



COVERSHEET

Minister	Hon Dr Ayesha Verrall	Portfolio	Research, Science and Innovation
Title of briefing	Te Ara Paerangi – Future Pathways	Date to be published	29 March 2023

List of documents that have been proactively released			
Date	Title	Author	
November 2022	Te Ara Paerangi – Future Pathways	Office of the Minister of	
		Research, Science and	
		Innovation	
23 November 2022	Te Ara Paerangi – Future Pathways	Cabinet Office	
	DEV-22-MIN-0277 Minute		

Information redacted: YES

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Reasons for redaction:

- Free and frank opinions
- Constitutional conventions

Related information:

This release covers the Te Ara Paerangi – Future Pathways Cabinet paper and associated minute. These documents refer to the release of the Te Ara Paerangi White Paper, which is not included in this release as it is available on MBIE's website through the following hyperlink:

https://www.mbie.govt.nz/science-and-technology/science-and-innovation/agencies-policies-and-budget-initiatives/te-ara-paerangi-future-pathways/te-ara-paerangi-future-pathways-white-paper/

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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.

Te Ara Paerangi: Future Pathways

Portfolio Research, Science and Innovation

On 23 November 2022, the Cabinet Economic Development Committee (DEV):

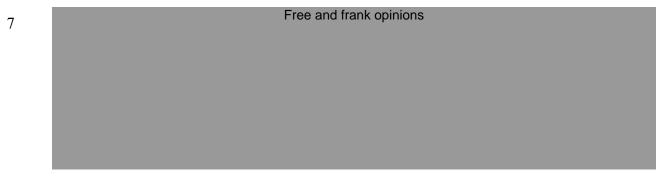
Background

- noted that in November 2021, Cabinet committed to an Economic Plan [DEV-21-SUB-0222] and, as part of this, the government reaffirmed its ambitious target to increase overall investment across government investment and business expenditure on R&D to 2 percent of GDP by 2030, which will grow New Zealand's Research, Science and Innovation (RSI) system;
- **noted** that in September 2021, DEV agreed to release a discussion document entitled *Te Ara Paerangi Future Pathways Green Paper 2021*, and invited the Minister of Research, Science and Innovation to report back by mid-2022 with the outcomes of consultation and any proposed policy changes [DEV-21-MIN-0193];
- noted that *Te Ara Paerangi: Future Pathways White Paper* (the White Paper), attached to the paper under DEV-22-SUB-0277, has incorporates the outcomes of the consultation process, setting out the high-level vision for New Zealand's future 'public' RSI system alongside key policy directions to initiate reform and guide Te Ara Paerangi Future Pathways work programme;

The case for change

- 4 **noted** that:
 - 4.1 the RSI system is smaller than it needs to be, with Aotearoa New Zealand only spending 1.4 percent of its GDP on R&D compared to the OECD average of 2.5 percent;
 - both government investment and business expenditure on R&D (BERD) contribute to lower levels of investment;

- 5 **noted** that despite reforms by previous governments, the RSI system in its current form is not well-placed to absorb the needed increase in funding to support the government's wider social and economic goals because:
 - 5.1 public research organisations are too small with insufficient scope to adapt to emerging areas;
 - 5.2 public research organisations are reliant on current sectors and industries, which make it difficult for them to develop new capabilities outside of historic responsibilities;
 - 5.3 public research organisations struggle with poor integration and ongoing unproductive competition that obstruct otherwise net beneficial collaborations;
 - 5.4 the system's mechanisms for signalling direction to the system are diffuse and confusing, resulting in multiple overlapping strategies that contribute to a cluttered governance environment;
- 6 **noted** that technological change, including digitalisation, is one of the defining features of the global economy, and is widely recognised as a critical tool to increase societal wellbeing within environmental limits;



- agreed to the case for change set out in the White Paper, which demonstrates that without reforming the RSI system, the increased investment needed in R&D is insufficient to unleash Aotearoa New Zealand's innovative potential and support the government's wider social and economic goals, including its Economic Plan and the Industry Transformation Plans:
- 9 **noted** that:
 - 9.1 while the lack of BERD is an issue for Aotearoa New Zealand, current policies designed to support BERD are having a notable impact;
 - 9.2 however, without reforming the RSI system, these policies will unlikely be sufficient to support a sustained 10 percent annual growth in BERD for the next eight years;

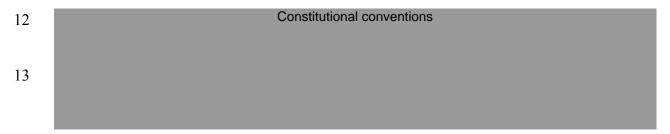
Overall vision and objectives for reform

agreed to the overall vision presented in the White Paper for Te Ara Paerangi – Future Pathways reform of the RSI system, namely:

