



COVERSHEET

Minister	Hon Barbara Edmonds	Portfolio	Economic Development
Title of Cabinet paper	Report back on implementation of the Advanced Manufacturing Industry Transformation Plan	Date to be published	10 October 2023

List of documents that have been proactively released

Date	Title	Author
August 2023	Report back on implementation of the Advanced Manufacturing Industry Transformation Plan	Office of the Minister for Economic Development
30 August 2023	Advanced Manufacturing Industry Transformation Plan: Report Back on Implementation DEV-23-MIN-0198 Minute	Cabinet Office

Information redacted

NO (*please select*)

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Cabinet Economic Development Committee

Minute of Decision

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Advanced Manufacturing Industry Transformation Plan: Report Back on Implementation

Portfolio Economic Development

On 30 August 2023, the Cabinet Economic Development Committee (DEV):

Background

- 1 **noted** that advanced manufacturing has been prioritised for an Industry Transformation Plan (ITP) due to the sector's scale and potential to significantly increase productivity, higher-skill higher-wage jobs, and a globally competitive low emissions sector;
- 2 **noted** that a driving principle of ITPs is partnership, and that business, unions, government, Māori, Pacific Peoples, and wider stakeholders have co-created the Advanced Manufacturing ITP that was launched in March 2023;
- 3 **noted** that the Advanced Manufacturing ITP Action Plan is ambitious and, if implemented in full, would support the government's strategy of a high wage, low emissions economy that provides economic security for all;

Advanced Manufacturing ITP priorities

- 4 **noted** the overwhelming sector support for urgent action to implement the following two Advanced Manufacturing ITP priorities:
 - 4.1 ITP Priority 1: increasing investment in advanced technologies and processes to lift productivity and wages;
 - 4.2 ITP Priority 2: developing and attracting a diverse high-skilled high-wage workforce;
- 5 **noted** that ITP Priority 1 is seen by business, unions and Māori as a pivotal intervention and pre-requisite to lift productivity, higher-skill higher-wage jobs, and the transition to circular net-zero emissions advanced manufacturing;
- 6 **noted** that ITP Priority 2 is seen by the sector as imperative to ensure that workers and communities benefit from the sector's transformation;

- 7 **noted** the following four other Advanced Manufacturing ITP priorities for transformation and growth:
- 7.1 ITP Priority 3: creating a leading circular net-zero emissions sector;
 - 7.2 ITP Priority 4: improving understanding and perceptions of advanced manufacturing;
 - 7.3 ITP Priority 5: making innovation, R&D, and science work for advanced manufacturing;
 - 7.4 ITP Priority 6: enhancing global connectivity and opportunities;

Implementation

- 8 **noted** that in November 2022, DEV invited the Minister for Economic Development to report back by August 2023 on the implementation of the Advanced Manufacturing ITP [DEV-22-MIN-0264];
- 9 **noted** that in December 2022, Ministers agreed to draw down a Budget 2022 contingency of \$30 million to enable the delivery of the first stages of certain ‘early win’ Advanced Manufacturing ITP actions identified by the sector;
- 10 **noted** that prompt delivery of seven ‘early win’ actions has commenced, and that the first stages of delivery of seven other actions are imminent;
- 11 **noted** that these ‘early win’ Advanced Manufacturing ITP actions are a subset of the total ITP Action Plan, and do not include several pivotal actions that will require more funding and policy support from the government to achieve transformational change;
- 12 **noted** that addressing the sector’s low capital investment in advanced technologies and processes is an Advanced Manufacturing ITP priority issue and seen as a pivotal intervention to lift productivity, higher-skill higher-wage jobs, and the sector’s transition to circular net-zero emissions;
- 13 **noted** that sector support has been a hallmark of the Advanced Manufacturing ITP, and that there is now strong motivation to implement the ITP’s most pivotal actions;
- 14 **noted** that economies around the globe are delivering ambitious manufacturing strategies and that, as a globally connected economy, Aotearoa New Zealand’s manufacturing sector is impacted by these developments and risks being left behind;
- 15 **noted** that continuing momentum to deliver the Advanced Manufacturing ITP will be key to mitigate this risk and maintaining the strong partnership with industry;
- 16 **agreed** to reinforce the government’s ongoing commitment to the delivery of the Advanced Manufacturing ITP Action Plan;

- 17 **agreed** that officials continue to develop options to implement pivotal actions in the Advanced Manufacturing ITP Action Plan to achieve the benefits of sector transformation.

Janine Harvey
Committee Secretary

Present:

Hon Grant Robertson (Chair)
Hon Dr Ayesha Verrall
Hon Andrew Little
Hon David Parker
Hon Peeni Henare
Hon Kieran McAnulty
Hon Dr Duncan Webb
Hon Jo Luxton
Hon Rachel Brooking

Officials present from:

Office of the Prime Minister
Officials Committee for DEV