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Policy-makers need to understand WA economic drivers

Article by James Pearson CCI, West Australian column

It's not often that the Reserve Bank Board meets in Perth.

In fact, it's been four years since this influential body has visited WA.

For households and businessmen and women around the nation, the decision of the Board on whether to raise or lower interest rates, or leave them where they are, is a moment each month when we hold our breath.

CCI and the Chamber of Minerals and Energy are hosting the Reserve Bank Governor, Glenn Stevens, to give an address to the WA business community.

A clear message to the Board, political and business leaders is the importance of visits like these to WA.

Policy makers and influential decision makers from institutions like the Reserve Bank need to see for themselves the economic engine room of the resources industry, particularly the massive mines and gas plants in the north-west.

It helps them to understand the huge scale of the capital investment and the enormous production volumes involved, and to appreciate the need for policies that allow WA to achieve its full potential to drive the Australian economy and create wealth and jobs.

For businesses operating in tough times, and for households with large mortgages, interest rate levels set by the Reserve Bank have a big impact.

The interest rates lever is just one of several tools available to deal with the economic challenges facing Australia.

And it's not just the Reserve Bank that has the tools to do the job.

Our members are telling CCI that there are four major problems that are making it hard for them to be profitable and to grow. And these are all within the power of government, Federal and State, to fix.

The first is labour shortages. The second is inefficient taxation. The third is too much red tape. And the fourth is an inflexible industrial relations system.

Here at CCI we can come up with constructive and practical solutions, but we need government to accept its responsibility to implement them.

We have proposed measures to increase temporary and permanent migration into WA.

We have urged the Federal government to make the forthcoming tax summit a meaningful forum to discuss wide scale tax reform.

We have identified examples of state regulations that, if changed or relaxed, could make it easier for employers to get on with business and to expand.

And we've put forward sensible proposals to improve industrial relations. They would allow employers and employees the flexibility that they need to adapt quickly to rapidly changing conditions.

It's time for government to work with business to address the impediments holding Australia back.