FOREWORD: POSITIONING NEW ZEALAND FOR THE FUTURE

New Zealanders value a strong economy that provides decent jobs, higher incomes and opportunities for current and future generations.

Equally, we understand that the health and wellbeing of our people, the protection and enhancement of our environment, and the strength of our communities allow us to achieve our potential.

The importance of balancing these four components of wellbeing – financial, human, natural and social capital – is central to our plan for building a more productive, sustainable and inclusive economy.

New Zealand’s economy has faced a number of long-term challenges in recent decades, including low productivity and wages, skills shortages, shallow domestic capital markets, a lack of diversification and under-investment in infrastructure.

We inherited economic settings which meant New Zealanders were having to work harder just to maintain their standards of living. New Zealand has consistently had low labour productivity growth, and recorded negative growth on average between 2013 and 2017.

At a broader level, worsening water quality in our rivers and lakes shows that some growth has been at the expense of our environment. Growing inequality shows the benefits of economic growth have not been shared equally by all New Zealanders.

New Zealand also faces a number of new challenges. The global economy is in a period of disruption from the impacts of rising trade protectionism and unconventional monetary policy. In New Zealand, we are faced with the challenges of climate change, aging and changing workforces, and technological change.

Fixing and facing up to these long-term challenges requires an economic plan that takes into account a broader definition of what success looks like, and acknowledges that our people, environment and
communities are intertwined with the economy. It means looking ahead over 30 years, and not just three.

The Government’s Economic Plan is set in the context of our wellbeing agenda and is designed to build a more productive, sustainable and inclusive economy to improve the wellbeing and living standards of all New Zealanders.

The Plan identifies eight key shifts and policy action related to each shift that will tackle the long-term challenges the New Zealand economy is facing. They signal our goal to balance outcomes across financial, human, natural and social capital, and will act as an overarching guide for government departments designing economic policy.

The shifts we’re tackling will not take place overnight. However, we are being deliberate about identifying them to ensure people and businesses can adapt to new working environments and respond confidently.

These shifts and initiatives will deliver on the four economic priorities in Our Plan: to grow and share New Zealand’s prosperity, support thriving and sustainable regions, transition to a clean, green and carbon neutral New Zealand and deliver responsible governance with a broader measure of success.

New Zealand has a unique opportunity to build on our strengths, and use these to lead the world on standing up to the economic challenges of the next 30 years, turning issues like climate change and the technological revolution into economic opportunities.

We can’t do this on our own. We know it is essential we partner with business, workers, communities and iwi on addressing the long-term challenges our economy faces.

This plan provides an overarching guide for what we see as the key shifts the economy needs to make to transition to more productive, sustainable and inclusive growth. It is an integral part of delivering wellbeing for all New Zealanders.

Hon Grant Robertson
Minister of Finance

Hon Phil Twyford
Minister for Economic Development
OUR VISION – WELLBEING FOR ALL NEW ZEALANDERS NOW AND IN THE FUTURE

New Zealand is a proud country located deep in the South Pacific, with an advanced economy. We are a progressive and innovative people – a nation which embraces new challenges and delivers new solutions to the world.

New Zealanders care about the wellbeing of our people and the health of our environment. That is why we are putting the health and wellbeing of our people and environment at the heart of how we manage the economy and measure success.

Wellbeing is when people are able to lead fulfilling lives with purpose, balance and meaning to them. Ensuring more New Zealanders enjoy good wellbeing requires tackling the long-term challenges we face as a country, improving the state of our environment, the strength of our communities and the performance of our economy.

Last year, this Government released Our Plan for a modern New Zealand we can all be proud of. It looks 30 years ahead, not just three, focusing on tackling big challenges to lift wellbeing for current and future generations.

Our Government’s priorities – taken from Our Plan

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Our Economic Plan directly focuses on the four Government priorities to help us deliver a more productive, sustainable and inclusive economy. It will also help us to achieve our wider priorities, such as ensuring everyone has a warm, dry home and ensuring everyone who is able is earning, learning, caring or volunteering.

We want to grow and share New Zealand’s prosperity more fairly.

New Zealand is recognised as being one of the best places in the world to live. Wellbeing is high for New Zealanders overall, but the benefits of economic growth have been unevenly distributed. Significant disparities exist with some of our communities faring worse on wellbeing indicators including unemployment, income, health and educational attainment.

We want all New Zealanders to have equal opportunities to participate in an economy that is strongly connected to the world, and for all New Zealanders to share in the rewards and benefits of economic growth.

The best way we can raise the living standards of all New Zealanders in the long run is to work smarter, not harder. This means increasing our skill levels to improve our productivity, and support higher incomes for all New Zealanders. We must ensure our education system and labour market settings encourage investment in the new skills our workforce needs now and for the future. Economic growth must be inclusive and sustainable, showing care for people and the environment.

We want to transition to a clean, green, carbon-neutral New Zealand.

This Government is committed to making a just transition to a low-emissions economy, to lead by example and minimise New Zealand’s contribution to climate change.

Our land, forests, fresh water, marine environment and indigenous biodiversity are the foundations of our society and economy and hold a special place in the hearts and minds of New Zealanders. They are at the heart of our success, livelihoods and wellbeing as New Zealanders.

Our focus is on how we support our people, places and businesses to use our resources more sustainably through the smart use of technology, education, regulation and investment.

