

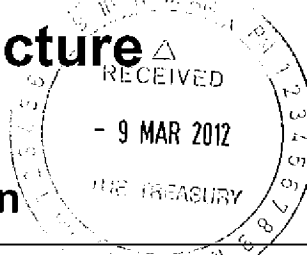


Cabinet Economic Growth and Infrastructure Committee

Minute of Decision

EGI Min (12) 3/1

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The Government's Business Growth Agenda

Portfolios: Finance / Economic Development

On 7 March 2012, the Cabinet Economic Growth and Infrastructure Committee:

Strategic priorities and key challenges

- 1 **noted** the following four strategic priorities that will drive the government's policy priorities over the next three years:
 - 1.1 responsibly managing the government's finances;
 - 1.2 building a more productive and competitive economy;
 - 1.3 delivering better public services within tight financial constraints;
 - 1.4 rebuilding Christchurch;
- 2 **noted** the following key challenges facing the New Zealand economy, within a highly volatile and uncertain international environment:
 - 2.1 poor productivity growth over 10 years, compounded by a decrease in New Zealand's international competitiveness;
 - 2.2 slow real per-capita GDP growth and export growth since the mid-2000s;
 - 2.3 growth concentrated in the non-tradable parts of the economy while the competition-exposed sectors have tended to stagnate;

Business growth agenda

- 3 **noted** that the objective of the government's business growth agenda is to build a more productive and competitive economy (paragraph 1.2 above);
- 4 **noted** that responsible fiscal management, better public services and rebuilding Christchurch, which impact on business growth (paragraphs 1.1, 1.3 and 1.4 above), have been escalated to their own high-level priorities and mutually reinforce the business growth agenda;

5 **noted** that the business growth agenda has been organised around the following six key inputs to business that the government directly influences – replacing the previous six drivers – in order to better communicate and manage the agenda:

- 5.1 capital markets;
- 5.2 innovation;
- 5.3 skilled and safe workplaces;
- 5.4 resources;
- 5.5 infrastructure;
- 5.6 export markets;

Groups of Ministers

6 **invited** the Minister of Finance and the Minister for Economic Development to establish and co-ordinate six informal groups of Ministers holding the following portfolios:

- 6.1 capital markets (Hon Bill English):
 - 6.1.1 Finance;
 - 6.1.2 Economic Development;
 - 6.1.3 Commerce;
 - 6.1.4 State-Owned Enterprises;
 - 6.1.5 Consumer Affairs;
- 6.2 innovation (Hon Steven Joyce):
 - 6.2.1 Science and Innovation;
 - 6.2.2 Economic Development;
 - 6.2.3 Commerce;
 - 6.2.4 Communications and Information Technology;
 - 6.2.5 Primary Industries;
- 6.3 skilled and safe workplaces (Hon Steven Joyce):
 - 6.3.1 Tertiary Education, Skills and Employment;
 - 6.3.2 Labour;
 - 6.3.3 Immigration;
 - 6.3.4 Education;
 - 6.3.5 ACC;

- 6.3.6 Social Development;
- 6.3.7 Maori Affairs;
- 6.4 resources (Hon Steven Joyce):
 - 6.4.1 Environment;
 - 6.4.2 Climate Change;
 - 6.4.3 Local Government;
 - 6.4.4 Primary Industries;
 - 6.4.5 Energy and Resources;
 - 6.4.6 Conservation;
 - 6.4.7 Maori Affairs;
- 6.5 infrastructure (Hon Bill English):
 - 6.5.1 Finance;
 - 6.5.2 Transport;
 - 6.5.3 Building and Construction;
 - 6.5.4 Communications and Information Technology;
 - 6.5.5 Energy and Resources;
 - 6.5.6 Primary Industries;
- 6.6 export markets (Hon Steven Joyce):
 - 6.6.1 Foreign Affairs;
 - 6.6.2 Economic Development;
 - 6.6.3 Trade;
 - 6.6.4 Tertiary Education, Skills and Employment;
 - 6.6.5 Customs;
 - 6.6.6 Tourism;
 - 6.6.7 Primary Industries;
 - 6.6.8 Maori Affairs;

- 7 **invited** each group of Ministers to produce for consideration by EGI and for publication a sub-agenda of actions for advancing the government's overall business growth agenda in that group's area of responsibility, as follows:
- 7.1 all relevant actions from the government's 120-point plan that was announced prior to the 2011 General Election (attached as Annex 1 to the paper under EGI (12) 24) should be included (as progress is made on the various initiatives, the wording and status of the policy actions listed in the 120-point action plan will change accordingly);
 - 7.2 additionally, Ministers are invited to consider including selected proposals from those proposals suggested by officials in December 2011;
 - 7.3 Ministers may also add further actions as opportunities arise;
- 8 **invited** the six groups of Ministers to produce a co-ordinated series of publications over the rest of 2012, one publication for each of the six key inputs, according to a rolling schedule of publications to be decided by the Minister of Finance and the Minister for Economic Development;
- 9 **directed** the Chief Executive of the Ministry of Economic Development and the Chief Executive of the Treasury to co-ordinate officials' support for, and advice to, the six groups of Ministers and to co-ordinate the inputs of the relevant agencies;

Reviews

- 10 **noted** that the Minister of Finance and the Minister for Economic Development intend to review the six initial sub-agendas in mid-2012 with a view to recommending an update to the business growth agenda;
- 11 **noted** that the Prime Minister will periodically chair meetings to review the overall effectiveness and direction of the business growth agenda;

Reports

- 12 12.1 **directed** the Ministry of Economic Development, taking into account the need to avoid duplicating existing reporting, to prepare an annual report for publication that provides up-to-date factual information on the GDP contribution of each major industry, and discusses the challenges and opportunities that they face, in order to inform public debate on economic development;
- 12.2 **noted** that the Ministry of Agriculture and Forestry will continue to prepare the annual report relating to the Primary Industries sector;
- 13 **directed** the Ministry of Economic Development to prepare regional activity reports that provide up-to-date factual information on the economy of each region.

Committee Secretary

Reference: EGI (12) 24

Distribution: (see over)