
GOING FOR GROWTH

Unlocking New Zealand's potential

FEBRUARY 2025



Te Kāwanatanga o Aotearoa
New Zealand Government



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI

Ministry of Business, Innovation and Employment (MBIE) Hīkina Whakatutuki – Lifting to make successful

For more information:

goingforgrowth.govt.nz

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Contents

Minister's foreword.....	2
Strong foundations to foster economic growth	4
1. Developing talent.....	9
2. Competitive business settings	15
3. Promoting global trade and investment	21
4. Innovation, technology and science	27
5. Infrastructure for growth.....	31
Next steps and how to get involved.....	36
Summary of Government actions	37

Minister's foreword

Economic growth is key to raising living standards, creating higher-paying jobs, and delivering the vital public services New Zealanders want and deserve.

As Minister for Economic Growth, I am focused on what will make New Zealand's economy grow faster so there are better opportunities for Kiwis to pursue their dreams in this great country.

New Zealand has been through a tough time, as high inflation forced up interest rates and our economy was driven into recession. Families have seen rapid increases in prices and felt the impact of a rising cost of living. At the same time, the Government had to take immediate action to address a structural deficit in the Government's books that threatens New Zealand's debt position and ultimately the long-term financial security of New Zealanders.

After such a challenging period, it's easy to lose sight of the reasons to be optimistic about New Zealand's economic prospects. It is worth reflecting on how great our potential is.

We're a safe, secure country with established trading relationships and a reputation as a good place to do business. We are blessed with abundant natural resources – everything from ocean to freshwater, fertile land to minerals and temperate weather.

In a world worried about food security, we feed more than 40 million people with levels of efficiency and sustainability that are the envy of the world. We have a long history of stable democracy, strong institutions and rule of law. We've produced world-leading scientific breakthroughs and innovative firms.

So the question is not whether New Zealand can succeed, the question is how can we unlock our potential to drive even more success in the years ahead?

Going For Growth outlines the approach the Government is taking to turbo-charge our economy. It is economic growth that results in more and better-paying jobs for Kiwis, creates wealth for our communities, and brings in the revenue needed to pay for world-class infrastructure, health and education services.

It is ultimately businesses that grow the economy through their decisions to expand, invest and create more jobs. The Government's role is to create the conditions for them to do that. This includes getting the basics right, such as low and stable inflation, manageable interest rates and credible fiscal management. It means ensuring the Government doesn't make it harder to do business by tying people up in red tape or sticking rigidly to rules that simply make no sense.

Going For Growth sets out five pillars driving our push for economic growth: Developing talent, Competitive business settings, Promoting global trade and investment, Innovation, technology and science, and Infrastructure for growth. Under each pillar are actions already underway to support growth, with much more to come.

I want to harness the great ideas held outside Government to push even harder for growth. That's why I'm inviting feedback on this first version of *Going For Growth*. I want genuine engagement with our business community, our future leaders and our people to further strengthen the platform for growth. Future iterations of *Going For Growth* will be released as your ideas are adopted and as the Government makes progress through its agenda.

There is reason to be optimistic that better times are ahead. To grasp the opportunities in front of us, we must lean in and boldly pursue the things that will make this country the wealthier country we want it to be. We must adopt a 'yes' mentality when sometimes it is easier to say 'no'.

I'm fired up for this challenge and I want you alongside me as we build a stronger, wealthier, more resilient New Zealand.

Let's all Go For Growth.

Hon Nicola Willis

Minister for Economic Growth

Minister of Finance



Strong foundations to foster economic growth

The Government's goal is to increase living standards and opportunities for all New Zealanders. Lifting New Zealand's economic and productivity growth is critical to raising incomes and supporting high-quality public services in the short and long term.

The stakes are clear. If New Zealand's nominal gross domestic product (GDP) was to grow by 1 percentage point more than forecast from 2024/25 onwards, tax revenue would be \$7.9 billion higher than forecast by 2028/29.

To put this in context, the Government's expenditure on primary and secondary schools in 2023/24 was \$9.7 billion. An increase in GDP gives the Government more choices about investing in health and education or delivering tax relief.

Economic potential is unleashed by fostering investment, innovation and risk-taking. Removing barriers and creating incentives empowers businesses to drive growth, ensuring market forces fuel prosperity.

Markets for goods and services need to be more competitive to make prices more affordable for New Zealanders and to provide the incentives for businesses to innovate. Reform is also required to address long-standing declines in housing affordability.

New Zealand has many enduring strengths to build on to achieve these outcomes. It is a safe and secure country with a stable democracy, strong institutions and rule of law. It has an abundance of natural resources, fertile land and temperate weather. New Zealand has also created world-leading scientific research and innovative firms.

The New Zealand economy is predominantly a service-based economy (about three-quarters) with goods-producing (21 per cent) and primary industries (6 per cent) accounting for the remainder. About 97 per cent of businesses are small, with fewer than 20 full-time equivalents (FTEs). New Zealand's main export industries are dairy and meat products, forestry and tourism.

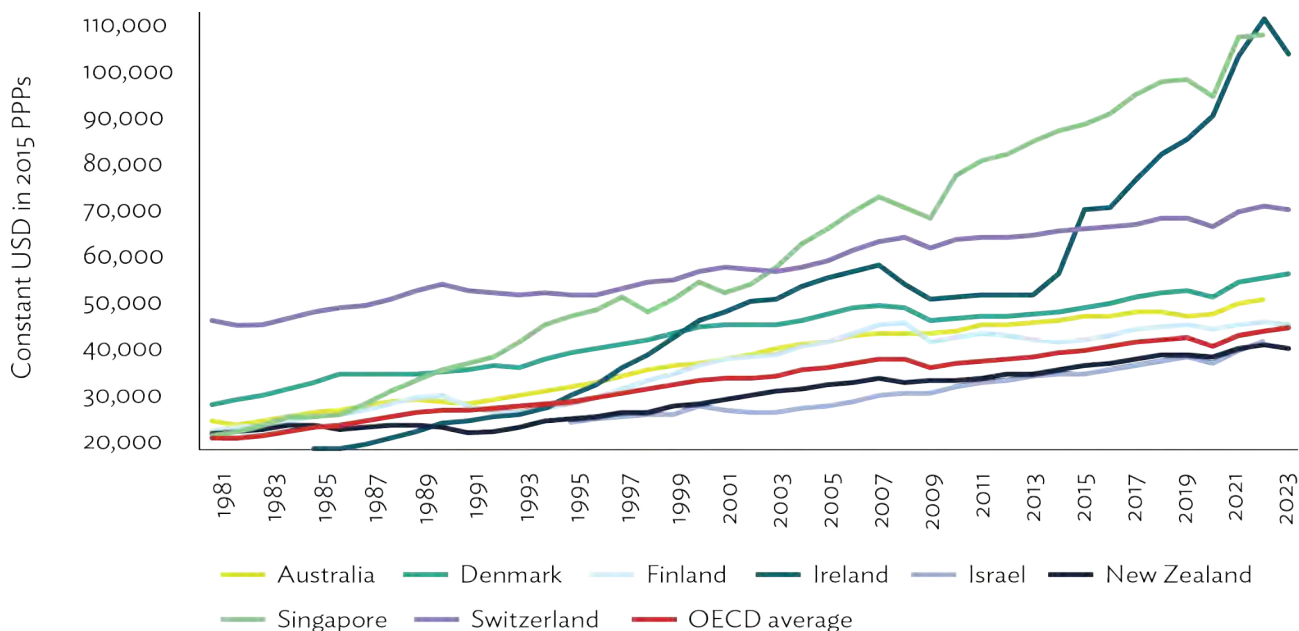
New Zealand has a growing Māori economy, which is a critical driver of national economic growth. In 2023, the Māori asset base was valued at \$119 billion (up from \$69 billion in 2018) and the contribution of iwi and Māori collectives and businesses to the national economy was \$30 billion (up from \$17 billion in 2018).

The Māori economy has grown considerably faster than the overall economy over the past decade. To realise further potential, New Zealand needs to support Māori entrepreneurship, land productivity, and investment to unlock further economic potential.

New Zealand's GDP per capita (output per person) is low compared to other advanced economies and the gap has been widening (see Figure 1).

Figure 1: New Zealand's GDP per capita compared to other advanced economies

Source: OECD



New Zealand has experienced declining annual economic growth since the June 2023 quarter and negative quarterly growth in the last two quarters. This is mostly due to the increase in interest rates needed to bring inflation down. As interest rates ease, economic growth is expected to improve.

New Zealand has also experienced poor labour productivity performance over many decades compared to other advanced economies. There are many likely causes of this poor performance, for example:

- New Zealand's small population and distance from large economies means businesses face weak domestic competition, struggle to achieve scale and are often poorly connected to international markets
- New Zealand has very low rates of capital investment by business in plant, machinery and technologies
- New Zealand businesses are comparatively slow to adopt productivity-enhancing innovations.

To arrest this slide in growth and productivity, the Government needs to be focused on delivering the policy agenda to enable economic growth. This means low inflation and government spending that is focused on value and removing waste. It means pushing back

on regulation that is stifling productivity. And it means unlocking more competitive markets, lower costs for consumers, and driving business innovation. It is only by having stability in these settings that certainty can be provided for businesses and households, supporting their investment and long-term decision-making.

Combined with enabling regulatory and tax settings, stable macroeconomic settings underpin a dynamic and competitive business environment, which ultimately drives increased productivity. Productivity growth comes from the decisions businesses and households make about how to use resources. The decisions they make are driven by the incentives they face and their ability to respond to those incentives. Government policy can help to shape incentives through regulatory settings that make it easier to do business, invest and take risks.

