



MEDIA STATEMENT

Monday 30 November 2009

Embargoed Until 1.30 pm

REPORT DESIGNED TO SPARK NATIONAL CONVERSATION

The 2025 Taskforce hopes that its report and recommendations released today will spark a serious national conversation about how New Zealanders could bridge the income gap with Australia, which now stands at 35%, equivalent to \$64,000 a year for a family of four.

“The Prime Minister has stated his vision of closing the 35% income gap with Australia by 2025,” Taskforce Chairman Don Brash said today.

“Nobody should underestimate the ambition of the Prime Minister’s goal. It would require a per capita growth rate in New Zealand of double what it has been over the last 16 years. Our growth rate would need to outperform Australia’s by around 1.8% per year every year for the next 16 years. Other countries including South Korea, Poland, Slovakia, Slovenia and Ireland have done this and so can we.”

Dr Brash said the Taskforce was a diverse group, consisting of:

- David Caygill, a former Minister of Finance and Deputy Leader of the Labour Party;
- Jeremy Moon, one of New Zealand’s most successful entrepreneurs who has achieved enormously fast rates of growth for his company Icebreaker Ltd;
- Judith Sloan, a businesswoman and current Commissioner at the Australian Productivity Commission and Fair Pay Commission;
- Dr Bryce Wilkinson, a leading economist and consultant; and

- himself, a businessman, and former Governor of the Reserve Bank and Leader of the National Party.

“We all brought different perspectives to our task and decided as a group we had an obligation to the Prime Minister to reach unanimity and consensus. We also approached our task consistent with the request from the Minister of Finance that we give the job our best shot and leave political considerations to the politicians. We have achieved both objectives.”

Dr Brash said the Taskforce had delivered a report and set of 35 recommendations that was its best combined effort at advising how New Zealand could achieve the Prime Minister’s vision. The recommendations are divided into four categories – government as spender, government as tax collector, government as owner and government as regulator.

“Our view is that the recommendations would give us a very good chance of achieving the Prime Minister’s vision but we do not underestimate the difficulty of the politics involved. There will be some New Zealanders who may even think that, given the changes required to bridge the gap, a less ambitious target should be set. It is important they are aware of the consequences, such as having fewer opportunities, experiences and goods and services than Australians. More of our children and grandchildren would decide to live and work offshore.”

Dr Brash said the Taskforce’s request to media, the public, Government and Opposition was that they take time to read the report, digest it and reflect on it before passing judgement.

“Most people will see line items in this report that they think are great but it is inevitable that most will also see line items they strongly disagree with. It would be a great shame if, instead of a period of conversation and reflection on the whole report and the issues it raises, particular interests launched instead into immediate commendation or condemnation of specific line items.

“We are convinced that New Zealand has the people, the natural environment, the institutions and the entrepreneurial and management talent to bridge the income gap with Australia. New Zealanders just need government to start removing the obstacles to them giving life to their ideas, while delivering better public services.”

The 2025 Taskforce was established by the Minister of Finance and the Minister for Regulatory Reform under the terms of the National/ACT Confidence and Supply Agreement. Its work will continue through until at least 30 June 2012.

Dr Brash said the Taskforce would maintain a conversation with the Government and the public about the initial report and recommendations. It urged those with a view on its report to contact

it through its website at www.2025taskforce.govt.nz The Taskforce would also report formally to the Government every year on New Zealand's progress towards the Prime Minister's 2025 goal, and additional measures which it believes need to be taken to achieve it.

END

The report will be posted on the 2025 Taskforce's website at 1:30pm:
<http://www.2025taskforce.govt.nz/fromthetaskforce.htm>

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