



PARLIAMENT OF AUSTRALIA
HOUSE OF REPRESENTATIVES

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Private sector investment should be further encouraged

The call by Infrastructure Australia Chairman Sir Rod Eddington for private enterprise to have a greater interest in the provision of some infrastructure projects has been supported by the Independent Member for New England, Tony Windsor.

Mr Windsor was responding to comments made by Sir Rod that Infrastructure Australia would not have the funds to implement all of the infrastructure projects that needed to be funded.

The Australian newspaper earlier this week indicated that “Sir Rod said Infrastructure Australia was looking beyond the immediate term with projects that could start in the next 18 months to present a pipeline for a six year vision. The demand for infrastructure was greater than governments should be expected to finance, however this required better means of attracting private sector involvement.”

Sir Rod was then quoted as saying, “Infrastructure Australia needs to engage the private sector above and beyond the present processes.”

Mr Windsor said that the Federal Government should examine ways of encouraging big ticket infrastructure projects that involved private enterprise investment.

He believes that the current Investment Allowance which provides an additional tax deduction for assets acquired from 13 December 2008 to 30 June 2009, where the asset is also installed before 30 June 2010 is failing to initiate large private sector investment due to the need for projects receiving the allowances needing to be completed within that timeframe.

Mr Windsor said he was aware of projects in excess of \$100m that could be constructed in regional New South Wales and employ up to 500 people if the timeframe for the infrastructure to be completed was reviewed.

“If the private sector is given appropriate encouragement to invest even in tough times, they will.

“There are many large businesses that employ many people who should be viewed as worthy recipients of encouragement to invest in upgrades of their capacity and if that means extending the time frame for completion of their works then perhaps that should be accessed on an individual basis.

“The Government shouldn’t just look at the largest industries even though they employ a lot of people.

“In country areas in particular where a large employer may only employ 50 people, if that business were forced to close, then the backbone of that community would likely be crushed and the flow-on effect devastating.

“Therefore the encouragement for private sector investment needs to be reviewed so that when we do come out of this global financial crisis we are ready to supply the domestic and international markets with top quality services and products made with state-of-the-art technology and a skilled workforce that will provide the springboard to prosperity,” Mr Windsor said.

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