



# The CoSBA Broadcast

Small Business News



Combined Small Business Alliance of WA Inc.

## In this issue:

- DINNER WITH THE PRESIDENT OF COSBOA
- Rate rise 'ruinous' for small business
- Shorten vows to cut red tape on workplace safety
- Business pleads for ABCC reprieve
- Crazy Policy Versus Good Policy
- OHS laws a hammer blow to small business
- WA's nation leading growth to continue: CommSec
- McGowan ready to make Sunday trading deal
- ACTU slams plan to create new building regulator
- Casual workers miss out on benefits, say unions
- 35,000 jobs at risk as reforms bite
- Barnett won't buy Labor Sunday trade plan
- Refusal to work 'will mean sack'

## Attachments:

- CORRESPONDENCE\_IN.pdf
- Marketing\_on\_a\_Tight\_Budget.pdf
- SCC\_Breakfast\_Mark\_McGowan.pdf
- BAS\_and\_End\_of\_Period\_Essentials.pdf

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## DINNER WITH THE PRESIDENT OF COSBOA

Ken Phillips, the newly elected President of the Council of Small Business Organisations of Australia (COSBOA) the Canberra based peak national small business organization is visiting WA in late February 2012.

CoSBA has invited Ken to be our guest at our Annual General Meeting and dinner.

This presents an opportunity to discuss with Ken the future role of COSBOA and key issues affecting small businesses on the national agenda.

The meeting is open to interested parties and is being held at:

**5.00pm Tuesday 28 February 2012**

**Odin Tavern, 51 Erindale Road  
(cnr Delawney Street), BALCATT**

**COST: \$45.00 PER HEAD**

Bookings are essential, contact Oliver Moon on

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## Rate rise 'ruinous' for small business

SMALL business owners have warned Julia Gillard of the damage higher interest rates would inflict on the struggling sector, which is Australia's largest employer.

Business and industry groups hit out yesterday at the growing likelihood banks will jack up standard variable and business lending rates to offset higher wholesale funding costs. It is estimated bank funding is nearly 150 basis points more expensive now than just a year ago, primarily as the result of the European sovereign debt crisis.

Council of Small Business of Australia executive director Peter Strong late yesterday briefed the Prime Minister in her Parliament House office on the state of the sector in Australia. Ahead of the meeting, Mr Strong told The Australian that, while small businesses were struggling to secure finance, the sector would be hit by larger businesses passing on the cost of higher rates.

"This is going to impact us because big business, the big landlords, will be hit by the banks and they will pass on those costs to us," Mr Strong said. "That is one of the problems. Small business is always one of the targets. "We will be impacted by higher rates. We have wages and rents going up all at the same time that sales are going

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**NEXT MEETING: ANNUAL GENERAL MEETING  
5.00pm Tuesday 28 February 2012  
Odin Tavern, Erindale Road, Balcatta**

## Combined Small Business Alliance of Western Australia Inc. (CoSBA)

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down." (SOURCE/EXTRACT: *The Australian*, 20.1.12)

### Shorten vows to cut red tape on workplace safety

**FEDERAL Workplace Relations Minister Bill Shorten has vowed to cut the red tape volunteer groups fear will drive them to the wall under new workplace safety laws.**

Mr Shorten, after crisis talks in Melbourne with volunteer organisations, admitted more work was needed to clarify the effect on their activities of national Occupational Health and Safety laws. He has also established a stakeholder working group to tackle the red tape many volunteer groups fear may drive up administrative costs and make unviable some small-scale charitable operations, such as regional Meals on Wheels services.