We must work together to positively change how we live, work, do business and play. Progressively reversing existing environmental damage and protecting nature for ourselves and future generations must be part of our plan for a more sustainable economy.

We want thriving and sustainable regions.

We want people to prosper and have opportunities no matter where they live. Our regions are home for many New Zealanders, and where some of our major industries are located.

When people and businesses do well, their region does well. We’re unlocking the potential of our regions to create an environment where they thrive. We’re building resilient and sustainable infrastructure that enables our regions to grow and supports a modern and connected economy across New Zealand.

We want to deliver responsible government with a broader measure of success.

As a country, we cannot achieve these goals and aspirations by continuing with the status quo. We must do things differently, and measure our success more holistically. Over the past two years, we’ve broadened our measures of success to put wellbeing at the heart of what we do and measure.

The wellbeing approach is built around the Treasury’s Living Standards Framework, and its four capitals – financial/physical, human, natural and social. Measures of current wellbeing and the state of these four capitals are being tracked through the Living Standards Framework Dashboard.

Our Economic Plan lays out our ambitious vision to improve living standards for current and future generations by transitioning our economy to be productive, sustainable and inclusive.

This Government remains focused on building a strong foundation for our economy through macroeconomic, monetary and fiscal policy settings. Our responsible fiscal management – running surpluses and keeping debt under control – ensures we are resilient and prepared for disasters and shocks.

We are improving our institutional settings to support a modern New Zealand economy that benefits all New Zealanders. We have amended the Reserve Bank Act to focus on employment as well as price stability, and are improving the banking system to better protect New Zealanders’ savings.

Our commitment to being financially disciplined will ensure we build a resilient economy that benefits all New Zealanders, now and for future generations.
New Zealanders value the wellbeing of our people and health of our environment, inclusivity and fairness. We want an economy in which sustainable economic growth genuinely improves the lives of us all. To achieve this, our economy must be productive, sustainable and inclusive. This Economic Plan identifies eight economic shifts which represent some of the most important transitions we must make to prepare our economy for the big changes coming our way and address our most pressing economic, social and environmental challenges as a country.

If we achieve these shifts, we’ll go a long way towards making New Zealand a great place to live and make a living. Our work programme as a Government is just a start. Tackling long-term challenges and turning around years of neglect takes time. We are bringing fresh thinking and looking beyond traditional economic and social policy to address these challenges and support wellbeing.
ECONOMIC PLAN

OUR VISION

Grow and share NZ’s prosperity

Support thriving and sustainable regions

THE KEY ECONOMIC SHIFTS WE NEED TO BUILD A PRODUCTIVE, SUSTAINABLE AND INCLUSIVE ECONOMY

The NZ economy moves from volume to value with kiwi businesses, including SMEs, becoming more productive

People are skilled, adaptable and have access to lifelong learning

Deeper pools of capital are available to invest in infrastructure and grow NZ’s productive assets

Strong and revitalised regions

This means…

› Building on our existing strengths and international connections to leverage new opportunities in domestic and international markets
› Investing in new technology and being at the forefront of digital innovation including to drive mitigation and adaptation to climate change
› Thriving and dynamic small, medium and large enterprises

This means…

› Businesses can access the skills and labour when and where they need it
› People continually updating the skills they need for success in the future of work
› Higher wages and better conditions at work

This means…

› We have the modern infrastructure we need to enable our transition to a low emissions economy
› Kiwis have confidence to invest in innovative NZ firms
› Regions and businesses have access to the world’s knowledge and innovation through stronger international connections
› NZ businesses have timely access to capital to innovate and grow

This means…

› People and businesses thrive, irrespective of where they live or work
› Regions are connected and equipped with modern and resilient infrastructure
› Backing place-based comparative advantages and innovation strengths

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TO IMPROVE THE WELLBEING AND LIVING STANDARDS OF ALL NEW ZEALANDERS

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› Backing place-based comparative advantages and innovation strengths
Enable a step change for Māori and Pacific economies

This means…
› Higher economic, social, environmental and cultural wellbeing
› As partners, the Crown and Māori have strong, ongoing and effective relationships
› Success in business, education, employment, regions and land use

Sustainable and affordable energy systems

This means…
› Businesses and households can access affordable, clean energy to achieve our economic potential
› Establishing NZ’s foothold in high-value clean energy systems and exporting our know-how to the world
› Meeting NZ’s climate change targets by driving emissions reductions

Land and resource use delivers greater value and improves environmental outcomes

This means…
› Shifting land use to higher value use while maintaining and improving our environment
› Redesigning our activities to minimise waste
› Transitioning to a low emissions economy

Transform our housing market to unlock productivity growth and make houses more affordable

This means…
› Overcoming the shortage of housing and focusing capital investment towards more productive areas of our economy
› Current and future generations can access affordable housing in the places they desire close to the best jobs for them
› A productive building and construction sector producing safe, healthy and durable homes and buildings
### Initiatives to Shift Our Economy

The NZ economy moves from volume to value with Kiwi businesses, including SMEs, becoming more productive.

People are skilled, adaptable and have access to lifelong learning.

Deeper pools of capital are available to invest in infrastructure and grow NZ’s productive assets.

Strong and revitalised regions.

