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INNOVATION, COMPETITIVENESS AND EDUCATION ARE THE KEYS TO NEW ZEALAND'S FUTURE

Global accounting body CPA Australia says today's Budget is an important next step for New Zealand's international competitiveness and growth.

CPA Australia chief executive Alex Malley says New Zealand remains ahead of the pack in terms of innovation, investing in the future and meeting the needs of a global market.

"Finance Minister Bill English's seventh Budget does much to build confidence and maintain New Zealand's growth trajectory," Mr Malley said.

"The Minister should be applauded for delivering a robust and responsible Budget which manages the challenges of housing affordability, falling commodity prices and global uncertainty.

"The overall economic picture remains solid - government expenditure appears to be under control and the challenges of an appreciating currency and falling commodity prices are being managed.

"There's a real commitment to generating growth through strategic investments in innovation, R&D and education.

"By investing \$12.1 million in the New Zealand Business Number scheme, the Government is also moving to reduce the cost of doing business which will help free-up businesses to do what they do best and employ more New Zealanders.

"With unemployment expected to fall and modest, but sustained, economic growth over the next four years, the business community should welcome these indicators.

"These are far more important indicators to businesses than a blind race to deliver a surplus, for surplus' sake.

"This Budget delivers certainty and supports much needed confidence for businesses and consumers," Mr Malley said.

Innovation is vital for the future

The continued and sustained investment being made by the Key Government in research and development is welcome.

"Innovation is in many ways the key to New Zealand's future and the Government continues to take strides in this area," Mr Malley said.

"The establishment of new, privately-led Regional Research Institutes combined with more funding for R&D growth grants, the Government is making a significant investment in New Zealand's future and should be applauded.

"There has to be a level of courage and conviction to tackle reform. With the total investment in science and innovation now over \$1.5 billion, a 70 percent increase in eight years, this shows a Government with that level of conviction in their policies.

"We need to remember that the jobs of tomorrow will come from companies that may not exist today – it's something that this Government clearly understands.

Capital investments are needed to lift global competitiveness

“Today’s investment of nearly \$1 billion to extend Ultra-Fast Broadband, to rebuild Lincoln University’s science facilities and to invest in New Zealand’s vital regional roads and rail infrastructure shows a real commitment to New Zealand’s competitive future.

“More investment in infrastructure is critical to further improvements in New Zealand’s global competitiveness.

“If New Zealand’s ability to efficiently and safely move goods and people around the country and get goods offshore is compromised, then the economy will pay a high price.

Housing bubble continues to be a ‘financial stability’ risk

“Housing availability and affordability is an acknowledged and growing challenge, particularly in Auckland
“We all say the Reserve Bank of New Zealand’s most recent Financial Stability Report which highlighted the problem and warned of the consequences when it noted that “house prices are overvalued on several measures, particularly in Auckland” and “financial stability could be tested if prices were to fall sharply.”

“The moves to crackdown on property speculators will be well received, as will the steps taken to bolster the tax rules on property transactions – including those by overseas buyers.”

Addressing today the social problems of tomorrow

“Today’s budget shows real leadership from the Key Government and addresses many of the underlying social issues in New Zealand.

“By investing in education, health care and support for low income households the Key Government is well aware of the difficult challenges that lie ahead for New Zealand and the need to meet those challenges today, Mr Malley said.

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Contact: Bryce Prosser on +64 (0) 21 1449142 or Bryce.Prosser@cpaaustralia.com.au