The Government's focus on sound macroeconomic and fiscal management has contributed to lower inflation and falling interest rates, reinforcing confidence and activity in the economy. The Government will maintain its fiscally prudent approach, and its intention is to put net core Crown debt as a percentage of GDP on a downward trajectory towards 40 per cent of GDP, keeping it within a 20 to 40 per cent range in the longer term.

The Government will keep prioritising spending to areas where it matters most, and will drive change to ensure that regulatory and tax settings do not hinder productivity. Ensuring that Government expenditure represents value for money, and pursuing a credible path to surplus will allow fiscal headroom for the Government to pursue ambitious policies for economic growth.

New Zealand can learn from other small, advanced economies that have improved their economic performance such as Ireland, Singapore and Denmark. While these economies differ from New Zealand's, there are some common features in the steps they have taken to better deliver on their growth potential. These include reforms to improve education outcomes, fostering a dynamic business environment, deepening international connections through trade and investment, investing in science and new technologies, and building world-class infrastructure.

Going For Growth sets out how the Government will create the environment to lift economic growth now, while also addressing New Zealand's enduring productivity challenge.

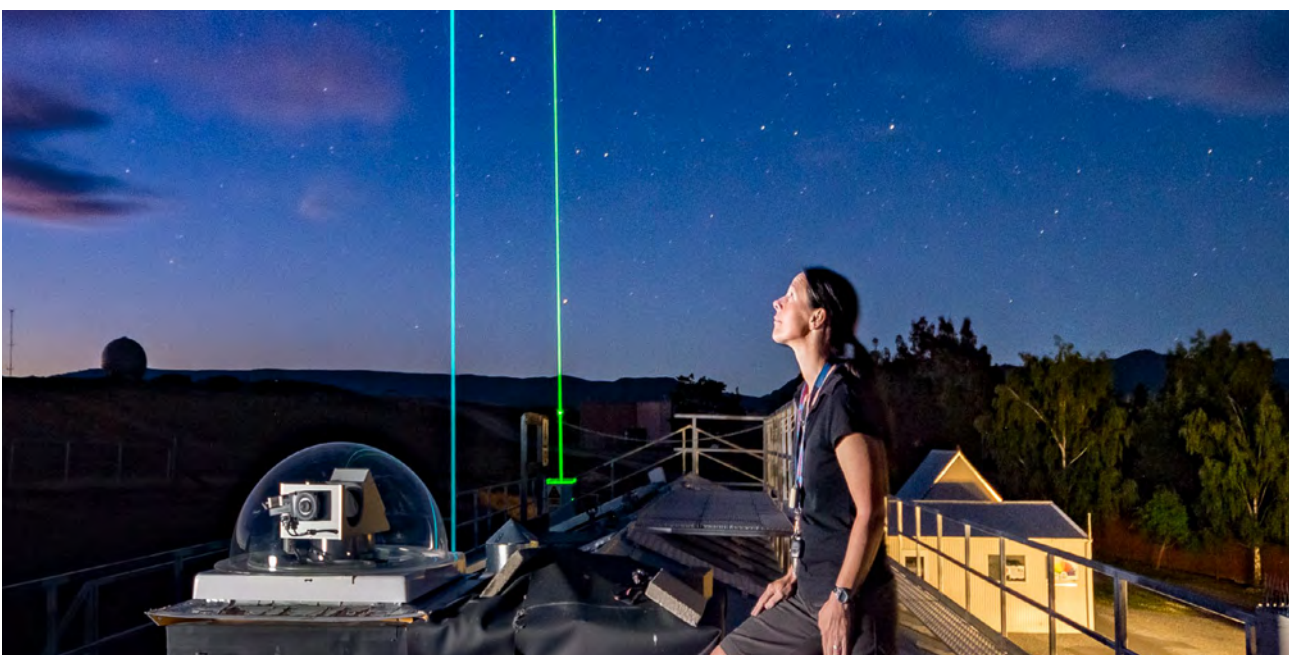
It is organised around five pillars for driving growth, based on the experiences of other small, advanced economies:

1. Developing talent
2. Competitive business settings
3. Promoting global trade and investment
4. Innovation, technology and science
5. Infrastructure for growth.

Across these themes, the Government is interested in a combination of reforms to support:

- increased capital investment by firms, supported by higher domestic savings and inbound overseas investment
- secure, affordable and abundant energy supply
- tax and regulatory settings that support greater competition in key sectors (including banking, grocery and energy).

Going For Growth will continue to be added to as current Government initiatives are completed and new initiatives are launched. The Government is considering future reforms, particularly in taxation, savings and competition policy. There are opportunities for businesses to shape future developments in *Going For Growth*. Next steps and how businesses can get involved are provided in the *next steps* section.



Stratospheric ozone lidar, Lauder, Central Otago. Credit: Dave Allen, NIWA.



Hydro Dam, Lake Benmore, Canterbury. Credit: Kathryn Taylor, Truestock.



*Teacher helping her students, Auckland.
Credit: Spid Pye, Truестock.*



Developing talent

New Zealand has a flexible labour market, high rates of employment, relatively open borders and, historically, a well-performing education system. However, the country faces significant challenges: school achievement and attendance are dropping in comparison with countries New Zealand competes with, and we face challenges in attracting, training and retaining talent.

The Government wants to maximise the potential of New Zealand's most powerful asset – its people. This means raising the earnings potential of New Zealanders and their living standards. It also means ensuring businesses can access the people needed to help them compete globally and grow.

A highly skilled workforce supports the emergence of innovation, new products and new ventures. Businesses need access to workers with the right kinds of skills to develop new ideas and technologies, enabling economic growth. Conversely, where citizens do not have basic skills (e.g. students leaving school without qualifications or without basic literacy and numeracy skills), their potential earnings are limited and their reliance on welfare and other supports is often increased.

The upward trajectory of the Māori population will play a significant role in shaping the nation's demographic makeup and impact workforce dynamics. While the European population is ageing quickly, the Māori population is very young, resulting in an increasing share of Māori in the labour force each year.

Ensuring education, training and immigration settings support economic growth

All parts of our skills system need to work together to help build high performing businesses and lift productivity.

The responsiveness and relevance of tertiary education must be improved, so that students learn skills that are valued in the workplace, and that allow them to develop new technologies and commercialise them.

The Government is focused on raising educational achievement in schools to ensure young people have the knowledge, skills and confidence they need to succeed in further education and training, and in the workforce. This means lifting numeracy and literacy skills as well as ensuring students are present to learn. Results from the Programme for International Student Assessment (PISA) show a marked decline in New Zealand school achievement since 2000 (see Figure 2). The Government has set a target of 80 per cent of Year 8 students being at or above the expected curriculum level for their age in reading, writing and maths by December 2030, and a target of 80 per cent of students being present for more than 90 per cent of the term by 2030.

The Government has introduced structured approaches to literacy and mathematics in New Zealand's schools, with a focus on teaching the basics brilliantly. Consistent assessment tools are also being introduced so students who need targeted interventions will get them earlier.

Figure 2: Trend in PISA achievement since 2000

Source: OECD



Structured literacy

The Government introduced structured literacy approaches in April 2024 and has since implemented an hour-a-day policy where all schools teach an hour a day of maths, reading and writing. The Government has also supported schools with professional development in structured literacy for all teachers of Years 0–6 and provided funding to purchase structured literacy resources.

Structured literacy approaches have been introduced as they are proven to work. Systematically and explicitly teaching elements of reading and writing to novice learners strengthens their understanding, helps manage their cognitive load, and maximises their progress in acquiring literacy.

Structured literacy approaches will teach more students to be successful in oral language, reading and writing, with the aim of at least 80 per cent meeting curriculum expectations in Year 8 by 2030.



New Zealand's domestic skills pipeline needs complementary immigration settings to attract the skills and talent needed to drive long-term business performance, including international students with valuable knowledge and skills.

New Zealand's skills system needs to support New Zealanders to acquire skills that equip them for good jobs. This means redesigning the Vocational Education and Training system and immigration settings to respond to New Zealand's labour and skills needs, in tandem with improving New Zealand's domestic employment and educational outcomes. The Government is reforming the vocational education and training system to ensure learners can access relevant training, whether through an institute of technology, polytechnic, private training establishment or in their workplace.

At the same time, the Government has reformed immigration policy to ensure it focuses on attracting highly skilled migrants that fill skills gaps in local businesses. Benefit dependency has increased to 12.6 per cent of the working age population in December 2024 from 9.3 per cent in September 2017. The Government has taken a number of steps to move people from welfare dependence into work, with a particular focus on young job seekers because they are at greatest risk of staying on a benefit long-term. The introduction of sanctions and other consequences for those who do not fulfil their obligations to prepare for or find a job is delivering results.

There is also scope to better support people to get into and stay in work through improvements to the early childhood education and care system.

For example, childcare providers have highlighted that the regulatory system stops them from offering childcare that is flexible and adaptable to labour market needs.

The Government will improve education and skills performance

The Government will continue its commitment to ***Teaching the Basics Brilliantly***, by lifting school attendance and achievement in core skills such as reading, writing, maths and science, to reverse the long-term decline in skill levels. The introduction of a new National Curriculum is laying the foundation for the transformation of New Zealand's education system. ***Structured literacy*** will improve achievement and allow for earlier intervention when a student needs support. ***Targeted interventions*** will deliver support to students who are falling behind to ensure they have every opportunity to catch up and stay on track. ***A standardised approach to assessment*** will track the progress of students in a more consistent manner. The introduction of ***charter schools*** will provide more choice and diversity in the education system, allowing students to learn and grow in ways that are specific to their needs.

