



The CoSBA Broadcast

Small Business News



Combined Small Business Alliance of WA Inc.

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Workers want our help to deal: Liberals

THE Coalition wants to improve the ability of workers to trade away penalty rates to help them secure shifts that suit their individual circumstances. Opposition workplace relations spokesman Eric Abetz said the Coalition was concerned that flexibility arrangements in the Fair Work Act were not working adequately, preventing employers and employees from striking mutually beneficial deals.

He said he did not support the restaurant industry in its push for an exemption from the "better off overall" test, meant to ensure workers were not financially disadvantaged when bargaining.

In a sign of the Coalition's thinking on its yet-to-be-released workplace policy, he said many employees wanted to work non-standard hours and were prepared to forgo award-enforced penalty rates if they could secure nominated shifts.

"You will have people, especially students, who cannot work Monday to Friday and their only opportunity to work is on a weekend or evening, and if they are starting to get priced out of the market, then they are in fact being denied jobs," Senator Abetz said. "And then the question is: are they better off overall when they have no opportunity to work?" (SOURCE/EXTRACT: *The Australian*, 13.1.12)

NBN sell nets 4000 customers

THE billions of dollars being borrowed in the name of taxpayers to fund the National Broadband Network are an off-budget item, so the Gillard government is funding Australia's largest public infrastructure project without adding to the deficit.

The reasoning, or the accounting, behind this is that the \$36 billion to be spent is actually an investment that will provide a dividend to taxpayers when the NBN company eventually is privatised. We shall see.

Until those private investors take the network off our hands, however, the money expended on the project is very much a matter of public and taxpayer interest. So the revelations yesterday about the extraordinary public relations and communications expenses of the NBN deserve further scrutiny.

That the chief communications officer for the project has 27 staff reporting to him is quite remarkable, given that the network has only just announced the connection of its 4000th customer. That is more than one person in the communications area for every 150 customers. *The Australian* has expressed serious criticisms of the broadband initiative on a number of grounds.

It is a massive intrusion by government into communications infrastructure that the private sector should be encouraged to provide, it is anti-competitive because it will provide an effective broadband monopoly and it places too much emphasis on one technology (optical fibre to the home) when the field is evolving continuously and a range of technologies are preferred in a variety of circumstances.

Yet the government continues to spruik the NBN as one of its signature achievements,

A HAPPY NEW YEAR

NEXT MEETING: BOARD MEETING

2012 - TO BE ADVISED

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banking on the undeniable proposition that consumers appreciate broadband services. (SOURCE/EXTRACT: *The Australian*, 13.1.12)

WA's excessive stamp duty hurting cars

Western Australia ran a close second to Tasmania in recording the biggest drop in new car sales in 2011, with local sales falling by 7,961. The Motor Trade Association of WA's CEO Stephen Moir said despite WA having the strongest economy in the country, something is fundamentally going wrong here. "WA's new car sales figures for December 2011 were 3.9% down on the same month last year and overall were 6.8% lower than the previous year," said Mr Moir.

Mr Moir also added the fact that Western Australians are charged the highest rate of vehicle stamp duty in Australia is a major deterrent to car sales in WA. "Our stamp duty system in WA is just extraordinary compared to other states. Queensland has a flat rate of 2%, Victoria has a rate of 2.5% for cars under \$57,009. In WA we've got a sliding scale which means that when you buy a car over \$45,001 you'll be paying 6.5% or almost \$3,000.

"The MTA has been actively lobbying the state government to reduce the high level of stamp duty on motor vehicles because it would immediately provide greater stimulus to not just the motor trade industry but the retail sector in general. (SOURCE/EXTRACT: *WA BUSINESS NEWS*, Daily Business Alert, 13.1.12)

Riggers fined \$32,500 over lack of safety

The owners of a rigging and construction business have been fined a total of \$32,500 for failing to provide workers with a fall injury prevention system on a construction site. (SOURCE/EXTRACT: *WA BUSINESS NEWS*, Daily Business Alert, 13.1.12)

No cash for OH&S rejectors: Shorten

Assistant Treasurer Bill Shorten says states should not expect payments from the Commonwealth if they walk away from deals on national reforms. Prime Minister Julia Gillard has threatened to hold out on \$450 million of reward payments for some states and territories that are stalling on reforms such as uniform occupational health and safety (OH&S) laws.

Mr Shorten said on Friday Victoria and Western Australia "disturbingly" had indicated they wanted no part in the national OH&S model. "We call on the Victorian and Western Australian state governments, in particular, to join the national economy," he told reporters in Melbourne.

