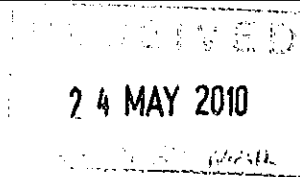




18 May, 2010



183 Hereford Street
Christchurch
New Zealand
P.O. Box 13-282
Armagh, Christchurch 8141
Telephone (03) 366-4320
Fax (03) 365-7069
Email eng@lewisandbarrow.co.nz
www.lewisandbarrow.co.nz

Chair
2025 Taskforce
PO Box 3724
WELLINGTON

Dear Sir

Re: 2025 Taskforce – Contribution to 2nd Report

The income gap between New Zealand and Australia appears to me to be solely due to the large number of Central Government and Local Government Regulatory staff. Not only do these people not contribute to production, they, by their actions, hamper production of those in private enterprise who are trying to produce goods and services. This is best illustrated by the building industry where there are 5 to 10 times as many regulatory staff in Government and Local Government. Each regulatory staff member effectively takes out of production about 6 times as many private enterprise staff, i.e. a building inspector ticking boxes on his huge check list may tick some boxes simply because he hasn't looked thoroughly enough for some requirement on a drawing. This then automatically generates a letter to the architect who then has to spend about 6 times as long, by writing an explanation of where the box ticker should look.

Talking to other professionals, I find that teachers, doctors, nurses, engineers and draughtsmen are all severely hampered in getting on with their work by government employees, who invariably are far less qualified, looking over their shoulders asking inane questions, wanting forms filled in, and operating in a very pedantic manner.

The fact that New Zealand has so far afforded such oppressive bureaucracy shows that the private sector is highly productive in what it does if it were not bogged down by bureaucracy. New Zealand could be rich if we all pulled the same way instead of 30% pulling the wrong way, i.e. 70% of the workforce has to pull against 30% of the work force giving a resultant effort of 40%. If all were pulling the same way we would have a resultant effort of 100%, i.e. 2½ times more wealth generation.

In reference to your letter of 12 May 2010, I comment as follows:

1. I don't believe that minerals are the reason for the gap between New Zealand and Australia. The royalties are small and even though the miners' wages are much higher than average, the number of mining staff is a very small percentage of the population.
2. The big difference between Australia and New Zealand is the number of Government and Local Authority staff unnecessarily controlling various sectors of the New Zealand economy, dragging down the productivity of workers in those sectors. In New Zealand, Government and Local Authority staff seem to have the mentality that the private sector needs policing, whereas in Australia the attitude is more, "How can we assist you."

3. New Zealanders who move to Australia get good jobs and are sought after. This shows that our education system is not lagging behind.
4. I believe the Government should not pick winners and give grants to research and development unless there is a payback for the Government, i.e. Research into New Zealand's resources may have a big payback with minerals, fishing, or research into earthquake risks.

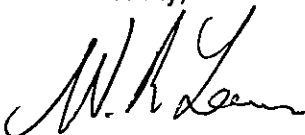
However, I believe any genuine research and development carried out by private enterprise should be tax deductible.

5. Reducing Government spending relative to G.D.P. will have little effect if it reduces, for instance, the Armed Forces. However, reducing Government spending (don't forget Local Government spending), on bureaucrats who have made a niche for themselves controlling productive works would be hugely beneficial. To do this also requires changes to Government Acts and Regulations to reduce the functions of Government and Local Authorities, i.e. simplify the Building Act and the Resource Management Act and eliminate control over $\frac{3}{4}$ of what they presently control. The leaky house syndrome was the result mainly of one grossly wrong decision, i.e. the Government allowing untreated pine to be used in buildings. Gross mistakes such as this are not going to be prevented by more and more bureaucrats or box tickers. Prevention of such mistakes is best by consultation of those in private enterprise; something that the Department of Building and Housing is not good at.
6. New Zealand would gain with less Government and Local Authority staff by not only these people having to find productive work, but private enterprise production would increase at least 20% if the yoke of the bureaucrats was taken off them.
7. Australia has fewer bureaucrats, and those that it has, seem to be instructed to assist private enterprise, not hinder private enterprise.

I am willing to have my submission made public on the Taskforce's website.

Any further information or enquiries can be made to the undersigned.

Yours faithfully,



Warren R Lewis
Engineer