



New Zealand's productivity in a changing world

**How can we accelerate the growth of high productivity
activities in the New Zealand economy?**

Summary of submissions on the draft Long-
term Insights Briefing

December 2025



Introduction

This summary presents the key themes and insights from the October to November 2025 public consultation on the draft Long-term Insights Briefing (the Briefing) on productivity developed by the Ministry of Business, Innovation and Employment (MBIE) and the Ministry of Foreign Affairs and Trade (MFAT).

Thank you to everyone who provided insights to support our completion of the Briefing.

Note: this summary document is about the second consultation phase for the Briefing. Information about the findings from the first consultation phase on the proposed topic can be found [here](#).

Our approach

On 23 October 2025, MBIE and MFAT published a [draft of the Briefing](#) on their websites and publicised this through direct emails to stakeholders and social media channels.

The consultation period was open until 17 November 2025, inviting feedback from the public and a range of stakeholders, including those working in government, business, academic, Māori and regional settings, with options for written and verbal input.

Four questions were provided in the draft Briefing to prompt feedback:

Question 1: Do you have feedback on any of the insights presented in this Briefing?

Question 2: Reflecting on the framework presented in Section 5 of the Briefing, do you have any other suggestions for how government could identify and enable high productivity sectors or activities with growth potential?

Question 3: Where are the opportunities for New Zealand to better connect and integrate with global and regional markets, value chains and innovation networks, particularly in the Asia Pacific? What role could the expansion of the Single Economic Market to the wider region play in New Zealand business growth and productivity strategies?

Question 4: Do you have any other feedback on how New Zealand can successfully accelerate the growth of high productivity activities, in a changing world? What may be the strategic choices that New Zealand will need to make?

Through the consultation 27 submissions were received, categorised as follows:

Group	Number of submissions
Business	6
Industry association or group	6
Regional entity	5
Government department or agency	4
Economists/academics	4
Individuals	2

Feedback was analysed by the team reading all submissions and then identifying and discussing the range of feedback and themes, both for each question and across all the other input received.

This thematic approach was supplemented by AI identification of themes (using anonymised submissions), then checked against human analysis. This analysis helped to identify key themes, ensuring that relevant feedback and insights could be incorporated into the final Briefing.

What we heard

The main themes summarised below resulted from our analysis of the responses to the four questions and other feedback. Where relevant we have indicated the question that the response referred to, eg (Q1).

General support for the draft Briefing's direction

Support for the Briefing and its insights were expressed by 26 of the 27 submissions. Comments of general support included noting that the Briefing was directionally correct, had a strong structural diagnosis and international orientation. Contributors largely agreed with the insights, which were noted as well-supported by evidence. For example, contributors mentioned that the inclusion of a clear definition of productivity helped anchor the document early on, and the use of trend data clearly illustrated New Zealand's productivity lag against other select small advance economies (Q1).

The strategic framing – emphasising coordinated action across government, business, and regions – was widely supported. Around two-thirds of respondents expressed support for the framework and its presentation of policy levers described as horizontal and vertical reflecting the need for both economy-wide and sector-specific policy levers, and the international dimensions to these (Q2).

Several contributors expressed appreciation of the opportunity to contribute to the thinking, and readiness to collaborate on any further work on national productivity.

While contributors broadly endorsed the Briefing's diagnosis of New Zealand's productivity challenge, a number raised the point that in some situations our small economy and distance can be an advantage that can be leveraged. This includes positioning New Zealand as a hub for research, testing, and evaluation for existing niche capabilities, leveraging its reputation as a safe, stable and open economy.

There were many other constructive suggestions from contributors about aspects that they considered we had not given sufficient attention to or would further productivity goals. These suggestions are laid out in the following sections, grouped as themes from the feedback.

Long-term strategic approach

Contributors emphasised the need for New Zealand to make a strategic shift from short-termism to policies that incentivise enduring value creation. Submissions called for New Zealand to make clear and deliberate strategic choices such as shifting from short-term to long-term value creation, the use of national missions or transformation strategies to guide policy and investment, and prioritisation of high-value sectors and regional strengths where the country has a global edge (Q4).

Some submissions called for greater focus on long-term investment in physical infrastructure, intangible assets – such as intellectual property, brands, and data platforms – as well as advanced capabilities that underpin productivity growth. Several submissions emphasised the central role of

value, encompassing value creation, value-added activities and value chains in driving productivity growth, and highlighting the role of value as an alignment point across domestic economic development policies with international trade strategies. Some submissions encouraged greater consideration of the role of government in creating systemic long termism and noted this could include more attention to government roles in coordination.

