

The West Australian Blaming Canberra is ignoring reality

DEAN SMITH



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But sympathy for his accident shouldn't translate to believability for his argument. By calling on the Federal Government to do more, the Federal Labor MP has forgotten some critical facts about the current financial health of the WA economy.

The most obvious is WA's hard-fought GST windfall. Last financial year the McGowan Labor Government banked more than \$3.634 billion in GST revenue — that's \$1.69 billion more than in 2016/2017, the last year of the WA Liberal/National government.

WA's future should be bright because of its GST win. GST revenue is forecast to grow to \$5.467 billion by 2022/2023 — that's an increase of \$3.523 billion more than when WA Labor was elected in 2017. Despite WA Labor's attempts to claim credit, West Australians know WA's Budget position was resuscitated by Prime Minister Scott Morrison who was both architect and legislator of the GST solution, putting an end to years of GST injustice.

The second financial fact is iron ore royalties are booming with the spot price currently more than 40 per cent higher than the average in 2016/2017. These two sources of additional revenue alone added \$3.231 billion to

the WA Budget, in the same year Labor posted a surplus of only \$1.3 billion.

Mr Gorman's comments that WA's recovery is "taking too long" and people are "struggling to get by" are very curious when compared with the optimism of his Labor Premier who argued at the start of the year it was time to "talk up the Western Australian economy".

Likewise, suggestions there is a lack of incentives for WA's small and medium-sized businesses and WA has been left out of Federal Government support for development of WA's far north fail the pub test.

An inconvenient truth for Labor is that the Coalition's recent tax reforms have led to 370,000 small and medium-sized businesses in WA benefiting from the increase to the instant asset write-off up to \$30,000, and the 85,000 similar sized firms who now enjoy a lower tax rate of 27.5 per cent, which falls to just 25 per cent next year.

I would invite Mr Gorman to join me on a trip to northern WA so he can see why his claim that the Northern Australia Infrastructure Facility Fund is "floundering" is just plain wrong. The NAIF has already approved WA projects such as the Onslow Marine Support Base which will deliver a 45 per cent increase in local gross regional product and create 150 jobs during operation. Combine this with the 17 projects under due diligence and the 38 active inquiries in WA then you better understand why the NAIF is

about to accelerate economic opportunities across WA's far north.

Other WA regional areas are also benefiting from the Coalition's regional infrastructure investments

such as the \$226 million for the Albany and Bunbury outer ring roads, the \$248 million for the Karratha-Tom Price corridor, and funding for remote roads, such as the Tanami Road, which form part of the \$75 million commitment to the Halls Creek to Alice Springs road corridor. And there is cause for optimism that a Perth City Deal will soon be finalised, mirroring successful deals reshaping cities such as Hobart, western Sydney, Adelaide, Townsville and Launceston.

The challenge for Mr Gorman is not to only champion city-centric ideas, but embrace genuine urban revitalisation projects such as Future Bayswater and the redevelopment of the iconic Bayswater Soccer Club, which will transform the community experience of families beyond the CBD.

What Mr Gorman conveniently neglected was the negative impact of WA Labor's increases to local taxes and charges on cost-of-living. It's time for Premier Mark McGowan to explain why it's been necessary to hit households with \$850 in extra fees and charges, increased public transport fares and allow the Water Corporation to overcharge households by more than \$400. Rather than blaming Canberra, Mr Gorman could try looking for answers closer to home.

Dean Smith is a Liberal senator for WA and Chief Government Whip in the Senate.

OPINION

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EDITORIAL

Hope rests on stimulus hitting right targets

For some weeks now there have been growing fears about the fate of the Australian economy.

The economic fallout from the bushfires that burnt through vast areas of the east coast was bad enough, but there was still a sliver of hope that it would not necessarily lead to a wipe-out — even as the Federal Government signalled its much hoped-for Budget surplus was at risk.

But the global coronavirus outbreak that is now hitting Australia has smashed confidence and yesterday's sea of red on the sharemarket was a devastating illustration of the damage.