#### Examples of contributing initiatives

- Industry Transformation Plans
- Research, Science and Innovation Strategy
- R&D Tax Incentive and broader tax treatment of innovation
- Trade for All agenda
- Small Business Strategy
- Callaghan Innovation services and grants
- Trade negotiations agenda
- Future of Work Tripartite Forum
- NZTE customer focus programme
- Reforming government procurement
- Small business tax simplification
- Reform of Vocational Education
- Active labour market programmes – such as Mana in Mahi and He Poutama Rangatahi
- First year fees-free education and training
- Changes to temporary work visas
- Tomorrow’s Schools review
- Employment Strategy and Action Plan
- Just Transitions programme
- Strengthening NCEA
- Welfare overhaul
- School Leavers’ Toolkit and Career System Strategy
- Establishing regional skills leadership groups
- Strengthening labour relations and lifting minimum standards
- Minimum wage increases
- Investment in early stage capital markets
- Infrastructure Commission
- Green Investment Fund
- Urban Growth Agenda: funding and financing options
- Auckland City Rail Link
- Government Policy Statement on Land Transport
- Local Government funding and financing
- NZTE investment matching
- Provincial Growth Fund
- KiwiRail and Interislander investments
- Accelerated rural broadband and 5G rollout
- One Billion Trees programme
- Three Waters review
- Local Government funding review
- Upper North Island Supply Chain Strategy
- Just Transitions programme
- Biosecurity Act overhaul
- Eradicating Mycoplasma bovis
Enable a step change for Māori and Pacific economies

Sustainable and affordable energy systems

Land and resource use delivers greater value and improves environmental outcomes

Transform our housing market to unlock productivity growth and make houses more affordable

### Contributing initiatives

- Te Arawhiti – Office for Māori Crown Relations
- Whenua Māori programme
- He kai kei aku ringa – the Crown-Māori Economic Growth Partnership
- Māori Business Growth Support
- Pacific Business Trust
- He Tupu Ōhanga commercial advisors scheme and Kōkiri Māori business accelerator
- NZTE Māori customer focus
- Māori agribusiness funds
- Tupu Aotearoa and Tupu Tai Internship programmes
- Renewable energy generation and process heat
- Electricity Price Review
- Low Emission Vehicles Contestable Fund
- National New Energy Development Centre
- Winter energy payment
- Green Hydrogen
- Emissions Trading Scheme reform
- Zero Carbon Bill and Climate Change Commission
- Resource Management Act reform
- Essential freshwater: healthy water, fairly allocated
- Productive and Sustainable Land Use Package
- Waste and resource efficiency work programme
- Biodiversity Strategy
- Crown Minerals Act review
- Resource Strategy
- Urban Growth Agenda
- KiwiBuild
- Building system legislative reform
- Residential Tenancies Act reforms
- Healthy Homes Act
- Resource Management Act reform
- Warmer Kiwi Homes investment
- Kāinga Ora
- Construction Sector Accord
- Improving tax settings for land use
New Zealand is renowned for our innovative and adaptable culture and our connectedness around the world. Our economy depends on cultivating this and encouraging Kiwi businesses to move from volume to value. This shift will see businesses innovate and compete more effectively as we face challenges such as new technology and climate change.

Our productivity challenge is complex and long-standing. We’re encouraging innovative businesses and industries to take advantage of new technology and global markets, and develop higher value products and services. Our aim is to lift R&D spending to 2% of GDP by 2027 from around 1.2% when we entered Government. Innovation is at the heart of productivity growth and we want to ensure New Zealand businesses have access to R&D to underpin better products and ways of working.

Key to realising our vision is making New Zealand a great place to do business. That’s why we are partnering with sectors to transform their industries through Industry Transformation Plans. It’s also why we are taking action to reduce compliance costs and make government better for business – improving and connecting government services and modernising our regulations and systems.

New Zealand is a trading nation and we want all New Zealanders to benefit from trade. We are building stronger international connections so that Kiwi businesses get greater access to markets around the world – not just for goods, services and investments, but also for people and ideas. At the same time, we are supporting businesses to get the most from trade and grow the value and reach of our exports.

Examples of key initiatives:

- **Industry Transformation Plans** – adding value to key sectors of our economy and leveraging new opportunities.
- **Trade for All agenda** – supporting New Zealand businesses to make the most of our international connections and grow the value and reach of our exports.
- **Small Business Strategy** (forthcoming) – empowering small businesses to thrive.

### CASE STUDY: Fingermark – a Kiwi technology export success story

Fingermark is a global tech company based in Havelock North leading the development of applied computer vision and deep learning products. Fingermark designs, builds and manufactures leading-edge innovative solutions to help organisations streamline operations and enhance customer experience.

CEO Luke Irving says Fingermark creates technology that gives businesses data “they never knew they needed.”

Fingermark’s high potential US export strategy centres around collaboration with global tech giants. Together, they solve problems for four of the top ten biggest fast food brands in the world. Adept at using advanced digital tools, Fingermark leverages computer vision, the Internet of Things (IoT) and artificial intelligence to remove business bottlenecks, drive efficiencies and ultimately, grow bottom lines for businesses around the world.

“Fingermark have for years leveraged the support of both Callaghan Innovation and NZTE to help speed up our growth in both R&D and global expansion.” Fingermark also uses the FernMark to mark its unique kiwi roots and ingenuity.
New Zealanders are highly skilled and qualified compared to many countries. However, some regions and sectors find it hard to get enough workers with the right skills, and others consistently fare poorly in traditional labour market measures.