Mr Shorten said the new OHS laws "codify existing common law to ensure that volunteers undertake their activities in safety and will not depart from current practice for volunteer organisations. Our latest discussions and new co-operative efforts will improve clarity of responsibilities and address any lingering confusion." (SOURCE/EXTRACT: *The Australian*, 21.1.12)

### Business pleads for ABCC reprieve

**BUSINESS has made a last-minute plea to Labor to abandon plans to dump the Australian Building and Construction Commission, warning the move would jeopardise productivity improvements that are desperately needed to help the economy withstand global turmoil.**

Last night the Business Council of Australia joined a chorus of industry voices urging politicians to vote down the government's legislation to replace the ABCC with a new body, with acting chief executive Maria Tarrant warning the construction industry had a history of problems with violence and intimidation that nobody wanted "creeping back". "At a time of great economic uncertainty, it is vital to ensure that recent improvements in the industrial climate and the stability of the industries are maintained," Ms Tarrant said.

The Housing Industry Association, in a submission to the review of the proposed laws, says the culture of lawlessness has been suppressed by the ABCC but "has not been eradicated". "The past and current union leadership in this industry, in relation to industrial action at least, has never made a genuine wholehearted commitment to upholding the law."

The association warns that "many" of its members are not lodging formal complaints "for fear of reprisal, losing future work and not wanting to rock the boat", while enhanced bargaining rights under the Fair Work Act have contributed to a surge in industrial disputes over union rights of entry and the engagement of contractors.

Master Builders Australia also joined the fray, saying that the government's plans would unleash a new wave of industrial disruption and that some of the "destructive and contrary spirit" of unions including the old Builders Labourers Federation "has been inherited by their contemporary successors". (SOURCE/EXTRACT: *The Australian*, 21.1.12)

### Crazy Policy Versus Good Policy

Last week witnessed an extensive public and political debate over new work safety laws in Australia. The debate was triggered by our exposure of a [Scout Association memo](#) that explained to its volunteer members their risk of prosecution under the laws. The government denies that there's a problem and says everyone is overreacting and scare-mongering. We suggest they read their own laws. Here's [our analysis](#) and [update of events](#).

The Australian laws are in large part a (misguided) reaction by the government to a rapidly changing world of work. This change is causing a healthy global debate.

- *Forbes* magazine discusses how to make money without a job.
- The UK *Daily Telegraph* says that business does better when owned by the staff.
- *The Economist* asks if technology kills jobs.
- South Carolina has decided it will support self-employed people
- The *Wall St Journal* looks at the different angles of a world with declining permanent jobs. There's good and bad.
- The *Havana Times* questions the value of Cuba leaning toward the 'new Chinese imperialism' (called capitalism). Surely this demonstrates the extent of change.
- CNN explains that, as workers gain more freedom, the lines between self-employed and employed are becoming blurred. (Independent Contractors Australia, Bulletin, 21.1.12)

### OHS laws a hammer blow to small business

**RED tape connected with proposed national workplace safety laws will drive up the cost of a new home by tens of thousands of dollars, the construction industry has warned.** The sector has lined up behind volunteering groups, which claimed last week they could go to the wall because of the consultation and reporting requirements that accompany the proposed national occupational health and safety regime.

A report by consultants Hudson Howells, commissioned in South Australia by the Housing Industry Association, says the compliance cost associated with OHS laws could drive up the cost of a new single-storey home in that state by \$20,690, and of a double-storey home by \$29,335. Extrapolating from SA data provided by the HIA, the report says compliance costs associated with the laws could wipe up to \$16 billion a year off national productivity and cost as many as 120,000 jobs.

While the report concedes there are also benefits to a single national regime, it questions the federal Labor government's claim of a net annual benefit to the economy of about \$250 million, arguing there is no data to back this up. But whatever the duelling economists say, Adelaide cladding sub-contractor Stuey Hampton is in little doubt about the impact the OHS laws will have. "This will kill us," he said yesterday. "It will wipe out independent contractors."