Māori students will be supported towards better outcomes in the classroom through the ***Māori Education Action Plan***, which includes a new Te Marautanga o Aotearoa curriculum, the roll-out of structured literacy in te reo Māori, and further steps to raise achievement. Ongoing investment into Pacific education is aimed at closing the equity gap and raising achievement, through programmes for principals who are leading schools with high Pacific student numbers and other targeted support.

The Government is creating ***a more responsive vocational education and training system***, by returning decision-making to regions and enabling greater industry input into work-based learning. The redesigned system will better meet the needs of learners, industry, and the economy. It includes re-establishing regional polytechnics that are financially sustainable.

The Government will ensure that ***immigration settings attract the right migrants*** to fill skills and labour gaps through changes to the Accredited Employer Work Visa, reviewing skilled residence settings, and scoping a new Parent Boost Visitor Visa to support skilled migration.

The Government is exploring ***how New Zealand's university system can better cultivate talent, expand opportunities, and fuel scientific innovation*** to drive economic growth. The University Advisory Group's advice will inform policies to strengthen and future-proof the sector.

The Government is ***reducing the regulatory barriers*** to affordable childcare and putting an appropriate and modern regulatory system in place.

The Government is ensuring the ***welfare system is supporting people who can work into employment***. Paid employment offers the best opportunity for people to achieve social and economic wellbeing. A target has been set to reduce the number of people on Jobseeker Support benefits by 50,000 by 2030 and policies are being designed to support this target.

Charter schools

Charter schools are one way the Government is aiming to improve student achievement. Charter schools are another type of state-funded school, providing educators and parents with more choice. Compared to state schools, charter schools have greater flexibility in teaching, curriculum, governance and funding, with the aim of achieving greater innovation in learning and lifting student achievement. In exchange for greater flexibility, they are subject to increased oversight and accountability. They are held to targets for achievement and attendance, as agreed in their contracts, and will face interventions if they do not meet these targets.

The first seven charter schools opened in Term 1, 2025. The first seven are new schools, responding to diverse student needs. More charter schools are expected to be approved to open in 2025 and 2026.



Government's Actions

Delivered

- Implemented the **attendance action plan**, including more regular reporting of attendance figures to get more students in school and learning
- Introduced better training and more **tools to support teachers** in reading, writing and maths
- Introduced **structured literacy and mathematics** teaching to raise achievement in schools
- Introduced a requirement for **one hour of reading, writing and maths** every day in schools
- Opened the first **charter schools** to provide more choice and diversity in the school system, allowing students to learn in ways that are specific to their needs
- Launched the **Māori Education Action Plan** to support higher achievement by Māori students in schools
- Changed the **Accredited Employer Work Visa**, including removing the median wage requirement to allow employers to get the workers they need
- Introduced a **Traffic Light System** so that job seekers meet their obligations to be prepared for or find a job

Underway

- Implementing **Teaching the Basics Brilliantly**, including the use of consistent assessment tools to identify students who need targeted help, and then providing that help
- Implementing next steps in the **attendance action plan**, including a step system to set out requirements and expectations for parents, schools, and the Ministry of Education to get students in school
- Ensuring **immigration settings** attract the right migrants – including reviewing skilled residence settings
- Creating a more **responsive vocational education and training** system to better meet the needs of students, industry and the economy
- **Removing red tape in Early Childhood Education** to make it more accessible, affordable and effective
- Continuing to prioritise reforms to get **job seekers into work** and reduce benefit dependency
- Ensuring New Zealand's **university system can better cultivate talent**, expand opportunities and fuel scientific innovation



Students studying in Waikato classroom. Credit Irene Maton, Truестock



New Zealand dairy farm.



Competitive business settings

Poorly designed and over-burdensome regulation undermines investment and innovation. For a small economy like New Zealand, competition is everything.

With 97 per cent of New Zealand businesses being small enterprises, reducing regulatory burdens will unleash their potential and foster a more dynamic, competitive economy. Competitive markets lower costs for consumers and drive business innovation.

When businesses have to jump through endless hoops just to operate, all New Zealanders pay the price in higher costs, fewer choices, and slower growth.

Improving competition settings to boost productivity and living standards

Well-designed regulatory settings that promote competition and protect consumer interests have a positive effect on productivity by putting downward pressures on costs, promoting efficient allocation of resources, and incentivising innovation and investment.

While competition generally boosts productivity, there are some exceptions, particularly in infrastructure, where there are large economies of scale and network efficiencies. In these infrastructure monopolies, regulation can incentivise these entities to innovate, invest, and increase productivity.

New Zealand lags behind its international counterparts in its competition settings and these need updating. To address this, the Government has consulted on a ***review of New Zealand's core competition rules*** – in particular, merger settings. Mergers can improve market efficiencies but can also entrench market power and create monopolies. New Zealand's merger regime has not been reviewed in over 20 years and the economic landscape has changed significantly. Market power has consolidated in a number of sectors.

In order to have robust, genuinely competitive markets, New Zealand needs fit-for-purpose laws and a regulator that has the tools and commercial nous to oversee the law. This is why the Government has appointed Dame Paula Rebstock to lead a ***review of the governance and effectiveness of the Commerce Commission***. The review will be completed by May 2025.

New Zealand also has inadequate competition in key markets such as the banking, grocery and electricity sectors. Work is underway to address the issues identified in the Commerce Commission's ***competition study into the banking sector***. A Parliamentary Select Committee is also ***inquiring into banking competition*** and will make recommendations on potential action to improve competition.

The Commerce Commission published its first Annual Grocery Report in September 2024. It is now investigating a range of matters, including ***land banking and possible changes to regulations such as the Grocery Supply Code***.

Supply shortages and a period of sustained high wholesale energy prices have been a major challenge for households and businesses – with negative impact on growth and productivity performance. The Government wants to encourage more and faster investment in new electricity generation to boost competition and lower prices. This would enable homes and businesses to better manage their electricity use and costs, and it would put downward pressure on prices.

The Government is progressing legislation through the ***Customer and Product Data Bill*** to facilitate competition, innovation and productivity. This would allow consumers and businesses to share their data with trusted third parties, enabling digital providers to offer new services and products.

Electricity market competition



In August 2024, the Electricity Authority and Commerce Commission established an ***Energy Competition Taskforce*** to strengthen competition of the electricity market for the benefit of all consumers. The Taskforce is beginning consultation in February on key measures being considered. The Government has also established an ***independent review of the performance of the electricity market***, looking at whether current regulations and market design support economic growth and access to reliable and affordable electricity. The review began in January and will be completed in June 2025.



Building site, Auckland. Credit: Tanmay Desai, Truестock.

Enabling economic growth and reducing complexity and costs

In order to enable economic growth, the administrative burden placed on those who drive growth must not be excessive.

Tax is a key area where the Government has heard concerns about complexity of rules and the incentives for businesses to invest and innovate. The Government will look at ***how tax settings can deliver better outcomes*** for New Zealanders, be less complex, and support growth.

Work is also progressing on ***health and safety reforms and employment relations reforms***. These will make it clearer what employers need to do to manage health and safety at their workplaces, and simplify rules around holidays and other leave because the current system is too complex and adds to business costs. The reforms aim to reduce the compliance burden for employers and to ensure settings are proportionate.

The Government has already extended 90-day trials to give employers more confidence to take a chance with a new employee and scrapped Fair Pay Agreements, which reduced flexibility and increased costs for employers. Reducing costs for employers will enable them to grow and invest more in their businesses.

Streamlined financial services regulations (including consumer credit) are also being worked on by the Government to reduce red tape, and the modernisation of key legislation such as the Companies Act will support businesses.

The Government will be ***updating the patents process*** so certain applications without merit can be refused more quickly, providing certainty, reducing risks and delivering costs savings for businesses.

Capital markets settings are being reformed by removing barriers to listing, reducing costs to firms, and enabling greater investment in private assets (e.g. unlisted infrastructure, growth businesses) from KiwiSaver providers.

Lifting the productive capability of Māori land is another area the Government is examining, with concerns raised by Māori about legislative and institutional impediments to more productive use of their land. These include limitations on the exercise of property rights. Lifting the productive capability of Māori land could result in potentially billions of dollars more in annual revenue generation from primary Māori freehold land.

Intellectual property settings



A patent protects an invention, process, device or how something works, and gives the holder the right to stop others from copying their idea for up to 20 years. Patents are critical to the successful commercialisation of new inventions, but applications for patents can also be used to frustrate competitors. The Government is updating the patents process so certain applications without merit can be refused more quickly, providing certainty, reducing risks and delivering cost savings for businesses involved in those industries.

The Ministry for Regulation is conducting sector reviews into early childhood education, agricultural and horticultural products, and hairdressing and barbering, with further reviews to be announced throughout the year. These reviews will make recommendations to drive more ***effective and efficient regulation***. This will reduce the regulatory burden on businesses and unlock opportunities for competition and growth.

The New Zealand public sector spends around \$51.5 billion each year purchasing goods, services and infrastructure to support the delivery of public services. ***A review of the Government Procurement Rules*** is underway to ensure government procurement activities support the New Zealand economy by promoting responsible spending and competition, reducing red tape, and providing targeted support for local New Zealand businesses.