We’re partnering with regions to address skill and workforce needs by launching active labour market policies and programmes. We’re reforming our education and vocational education system and introducing new initiatives to get people into work. We’re targeting our immigration processes to deliver the workers and skills we need and working with businesses to reduce our reliance on low skilled migrants.

Automation and technology present new opportunities and new challenges for both businesses and workers. Change can be disruptive and we’re facing this head on by working with businesses and unions to understand the future of work so that New Zealanders, young and old, can maintain, upgrade and adjust their skills over their working life.

We’re working towards an education system that equips people with the desire and flexibility to keep learning. This is fundamental to our ability to successfully adapt to change.

New Zealanders want an education system that supports our learners to succeed in the workplace. We’re working to ensure that all adults have access to high quality and affordable education and can engage in accessible learning throughout their working lives, meeting the changing skill needs of our economy as it evolves and helping us keep unemployment around 4%.

New Zealanders work hard and expect to be treated well and fairly. That is why we are working to ensure we have a productive, fair and rewarding employment relations system. A system that supports businesses and protects vulnerable workers. A system that delivers fairness, safety and wellbeing at work. A system that ensures people receive a fair day’s pay for a fair day’s work.

Examples of key initiatives:

- **Reform of Vocational Education** – creating a strong, unified, sustainable system for all vocational education that delivers the skills that learners, employers and communities need to thrive.
- **Active labour market programmes** – such as Mana in Mahi (Strength in Work) - supporting people to find and stay in work.
- **Changes to temporary work visas** – incentivising and supporting business to employ more New Zealanders, and ensuring that access to migrant labour is available where there is genuine need.
- **First year fees free** – making the first year of post-secondary school education and training free. Eligible apprentices get their first two years of training fees-free.
- **Minimum wage rises** – increasing the minimum wage to make a difference for low income workers.

CASE STUDY: Opōtiki community comes together to support local rangatahi

Opōtiki’s community and the Government are backing local rangatahi who are working towards future careers in the construction industry. He Poutama Rangatahi has helped fund a pre-apprenticeship programme at Opōtiki College. Local businesses Motu Trails Trust, Mitre 10 Opōtiki and Bunnings Whakatane donated materials and tools. The programme provides training and mentoring to help students gain a formal apprenticeship after school, with the support of four staff who are currently helping them build three one-bedroom units.

Deputy Principal Jenny Mays says the school’s staff are delighted with the response from the local community and the uptake of the course from students.

“In this close-knit community, we make things happen together. We have students on the programme who started to disengage with mainstream school and were at risk of dropping out without achieving their NCEA goals or gaining sustainable employment. Thanks to the support from our local businesses and the He Poutama Rangatahi programme, they’re actively involved, staying late and volunteering to come in outside class time.”
Deeper pools of capital are available to invest in infrastructure and grow New Zealand’s productive assets

Smart investment, from infrastructure to innovative firms, supports a modern, resilient and connected economy.

New Zealanders are proud when our businesses succeed. Yet we know that New Zealand businesses of all sizes, particularly young firms and start-ups, can face capital constraints and can struggle to grow beyond their early stages.

Improving access to capital is vital. We’re taking action to encourage investment to enable our companies and assets to achieve their potential. We’re also introducing reforms that give people the confidence to invest in New Zealand’s home-grown talent and vision.

We want to build New Zealand ownership of assets, with both the Government and individual New Zealanders investing more in onshore firms and infrastructure.

We recognise that for New Zealand businesses to succeed in a global marketplace, we must keep ahead of the latest technology and market developments. We are focused on enabling our regions and businesses to connect internationally, and adopt global best practice, new technology and innovations.

Examples of key initiatives:

- **Funding for early stage businesses** – introducing an early-stage capital fund to partner with private venture capital funds to invest in high-value innovative firms and start-ups so they can grow and scale in New Zealand.
- **Infrastructure Commission** – ensuring New Zealand gets quality infrastructure investment to improve our long-term economic performance and social wellbeing.
- **Green Investment Fund** – catalysing a private green investment market in New Zealand.

**CASE STUDY:** Innovative new approach to fund infrastructure enables 9,000 new homes north of Auckland

The Government is looking at developing alternative financing models for infrastructure as part of its Urban Growth Agenda. The aim is to create opportunities to accelerate investment in local government projects that would otherwise struggle to be funded.

The ability of some local authorities to build infrastructure, including for new housing developments, is being constrained by the costs and impacts on debt levels.

At Milldale, a development north of Auckland, Crown Infrastructure Partners teamed up with Auckland Council and Fulton Hogan to establish an alternative financing model to fund infrastructure for 9,000 new homes. The Milldale model uses a Special Purpose Vehicle for the project that allows debt to be raised without going on Auckland Council’s balance sheet. This enables capital to be raised independent of the Council. The funding will be repaid over time by the landowners as an ‘infrastructure payment’ collected by the local authority as a separate line item on the rates bills.

The Government is building on the Milldale model as it continues to develop new funding approaches. These new models will deepen our capital markets for infrastructure, allowing private investment in new infrastructure, and accelerate much needed housing development.

