

The CoSBA Broadcast

Small Business News



Combined Small Business Alliance of WA Inc.

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Attachments:

- SCC_Breakfast.pdf
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New member for CoSBA Board

Stuart Redmond representing the Joondalup Business Association has been appointed to the CoSBA Board.

SMEs despair at the big economic picture

Poor consumer sentiment, steady interest rates and the high Australian dollar have all contributed to stagnating business growth and sapped the confidence of small and medium-sized enterprises (SME) in Western Australia, surveys have shown.

The latest quarterly Sensis Business Index found that a third of the 225 SMEs surveyed in WA said they were worried about their prospects for the next 12 months.

The report's author, Christena Singh, said small businesses were primarily concerned with how little consumers were spending. "Trading conditions have been weak for Western Australian small businesses during the quarter, with sales substantially down, profitability stagnant, but prices rising," Ms Singh said.

WA SMEs were expecting another weak quarter but sentiment remained slightly higher than the national average. The report showed that 16 per cent of WA small businesses were planning to close or sell their operations, which was almost the same as the national average of 17 per cent.

In a bid to grow their businesses, 41 per cent of WA SMEs were planning to introduce new products this financial year and 37 per cent were planning to increase their online presence.

Other findings of the report showed that profitability was stagnant and overall employment in WA businesses had contracted further. Bankwest's latest survey of 156 small businesses across WA reported similar findings. (SOURE/EXTRACT: *WA BUSINESS NEWS*, 8.9.11)

No confidence in Labor sees small business profitability at 18 year low

The latest *Sensis Business Index* has shown small businesses profitability fell during the quarter with further falls still expected in the next 12 months. This fall in profitability has been fuelled by a lack of confidence in the Gillard government.

At a time of sustained mismanagement by the Gillard Labor government, business confidence continues to erode with a fall from a net 28 per cent to 15 per cent. Perceptions about the state of the economy also deteriorated from a net -7 per cent to a net -35 per cent with only 13 per cent of respondents believing the economy is growing and 48 per cent believing the economy is slowing.

**NEXT MEETING: SPECIAL BOARD MEETING
NECA, Unit 18, 199 Balcatta Road, BALCATT
18 October 2011**

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. Phone: 9250 3549

Administration Secretary/Treasurer: Val South. Phone: 9306 0155

CoSBA website: www.cosba.com.au Email: ceo@cosba.com.au

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Support for Labor's policies has fallen by 7 percentage points to net -48 per cent with the Labor-Green carbon tax one of the key reasons once again identified for the collapse. These sobering statistics backs up the field evidence that small businesses are doing it tough and Julia Gillard must listen to the electorate and scrap the ill-conceived carbon tax. (See Attachment: No_confidence_in_Labor_sees_small_business_profitability.pdf)

Business confidence collapses in August

Business confidence has fallen sharply to levels last seen in 2009 as the economy was struggling to emerge from the global financial crisis, the National Australia Bank's monthly business survey has found. NAB said its business confidence index dropped 10 points to be minus eight in August. Trend confidence was now negative for the first time since mid-2009 and the turmoil of the GFC.

NAB said the softer outcome in the month was not unexpected, given that survey data was collected in the last week of August when global uncertainty was high, volatility in equity markets was particularly pronounced and debt contagion fears were heightened. The current business confidence level was well below the series average, NAB said. (SOURCE/EXTRACT: *WA BUSINESS NEWS*, Daily Business Alert, 13.9.11)

Retailing to go from bad to worse: Access

The immediate prospects for the retailing sector look set to go from "bad to worse" as a result of sharemarket volatility, an independent forecaster has warned. Deloitte Access Economics says in the 2010-11 financial year retailing posted its worst result in 20 years, suffering a major setback from last summer's natural disasters, and despite solid growth in incomes. "Retailers now face the prospect of going from bad to worse," Deloitte partner David Rumbens said in its latest quarterly Retail Forecasts report published today. (SOURCE/EXTRACT: *WA BUSINESS NEWS*, Daily Business Alert, 13.9.11)

Barnett: Gillard undermining our confidence

COLIN Barnett has blamed policy failures and instability in Canberra for the rapid decline in consumer confidence in his boom state of Western Australia and across the nation, while defending his three-year-old government against claims of arrogance.

