

# OPINION

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**EDITORIAL**

## Small business pitch shows Labor willing to modernise

Labor has suffered from an identity crisis in recent years as its traditional base of working people has evolved into an aspirational class. It has been caught between clinging to the old worker's vote via its union connections, and seeking a wider constituency.

This has led to paradoxical positions on some issues as the party tried to maintain a focus on jobs at the same time as its policy on pricing carbon emissions threatened to undermine thousands of jobs in traditional industries. As a result its credibility and electoral fortunes have waned.

The risk in installing former union leader Bill Shorten as Federal leader after the election last year was that the party would retreat to this shrinking union base. There have been signs of this in Mr Shorten's short-sighted approach to the decline of the manufacturing in this country as he argued the case for continued government subsidies.

This is why Mr Shorten's epiphany on small business this week is so heartening. The Opposition Leader revealed to this newspaper a strategy to remove some red-tape from small operators. He wants businesses with a turnover of less than \$2 million to be able to lodge business activity statements annually rather than quarterly. Labor also proposes to lift much of the tax reporting burden from so-called micro-businesses with simplified "four line" returns, and to allow many of the smallest enterprises to average their income over five years to allow for revenue cycles.

Mr Shorten's proposals may seem like minor matters to many people but to small businesses swamped with paperwork and onerous reporting requirements they could make a notable difference.

More significantly, the strategy signals that Mr Shorten recognises a constituency that is ripe for the picking if his party can show it cares about representing its interests.

It is a smart move to try to engage with small business people. In another era, they may have been Labor's natural constituents — hard workers who believe in a fair go for all, and who have made the plunge into working for themselves. Labor has lost touch with this part of its grass roots but there is considerable scope for it to win them back.

The overwhelming number of businesses in this country are small — about 60 per cent of the 2.1 million businesses have a turnover of less than \$200,000 and their needs and interests are often entirely different to those at the corporate end of town.

Importantly, this new strategy is an acknowledgment by Mr Shorten that Labor needs to modernise and to change as society changes. It is vital that the broader party embraces this willingness to reposition Labor.

This does not mean it has to jettison its union base — it should hold fast to the concept of a fair go for the working person — but it must reject the idea that it should be held captive to the outdated class warfare rhetoric that much of the union movement's leadership continues to espouse.



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# Gas pledge needed, not hot air from Canberra

WA must retain its fair share of natural gas whatever politicians say, writes **Matt Brown**

**G**eorge Bush Sr once famously promised "read my lips — no new taxes" and then, having won the 1988 US presidential election, raised taxes and introduced new ones.

Perhaps more than any quote it has helped enshrine the public's cynicism that what politicians say may not necessarily be what they mean.

As WA faces a Senate election re-run, our political leaders have both acknowledged the energy challenges facing Australia.

Prime Minister Tony Abbott says Australia should be an "affordable energy superpower" while Opposition Leader Bill Shorten on a visit to Perth said "access to energy" was the key issue for local industry and the jobs it provides.

But what do they mean?

The east coast relies heavily on coal for its energy needs. WA's energy challenge is fundamentally different because of our geographic isolation.

It was this isolation which saw Sir Charles Court's government underwrite the development of the North West Shelf natural gas project.

WA taxpayers subsidised this project heavily because it was a means of unlocking the huge gas resources off our coast which could provide energy to our domestic industry, drive regional development and create jobs.

Natural gas now provides more than half of the State's energy requirements and about 60 per cent of the total fuel used for power generation.

And thanks to those taxpayer subsidies, the State also has a



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prosperous LNG export industry. But the LNG export industry was never the end game.

Successive State governments have seen the LNG industry for what it is: a means to an end.

It's never been about the gas; it's been about what benefits the State can gain from using the gas.

Former premier Alan Carpenter understood this when he required LNG exporters to reserve a small portion of their gas to supply the local market. Without this policy, no gas from the recent major projects off our coast would have come into the domestic market.

Premier Colin Barnett has long championed developing our State by striking the right balance between a profitable LNG export industry and ensuring local industry has the gas it needs to continue to grow.

But where is Canberra on all this? Both sides of Federal politics appear content to allow the large multinational oil and gas producers to dictate the play.

They proclaim the benefits of the free market approach, the same approach which has seen east coast gas prices rocket, placing thousands of jobs at risk.

This is simply not good enough for WA because higher gas prices affect our economy disproportionately.

The Grattan Institute conservatively estimated that rising gas prices could cost the WA economy almost \$1.8

billion a year — about six times the impact in NSW.

Canberra accepts the big producers' spin that reservations for domestic gas would "destroy investment" despite WA last year reporting record investment in exploration, record exports of LNG and about \$116 billion in projects under construction.

A new survey now shows that West Australians are not swallowing the company line. The survey shows that 86 per cent of respondents rate securing gas supplies for local industry as being very or extremely important. They also overwhelmingly rate using the gas to grow the local economy as being the most important objective.

And despite an expensive public relations campaign by oil and gas producers, they remain resolutely opposed to removing the State's reservation requirement, with 89 per cent saying it should stay.

With the advent of floating LNG allowing producers to get around the policy and not supply any gas to the local market, 97 per cent of the community is telling both sides of Federal politics to step up to the plate and ensure WA gets a fair share.

We need to hear from our Senate candidates, particularly from the major parties, about what they will do in Canberra to ensure WA benefits from the vast gas resources located off our coast.

And we can make it simple for them. It's not an either/or choice. We can have a prosperous LNG export sector while ensuring local industry has the gas it needs to grow.

It just needs a bit of leadership from our Federal representatives.

But as with anything Canberra says on this issue, the community will be reading their lips.

**Matt Brown is executive director of the Domgas Alliance which represents natural gas users, infrastructure investors and producers in WA**