Several respondents suggested New Zealand embed intergenerational approaches, including tikanga-based innovation and collective governance, to ensure that productivity gains are resilient, inclusive, and sustainable across generations. This feedback reinforces the importance of aligning New Zealand's productivity approach with principles of long-term, intergenerational value creation and inclusive prosperity.

Calls for practical pathways and actionable tools

Contributors welcomed the Briefing's conceptual analysis but suggested an opportunity for clearer, actionable pathways supported by measurable priorities and accountability (Q2). Feedback noted the opportunity to develop the framework further, with suggestions to extend it to encompass monitoring and evaluation, develop practical toolkits, and criteria for sector assessment. Specific changes suggested for the framework were: more visibility of place-based levers/approaches, regional and Māori partnerships, digital infrastructure, and reference to domestic institutions and governance as horizontal levers.

For practical application of the framework, robust frameworks and clear metrics were suggested as essential for prioritising interventions and ensuring accountability. This included support for improved productivity measurement and benchmarking, expanding metrics to include value creation, innovation intensity, and wellbeing outcomes. Suggestions also included a unified national productivity system, broader definitions of productivity, and place-based metrics to track regional progress over time.

Sector-specific insights

Several submissions offered detailed sectoral analysis and suggestions for targeted support, infrastructure investment, and regulatory simplification. There was recognition of the need to balance support for emerging sectors with support for innovation, including process innovation, in established industries.

Examples included calls for comprehensive market access outcomes in dairy, advocacy for shifting from an export-oriented approach to a co-development mindset with global partners in agritech, emphasis on process innovation in manufacturing, and support for long-term planning and digital infrastructure investment in the tech sector.

Overall, sector-specific feedback called for consistent, enduring approaches that prioritise innovation, capability-building, and international collaboration.

Regional and place-based approaches

The submissions from regional entities, and several others, emphasised the need to recognise New Zealand's diverse regional economies and unlock their productivity potential through deliberate, strategic support. Feedback called for more recognition of place-based policy approaches, tailored

interventions, and sustained operational funding for regional initiatives. Respondents recommended tools such as place-based filters in sector prioritisation and regional cluster maturity models to guide investment and decision-making.

There was clear support for fostering innovation ecosystems and regional clusters by leveraging local strengths, adjacency strategies, and developing international linkages. Respondents also highlighted the role of regional development agencies in supporting local innovation ecosystems and facilitating cross-sector collaboration. Contributors called for collaboration between government, industry, research institutions, and Māori leadership to scale high-productivity activities and ensure inclusive growth.

Policies that enable regional innovation hubs, promote cross-sector partnerships, and acknowledge the unique contributions of different communities were seen as critical to New Zealand's productivity landscape.

Focus on innovation, R&D, and capability building

Respondents stressed the importance of sustained investment in research and development (R&D), innovation diffusion, and capabilities that can support this, particularly in human capabilities like leadership, governance, and management skills. There was concern about New Zealand's comparatively low R&D expenditure, limited innovation diffusion, and the need for stronger commercialisation support and skills pipelines.

Contributors suggested included treating R&D as a core element of national infrastructure, expanding innovation extension services, and creating national programs to diffuse technology to SMEs. Several stakeholders indicated that scaling up businesses, so they can successfully compete internationally, is one the biggest challenges facing New Zealand.

Māori and Pacific economies

Several contributors emphasised the need to position Māori enterprise and values-driven commerce as central to national productivity. Approaches suggested included embedding partnership pathways with Māori investors, recognising Māori productivity as part of New Zealand's national productivity story, and expanding comparative analysis to include culturally aligned development models. Respondents called for a broader concept of productivity that includes intergenerational wellbeing, cultural capital, and inclusive growth.

Feedback also highlighted the economic potential of Pacific peoples and ethnic communities. Contributors suggested that productivity initiatives could explore how Pacific communities can achieve productivity gains, and that capability-building, education and upskilling initiatives be designed to support Pacific participation in high-value and emerging sectors.

Digital, data, and energy infrastructure

Feedback highlighted digital connectivity, data infrastructure, and energy as foundational productivity assets. Contributors called for coordinated investment in these areas to support competitiveness and the transition to a low-carbon economy. Key points included integrating digital and energy infrastructure as levers in the policy framework, positioning New Zealand as a data infrastructure partner, and ensuring that digital growth remains low-emission, secure, and internationally competitive.

