



The CoSBA Broadcast

Small Business News



Combined Small Business Alliance of WA Inc.

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Attachments:

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Barnett lashes Canberra over mining tax

Premier Colin Barnett has hit back at federal Resources Minister Martin Ferguson for saying the real problem for mining companies was paying state royalties. Mr Barnett today continued his attack on the Minerals Resource Rent Tax, saying the federal government had done an "unholy deal" with independents to push it through.

The laws - to bring in a 30 per cent tax on profits earned by the nation's biggest coal and iron-ore producers from July 1, 2012 - passed the House of Representatives early on Wednesday. (SOURC/EXTRACT: *WA BUSINESS NEWS*, Daily Business Alert, 23.11.11)

Construction surge led by mining, WA

Western Australia was behind a record rise in the value of construction work done in the September quarter. The rise, 12.5 per cent in real, seasonally-adjusted terms, was the biggest in the history of the series going back to 1986.

The figures, released by the Australian Bureau of Statistics (ABS) on Wednesday show, residential building work fell by 1.1 per cent for the September quarter to be 3.5 per cent down from a year earlier. Non-residential building rose by 3.1 per cent, but was still down by 16.2 per cent for the year.

Engineering construction, which includes mines, bridges, railways, ports, pipelines and the like, surged 22.6 per cent in the quarter and by 48.9 per cent from a year before. Unadjusted figures show nearly three quarters of the annual rise in activity was accounted for by engineering work in WA, which rose 59 per cent over the four-quarter span. (SOURC/EXTRACT: *WA BUSINESS NEWS*, Daily Business Alert, 23.11.11)

Iluka goes toe to toe with CFMEU

A legal struggle is under way at a West Australian mineral sands miner as unions try to use Labor's Fair Work Act to overcome their small membership and rebuild their presence in the resources sector. *The Fin* (SOURC: *WA BUSINESS NEWS*, Today's Business Headlines 24.11.11)

Business launches broadside at IR laws

THE nation's peak business group has toughened its stance against Labor's Fair Work Act, warning the laws are allowing unions to make "destructive" demands on matters that have no relevance to pay and working conditions.

New Business Council of Australia president Tony Shepherd has also urged unions to exercise restraint in pay talks, warning there was no "bottomless pit" of corporate profits and that if wage rises were not matched by productivity gains then "we as a nation go backwards, we are less competitive in a global economy and our net wealth reduces". (SOURC/EXTRACT: *The Australian*, 25.11.11)

Europe crisis a wake-up call on productivity

FUTURE Fund chairman David Murray has accused the government of a "dangerous complacency" in the face of the collapse of Australia's productivity growth. Mr Murray told

NEXT MEETING: CHRISTMAS BOARD MEETING
Royal Perth Yacht Club, Crawley
12.00noon, Tuesday, 6 December 2011

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a conference of business economists in Sydney yesterday that high government spending and the re-regulation of industrial relations showed Australia was repeating the errors that had led Europe to the precipice.

"I would have thought what is happening in Europe is one of the most timely wake-up calls in history, but the size of the complacency is dangerous," Mr Murray said. "If things don't change dramatically the risk heightens for the wrong outcome. But where do we see anything being done in policy? Nothing concrete at all. "I don't see any initiatives that are designed to push the productivity of the economy. I see some trends that are working in the opposite direction." (SOURCE/EXTRACT: *The Australian*, 25.11.11)

Laws that will crush the little

WE consistently hear these days from Julia Gillard and her senior colleagues warm, soothing words about their love of small business people. However, their actions are those of smiling assassins implementing an arrogant, "don't care", slash-and-burn approach to the lives of the most vulnerable small business people. This week in federal parliament they've been implementing a crush of anti-small business legislation. (SOURCE/EXTRACT: *The Australian*, 25.11.11) [See attachments: Laws that will crush the little.pdf & Staggering ALP Attack Against Small Business People.pdf](#)

ATO boss warns tax dodgers will be caught

Tax dodgers will be caught, the Australian Taxation Office has warned after nabbing and convicting 356 people in the third quarter of this year. One person went to jail for five years.

