



The CoSBA Broadcast

Small Business News



Combined Small Business Alliance of WA Inc.

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Change at the top of COSBOA

Last week Ken Phillips, CEO, Independent Contractors Australia (CoSBA member) took over as Chairman of COSBOA. Given Ken's track record we can look forward to things happening for small business in the Federal arena, and hopefully the re-emergence of COSBOA as the potent national voice of small business. Congratulations and well done Ken. [See attachment: CORRESPONDENCE_IN.PDF](#)

Canberra, ACCC oppose state franchising plans

Australian Competition & Consumer Commission (ACCC) chairman Rod Sims and federal minister for small business Senator Nick Sherry have opposed state-based franchising legislation, saying recent amendments to national franchising laws are adequate.

At a Senate Estimates hearing last night, Mr Sims elaborated on a speech he had previously made to the Franchising Council, saying the ACCC's powers under the Australian Consumer Law should be utilised to address any imbalance of power between franchisees and franchisors.

"I was really trying to say that there are issues of imbalance of power between franchisees and franchisors, that this was a sector with a new audit powers and within the Australian Consumer Law, that we can take more action on," Mr Sims said.

State-based franchising legislation was introduced into South Australian parliament by Labor backbencher Tony Piccolo last year. Western Australian Liberal backbencher Peter Abetz followed suit and introduced the Franchising Bill 2010 in October last year, which was aimed at levelling the playing field between franchisees and franchisors.

New enforcement powers under the Australian Consumer Law came into effect on 1 January this year and the Commonwealth's amendments to Franchising Code of Conduct came into effect on 1 July 2010.

Senator Sherry welcomed Mr Sims' comments and said the government had no intention of revisiting franchise legislation until the new system had been given a chance to bed down. (SOURCE: *WA BUSINESS NEWS*, Daily Business Alert, 20.10.11) & (SOURCE/EXTRACT: *Media Release*, Sherry 20.10.11) [See Correspondence Senator Sherry.pdf](#)

Bid for law to ban workplace bullying

Equal Opportunity Commissioner Yvonne Henderson has called for urgent legal action to protect workers from bullying after a rise in the number of complaints to the commission over the past few years. Ms Henderson said while the commission could act on issues such as sexual harassment it could do nothing about bullying.

The commission has kept figures on bullying since 2007 when it recommended that the Equal Opportunity Act be amended to include bullying. "There has been a steady increase in the number of complaints about bullying over that period," Ms Henderson said.

"What is noticeable in the stories we get is the incredibly devastating impact of bullying. "Sometimes people put up with it for years and sometimes the impact of their health is absolutely dramatic, many of them end up leaving their jobs. "Bullying is a massive problem.

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

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"If bullying was a ground under our Act we could do something about it. Right now we can't formally investigate it."

Ms Henderson said the Government's failure to amend the Act to include bullying was perplexing. "This matter has been drawn to the current Attorney-General's attention on a number of occasions," she said. (SOURCE/EXTRACT: *The West Australian*, 21.10.11)

Conflicted Shorten wants hidden fees for union super mates

Bill Shorten's intra-fund advice changes will slug super fund members with hidden fees for financial advice they may never receive by introducing undisclosed commissions in superannuation. "It is hypocritical for Bill Shorten to attack small business financial advisers and then attempt to legislate to specifically permit hidden financial advice fees for super funds in MySuper," Shadow Minister for Superannuation and Financial Services Mathias Cormann said today.

Under Bill Shorten's draft MySuper legislation the cost of intra-fund advice will be treated as an administrative cost and will be charged to every member of an industry super fund every single year even if that member does not access such advice. Complex financial advice costs will be defrayed across the membership of default funds when according to the Cooper Review, 80 per cent of Australians are inactive superannuation members.

"It clearly pays to be a union mate of Bill Shorten in the industry super fund network. "Minister Shorten continues to protect the monopoly of industry funds as default funds in modern awards and he has done nothing to improve corporate governance as recommended by the Cooper Review. The Productivity Commission review of default funds in modern awards remains an unfulfilled election promise. (SOURCE/EXTRACT: *Media Release*, Cormann, 20.10.11)

Not a model way to sell a carbon tax

Officials from Treasury and Climate Change Department mislead the public. IT has taken three months and 10 hours of questioning in Senate committees. Ultimately, however, the facts do emerge. And they did last Monday.

Replying to a question from Senator Mathias Cormann, Phillip Glyde, executive director of the Australian Bureau of Agricultural and Resource Economics and Sciences, admitted that "at the moment, it is not possible" for anyone outside Treasury to access the models Treasury used for its carbon-tax analysis.