Human capital, leadership development, and governance

Around half of contributors noted investment in people and leadership capability as foundational to lifting productivity and driving long-term economic resilience. These submissions emphasised the need to prioritise education, workforce development, and continuous upskilling, with a particular focus on STEM disciplines, digital literacy, and management capability. Building strong leadership pipelines was seen as critical for innovation diffusion, successful adoption of emerging technologies such as AI and ensuring inclusive growth. Respondents recommended national programmes to support talent development and strengthen organisational leadership at all levels.

Boards were identified as key actors in setting and regularly testing organisational purpose and strategy against productivity objectives, and in translating policy into firm-level action about investment, innovation and scaling. Relatedly, there was strong support for the development and voluntary use of board-level metrics for accountability, alongside mechanisms for strategic assessment and coordination across sectors.

Alongside human capital, stakeholders highlighted governance and strategic coordination as essential levers for sustained productivity gains. Feedback called for consistent, long-term planning supported by durable institutions with the authority and resources to develop credible, coherent economic strategies. Boards were identified as key actors in setting and regularly testing organisational purpose and strategy against productivity objectives and also playing a role in giving effect, at firm level, to policies that realise productivity objectives. There was strong support for the development and voluntary use of board-level metrics for accountability, alongside mechanisms for strategic assessment and coordination across sectors.

International integration and strategic partnerships

Around half of submissions endorsed deeper connectivity with global and regional markets, particularly across the Asia-Pacific region, as a cornerstone for future growth (Q3). Feedback highlighted the need for co-development and innovation partnerships that leverage complementary strengths and accelerate technology adoption. Expanding models such as the Single Economic Market, harmonising regulatory standards, and reducing barriers to trade were seen as key enablers of business growth and productivity.

None of the submissions disagreed with the need for deeper connectivity, though several offered cautions against over-reliance on any single region or market and highlighted that deeper connectivity needs complementary domestic reforms, capability-building or infrastructure investment to fully leverage international partnerships and market access. Several contributors noted that international integration should be strategically aligned with domestic policy objectives, such as sustainability, resilience, and inclusive growth, recommending that trade and partnership strategies reinforce, not undermine, national priorities.

Some respondents highlighted the importance of including regional and Māori partnerships in international integration strategies, ensuring that the benefits of global connectivity are inclusive and reach all parts of New Zealand. Feedback calling for leveraging local innovation ecosystems and regional clusters as platforms for international collaboration highlighted how these clusters can help New Zealand firms plug into global value chains and innovation networks more effectively.

Contributors emphasised the strategic value of elevating ‘innovation diplomacy’ as a core trade lever, positioning New Zealand as a trusted partner in emerging sectors such as bio-digital trade, advanced manufacturing and clean technologies. Several submissions gave strong support for prioritising bilateral and plurilateral agreements with countries offering high potential for innovation connectivity, alongside mechanisms to share intellectual property and research outcomes.

The feedback reflected a nuanced understanding of global trends, underscoring that agility, resilience, and strategic alignment are essential for navigating geopolitical shifts and technological disruption. Stakeholders called for policies that not only open access to new markets but also strengthen collaboration between government, industry, and research institutions to ensure New Zealand remains competitive in a rapidly evolving international landscape. Building these partnerships was seen as vital for scaling high-value activities, fostering inclusive growth, and embedding New Zealand in global innovation networks.

Conclusion

Stakeholder feedback on the draft Briefing was constructive and supportive of its insights about the opportunity for lifting New Zealand’s productivity through strategic, inclusive and evidence-based policies. Respondents suggested ways that the insights in the Briefing could be taken forward or developed, moving from conceptual frameworks to practical implementation, integrating regional and Māori perspectives, investing in innovation and infrastructure and fostering long-term, coordinated action.

It is important to note that the intended scope of this Briefing is not to identify and analyse priority sectors or make specific policy recommendations, but rather to outline how government might approach and think more deliberately about the appropriate mix of future policy levers. Similarly, providing detailed guidance on practical tools, implementation plans and metrics falls outside the purpose of a Long-term Insights Briefing (which are ‘think-pieces’ rather than policy advice), though these feedback insights still provide a useful foundation for consideration in broader policy development contexts. We acknowledge the importance of these contributions and the value they bring to discussions on effective policy implementation.

The project team took account of feedback to develop the final version of the Briefing including the development of the five policy principles in the concluding section:

- Adopt a coherent, long-term economic approach
- Strengthen strategic assessment, market intelligence and evaluation
- Prioritise internationally oriented, knowledge-intensive clusters
- Build a productivity ecosystem where innovation, talent and infrastructure work together
- Use internationalisation and trade policy as integral productivity levers.