Acting tax commissioner Jennie Granger says tax refund fraud continues to be a focus for the ATO, which uses technology, national and international networks and community intelligence to catch wrong doers. "It is not a matter of if, but when we find you. Ask yourself: is doing the wrong thing really worth the risk?" Ms Granger said in a statement on Friday.

During the September quarter, 356 people and 122 companies were prosecuted and convicted for taxation and superannuation offences, while 12 people received prison sentences during this period, ranging from two months to five years. Ms Granger said a Sydney man with a background in commerce was recently sentenced to five years jail for deliberately lodging 41 false income tax returns totalling \$180,000. (SOURCE/EXTRACT: *WA BUSINESS NEWS*, Daily Business Alert, 25.11.11)

No individual agreements, says Chris Evans

WORKPLACE Relations Minister Chris Evans yesterday ruled out the reintroduction of individual agreements in the government's review of the Fair Work Act, in a stern rebuke to business groups that have launched a broadside against Labor's IR laws. Senator Evans yesterday accused the Business Council of Australia [BCA] and other business groups of "spouting" the "same rhetoric they've done for years" with their demands for a return to individual agreements, which were emphasised under the Howard government's Work Choices regime and unwound by the Fair Work Act.

"It's not a renegotiation of individual agreements, which the Business Council and others are in favour of," Senator Evans told ABC television's News 24. "We're not going to do that. We are a Labor government, we think people ought to have rights at work."

He said the review would "look at the evidence if there's things that are not working". "If we're not delivering on the objects of the act, we'll address them," he said. "But I'd encourage the parties to stop shouting over the fence at each other, stop the ideological war and actually focus on what's working, what's not working, and how we can make the Fair Work Act work for employers and employees".

Senator Evans's comments came after the BCA toughened its stance on the act, with new president Tony Shepherd warning the laws were allowing unions to press demands for matters that were "destructive" and unrelated to pay and conditions. The BCA stood firm yesterday, declaring that workplace laws should allow employers and employees to engage directly to agree on employment arrangements.

Australian Chamber of Commerce and Industry chief executive Peter Anderson said he was disappointed by Senator Evans's comments and demanded the review find ways to improve individual flexibility agreements, as these had been "rendered unworkable" by unions. (SOURCE/EXTRACT: *The Weekend Australian*, 26.11.11)

COMMENT: Senator Evans' stance is clear and unequivocal evidence of the unbridled arrogance of the pro-union/Green Gillard Government and reflects its malignant attitude towards the plight of small business under its repugnant so-called "fair Work" system. His accusations of the BCA and other business groups of "spouting" the "same rhetoric they've done for years" is trite and rings very hollow, and given the pro-union/Green ideology of the Gillard Government is a classic case of the pot calling the kettle black.

If Senator Evans is not aware, and being a Senator and the Minister for Workplace Relations he should be, there are a litany of problems with the "flat earth", "one size fits all" so-called "fair Work" system that are having a detrimental affect on small business, that he obviously does not want to know nor care about, such as, not having individual agreements, the attack on independent contractors, payment of "go away money" and allowing unions to impose "destructive" conditions that are and unrelated to pay and conditions, are but a few of them.

Just for starters, he would be well advised to read the ICA's articles: "Laws that will crush the little"; "Staggering ALP Attack Against Small Business People" and [ICA Do Unions Hate Self-Employed People.pdf](#)

In the 1997 report "More Time For Business", the Federal Government's response to the 1996 "Bell Report" (Time For Business), the then Prime Minister, John Howard, in his Foreword stated, in part:

"Small Business is the engine room of the Australian economy, a vital source of enterprise, innovation and jobs.

