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Good advice? Perhaps, but much more is needed.

The New Zealand Manufacturers and Exporters Association (NZMEA) is calling for the Government to seriously consider the recommendations from the 2025 Productivity Taskforce. The Taskforce has suggested some widespread reform to turn the economy around, but comment coming from the Government indicates that this advice is largely being ignored. This attitude must change if the goal of matching Australian incomes is to be a serious one.

NZMEA Chief Executive John Walley says, “The Productivity Taskforce has identified a number of inhibitors to growth such as inefficient and excessive Government spending, which are self evident, and others which are more contestable. The key message is that the Government must listen, learn and act - in that order, rather than blocking proposals even as they are leaked prior to formal announcement.”

“Proposals such as lowering tax rates, reforming welfare packages that give the wrong incentives and further simplifying compliance costs for firms will all help to turn the economy around. The Taskforce fell short of recognising the need for a Capital Gains Tax and monetary policy reform which are key factors in shifting investment incentives to the real economy, a vital part of increasing economic growth.”

“John Key has talked about the incremental changes introduced in Australia that have not been matched in New Zealand. These do not just happen by themselves; there needs to be a constant focus on changes that can improve the policy framework and leadership is required in this debate,” says Mr. Walley.

“There has been a lot of talk from the Government on the imbalances in the economy. With this report released today and the Tax Working Group’s conference tomorrow there are plenty of options available; now the challenge is to deliver on all the talk.”

New Zealand Manufacturers and Exporters Association

Auckland office: P O Box 25310, St Heliers, Auckland 1740

Christchurch office: 253 Cambridge Terrace, Christchurch 8013, P O Box 13-152, Armagh, Christchurch 8141

Phone: +64 3 353 2540, Fax +64 3 353 2549, Freecall: 0800 353 2540, mea@mea.org.nz, www.mea.org.nz