"You can't want to be a part of the nation of Australia for some things but opt out other times for petty political reasons." He said some of the bigger states were receiving payments of more than \$100 million each while not honouring their deal with the Commonwealth. "There are reward payments which are due to states if they keep their national partnership agreements," he added. (SOURCE/EXTRACT: *WA BUSINESS NEWS*, Daily Business Alert, 13.1.12)

How to Crawl Out of A Recession

Just yesterday [13 January 2012], France, Spain, Austria and Italy had their credit ratings downgraded. Greece's debt talks are close to collapse. Europe is falling headlong into a recession. Our favourite demographic economist, Harry Dent, says that the USA is in a false recovery that will end in the coming months. Sell out of stocks now, he says. His Youtube prediction is [here](#).

Let's talk about how to beat recessions. On this, the issue of self-employment has moved to the forefront of a big clash of ideas. The Adam Smith Institute say that small business in the UK should be allowed to engage workers as independent contractors, moving tax payment responsibility to individuals. This would boost jobs growth they say.

The US is pulling in opposing directions.

- The *Huffington Post* says self-employed baby-boomers are the new job starters.
- However, some claim that the US loses billions in payroll tax because of independent contractors.
- And California has just introduced 780 new business regulation laws, including a big clampdown on 'misclassification' of independent contractors.
- But New Hampshire has introduced independent contractor declarations which enable clarity to be achieved.

I favour the Adam Smith/New Hampshire approach. This is how to enable entrepreneurship. California will kill it—not what's needed in these times.

In Australia, self-employed people are receiving unprecedented attention.

- *The Age* journalist Michael Pascoe says pity the self-employed—but he wouldn't work any other way.
- Government Minister Bill Shorten says the Government loves independent contractors but its actions reflect aggression rather than 'love'. (Independent Contractors Australia Bulletin, 14.1.12)

Scouts and Other Volunteers Hit by OHS Laws

In a dramatic demonstration of the bad design of the new national OHS laws, the NSW Scout Association has issued a memo to all its volunteer leaders and committee members. In part, it says:

- *Section Leaders are required to perform the following duties*
- *Promptly rectify or notify safety issues around the Scout Hall*
- *Conduct risk assessments on proposed games and activities and ensure that they can be done with a reasonable expectation of safe participation.*
- *Provide clear and concise instructions to Youth Members on safety issues.*
- *Enforce safety requirements and the use of personal protection equipment where required.*
- *Follow the policies and procedures of the Association*
- *If you do not follow directives, policies and procedures, you may be fined.*

In effect, volunteers are now expected to have the same OHS expertise and resources as a senior manager in BHP. This has never been required before. Volunteers now face huge risks. What the Scout memo doesn't say is that prosecutions are conducted under criminal law, that volunteers would be denied the right to silence and could be held responsible even if they didn't have control of the situation. The Gillard government is insisting that these laws go fully national. (Independent Contractors Australia Bulletin, 15.1.12)

Tax office can now recover offshore debt

THE Australian Taxation Office has joined a group of powerful nations to combat tax fraud and help recover a growing level of offshore tax debt owed to local authorities. The tax office has faced major problems in the past in pursuing residents of other countries who owe money in Australia. But it has now joined forces with Belgium, France, Ireland, the Netherlands, Britain and the US.

By signing the Organisation for Economic Co-operation and Development multilateral convention the ATO can ask other countries to chase down debts and return the money to Australia's coffers. Australian authorities will have the same power to help other member nations. "We wouldn't do that for small debts; we wouldn't impose an unfair burden on them," commissioner Michael D'Ascenzo said. "But here is another vehicle where we can follow up if the person has got the debts and got the assets offshore." (SOURCE/EXTRACT: *The Australian*, 16.1.12)

Building union penalties 40pc of fees: MBA

The total cost of penalties and legal costs incurred by the construction union is equivalent to 40c for every dollar paid by members in fees, according to the Master Builders Association. The MBA said the union's financial records showed it was forced to pay \$7.7 million in 2009, 2010 and last year as punishment for unlawful industrial action it had been involved in at projects around the State. In the same period, the union got about \$18 million in membership fees from its 10,000 members.

MBA's industrial relations spokesman Kim Richardson said the union was paying the price for thumbing its nose at industrial law. "Arguably, the loss of \$7.7 million of union membership funds over three years in legal costs, most of which has been paid out as penalties for unlawful conduct, is significant in anyone's language," he said.

"The union has attempted to portray the hefty penalties imposed against it as an attempt by the Australian Building and Construction Commission to send the union broke. "But this ignores the unions actions in deliberately and knowingly breaking the law and then cries foul when it is held accountable for its unlawful conduct."

