

Transcopy

SUGGESTED

INITIATIVES

FOR PROSPERITY

IN NEW ZEALAND



Introduction

The fellowship, known as the Brethren, has been a part of New Zealand society for more than 150 years. In accordance with their strongly held Christian beliefs, the Brethren seek to lead simple and unworldly lifestyles. They believe in integrity and consistency in their personal and business ethics and endeavour to be a positive influence in the communities in which they live and work.

Brethren society is characterised by strong family units, taking responsibility to care for their own through all age groups. Claims on the social welfare system are therefore minimal as are claims on the criminal justice system. Brethren are net contributors, not detractors, both economically and socially.

There are approximately 800 Brethren business operations, which have spread into about 40 towns and cities throughout New Zealand. Many are located in smaller provincial centres where they provide a much needed economic stimulus.

Although the Brethren have a life of their own and maintain a line of separation, they interact on a daily basis with citizens from every sphere of life. Included in this is the regular public proclamation of the Gospel throughout the country. This is not with a view to soliciting recruits, but with the desire that all men should find moral peace.

The Brethren take a special interest in Government as being "of God". They do not take a political approach, and refrain from voting. However, they believe that it is a responsibility according to Scripture to testify to Government, in view of the upholding of right principles and the prosperity of all.

Towards that end, this document contains proposals which, particularly when applied together, we believe will create a force for economic and social good.

There is no self-serving motive in producing this document. The Brethren will derive no special benefit from the initiatives proposed other than the benefit that will accrue to the whole nation.

These proposals are therefore submitted with a desire for the prosperity of this nation and the benefit of every individual in it.

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The proposals in this document represent commonly held views of the Brethren (often referred to as the Exclusive Brethren). The proposals are based upon information that the authors believe to be true and correct. However, the authors accept no liability for errors and omissions. The authors do not intend to disparage any individual, whether living or dead. Any such inference is deeply regretted.

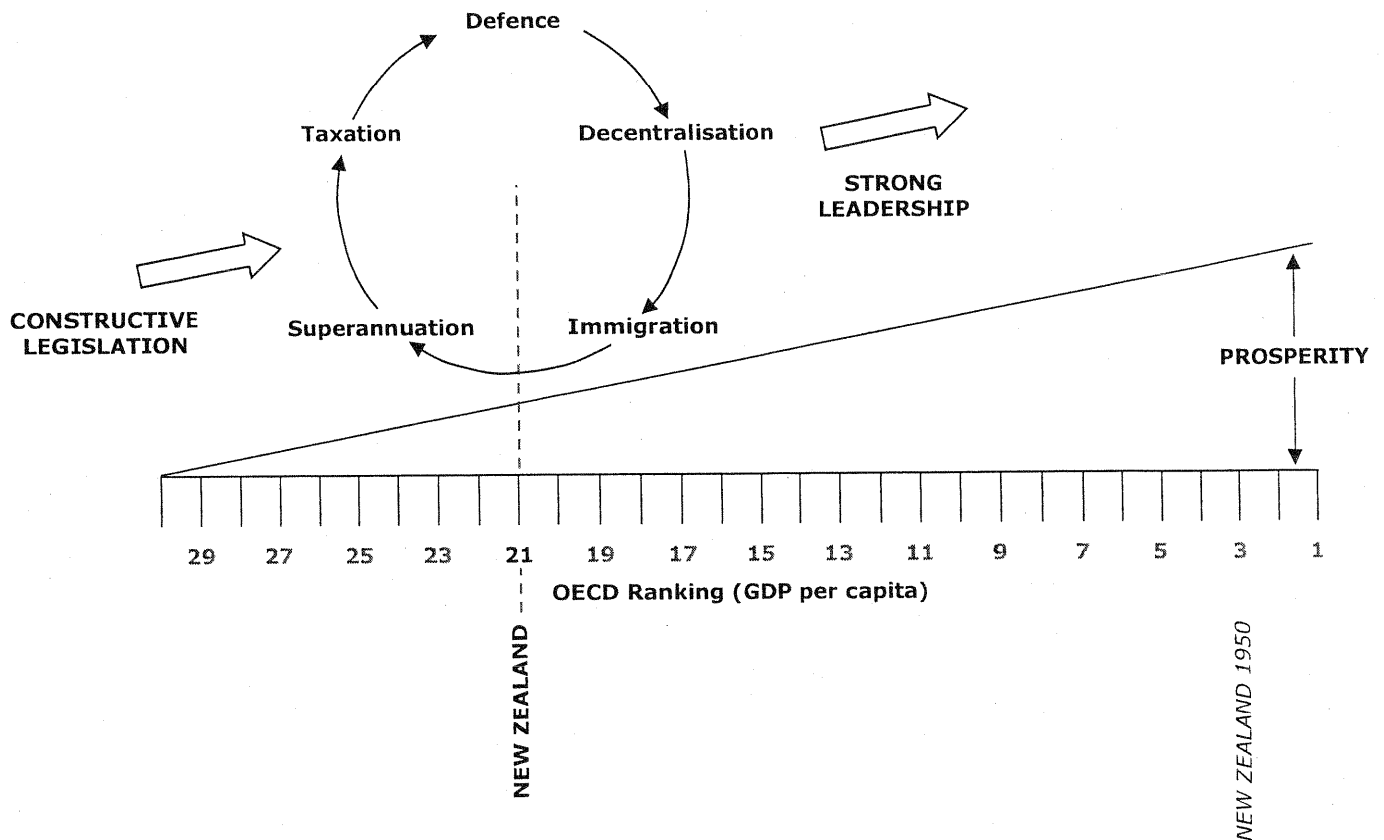
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As a nation New Zealand has slipped from 3rd place in the OECD rankings in 1950 to 21st place in 2003.

