSES.pdf

BGC_Networking.pdf



CoSBA STRATEGIC PLANNING

Over recent weeks, with professional guidance, the Board has developed a strategic plan, which is available to members on request. The strategic plan provides for the development of position statements that reflect CoSBA's policies on various issues affecting small business. The position statements will in due course be posted on our web site and members are invited to provide their comments on each of the issues.

DISCLAIMER: The information appearing in *The CoSBA BROADCAST* is for affiliates of the Combined Small Business Alliance of WA (CoSBA). The information is sourced from various sources including public records. Whilst every effort is made to ensure the probity of the information, CoSBA accepts no liability for accuracy, errors or omissions, or for any injury to any user of the information.

Budget Papers SBDC

Budget_Papers_SBDC.pdf attached sets out the funding of the SBDC, Small Business Commissioner and SBCs.

RBA offers no new warning on rates

The well-anticipated decision to leave Australia's interest rates steady wasn't accompanied by any clear signal a widely-expected increase is imminent. The Reserve Bank of Australia (RBA) announced the decision to keep its benchmark cash rate at 4.75 per cent after its board's monthly monetary policy meeting on Tuesday. But there are a few points in the statement, issued by RBA governor Glenn Stevens, which suggest borrowers have a reason to relax, if only for a few months. (SOURCE/EXTRACT: *WA BUSINESS NEWS*, Daily Business Alert, 7.6.11)

Fair Work Australia gives low-paid extra \$22 a week

MOST of the nation's 1.4 million low-paid workers stand to receive wage rises of at least \$22 a week from July 1 after Fair Work Australia found the state of the economy and a fall in the real value of minimum wages for many employees warranted a "significant increase".

Unions, which had wanted a \$28-a-week increase, said the rise was welcome but not enough, while employers said it would add almost \$3 billion over the next year to the wages bill of the small and medium business sector. The tribunal's full bench rejected attempts by employers affected by recent natural disasters to defer the pay rises, deciding to award a 3.4 per cent wage rise rather than a flat dollar amount to low-paid workers.

While the national minimum wage will increase by \$19.40 a week -- or 51c an hour -- to \$589.30 a week, the benchmark tradeperson's rate will increase by \$22.60 a week. The Australian Chamber of Commerce and Industry said most low-paid workers would receive pay rises of between \$21 and \$28 a week, while a smaller percentage of workers would receive rises of up to \$38 a week.

ACTU secretary Jeff Lawrence said about 100,000 workers who were not on awards would receive \$19.40 a week while the remaining 1.3 million on award wages would receive about \$22. An ACTU submission to Fair Work Australia says a majority of these workers earn above the tradeperson rate, which suggests hundreds of thousands of workers could receive rises of between \$23 and \$37 a week.

The tribunal's decision said the economy had continued to perform strongly in the past 12 months despite the impact of floods and Cyclone Yasi. (SOURCE/EXTRACT: *The Weekend Australian*, 4.6.11)

Wage rise a damaging blow: CCI

The state's peak employer body says Western Australian businesses will either shed jobs or cut back hours to cope with today's 3.4 per cent national minimum wage increase. Chamber of Commerce and Industry chief executive James Pearson said the increase would add between \$21.28 and \$38 per week for workers on federal awards, not the \$19.40 being claimed by unions.

"Today's decision by Fair Work Australia is bad news for most small and medium sized employers, as it adds yet another financial burden on their business at a time when they can least afford it," Mr Pearson said. "Compounding the problem for business is that there are no productivity gains linked to the pay rise. "It is likely that businesses in the retail, cafes and restaurants sectors, already struggling to maintain employees on their existing hours of work, will be left with no option but to further reduce hours of work."

Mr Pearson said small businesses were already mired in the "slow lane" of the two-speed economy, and were struggling to keep afloat in the face of rising costs and harsh credit conditions. He said business had sought a \$10 to \$12 rise, and the ruling highlighted flaws in the current system for determining the minimum wage.