Government's Actions

✓ Delivered

- **Repealed so-called 'Fair Pay Agreements'**, which reduced flexibility and increased costs for employers
- **Extended 90 Day Trials** to all employers so they can take a chance on a new employee
- Revoked overly prescriptive affordability requirements for **accessing credit** through making it easier to borrow money
- Passed the **Contracts of Insurance Act** to modernise insurance law
- Conducted a sector review of **Early Childhood Education** to improve regulatory settings and reduce regulatory burden
- Launched a **review of New Zealand's competition rules** to combat monopolies and improve economic productivity

🔄 Underway

- Reviewing the **governance and effectiveness** of the Commerce Commission
- Acting on the recommendations of the Commerce Commission's review of **competition in the banking sector**, and progressing a Select Committee inquiry into banking competition
- Progressing the **electricity market performance review**
- Improving competition settings **in the grocery sector**
- Progressing the **Customer and Product Data Bill** to facilitate competition, innovation and productivity
- Considering how **tax settings** can be less complex and enable economic growth
- Progressing **reform of health and safety laws** to reduce the compliance burden on employers
- Progressing work on **employment relations** legislation, including passing reforms to the Holidays Act and Employment Relations Act, to simplify them, **give businesses certainty and reduce compliance costs**
- Progressing work on legislation to **streamline financial services regulations** and cut red tape
- Progressing work to **modernise, simplify and digitise key legislation for businesses**
- Legislating to **improve the patenting process** for New Zealand businesses
- Reforming **capital markets** settings by removing barriers to listing, reducing costs to firms and enabling greater investment in private assets from KiwiSaver providers
- Examining settings around **Māori land use** to potentially enable more productive use of Māori land
- **Conducting sector reviews** into Agricultural and Horticultural Products, and Hairdressing and Barbering to improve regulatory settings and reduce the regulatory burden
- Improving the **Government Procurement Rules** to reduce red tape and ensure spending is responsible, promotes competition and supports New Zealand businesses
- Progressing work on the **Regulatory Standards Bill**



Winery, Auckland. Credit: Spid Pye, Truестock.



Aerial view of Port of Tauranga.



Promoting global trade and investment

Global trade and investment are essential for New Zealand to maximise its potential and for New Zealanders to enjoy higher incomes and better public services. New Zealand's economy is export-oriented, with the food and fibre sectors and tourism significantly contributing to foreign currency earnings.

The Government has a target to double the value of New Zealand's exports in 10 years (by 2034) and is committed to attracting greater high-quality investment to raise productivity and drive economic growth in New Zealand.

In an increasingly uncertain geo-political and trade environment, New Zealand's international reputation is one of its greatest assets. It underpins resilient global connections that lead to international consumers and businesses being willing to buy from, study in, invest in and visit New Zealand.

To unleash the potential of the New Zealand economy, it must be connected internationally and welcoming of foreign capital and people to help the country grow.

We can't get rich selling to ourselves

New Zealand is a major exporter of high-quality food and fibre products and a provider of world-class international tourism and education, and it has growing sectors built on specialised manufacturing and innovative technology.

In 2023, one in four jobs in New Zealand (around 680,000 New Zealanders) derived their livelihoods from producing goods and services for export. In addition to bringing in additional revenue, businesses that export boost New Zealand's productivity by:

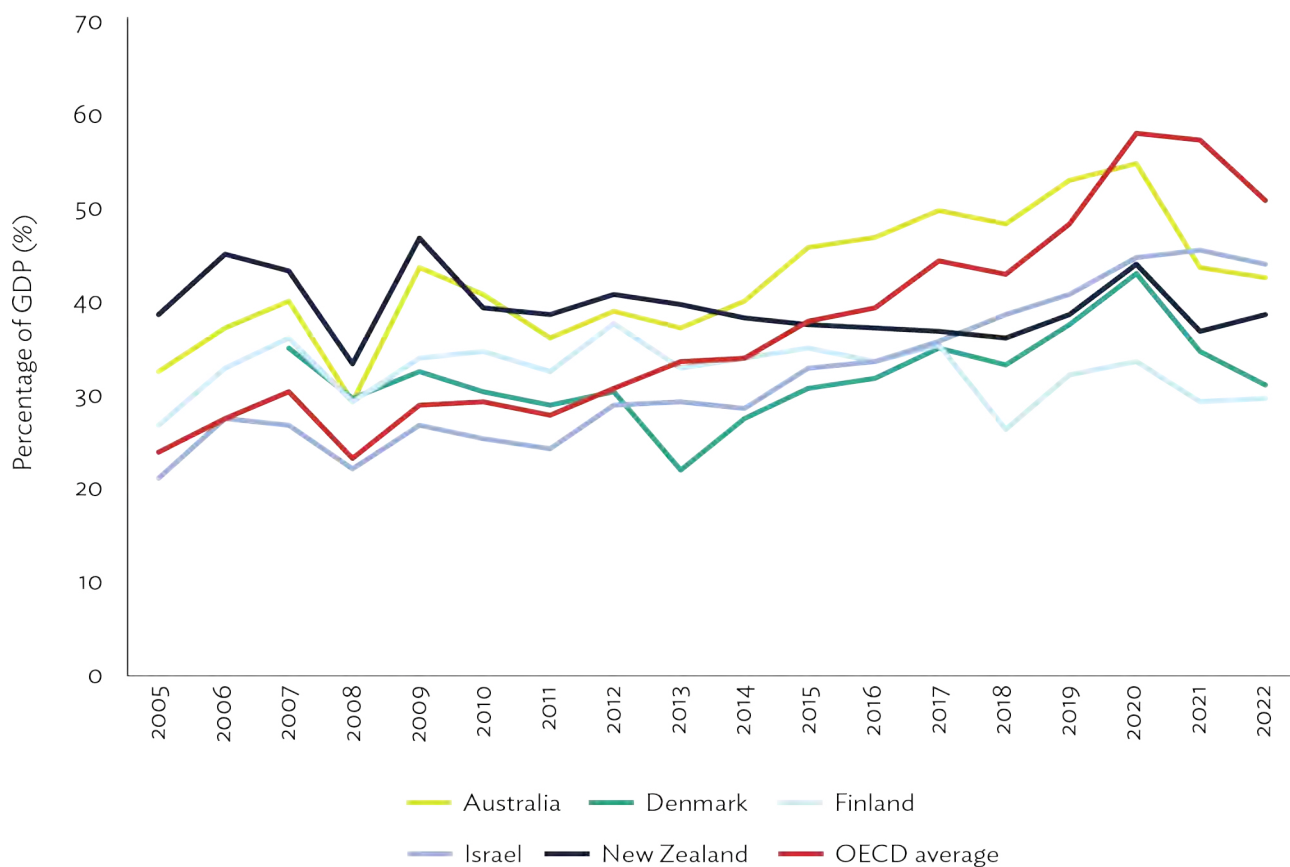
- exposure to more diverse competition
- connecting to new markets and consumers
- investing in research and development and innovation

Foreign Direct Investment (FDI) into New Zealand boosts economic growth and productivity by improving infrastructure, increasing the pool of capital available to businesses, and bringing in innovation and know-how from abroad.

New Zealand's inward FDI as a percentage of GDP lags behind the OECD average and Australia – a competitor for foreign capital (see Figure 3).

Figure 3: Inward FDI stocks as percentage of GDP

Source: OECD



New Zealand is open for business

Going For Growth is focused on unleashing growth and building capacity, capability and innovation in New Zealand. New Zealand businesses will benefit from streamlined immigration settings, enabling high-value investors, business talent, international students and tourists to visit and work in New Zealand.

This creates the platform for a stronger and more productive export economy.

Accelerating exports requires a concerted effort to improve the focus of many government agencies. This includes:

- ensuring New Zealand Trade and Enterprise’s (NZTE) export services effectively support exporters with the ambition and capacity to grow internationally
- focusing Education New Zealand on new steps to accelerate the number and quality of students coming to New Zealand

- driving Tourism New Zealand to better promote New Zealand as a destination in key tourism markets to attract visitors to all parts of the country
- establishing Invest NZ as a one-stop-shop to attract investment into New Zealand from offshore.

The Government’s trade policy is focused on expanding opportunities for New Zealand exporters, including through reducing barriers, unlocking new markets through Free Trade Agreements (FTAs) and strengthening supply chain resilience. New Zealand will continue to use the international rules-based architecture to promote and defend its trade interests.

The Government has prioritised enhancing international relationships with high-growth countries and regions, including India, Southeast Asia and North Asia, and is pursuing a trade agreement with India. Modernising the Single Economic Market with Australia will also enable New Zealand businesses to grow their connections across the Tasman.

Ensuring New Zealand businesses maximise the value of existing and future FTAs will also unlock new markets and consumers and broaden opportunities for exporters.

The Māori economy is a significant part of New Zealand's economy, with an asset base valued at \$119 billion in 2023. Many iwi, whānau and Māori businesses are seeking co-investment with global partners to unlock international growth opportunities.

The Government is proactively pursuing growth

The Government led a number of ***international trade missions*** throughout 2024, and the high tempo of this engagement will be maintained. In 2024, Trade Missions went to Brazil, China, Japan, Malaysia, the Philippines, Singapore, South Korea, Thailand and the United States, and more are under development for this year.

The Government is committed to ***resolving non-tariff barriers (NTBs)***. In the year to June 2024, the Government resolved 14 NTBs affecting \$190 million worth of trade. Addressing NTBs is a cross-agency priority.

Increasing international visitor numbers back to pre-COVID levels is an immediate focus to support tourism growth. For the year ended November 2024, New Zealand reached 86 per cent of pre-COVID visitor arrivals (3,262,899).

Unlocking investment is a priority and is already underway. The Government has agreed to ***reform the Overseas Investment Act*** to make investment into New Zealand faster and more efficient. ***Invest NZ will be established*** as a one-stop-shop to focus on attracting investment into high-value sectors with the potential to raise productivity, expand research and development and drive increased activity by multi national companies in New Zealand.

Alongside this, changes have been made to ***investor visa settings*** to welcome migrants to New Zealand who will invest in the country and help drive economic growth. Visitor visa settings have also been loosened to allow ***digital nomads*** to continue to work remotely for foreign employers, meaning they will stay longer and spend more in the economy.

