

# OUR PATHWAY FORWARD BUILDING FOR TOMORROW







# PRIORITIES

My focus is on building a smart modern economy, focused on areas of strength and underpinned by our clean, green brand, to grow exports and create jobs.

1. Grow an export-led economy with a strong global reputation.
2. Turn New Zealand into a Centre of Excellence for sustainable agriculture and agricultural technology.
3. A world leader in renewable energy.
4. Jobs of the future: harnessing New Zealand's digital and scientific expertise.
5. High-value tourism.

Underpinning all of these priorities are:

1. High paying jobs.
2. Quality infrastructure that lasts.
3. Better skills and practical education.
4. A balanced fiscal plan.





# 1. GROW AN EXPORT-LED ECONOMY WITH A STRONG GLOBAL REPUTATION

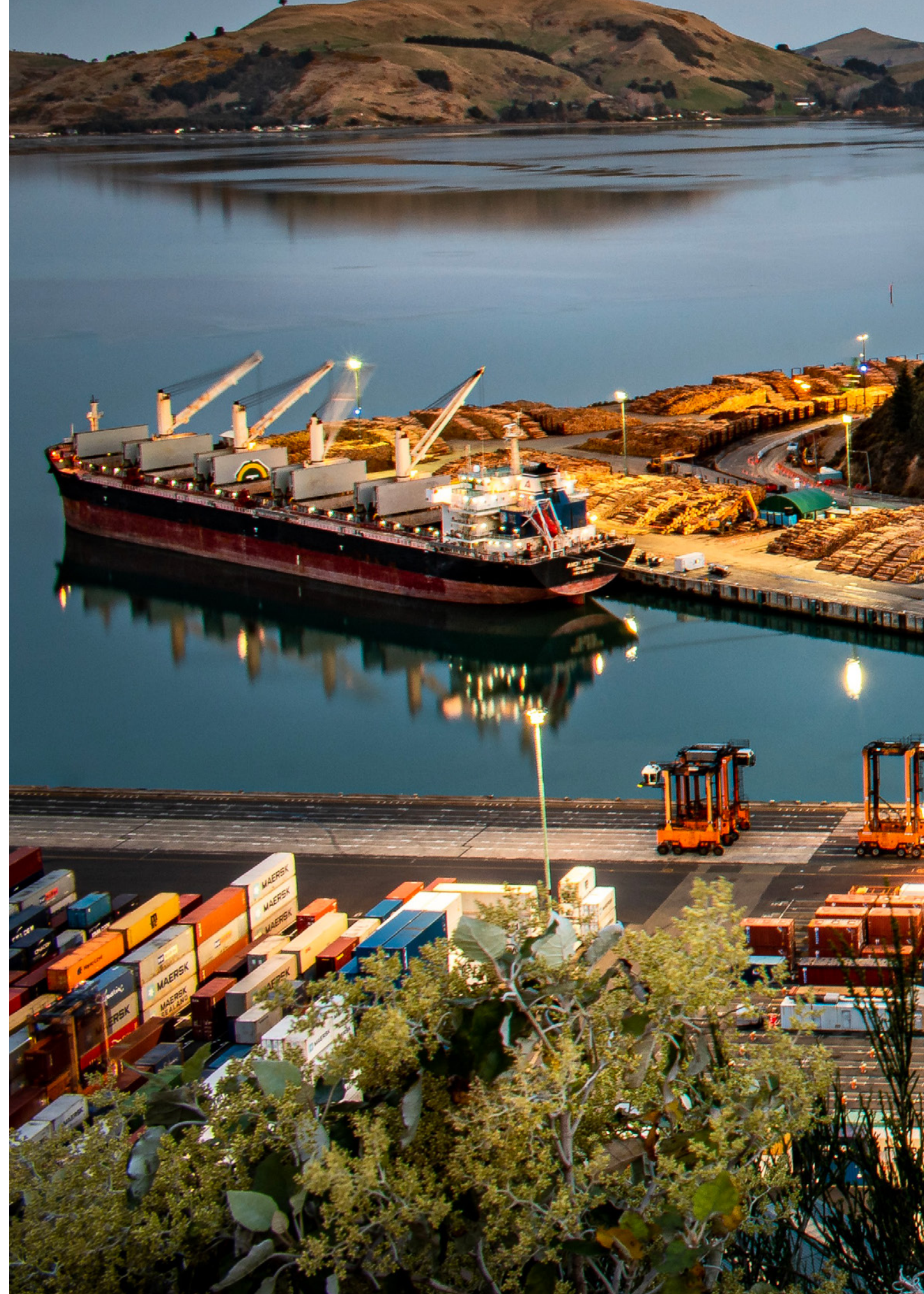
International trade makes up around 60 percent of New Zealand's total economic activity and our export sector employs more than 600,000 New Zealanders.