"WA business is calling for changes to the system. CCI, in a new policy paper released this week, calls for the creation of a new statutory authority to determine the federal minimum wage. An open inquiry would be held annually to determine the minimum wage. (SOURCE/EXTRACT: *WA BUSINESS NEWS*, Daily Business Alert, 3.6.11)

Small business slow to maximise web potential

A NEW study has revealed that less than half of small and medium-sized businesses in Perth have their own website. The research by Sensis, detailed at a seminar last week, showed only 48 per cent of Perth SMEs had an online presence; the hospitality sector is driving website ownership with seven in 10 hospitality businesses having a website. Perth's construction sector lags behind in the digital arena, with fewer than four in 10 businesses having a website.

At the 'Driving Your Business' series of seminars, Sensis spokeswoman Kim Van Prooyen said any type of business could benefit from a digital presence. "A website is the equivalent of your shop front, so many consumers will go into a search engine and browse just like they would do in a high street or a shopping centre, so it's important for a website to reflect your business and customer base," she said.

Ms Van Prooyen said businesses that were unhappy with their site's performance needed to re-evaluate their web-page layout. "If you want customers to call you, don't put your number on a 'contact us' page five pages back, put it at the front and make the page as simple as possible for them to navigate," she said. On average, people access traditional media such as newspapers and directories only three hours a week, compared to 21 hours of internet access, the seminar heard.

Sensis spokesman Evan Ravensdale said SMEs that didn't have a web presence or weren't taking advantage of social networking sites could be at a competitive disadvantage. "There is still a place for traditional media, but we are definitely seeing a shift in the marketplace. The amount of hours people are consumed by digital channels is significantly more now than it has been in the past five years," he said. (SOURCE: *WA BUSINESS NEWS*, 2.6.11)

Six WA mine workers sacked for planking

Six West Australian workers employed by an engineering and construction company have been sacked following allegations some were planking on site while others watched. Contracting company Conneq, whose services are used on mine sites in WA, confirmed it has sacked six people following the investigation of breaches of safety practices.

According to the ABC, the six employees were working at BHP Billiton's Mt Whaleback iron ore mine in the Pilbara. Two workers were sacked for planking while three, including a supervisor, were dismissed for watching and another for taking photos, the ABC reported. (SOURCE/EXTRACT: *WA BUSINESS NEWS*, Daily Business Alert, 2.6.11)

\$12.4M TO SUPPORT BUSINESSES IN THE DIGITAL ECONOMY

The Australian Government has unveiled a \$12.4 million program to help small-to-medium businesses and not-for-profit organisations across Australia take advantage of the enormous online opportunities offered by the National Broadband Network (NBN). **See attachment: \$12.4_MILLION_TO_SUPPORT_BUSINESSES.pdf**

Union in blockade to pay out \$560,000

THE militant construction union will pay \$560,000, including \$120,000 compensation to contractors, over a 10-day blockade of the Victorian government's \$291 million Melbourne Markets project. Cars, 44-gallon drums and crushed rock were used to restrict entry during the blockade, and union officials tried to lure kangaroos on to the site to disrupt works.

The action continued for about a week after the Federal Court issued orders restraining the Construction Forestry Mining and Energy Union in Victoria from hindering access to the site. Defiance of the injunction led to substantial contempt penalties. The Federal Court yesterday endorsed the terms of the landmark settlement that include the union paying \$120,000 to six contractors as compensation for economic loss.

The union will pay a penalty of \$100,000 for contravening the Building and Construction Industry Improvement Act; a penalty of \$150,000 for contempt of the injunction; and \$190,000 in costs to the Australian Building and Construction Commission. (SOURCE/EXTRACT: *The Australian*, 3.6.11)

Fair Work decision opens door to industrial chaos

IT is hard to believe there could be a more unlikely test case in the rich history of Australian industrial relations than is JJ Richards & Sons vs Transport Workers Union of Australia. This is a story of a sprawling, family-owned waste management business that lists the Canterbury Council as one of its smaller customers.

