MASTER BUILDERS WESTERN AUSTRALIA
building a better industry

Media Release

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A Steady and Responsible State Budget

Today's State Budget is a reasonable one for the building and construction industry.

According to Master Builders Director Michael McLean, there were no real surprises, no radical changes and no negative impacts which should deter the building industry's prospects in 2018-19.

"This is a steady as you go State Budget which continues to rely heavily on our export trade and consumer spending to improve our economic position," Mr McLean said.

"As much as the building industry would have liked some reductions in payroll tax, land tax and stamp duty, we'll have to be patient for that relief."

"In the absence of tax reductions, there now needs to be even more focus on policy reforms (dealing with issues like planning, industrial relations and local government) to create a more productive and innovative environment in which to do business."

"Although the increase in the foreign investment tax on residential property from 4% to 7% may align with some other states, it is not appropriate in the context of WA's depressed property market at the moment."

"We are disappointed that the Treasurer didn't see merit in providing a 12 month $5,000 boost to the $10,000 First Home Owner Grant for home buyers in regional areas who are doing it harder than their metropolitan counterparts."

"We anticipate the next 12 months will be tough again for most businesses in the building industry but the conservative and disciplined approach to state finances will help to boost consumer confidence which will stimulate renewed interest in the new home and renovation sector."

"Of great concern is that our $100 million per annum National Housing and Homelessness Agreement expires on 30 June 2018 and has yet to be finalized with the federal government which places future remote housing projects in jeopardy."

There are many positive assessments from the State Budget including:

- A reduction in State debt and a lower deficit
- A demonstrated commitment to reduce recurrent government expenditure to 0.9% per annum in 2018-19
- A likely return to surplus in 2020-21
- $3.2 billion for job creating infrastructure and maintenance programs across the state

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- $184 million for a Metronet social and affordable housing and jobs package which will deliver 1,390 new homes including up to 320 new social housing dwellings and at least 400 affordable homes

- A rise in Gross State Product of 3.25% in 2018-19 following a 2.7% contraction only two years ago

- Extending the 0.2% Construction Training Fund levy to civil engineering construction projects being carried out in the mining/resource sector will significantly boost the training of building apprentices

- Establishing an independent Infrastructure WA Board to provide expert advice to the government on infrastructure needs and priorities

- The retention of a revised Royalties for Regions program to prioritize capital investment projects in regional areas

- No new taxes which would have impacted adversely on our economic recovery

- Retention of the $10,000 First Home Owner Grant (FHOG) to encourage the building of about 8,000 new homes each year

- Retention of the existing KeyStart criteria which has helped over 2000 West Aussies buy their own home each year

- Over $2 billion is being spent on improving regional roads over four years

- $655 million is being invested in health infrastructure over the next four years

- $12 billion over four years to build and improve schools

Regrettably, the state's finances have once again prevented a more adventurous approach being taken by the McGowan government to easing the burden of doing business and boosting employment opportunities in WA. However, a steady hand controlling the state's finances is what is needed most at the moment.

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