Small Business is based on the self-reliance, initiative and vision of men and women with a commitment to hard work and the preparedness to take a risk to achieve their goals and ambitions. Small Business is integral to the decentralized network of family, workplaces and community which is the most effective guarantor of freedom and choice.

Too often in the past, government has been a burden for Small Business. Government has appeared unable or unwilling to understand the special needs of Small Business and unaware of the impact of decisions on them."

Given that is clearly obvious that Senator Evans and the Gillard Government does not know, or for that matter doesn't want to know, what the special needs of small business are, that is evidenced by the Government's froth and bubble platitudes and the offerings of the odd fist full of dollars that do not begin to address the special needs of small business nor offset the massive costs imposed by its "flat earth", "one size fits all" policies in general. CB

ACTU debates test case on permanent jobs

THE ACTU will consider running a landmark test case before Fair Work Australia designed to compel employers to offer permanent employment to groups of casual workers. ACTU assistant secretary Tim Lyons will today launch an options papers setting out "possible industrial and policy responses" aimed at reducing job and income security" among workers.

Mr Lyons says one option would be the pursuit of "secure employment orders", that would build on the concept of take-home pay orders, where conditions for a group of workers can be protected in a single order from Fair Work Australia. "The mechanism would provide for unions to apply to FWA for an order which requires an employer to offer permanent employment to specific groups of workers,"

Mr Lyons says. "This mechanism could be included in awards through a test case, legislation or agreements, and could be used to secure ongoing employment for casual, fixed-term and labour hire workers." Under the envisaged process, unions would go into a workplace and assess the level of interest among insecure workers for more secure employment and "recruit members accordingly".

A union would identify the specific group or class of employees that would be subject to the secure employment order application. It would cover those workers who wish to convert to ongoing employment and exclude those who want to remain on current arrangements. (SOURCE/EXTRACT: *The Australian*, 29.11.11)

Watchdog blames building workers for sham contracts

SOME workers have been contributing to sham contracting in the construction industry, contradicting union claims the process is driven by unscrupulous employers. An inquiry by the Australian Building and Construction Commission has found employees as well as employers were initiating sham contracting arrangements.

The inquiry roundtable was told sham contracting "can be driven by either workers or employers, and at times can even occur as a result of a meeting of minds". "While this was a key issue for debate among roundtable participants, no participant was able to provide empirical evidence regarding the relative weight of the different factors discussed," the inquiry report said. "Nor was any data available as to whether sham contracting is more likely to occur as a result of employer or employee initiated arrangements.

"However, there was anecdotal evidence provided, which is supported by the ABCC's own experience, that at least some sham contracting arrangements are put in place at the request of the employee." ABCC head Leigh Johns said the inquiry "heard lots of evidence that employers are the victims of workers wanting to engage in these processes". He claimed employees believed they would be able to get tax advantages as a result. (SOURCE/EXTRACT: *The Australian*, 29.11.11)

WA persists with franchise legislation

The franchise landscape has taken an intriguing twist with the introduction of another bill, this time by the Labor opposition, in the West Australian Parliament. *The Fin* (SOURCE: *WA BUSINESS NEWS*, Today's Business Headlines 29.11.11)

WA Labor's Bill to protect Western Australian franchisees

WA Labor today introduced a Bill to Parliament to protect Western Australian franchisees from dishonest operators, Shadow Minister for Commerce and Small Business Ljiljana Ravlich said today.

Ms Ravlich said it was disappointing a similar Bill was defeated by one vote in the lower house earlier this month, but the introduction of the Franchise Agreements Bill to the upper house showed WA Labor was committed to protecting Western Australian franchisees.

"While most franchisors are reputable and ethical in dealing with their franchisees, there must be laws in place to ensure unscrupulous operators conduct their dealings in good faith," she said.

"WA Labor's Franchise Agreements Bill 2011 seeks to legislate to guarantee the good conduct of those negotiating and entering into franchise agreements."

Ms Ravlich said there were 12,000 franchise operators in WA, close to 40 per cent of the state's retail businesses, which needed to be protected in their business dealings.