JJ Richards employs more than 1600 workers, 25 of whom are devoted to the needs of its Canterbury contract. And yet a decision by the full bench of Fair Work Australia that allows the TWU, which represents only 14 of those workers, to initiate industrial action in support of a push to get the Canterbury 25 covered by an enterprise agreement now stands as a landmark on our IR horizon. (SOURCE/EXTRACT: *The Australian*, 3.6.11)

Ruling makes bosses 'hostage to strikes'

RESOURCE-SECTOR employers have warned the contentious "strike first, talk later" Fair Work Australia ruling will expose companies to costly and protracted strike action by unions at the "drop of a hat". As employers considered trying to overturn the decision in the courts, the Gillard government and unions seized on a fall in the number of industrial disputes to deflect the attacks and insisted the Fair Work Act was operating effectively.

A Coalition backbencher yesterday warned of a wages breakout following the decision to uphold the right of workers to strike before enterprise bargaining commences. The tribunal confirmed a union could initiate protected industrial action against an employer before bargaining had begun and where the employer had not agreed to bargain. Liberal MP Jamie Briggs said Labor's workplace laws were a "cancer within the economy". (SOURCE/EXTRACT: *The Australian*, 3.6.11)

Strike first, bargain later a recipe for industrial chaos

IN upholding the right of workers to strike before workplace bargaining even starts, Fair Work Australia has not only ignored the needs of modern companies in a competitive marketplace but also overturned the main tenets of the centralist arbitration system that served Australia for decades.

FOR good reason, we've frequently criticised Labor's current system for turning back the clock to an era of rigidity predating the Hawke-Keating wages accords with the ACTU. But in rejecting arguments by the Australian Mines and Metals Association that a strike ballot order could not be made unless bargaining had started or an employer was unwilling to bargain, Fair Work Australia has turned its back on the principles of 100 years of arbitration. Created under the 1904 Conciliation and Arbitration Act, the centralist system was designed to avoid lockouts and strikes and create a Commonwealth Court of Arbitration to prevent and settle disputes. (SOURCE/EXTRACT: *The Australian*, 3.6.11)

Coalition reaffirms its support for independent contractors and self-employed

The Coalition has today reaffirmed its support for the 2 million Australians who depend on independent contracting and self-employment for their livelihoods and condemned Labor's continued assault on legitimate contracting and self-employed arrangements. The Coalition will not change the current laws relating to the treatment of personal service income and will resist the current government's attack on contractors and the self-employed.

Shadow Minister for Small Business, Bruce Billson said "a successful campaign before the last election spearheaded by the Coalition forced the Gillard government to abandon implementing punishing tax law changes but the government and unions have changed tack".

"The Fair Work Ombudsman, Australian Tax Office and Australian Building and Construction Commissioner have all already been tasked to target independent contractors and self employed people to force many into union-controlled workplace arrangements", Mr Billson said. "The recent federal budget has also added onerous new reporting and red-tape requirements for independent contractors in the construction sector", Mr Billson said.

See attachment: Coalition_reaffirms_support_for_independen_contractors.pdf

SBDC Tax Information Session

Tax time is just around the corner, so make sure your business is ready for any tax advantage you may be eligible for.

The Small Business Development Corporation is holding an information session with a specialist adviser speaking about tax effective business structures and giving you important end-of-financial-year tax tips. The guest speaker is a Chartered Accountant with over 20 years experience, and will be available to answer any questions you may have regarding small business tax. This is a great opportunity to get the right answers about your tax issues.

Date: Wednesday 15 June 2011

Time: 5.30pm to 8.00pm

Venue: Hotel Northbridge 210 Lake Street Northbridge (Cnr Brisbane St)

Cost: \$20 per person including a light dinner, beer, wine and soft drinks

Bookings are essential, so please call now.

To register or for more information, please call Fiona at the SBDC (08) 6552 3287, or register on-line at www.smallbusiness.wa.gov.au .

West castigates Gillard for 'lack of vision' on skills shortage

A SENIOR West Australian minister has launched a scathing attack on the Gillard government, accusing it of "spouting rhetoric" and sitting on its hands while billion-dollar projects are put at risk by labour shortages.

Training Minister Peter Collier said WA employers were banging on his door "in despair" yet the federal government was not listening. "The east coast do not understand the severity of the situation. They don't get it," Mr Collier told *The Weekend Australian*. "If they want to live off the back of Western Australia in terms of the income that our resources bring in, they need to understand that they need to show some vision."