We have built real momentum on trade and with our reputation on the international stage. Labour has concluded seven new or upgraded Free Trade Agreements. FTAs now cover almost three quarters of New Zealand's exports, up from less than half six years ago.

Our strong trade relationships and new FTAs mean New Zealand can focus on selling our goods and services to more offshore buyers from a wider range of countries.

Our trade agenda has three priorities:

- Expanding access to new and emerging markets to grow our economy, create jobs, and support economic resilience across our trade markets in a time of global uncertainty.
- Partnering with businesses to grow into offshore markets, diversify what we sell and who we sell it to, and seize the opportunities these trade deals present.
- Making sure New Zealand has strong supply chains and strong relationships with global research and innovation institutions and trading partners.







## 2. TURN NEW ZEALAND INTO A CENTRE OF EXCELLENCE FOR SUSTAINABLE AGRICULTURE AND AGRICULTURAL TECHNOLOGY

Our goal is to support the primary sector to stay ahead of the pack in a rapidly changing world. Global consumers are demanding greater environmental standards from how we farm and grow the goods we sell to them. The challenges and opportunities from mitigating and adapting to climate change are profound.

This will require investment in new technologies along with clear and simple ways to promote our actions on the world stage. We also need a highly skilled workforce that is able to use new technologies to keep our primary industries at the leading edge. The investments required for this will create new opportunities for young Kiwis to enter our primary industry workforce, supporting our regional economies.

- [We will work with businesses to grow the agritech sector to \\$8 billion](#) by 2030, from its current estimate of \$2-3 billion. Our next step in this plan will be **injecting \$100 million into the Venture Capital Fund** to invest in the agritech businesses. This investment will shape our clean, green economic brand in the future, including through their joint investment fund with Finistere Ventures developed through the Agritech Industry Transformation Plan.
- We will seize New Zealand's advantage of being a 'test-bed' for agritech development, through our counter-seasonal position to the northern hemisphere. We will accelerate the research, development, and commercialisation of tools and technology to help reduce agricultural emissions through the [Centre for Climate Action on Agricultural Emissions](#).
- As part of our Agritech Industry Transformation Plan, we will invest \$29.9 million in the Horticulture Technology Catalyst to support growers to adopt innovative technology, including automation.
- We will continue to support specialised extension services with a climate and environmental focus and fund on-farm incentives to take action to reduce methane emissions through an effective system to price emissions from 2025.
- We will back Kiwis to enter a broader range of jobs that will become available in a more technology-focused primary sector, building on initiatives like the Food and Fibre Skills Action Plan.
- We will drive down gross emissions and avoid over-reliance on offsetting through plantation forestry. We cannot offset our way out of the climate crisis.



# 3.

## A WORLD LEADER IN RENEWABLE ENERGY

New Zealand is well placed to seize the opportunities created as other countries look to see who can help them transition to renewable energy.

We have the potential to harness the energy we have in the environment around us to build a sustainable and secure economy that powers itself. This transition has already begun thanks to our clear direction and supported by investments such as BlackRock's \$2 billion investment in New Zealand.

