



The CoSBA Broadcast

Small Business News



Combined Small Business Alliance of WA Inc.

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In this issue:

- CoSBA Small Business Policy Position Launch
- Business in new push for longer shop hours
- Sunday shopping pledge sparks pay rates dispute
- Shops divided on Sunday trading pledge
- Franchising reforms proceed to next stage
- Barnett won't scrap weekend penalty pay
- MPs must stop standing in way of retail reform
- Carbon tax to cause retail rent hike
- WA unemployment continues fall
- Labor shies from IR change
- Gillard knifes Hawke's red tape reform to shield IR law from scrutiny
- Mining boom brings WA to the top of the earnings table
- Watchdog warns about full cost of green power.
- PM still wants the carbon tax
- Powerful shoppies union silent on carbon tax impact on retail
- Barnett gets lashing over work reform
- Small business scams alert
- A serious belt-tightening due
- Thousands of workers face axe

Attachments:

- Carbon_tax_to_cause_retail_rent_hike.pdf
- Powerful_shoppies_union_silent_on_carbon_tax.pdf
- Directories_and_advertising_(false_billing).pdf
- Business_Theft_Prevention.pdf
- Powerful_shoppies_union_silent_on_carbon_tax.pdf

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CoSBA Small Business Policy Position Launch

Special guest, Parliamentary Secretary to the Minister for Small Business, Liza Harvey MLA, will launch and be presented with CoSBA's Small Business Policy Position Statement on 23 August 2001. Following CoSBA discussions with Premier Colin Barnett, Hon Simon O'Brien has been appointed Small Business Minister. Parliamentary Secretary Liza Harvey, assisting the Minister has a specific responsibility for Small Business.

You are Invited to a cocktail party for the launch of CoSBA's Small Business Policy Position Statement. RSVP essential. See attachment: CoSBA_PolicyLaunchFlyerAug2011.pdf

Business in new push for longer shop hours

WA's peak business body has launched a renewed campaign for retail trading hours to be deregulated in WA, backing last week's Productivity Commission recommendation to ditch all shopping hour restrictions. The Chamber of Commerce and Industry declared "enough is enough" in a full-page advert in *The West Australian* yesterday, saying the State Government must support choice, competition and convenience.

The CCI's stance puts it at odds with the WA Retailers' Association, which argued the State's restricted shopping hours protected small retailers and fended off the bigger sales declines seen in other parts of the country. "Even the Productivity Commission, an independent and highly respected research body, has come to the same conclusion that State trading hours are unfair, unjust and unreasonable," the CCI's David Harrison said yesterday.

Martin Dempsey, chief executive of the WA Retailers' Association, said small retailers already faced unfair competition, particularly in the form of inequitable leasing costs, and unrestricted trading hours would make matters worse. (SOURCE: *The West Australian*, 12.8.11)

Sunday shopping pledge sparks pay rates dispute

Premier Colin Barnett's pledge to deregulate Sunday trading laws after the next State election has triggered calls for changes to penalty wage rates so shopkeepers can afford to stay open longer. Yesterday's announcement by Mr Barnett also puts pressure on Opposition Leader Eric Ripper, who wants to free up shopping hours despite resistance from his union backers, to come up with an alternative policy.

Mr Barnett said every store in the metropolitan area would be able to open between 11am and 5pm on Sundays. "This will be a significant election issue and I think people will vote, in a sense, with their feet and they will strongly endorse it," he said.

Mr Ripper is framing a policy to allow furniture and white goods retailers to open on Sundays.

NEXT MEETING: BOARD MEETING
NECA, Unit 18, 199 Balcatta Road, BALCATT
13 September 2011

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With Nationals leader Brendon Grylls reaffirming his party's opposition to deregulated trading hours, in line with the outcome of the 2005 referendum, Mr Barnett will need to win an outright majority in 2013 or negotiate with the ALP to make good on his pledge.

Retail Traders Association executive director Wayne Spencer welcomed the pledge but said with almost two years to go until the next State poll, it was too long to wait. "There's a large slice of the retail industry that's missing out because legislation prohibits them from trading," he said.