Yet Treasury's most senior officials have persistently claimed the opposite. In the Senate Select Committee on the Scrutiny of New Taxes, Treasury said "these models are publicly available". Asked "So, if Professor Ergas were to go with a cheque in hand it would be available to him?", Treasury's reply was unambiguous: "Yes, he would be able to receive these models."

Treasury's claims were false. For central in Treasury's work is a model called GTEM. That model was initially developed by ABARES. Under the Howard government. And in early 2007 ABARES moved to full commercial release of GTEM. But with Labor's election victory, the planned release was aborted. Since then, access to GTEM has been denied. It is difficult to believe Treasury did not know this. Also on Monday, Climate Change Department secretary Blair Comley told a Senate hearing that scrapping emissions permits would increase uncertainty and "feed into higher electricity prices".

Even on the government's own modelling, repealing the tax will therefore lower, not raise, electricity prices; and repealing the renewable energy targets, which merely hand consumer dollars to rent seekers, would further ease the burden on households. That Comley would claim otherwise is surprising. And along with Treasury's conduct, it raises serious questions about the public service's understanding of its role.

As for the government, its conduct is even less excusable. For it is clear from Glyde's evidence the decisions about what should be released rested with the government. When Penny Wong, again replying to a question from Cormann, claimed the government had been "extraordinarily transparent" on the Treasury modelling, she must have known that it had reversed the previous policy of allowing access to GTEM. Yet on sweeping to office in 2007, Labor had trumpeted a new era of open government. "There is," Senator John Faulkner said, "no better way to achieve accountability than by promoting transparency and openness."

Has the government lost all sense of Faulkner's promises? Plainly it has. Yet the evidence suggests the public demands better: for to say the government's selling of the carbon tax has not been a success is to say Mount Everest is a bump in the road. Rather, its efforts are reminiscent of an old cartoon. A couple are driving through the countryside. They approach a marker that reads FEAR NO EVIL. "Why, dear," the woman says, "we've made good time. We're already in the valley of the shadow of death." And so, it seems, is Labor. (SOURCE/EXTRACT: *The Australian*, 21.10.11)

Dodgy carbon tax modelling to hurt small business

Shadow Small Business Minister Bruce Billson said ordinary Australians and small business will bear the brunt of the Gillard Labor Government's questionable carbon tax modelling that understates increases in electricity costs. Mr Billson said the Government's carbon tax modelling was in tatters because electricity generators said the design of Labor's carbon tax will slug consumers with a 20 per cent hike in power, twice the increase claimed by Labor.

"It doesn't seem to matter who the leader is, it looks like Labor will never find its way and small business continues to pay the price," Mr Billson said. "With no direct compensation for small business under a carbon tax you can only assume that it will either cost jobs or force some businesses to scale down or close.

"No doubt consumers will be spending less as well under a carbon tax because the Government has fumbled its so-called compensation which is based on questionable assumptions about power price rises and other flow-on costs." Mr Billson said the questionable modelling was just more bad news for small business on top of the Government's plan to fine small business for lifting their prices more than 0.7% percent under its carbon tax price gouging regulations. (SOURCE/EXTRACT: *Media Release*, Billson, 20.10.11)

PM sucked in by climate investors' self-serving report

Shadow Small Business Minister Bruce Billson has slammed Prime Minister Julia Gillard's feeble attempt to justify a carbon tax by her use of a self serving Investor Group on Climate Change report. Mr Billson said the Prime Minister had forgotten the big picture of how the carbon tax will affect ordinary Australians.

"It would appear the PM has forgotten that some investors and financial traders have a vested interest in a carbon tax because it's good for them," Mr Billson said. "How the PM has just seized on this report is just further evidence of her contempt and lack of thought for small business under a carbon tax. "Let's not forget there is no compensation for small business under the Government's carbon tax."

Mr Billson said it was time for Small Business Minister Nick Sherry to stand up for the sector he represents and remind the PM that small business employs nearly half of the private sector workforce. "Small business has already lost 300,000 jobs since Labor was elected thanks to the red tape it has put in place and indifferent attitude to the engine room of the economy," Mr Billson said.

"Imagine what our neighbourhoods would be like if our local strip shops all closed down as a result of big business being all that is left standing after difficult trading conditions push out the little guys. "Not only would we have empty shops but we'd have a major lack of competition." (SOURCE: Bruce Billson Media Release – Thursday 20 October 2011)

WA WELCOMES NSW PULLING OUT OF NATIONAL OH&S HARMONISATION

West Australian commerce minister Simon O'Brien has welcomed the news that NSW will not implement the national OH&S laws. He stated that NSW has come to a similar conclusion as WA on the timing of the harmonisation laws. The NSW Government said that the implementation of these laws is not attainable by 1 January next year.