The value of the Australian sharemarket plunged \$155 billion yesterday as it suffered its biggest one-day fall since the depths of the global financial crisis in October 2008.

The benchmark all-ordinaries fell another 7.4 per cent yesterday, taking its losses in the past three weeks to almost 20 per cent.

Westpac Bank yesterday forecast the Australian economy would fall into recession for the first time in nearly 30 years.

The spotlight is now firmly on the Morrison Government's looming stimulus package.

Yesterday a number of business leaders flagged the measures they believed were necessary.

Council of Small Businesses Australia chief executive Peter Strong said his organisation's modelling showed more than 100,000 businesses will be in need of cash flow support.

Australian Business Council chief executive Jennifer Westcott said targeted assistance to the hardest hit sectors, such as tourism, was needed, as were payroll tax breaks from the States.

Australian Chamber of Commerce and Industry chief executive James Pearson said the Federal Government should give "serious consideration" to bringing forward tax cuts for small, medium and family businesses.

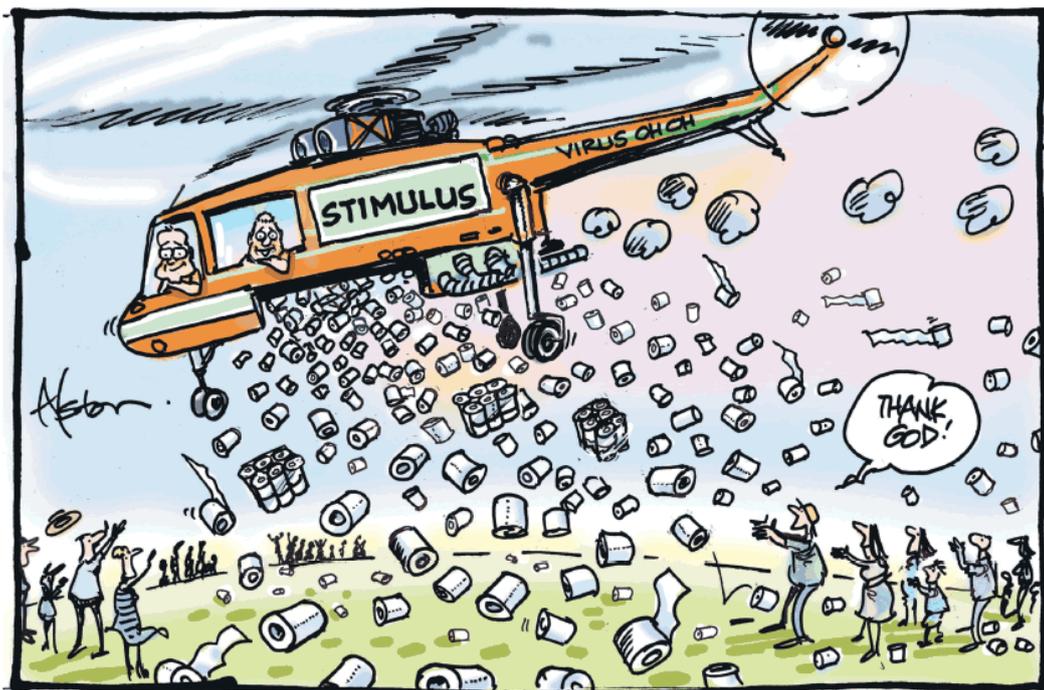
Treasurer Josh Frydenberg said a "substantial" stimulus package — expected to be worth up to \$10 billion — would focus on supporting cash flow and keeping people employed.

In a speech today Prime Minister Scott Morrison will outline the seven principles that are guiding the Government's fiscal response — that the measures are proportionate, scalable, targeted, aligned with other arms of policy, use existing delivery mechanisms, are temporary and the measures lift productivity.

There are, of course, never any guarantees that such packages will have the desired impact.

But there is no doubt that the Government has to offer some hope, and urgently.

Much depends on the measures hitting the right targets if they are to deliver the best chance of really making a difference.



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