



## COVERSHEET

<b>Minister</b>	Hon Dr Ayesha Verrall	<b>Portfolio</b>	Research, Science and Innovation
<b>Title of briefing</b>	Te Ara Paerangi – Future Pathways	<b>Date to be published</b>	29 March 2023

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
November 2022	Te Ara Paerangi – Future Pathways	Office of the Minister of Research, Science and Innovation
23 November 2022	Te Ara Paerangi – Future Pathways DEV-22-MIN-0277 Minute	Cabinet Office

### Information redacted:

**YES**

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below.

#### Reasons for redaction:

- Free and frank opinions
- Constitutional conventions

#### Related information:

This release covers the Te Ara Paerangi – Future Pathways Cabinet paper and associated minute. These documents refer to the release of the Te Ara Paerangi White Paper, which is not included in this release as it is available on MBIE's website through the following hyperlink:

<https://www.mbie.govt.nz/science-and-technology/science-and-innovation/agencies-policies-and-budget-initiatives/te-ara-paerangi-future-pathways/te-ara-paerangi-future-pathways-white-paper/>



# Cabinet Economic Development Committee

## Minute of Decision

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*This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.*

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### Te Ara Paerangi: Future Pathways

**Portfolio**                      **Research, Science and Innovation**

On 23 November 2022, the Cabinet Economic Development Committee (DEV):

#### Background

- 1        **noted** that in November 2021, Cabinet committed to an Economic Plan [DEV-21-SUB-0222] and, as part of this, the government reaffirmed its ambitious target to increase overall investment across government investment and business expenditure on R&D to 2 percent of GDP by 2030, which will grow New Zealand’s Research, Science and Innovation (RSI) system;
- 2        **noted** that in September 2021, DEV agreed to release a discussion document entitled *Te Ara Paerangi – Future Pathways Green Paper 2021*, and invited the Minister of Research, Science and Innovation to report back by mid-2022 with the outcomes of consultation and any proposed policy changes [DEV-21-MIN-0193];
- 3        **noted** that *Te Ara Paerangi: Future Pathways White Paper* (the White Paper), attached to the paper under DEV-22-SUB-0277, has incorporates the outcomes of the consultation process, setting out the high-level vision for New Zealand’s future ‘public’ RSI system alongside key policy directions to initiate reform and guide Te Ara Paerangi – Future Pathways work programme;

#### The case for change

- 4        **noted** that:
  - 4.1      the RSI system is smaller than it needs to be, with Aotearoa New Zealand only spending 1.4 percent of its GDP on R&D compared to the OECD average of 2.5 percent;
  - 4.2      both government investment and business expenditure on R&D (BERD) contribute to lower levels of investment;

- 5 **noted** that despite reforms by previous governments, the RSI system in its current form is not well-placed to absorb the needed increase in funding to support the government's wider social and economic goals because:
- 5.1 public research organisations are too small with insufficient scope to adapt to emerging areas;
  - 5.2 public research organisations are reliant on current sectors and industries, which make it difficult for them to develop new capabilities outside of historic responsibilities;
  - 5.3 public research organisations struggle with poor integration and ongoing unproductive competition that obstruct otherwise net beneficial collaborations;
  - 5.4 the system's mechanisms for signalling direction to the system are diffuse and confusing, resulting in multiple overlapping strategies that contribute to a cluttered governance environment;
- 6 **noted** that technological change, including digitalisation, is one of the defining features of the global economy, and is widely recognised as a critical tool to increase societal wellbeing within environmental limits;

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Free and frank opinions

- 8 **agreed** to the case for change set out in the White Paper, which demonstrates that without reforming the RSI system, the increased investment needed in R&D is insufficient to unleash Aotearoa New Zealand's innovative potential and support the government's wider social and economic goals, including its Economic Plan and the Industry Transformation Plans;
- 9 **noted** that:
- 9.1 while the lack of BERD is an issue for Aotearoa New Zealand, current policies designed to support BERD are having a notable impact;
  - 9.2 however, without reforming the RSI system, these policies will unlikely be sufficient to support a sustained 10 percent annual growth in BERD for the next eight years;

### Overall vision and objectives for reform

- 10 **agreed** to the overall vision presented in the White Paper for Te Ara Paerangi – Future Pathways reform of the RSI system, namely:

*an RSI system that supports wellbeing for all current and future New Zealanders, a high-wage low emissions economy, and a thriving, protected environment through excellent and impactful research, science and innovation;*

11 **agreed** to progress the reform programme in line with the scope, objectives and key policy directions set out in the White Paper, subject to reporting back to Cabinet for approval for any policy proposals that require significant policy decisions, funding or legislation;

**Te Ara Paerangi – Future Pathways reform programme**

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Constitutional conventions

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**Changes to the RSI system**

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Constitutional conventions

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16 **noted** that an area of focus for the reform will be on increasing the economic and social impact of research, and that this will be a key element of further policy proposals;

**Phase 1: Immediate workforce and people support**

17 **noted** that Phase 1 will deliver changes to start embedding Te Tiriti o Waitangi in the RSI system and alleviate workforce issues by way of an initial workforce package, covering:

- 17.1 increasing the number of research fellowships to retain and develop talent;
- 17.2 introducing training opportunities to enable the research workforce to be prepared for a broad range of possible careers in addition to academia, including technical, private sector, community-led and entrepreneurial occupations;
- 17.3 introducing international talent attraction programmes, and programmes to repatriate excellent New Zealand researchers from overseas;

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Constitutional conventions

**Phase 2: National Research Priorities**

19 **agreed in principle**, subject to detailed policy proposals being brought to Cabinet, to establish a process for determining National Research Priorities to align resources and focus collective activities on areas of most importance to New Zealand’s economic, social and environmental wellbeing;

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Constitutional conventions

**Phase 3: Changes to public research organisations**

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Free and frank opinions

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Constitutional conventions

Free and frank opinions

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Free and frank opinions

**Cost of reform**

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Free and frank opinions

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Constitutional conventions

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Free and frank opinions

**Transition and wellbeing**

29 **noted** that the change programme and transitions need to be carefully managed, and will be informed by the wellbeing principles of He Ara Waiora;

**Engagement, consultation and implementation**

30 **noted** that officials will consult with the sector and Māori as policy proposals are developed and implemented;

31 **noted** that further policy design will have regard to achieving alignment with the government's Economic Plan, and will consider links with the government's Industry Transformation Plans;

**Release of the White Paper**

- 32 **approved** the release of the White Paper, subject to any minor, technical or editorial changes that may be authorised by the Minister of Research, Science and Innovation before its release;
- 33 **noted** the intention to release the White Paper in November 2022.

Janine Harvey  
Committee Secretary

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**Present:**

Hon Grant Robertson (Chair)  
Hon Dr Megan Woods  
Hon David Parker  
Hon Damien O'Connor  
Hon Willie Jackson  
Hon Michael Wood  
Hon Dr David Clark  
Hon Dr Ayesha Verrall  
Hon Priyanca Radhakrishnan  
Hon Meka Whaitiri  
Hon Phil Twyford  
Hon Kieran McAnulty  
Rino Tirikatene, MP  
Dr Deborah Russell, MP

**Officials present from:**

Office of the Prime Minister  
Officials Committee for DEV