This is about addressing cost of living pressures as well. We have all seen the pain that global events, such as Russia's invasion of Ukraine, can have on economies around the world, including ours – with energy prices rising, particularly for petrol and diesel. The rest of the world has also taken notice and is accelerating investment in clean technology, and renewable generation.

We will shortly announce a comprehensive plan to increase renewable electricity in New Zealand and export our energy and expertise to the world, while creating new, highly skilled jobs.





# 4.



## JOBS OF THE FUTURE: HARNESSING NEW ZEALAND'S DIGITAL AND SCIENTIFIC EXPERTISE

A strong digital economy allows us to leverage what Kiwis have to offer - despite our geographic location. We will drive export value across science, space, gaming, information technology and biotech.

These are the jobs of the future, jobs that our kids are already training for at home and at school with the technologies they are so effortlessly able to figure out and use. Our Government's strong investment and focus in improving the maths and science curriculums will feed directly into helping young Kiwis to jump into well-paying digital, computing and science jobs right here in New Zealand.

Our investments in the digital economy will have impacts beyond the sector. More and more businesses are going digital, and the rise of AI Technology will be the next

frontier for many firms. An agile digitally knowledgeable workforce will help drive innovation and productivity.

- We will implement a comprehensive plan to enable our economy and workforce to access the opportunities that artificial intelligence and similar technologies provide.
- We will support small businesses to digitise, including through Digital Boost and Business Connect.
- We will pilot digital apprenticeships under the Digital Industry Transformation Plan, with \$27 million to cover part payments for trainee wages, employer support and guidance, and will cover set up costs for trainees.

- We will back the Centre of Digital Excellence unit in Dunedin to support the industry-wide drive towards a \$1 billion interactive media industry and continue the incentive schemes for movies and video game developers, to grow and protect New Zealand's domestic game-development sector.

Our future scientists will help us fix the greatest problems we face as a country, while also building commercial opportunities to sell to the rest of the world.

- We will enhance our research, science, and innovation system for the future through the Te Ara Paerangi Future Pathways science-system reform programme.
- We will back New Zealand science on the world stage by being the first non-European country involved in the multi-billion-dollar Horizon Europe research programme.
- We will continue the Research and Development Tax incentive supporting record levels of business investment in research and development.

- We will fund new fellowships for future science leaders and invest in three new research hubs, which will bring scientists together to boost collaboration and research on:

- Technology and innovation, including a focus on advanced manufacturing and materials, energy futures and biotechnology;
- Climate Change and disaster resilience, including a national centre for research on oceans, climate and hazards; and
- Health and pandemic readiness, including a new pandemic centre to ensure we are prepared for future emergencies.





# 5.

## HIGH-VALUE TOURISM

New Zealand will always be a beautiful place that people want to explore and visit.

Tourism was one of our largest and fastest growing sectors in 2019 before it was severely affected by COVID-19. But it was also a sector of the economy that was starting to be questioned by New Zealanders as the numbers of visitors put pressure on our infrastructure and resources, and environment.

A silver lining of New Zealand's successful COVID response is that many people around the world considered New Zealand as a leading example of a compassionate and caring nation, and this put us top of their list to visit after travel restrictions ended.

As tourists come back we have choices we can make to set up the sector for success. Our Government is already working with the industry through the Tourism Industry Transformation Plan to build a more sustainable and higher value tourism industry that doesn't overstep its social licence.

- We will review the International Visitor Levy to ensure the settings are right and fit for purpose.
- We will focus Tourism NZ's ad campaigns on key markets, targeting higher-value tourists.
- We will use New Zealand's trade relationships, and developments like our climate-focused investments to promote New Zealand to high-end tourists.
- We will back industry development through the Tourism Industry Transformation Plan, including its initial focus on investing in the people who work in the industry. Tourism should be an attractive career choice for New Zealanders who want to show off our beautiful country and bring income into our regional economies at the same time.



