



MEDIA STATEMENT

BEN WYATT MLA

Shadow Treasurer; Shadow Minister for Federal-State Relations

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Buswell backflips on tax competitiveness

Treasurer Troy Buswell has abandoned his own strategy of improving Western Australia's tax competitiveness through his attack on families and small businesses, Shadow Treasurer Ben Wyatt said today.

On 11 March 2008 Mr Buswell told Parliament:

'...if we consider tax to be the golden goose...taxation effort is not the size of the egg that pops out of the back of the golden goose from time to time but the amount of effort that is being applied to constrict the neck of the goose to force an egg out.'

"Treasurer Buswell has well and truly got his hands around the neck of the State's golden goose and has now deferred the abolition of duty on non-real property which means business will be slugged with an extra \$355 million tax," Mr Wyatt said.

"By deferring the harmonisation of the payroll tax grouping provisions he is hitting small businesses with an extra tax increase of \$156 million.

"This means the Treasurer is imposing \$511 million in extra taxes on Western Australian small businesses.

"The Treasurer has abandoned all his previous rhetoric and is now forcing small businesses to pay for his financial negligence."

Mr Wyatt said the Barnett Government inherited the most business friendly tax regime in Australia* and promised further tax cuts.

"He has not only broken that promise but taken Western Australia tax competitiveness backwards by reversing \$500 million of Labor's business tax cuts that were already in the pipeline," he said.

"At the same time, the State Government charges have hit families hardest – family bills for electricity, water and other essentials have skyrocketed."

The Mid Year Review reveals the State Government is taxing Western Australians more than \$2500 on a per capita basis in 2009-2010.

"This is well above the average of other Australian States," Mr Wyatt said.

"The measure chosen by the Treasurer to assess Western Australia's tax performance is tax as a share of Gross State Product."

In Parliament on 9 November 2005 then Shadow Treasurer Mr Buswell described tax as a share of GSP as a "flawed measure" and that this measurement was inappropriate to use for WA because of the export focused nature of the WA economy.

"Since the Treasurer is failing to meet his other measures of tax competitiveness, he is now embracing a measurement that he has previously described as 'flawed'," Mr Wyatt said.

“The Barnett Government has overseen an average tax rate in Western Australia that is higher than the national average.

“Western Australia is now one of the worst performing States on ‘tax effort’ in Australia.”

Mr Wyatt urged the Barnett Government to improve the burden that it is placing on business through an uncompetitive taxation regime. This is vital for Western Australia if it is to accelerate towards an improved economic climate.

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**Institute of Public Affairs – Business Bearing the Burden – State tax on a medium-sized business 2008, Western Australia – ranked 1. Full report available at www.ipa.org.au.*