"They now join us and Victoria in the sensible decision to wait until we have all the facts," O'Brien said. "This means the States covering the vast majority of Australia's workers for OH&S have had to place the process on hold. "I wrote to the Federal Minister for Workplace Relations Senator Chris Evans last month to inform him that WA had not been given sufficient time to analyse the full impact of the model Work Health and Safety Regulations.

O'Brien said the Federal Government had not met the timelines it set for providing information about the new laws and their impact on WA businesses. "The WA Government made the responsible decision to delay implementation to allow a reasonable time to analyse that impact.

"The decision by the NSW Government supports WA's stance that changes to the State's already strong work health and safety laws should not be considered until we have properly assessed the effectiveness and potential impact of the Federal Government's proposals." (SOURCE: Mining Australia newsletter, 21.10.11)

World Bank report confirms Labor's push to smother small business in red tape

The World Bank rankings on business regulation burdens reinforce the 'field evidence' the Coalition hears from small business and family enterprises everyday according to Shadow Minister for Small Business Bruce Billson. Mr Billson said Australia slipped three places in the Doing Business 2012 rankings because of the Rudd and Gillard Labor Governments' introduction of 220 new regulations for every one that they have removed.

"The World Bank analysis shows that Australia has gone backwards on every measure except 'dealing with construction permits' where Australia has gone from 43rd to 42nd – hardly spectacular," Mr Billson said. "Successive governments have made the steps needed to get ready to do business much more straight-forward, but once you get started and are doing business, the regulatory burden hits you and has been getting progressively worse. [See attachment World Bank Report.pdf](#)

Small business forgotten again by Labor

Shadow Small Business Minister Bruce Billson has slammed the Labor Government's attitude to small business after it failed to appoint anyone from the sector to the Manufacturing Taskforce. "The Government's attitude of either just ignoring or putting more hurdles in front of small business just gets worse," Mr Billson said.

"There are plenty of small businesses which make up the manufacturing sector yet the Gillard Government doesn't seem to think they're worthy of representation on the taskforce. "It's clear that the Government only cares about big business and big unions and is happy to cast aside the concerns of small business." (SOURCE/EXTRACT: *Media Release*, Billson, 21.10.11)

Lack of WA representatives on new Manufacturing Taskforce disappointing

Commonwealth urged to take more active role on local content

Commerce Minister Simon O'Brien today expressed his disappointment at the lack of Western Australian representatives on the Federal Government's Manufacturing Taskforce.

"While the decision to proceed with a taskforce led by the Prime Minister herself is welcome, the taskforce's membership fails to acknowledge the importance of the WA economy. Of the 24 members, only one - Senator Chris Evans - has direct links to this State," Mr O'Brien said. I am astonished at this. WA is leading the nation in terms of economic and employment growth and has the brightest prospects for further expansion based on the continued growth of our minerals and energy projects."

The Minister said the idea of a taskforce was raised during the recent Job's Forum. "Its establishment acknowledges that the Australian manufacturing industry is facing strong challenges which required national leadership to be addressed successfully," he said. "The Premier wrote to the Prime Minister in March this year urging the Commonwealth to take a more active role in industry policy, particularly when it related to local industry participation and offshore oil and gas projects.

"We will continue to make the point to Canberra that both manufacturing and service industries need to align to the demands created by resource projects and to build on domestic success in international markets. (SOURCE/EXTRACT: *Media Release*, O'Brien, 21.10.11)

New ACTU attack on insecure work policy

THE union movement is stepping up pressure on the Gillard government to devise a new jobs policy before the next federal election, by setting up a national inquiry with public hearings into the growth in insecure work. ACTU president Ged Kearney will announce today that Brian Howe, deputy prime minister to Paul Keating, will chair the inquiry, which plans to hold public hearings in capital cities and present reform proposals to the government.

Union so urces described the national policy action as "unprecedented" in the labour movement's history, saying leading employers and

businesses would be urged to participate in order to demonstrate the inquiry's "independence". Mr Howe said yesterday the inquiry members would approach their investigation with an open mind and wanted to hear from businesses as well as workers. (SOURCE/EXTRACT: *The Australian*, 24.10.11)

Union revival spurs crisis in Australian industry

AUSTRALIAN companies are battling a crisis in the workplace because of the re-emergence of union power in industrial relations and the prolonged high exchange rate, one of the nation's most senior non-executive directors has warned. Fletcher Building chairman and Woolworths director Ralph Waters accused employers and unions of getting "lazy" in the wage negotiations of recent years, and losing their drive for productivity improvements. (SOURCE/EXTRACT: *The Australian*, 24.10.11)