The construction division of the Construction, Forestry, Mining and Energy Union would not comment on the figures, but secretary Mick Buchan was unrepentant. Mr Buchan said all of the union's legal battles were aimed at protecting workers' rights and conditions, claiming increasing membership was testimony to its popularity with workers. "This union will spend whatever it takes to defend the rights of our members." He said. (SOURCE/EXTRACT: *The West Australian*, 18.1.12)

New President for SBA

The Stirling Business Association has elected a new President. He is Rob Bluntish of All Points Communications, rob@apcoms.com.au, Mobile 0408 998 627

WA turns up the heat over work safety

The West Australian government has stepped up its battle with Canberra over workplace safety laws, releasing a letter it says proves the federal government did not provide sufficient information to allow the laws' planned January 1 implementation. *The Fin* (SOURCE: *WA BUSINESS NEWS*, Today's Business Headlines 18.1.12)

Warning of crisis 'worse than GFC', says World Bank

THE World Bank has warned that the globe risks a deeper recession than the 2008-09 crisis, with any recovery likely to be longer as Europe's debt problems and slowdowns in key countries such as India threaten growth. As the Gillard government last night warned that Australia would be "hit by the huge challenges in the global economy" while expressing confidence that the nation would weather the storm, economists predicted further interest rate cuts as the Reserve Bank sought to insulate the local economy.

The World Bank warned that the crisis in Europe could trigger a credit freeze that threatened to be worse than the 2008 crash that sent Wall Street investment bank Lehman Brothers bankrupt and ushered in the worst economic shock since the Great Depression. It predicted a slump in commodities prices – key drivers of Australian exports – and forecast global growth of only 2.5 per cent this year and 3.1 per cent in 2013. This is down from its projection in June last year of a 3.6 per cent annual global growth for the next two years.

"The world economy has entered a very difficult phase characterised by significant downside risks and fragility," the bank's twice-yearly Global Economic Prospects report said. The global economy grew at an estimated 2.7 per cent rate last year. Unlike in 2009, when continuing strong trade with China and a timely government stimulus spared Australia from a recession, the pain would be more broadly felt in a second recession. (SOURCE/EXTRACT: *The Australian*, 19.1.12)

OHS laws put foster carers in jeopardy

HUNDREDS of foster carers could be forced to quit the system as the sector struggles to comply with the nation's new occupational health and safety rules. The warning from leading welfare agency Anglicare Victoria came as federal Workplace Relations Minister Bill Shorten summoned peak volunteering organisations to a meeting in Melbourne tomorrow to discuss the new laws and hinted he was open to making changes to reduce their administrative burden on volunteer-based groups.

The move comes after a series of reports in *The Australian* highlighting the concerns of organisations, including the Uniting Church and Scouting Australia, that the new laws could discourage volunteers and add extra administrative costs to the budgets of groups that rely on them. Anglicare Victoria told *The Australian* yesterday it feared the new OHS system would be so dysfunctional it would be impossible to comply with and lead to chaos for foster carers.

Anglicare Victoria chief executive Paul McDonald has warned that the 680 homes for which his group helps provide foster care would be at risk. Under the national regime, foster carers are regarded as "workers" and their homes classified as "workplaces", exposing carers to potentially big OHS penalties. (SOURCE/EXTRACT: *The Australian*, 19.1.12)

Business hopes for U-tum on shop hours

Business lobby groups are optimistic Mark McGowan could pave the way for Labor to change its policy on shopping hours in the lead-up to the next State election. Retail Traders' Association chief executive Wayne Spencer said the leadership change provided the party with an opportunity "to adopt a stance and move a very vital issue for consumers and the retail industry forward right now". "Hopefully with change comes fresh ideas, fresh opportunities, new thinking and, of course, from our aspect, deregulation of trading hours and Sunday trading in particular," he said.

WA Chamber of Commerce and Industry chief executive James Pearson commended Eric Ripper for his contribution to economic reform in WA, but agreed a new Labor leader provided an opportunity for new direction on issues such as shopping hours. "It is important the party take the opportunity to remove the policy roadblocks it has put in place," Mr Pearson said.

"The obvious one is to reverse its position on Sunday -trading, it's also an opportunity to reduce the cost burden on business, particularly small business, and it's an opportunity for the Labor Party to demonstrate its understanding that business, particularly small business in WA, plays an important role in generating wealth and opportunity for the community." (SOURCE/EXTRACT: *The West Australian*, 19.1.12)

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