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MEDIA RELEASE

Release of Committee report on inquiry into the establishment of special economic zones

The Committee on Economic Development has tabled a report on its inquiry into the viability of establishing special economic zones providing state tax and financial incentives to promote economic growth, employment and investment in regional and rural New South Wales.

'The Committee heard from business, industry, local government and other stakeholders across a broad spectrum of regional economies,' said Committee Chair, David Elliott MP. 'Areas with declining economies see the establishment of special economic zones as a way of kick starting economic activity in their communities, while areas with more robust economies consider zones are a way to build on existing strengths. Differences in state taxes and regulations, including those affecting licences, trade qualifications, planning and transport, have a particular impact on border regions of New South Wales.'

'However, while it encourages the Government to work with industry, local government and other stakeholders to foster economic development in regional New South Wales, the Committee is not convinced of the need for, or effectiveness of, establishing special economic zones in New South Wales,' said Mr Elliott. 'Evidence of the success of special economic zones in other jurisdictions was inconclusive and the Committee was particularly concerned establishing special economic zones would create new border issues within New South Wales.'

The Committee has recommended that:

- the NSW Government work towards a long term goal of setting state tax rates that are equal to or more competitive than other states;
- the NSW Government consider the impact of the planning system on border economies, as part of the current review of the NSW planning system;
- the following issues relating to border regions be further investigated by the Cross Border Commissioner:
 - State taxes;
 - planning regulations;
 - licences and trade qualifications; and
 - transport regulations, including heavy vehicle regulations; taxi hire regulations; and public transport ticketing for services that cross state borders.

A copy of the report may be downloaded from www.parliament.nsw.gov.au/economicdevelopment.

For further comments please contact Mr David Elliott MP on 9686 3110.