# PUTTING OUR PLAN INTO ACTION

**High-paying jobs.** Despite global pressures, more Kiwis are in work than ever before, with wages growing at record levels. We will continue to build an economy where more New Zealanders share the rewards and benefits of work and economic growth.

- We will deliver Fair Pay Agreements to improve productivity and grow wages ahead of inflation. Growing wages will remain one of our primary responses to cost of living pressures.
- We will establish a tripartite forum for unions, business and Government to work together on putting this plan into action, with an initial focus on Fair Pay Agreements, the statutory minimum wage, pay transparency, and our Industry Transformation Plans.

- We will work towards pay equity and require public reporting on the gender pay gap.

- We will better define in legislation who is an employee and who is a contractor, so we protect vulnerable workers.

**Building infrastructure that lasts.** Over the past five years we have invested \$45 billion in new roads, new classrooms, new hospitals, public homes, and other infrastructure. Over the next five years more than \$71 billion has been committed to address New Zealand's infrastructure needs.

- We will invest in critical new roading and public transport projects that New Zealanders want and deserve, and turn around the road maintenance crisis we inherited.

- We will continue work on the National Infrastructure Plan to give certainty to developers around funded projects from central government, local government and the private sector.

- We will develop an Infrastructure Priority List which will help standardise the process to assess infrastructure proposals, ensuring value for money and building an enduring project consensus from a very early stage.

- We will support Rau Paenga to grow into an infrastructure and construction centre of excellence, driving efficiencies, establishing shared-services, adding vertical integration, and driving innovation across the Government's construction programme.

- We will continue to implement better, cheaper and faster resource management consenting by establishing the new National Planning Framework and supporting local authorities to efficiently transition to the new resource management system.

- We will invest in the infrastructure for the future by driving electrification, electric vehicle chargers, and the high-speed connectivity required for automation, AI and the digital economy.

- We will ensure a stable construction workforce under the Construction Sector Accord and Construction Industry Transformation Plan, which will also focus on simplifying contracting, and clarifying regulations to make building easier.





**Better skills and practical education for better jobs.** In a fast changing world, the ability to train and upskill workers is essential if we are to support decent jobs, high wages, and improved job opportunities for a sustainable economy, while also ensuring the next generation of workers are valued and supported into sustainable employment.

Labour is incredibly proud of the outcomes we have achieved boosting the skills of New Zealanders, including through Apprenticeship Boost which has supported businesses to offer more than 60,000 apprenticeships to Kiwis.

- We will ensure secondary school students have the skills needed for an upgraded economy, including new maths, literacy and science curriculums, compulsory financial literacy and digital courses at high schools.
- We will support the implementation of our reform of vocational education that has set up our skills system for the 21st century.
- We will work with Regional Skills Leadership Groups to identify and support better ways to meet future skills and workforce needs in their regions, both now, and in the future.
- We will make the Apprenticeship Boost Initiative permanent to support more New Zealanders to upskill and get ahead.
- We will make it easier to attract and hire high-skilled migrants through our immigration rebalance.

**A balanced fiscal plan.** Our balanced approach to fiscal management is underpinned by our guiding fiscal rules. These are to achieve an OBEGAL surplus within the Budget forecast period and average small surpluses thereafter, and to keep net debt below 30 percent of GDP.

- We will carefully manage the Government's finances and keep debt under control including on-going baseline reviews and rigorous Budget value-for-money processes as part of our Wellbeing Budgets, and a strong delivery focus.
- We will prioritise investment in critical public services, such as the health and education frontlines, to support New Zealanders in their everyday lives.
- We will make long-term investments to secure New Zealand's economic future.
- We will maintain stability in the tax system. With many Kiwi households struggling with the cost of living, it is a time for certainty and not a big shake-up of our tax system that gives tax cuts to the wealthy.









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