He said he had not even had "the courtesy of a reply" to a letter he sent Immigration Minister Chris Bowen in March outlining a range of reforms to improve access to foreign workers. "It's all good and well to take our cheques and take our revenue, but if you don't show some foresight and vision in the short-term, we've got a very real possibility of projects not going ahead."

A spokesman for Mr Bowen rejected the attack and said the recent federal budget included several new migration measures to help tackle skills shortages. (SOURCE/EXTRACT: *The Weekend Australian*, 4.6.11)

WA Sunday shopping laws challenged in High Court

WA'S Sunday shopping laws are set to be challenged in the nation's highest court. *The Sunday Times* has learnt the Shopping Centre Council of Australia is working on a High Court challenge to overturn Premier Colin Barnett's shopping precincts policy, which it calls discriminatory. The challenge could be launched in months and will demand that all retailers be allowed to open on Sundays, rather than just those in special shopping precincts in Perth CBD, Fremantle, Midland, Armadale and Joondalup.

It will also challenge soon-to-be-introduced laws allowing white goods and consumer durable retailers to open on Sundays. Shopping Centre Council of Australia executive director Milton Cockburn yesterday refused to give details of the challenge, but said: "We are exploring our legal options in relation to the trading hours restrictions in WA." (SOURCE/EXTRACT: *The Sunday Times*, 5.6.11)

Retailers adrift in a 'perfect storm'

INDEPENDENT retailers in WA are battenning down to ride out a storm of rising rents and staff costs coupled with tight consumer spending, small business groups say. They said shop owners were weathering the storm in the hope rents would fall and spending increase. Business Foundations executive director Phil Kemp said they faced an almost "perfect storm" of factors against them.

Small Business Development Corporation acting managing director Jacky Finlayson said there was a small amount of optimism in WA, but competition was high and retail was not booming. This week's retail trade figures from the Australian Bureau of Statistics showed WA retail turnover, on a trend basis, grew 0.8 per cent in April after the same growth in March. It was the 11th consecutive month of growth in the state, which has been ahead of the nation's growth since November. Nationally, retail trade was up 0.4 per cent, on a trend basis, in April.

Subiaco Business Association president Geoff Parnell said one of the biggest problems was high rents. "You've got rents going one way and profits the other, but it will vary on the ability of different individual businesses to ride out the storm," he said.

Ms Finlayson said more clients were looking at lease exit options, but tried to survive by looking for cheaper wholesale arrangements. The corporation fielded 35 inquiries from businesses about rent and reviews in May, 20 of which were dispute related. A growth in online shopping was also forcing retailers to compete or miss out. "There is a trend where people are looking for bargains and I guess in a tight economy people are watching what they're spending," Mr Parnell said. (SOURCE/EXTRACT: *The Sunday Times*, 5.6.11)

Miners ready with fighting fund for workplace war

THE mining industry has opened a new front in its battles with the government, setting up a fighting fund to finance court challenges against rulings by Fair Work Australia.

The Australian Mines and Metals Association, which was a key player in the industry's successful campaign to stop the Rudd government introducing the resource super-profits tax, has turned its focus to industrial relations, revealing it will seek \$500,000 from its members to finance challenges to a growing number of tribunal decisions that are "adverse" to the interests of employers.

The association's chief executive, Steve Knott, told *The Australian* yesterday it was more than likely that last week's "strike first, talk later" ruling by the tribunal would now be challenged in the Federal Court and, if necessary, the High Court.

Mr Knott said the IR Foundation Fund would build on the financial reserves held by the association to mount legal challenges over workplace relations. "What we are seeing at the moment, and what we expect we'll continue to see for some months to come, is a number of judgments that are pushing the limits in terms of the new IR laws," Mr Knott said. (SOURCE/EXTRACT: *The Australian*, 7.6.11)

Unions 'hypocrites' over mining IR fighting fund

THE mining industry has accused the ACTU of hypocrisy after unions attacked its decision to set up a fighting fund to challenge decisions by Fair Work Australia. ACTU secretary Jeff Lawrence said the decision by the Australian Mines and Metals Association to set up the fund was part of its campaign to reinstate aspects of John Howard's workplace regime.