"It’s a big step towards meeting Auckland’s housing needs," says Auckland Mayor Phil Goff of the Milldale development.
Opening of a dairy farm on land owned by the Putauaki Trust. The site for the new Kawerau Industrial Hub features in the background.
Provincial New Zealand is the heartland of Aotearoa, and home to some of our most creative and innovative people. Much of New Zealand’s economy rests on the successes of the regions.

New Zealand’s regions have their own unique strengths and advantages, and face different challenges and opportunities. Some regions of New Zealand are thriving, whereas others consistently experience lower economic and social outcomes. They may face higher unemployment and lower productivity, or lack the investment in infrastructure needed to boost their economies.

The Coalition Government is committed to fairly sharing the benefits of a strong economy so that people and businesses in our regions thrive.

We’re investing to support regional businesses to grow, and building the infrastructure regions need to participate in a modern economy, such as rail, road, ports and communications.

No matter where they live and what their background is, every New Zealander should be able to participate in and benefit from an economy that is productive, sustainable and inclusive.

Examples of key initiatives:

› Provincial Growth Fund - ensuring people and businesses all over New Zealand have the resources they need to reach their potential.
› Enabling infrastructure - building infrastructure, such as roads, rail and rural broadband that regions need to participate in a modern economy.
› One Billion Trees - working with our regions and partners to support planting of one billion trees by 2028.

CASE STUDY: Putauaki Trust Kawerau Industrial Hub

The Provincial Growth Fund Te Tuawhenua (PGF) is investing $20m in infrastructure improvements needed for businesses to access Māori trust land that will be used to create a new industrial hub and employment opportunities for local whānau.

The project involves development of a bi-modal freight distribution hub (road and rail) adjacent to a new large-scale industrial subdivision, which will enable co-location of factories that process nearby resources (e.g. forestry).

Once completed, the Putauaki Trust Kawerau Industrial Hub will provide at least 150 new jobs, attract new businesses and investment to the region, and have the potential to boost the productivity of the wider eastern Bay of Plenty.

Regional Economic Development Minister Shane Jones said “Kawerau has always been an industry-based town and upgrading the transport and associated infrastructure will help attract new businesses and create the right environment for existing companies to invest and expand in the region.”

The Putauaki Trust is owned by approximately 800 shareholders – predominately descendants of Te Pahipoto, hapū of Ngati Awa of Te Teko. The Trust aims to create financial wealth to enable the cultural, social, environmental and economic aspirations of the shareholders and beneficiaries to be achieved, while also ensuring the land is protected as a taonga tuku iho.
Enable a step-change in the Māori economy

We recognise that whānau-led initiatives hold the key to bringing about a step-change in the Māori economy. This Government is committed to supporting whānau, hapū and iwi to lift economic, social, environmental and cultural wellbeing.

We are doing this by ensuring strong partnerships with Māori, cross-agency collaboration and by supporting the outcomes in He kai kei aku ringa. We’re focusing on improving employment outcomes and developing a highly skilled Māori workforce. We’re investing in our rangatahi and in programmes that have a greater community focus. We want to grow Māori enterprises and are supporting digital innovation and connectedness.

We are also helping Māori achieve their whenua Māori aspirations, which is why access to capital and expertise is a focus of our plan. Through Te Puni Kōkiri and Te Arawhiti, we’re building the Crown’s capability and capacity to partner effectively with Māori and make government accessible throughout the regions.

Examples of key initiatives:

› Te Arawhiti – Office for Māori Crown Relations – fostering strong, ongoing and effective relationships with Māori across Government.

› Government procurement – working to provide opportunities for Māori and Pacific New Zealand businesses to access contracts from the $41 billion we spend each year in Government procurement.

› Whenua Māori (Māori land) – enabling Māori to realise the potential of their land.

› He kai kei aku ringa – working towards a productive, innovative, export oriented Māori economy driven by whānau.

› Pacific Business Trust - supporting and growing Pacific enterprises.

Enable a step-change in the Pacific New Zealand economy

We’re committed to helping our Pacific peoples build on their cultural and economic strengths. Pacific people bring an international connectivity, spirit of innovation, and broader perspective of value that the Government wants to support and grow.

We want Pacific people to grow their prosperity, wellbeing and living standards. We’re supporting Pacific enterprises to thrive and make the best use of the unique entrepreneurial and innovative potential of Pacific peoples in our economy.

By enhancing Pacific peoples’ participation as business owners, employees and trainees across all career stages, we can lift wellbeing and support Pacific New Zealand to thrive.
CASE STUDY: Robotics Plus’ collaborative approach to agritech innovation a winner

Tauranga-based Robotics Plus is on a mission to help industry meet increasing agricultural demands, including labour shortages globally, by developing sophisticated and precision robotics and automation technologies that transform agricultural industries.

Robotics Plus co-founder and chairman Steve Saunders says a driving motivation is 'helping to feed the world in a sustainable way': “It’s estimated we will need to feed 10 billion mouths by 2050 and labour is becoming one of the biggest constraints to meeting that challenge, especially in the speciality crop food supply system. Our goal is solving those very simple labour pain points in horticulture, and other areas such as forestry, using automation, robotics and sensing technologies.”

Over the past 18 months, Robotics Plus has commercially launched its robotic Āporo apple packer worldwide, and its industry-changing Robotic Scaling Machines (RSM) which accurately measure logs on trucks. Its development efforts, which also include a number of other innovations, are well supported by partners and investors, including Yamaha Motor Co. Ltd. (Japan).

