

# CCIWA Pre-Budget Submission

## Key Priorities



If we want to grow our economy and create more opportunities for our kids, we need greater business investment. Six out of seven WA jobs are on the back of business investment, and that reliance on business to create jobs is not going to change. If WA businesses are more competitive, we can build a more exciting and dynamic economy that provides all the social, cultural, environmental, and economic opportunities we want for current and future generations of Western Australians. To that end, our Pre-Budget Submission outlines close to 40 recommendations. Our key priorities follow.



### Reduce the tax burden on business

#### Why Government must act

Competition for international capital will intensify post COVID. WA relies on that international capital more than any other State. If we want to grow current and future industries, we need a more globally competitive tax system.

#### What Government should do

Signal it is prepared to work through National Cabinet and CFFR to identify ways to reduce the tax burden on business. With NSW and Victoria heavily engaged in this space, it is vital we have a strong view. Government should also signal it is open to investigating transitioning from stamp duty to a broad-based land tax. In the short term, given infrastructure construction markets are at risk of reaching capacity any further stimulus should be in the form of tax relief.



### Fix our broken skills and training system

#### Why Government must act

Businesses are frustrated that TAFEs have been unable to adapt quickly and flexibly in response to COVID-19. Businesses report problems with both the quality and delivery of existing training courses. With less skilled migration it is vital we have a responsive training system. Preventing training providers from charging their own prices creates incentives to maximise student volume, rather than innovating and improving quality, bringing the system down to a low standard.

#### What Government should do

Allow private training providers to set their own prices. Providers are well regulated by having to hold a contract with the government, as well as the need to comply with standards set out by state and commonwealth oversight bodies. Our submission includes several supporting recommendations.



### Power up our manufacturing sector

#### Why Government must act

WA has a host of manufacturing businesses focused on niche products. Greater adoption of Industry 4.0 technologies like Computer Numerical Control, laser beam welding and 3D printing could see these businesses capture greater global market share and grow jobs.

#### What Government should do

Establish an overarching manufacturing Industry 4.0 strategy, focused on accelerating the adoption of I4.0 technologies. Specific initiatives should focus on facilitating the transfer of knowledge to local firms and networking opportunities, as well as an online portal that consolidates information on government incentives and programs.



## Boost youth employment by reforming retail trading hours

### Why Government must act

Extending trading hours will create jobs. In 2011 UWA concluded that, based on the experience in other states, relaxing restrictions would boost youth employment and retail turnover. The Productivity Commission has made similar conclusions. As we emerge from COVID-19 there is no shortage of people wanting to work more. Youth unemployment is 16.7%, and more than 152,000 people are under-employed. Extending hours would also provide bricks and mortar retailers a fighting chance against online competitors, with COVID-19 accelerating the shift to online retailing.

### What Government should do

Open up Sunday morning trading by allowing trading to begin at 8am. It should also extend Saturday evening trading and formally enact Public Holiday trading extensions, as well as remove regulations that stipulate what a business can sell when.



## Lower the retail electricity contestability threshold

### Why Government must act

WA businesses are facing rising cost pressures. Around 75% of businesses surveyed by CCIWA prior to the pandemic agreed that enhancing competition among energy providers to drive down power prices would help their business to invest and grow in the next five years.

### What government should do

Lower the contestability threshold to 20 megawatt hours of electricity per annum or move to a qualitative definition that defines all non-residential customers as contestable.



## Pilot a regulatory sandbox

### Why Government must act

Innovation can help propel the WA economy through the recovery phase. A barrier to applying new technologies like AI and 3D printing is they may not fit neatly into existing regulatory frameworks, making it difficult to earn regulatory approvals. An emerging approach to facilitating new technologies is 'regulatory sandboxes', which allow businesses and regulators to quarantine new technologies from regulation for a limited period with safeguards. This creates a testing environment for proof of concept trials.

### What Government should do

Pilot a regulatory sandbox in an area like energy or agri-business and use the learnings to develop a broader framework in consultation with industry and the community.



## An aggressive and strategic push into global markets

### Why Government must act

Some countries will be reticent to re-engage with global markets once COVID19 begins to fade. There is a significant opportunity for Western Australia to fill this vacuum. However, without a strategy, our efforts to re-integrate into the global economy will be reactive and opportunistic, and we will fall behind countries that take the initiative. As it currently stands, there is a low level of international awareness about medium-to-large scale commercial investment projects in WA.

### What Government should do

A global re-engagement strategy to frame our State's overall goals for trade and investment. This should involve partnering with CCIWA to develop a WA Investment Portfolio Deal Book. The Deal Book would actively promote major investment opportunities to prospective foreign investors across a range of WA industries. The Government should also develop a strategy to grow our population by reviewing all relevant tax, visa, international student and other policy settings.