



## COVERSHEET

<b>Minister</b>	Hon David Parker	<b>Portfolio</b>	Economic Development
<b>Title of Cabinet paper</b>	Industry Policy	<b>Date to be published</b>	12 July 2019

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
18/02/2019	<i>Refocusing our approach to Industry Policy</i>	<i>Office of the Minister for Economic Development</i>
18/02/2019	<i>Cabinet Minute of Decision: Refocusing the Approach to Industry Policy</i>	<i>Cabinet Office</i>
29/05/2019	<i>Next steps on Industry Strategy</i>	<i>Office of the Minister for Economic Development</i>
29/05/2019	<i>Cabinet Economic Development Committee Minute of Decision: Next Steps on Industry Strategy</i>	<i>Cabinet Office</i>

### Information redacted

**NO**

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982.



# Cabinet

## Minute of Decision

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### Refocusing the Approach to Industry Policy

**Portfolio**                      **Economic Development**

On 18 February 2019, following reference from the Cabinet Economic Development Committee (DEV), Cabinet:

#### Background

- 1     **noted** that on 26 September 2018, DEV:
  - 1.1     confirmed the government's economic strategy for New Zealand to build a more productive, sustainable and inclusive economy;
  - 1.2     invited the Minister of Finance and the Minister for Economic Development, in consultation with other relevant Ministers, to identify further opportunities to build a more productive economy;

[DEV-18-MIN-0222]
- 2     **noted** that the New Zealand economy enjoys many strengths and that there is a good platform for future growth, but that New Zealand faces domestic and international challenges;
- 3     **noted** that:
  - 3.1     many existing industry-focused interventions seek to support economic development, but the cohesiveness of these is less clear;
  - 3.2     there is limited confidence (among Ministers, officials and the private sector) that these initiatives are working consistently together and pushing in the same direction;

#### New approach to industry policy

- 4     **noted** that the proposed new industry policy is shaped by a set of core principles, strategic priorities and selection criteria;
- 5     **agreed** to the following guiding principles to inform the new approach to industry policy:
  - 5.1     take a partnership-led approach, developing solutions with stakeholders;

- 5.2 build and use a strong evidence base to guide the government's focus and interventions, including robust monitoring and evaluation;
  - 5.3 use specific sector strategies/roadmaps;
  - 5.4 leverage international connections;
  - 5.5 provide clear and consistent signals from the government on a proposed course of action to realise economic and sustainable growth (as well as improved wellbeing for New Zealanders);
- 6 **agreed** that the three strategic priorities of industry policy be to:
- 6.1 move from volume to value so as to lift incomes;
  - 6.2 leveraging opportunities adjacent to existing key sectors;
  - 6.3 backing the industries of the future (emerging sectors);
- 7 **agreed** that the criteria for selecting the government's areas of focus be as follows:
- 7.1 the sector is important for New Zealand's transition to a highly productive, low emissions future;
  - 7.2 there are opportunities to move from volume to value and/or diversify into adjacent sectors as well as to lift productivity through harnessing technology and data;
  - 7.3 New Zealand has some competitive advantage upon which to draw;
  - 7.4 strategies are already being developed;
- 8 **noted** that across all sectors (and regions), enablers such as skills, digital platforms, access to capital, research and development capabilities, and international connections, play a critical role in determining economic performance;
- 9 **noted** that on 12 December 2018, DEV considered a paper on productive investment (*Deepening New Zealand's Early Stage Capital Markets*, under DEV-18-SUB-0316), which outlined options on how the government can further support the identified sectors through early stage capital market development;
- 10 **noted** that the Minister for Economic Development proposes a focus on seven broad sectors:
- 10.1 food and beverage;
  - 10.2 manufacturing;
  - 10.3 renewable energy;
  - 10.4 agritech;
  - 10.5 digital technologies;
  - 10.6 aerospace;
  - 10.7 health technologies;

- 11 **noted** that core areas of focus within these broad sectors will need to be identified to ensure the government's interventions realise each sector's potential;
- 12 **noted** that there are significant cross-overs between the sectors identified above, and that investment in analysis to understand value chains and the interplay between upstream and downstream industries will be critical;
- 13 **noted** that the seven broad sectors align with the criteria described in paragraph 7 above in that:
- 13.1 they are important to New Zealand's transition to a highly productive, low emissions future;
  - 13.2 they provide opportunities to move from volume to value and/or diversify into adjacencies; and/or
  - 13.3 New Zealand has a demonstrated competitive advantage.

### Next steps

- 14 **invited** the Minister for Economic Development to report back to DEV by April 2019 on how the guiding principles identified in paragraph 5 above inform the government's approach to these seven sectors;
- 15 **noted** that the report back referred to above will identify the core areas of focus within each of these broad sectors;
- 16 **noted** that the Minister for Economic Development will work closely with the Ministers of Research, Science and Innovation, Energy and Resources, Climate Change, Regional Economic Development, Transport, Health and Agriculture to ensure alignment of this work across portfolios;
- 17 **noted** that officials will engage with relevant groups, such as the Business Advisory Council, the Future of Work Tripartite Forum, industry, science and academia, iwi, local and central government agencies, investors, and unions, as part of the report back.

Michael Webster  
Secretary of the Cabinet

*Secretary's Note: This minute replaces DEV-19-MIN-0006. Cabinet amended paragraphs 6 and 7.*

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#### Hard-copy distribution:

Prime Minister  
Deputy Prime Minister  
Minister for Economic Development