The WA Premier also told *The Weekend Australian* he intended to remain as Liberal leader until at least 2016 before deciding whether to step down. Mr Barnett, an economist, said he despised the phrase "two-speed economy" because it was used to imply that the resources sector should be slowed to allow other industries to become stronger.

He was concerned at the rapid falls in consumer and business confidence that were damaging sectors, including retail, hospitality and tourism. A report this week by ANZ Bank and consultants Port Jackson Partners found that almost \$2 trillion should be invested in the economy for Australia to capitalise on the resources boom, with the benefits to flow to other sectors including services, education and tourism. The report also warned policy-makers against slowing the boom. (SOURCE/EXTRACT: *The Weekend Australian*, 10.9.11)

Develop before it's too late: Barnett

WA is in a race against time to build the ports and railways needed for an efficient mining industry before Africa floods the world with cheap minerals, Premier Colin Barnett has warned. On the third anniversary of his Government coming to power, the Premier identified cheap African resources as a key threat to WA's economy.

He believes the State has about 10 years to build the transport infrastructure to let WA-based companies export commodities efficiently before African nations flood world markets with iron ore and other resources. "Africa is rich in natural resources," Mr Barnett said. "Some of their iron ore deposits are richer than ours, but they are often inaccessible. If get to the coast you have to go through different countries and there's obviously all sorts of political instability. Africa is difficult but I would expect that in the next decade Africa will get a lot easier." (SOURCE/EXTRACT: *The Weekend West*, 10.9.11)

Decades of wealth from boom

Australia stands poised to capitalise on an economic transformation unparalleled in the nation's history, with a resources and commodities boom capable of generating \$480 billion of exports in the next 20 years and creating 750,000 jobs. *The Aus* (SOURCE: *WA BUSINESS NEWS*, Today's Business Headlines, 9.9.11)

Key MPs plan rival tax forum

The key independents who gave their support the Gillard minority government are threatening to hold an alternative tax forum to discuss "banned" reforms to the GST, mining tax and carbon tax. *The Fin* (SOURCE: *WA BUSINESS NEWS*, Today's Business Headlines, 9.9.11)

Construction and metalworker strikes ban gives peace to projects

CONSTRUCTION and metalworkers unions have agreed to a seven-year ban on illegal strikes at oil and gas giant Woodside's main West Australian projects, in return for a suspension of millions of dollars in fines against their members.

The agreement, between the unions and 13 construction contractors, still needs to be ratified by the Federal Court, but it is understood the Australian Building and Construction Commission will ask the court to impose fines on the workers regardless of the deal. The Construction Forestry Mining and Energy Union's WA secretary, Kevin Reynolds, yesterday labelled the construction watchdog "bloody-minded".

The workers faced individual daily penalties of \$300 for each of two alleged breaches of the Fair Work Act and \$1000 for allegedly breaching the Building and Construction Industry Improvement Act over a period of up to six days. They could each be liable for up to \$9600 in fines or a total of just less than \$13 million for the 1300 workers.

Mr Reynolds said the compromise had been struck primarily to avoid workers paying the fines. "What it means is we've got to work within the act," he said. "We'll just have to make sure if we are taking industrial action it is within the act and it's protected. "Of course we're not f . . king happy with it, but that's the laws we live under in this country at the moment. Workers have got no right to strike here. Labor or Liberal, makes no difference." (SOURCE/EXTRACT: *The Australian*, 9.9.11)

Business warns IR reform crucial

Business groups have challenged the federal government to put industrial relations reform on the agenda at a looming jobs forum to address the pressure on manufacturing, as new figures highlight the nation's lacklustre productivity growth. *The Fin* (SOURCE: *WA BUSINESS NEWS*, Today's Business Headlines, 12.9.11)

Labor's Future Fund withdrawal

Labor is planning to withdraw hundreds of millions of dollars from the Future Fund in an unprecedented move that will help the government meet its promise of returning the budget to surplus in 2012-13. *The Aus* (SOURCE: *WA BUSINESS NEWS*, Today's Business Headlines, 12.9.11)

More bill pain with petrol price rises

Household budgets are set to be squeezed further as fuel prices continue to rise in the near term, an economist says. The average Australian price of unleaded petrol rose three cents a litre to 142.8 cents a litre in the week to September 11, data from the Australian Institute of Petrol released today shows.

