



COVERSHEET

Minister	Hon Phil Twyford	Portfolio	Economic Development
Title of Cabinet paper	A Refreshed Industry Strategy in Response to COVID-19	Date to be published	21 July 2020

List of documents that have been proactively released

Date	Title	Author
24 June 2020	A Refreshed Industry Strategy in Response to COVID-19	Office of the Minister for Economic Development
24 June 2020	DEV -20-MIN-0110	Cabinet Office

Information redacted

YES / NO (please select)

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Some information has been withheld for the reason of Confidential advice to Government.



Cabinet Economic Development Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

A Refreshed Industry Strategy in Response to COVID-19

Portfolio **Economic Development**

On 24 June 2020, the Cabinet Economic Development Committee:

- 1 **noted** the ongoing importance of the Industry Strategy to a post-COVID-19 recovery plan and for achieving the vision of the government's Economic Plan to transition the economy to be more productive, sustainable and inclusive;
- 2 **agreed** that, due to the impact of COVID-19 and to best contribute to the government's vision of a productive, sustainable and inclusive economy, the scope of the government's Industry Strategy be broadened to address industries that:
 - 2.1 are facing massive disruption and need support to reset and transition; or
 - 2.2 may not be areas of strong growth potential but need to strengthen resilience;
- 3 **agreed** to the following selection and categorisation of focus sectors under the Industry Strategy.
 - 3.1 international education – resetting;
 - 3.2 tourism – resetting;
 - 3.3 energy and resources – strengthening resilience;
 - 3.4 transport and logistics – strengthening resilience;
 - 3.5 construction – moving from volume to value;
 - 3.6 advanced manufacturing – moving from volume to value;
 - 3.7 food and fibre grouping:
 - 3.7.1 primary – moving from volume to value;
 - 3.7.2 food and beverage manufacturing – moving from volume to value;
 - 3.7.3 forestry and wood processing – moving from volume to value;
 - 3.7.4 agritech – scaling up value;
 - 3.8 digital technologies – scaling up value;

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Confidential advice to Government

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Confidential advice to Government

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noted that Ministers may continue to work to support and develop those sectors not being progressed as Industry Transformation Plans;

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noted the importance of ensuring coordination and alignment between Industry Strategy and other government programmes;

8

noted that the following guiding principles previously agreed by Cabinet [CAB-19-MIN-0033.01] remain core to an active industry policy approach:

8.1 taking a partnership-led approach, developing solutions with stakeholders;

8.2 building and using a strong evidence base to guide the government's focus and interventions, including robust evaluation and monitoring;

8.3 using specific sector strategies;

8.4 leveraging international connections, and being consistent with New Zealand's international obligations and trade policy settings;

8.5 providing clear and consistent signals from the government on a proposed course of action;

8.6 ensuring activity is supporting better jobs, involving decent and sustainable work, and good wages and conditions;

9

agreed to the following additions and modifications to the guiding principles:

Additions to the guiding principles

9.1 upholding the government's obligations under Te Tiriti by working in partnerships with Māori;

9.2 ensuring that short-term actions are consistent with the government's long-term vision for the sector and the economy;

9.3 ensuring activity is contributing positively to the government's sustainability goals and environmental resilience;

Modifications to two of the previously agreed guiding principles

9.4 taking a partnership-led approach, developing collaborative solutions with business, workers and other stakeholders;

9.5 providing clear and consistent signals from both government and industry on a proposed course of action;

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agreed that the broadened principles outlined above will guide the government's work with focus sectors in the Industry Strategy;

Governance

- 11 **agreed** to the proposed governance structure for the Industry Strategy, as outlined in the paper under DEV-19-SUB-0119, with the Economic Development Ministers Group maintaining high-level oversight of the Industry Strategy;
- 12 **agreed** that portfolio Ministers will maintain full responsibility and leadership for their sector work programmes;
- 13 **agreed** to the establishment of a Tripartite Oversight Group to ensure the views of social partners are considered;
- 14 **agreed** that Māori will be included in the Industry Strategy governance structure;
- 15 **agreed** that officials undertake further work to consider how Māori are best included in the Industry Strategy governance structure, and that the Minister for Economic Development, Minister for Māori Crown Relations: Te Arawhiti and the Minister for Māori Development will make final decisions about how Māori can best be included;
- 16 **noted** that the membership and function of the Tripartite Oversight Group in the governance structure may change, depending on the outcome of decisions on how to incorporate Māori representation into the governance structure;

Financial implications

- 17 **noted** that funding for some sector work programmes has been received through the COVID-19 Response and Recovery Fund (CRRF) to date, but that further funding will be needed to progress work programmes and to fund engagement and initiatives associated with the Industry Strategy;
- 18 **agreed** that lead agencies will seek funding through the CRRF and future Budgets for those focus sectors for which they are responsible;
- 19 **noted** that the agritech Industry Transformation Plan will shortly be finalised and launched;
- 20 **authorised** the Minister of Finance and the Minister for Economic Development, in regard to the capital funding approved in Budget 2019 for Industry 4.0 [CAB-19-MIN-0174.05], to approve jointly at the next October Baseline Update (OBU) a fiscally neutral capital to operating swap of up to \$0.600 million from the Ministry of Business, Innovation and Employment - Capital Injection into the Economic Development: Future-proofing New Zealand's Manufacturing Sector by Driving Industry 4.0 Uptake and Skills Development appropriation;
- 21 **authorised** the Minister of Finance and the Minister for Economic Development to rephrase the swapped operating funding referred to in paragraph 20 above from 2020/21 and into outyears if required as the asset will now be purchased by a third party.

Janine Harvey
Committee Secretary

Present: (see over)

Present:

Hon Kelvin Davis
Hon Grant Robertson (Chair)
Hon Phil Twyford
Hon David Parker
Hon Nanaia Mahuta
Hon Iain Lees-Galloway
Hon Jenny Salesa
Hon Damien O'Connor
Hon Kris Faafoi
Hon Shane Jones
Hon Willie Jackson
Hon James Shaw
Hon Eugenie Sage

Officials present from:

Office of the Prime Minister
Officials Committee for DEV

Hard-copy distribution:

Minister for Economic Development

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