

MEDIA RELEASE

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BCA report confirms ANDEV's warnings on project competitiveness

A Business Council of Australia report on the threat posed to major resource projects from high input costs is a welcome wake-up call for Australian policy-makers, according to John Shipp, Director of the ANDEV/IPA North Australia Project.

The BCA report *Pipeline or Pipe Dream? Securing Australia's Investment Future* shows that local projects bear a cost premium of 40 per cent relative to the United States.

The report sounds a warning that Australia is not engaging in reforms that will prepare the country for future economic growth and increased competition.

"The BCA's data confirms what ANDEV has been saying for two years: that the cost of doing business in Australia is higher than in other countries, both developed and developing, and this is adversely affecting our international competitiveness," Mr Shipp said.

Mr Shipp warned: "Unless the Australian government acknowledges the need to seriously address labour shortages and green-tape, the major resource projects currently driving national growth will be under threat."

The BCA report says 'Australia's governments should continually aim to set internationally competitive regulatory and tax regimes.'

"One way we could make our tax system more competitive, particularly to attract investment in Northern Australia, would be to introduce a Special Economic Zone," Mr Shipp said.

"This report shows that the time has come for radical measures to increase productivity and attract investment. A Special Economic Zone across North Australia would ensure that Australia continues to be seen as a safe and profitable place to invest," Mr Shipp said.

The North Australia Project is a joint project of Australians for Northern Development and Economic Vision and the Institute of Public Affairs. For more information visit www.andev-project.org.

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