Increasing tourism



Tourism is New Zealand's second-largest export earner bringing in nearly \$11 billion in expenditure each year, directly contributing around 3.7 per cent to GDP and creating nearly 200,000 jobs. Tourism also brings significant non-financial benefits to New Zealand by supporting regional economies, helping to preserve the natural environment, and supporting global connectivity.

Increasing international visitor numbers back to 2019 levels is an immediate focus for the Government to support economic growth. For the year ended November 2024, New Zealand reached 86 per cent of 2019 visitor arrivals (3,262,899).

The Government is developing a new marketing campaign to lift visitor numbers and is developing a broader tourism growth plan in partnership with industry for sustainable and long-term growth.

Free Trade Agreements



Around 70 per cent of New Zealand's total exports in goods and services are to trading partners we share Free Trade Agreements (FTA) with. FTAs are an important lever the Government can use to create opportunities for small and large New Zealand businesses to grow, invest, build connections, and diversify.

For example, the new FTA with the United Arab Emirates (UAE), which will enter into force this year, will remove duties on 98.5 percent of New Zealand's exports immediately on entry into force, rising to 99 percent within three years – providing New Zealand exporters the best available access to the UAE market.

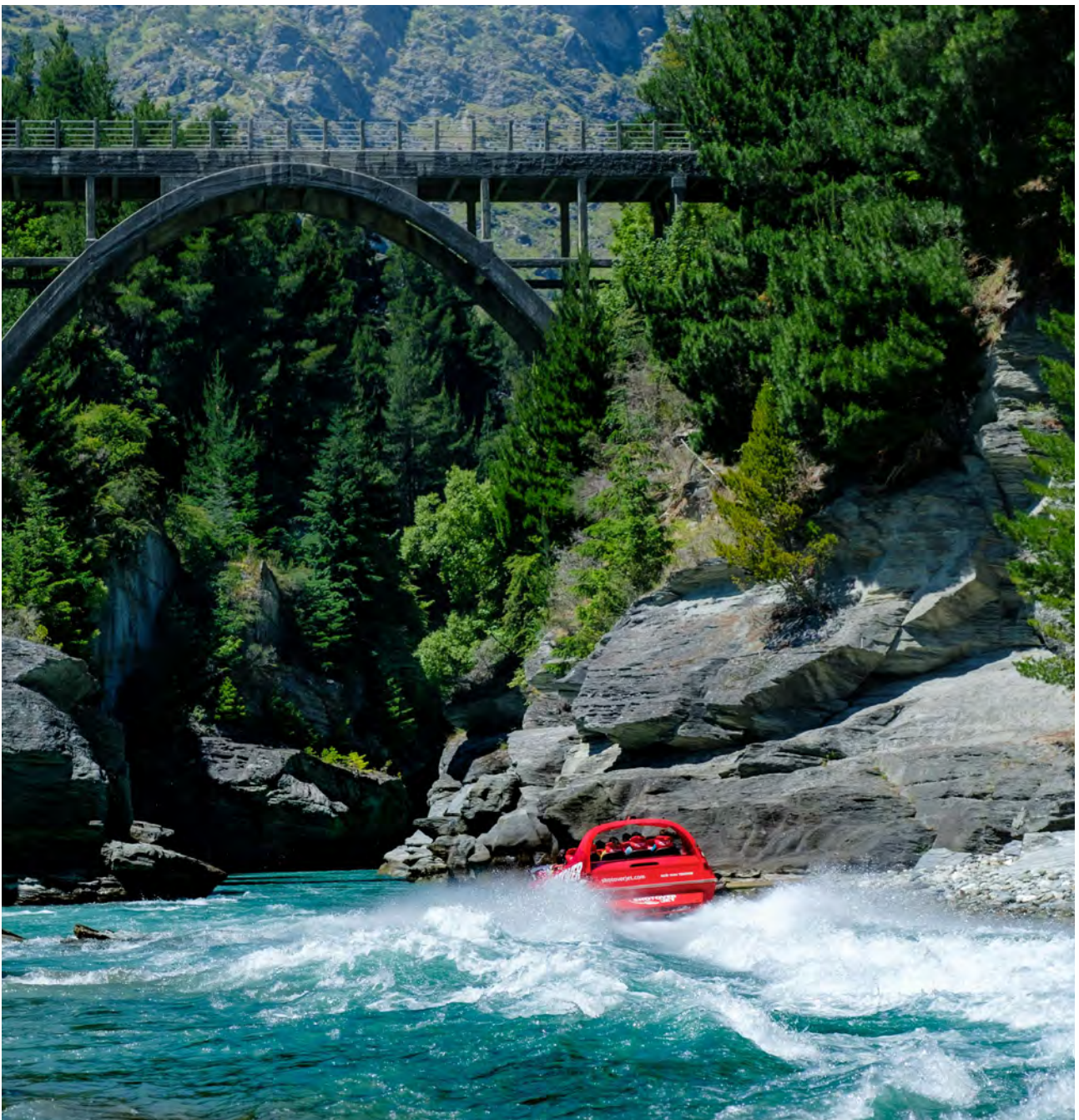
Economic modelling also projects that by 2035, the New Zealand-European Union FTA will generate an extra \$1.4 billion to New Zealand's GDP per year and provide market opportunities for a range of sectors.

The Government has also completed consultation on policy proposals to address an aspect of New Zealand's ***foreign investment fund rules*** that may be deterring some people from choosing to settle in New Zealand.

Major milestones have been accomplished in several ***international trade and investment agreements***. The Government has signed a Comprehensive Economic Partnership Agreement and accompanying investment

treaty with the United Arab Emirates and concluded negotiations for a Free Trade Agreement with the six-nation Gulf Cooperation Council.

New Zealand's new ***Minerals Strategy and Critical Minerals List***, launched in January, has laid a strategic and enduring path for the country's minerals sector, with the aim of doubling exports to \$3 billion by 2035.



Shotover River, Otago. Credit: James Pere, Unsplash.

Government's Actions

✓ Delivered

- Completed **Ministerial trade missions** to Brazil, China, Japan, Malaysia, the Philippines, Singapore, South Korea, Thailand and the United States to build connections and promote New Zealand as open for business
- Resolved 14 **non-tariff barriers** affecting \$190 million worth of trade in the year to June 2024, assisting New Zealand businesses selling to the world
- Loosened **visitor visas** to allow digital nomads and others to continue to work remotely for foreign employers, meaning they will stay longer and spend more in New Zealand
- Agreed to **amend the Overseas Investment Act** to make investment into New Zealand faster and more efficient, enabling foreign capital to support our economy
- Announced **changes to investor visa settings** to better facilitate direct foreign investment and encourage economic growth
- Consulted on policy proposals to address an issue with **Foreign Investment Funds (FIF)** that may be deterring people from settling in New Zealand and contributing to economic growth
- **Signed the Comprehensive Economic Partnership Agreement**, and investment treaty with the United Arab Emirates, to reduce duties on New Zealand exports and unlock opportunities for Kiwi businesses
- Concluded negotiations for a **Free Trade Agreement** with the Gulf Cooperation Council, to unlock the region for New Zealand exporters
- Launched a **new Minerals Strategy** and **Critical Minerals List** to support a productive and resilient economy

🔄 Underway

- Delivery of **further international trade missions** to key markets to build New Zealand's profile and support businesses on the international stage
- **Resolving further non-tariff barriers** that impede trade outcomes to give New Zealand exporters a fair go
- Developing a marketing plan to **boost numbers of international visitors**, supporting the tourism sector to grow
- Delivering a marketing plan to **boost numbers of international students**, supporting the sector to grow and increasing New Zealand's international connectivity
- Passing legislation to **remove barriers to overseas investment** in 'build to rent' housing, enabling housing growth
- Reforming the **Overseas Investment Act** to energise and facilitate more foreign direct investment
- Establishing **Invest New Zealand** as a one-stop-shop to attract foreign direct investment
- Hosting an **Infrastructure Investment Summit** to generate investment interest in infrastructure opportunities in New Zealand
- Bringing **new Free Trade Agreements** into force and fully implementing them to maximise the benefits for New Zealand exporters
- Implementing the **Minerals Strategy** for New Zealand, ensuring the sector can grow and contribute positively to New Zealand's economic prospects



The University of Auckland. Credit: Dave Allen, NIWA.

4



Innovation, technology and science

Using new ideas, knowledge and technology to develop better ways of doing things helps the New Zealand economy grow. Having more businesses investing in technologies and innovation will create higher-paying jobs for New Zealanders and diversify the economy into new industries and markets.

The link between effective innovation and higher rates of productivity is well recognised internationally. Innovation improves how skills, capital and natural resources are used. It enables businesses to derive more value. Smarter use of advanced technologies and more investment in capital will enable New Zealand businesses to compete successfully in growing global markets, as many New Zealand companies are already doing in industries as diverse as agriculture, manufacturing and space launch.

There are also enormous opportunities for New Zealand to harness the potential of emerging sectors such as health technology, aerospace and biotechnology if the right regulatory and investment settings are in place.

New Zealand's space industry is an example of an emerging sector that did not exist 20 years ago. Through a combination of entrepreneurial endeavour, targeted support for research and development, and the creation of an enabling and safe regulatory regime for space launch, there is now a space and advanced aviation sector that is creating jobs and attracting investment.

The use of technologies like Artificial Intelligence (AI), offers efficiencies and frees up resources for other more complex tasks. The Government has a leadership role to encourage the uptake of AI both within Government and the wider business community.

New Zealand's innovation, technology and science system is not geared up for the future economy

Many of the institutional and funding arrangements within New Zealand's innovation, technology and science system are decades old and overdue for reform.

New Zealand has been slow to focus on the role of advanced technologies across the economy, and investment in the potential of advanced technologies has been under-weighted in the research and innovation system.

