

'REVITALISE ECONOMY'

Business urges workplace reform

■ **Shane Wright**
Economics Editor

The business community has demanded Tony Abbott use his ascension to power to make sweeping changes to the industrial relations system and to slash corporate taxes.

In a sign the business sector wants the Prime Minister-elect to vary some of his pre-election commitments, most business groups said Mr Abbott had to go further to boost the economy.

Minerals Council chief executive Mitch Hooke said the council expected the Abbott Government to help "re-fire" the engines of economic reform.

Industrial relations reform was high on the council's agenda.

"There is scope for significant change to the Fair Work Act to boost Australia's productivity



Wishlist: IR, education and training, tax, infrastructure and innovation.

and cost competitiveness," he said. "The current industrial laws have increased the power of trade unions and tribunals at the expense of direct relationships between employers and

employees in the workplace. "Limits imposed on choice and flexibility have increased project costs and undercut the industry's capacity to sustain and create more high-wage jobs."

The WA Chamber of Minerals and Energy said the incoming Government could play a vital role in boosting the WA sector.

"A focus on reducing the cost of doing business and increasing exploration activity need to be a priority for the Coalition Government to enable the continued growth of the resources sector in Western Australia," chief executive Reg Howard-Smith said.

The Coalition has pledged to repeal the carbon and mining taxes but it has been careful not to promise more than minor changes in industrial relations.

But Business Council president Tony Shepherd said not only should the Coalition go further on IR but it should use its planned Commission of Audit to re-cast Federal spending.

"The incoming Government must take decisive action to

repair the Budget, make our economy more flexible, reduce the cost of doing business, continue to invest in skills and capabilities for a modern workforce and address our infrastructure backlog," he said.

Mr Shepherd said the incoming Senate had a responsibility to act in the national interest and respect Mr Abbott's mandate.

Australian Industry Group chief executive Innes Willox was another to back workplace reform while admitting the economy was stronger than most.

"There are many areas where we need to do better. These include: workplace relations; education and training; tax; the high regulatory burden on business; infrastructure; secure, affordable, sustainable energy; and business innovation," he said. "There is much work to be done."

Polish potash war elicits investor interest

SPINIFEX

■ **Nick Sas**

It is an odd time in the small resources sector, when commodities such as potash and mineral sands attract serious investor attention in WA.

With many gold and nickel investors hurt over the past six months, the lure of diversification is becoming more attractive.

The announcement by BHP Billiton last month that it was pumping in \$2.6 billion to finish the Jansen Potash project in Canada — particularly in light of BHP shareholders' push for spending restraint — is one factor pushing potash into the spotlight.

Another factor is the entertaining, albeit slightly worrying, so-called potash wars between Russia and Belarus, which have also helped put the fertiliser feed back on the map.

For the record, Vladislav Baumgartner, chief executive of the mining group Uralkali, was detained in Minsk, Belarus, late last month.

Uralkali sparked a row when it quit a trading alliance with State potash producer Belaruskali in a move that analysts say could push potash



Potash potential: Potash West managing director Patrick McManus says fertiliser groups are expressing more interest.

prices down by as much as 25 per cent before the end of the year.

The halls of the Perth Convention Centre are a long way from the jails of Minsk but according to Potash West managing director Patrick McManus, the reverberations have been felt by his company.

Potash West is attempting to develop the Dandaragan Trough project 150km north of Perth, and Mr McManus said a number of curious investors came to find out more about the company during last week's Association of Mining & Exploration Companies conference.

For Potash West, the immediate threat of decreased prices from the potash war does

not have a huge impact but the lingering long-term food security threat does.

Analysts have tipped this issue will become more perverse in the latter half of this decade, if not sooner.

Mr McManus admitted Potash West liquidity and, indeed, its share price, were low but he said inquiries from fertiliser groups had increased.

In January, the company put a \$650 million price tag on a 2.4 million-tonne-a-year operation that aims to mine potassium-rich glauconite — an essential product in the creation of fertiliser — with an eventual plan to ship 50 per cent of the product to South-East Asia and China.

He said the company's next step was to start construction of a working trial plant.

■ On the mineral sands front, Welshpool-based Mineral Commodities Limited highlighted the relative confidence in the sector by announcing a fully underwritten \$6.5 million entitlement issue late last week. The one-for-four issue is priced at 8¢ — just below the 8.1¢ closing price on Friday. The company said it would use the money to fund the commissioning of its Tormin mineral sands project on South Africa's west coast, 400km north of Cape Town.

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China growth rebounds

■ **Hu Shen and Nerys Avery**
Beijing

China's exports increased more than expected in August, adding to evidence the world's second-biggest economy is rebounding after a two-quarter slowdown.

Overseas shipments rose and imports rose less than expected leaving a trade surplus of more than \$US28 billion (\$30.5 billion) — all cited as evidence China's economy is picking up.

Customs said overseas shipments rose 7.2 per cent from a year ago and imports rose 7 per cent from a year earlier.

Confidence is returning after the interbank cash squeeze in June because the Government has cut taxes for small businesses and announced extra spending on railways.

Improvements in developed nations may support exports in coming months, with the eurozone returning to growth in the second quarter after a record-long recession.

Everbright Securities chief economist Xu Gao said as manufacturing in the US and Europe recovered, that would likely become a stronger driver of China's growth. "If policy makers in China see this recovery as meaning they don't need to add stimulus domestically or even withdraw stimulus, that could be bad news," Mr Xu said.

Mr Xu last week raised his 2013 full-year economic growth estimate for China to 7.6 per cent said August import numbers may temper optimism about the strength of domestic demand.

August data for consumer and producer prices is out today. Bloomberg

BoA pays \$42m to settle Merrill gender suit

■ **Christie Smythe**
New York

Bank of America will pay \$US39 million (\$42 million) to settle a discrimination lawsuit brought on behalf of women employed at its Merrill Lynch unit.

According to court documents, lawyers for women financial advisers and licensed trainees have settled a lawsuit that claimed Merrill discriminated against women.

"This settlement helps ensure

that Merrill Lynch is a place where women can thrive and be successful," Cara Greene, a lawyer for the plaintiffs, said. "Hopefully others will follow Merrill Lynch's example."

The accord, which is subject to approval by a federal judge, covers about 4800 women who worked at the firm between August 2007 and September 2013, according to court documents.

Along with a cash fund, the settlement requires changes at the

firm to be overseen by an independent monitor, according to the plaintiffs' attorneys.

The lawsuit stemmed from investigations starting as early as 2006, before Bank of America announced it would buy Merrill Lynch. Bank of America bought Merrill Lynch in 2008.

"We are pleased to resolve this matter," Bank of America spokesman William Halldin said.

"The resolution includes a number of additional and enhanced

initiatives that will enrich our existing diversity, inclusion and development programs, providing even more opportunities for women to succeed as financial advisers."

In a separate case, a Federal judge in Chicago is considering whether to approve a \$US160 million settlement of claims that Merrill Lynch did not give black employees the same business opportunities as the firm's white financial advisers.

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