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NEXT MEETING: BOARD & CHRISTMAS MEETING

12.00noon, 30 NOVEMBER 2010

ROYAL PERTH YACHT CLUB, CAWLEY

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Stirling SBC-One Page Business Plan

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Overhaul 'fragile' tax system

OVERHAULING state taxes, replacing payroll taxes and extending land tax are among Treasury's priorities for streamlining the system. It believes the overhaul will boost the nation's flagging productivity.

Urging the Gillard government to embrace a bold agenda for tax reform based on the Henry review, Treasury has also called on the government to revamp welfare payments to remove disincentives for individuals, including single parents and those receiving the disability support pension, to return to work. And in its brief to the government, Treasury singled out self-managed super funds as the "tax minimisation vehicle of choice".

The brief, released yesterday under freedom of information laws, sets out Treasury's top five priorities for reforming the tax system. They include revamping taxes on savings and investment -- which are a "mess" -- and reducing complexity in the tax system, including by simplifying personal income tax.

The government has ruled out some of these reforms because they are too politically sensitive, including extending land tax to the family home, hitting benefits for single-income families and requiring parents to work when their youngest child turns four. But some contentious changes could be back on the table at a tax summit promised by the government to the regional independents before the middle of next year. (SOURCE/EXTRACT: *The Weekend Australian*, 25.9.10)

Don't rush broadband rollout

TREASURY has warned the National Broadband Network carries "significant" financial and competition risks. And it has urged the government to quickly respond to an implementation study into the \$43 billion network. Briefing papers prepared for the incoming government by Treasury warned that NBN Co was waiting for the

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government's response before it could finalise definitive agreements on the rollout.

The Red Book, which is handed to the incoming government, said: "The implementation of the NBN also carries significant risks including financial risks for the public balance sheet and risks around competition and efficiency in telecommunications and related markets. "The government's response to the NBN implementation study will set the parameters for the outcomes in these areas for decades to come . . . It therefore warrants very careful consideration."

Opposition communications spokesman Malcolm Turnbull leapt on the release of the Red Book. "This is a confession by the Treasury that underlines the importance of getting a proper cost-benefit analysis on the NBN," he said. Mr Turnbull said the government had originally claimed the project would be commercially viable and now was promising an "anaemic" return equal to the commonwealth bill rate. (SOURCE/EXTRACT: *The Weekend Australian*, 25.9.10)

Boom shuts WA steel out in the cold

LOCAL businesses say they are being shut out of the resurgent resources sector as lucrative contracts worth millions of dollars head overseas. A survey of Western Australia's steel fabricators has revealed an increasing anxiety that local businesses are being left behind as more price competitive foreign companies, particularly in Asia, win work that would have normally filled their now idle workshops.

Comments to the WA Australian Steel Institute (ASI) survey show local steel fabricators have had to dramatically change their strategy as their clients import products from overseas. ASI WA manager James England said two major steel fabricators in Perth's southern suburbs had seen their tender winning ratio plummet over the past three years.

One steel yard, which did not want to be named, was winning 40 per cent of work it was tendering for in 2007, but that had now halved in 2010. Another saw its ratio fall from 23.2 per cent in 2007 to just 8 per cent.

The growing trend of work heading overseas was thrust into the spotlight since the green light was given to the \$43 billion Gorgon gas project, off the north coast of WA, in 2009 [CHECK], which has fuelled calls for the Federal and State Governments to form a stricter local content policy as more multi billion dollar projects, like the recently approved \$1.6 billion Macedon project, come online. (SOURCE/EXTRACT: *The Sunday Times*, 26.9.10)

MRRT talks to begin in WA

The Federal Government's team tasked with smoothing the passage of its controversial mining tax will hit the road next month to meet industry players in Pert. The Policy Transition Group - co-chaired by Resources Minister Martin Ferguson and former BHP chairman Don Argus - held its first meeting in Canberra last week where it nussed out the scope of its work, planned operations and schedule of consultations.

Consultations on the Minerals Resource Rent Tax will start in Perth on October 7 and 8, and then move on to Brisbane, Adelaide, Sydney and Melbourne with further sessions to be held as required. "The consultations will focus on particular resources or sector to maximise the benefits of the engagement," Mr Ferguson said in a joint statement with Treasurer Wayne Swan. "A further round of targeted consultation activity will be conducted prior to providing a final report to government by the end of the year."

Other members of the group include former chief operating officer of Woodside Petroleum Keith Spence, former Rio Tinto group executive David Klinger and chair of Toro Energy Erica Smyth. They are joined by KPMG chairman Chris Jordan and executive director of the Department of Treasury's revenue group David Parker. (SOURCE/EXTRACT: *The West Australian*, 28.9.10)

WA businesses online but not tweeting

Western Australian businesses are the most likely in the country to have a website but many WA small businesses are choosing not to use social media, according to two new surveys. The latest MYOB Business Monitor found 40 per cent of WA businesses were likely to have a website, higher than the national average of 35 per cent. The survey found 25 per cent of Western Australian businesses are also likely to use their website for e-commerce.

But a separate poll by the Small Business Development Corporation found only a third of the state's small businesses are using social media. SBDC Acting Managing Director, Jacky Finlayson said the Ready Response social media poll found 65 per cent of small business operators did not use the medium to promote their business. (SOURCE/EXTRACT: *WA Business News*, *Daily Business Alert*, 28.9.10)

CCI calls for state tax reform

An unexpectedly large budget surplus announced this week by Premier Colin Barnett comes just days after the **state's peak business association highlighted tax and the public sector as areas in need of reform.** The government now has the opportunity to address these issues, with the 2009-10 Annual Report on State Finances showing a general government sector operating surplus of \$831 million.

The result was \$541 million higher than estimated in the May budget and \$780 million higher than the \$51 million estimate announced in December last year.

(SOURCE/EXTRACT: *WA Business News*, 30.9.10)

Small Business not deserving of Cabinet or even a call under Labor

The Gillard Labor Government failed to make the Minister for Small Business a Cabinet appointment and the junior minister has failed to contact key small business organisations since his appointment.

Nearly 3 weeks have passed since the appointment of the junior small business minister and Senator Sherry is yet to contact the Council of Small Business Organisation of Australia (COSBOA) or Independent Contractors Australia (ICA).

COSBOA is the peak body of many respected small business organisations and the Minister's past indifference to small business concerns is continuing despite his new role and responsibilities.

The Minister will not even talk to the ICA about the harm and hardship his Labor Government's tax agenda will inflict on legitimate independent contractors and self employed people. (See attachment: Small Business not deserving of Cabinet or even a call under Labor.pdf)



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