Space economy



New Zealand has developed a vibrant space and advanced aviation sector in less than 10 years that is internationally recognised for its innovation and agility. Rocket Lab announced in late 2014 that it intended to launch from New Zealand. Less than a year later, Cabinet had agreed to the development of a new regulatory regime – the Outer Space and High-altitude Activities Act – and it became law in 2017. The first launch by Rocket Lab took place from Mahia in 2017. Today the sector is made up of aerospace companies and suppliers throughout New Zealand.

New Zealand has some of the best researchers in the world but there are not strong incentives for this research to be translated into commercial enterprise. This means that some ideas are left unexploited, when they could potentially be applied into a new product or service that could be sold to generate revenue for the country.

New Zealand businesses also have lower rates of capital intensity, which constrains productivity growth in many sectors. New Zealand has the lowest business capital investment in plant, machinery, and technologies compared to other small, advanced economies.

The Government will modernise investment in innovation, technology and science

The Government is ***modernising the innovation, technology and science system*** to enable it to better deliver on the needs of the future economy. Seven Crown Research Institutes will be merged into new Public Research Organisations (PROs), bringing together complementary research and science capability. The new organisations will focus on the bio-economy, earth sciences, and health and forensic sciences.

A fourth PRO will be created to focus on advanced technology to enable the benefits from artificial intelligence, quantum computing and synthetic biology to be realised in ways that will benefit New Zealanders.

As a primary funder of the science system, the Government wants to ensure New Zealand's researchers are working on its priorities, and that they have a ***clear pathway to translate new ideas into successful commercial enterprise***. The PROs will look for partnerships with private sector investors and will be adaptable and responsive to Government priorities.

A Prime Minister's ***Science, Innovation and Technology Advisory Council*** is being established and will bring a whole-of-economy perspective to investment decisions.

The Government is working quickly to ***end the near 30-year ban on genetic modification***. Existing restrictions and processes are out of alignment with international best practice and holding back industry potential, as well as the wider application of gene technology to environmental and medical challenges. Legislation will

be passed by the end of 2025 to unlock the significant potential of New Zealand's biotechnology industry.

New Zealand's space and advanced aviation sectors have potential for significant growth and the Government is committed to establishing a world-leading regulatory environment to support this. The ***Government's Space and Advanced Aviation Strategy*** 2024-2030 targets doubling the sector by 2030. To reach this, more timely decision-making and lighter-touch regulatory settings will be needed, as well as rules that enable companies to demonstrate the integrity and credibility of their products so they can successfully export offshore. A new ***Prime Minister's Space Prize*** will also inspire the next generation of aerospace professionals.

AI offers enormous potential for New Zealand's economy through efficiencies and the freeing up of resources. The Government is developing an AI strategy to ***encourage the uptake of AI*** and bring together efforts across Government and the wider business community.

To lift economic growth, businesses need to invest in more plant, machinery and technologies. The Government can enable businesses to invest in productive capital to increase profits through automation, AI, data analytics and better technology.

Enabling gene technology



The Government has introduced legislation to enable New Zealanders to safely use gene technologies (also known as genetic modification) while ensuring strong protections for health and the environment. Modern gene technologies are safer and more predictable, while offering enormous benefits by enabling the development of new cancer treatments, disease resistant fruit and vegetables and responses to environmental challenges like sterile pine trees. The new risk-proportionate regime will establish an independent regulator to carefully consider applications and is based on Australia's Gene Technology Act 2000, which has enabled the safe use of these technologies in Australia for nearly 25 years.

Government's Actions

Delivered

- Announced **reforms to the innovation, technology and science system** to clarify priorities, lift economic outcomes and harness advanced technology for a more prosperous future
- Introduced legislation to **remove the gene technology ban** and enable the safe use of gene technology in agriculture, health science and other sectors
- Launched the **Space and Advanced Aviation Strategy 2030** with a target of doubling the value of the sector by 2030
- Created the first **Prime Minister's Space Prize**, to inspire the next generation of space professionals
- Launched a framework to accelerate the responsible use of **Artificial Intelligence technologies** across the New Zealand Public Service

Underway

- Establishing new **Public Research Organisations**, focused on the bio-economy, earth sciences, health and forensic sciences, and advanced technologies
- Establishing the Prime Minister's **Science, Innovation and Technology Advisory Council** to enable prioritisation and focus across the science, innovation and technology system
- Passing a new **Gene Technology Bill** to end the near 30-year ban on gene technology outside the lab, and to establish a regulator to enable the safe use of gene technology and regulated organisms
- Encouraging the **growth of the space and advanced aviation sector** by removing unnecessary red tape and freeing up innovators to test and commercialise their technology and ideas
- Developing a **National Artificial Intelligence (AI) Strategy**, highlighting the opportunities it offers for economic growth in both the public sector and wider economy
- Engaging with business on how to **lift their investment in research and development and capital intensity**, to accelerate uptake of automation, AI, data analytics and better technology



Machinery operator. Credit: OceanaGold.



Infrastructure for growth

Well-planned infrastructure supports the efficient and sustainable movement of people, goods, and information, and facilitates trade and investment while also improving living standards. It is an essential ingredient to enable and drive economic growth. According to the International Monetary Fund, closing New Zealand's infrastructure gap could increase real GDP by as much as 0.8 per cent in the long term.

New Zealand's infrastructure deficit is limiting productivity and higher living standards

New Zealand faces several challenges in delivering world-class infrastructure. It has become too difficult to build in New Zealand, limiting the country's ability to meet its growing needs. Complex and inefficient resource management and regulatory processes have slowed down project approvals and delivery, creating uncertainty for investors and delaying much-needed developments. These barriers contribute to New Zealand's long-standing housing affordability challenges, increasing the price of land and making it more difficult to build homes.

The affordability of large-scale infrastructure projects remains a key issue, necessitating innovative funding and financing solutions. Additionally, as cities expand, balancing urban growth with environmental sustainability and resilience presents an ongoing challenge that requires integrated planning and investment.

It is critically important to manage New Zealand's new infrastructure needs to capture the opportunities that a comparative advantage in cheap, renewable energy affords to the country. Investment in infrastructure will enable New Zealand to attract modern manufacturing and support the use of innovative technologies such as the powering of data centres for AI.

The Government will enable more quality infrastructure by reducing the roadblocks to delivery

There are significant opportunities to improve the pace of infrastructure delivery in New Zealand, the quality of that infrastructure, how it is financed, and how it is managed over its lifetime. The Government is making major changes to the infrastructure planning and delivery system to facilitate this change.

The Government has initiated an overhaul of the outdated Resource Management Act (RMA). In December, a second Amendment Bill was introduced to Parliament to make critical short-term improvements to the RMA ahead of phase three of reforms. The final phase will begin shortly and include fundamentally ***replacing the RMA with a system based on the enjoyment of property rights***, that makes it easier, faster and cheaper to build while still protecting the natural environment.

The Government has also passed the ***Fast-track Approvals Act***, with 149 projects with significant regional and national benefits to be referred for expedited consenting. This includes projects that partner with Iwi/ Hapū and there is an opportunity for further co-investment opportunities.

The Fast-track Approvals Act is key to unlocking opportunities for New Zealand, faster. Progressing these changes will improve the speed and process for resource approvals which could enable:

- 55,000 new homes will help to address New Zealand's housing crisis.
- 180 kilometres of new road, rail and public transport routes to support growth and get people and freight where they need to go, quickly.
- 3,000 megawatts of new renewable electricity to boost energy security and help New Zealand address its climate change goals.
- 143,000 tonnes of aquaculture to strengthen partnerships with iwi and boost Māori development.
- 11 new mining projects to contribute to the Government's objective of doubling the value of our mineral exports to \$2 billion, delivering benefits to the regions and national GDP.

The Government has made changes across the infrastructure system to clarify the roles of key agencies. This included **establishing National Infrastructure Funding and Financing Limited (NIFFCo)** in December last year to enhance the Crown's private finance capability. NIFFCo provides expertise in public-private partnerships and capital markets, supporting agencies with large-scale projects, evaluating market-led proposals, and connecting international investors to New Zealand's infrastructure pipeline.

By December, the Infrastructure Commission will deliver the 30-year **National Infrastructure Plan**. This will give the Government a long-term view of planned investment over the next 10 years, New Zealand's infrastructure needs, and the spending required over the next 30 years to address them.

Fast-track Approvals



The Government has put in place a new one-stop-shop Fast-track Approvals scheme that will make it quicker and easier to build the infrastructure projects New Zealand needs to grow its economy. It cuts through the red tape and long approvals processes that slow down infrastructure development.

The Fast-track Approvals Act lists 149 projects with significant regional or national benefits, from housing to energy, transport, mining and the primary sector that will be able to apply for approval in this new framework straight away.