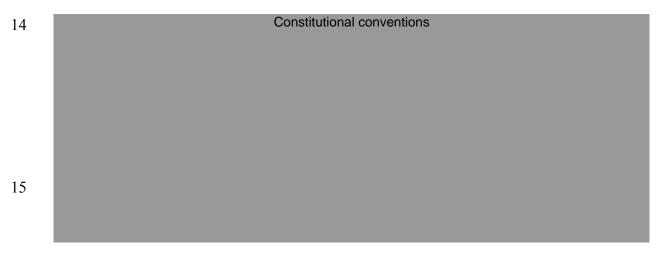
an RSI system that supports wellbeing for all current and future New Zealanders, a high-wage low emissions economy, and a thriving, protected environment through excellent and impactful research, science and innovation;

agreed to progress the reform programme in line with the scope, objectives and key policy directions set out in the White Paper, subject to reporting back to Cabinet for approval for any policy proposals that require significant policy decisions, funding or legislation;

Te Ara Paerangi – Future Pathways reform programme



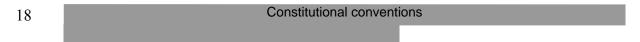
Changes to the RSI system



noted that an area of focus for the reform will be on increasing the economic and social impact of research, and that this will be a key element of further policy proposals;

Phase 1: Immediate workforce and people support

- 17 **noted** that Phase 1 will deliver changes to start embedding Te Tiriti o Waitangi in the RSI system and alleviate workforce issues by way of an initial workforce package, covering:
 - 17.1 increasing the number of research fellowships to retain and develop talent;
 - 17.2 introducing training opportunities to enable the research workforce to be prepared for a broad range of possible careers in addition to academia, including technical, private sector, community-led and entrepreneurial occupations;
 - 17.3 introducing international talent attraction programmes, and programmes to repatriate excellent New Zealand researchers from overseas;



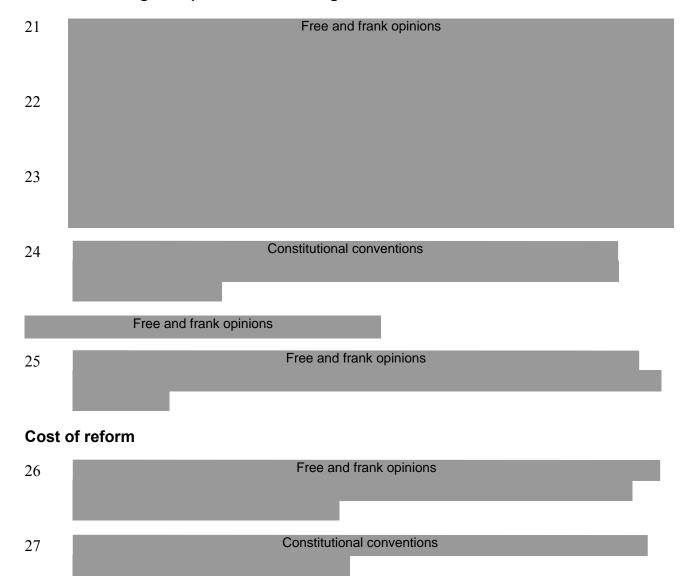
Phase 2: National Research Priorities

agreed in principle, subject to detailed policy proposals being brought to Cabinet, to establish a process for determining National Research Priorities to align resources and focus collective activities on areas of most importance to New Zealand's economic, social and environmental wellbeing;



Constitutional conventions

Phase 3: Changes to public research organisations



Transition and wellbeing

29 **noted** that the change programme and transitions need to be carefully managed, and will be informed by the wellbeing principles of He Ara Waiora;

Free and frank opinions

Engagement, consultation and implementation

- noted that officials will consult with the sector and Māori as policy proposals are developed and implemented;
- noted that further policy design will have regard to achieving alignment with the government's Economic Plan, and will consider links with the government's Industry Transformation Plans;

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Release of the White Paper

- **approved** the release of the White Paper, subject to any minor, technical or editorial changes that may be authorised by the Minister of Research, Science and Innovation before its release;
- noted the intention to release the White Paper in November 2022.

Janine Harvey Committee Secretary

Present:

Hon Grant Robertson (Chair)

Hon Dr Megan Woods

Hon David Parker

Hon Damien O'Connor

Hon Willie Jackson

Hon Michael Wood

Hon Dr David Clark

Hon Dr Ayesha Verrall

Hon Priyanca Radhakrishnan

Hon Meka Whaitiri

Hon Phil Twyford

Hon Kieran McAnulty

Rino Tirikatene, MP

Dr Deborah Russell, MP

Officials present from:

Office of the Prime Minister Officials Committee for DEV