Māori heritage has played an important role in Robotics Plus’ development. The company’s core values are ‘he aronga nui’ (pioneering), ‘manaakitanga’ (collaboration), ‘tika me te pono’ (principled) and ‘kaitiakitanga’ (stewardship) says Saunders. “Importantly, these values also resonate strongly with our local and international partners, who are helping us to scale our technologies globally.”

Robotics Plus’ robotic Āporo apple packer won the New Zealand Trade & Enterprise (NZTE) Most Innovative Hi-Tech Agritech Solution and the company was named Callaghan Innovation Hi-Tech Kaumupene Māori o te Tau - Māori Company of the Year at the 2019 NZ Hi-Tech Awards. “I was rapt that these awards, which recognise the dedication of our staff, partners and supporters, were presented by NZTE and Callaghan Innovation. They have been very supportive of our growth and innovation plans, along with the Ministry of Business, Innovation and Employment, the Ministry for Primary Industries and Te Puni Kōkiri,” says Saunders.

Robotics Plus also has important research relationships with the University of Waikato, the University of Auckland, Massey University, Plant & Food Research and PlantTech.
ECONOMIC PLAN | FOR A PRODUCTIVE, SUSTAINABLE AND INCLUSIVE ECONOMY
Energy powers our economy – it drives our transport systems and enables our businesses to produce and deliver a huge variety of goods and services.

New Zealanders are leading the world in clean energy, with 82% of our electricity coming from renewable sources. But this isn’t enough. We’re challenging ourselves to reduce our reliance on fossil fuels.

As we make more use of technology and automation, supporting businesses to access low cost and clean energy is critical to our economic success. In New Zealand we have the opportunity to develop our own sustainable energy technologies, continue to innovate, and explore ways to make efficient use of our energy resources. We are backing our businesses to establish footholds in fast-growing global “clean energy” industries and build on our existing research capability.

New Zealanders rely on energy to heat and power our homes and fuel our cars and buses. We’re conscious of the harm our energy use is doing to our environment and the impact on global warming. That’s why we’re focusing on shifting to a more environmentally sustainable energy system in a way that is affordable for us all. All of this is critical to getting to net-zero CO₂ and lifting renewable electricity generation to 100% within a normal hydrological year by 2035.

We’re showing global leadership by taking decisive action on climate change, using this opportunity to create jobs and reduce emissions while ensuring energy is affordable.

**Examples of key initiatives:**

- **Renewable Energy Strategy** – outlining actions to achieve an affordable, secure and sustainable energy system.
- **Electricity pricing** – responding to the Electricity Price Review.
- **Transport electrification** and **low emissions** policies.
- **National New Energy Development Centre** – supporting the development, demonstration, uptake and use of new energy technologies.

**CASE STUDY: Charting our way towards a more renewable energy system**

The Government’s Renewable Energy Strategy is looking to address barriers to investment, support the uptake of new technology, and transition to a clean, green and carbon neutral economy by 2050. Energy Minister Megan Woods says “Our government’s goal is to decarbonise our economy while keeping electricity costs low for consumers and creating new jobs in renewable energy.”

We are establishing a National New Energy Development Centre in Taranaki. The centre will support new energy technology to be developed and commercialised and connect industry, government, research and leaders. We are backing this with a new fund for research into cutting edge energy technology, looking into the likes of organic photovoltaics, super conductors, nanotechnologies and inductive power.

We are also backing companies pioneering clean energy solutions through the Provincial Growth Fund. These include our investments in Hiringa Energy; dedicated to the supply of green hydrogen, and Eco Gas; focused on converting organic food waste into energy and bio-fertiliser.
Kaitiakitanga, ingenuity, integrity and respect define who we are as New Zealanders - we care about everything we do and everything we create. We recognise that the wellbeing of our people and the health of our environment are directly impacted by how we use our land, water, oceans and resources.

This Government is working to support businesses to use our land and resources in ways that are good for our environment, good for our businesses, good for our workers and good for our future.

New Zealand is a pioneer and innovator in food and beverage production and agritech.

That is why we are partnering with our food and fibre sectors to use science, technology and new business practices that boost productivity and reduce emissions and pollution. This is critical to meeting our target of net-zero CO2 and a 24 – 47% reduction in biological methane emissions by 2050.

We are focused on supporting our primary sectors to leverage the opportunities offered by those shifts. We know that consumers are increasingly demanding food and fibre produced sustainably, and we are backing our primary sectors to lead the world in producing sustainable and natural food, fibres and bioproducts. We’re investing now to grow our brand as a clean, green country.

Like most of the developed world, our economy produces a lot of waste – some of which can be bad for business, the environment and our people. We need to focus on sustainable materials and processes and redesign our activities to produce less waste. This won’t happen overnight – but with government support for innovation, smart regulation, and ongoing dialogue, these changes can be effective and enduring, and result in opportunities and jobs that don’t exist today.

