

# Media Release

## Bolster small businesses with cash injection

March 17, 2020

The State Government's COVID-19 economic package is a relief for small businesses, but Master Builders WA Executive Director John Gelavis says some may need more help to stay afloat.

"The State Government has given some respite to the building sector through targeted support for small businesses because there are more in our industry than any other," Mr Gelavis said.

"The building industry is made up of about 98 per cent small businesses. Around 40,000 of the 220,000 small businesses in WA are operating in the construction arena so we applaud the payroll tax cuts announced today.

"But builders need measures to inject money into the economy to underpin confidence. If there is no confidence that there is a continuing pipeline of work, many small builders won't feel able to keep employees and apprentices on their books.

"Waiving all stamp duty and a \$40,000 First Home Buyers Grants until 30 June 2020 would super charge the housing sector and deliver a tangible and immediate boost to the building industry and the broader economy.

"It would also help to activate the Federal Government's \$17.6 billion package. Builders will be encouraged to take advantage of the expanded instant tax write-off and investment incentives if they are confident that they will have a pipeline of work.

"Coronavirus has not yet hit us hard but our industry is bracing for shortages, delayed delivery of some imported building products and a potential slowdown.

"Subcontractors and small building businesses face cashflow problems, with knock-on effects likely such as more insolvencies and fewer apprentices.

"This impact is looming over the next few months and additional government measures will be required.

"We also need infrastructure investment to maintain confidence in the industry. We ask the State Government to fast-track social and transport infrastructure spending to keep projects going, continue the release of new ones and give the industry assurance on the pipeline of work.

"To give an immediate kick start to economic activity, the Government could bring forward budgeted expenditure on current projects to accelerate construction activity now and over the remainder of the year. This would provide an immediate boost in confidence.



“We also ask for a sensible and caring approach to contract terms where Government projects are delayed by forces beyond the control of builders.

“Master Builders strongly backs any moves that help businesses and keep people employed.”

**For more information please contact: John Gelavis, Director – w: 9476 9800 m: 0428 884 392**