Prices in metropolitan areas rose on average by 3.8 cents a litre to 142.5 cents a litre, while the regional average price rose by 1.7 cents a litre to 143.5 cents a litre. Commsec chief economist Craig James said petrol prices are likely to continue to rise. "The national average wholesale (terminal gate) price today stands at a four-month high of 136.5 cents a litre, up around one cent a litre over the past week," Mr James said in a statement today. "Commsec expects the pump price of petrol to continue to drift higher." (SOURCE/EXTRACT: *The West Australian*, 13.9.11)

OECD warns of global downturn

New data overnight from the Organisation for Economic Cooperation and Development has indicated that a sharp downturn in the global economy is under way, a fear that is already roiling global stockmarkets. *The Aus* (SOURCE: *WA BUSINESS NEWS*, Today's Business Headlines, 13.9.11)

Reform GST distribution to WA: Crook

Western Australia receives far less of the national GST take than it would if the funds were distributed according to population, Nationals MP Tony Crook says. Mr Crook said the current system of GST distribution resulted in fundamental inequalities, most notably for WA, and that was widely acknowledged.

He called for a reform to GST distribution arrangements to give WA a better deal. "Even our prime minister and leader of the opposition have conceded that the current GST share arrangements are unfair for WA," Mr Crook said. "In the current financial year, WA receives 72 per cent of what it would receive if GST was distributed on an equal per capita basis." Mr Crook said no other state would receive less than 91 per cent. (SOURCE/EXTRACT: *WA BUSINESS NEWS*, Daily Business Alert, 13.9.11)

Treasury slams inefficient GST

Treasury has warned the Gillard government that the GST has become less robust and increasingly inefficient as it leaks \$15 billion a year due to tax breaks on items such as health, education and housing. *The Fin Aus* (SOURCE: *WA BUSINESS NEWS*, Today's Business Headlines, 14.9.11)

Rain to deliver fourth biggest winter crop

Consistent rain, especially in arid Western Australia, has buoyed hopes of a bumper winter crop for 2011/12, the federal government's commodity forecaster says. At an estimated 41 million tonnes, the predicted winter crop will be down slightly on last season, but nonetheless still Australia's fourth-largest winter crop on record.

Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) released its latest forecast, announcing that most cropping regions in Australia had enjoyed good rainfall in August and early September. Even Western Australia received between 25 and 100 millimetres - a "stark turnaround from last season's dry conditions," ABARES acting deputy executive director Terry Sheales said in a statement.

WA, along with South Australia, Victoria and southern NSW are expected to lead the charge, with northwest NSW and southwest Queensland still needing rain if they're to achieve average yields. (SOURCE/EXTRACT: *WA BUSINESS NEWS*, Daily Business Alert, 13.9.11)

Retailers win fight over after-school shifts

The Australian Retailers Association has applauded a Fair Work Australia decision that will allow businesses to employ school students on shifts as short as 1.5 hours. Fair Work Australia dismissed an appeal by unions, which had wanted the minimum to be three hours. An earlier ruling that lifted the minimum had become contentious because it forced some businesses to lay off part-time workers.

ARA executive director Russell Zimmerman said the decision was the first step to introducing flexibility into working arrangements and improving productivity. "ARA now believes it is incumbent on Fair Work Australia and the federal government to look at other issues in the retail award including archaic weekend penalty rate structures.

Mr Zimmerman also said the decision was a win-win for both students and retailers. "Fair Work Australia has today made a logical decision that means shifts between the end of school and close of business are safe and available for students who want to get their first experience in the workforce." (SOURC: WA BUSINESS NEWS, Daily Business Alert, 14.9.11)

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- GDP jumps ahead of market forecasts as consumer spending rises
- FDI Strategic Weekly Analysis - 07 September 2011
- FDI Strategic Analysis Paper - Madagascar's Food and Water Security
- Current account deficit narrows in market surprise
- China's economic turning point
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Fax: 9356 9437 Tel: 9451 9449 Mob: 0413 437 708 PO Box 691, BENTLEY WA 6982

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