Federal Workplace Relations Minister Bill Shorten yesterday acknowledged contractors such as Mr Hampton have real concerns about the laws, which have so far been implemented in Queensland and NSW. "My intention is to reduce the amount of red tape," he said. "I've clearly got to reduce the amount of paperwork small business has to do in connection with OHS compliance. The states remain the regulators but we'll be asking them to co-operate." (SOURCE/EXTRACT: *The Australian*, 23.1.12)

### WA's nation leading growth to continue: CommSec

Western Australia continues to lead the nation's economic growth and is set to maintain its course for most of this year, a new report says. WA's economic output is now 28 per cent higher than its 10-year average, the latest quarterly State of the States report compiled by CommSec shows. "Western Australia has consolidated its position as the nation's strongest economy," CommSec chief economist Craig James said in a statement.

The state is also leading its eastern state counterparts in terms of construction activity, business equipment spending, while its 4.3 per cent jobless rate is the lowest next to the ACT on 3.8 per cent. It's also doing well on retail spending and population growth. "Western Australia is expected to hold its position in coming quarters," Mr James said. (SOURCE/EXTRACT: *WA BUSINESS NEWS*, Daily Business Alert, 24.1.12)

### McGowan ready to make Sunday trading deal

Unrestricted Sunday trading will be introduced across WA before next year's State election under a deal proposed by new Opposition Leader Mark McGowan. Less than two hours after his colleagues elected him Labor leader, Mr McGowan announced major shifts to his party's stance on shopping hours and uranium mining.

He said if Premier Colin Barnett agreed to investigate ways to protect shop assistants who chose not to work on Sundays, Labor was ready to support the Liberals to sort out Sunday shopping laws. "It's a mess, it's confusing, it's bad for tourism, it's uncertain for consumers," Mr McGowan said. "Labor stands ready to pass Sunday trading legislation today subject to one condition."

But even if there was no legal way to give workers a choice, Mr McGowan strongly suggested current Sunday restrictions had to go. "I made it very clear to my colleagues that the Sunday trading issue has dragged on for too long and needs to be resolved," he said. On uranium mining, Mr McGowan has ditched Labor's threat to close down any existing mines or revoke any approvals should it win the 2013 election. (SOURCE/EXTRACT: *The West Australian*, 24.1.12)

### ACTU slams plan to create new building regulator

THE ACTU has slammed Labor's plans to set up a new regulator to replace the Australian Building and Construction Commissioner, claiming it would struggle to be impartial and that many workers would treat it with distrust. As business agitates for the government to abandon plans to dump the ABCC, the ACTU has declared it is fundamentally opposed to the plans to replace the body with the new regulator.

Under legislation expected to return to parliament when it resumes next month, the ABCC -- set up by the Howard government to stop thuggery in the construction industry, and despised by the unions -- will be replaced by an industry inspectorate within Fair Work Australia. "We fear a separate inspectorate will struggle to develop an impartial enforcement culture, and that the deep distrust of the ABCC felt by many workers is likely to carry over to the new Fair Work Building Industry Inspectorate," the ACTU says in a new submission into the laws.

The comments came as the Master Builders Association said new research it had commissioned suggested productivity in the construction industry had improved by between 10 per cent and 14.5 per cent because of industry reforms, including the exercise of the ABCC powers. Also yesterday, the Civil Contractors Federation said it was crucial to retain the ABCC now the effects of Labor's Fair Work Act were becoming apparent. (SOURCE/EXTRACT: *The Australian*, 24.1.12)

### Casual workers miss out on benefits, say unions

One in four WA workers does not get paid leave, the State's main union body has said. UnionsWA has told an inquiry into insecure work that the trend towards casual, fixed-term and subcontract labour meant more people were being denied the benefits of permanent employment. Secretary Simone McGurk said more than 220,000 workers were not legally entitled to sick pay and annual leave and were constantly worried about job security.