"People want the convenience of being able to shop and, with retailers not being able to open, it's just pushing them online and pushing them overseas (because) they've got nowhere else to go." Mr Spencer said the introduction of Sunday trading should come with changes to awards and penalty rates on Sundays. (SOURCE/EXTRACT: *The West Australian*, 15.8.11)

Shops divided on Sunday trading pledge

Ariana Mason does not get much of a weekend these days. The 20-year-old university student sacrifices her studies to help out at her mother's Japanese-themed clothing and accessories shop, Tokyo Underground, on Sundays. As Colin Barnett pledged yesterday to go to the 2013 election with a promise of deregulating Sunday trading, Ariana's mother Bronwyn called on the Premier to go a step further and abolish penalty rates paid to employees on Sundays.

Mrs Mason said the removal of penalty rates would enable her to employ another staff member rather than rely on her daughter, who would in turn be able to devote more time to her Japanese language degree. "It's difficult for small businesses in the current economic climate," Mrs Mason said. "It's hard to keep our costs down but if there were no penalty rates, I'd definitely have another person in the store."

Other Perth store owners said the scrapping of penalty rates would make little difference because they kept a small staff of family members. Traders were mixed in their reaction to Mr Barnett's promise to bring Sunday shopping to the suburbs. Forrest Chase News co-owner Peter Tan said Perth did not have a big enough population to sustain Sunday shopping in both the city and the suburbs.

"It's just not feasible for small businesses," Mr Tan said. "Maybe if we had nine million people in Perth, but not at the moment." Nello Martino, of Industria Clothing on Barrack Street, said high rents and a lack of parking meant it was already difficult to run his store. "It will help the metro area but not us," he said. "I won't vote for it." (SOURCE: *The West Australian*, 15.8.11)

Barnett won't scrap weekend penalty pay

Colin Barnett has ruled out scrapping penalty wage rates on weekends despite concerns that smaller shops will be unable to afford to open on Sundays under his push to deregulate trading hours in Perth. (SOURCE/EXTRACT: *The West Australian*, 16.8.11)

MPs must stop standing in way of retail reform

Colin Barnett's pledge to deregulate Sunday trading laws if he wins the next State election is a welcome AV development in the long-running saga of Perth's restrictive shopping hours. Mr Barnett will need to win a majority in his own right for this to happen. Otherwise, he will be forced back to dealing with the political whims of the other parties to get the reform through.

The pity is that it looks as though the Labor and Nationals politicians will continue to oppose taking the shackles off consumers and retailers. Opposition Leader Eric Ripper, locked into an unsustainable policy position by his union backers, is now under new pressure. He needs to come up with something better than the token attempt to allow furniture and white goods retailers to open on Sundays. Such a policy is irrational and probably unworkable.

The Nationals are sticking to their position of opposing deregulation in the metropolitan area while people in their country electorates have considerably more freedom as to when and where they shop. The Premier has said that country people are embarrassed by the stance - and the Nationals should be as well. (SOURCE/EXTRACT: *The West Australian*, 16.8.11)

Carbon tax to cause retail rent hike

Retailers and small businesses already struggling with a challenging trading environment face more Gillard government-inspired difficulties with the Labor-Greens carbon tax likely to push up rents. Many retailers have leases where rents step up even more with 'CPI plus' or 'turnover linked' increases. Government-inspired rent increases caused by the cost of living impact of the carbon tax will be another blow for the struggling retail sector.

The government has conceded that its carbon tax will be inflationary, even if its modelling understates the impact when compared to sector-specific estimates industry has undertaken. The carbon tax will not only result in increased energy, utilities and input costs for retailers and small businesses for which there is no compensation, the inflationary impact of the carbon tax will add upward pressure to CPI-linked rent costs.

Heavy discounting to secure higher volume sales on tighter margins risks also triggering inspired rent increases quite at odds with the profitability of the retailer or small business tenant. While heavy and sustained discounting by retailers and small businesses may result in movement of stock and wins for consumers, this comes at the expense of profitability with retailers still struggling to break even.

