



## COVERSHEET

<b>Minister</b>	Hon Stuart Nash	<b>Portfolio</b>	Economic and Regional Development
<b>Title of Cabinet paper</b>	Government Response to the Productivity Commission's Frontier Firms Inquiry	<b>Date to be published</b>	14 April 2022

<b>List of documents that have been proactively released</b>		
<b>Date</b>	<b>Title</b>	<b>Author</b>
December 2021	Government Response to the Productivity Commission's Frontier Firms Inquiry	Office of the Minister of Economic and Regional Development
20 December 2021	Government Response to the Productivity Commission's Frontier Firms Inquiry CAB-21-Min-0547	Cabinet Office

### **Information redacted**

**YES / NO** [select one]

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Some information has been withheld for the reason of Confidential advice to Government.



# Cabinet

## Minute of Decision

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### Government Response to the Productivity Commission's Frontier Firms Inquiry

**Portfolio** Economic and Regional Development

On 20 December 2021, following reference from the Cabinet Economic Development Committee (DEV), Cabinet:

- 1 **noted** that:
  - 1.1 in December 2021, DEV agreed to the terms of reference for a Productivity Commission inquiry into maximising the economic contribution of New Zealand's frontier firms [DEV-19-MIN-0321];
  - 1.2 in April 2021, the Productivity Commission delivered the final report of its Frontier Firms inquiry;
- 2 **noted** that the Frontier Firms inquiry highlights that larger and higher productivity firms close to the global frontier can be developed through government support for exporting innovative products at scale;
- 3 **noted** that the broad range of existing reforms currently occurring across government will play a significant role in addressing productivity challenges and addressing the issues raised by the Frontier Firms inquiry;
- 4 **noted** that in response to the findings of the Frontier Firms inquiry, officials have been directed to undertake a review of government support of internationalisation, including investment attraction;
- 5 **agreed** that the government response to the Frontier Firms inquiry will:
  - 5.1 identify the value of the Frontier Firms inquiry and highlight key new insights raised in the Productivity Commission's final report;
  - 5.2 agree with the Productivity Commission that strong internationalisation and innovation policies are key to supporting the development and performance of New Zealand's highest productivity firms;
  - 5.3 highlight the government's ambitious and comprehensive reform programme underway that will improve New Zealand's aggregate productivity performance;

- 5.4 acknowledge that the Frontier Firms inquiry's findings have emphasised a need to consider and coordinate the government's internationalisation and innovation policies and support settings;
  - 5.5 publicly signal a review of government internationalisation support, and of the investment attraction strategy, as an important new response to address the findings of the inquiry;
  - 5.6 welcome the final report's findings on the contribution Māori business models can make at the frontier, and highlight that the government has developed the Māori Economic Resilience Strategy to improve the resilience of Māori against future economic shocks;
- 6 **approved** the release of the government response to the Frontier Firms inquiry, attached to the paper under CAB-21-SUB-0542, subject to any minor or technical changes that may be authorised by the Minister for Economic and Regional Development.

Michael Webster  
Secretary of the Cabinet

*Secretary's Note: This minute replaces DEV-21-MIN-0274.*