Fluctuating incomes made it difficult to secure credit to buy cars and homes, she said. Casual, subcontract and short term contract workers receive higher pay to cover the absence of paid-leave entitlements, but UnionsWA complained this was not an adequate trade-off. "Some employers see it as a way to subcontract out certain industrial relations and management issues, but it is a short-sighted way to manage a business," Ms McGurk said. (SOURCE/EXTRACT: *The West Australian*, 24.1.12)

### 35,000 jobs at risk as reforms bite

More than 35,000 financial advisers and support staff could be driven out of the industry under an alarming prediction from the financial planning industry, which fears that sweeping legislative changes will swamp their businesses in red tape. *The Aus* (SOURCE: *WA BUSINESS NEWS*, Today's Business Headlines, 24.1.12)

### Barnett won't buy Labor Sunday trade plan

WA's antiquated Sunday trading laws have again become a political football after the Barnett Government dismissed an offer from new Labor Party leader Mark McGowan to discuss a bipartisan approach to the issue. Acting Commerce Minister Troy Buswell said there was no need to meet Mr McGowan because the Premier wanted to introduce Sunday shopping reforms this year with "no strings attached".

He described Labor's policy shift on Sunday trading as a "sneaky" attempt at reform and called Mr McGowan's "opt-out" pitch -- made on behalf of those not willing to work on Sundays -- a charade. "Mr McGowan should know that the vast majority of employees who will work on Sunday will be covered by Julia Gillard's Federal industrial relations system," Mr Buswell said. "My advice to him is if you want to explore the opt-put provisions then write to Julia Gillard."

In the first attack on Mr McGowan since he replaced Eric Ripper as leader, Mr Buswell said it was Colin Barnett who had championed retail trading reform in WA and it would be Mr Barnett who ended the Sunday shopping "dog's breakfast". "You either support retail trading reform or you don't," he said. "There will be no meeting." (SOURCE/EXTRACT: *The West Australian*, 25.1.12)

### Refusal to work 'will mean sack'

Shop workers who refuse to work on Sundays under an extended trading regime face the sack, an industrial lawyer says. In announcing that Labor now supported trading all weekend, Opposition Leader Mark McGowan said this week he would seek to introduce a protection to allow workers to refuse Sunday shifts. But he said it was uncertain whether it was legally possible to ensure workers were not penalised for doing so.

Employment lawyer Mark Hemery, principal at law firm Talbot Olivier, said yesterday the State Government did not have the constitutional ability to ensure this protection because most shop staff came under a Federal award. Mr Hemery said the State could legally override Federal awards on trading hours, but was not entitled to dictate Federal award conditions.

He said though it was a contentious issue that could be subject to legal argument, he believed the right to refuse shifts would be considered an employment condition, and any State law most likely struck down. Mr Hemery also rejected claims from Acting Premier Kim Hames that employers could not force their staff to work on Sundays under Federal laws. "Under the Federal General Retail Industry Award 2010, the ordinary hours of work for retail staff include 9am to 6pm on Sunday, so the employer's 38 hours per week roster is entitled to include those hours," he said. (SOURCE: *The West Australian*, 25.1.12)

### International Business Council Activities/Information

To read more on the following recently added articles, go to <http://www.ibcwa.org.au>

- Amcham – Executive Luncheon – 21 February
- FDI – Independent Strategic Analysis of Australia's Global Interests Strategic Weekly Analysis
- Combined Small Business Alliance (CoSBA) – News & Updates
- Indonesia Institute – Interesting Opinion pieces and articles
- Ireland Said to Face Downturn in 2nd Year of Austerity
- World Bank warns Vietnam of trade difficulties ahead
- EU boss warns of Eurozone recession
- World Bank slashes growth forecasts
- Australian Bureau of Agricultural and Resource Economics and Sciences Outlook 2012 conference
- Struggling, Egypt Seeks Loan From I.M.F.
- Europe faces 'unprecedented crisis': Sarkozy
- Dinner with the President of COSBOA 28 February

#### And more

For IBC activities/information go to the IBC web site at: <http://www.ibcwa.org.au>

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