Retailers and small businesses are doing it tough and the Gillard government's ill-conceived carbon tax will mean already slim margins will become more anaemic as the carbon tax cascades through supply chains and compounds at each stage. See attachment: [Carbon_tax_to_cause_retail_rent_hike.pdf](#)

Franchising reforms proceed to next stage

Contentious reforms to Western Australia's franchising laws, aimed at creating a level playing field between franchisees and franchisors, have progressed to a second stage of parliamentary review, despite strong opposition from commerce minister Troy Buswell.

The Franchising Bill 2010 was debated in the Legislative Assembly yesterday afternoon and was subsequently passed on voices. Mr Buswell and senior Liberal MP Mike Nahan spoke out against the Bill, while Liberal MP Graham Jacobs voiced his support.

Earlier this year, the Economics and Industry Standing Committee chaired by Mr Nahan tabled a report opposing the Bill. Recent amendments to federal franchising legislation and the cost of enforcing the bill at around \$1 million a year for the next four years were cited as some of the main reasons the committee opposed the Bill. Despite this, some Liberal and National MPs sided last night with Labor and independents MPs to support the bill. (SOURCE/EXTRACT: *WA BUSINESS NEWS*, Daily Business Alert, 12.8.11)

WA unemployment continues fall

Western Australia continues to buck the national trend of rising unemployment, with the number of jobless in the state falling to 4 per cent in July, while the number of people looking for work across Australia grew to 5.1 per cent.

Nationally, the June figure was an unrevised 4.9 per cent, while WA unemployment was at 4.2 per cent, the Australian Bureau of Statistics reported today. (SOURCE/EXTRACT: *WA BUSINESS NEWS*, Daily Business Alert, 11.8.11)

Labor shies from IR change

THE Gillard government has indicated that an imminent review of the federal workplace laws will not result in any significant changes to the contentious legislation. Despite calls by employers and unions for changes to the Fair Work Act, Workplace Relations Minister Chris Evans insisted yesterday the legislation was "delivering positive results".

The government reiterated yesterday that a review of the legislation would start by January. However, the government has refused to confirm the expectation the review would be conducted confidentially at a departmental level. A spokesman for Senator Evans said yesterday that when the details of the review were finalised the government "will inform and consult stakeholders".

Despite the criticism of the legislation from unions and employers, Canberra expressed satisfaction at how the laws were working. "The government continues to welcome a mature debate about our national industrial relations system and appreciates evidence-based contributions from all parties," the spokesman said.

"The published evidence continues to demonstrate that under the new system the number of days lost due to industrial disputes is down, the number of agreements being made is at record highs with contained wages growth. The Fair Work Act is delivering positive results."

Business and the Coalition have called for the review of the legislation to be brought forward in light of the Productivity Commission last week highlighting employer concerns the workplace system was constraining flexibility and increasing costs in the struggling retail sector. (SOURCE/EXTRACT: *The Australian*, 12.8.11)

Gillard knifes Hawke's red tape reform to shield IR law from scrutiny

IF productivity really is "at the heart of everything this government does", as Julia Gillard claimed the other day, the Prime Minister has some tough questions to answer. Two in particular.

First, why has her government, with little publicity and even less consultation, gutted the regulation review process first introduced by the Hawke government in 1985? And second, is it true that Gillard intends to use the new, emasculated, requirements to downgrade the review of the 2009 Fair Work Act into a mere in-house assessment of its implementation, conducted by the Department of Education, Employment and Workplace Relations itself and excluding any consideration of serious moves to greater labour market flexibility?

Until now, that is. For this government has neutered the RIS requirements through changes that run directly contrary to the policy direction pursued from Hawke to Howard. Five of those changes are especially important.

Second, even for full RISs, where different options for achieving the policy goal must be compared, the government can now dictate the alternatives to be considered, as "agencies may be given directions regarding which options to analyse in a RIS for the cabinet or a committee of the cabinet".

Third, when options are compared, there is no longer any requirement to recommend the option that yields the greatest net benefit to the community.

Fourth, an RIS can now be modified "after the decision-maker's consideration but prior to publication, to include the option adopted (even) where that option was not considered in the original RIS". In other words, RISs can be retrofitted to suit cabinet's decision. And there is no requirement whatsoever to disclose the fact retrofitting has occurred.