This document outlines five key areas which are critical to New Zealand's growth and prosperity. These areas of concern are as follows:

- **Defence**
- **Decentralisation**
- **Immigration**
- **Superannuation**
- **Taxation**

KEY ELEMENTS FOR GROWTH



The diagram above illustrates the way to prosperity. Five key areas of the national economy may be likened to the wheel on the ramp. Interaction of the five key areas will greatly stimulate economic growth. Factors critical to progress are strong leadership (pull) and constructive legislation (push). The forward movement that results is represented in the diagram as increased prosperity together with a lift in OECD ranking.

Defence


Overview

New Zealand has a minimal defence capability and is becoming increasingly alienated from our traditional strategic friends and allies.

Goal

To uphold principles of justice and freedom by enhancing traditional strategic alliances and cooperating in the protection of national and wider interests.

Suggested initiatives

- Alter New Zealand Nuclear Free Zone Disarmament and Arms Control Act to allow US Navy visits. ➡
 - Align per capita defence spending with that of our traditional allies. ➡
 - Recognition that US supremacy is required internationally for conditions of stability and peace.
 - Apologise for opposing Iraq war and anti-American attitude. ➡
 - Invite US and Anzac forward basing.
 - Continue to actively support the war on terror.
 - Recognition that a policy of non-alignment with our traditional allies is neither responsible nor affordable.
 - Closer links with key allies Australia, Great Britain and the United States.
 - Restore ANZUS treaty. Build on strong ANZUS links between Australia, New Zealand and the United States.
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Expected results

- Armed forces rebuilt to meet potential regional threats.
- Economic stimulation.
- Enhanced trading opportunities.
- Strengthening of the coalition of nations against terrorism.
- Renewal of invaluable security information flow from our allies.
- Extra infusion of discipline and basic human values into society.
- Growth of the skill base of our workforce.

A competent defence force is vital to a stable and secure future for New Zealand

Decentralisation

Overview

New Zealand's unbalanced population spread causes strained infrastructure in some parts of the country and potentially lost economic opportunities in others. Balanced growth countrywide will ensure added economic gain.

Goal

To attract and absorb an increased population by planning and facilitating key development areas thereby improving the prosperity of all New Zealanders.

Suggested initiatives

- Leadership in the planning of new cities with complete infrastructure.
- Support regional development initiatives as follows:
 - designate regional development areas on the basis of a non-parochial overview of national needs and opportunities;
 - establish long term (20 year) detailed plans for city infrastructures: airports, ports, roads, local body requirements, and create confidence for business planning;
 - increase the Ministry of Economic Development budget to enable the necessary planning and project facilitation;
 - attract manufacturers to key development areas with cost-neutral initiatives, such as accelerated capital depreciation regimes;
 - support public infrastructure development and settlement programmes by drawing on a contributory fund; and
 - continue to consult with other advisory groups such as the Growth and Innovation Advisory Board.

Expected results

- A planned regional development programme will ensure the successful integration of increased numbers of immigrants.
- Vibrant regional growth will act as a magnet for migrants.
- Manufacturers will respond by initiating new developments, resulting in increased Government revenue, and providing anchors to attract service businesses and people.
- There will be a more balanced spread of population and economic interaction, similar to the model in other leading economies.
- Easing of congestion and greater efficiency nationwide.
- More efficient use of resources, i.e. water, land, etc.

