

POWERFUL CIVIL CONSTRUCTION LOBBY CALLS ON STATE GOVERNMENT TO TURBO CHARGE ECONOMIC AND TAX REFORM

Commenting on the premier's recent statement that South Australia will be a beneficiary of the trade agreements announced at the G20 summit, the Civil Contractors Federation (SA Branch) says the only way this will occur is if the government fast tracks economic and tax reform plans for South Australia.

Although the premier has made rolling announcements that the state economy will be front and centre in the government's quest to revitalize the state, the Civil Contractors Federation (SA Branch) says there doesn't appear to be the level of urgency required around this.

The Federation says that the state is in the midst of an economic crisis and emergency measures are necessary. The premier's promise of a green paper for discussion purposes sometime next year with the objective of launching a tax reform agenda in a year or so isn't fast enough according to the Federation's (SA Branch) Chief Executive Officer Mr Phil Sutherland.

"The China-Australia free trade agreement is much more than South Australian businesses selling their products and services to China. This agreement is an opportunity to attract much needed foreign capital into the state.

"While we welcome the government's focus on the economy and tax reform, and we see the trade agreement with China as potentially good for the state, the government must get a move on with the reforms necessary to make the state an attractive destination for foreign business and investment otherwise we will see capital continue to flow to the other states.

For further Information contact:

Phil Sutherland - CCF SA Chief Executive Officer
M 0402 440 339 P (08) 8111 8000 E psutherland@civilcontractors.com

“It is very clear to everyone what needs to be done. We don’t need extensive consultation and convoluted discussion papers. Many reforms can be achieved with the stroke of the premier’s pen. South Australia is an economic basket case characterized by rising unemployment and we need action now.

“Taking the axe to payroll tax, stamp duty, land tax, insurance taxes, real estate taxes, emergency services levy and the cost of power and water would be a good start. A number of these taxes are barriers to investment and job creation. We need a tax system and regulation that is incentive based, supports business prosperity, creates jobs and attracts capital.

“It is pleasing to see that the WorkCover levy is sorted, so let’s keep the ball rolling by eliminating unnecessary duplication and cumbersome costly and time consuming application processes, licencing requirements, compliance and approval processes - and the cost and complexity of tendering for government work.

“The Federation has long said that what is required is to differentiate our state in order to attract investment. South Australia should be the easiest place in Australia to do business – whether it is starting a business, creating a residential or commercial sub-division, opening a restaurant or building a garage. A low tax regime and business friendly regulatory environment would give the state a competitive edge on the rest of the country and be attractive to those high net worth Chinese investors.” Mr Sutherland said.

ABOUT THE CIVIL CONTRACTORS FEDERATION: The Civil Contractors Federation (South Australian Branch) has 550 company members who in turn employ up to 20,000 South Australians. Members are involved in a variety of projects and activities (from small to very large) including the development and maintenance of civil or “horizontal” infrastructure such as roads, bridges, sewer, water and drainage pipelines, dams, wharves, commercial and housing land development. Members are also involved in the preparatory works for mining and other resource developments. South Australia’s prosperity is dependent upon functional, efficient and cost effective civil infrastructure. Healthy, well-functioning and productive countries depend on infrastructure that civil contractors construct and maintain. Civil contractors play a prime role in working in with both public sector and private sector clients in infrastructure delivery. This is the business of civil construction which has historically played a pivotal role in the growth and prosperity of South Australia.

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