

What Government offers and wants from industry; What industry offers and wants from Government

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Distinguished guests ladies and Gentlemen.

As many of you know, before I became an Labour Member of Parliament, I had an unusual career path for a politician, in that I spent quite a few years working in the business community.

In other words, I was mainstreamed before I was institutionalised.

Given that some of this time was spent working for the then Macraes Mining Company Limited, now Gold and Resource Developments NL, I feel that I may have a perspective on how things are seen, on both sides of the fence.

In terms of public perception and esteem I am not sure which career option was the step up and which was the step down.

So far what I have found very familiar, is that in both roles there is a gulf between the reality and the perception of that reality – a gulf that is both huge and hard to bridge.

I think it is a point worth making here amongst another busy industry cluster, that we can all too easily get so embroiled in the day to day activities, that we lose sight of how this might look to those running on a different treadmill.

I can still remember scratching my head at the beginning of some days, as I worked to get new mining projects started that I knew were going to bring real jobs and economic benefit to New Zealand, but ending the day feeling like I may instead have been proposing bringing back both strip mining and slavery.

If I learnt one valuable lesson out of that time it was this: mining has become so publicly demonised on the road to ecological nirvana, that even attempting a lucid dialogue on mining issues, with some, is incredibly difficult.

It is a terrible shame, given the advances in extractive technology that have taken place in recent years and the potential benefits that prudently managed mineral extraction can offer an economy.

One of the more hilarious aspects of the recent bout of negative navel-gazing here in New Zealand has been the awe-inspiring levels of ignorance and 'Pollyanna' economics that have

passed for debate as we gaze enviously across the Tasman at Australia.

In recent months I have heard some wonderful theories about why Australia looks so much more successful than New Zealand.

The only idea I have never seen given an airing is the factual one: ... that Australia is so rich in minerals, it hardly matters how 'dotty' their Governments get. It is very hard to fail when you can scoop up raw export dollars out of the sand, rail them to a port and freight them overseas.

However, I suppose there isn't much scope for consultants, workshops and think tanks in reality so it seems to be one idea that isn't destined to get too much of an airing.

Turning my attention to the more formal part of today's programme and giving up the fun of playing poacher turned gamekeeper, I see I am tasked with advising you what Government offers and wants from industry.

I take even more of a risk when I attempt to interpret what industry offers and wants from Government.

Without putting us all through the rigours of re-inventing the wheel, what has happened in the last year politically is that we have moved from a "hands-off" attitude to a more historically mainstream approach of putting our hands out in an offer of partnership with industry.

True ... there have been a few startled business magnates who, sighting the hand of Government coming in the door, have bit it ... under the mistaken belief that the hand is heading toward its historic target - their pockets.

Others have moved along and we are now seeing a growing acknowledgement from some business sectors that, odd as it may be, this centre – left Coalition Government actually does seem to want to help grow the economy, creatively and constructively.

As the dust settles and the nation gets over its collective shock of having a Government with the fortitude to actually act on its election promises, I believe people are realising that the policy changes, while significant, are not massive.

The core policy settings that have made New Zealand a good environment in which to do business are still in place.

I noted last week that the Otago Daily Times, which lays claim to being New Zealand's first daily newspaper, said as much in one of the more sane editorial pieces I have read lately.

It is worth observing that Otago was built on the first rush of mineral discovery in our history, the gold rush, so quoting today from the Otago Daily Times is more appropriate than it may first appear.

Having observed that "the nervous nannies in the business world see frightening shadows in every new government" the Otago Daily Times also took the time to point out that all the key planks of our economic decking are still intact.

It noted our continuing commitment to the Reserve Bank and Fiscal Responsibility Acts, to maintaining Government surpluses, to lower government spending and to keep on opening up our country to world trade.

The same editorial also went on to observe that Japan had become an economic powerhouse in the post-war era because of the willingness of government and business to develop a partnership in the national interest.

Opposition parties who sniped from the sidelines and criticised the Government's recent business forum, even before it started, whilst at the same time proposing no policy solutions themselves, would do well to recall this example.

Another aspect of New Zealand which is worth dwelling on, is that despite the constant hopeful chorus from our internal critics that we are about to fall into the Third World, we haven't and we are not about to.

We are a developed industrial/agricultural, Western style economy that is remarkably free of the taint of corruption.

It is not one of the stories that makes it big in the headlines each year when we again come out near the top of the world charts for stable and non-corrupt governance, but it is a huge asset despite that.

New Zealand is a nation of resilient and resourceful people.