Examples of key initiatives:

- **Zero Carbon Bill and changes to the Emissions Trading Scheme** - ambitious reforms to transition to a low emissions economy.
- **Improving our Resource Management** – making the Resource Management Act (RMA) easier for New Zealanders to understand and engage with.
- **Urban Growth Agenda** – removing barriers to land supply and infrastructure and supporting productive and sustainable land use in urban areas.
- **Essential Freshwater programme and our Productive and Sustainable Land Use Package** - improving the health of our waterways and wetlands and providing support for farmers and growers to use their land more sustainably.
- **Waste and resource efficiency work programme** – supporting New Zealand’s transition to a circular economy.
CASE STUDY: Partnering to grow our craft beer industry

Craft beer presents a creative, innovative way to use our resources – our high-quality hops, beautiful water, and terrific malt – creating a high value product, with a lower environmental impact.

Hāpi Research Ltd has partnered with the Ministry for Primary Industries (MPI) to deliver Hāpi – Brewing Success, a $13.25 million, 7-year project funded through of the Government’s Sustainable Food and Fibre Futures fund. The aim is to help growers and brewers to explore new possibilities for our hop growing and craft beer industries and support the development of high-value, premium products from regional businesses.

Hāpi Research Ltd is a joint venture between Garage Project, a leading Wellington craft brewer, and Freestyle Farms, a leading Nelson hop farm. “Our project will pursue research to enhance and differentiate super-premium hop and craft beer markets and boost the growth of both industries,” says Freestyle Farms director David Dunbar. “By collaborating across industries we’ll accelerate the development of unique Kiwi hops, promote uniquely New Zealand craft beer, and open up new areas to hop growing.”

Hop growing will be supported by research on new precision agriculture practices and processing methods, and licensing for the hops will be limited to New Zealand growers – ensuring intellectual property and expertise it develops is retained in New Zealand.

Garage Project co-founder Jos Ruffell adds, “Our aspiration is to develop the resources and tools for domestic and export success along the lines of what our wine industry has achieved – elevating New Zealand craft beer to a sustainable global brand that commands premium pricing across all markets.”

If successful, the project could increase revenue from hops and craft beer by $171 million per annum by 2027, largely driven by exports, and create 835 new jobs across the hop growing and craft brewing industries.

We are also supporting our craft beer industry to grow and share their unique products with the world. Our recent NZTE Report ‘Craft Beer – Turning on the Export Tap,’ provides customer insights and industry success stories.
From render to reality in 9 months
A safe, warm, dry home or whare is important for New Zealanders – whether owning or renting. Where we live, our turangawaewae, is central to wellbeing. We want New Zealanders to have choice in where they live, learn and work, and make it easier for workers to live close to the best jobs for them.

The Coalition Government inherited a housing and urban development system under pressure. We are focused on addressing housing crisis and getting more houses built that are affordable for New Zealanders to rent or own. We want to reduce the debt and rental burden on our businesses and households from high house prices and rents. People should not be stressed about housing affordability or insecure tenure, nor should their health be affected by unhealthy homes.

We know that New Zealand’s high house prices have diverted capital into the housing market and away from more productive uses. We need to redirect this capital to help businesses to innovate, invest in new technology and pursue growth opportunities. High housing costs can also make it difficult for businesses and people to move to areas where there are better opportunities.

We’re focused on increasing our housing supply to better meet demand, and tackling long-standing failures at every point in the system. We are working to improve land supply; cut unnecessary red tape; and direct overseas investment into productive parts of the economy. Our rental focus will ensure renters have more secure, healthy and affordable homes. Our work with the construction sector supports smart developments, lower construction costs and more safe, healthy and durable homes. We are planning for future growth with local government and investing in infrastructure.

**Examples of key initiatives:**

- **Urban Growth Agenda and RMA reform** – working to get our urban markets working so they can respond to growth, improve urban land affordability, and support thriving communities.
- **KiwiBuild** – Assisting first home buyers who have been locked out of the housing market to buy their first home.
- **Reforming our building system** – establishing a productive building and construction sector that produce safe, durable homes and buildings.

**CASE STUDY: Productive partnership to deliver new homes**

KiwiBuild and NZ Living are transforming New Zealand’s housing market, unlocking productivity growth, and together, reigniting the dream of first-home-ownership. Innovative thinking in the design and construction phases results in high quality, affordable, well-located, medium-density homes that are incredibly robust, low-maintenance and liveable over the long-term.

NZ Living is using smart construction techniques which reduce the time it takes to get all the design and consenting paperwork done, lower costs and speed up construction. This is medium-density housing done well – located close to public transport hubs, open spaces and ground level apartments for the elderly, disabled and young families. Many of NZ Living’s buildings are built to a Homestar 6 rating, providing quality assurance that a house will be warm, dry, healthy and cheap to run. All of this means these homes will be comfortable and low maintenance for buyers to live in long-term.

The deal between KiwiBuild and NZ Living has resulted in 144 homes, 97 of them KiwiBuild, that would otherwise not have been built or would have taken much longer to build. Shane Brealey, director of NZ Living, says “what KiwiBuild does is enables you to on-sell apartments while you’re building. That’s quite different to most cases. Typically, developers need to achieve a threshold of pre-sales before starting, adding up to 12 months to any project. But KiwiBuild projects can be done by developers in half the time of the usual market-orientated projects.”
REDEFINING HOW WE MEASURE SUCCESS TO FOCUS ON WHAT MATTERS FOR NEW ZEALANDERS

New Zealanders want us to measure success in line with their values – the wellbeing of our people, the strength of our communities, the health of our environment and the resilience of our economy.