A growth cycle will be initiated in the development areas and provide a significant increase in national GDP

A ripple effect will be caused providing increased prosperity for all New Zealanders

Immigration

Overview

New Zealand's relative underpopulation is a factor in our inability to achieve individual prosperity levels consistent with that of other Western countries. Immigration and the consequent economic benefits are essential to increasing New Zealanders' standard of living.

Goal

To increase New Zealand's economic output through a larger population base, and improve our standard of living.

Suggested initiatives

- Through leadership create a positive national mindset regarding immigration and population.
- Streamline New Zealand Immigration Service processes and lead a focus on successful outcomes through:
 - increasing staff levels and facilities;
 - reinforcing a positive culture: facilitating entry rather than border control; and
 - aiding assimilation with New Zealand culture, learning of English, etc.: benchmark against the Australian settlement programmes, where the spending budget per immigrant is many times that of New Zealand's.
- Significantly increase annual immigration levels as follows:
 - promote New Zealand in targeted countries to enhance our multi-cultural society;
 - facilitate the entry of motivated contributors to our society with a new 'public infrastructure' category whereby a contribution would add to the qualifying points score. This could be refundable after permanent settlement in a new development area;
 - increase the refugee quota: these people are motivated to work hard and assimilate;
 - actively encourage the return of expatriate New Zealanders; and
 - offer incentives for manufacturers to relocate from offshore.

Expected results

- Economic expansion and fiscal benefits.
- Our external current account will benefit from immigrants' capital transfers into New Zealand.
- Infrastructural development would be 'seeded' by a contributory fund.
- The future increase in superannuation costs will be offset by younger migrants.
- A reversal in the drain of our youth and talent will occur.
- Increasing scale and growth of market will encourage manufacturing and export growth.

A planned and targeted immigration policy will have a multiplier effect within the New Zealand economy

Superannuation

Overview

New Zealand's present superannuation scheme is not sustainable due to changing demographics and will rapidly become an excessive charge against national tax revenue.

Goal

Improved and sustainable retirement income provision for all citizens.

Suggested initiatives

- Base superannuation reform on Australian style structure of 3 tiers:
 - (i) universal pension funded from general taxation;
 - (ii) compulsory savings from workplace scheme introduced; and
 - (iii) voluntary savings (stimulated by tax incentives).
- Ensure applicable tax reform and tax structure is introduced.
- Obtain all interested parties approval for proposed superannuation reform: Government (Treasury), employers association, labour unions, pension industry.
- Educate New Zealand population that current pension scheme is non-sustainable.
- Accounts to be underwritten and audited by the Government.
- Simplify and minimise compliance costs for workplace superannuation.

Expected results

- Compulsory individualised superannuation funds form the cornerstone of new policy.
- Individual superannuation savings accounts to be portable.
- Integrity and security of funds protected by statute.
- Improved retirement incomes (to 70% plus of average wage after 65 years).
- Increased national and personal savings.
- Economic stimulation through increased investment funds.
- Equity between individuals, across lifetimes and estates.
- Safety net provided for lower paid workers.
- Sustainable superannuation scheme to allow for increasing older population (present scheme could cost up to 15% of GDP within 20 years).
- Substantially reduced burden on general taxation.

This proposal will provide effective and sustainable superannuation and also become an integral factor in stimulating and advancing economy

Taxation

Overview

The present taxation system will be enhanced with further targeted incentives and provisions to encourage economic growth.

Goal

To achieve greater prosperity through a taxation regime which will provide adequate revenue together with economic and investment stimulation.

Suggested initiatives

- For specified development areas, introduce tax concessions on new plant, equipment, and buildings.
- Provide taxation incentives for superannuation and investment.
- Reduce company tax rates to harmonise with Australia.
- Increase charitable donations rebate limit to encourage liberality and generosity.
- Introduce incentives for research and development.
- Tax assistance to single income families.

Expected results

- Decentralisation and economic growth achieved by targeted geographical tax incentives.
- National and private savings levels increased.
- Stimulation of business growth through reinvestment of tax savings.
- Significant benefits to small and medium sized enterprises stimulating further growth in this important sector of New Zealand's economy.
- Increased charitable giving will enhance welfare of communities and reduced cost to Government.
- Encouragement of income generating innovation.
- Increased social benefits through supportive family units.

These proposed taxation initiatives are an integral part of an effective and focused economic strategy, which will be of social and financial benefit for all New Zealanders