



9th May, 2017

WA industry welcomes infrastructure spend

The Western Australian business community has welcomed funding for WA infrastructure but warned the Federal Government must not continue to raise taxes to fix the budget.

In response to Treasurer Scott Morrison's 2017-18 Budget, the Chamber of Commerce and Industry of Western Australia (CCI) has warmly welcomed the \$1.6 billion in funding announced for WA rail and road projects, but cautioned that reducing government spending should remain the bedrock of budget repair efforts.

"The Western Australian business community is delighted that \$1.6 billion will be injected into the state's economy to address WA's infrastructure needs and underpin future economic growth and productivity," said CCI Chief Economist Rick Newnham.

"Building an efficient transport network with improved road and rail infrastructure will provide a huge productivity boost for WA industry. Upgraded transport infrastructure will also make our state an even more attractive place for business investment, which will create more jobs for WA workers, so we congratulate the Federal and WA Government for delivering on this significant infrastructure package.

"While WA business welcomes a projected return to surplus in 2020-21, it is important that the government continue to look for ways to rein in spending – given WA's current economic challenges and the compromised state of the WA budget, CCI will be watching closely to see if the increased fees and charges announced in tonight's Budget will impact negatively on the WA business community."

Mr Newnham will join a delegation of senior WA business leaders to discuss the GST with Prime Minister Malcolm Turnbull later this year.

Mr Newnham said business welcomed the GST compensation for WA contained in tonight's Budget, but remained committed to long-term reform.

"While we welcome the \$226 million GST top-up payment announced in this Budget as an interim measure, WA business continues to call for long-term GST reform that will re-introduce the incentives for states to drive economic growth, create more jobs and drive diversification of the national economy," Mr Newnham said.

"WA business has also strongly welcomed Treasurer Scott Morrison's extension of the instant asset write-off for small businesses – with WA unemployment at 6.5 per cent, this financial relief will give WA small businesses more funds to innovate, invest back into their businesses, grow their operations and create more employment opportunities for workers. WA business also welcomes the \$300 million National Partnership on Regulatory Reform with the states to cut red tape for businesses.

"It is now critical that both houses of Parliament work quickly to reach agreement on this budget. Overall, CCI and the Western Australian business community are pleased Prime Minister Malcolm Turnbull, Treasurer Scott Morrison and the Commonwealth Government have drafted a Budget that recognises the importance of new infrastructure and the small business sector to building a stronger economy for the nation's future."

CCI Chief Economist Rick Newnham will be available to speak on the federal Budget with media this evening. Please contact Media Adviser Kate Hodges on 0448 928 227 to arrange an interview.