"While most franchisors do the right thing, some owners engage in predatory or opportunistic behaviour which can have devastating effects on the franchisees and could even force them out of business," she said.

"Some owners have been known to 'churn' a franchise, meaning the agreement is terminated for no good reason and the business is then resold to a new franchisee.

"Franchisors may also refuse to renew contracts for no good reason, sending the franchisee on a path to ruin.

"It is these types of predatory behaviours that need to be stamped out."

Ms Ravlich said the Bill specified negotiating and entering into franchise agreements must be conducted in good faith and all parties must act fairly, honestly, reasonably and cooperatively.

"This will allow for the prosecution of parties who contravene the franchising code of conduct and who do not comply with the behaviour specified in this Bill," she said.

Ms Ravlich said an addition to the current Bill was the requirement for an annual review and a Small Business Development Corporation report on the current issues, trends and major areas of concern in regard to franchising in Western Australia.

"We cannot sit back and wait for Australia-wide franchising legislation and we must act now to protect this significant section of small business in Western Australia," she said.

"I encourage all Liberal-National Members of Parliament to support the Bill to protect small businesses in their communities."

(SOURC: *Media Release*, 24.11.11, LJILJANNA RAVLICH MLC, SHADOW MINISTER FOR COMMERCE AND SMALL BUSINESS; TRAINING; MENTAL HEALTH)

Builders back ABCC on sham contracting

The building and construction sector has welcomed the Australian Building and Construction Commission's final report on sham contracting, saying it is a sound approach to tackling the issues facing the industry.

The ABCC today handed down ten recommendations from its initial inquiry into sham contracting, including coordinating an integrated whole-of-government approach to eliminating the practice; conducting more research to build a more accurate picture of sham contracting; and specifically informing construction sector employees and employers of the appropriate use of Australian Business Numbers.

AMMA chief executive Steve Knott said the "sensible" recommendations from the ABCC would ensure genuine contracting arrangements could continue without excessive and restrictive regulation. "The ABCC has recognised there are conflicting views on how widespread sham contracting is in the building and construction industry," Mr Knott said. "Despite claims by the CFMEU that the practice is rife, the reality is the current evidence doesn't support such claims. (SOURC/EXTRACT: *WA BUSINESS NEWS*, Daily Business Alert, 29.11.11)

Deal lets bosses trade pay for rights in Fair Work Australia decision

EMPLOYERS can pay workers a higher hourly rate and not pay them when they take annual leave, become sick or take public holidays, under a new agreement that experts predict will be taken up in non-union workplaces across the country. In a 2-1 decision, a full bench of Fair Work Australia yesterday approved the agreement struck by a NSW paint contractor that allowed the higher rate to substitute for overtime, carers' leave and long service entitlements.

The approval of the agreement comes as the Australian Industry Group chief executive Heather Ridout urges Julia Gillard to resist union attempts to win more rights at this week's ALP national conference in Sydney. The agreement was negotiated by Irving Warren, executive director of the Building Industry Specialist Contractors Organisation of NSW on behalf of Hull-Moody Finishes, a Sydney painting contractor that employs seven workers.

Mr Warren told The Australian yesterday the workers got an overall wage of up to \$65,000 a year compared with the base award rate of about \$40,000. Workers are paid on a fixed hourly rate that includes payment in advance for entitlements including holidays, sick leave and penalty rates. By including the entitlements in the hourly rate, the workers do not receive payment when they get holidays or are absent due to illness or need to care for relatives. They get an hourly rate of about \$26 instead of the award rate of about \$19.60. (SOURCE/EXTRACT: *The Australian*, 30.11.11)

Leave-for-pay trade wins support

Business has backed the spread of contentious workplace agreements allowing workers to receive a higher hourly rate in exchange for holiday and sick leave, as the Greens joined left-wing unions in demanding Julia Gillard change the law to kill off the deals. *The Aus* (SOURC: *WA BUSINESS NEWS*, Today's Business Headlines 1.12.11)

Labor again attacks voluntary retirement savings

Australians saving for their retirement will pay for Labor's waste and mismanagement over the past four years with a cut in superannuation co-contribution payments and yet another effective reduction in concessional contributions caps. "Bill Shorten and Labor continue to punish those Australians who are prepared to take responsibility for their own retirement needs," Shadow Assistant Treasurer Mathias Cormann said today.