In the past we’ve seen improvements in headline measures of economic success – such as our GDP growth. However for many New Zealanders, this did not translate into higher living standards or better opportunities. We need to ensure long-term economic success in an inclusive, not exclusive way.

That’s why we’ve built a comprehensive suite of economic, social, cultural and environmental indicators to measure how well our economy, people, communities, and environment are performing. These will help us monitor the wellbeing of current generations, what we’re leaving behind for future generations and how our actions are having an impact over the medium and long-term.

There’s no single way to capture the complexity of the economy. By taking a broader look at our measures of success we can get important feedback about the progress of our key economic shifts, and understand more about the progress we’re making for all New Zealanders.

We’ve made a start with StatsNZ’s Indicators Aotearoa New Zealand and the Treasury’s Living Standards Framework Dashboard. We’ll keep building on this work to ensure that it reflects New Zealanders’ values and focuses our attention on what matters.

We will report on how well the economy is performing for New Zealand using both traditional economic indicators and wellbeing indicators each year, through the Wellbeing Outlook in the Budget. This document will provide an overview of what the indicators are telling us. An example of how we are measuring wellbeing is presented in the diagram below showing outcomes for Māori.

You can find more about the Living Standards Framework Dashboard and StatsNZ’s Indicators Aotearoa New Zealand at treasury.govt.nz/information-and-services/nz-economy/living-standards and wellbeingindicators.stats.govt.nz

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**Māori wellbeing analysis compared to the rest of New Zealand**

This chart shows how Māori compare to the rest of the population. If in a particular wellbeing domain the yellow point is further from the middle of the diagram than the black point, and the blue point is closer to the middle, this means the particular group’s wellbeing is lower than the national average in that domain. It is clear that Māori rank low relative to the rest of the population in most measures of wellbeing.

Source: Stats NZ, General Social Survey

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**Diagram:**

- Subjective wellbeing
- Social connections
- Cultural identity
- Safety
- Knowledge and skills
- Civic engagement and governance
- Income and consumption
- Housing
- Health

Survey Year: Combined years
Unit: Percentage point difference
ANNEX: TRACKING SUCCESS THROUGH WELLBEING INDICATORS

We will use a range of wellbeing indicators, drawn from the Living Standards Framework (LSF) Dashboard and Indicators Aotearoa New Zealand (IANZ), to measure the economy's performance for each of the key economic shifts. This approach brings together our economic, environmental and social indicators to give a broader view of how the economy is performing. Some indicators that are particularly important for each shift are set out below.

<table>
<thead>
<tr>
<th>Key economic shifts</th>
<th>Wellbeing indicators (primarily from the LSF Dashboard and IANZ)</th>
<th>Sources and frequency of update</th>
</tr>
</thead>
<tbody>
<tr>
<td>The NZ economy moves from volume to value with kiwi businesses, including SMEs, becoming more productive</td>
<td><strong>Current wellbeing</strong>&lt;br&gt;1. Disposable income&lt;br&gt;2. Consumption&lt;br&gt;&lt;br&gt;<strong>Future wellbeing</strong>&lt;br&gt;3. Multifactor productivity growth&lt;br&gt;4. R&amp;D investment</td>
<td>1. MSD, Household incomes in NZ (Annual)&lt;br&gt;2. Treasury analysis of Household economic survey (four yearly)&lt;br&gt;3. Stats NZ, Productivity Statistics (Annual)&lt;br&gt;4. Stats NZ, R&amp;D Survey, (two yearly)</td>
</tr>
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<td><strong>Strong and revitalised regions</strong></td>
<td><strong>Current wellbeing</strong>&lt;br&gt;1. Periodic wellbeing analyses of regions&lt;br&gt;2. Regional GDP</td>
<td>1. Stats NZ, General Social Survey (every two years), and variety of other sources.&lt;br&gt;2. Stats NZ, Regional GDP statistics, (Annual)</td>
</tr>
<tr>
<td><strong>Enable a step change in Māori and Pacific economies</strong></td>
<td><strong>Current wellbeing</strong>&lt;br&gt;Periodic wellbeing analysis of Māori and Pacific communities as demographic groups</td>
<td>Stats NZ, General Social Survey (every two years), and variety of other sources</td>
</tr>
<tr>
<td><strong>Sustainable and affordable energy system</strong></td>
<td><strong>Current wellbeing</strong>&lt;br&gt;1. Renewable energy as a % of NZ’s total primary energy supply&lt;br&gt;2. % of electricity generation from renewables&lt;br&gt;<strong>Future wellbeing</strong>&lt;br&gt;3. Gross greenhouse gas emissions</td>
<td>1. MBIE, Energy in NZ (Annual)&lt;br&gt;2. MBIE, Energy in NZ (Annual)&lt;br&gt;3. MfE, Greenhouse gas inventory (Annual)</td>
</tr>
<tr>
<td><strong>Transform our housing market to unlock productivity growth and make houses more affordable</strong></td>
<td><strong>Current wellbeing</strong>&lt;br&gt;1. Household crowding&lt;br&gt;2. Housing cost&lt;br&gt;3. Housing quality</td>
<td>1. Census data (Five yearly)&lt;br&gt;2. MSD, Household incomes in NZ (Annual)&lt;br&gt;3. Stats NZ, General Social Survey (two yearly)</td>
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</tbody>
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