This new scheme is now open for other projects with significant regional or national benefits to apply for approval. More information, and how to apply, can be found at: **fasttrack.govt.nz**

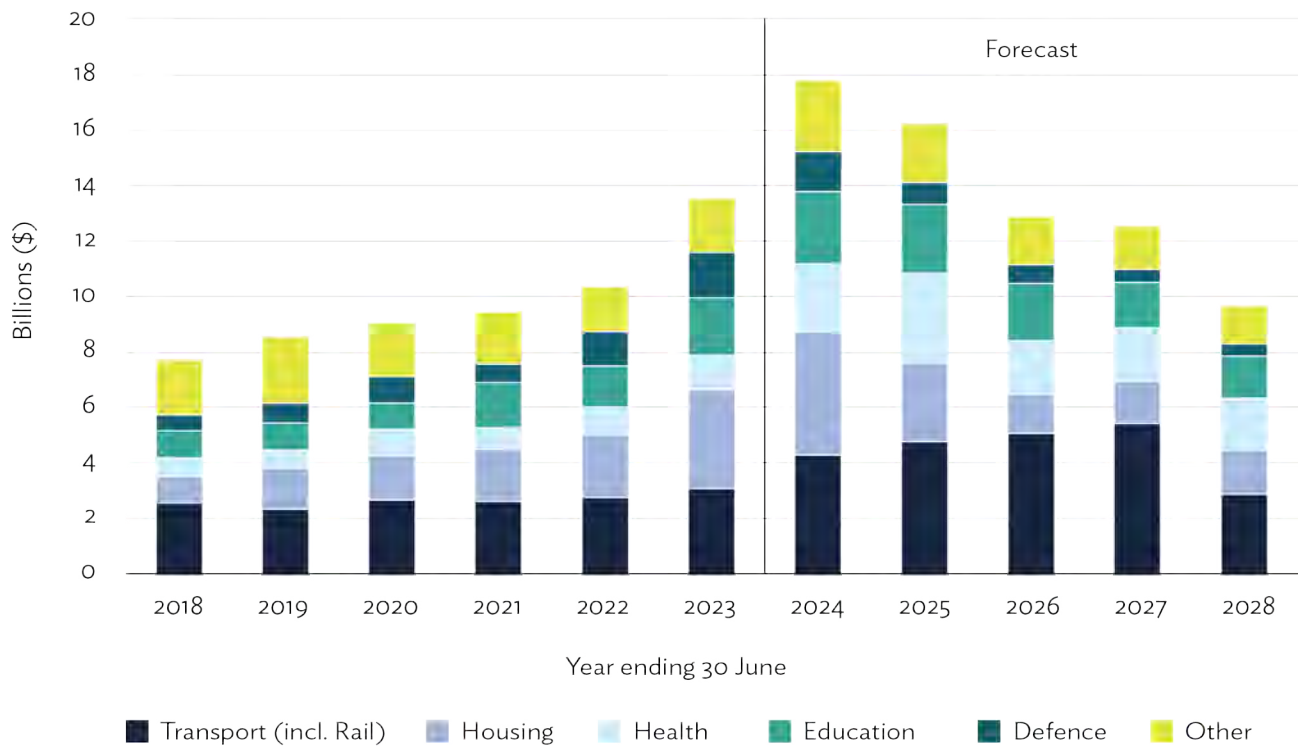
The Government has launched the \$1.2 billion **Regional Infrastructure Fund** to invest in infrastructure to enable economic growth in New Zealand's regions, with projects under consideration for investment across the country.

The Government is also establishing **Regional Deals** to unlock the funding and financing tools, reduce regulatory barriers, and enable strong collaboration between central and local government to deliver a pipeline of infrastructure that delivers for New Zealanders. This includes critical upgrades to housing, roads and other infrastructure to enable economic growth.

The Government will continue to invest heavily in infrastructure in its budgets, including a record investment in Budget 2024 across a range of sectors (see Figure 4).

Figure 4: Net purchases of physical assets by the Crown, Crown entities and KiwiRail

Source: Budget 2024



The Government has significant reforms underway in key infrastructure sectors

The Government Policy Statement on Land Transport set the National Land Transport Fund at \$22 billion over the next three years, and referenced new categories of transport projects such as the **Roads of National Significance** programme which includes 17 new state-of-the-art roads across the country.

The **Going for Housing Growth Programme** will help tackle New Zealand’s long-standing housing shortage, improving housing affordability by significantly increasing the supply of developable land for housing, both inside and at the edge of urban areas. To reduce building and construction costs, barriers are being removed to overseas building products. Other moves to reduce red tape and enable houses to be built faster include expanding self-certification for trades, increasing the use of remote building inspections, and reforming building consent authorities.

Reform of the **Public Works Act** is underway to make it easier for the Crown to deliver infrastructure projects that provide wide public benefit, such as water services, schools, roads and disaster resilience. The Act has not been significantly amended for more than 30 years and is no longer fit for purpose. Amendments to enable infrastructure to be built and support economic growth will be introduced to Parliament in the middle of 2025.

The Government has committed to reforming water services to lift investment in this critical infrastructure and downward pressure on water-related costs, including rates and charges, through its **Local Water Done Well Programme**.

Clean, reliable and affordable energy provision is vital for economic activity. The Government will enact legislation in July enabling **offshore renewable energy** generation and will make changes to the planning system to enable implementation of the **ElectrifyNZ Programme**.

The Crown's balance sheet is vast and includes a range of physical assets that are fundamental to the delivery of core government services, ranging from schools and hospitals to prisons. Beyond simply investing more, the Government is considering how public asset management and performance can be improved. This means the Crown owning the right assets and that they are being managed in the right way to deliver the right services for New Zealanders. To ensure the Crown's capital is well allocated and used and managed efficiently and effectively, requires the skills and experience of both the public and private sectors.

Finally, the Government is responding to the ***Independent Inquiry into the School Property System***, which concluded that the way school property is delivered is not fit for purpose. The Government has made interim improvements to address the Inquiry's recommendations and is taking steps to establish a more efficient and sustainable solution for how school property is delivered.

Roads of National Significance



The Roads of National Significance programme will see 17 new state-of-the-art roads developed across the country.

Investments in these essential corridors will make it easier for New Zealanders to get where they need to go, create a more productive and resilient transport network, drive economic growth, and unlock land for thousands of new houses.

A report focusing on two proposed Roads of National Significance, Warkworth to Wellsford and Cambridge to Piarere, found that, once operational, each of these projects could contribute up to \$500 million a year to New Zealand's GDP.

Work has also kicked off on the Hawke's Bay Expressway and the Government is planning for six to seven projects to commence construction within the next three years.



Te Rangi tua nehe / Minden Gully area of the Takitimu North Link Stage 1 site, at Te Puna. Takitimu North Link will provide an efficient, reliable and safer route between Tauranga and Ōmōkoroa.

Government's Actions

Delivered

- Introduced a **second RMA reform Bill to Parliament** to make short-term improvements to streamline the current system to make it quicker and simpler to consent renewable energy, boost housing supply and reduce red tape.
- Passed the **Fast-track Approvals Act** to speed up consenting of projects with significant regional or national benefits
- **Established National Infrastructure Funding and Financing Limited** to improve the financing and funding of the infrastructure system
- Opened the \$1.2 billion **Regional Infrastructure Fund** to invest in regional growth initiatives to grow local economies and create jobs, which has already included projects on flood-resilience, geothermal energy, Māori development and economic development.
- Set the **National Land Transport Fund at \$22 billion** over the next three years through the Government Policy Statement on Land Transport, investing in transport, including the **Roads of National Significance** programme to unlock growth
- **Streamlined building regulation** for building plans and MultiProof designs and put a spotlight on building consent delays, to make it easier and cheaper to build in New Zealand
- Delivered the **Independent Inquiry into the School Property System**, to establish a better way of delivering school property infrastructure

Underway

- Preparing legislation to **replace the Resource Management Act** (the third and final phase of RMA Reform)
- Developing the 30-year **National Infrastructure Plan**, to be completed by the end of 2025, which will give a long-term view of planned investment
- Considering and approving investments to be made by the **Regional Infrastructure Fund**, contributing to regional economies and creating jobs
- Policy changes to **free up land for urban development** to address the housing shortage
- Enacting legislation to **allow more overseas building products** to be used, making it easier to build and creating more flexibility
- Improving the **building consent and planning system** to make it easier to build homes, including enabling granny flats up to 60 square metres without a building consent
- Increasing **remote inspections** in the building consent process and developing an opt-in **self-certification scheme** for low-risk residential building work, to streamline the building of houses
- Taking decisions on **Public Works Act** reform, to make it easier for the Crown to deliver infrastructure projects that provide wide public benefit
- Reforming water services through **Local Water Done Well** to lift investment in this critical infrastructure
- Enacting legislation to enable **offshore renewable energy** generation and progressing changes to the planning system to implement **ElectrifyNZ** and open up opportunities in the energy sector
- Responding to the **Independent Inquiry into the School Property System**, to improve the provision of school infrastructure and ultimately lead to safer, warmer and drier buildings for students
- Removing regulatory barriers to the **uptake of renewable energy and alternative fuels** to maximise choices for businesses and consumers, including updating fuel specifications and safety regulations, and setting smart Electric Vehicle charging standards
- Finalising the first **Regional Deal** between central and local government to support collaboration for long-term infrastructure investment and help to unlock funding and financing tools by December 2025

Next steps and how to get involved

Economic growth is ultimately driven by business owners who take risks to invest in the growth of their company, creating jobs, higher incomes for New Zealanders and a stronger New Zealand economy.

The Government will be reaching out and prioritising engagement with the business community to hear views and ideas on how to lift productivity and drive economic growth. These engagements will inform current and future Government actions to enable economic growth, including through regulatory reforms.

Going For Growth will evolve and be updated on a regular basis and is intended to be a living document. Initiatives and workstreams will be added and removed once they are completed as the Government moves ahead with its economic growth agenda.

The Minister for Economic Growth will be undertaking a series of business visits throughout New Zealand to inform *Going For Growth*, and Government Ministers will be prioritising work on economic growth initiatives in their various portfolios.

New Zealand's economic performance will be measured over time, and Government Ministers will be working to ensure it improves as quickly as possible in order to lift living standards and opportunities for all New Zealanders.

For further information about *Going For Growth* and to give your feedback on how to drive economic growth, go to: www.goingforgrowth.govt.nz



Hon Nicola Willis meeting with advanced engineering business Carac Group.