"By pausing indexation of concessional contribution caps Labor is again reducing the incentive for people to save more because the caps are not keeping pace with inflation and wage increases. "The superannuation co-contribution scheme is a Howard government initiative which has provided valuable assistance for low income earners to boost their retirement savings. "Labor continues to undermine those incentives which have encouraged increased voluntary savings.

"If Labor had managed our economy properly they would have no need to attack people who are trying to provide for their own retirement by making additional contributions to their superannuation. "It is absurd that on one hand Labor wants to force people to contribute more in compulsory super while on the other hand they are removing incentives for people to make additional voluntary super contributions. (SOURC/EXTRACT: *Media Release*, Mathias Cormann, 29.11.11)

New data confirms small business is flat and Government is failing

Shadow Small Business Minister Bruce Billson has said it was time for the Gillard Government to stand up for small business following the release of a CPA Australia survey which shows small business operators are the least likely to grow in the next 12 months. Mr Billson said even Kevin Rudd now belatedly acknowledges that Labor has no regard for small business saying at the weekend on Sky News Labor needs to become "the party of small business."

"Our small businesses are on their knees with 41 per cent of small businesses borrowing just for survival," Mr Billson said. "What does the Gillard Government do to support small business during these hard times? It releases an iPad app and raises taxes by up to 25 per cent for our smallest 425,000 small businesses by scrapping the Entrepreneurs Tax Offset (ETO). "What's even more disturbing to note is that only 57 per cent of small business are indicating a positive growth outlook.

"Small business is the engine room of the economy but the lack of support from the Gillard Government means the wheels are slowly falling off. The Government continues to fail small business by making a tough situation worse by wrong-headed moves like imposing a carbon tax. "Since Labor came to power 300,000 jobs have been lost in small business and we have 20,000 fewer small businesses and family enterprises.

"The small business minister needs to kick down the doors so he can get a seat at the cabinet table and advocate for the sector he is supposed to represent." Mr Billson said a Coalition Government would slash the red tape burdens, cut the company tax rate and give small business a seat at the cabinet table if elected.

"The Coalition is the partner of small business and is working with the sector to make sure it is looked after if we are elected," Mr Billson said. "Small business knows that Labor is no friend of theirs and they can't wait for the next election. "Even Kevin Rudd knows that Labor is on the nose of small business, it's just a pity the rest of his party don't realise it too. (SOURCE: *Media Release*, Bruce Billson 30.11.11)

World economic turmoil should scare living daylight out of us: Westpac

THE economic turmoil in Europe and the US is nearing "catastrophic" proportions, one of the nation's leading banks warned yesterday, as it predicted a plunge in the dollar to less than US80c and three interest rate cuts next year. James Shugg, Westpac's London-based senior economist, said the bank was preparing to slash its global growth forecasts from 3.2 per cent to 2.5 per cent for next year, to adjust to the deepening financial chaos in Europe.

And he called on Wayne Swan to abandon his "meaningless and unnecessary" commitment to a balanced budget by 2012-13 and instead consider new economic stimulus spending to buffer the Australian economy. Mr Shugg said a halving of world economic growth rates in just two years was a sign of "really abnormal" financial circumstances. "I've never been as scared about the outlook for global economy, and particularly in Europe, at any time in my past 25 years as an economist," he told a Westpac conference in Rockhampton, Queensland, yesterday. (SOURCE/EXTRACT: *The Australian*, 1.12.11)

International Business Council Activities/Information

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