But Steve Knott, the association's chief executive, claimed Mr Lawrence was trying to present the bargaining framework under the Fair Work Act "as some kind of wonderful IR nirvana for all concerned". "It's time for a reality check, not rose-coloured glasses," Mr Knott said. "We are at the IR coalface on a daily basis, (seeing) escalating strike ballot orders, significant increases in union right-of-entry demands and excessive claims for pay rises of nearly 40 per cent in certain areas."

He accused unions of double standards given the ACTU had levied members to fund its Your Rights At Work

campaign. "It is somewhat ironic to hear the union movement complain about an organisation taking steps to legally protect the rights of Australian businesses to directly engage with their employees. "Coming from the very same organisation which only recently levied hundreds of thousands of hard-working everyday workers, it is somewhat hypocritical . . ." (SOURCE/EXTRACT: *The Australian*, 8.6.11)

New car sales continue two-month plunge

Another economic indicator is pointing to a two-speed economy at play in Western Australia, with new car sales dropping off 21.6 per cent in April, following a 17.9 per cent drop in May. In May, a total of 8,703 new cars were sold in WA, down from 10,604 the previous year, according to Federal Chamber of Automotive Industries statistics.

For the year to date, new car sales have dropped from 48,104 in May 2010 to 43,497 in May 2011, a drop of 9.6 per cent. Nationally, new car sales slipped 13.2 per cent in May, as compared to April, resulting in a 5.3 per cent yearly slip. The biggest drop in WA was in passenger car sales, which dropped 1,540 from the levels seen in April, for a year-on-year fall of 4,302. Sports utility vehicles slipped from 2467 in May 2010 to 2,107 in May 2011.

In signs of continued strength in the resources sector, there was a drop of five heavy commercial vehicles sold in WA over the same period, while light commercial vehicle sales were also largely steady, increasing by 4 on April's figures. (SOURCE/EXTRACT: *WA BUSINESS NEWS*, Daily Business Alert, 7.6.11)

Wages survey confirms CCI warnings

Western Australia's Chamber of Commerce and Industry has released a new survey that has confirmed its warnings that wages growth in the state is unsustainable and out of control. CCI chief executive James Pearson said in a statement today that the Chamber was becoming increasingly concerned with a continuing upward trend in above average pay increases in WA.

The latest Australian Institute of Management National Salary Survey found the average pay increase for large companies in WA over the past year was 4.7 per cent, compared to a national average of 4 per cent. "Some employers are being forced to offer a range of non-cash incentives to attract and retain staff in the face of stiff competition from the higher wage offerings," Mr Pearson said.

"CCI has previously warned this will not only add to the cost of doing business, but could discourage new firms from investing in the State." (SOURCE/EXTRACT: *WA BUSINESS NEWS*, Daily Business Alert, 8.6.11)

INTERNATIONAL BUSINESS COUNCIL ACTIVITIES/INFORMATION

To read more on the following recently added articles, go to <http://www.ibcwa.org.au/> <<http://www.ibcwa.org.au/>>

- Commonwealth Business Forum Perth 2011
- Flood Levy Now Law
- Australian Economy may have suffered worst contraction since 1991 after natural disasters
- Future Fund won't buy euro-zone rescue bonds, says Chairman David Murray
- The Eurozone's intolerable choices
- European economy - annual inflation - unemployment rate
- Carbon emissions highest ever levels, according to International Energy Agency
- Why gas is not the new energy saviour
- SBDC Event - Are you paying too much tax?
- CCI Corporate Business Luncheon: Is Hong Kong still the safest and best vantage point for business
- Amcham Seminar - SUSTAINING PERFORMANCE
- And more

For IBC activities/information go to the IBC web site at: <http://www.ibcwa.org.au/> <<http://www.ibcwa.org.au/>>, or contact them at:

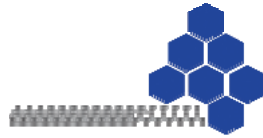
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