Last but not least, responsibility for monitoring RISs has been transferred from the Productivity Commission to the Department of Finance, removing the safeguards independent assessment previously provided. These changes contradict Labor's repeated promises to bolster the regulation review process.

If it genuinely wants to lift Australia's productivity, the government ought to do three things. First, suspend the changes to the RIS guidelines until they have undergone a comprehensive, public assessment. Second, commit to conducting the review of the Fair Work Act at arm's length from government itself, and without constraints on the options it can consider.

And third, put the Productivity Commission back in charge of the RIS process, giving it the powers Labor had promised to prevent policies from being endorsed without rigorous assessment. The government should, in other words, reverse

course. For up to now, all it has done is to make the RIS process truly risible, while exposing its vaunted commitment to productivity to derision. (SOURCE/EXTRACT: *The Australian*, 12.8.11)

Mining boom brings WA to the top of the earnings table

WA workers enjoyed nation-high wages growth on the back of the last mining boom, while the North-West and Perth's western suburbs recorded the biggest salaries. Australian Bureau of Statistics data released yesterday showed annual average wage growth at 6.9 per cent in WA between 2003-04 and 2008-09, outstripping the national average of 4.8 per cent and growth rates of 5.6 per cent in Queensland, 4.5 per cent in South Australia and 4.2 per cent in Victoria and NSW.

The massive wages growth rate meant average WA earnings were the second-highest in Australia, after the ACT, in 2008-09 at \$50,438 a year, increasing to \$51,125 in the Perth metropolitan area, where average wages increased 7 per cent. The data showed WA's highest average annual salaries were recorded in the mining regions of Roebourne (\$77,692), followed by Ashburton (\$76,172). Perth's western suburbs had the metropolitan area's top salaries, led by Peppermint Grove (\$75,772) and Cottesloe (\$75,347). (SOURCE/EXTRACT: *The West Australian*, 12.8.11)

Watchdog warns about full cost of green power

The state's economic watchdog has warned that policies to encourage green power such as wind farms are badly flawed and may drive up household electricity bills without good reason. *The West* (SOURCE: *WA BUSINESS NEWS*, Today's Business Headlines, 12.8.11)

PM still wants the carbon tax

Prime Minister Julia Gillard is committed to introducing the carbon tax despite global economic turmoil and calls from the opposition for the controversial policy to be dropped. Ms Gillard told a community forum in Perth last night that the Australian economy is expected to grow despite global economic turmoil and there is no better time to introduce a carbon tax.

She said she understood that many people would be disturbed to see the dramatic movements on global stockmarkets, the frantic political negotiations over debt in the US and the "widespread mayhem" on the streets of London. But Australia was a different story with the country located with Asia where their economies were still growing and unemployment was low, she said.

"What the Treasury is telling us is, we can put a price on carbon and the economy will continue to grow," she told the Perth audience. "If we can cut carbon pollution by 160 million tonnes and still have more jobs, still have economic growth ... why wouldn't you do it?"

Opposition Leader Tony Abbott on Friday reiterated his call for the carbon and mining taxes to be axed. "I think the responsible thing to do is to stop hitting the economy with new taxes," Mr Abbott told the Nine Network. "It is a very fragile international economic situation and sure, our economy is stronger than most. "(But) now is the worst possible time to hit the economy with a mining tax and a carbon tax." (SOURCE/EXTRACT: *WA BUSINESS NEWS*, Today's Business Headlines, 12.8.11)

Powerful shoppers union silent on carbon tax impact on retail

Australia's largest union that roars when Labor leaders are being chosen has not uttered a peep about the damaging impact of the Gillard Government's carbon tax on its vulnerable members. With consumer and business confidence at rock bottom and evidence mounting that the further economic shock of the carbon tax will cost retail jobs and damage business viability, 'axe the carbon tax' should be the policy of the Shop, Distributive and Allied Employees Union (SDA).

The 'Shoppies' and their national secretary Joe de Bruyn, exercise considerable influence within Labor but simply stand back and watch the damage being inflicted on those they are supposed to represent by the Prime Minister and Gillard Government they installed. Instead of speaking about the damaging impact of the carbon tax on their members, the SDA has no published position on the carbon tax.

