



PARLIAMENT OF AUSTRALIA
HOUSE OF REPRESENTATIVES

TONY WINDSOR MP
INDEPENDENT
FEDERAL MEMBER FOR NEW ENGLAND

Shop 5
259 Peel Street
TAMWORTH NSW 2340

All Mail: PO Box 963
TAMWORTH NSW 2340

Ph: (02) 6761 3080
Toll Free: 1300 301 839
Fax: (02) 6761 3380
e-mail: Tony.Windsor.MP@aph.gov.au
Web Page: www.tonywindsor.com.au

MEDIA RELEASE

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Inquiry on First Home Ownership misses Zonal taxation option

Independent Member for New England, Tony Windsor believes that the terms of reference for the Inquiry on First Home Ownership to be undertaken by the Productivity Commission on behalf of the Commonwealth Government has missed a golden opportunity to look more closely at Zonal Taxation and Enterprise Zone options to help alleviate the problem.

“The terms of reference announced by the Treasurer, Peter Costello, are designed to really only look at the situation in the metropolitan areas of Australia, particularly Sydney, where housing costs have continued to dramatically increase regardless of the state of the economy over many years.

When compared to increases in country centres, the increase in city areas has been exponential and has created a widening of the gap between city and country lifestyles and opportunities,” Mr Windsor said.

Mr Windsor believes the terms of reference don't go far enough.

“The Inquiry has a very narrow focus which could further exacerbate the problem of the escalating city housing prices.

The terms make reference only once to rural areas when they could very well be a key area for finding a solution to the problem.

This is a classic example of where market forces have created a dilemma for Governments unwilling to intervene in the market,” Mr Windsor said.

Mr Windsor says he is not alone in the push for getting Enterprise Zones and/or Zonal Taxation on the Government's agenda.

“My predecessor, the National Party's Stuart St Clair, along with the current National Party Member for Parkes, John Cobb have been strong advocates of fully investigating Enterprise Zones and Zonal Taxation options and getting the Government to adopt it as policy.

I don't think I'm over simplifying things when I say people will go where good job opportunities exist.

Properly implemented, Enterprise Zones and/or Zonal Taxation would give inland Australia advantages to attract investment in business and therefore create jobs and then bring people to fill them, thereby attracting people from metropolitan Australia back into country areas.

This would alleviate many of the problems associated with putting people into the metropolitan feedlots where the Government can provide services to more people at the cheapest possible rate using gravity to get rid of the effluent. However, higher house prices, now the subject of this Productivity Commission Inquiry will be the result as people jockey for the best positions at the feedlot.

There is more affordable housing in the country if there are jobs for people to come to,” Mr Windsor said.

Further information from Tony Windsor - Mob 0427 66 8868 or 02 6761 3080