Not a glimmer of light in the Freedom of Information tunnel

Public officials, elected or not, can hide whatever they want. AUSTRALIA has had Freedom of Information laws for nearly 30 years. I was among those who politely applauded when this legislation was introduced by the Fraser ministry in 1982 because it promised a new era of openness and transparency to assist the media in reporting government. It was all codswallop, of course. FoI did no such thing. It was costly, time-consuming and riddled with get-out clauses that allowed any public servant or politician to duck for cover to avoid scrutiny or blame for anything. (SOURCE/EXTRACT: *The Australian*, 24.10.11)

Resources boom gives construction a boost

Engineering and commercial construction is expecting a big boost this financial year and next thanks to the booming resources sector, a new survey has found. The total value of engineering construction work is forecast to expand by 10.3 per cent this year and rise again by 12 per cent in 2012/13, the Australian Industry Group/Australian Constructors Group Outlook survey said.

The expansion is expected to be driven by significant **mining** investment and industrial projects such as **oil and gas** processing. While growth is expected in commercial construction, the survey does not anticipate that this will be as significant. (SOURCE/EXTRACT: *WA BUSINESS NEWS*, Daily Business Alert, 25.10.11)

Skill shortages felt among small firms

Business consultants Grant Thornton found that 83 per cent of privately owned small and medium enterprises are expecting to offer their employees a pay rise during the next 12 months. Of those respondents in the survey of 75 businesses, ranging from 20 to 299 employees in size, 14 per cent said they would offer employees a rise above the rate of inflation.

While Australia was almost at full employment, indicating a strong economy, small businesses were being affected by the uncertainty and negativity surrounding the current political landscape. "It is difficult to plan for, and fund, future growth when major reforms such as the carbon tax and the minerals resource rent tax continued to be debated," Mr Thornton said.

Still, Mr Shew said there been continued strengthening in relationships between small businesses and their banks. "Australian privately held businesses are starting to feel that they are receiving increased support from their banks," he said, adding there have been more discussions about facilitating growth and stability.

Grant Thornton's latest international business report found that Australia was the only one of nine nations in the global economy to maintain an optimistic outlook among privately held businesses. (SOURCE: finance.ninemsn.com.au/newsbusiness/aap, 24.10.11)

Mining tax hits 11th hour hurdle

The government is facing a last-minute dispute with the resources sector over its mining tax legislation amid claims Labor's latest draft will increase revenue but impose greater liability on the three big miners. *The Fin* (SOURCE: *WA BUSINESS NEWS*, Today's Business Headlines 25.10.11)

Workers at union recruiter Work Partners left unpaid

A PRIVATE company paid by some of the nation's biggest unions to recruit thousands of members has abruptly stood down its workforce, leaving employees owed wages and their jobs in limbo. Union officials said Work Partners, run by former ALP activist Stuart McGill, told employees the company was under "extreme financial difficulty" and might not be able to continue. The National Union of Workers said 74 employees had been stood down and their future employment was uncertain. (SOURCE/EXTRACT: *The Australian*, 26.10.11)

More big power bill shocks in pipeline

WA households face a decade of electricity price rises at triple the rate of inflation as the State Government scrambles to keep up with the escalating cost of delivering power. An analysis by *The West Australian* reveals massive price rises will be needed to keep abreast of the exploding cost of power production and distribution - which will be piled on top of the tariff jumps needed to close the gap between what is charged currently and the "cost-reflective" price. With both sides of politics committed to ensuring prices cover costs, households are set for annual increases which dwarf the consumer price index, regardless of which party is in office. (SOURCE/EXTRACT: *The West Australian*, 26.10.11)

Cost of living soars even before a carbon tax

The latest Consumer Price Index (CPI) figures show Australian individuals, families and small business are being hit hard with the cost of living sky-rocketing according to Shadow Minister for Small Business and Consumer Affairs Bruce Billson. Mr Billson said figures released by the Australian Bureau of Statistics (ABS) today showed a spike in the cost of electricity (7.8%), water (8.6%) and property rates (5.2%) - all key housing and small business input costs.

"What we've got here is a heavy increase in the cost of living and the cost of doing business even before a carbon tax is implemented," Mr Billson said. "Increases in essential services like electricity and water are already creating hardship and economic harm that will only get worse with a carbon tax. "Even without a carbon tax these types of increases are just not sustainable for many."

Mr Billson said the RBA decision on interest rates on Melbourne Cup Day could be the impetus that small business needs given the cost of essential services are on the rise. (SOURCE/EXTRACT: *Media Release*, Billson, 26.10.11)

International Business Council Activities/Information

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

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- FDI - Independent Strategic Analysis of Australia's Global Interests Strategic
- Europe woes good medicine for WA - Deloitte
- Latest from the EU
- Economic divide hits record: NAB survey
- China strength to bolster WA economy
- China slowdown adds to worries
- RBA: Australian Banks Can Withstand Stress Tests
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