Summary of Government actions

Developing talent

✓ Delivered

- Implemented the **attendance action plan**, including more regular reporting of attendance figures to get more students in school and learning
- Introduced better training and more **tools to support teachers** in reading, writing and maths
- Introduced **structured literacy and mathematics** teaching to raise achievement in schools
- Introduced a requirement for **one hour of reading, writing and maths** every day in schools
- Opened the first **Charter Schools** to provide more choice and diversity in the school system, allowing students to learn in ways that are specific to their needs
- Launched the **Māori Education Action Plan** to support higher achievement by Māori students in schools
- Changed the **Accredited Employer Work Visa**, including removing the median wage requirement to allow employers to get the workers they need
- Introduced a **Traffic Light System** so that jobseekers meet their obligations to be prepared for or find a job

🔄 Underway

- Implementing **Teaching the Basics Brilliantly** including the use of consistent assessment tools to identify students who need targeted help, and then providing that help
- Implementing next steps in the **attendance action plan** including a step system to set out requirements and expectations for parents, schools, and the Ministry of Education to get students in school
- Ensuring immigration settings attract the right migrants – including reviewing skilled residence settings
- Creating a more **responsive vocational education and training** system to better meet the needs of students, industry and the economy
- **Removing red tape in Early Childhood Education** to make it more accessible, affordable and effective
- Continuing to prioritise reforms to get **job seekers into work** and reduce benefit dependency
- Ensuring New Zealand's **university system can better cultivate talent**, expand opportunities, and fuel scientific innovation

Competitive business settings

✓ Delivered

- **Repealed so-called ‘Fair Pay Agreements’**, which reduced flexibility and increased costs for employers
- **Extended 90 Day Trials** to all employers so they can take a chance on a new employee
- Revoked overly prescriptive affordability requirements for **accessing credit**, through making it easier to borrow money
- Passed the **Contracts of Insurance Act** to modernise insurance law
- Conducted a sector review of **Early Childhood Education** to improve regulatory settings and reduce regulatory **burden**
- Launched a **review of New Zealand’s competition rules** to combat monopolies and improve economic productivity

🔄 Underway

- Reviewing the **governance and effectiveness** of the Commerce Commission
- Acting on the recommendations of the Commerce Commission’s review of **competition in the banking sector**, and progressing a Select Committee inquiry into banking competition
- Progressing the **electricity market performance review**
- Improving competition settings **in the grocery sector**
- Progressing the **Customer and Product Data Bill** to facilitate competition, innovation and productivity
- Considering how **tax settings** can be less complex and enable economic growth
- Progressing **reform of health and safety laws** to reduce the compliance burden on employers
- Progressing work on **employment relations** legislation, including passing reforms to the Holidays Act and Employment Relations Act, to simplify them, **give businesses certainty and reduce compliance costs**
- Progressing work on legislation to **streamline financial services regulations** and cut red tape
- Progressing work to **modernise, simplify and digitise key legislation for businesses**
- Legislating to **improve the patenting process** for New Zealand businesses
- Reforming **capital markets** settings by removing barriers to listing, reducing costs to firms and enabling greater investment in private assets from KiwiSaver providers
- Examining settings around **Māori land use** to potentially enable more productive use of Māori land
- **Conducting sector reviews** into Agricultural and Horticultural Products, and Hairdressing and Barbering to improve regulatory settings and reduce the regulatory burden
- Improving **Government Procurement Rules** to reduce red tape and ensure spending is responsible, promotes competition and supports New Zealand businesses
- Progressing work on the **Regulatory Standards Bill**

Promoting global trade and investment

✓ Delivered

- Completed **Ministerial trade missions** to Brazil, China, Japan, Malaysia, the Philippines, Singapore, South Korea, Thailand and the United States to build connections and promote New Zealand as open for business
- Resolved 14 **non-tariff barriers** affecting \$190 million worth of trade in the year to June 2024, assisting New Zealand businesses selling to the world
- Loosened **visitor visas** to allow digital nomads and others to continue to work remotely for foreign employers, meaning they will stay longer and spend more in New Zealand
- Agreed to **amend the Overseas Investment Act** to make investment into New Zealand faster and more efficient, enabling foreign capital to support our economy
- Announced **changes to investor visa settings** to better facilitate direct foreign investment and encourage economic growth
- Consulted on policy proposals to address an issue with **Foreign Investment Funds (FIF)** that may be deterring people from settling in New Zealand and contributing to economic growth
- Signed the Comprehensive Economic Partnership Agreement and investment treaty with the **United Arab Emirates**, to reduce duties on New Zealand exports and unlock opportunities for Kiwi businesses
- Concluded negotiations for a Free Trade Agreement with the **Gulf Cooperation Council** to unlock the region for New Zealand exporters
- Launched a **new Minerals Strategy** and **Critical Minerals List** to support a productive and resilient economy

🔄 Underway

- Delivery of **further international trade missions** to key markets to build New Zealand's profile and support businesses on the international stage
- **Resolving further non-tariff barriers** that impede trade outcomes to give New Zealand exporters a fair go
- Developing a marketing plan to **boost numbers of international visitors**, supporting the tourism sector to grow
- Delivering a marketing plan to **boost numbers of international students**, supporting the sector to grow and increasing New Zealand's international connectivity
- Passing legislation to **remove barriers to overseas investment** in 'build to rent' housing, enabling housing growth
- Reforming the **Overseas Investment Act** to energise and facilitate more Foreign Direct Investment
- Establishing **Invest New Zealand** as a one-stop-shop to attract foreign direct investment
- Hosting an **Infrastructure Investment Summit** to generate investment interest in infrastructure opportunities in New Zealand
- Bringing **new Free Trade Agreements** into force and fully implementing them to maximise the benefits for New Zealand exporters
- Implementing the **Minerals Strategy** for New Zealand, ensuring the sector can grow and contribute positively to New Zealand's economic prospects

Innovation, technology and science

✓ Delivered

- Announced **reforms to the innovation, technology and science system** to clarify priorities, lift economic outcomes and harness advanced technology for a more prosperous future
- Introduced legislation to **remove the gene technology ban** and enable the safe use of gene technology in agriculture, health science and other sectors
- Launched the **Space and Advanced Aviation Strategy 2030** with a target of doubling the value of the sector by 2030
- Created the first **Prime Minister's Space Prize**, to inspire the next generation of space professionals
- Launched a framework to accelerate the responsible use of **Artificial Intelligence technologies** across the New Zealand Public Service

🔄 Underway

- Establishing new **Public Research Organisations**, focused on the bio-economy, earth sciences, health and forensic sciences, and advanced technologies
- Establishing the Prime Minister's **Science, Innovation and Technology Advisory Council** to enable prioritisation and focus across the science, innovation and technology system
- Passing a new **Gene Technology Bill** to end the near 30-year ban on gene technology outside the lab, and to establish a regulator to enable the safe use of gene technology and regulated organisms
- Encouraging the **growth of the space and advanced aviation sector** by removing unnecessary red tape and freeing up innovators to test and commercialise their technology and ideas
- Developing a **National AI Strategy**, highlighting the opportunities it offers for economic growth in both the public sector and wider economy
- Engaging with business on how to **lift their investment in R&D and capital intensity**, to accelerate uptake of automation, AI, data analytics and better technology

Infrastructure for growth

✓ Delivered

- Introduced a **second RMA reform Bill to Parliament** to make short-term improvements to streamline the current system to make it quicker and simpler to consent renewable energy, boost housing supply and reduce red tape.
- Passed the **Fast-track Approvals Act** to speed up consenting of projects with significant regional or national benefits
- **Established National Infrastructure Funding and Financing Limited** to improve the financing and funding of the infrastructure system
- Opened the \$1.2 billion **Regional Infrastructure Fund** to invest in regional growth initiatives to grow local economies and create jobs, which has already included projects on flood-resilience, geothermal energy, Māori development and economic development.
- Set the **National Land Transport Fund at \$22 billion** over the next three years through the Government Policy Statement on Land Transport investing in transport including the **Roads of National Significance** programme to unlock growth
- **Streamlined building regulation** for building plans and MultiProof designs and put a spotlight on building consent delays, to make it easier and cheaper to build in New Zealand
- Delivered **Independent Inquiry into the School Property System**, to establish a better way of delivering school property infrastructure

🔄 Underway

- Preparing legislation to **replace the Resource Management Act** (the third and final phase of RMA Reform)
- Developing the 30-year **National Infrastructure Plan**, to be completed by the end of 2025, which will give a long-term view of planned investment
- Considering and approving investments to be made by the **Regional Infrastructure Fund**, contributing to regional economies and creating jobs
- Policy changes to **free up land for urban development** to address the housing shortage
- Enacting legislation to **allow more overseas building products** to be used, making it easier to build and creating more flexibility
- Improving the **building consent and planning system** to make it easier to build homes, including enabling granny flats up to 60 square metres without a building consent
- Increasing **remote inspections** in the building consent process and developing an opt-in **self-certification scheme** for low-risk residential building work, to streamline the building of houses
- Taking decisions on **Public Works Act** reform, to make it easier for the Crown to deliver infrastructure projects that provide wide public benefit
- Reforming water services through **Local Water Done Well** to lift investment in this critical infrastructure
- Enacting legislation to enable **offshore renewable energy** generation and progressing changes to the planning system to implement **ElectrifyNZ** and open up opportunities in the energy sector
- Responding to the **Independent Inquiry into the School Property System**, to improve the provision of school infrastructure and ultimately lead to safer, warmer and dryer buildings for students
- Removing regulatory barriers to the **uptake of renewable energy and alternative fuels** to maximise choices for businesses and consumers, including updating fuel specifications and safety regulations, and setting smart EV charging standards
- Finalising the first **Regional Deal** between central and local government to support collaboration for long-term infrastructure investment and help to unlock funding and financing tools by December 2025



Te Kāwanatanga o Aotearoa
New Zealand Government