While it is traditional for Governments to take the credit for the success of their population, I believe from the perspective of a backbencher it is worth observing that, in recent history, Kiwis have tended to just get on with it despite Governments, rather than because of them.

But then I hail from Canterbury which, as a export driven province, has always had a slightly harder edge to approaching problems and opportunities.

True, we have shown signs of getting soft lately.

In the recent furore about Wellington Rugby Captain Norm Hewitt playing on with a broken arm in the NPC final, I was left wondering how come our boys had missed his legs. Then we might have had a better chance of winning.

Still, I guess we have to do some charity work and let at least one of the top rugby honours reside somewhere else for a change.

A few weeks ago I was reminded vividly of just how far away some Kiwis are from the headlines of gloom and doom. They are Kiwis who are just getting on with it and doing business.

I had the pleasure in Canterbury of launching the new Lignus Timber Exchange.

It is a perfect example of an old economy activity.... forestry, taking on the potentials of the new knowledge economy to gain a market advantage.

Lignus is the first on-line negotiation based exchange for forest products outside North America.

Using the Internet, Lignus will dramatically increase the ability for Kiwi wood producers to penetrate new markets by leveraging better market information and by cutting the operational costs of sales and purchases.

It is also looking ahead to 2020 when 70 per cent of the Kiwi wood harvest will be owned by small private wood companies.

My point is, that these small scale wood companies will need tools like Lignus to tap into their markets to compete with the big global players.

It is also extremely significant that Lignus is backed by cutting edge technology which is internationally renowned but which is home grown.

Sir Gil Simpson's Aoraki Corporation is the technology partner for Lignus using JADE Software.

Lignus is a perfect example of how Kiwis can, and do, foot it convincingly on the global stage in both the old and new economic worlds.

This venture illustrates that in Canterbury at least, business is not choosing to get bogged down in predictions of doom and gloom – but rather – thinking innovatively, identifying opportunities and going after them.

I believe that if you are looking for hard evidence of this Government's commitment to helping business grow, you could do a lot worse than to consider the implications of our push to promote regional development.

From your perspective it offers potential for mineral companies prepared to grasp the collaborative nettle to help produce jobs, profits and economic growth.

But the real significance I believe from the political perspective is that it is a tangible sign that the old historic centre-left attachment to top-down centralised command economies plays no role in current Government thinking.

A commitment to unleashing entrepreneurial energy far from the political centre of gravity is about the last line of action you would get from truly devout control freaks.

It is a point I would like you take away from today to chew over in private.

You see, I think the Godsend about the old cargo cult obsession with letting the invisible hand of the market fix everything for former Governments, was that it did not require too much in the way of action.

This Government has added another hand to the mix by extending the hand of partnership to business.

By necessity this model calls on Government and business to do more in the way of engagement.

I do not have a problem with that idea.

Business is in part about adapting to changing conditions.

It was refreshing last week to see a good slice of the movers and shakers from the business community do just that in Auckland.

Again, from my perch as a backbench MP I have to say that I personally heard their call for the talk to be matched with some sign of action that their concerns had been heard.

Obviously as a backbencher I can't speak for the Government on what form that response will take.

My own pet obsession from a business perspective, is still with cutting back on red tape and compliance costs as much as we can.

It is all too easy on the smoked salmon circuit to lose sight of the fact that the vast majority of present and potential business

growth in New Zealand will come from small to medium sized businesses.

I like to think that a good goal for me personally is to remember the lot of the small business owner who has neither the time, nor the resources for lobbying or dialogue.

The same measures that would help small business operate more efficiently will also make a more friendly climate for larger enterprises.

The nice thing about compliance reduction, mentoring, aiding export development and encouraging investment in New Zealand, is that these measures can be carried out without too much in the way of cost.

You may have noted a glaring absence of attempts on my part in this speech to interpret what industry in turn wants from Government.

I am not going to try and fix that as far as talking policy goes. Instead I am just going to say that, as one who has in the past worked in the minerals industry, I still remember what that industry wants from the Crown and I will try to advance a measured view inside Government.

As a political centrist I would have to say that personally, I am uneasy about any attempts to further turn vast tracts of this country into ecological theme parks pleasing to tourists and the more doctrinaire members of the conservation industry.

I believe we can have sustainable development in this country that meets the need for economic growth, ecological retention and improvement in our natural assets as long as all sides in the debate exercise a high degree of common sense.

As I said at the start of this speech I have seen first hand how the mining industry has been demonised in this debate.

My own stance is that I believe you have a significant role to play in the development of this country.

I hope is that after today you may, as business people, be willing to consider the idea that this Government has a new and positive role to play in the building of our future.