See attachment: [Powerful_shoppies_union_silent_on_carbon_tax.pdf](#)

Barnett gets lashing over work reform

Peter Reith has savaged Colin Barnett's refusal to reform the State's workplace relations system. He said it would be on the Premier's head if WA's "open-door policy for unions" led to more industrial militancy on mine and building sites. The former Howard government industrial relations minister said it was hypocritical of the State Government to support resource sector demands for reforms to the Federal Fair Work Act if it made no effort to change its own system.

Last month, Mr Barnett junked a report into WA's industrial relations system, which made 193 recommendations that would have affected 30 per cent of the State's workforce. The \$850,000 report, commissioned in 2009 by then treasurer Troy Buswell, called for an overhaul of the WA Industrial Relations Commission and for more small businesses to be exempt from unfair dismissal laws. Unions immediately condemned the report as an attempt to reintroduce WorkChoices by stealth.

Mr Reith said WA's IR system was so over-regulated it was more restrictive than the Fair Work Act. It recognised only union collective agreements and did not give employees a mandated vote. He said the 66 pages of "ridiculous" oversight of individual agreements effectively ensured they would not be used in WA.

In the past, WA Liberals led the way on individual agreements and gave great support for them in the mining industry, but they were now in the "too hard basket", Mr Reith wrote on the ABC website Drum. "The laws are as good as an open-door policy for unions," he wrote. "Why is it fair that a union boss can walk into a small business that has no union members and where unions are not wanted?" (SOURCE/EXTRACT: *The West Australian*, 16.8.11)

Small business scams alert

THE Australian Competition and Consumer Commission (ACCC) has issued a warning on scams that target unsuspecting small businesses. Scams can come in a number of forms including bills for advertising or directory listings that were never ordered, internet scams about your web- site address or domain name, tax-free opportunities and investment scheme scams, and false claims of government requirements needing you to send money.

For advice on steps to protect a business, visit ACCCs small business scams fact sheet at www.accc.gov.au. [See attachment: Directories_and_advertising_(false_billing).pdf] (SOURCE: Community Newspapers, *The Reporter*, 16.8.11)

A serious belt-tightening due

THERE'S no such thing as a free lunch, but Australia has been carrying on as if we could keep stuffing ourselves on our China luck without ever having to pay. Now our free lunch is coming to an end. After throwing money at crazy stimulus schemes when the global financial crisis hit, Canberra has to seriously tighten its belt to get back in the black.

And after hoarding workers during the GFC, Australian business outside the mining boom now has to focus on getting more productive as it battles the cautious consumer and increased competition from the high dollar. Unemployment is edging up as business goes on a diet. Qantas says its cost base is 20 per cent higher than its key competitors. OneSteel is being squeezed by the dollar. And Westpac finds that Australians aren't borrowing like they used to.

The task is difficult, first because the world economy is softening after the latest financial turmoil. That makes our prosperity even more dependent on our China luck. We should have saved more of our lunch for later. (SOURCE/EXTRACT: *The Australian*, 17.8.11)

Thousands of workers face axe

Thousands of workers will be sacked after some of the nation's biggest companies revealed major job cuts yesterday. As Treasurer Wayne Swan admitted some parts of the economy continued to struggle, Westpac, Qantas and OneSteel outlined how they would cut their local workforces.

The biggest cut will come from the Flying Kangaroo, which struggles on some of its long haul routes in the face of low-cost competition from overseas airlines. The cuts follow figures last week showing the national jobless rate lifting to 5.1 per cent and indicators that the jobs market is slowing. Qantas was not the only company hacking into its staff numbers.

OneSteel, which reported a sharp lift in its profit from its iron ore operations, has found the high Australian dollar hurting its steel manufacturing business. Chief executive Geoff Plummer, confirming his company would ditch 400 workers, said he was looking at more ways to control costs. The finance sector has been one of the strongest over the past year but even it is not immune to the changing Australian economy. (SOURCE/EXTRACT: *The West Australian*,

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