



COVERSHEET

Minister	Hon Judith Collins KC	Portfolio	Science, Innovation and Technology
Title of Cabinet papers	The Science System Advisory Group and the University Advisory Group Driving Economic Growth through Science, Innovation and Technology Further Decisions to Drive Economic Growth through Science, Innovation and Technology	Date to be published	23 January 2025

List of documents that have been proactively released

Date	Title	Author
March 2024	The Science System Advisory Group and the University Advisory Group	Offices of the Minister for Science, Innovation and Technology, and of the Minister for Tertiary Education and Skills
20 March 2024	The Science System Advisory Group and the University Advisory Group ECO-24-MIN-0030 Minute	Cabinet Office
September 2024	Driving Economic Growth through Science Innovation and Technology	Office of the Minister for Science, Innovation and Technology
September 2024	Appendix Two FINAL SSAG Report	MBIE
31 October 2024	Driving Economic Growth through Science Innovation and Technology ECO-24-MIN-0242 Minute	Cabinet Office
November 2024	Further Decisions to Drive Economic Growth through Science, Innovation and Technology	Office of the Minister for Science, Innovation and Technology
5 November 2024	Further Decisions to Drive Economic Growth through Science, Innovation and Technology ECO-24-MIN-0302 Minute	Cabinet Office
16 December 2024	Further Decisions to Drive Economic Growth through Science, Innovation and Technology CAB-24-MIN-0504.02 Minute	Cabinet Office

Information redacted

YES / ~~NO~~ (please select)

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Some information has been withheld for the reason of confidentiality

In Confidence

Office of the Minister of Science, Innovation and Technology

Cabinet Economic Policy Committee

Driving Economic Growth Through Science, Innovation and Technology

Proposal

- 1 To seek Cabinet's agreement to changes to enable the science, innovation and technology (SI&T) system to focus on science with a purpose, to deliver better economic outcomes for New Zealand and make science work.

Executive Summary

- 2 The science system has not had a major shakeup for nearly 30 years. This presents an enormous opportunity for the Government to create a science system that performs for New Zealand and delivers for the economy.
- 3 The Government invests around \$1.2 billion in SI&T each year. The system, however, is not well-tuned to generate the economic outcomes New Zealand needs to ensure its future prosperity in a world of rapidly advancing technology – this review presents the opportunity for New Zealand to adapt its approach.
- 4 Successive reviews, including the recent report from the Science System Advisory Group (SSAG), have confirmed that change is urgently needed to ensure the SI&T system is better positioned to deliver economic outcomes.
- 5 I propose Cabinet agree to:
 - 5.1 *Strategic direction and priority setting:* Establish a Prime Minister's Science, Innovation and Technology Advisory Council.
 - 5.2 *Growing innovative and R&D intensive businesses:* Progress work to establish an investment attraction agency, Invest New Zealand, and refocus New Zealand Trade and Enterprise to be a strong export-oriented agency.
 - 5.3 *Increase ability of research organisations to respond to priorities:* Progress work to establish three public research organisations by consolidating the Crown Research Institutes.
 - 5.4 *Enable New Zealand to keep pace with technological advances:* Progress work to establish a public research organisation to deliver research, capability, and commercial outreach around future technologies such as artificial intelligence, synthetic biology, and quantum.

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- 1.1 *Re-align business research and development and innovation functions:* Disestablish Callaghan Innovation and redistribute its most important functions to other parts of the system.
- 1.2 *Better use of intellectual property:* Investigate and report back to Cabinet with substantial changes to settings relating to intellectual property and technology transfer offices as relevant to the SI&T and tertiary education sectors.

Background

- 2 On 25 March 2024, Cabinet agreed to establish the SSAG and the University Advisory Group to investigate issues across the SI&T and the university systems. The Minister for Tertiary Education and Skills and I were invited to report back to Cabinet on the findings and recommendations of the advisory groups.
- 3 The last significant re-set of the SI&T system occurred in 1992 with the creation of a highly contestable funding system and the establishment of the Crown Research Institutes as Crown Companies. Successive reviews, the latest being the first report from the SSAG, have confirmed that those shifts are insufficient and will not meet New Zealand's future needs.
- 4 The SSAG's report focused on the architecture of the SI&T system and has informed the recommendations in this paper.

Key findings from the SSAG Report

- 5 New Zealand's SI&T system plays a critical role in the stewardship of New Zealand's human, social, environmental, and economic assets, as well as diplomacy.
- 6 Investing in SI&T is recognised internationally as the core element to enhancing productivity. Australia's Commonwealth Scientific and Industrial Research Organisation recently reported a New Zealand specific figure of \$3.50 return for every dollar invested in research and development.
- 7 As a small country, New Zealand cannot do everything possible in SI&T. Choices need to be made and strategic partnerships – both international and domestic – need to be enhanced. New Zealand's SI&T system suffers from:
 - 7.1 A lack of strategic oversight.
 - 7.2 Enduring structural challenges, leading to a lack of flexibility to respond to new priorities.
- 8 The recommendations in the SSAG's report span the configuration, role and function of: public research organisations; innovation entities; funding bodies; and government agencies. They also include options for re-shaping the interface between the higher education and SI&T systems.
- 9 A summary of the SSAG recommendations and my proposed response is provided in Appendix One. The full recommendations can be found on pages six to nine in the SSAG report in Appendix Two.

Government response to the report

- 10 SI&T plays a critical role in providing for New Zealand's future prosperity. However, the solution to a thriving SI&T system cannot be to just spend more money. We need to invest in science with a purpose and focus our spending and incentives to ensure the system is generating greater value for New Zealand.
- 11 Substantive change is needed to focus the SI&T system on economic growth and productivity. We need a system that:
 - 11.1 sets direction and priorities to guide decisions on what publicly funded SI&T will and will not do.
 - 11.2 moves resources easily to respond to those directions and priorities.
 - 11.3 focuses on economic outcomes, which includes commercial outcomes, for New Zealand.
 - 11.4 creates synergies to drive productivity gains from both people and capital.
- 12 I propose that we act to enable the system to deliver better economic outcomes with the following initiatives:
 - 12.1 *Strategic direction and priority setting*: Establish a Prime Minister's Science, Innovation and Technology Advisory Council.
 - 12.2 *Investment attraction and commercial outcomes*: Progress work to establish *Invest New Zealand* and refocus New Zealand Trade and Enterprise as a strong export-oriented agency working to achieve the target of doubling export value in ten years.
 - 12.3 *Increase ability of research organisations to respond to priorities*: Progress work to establish three public research organisations by consolidating or re-purposing the Crown Research Institutes.
 - 12.4 *Enable New Zealand to keep pace with technological advances*: Progress work to establish a public research organisation to deliver research, capability, and commercial outreach around advanced technologies such as artificial intelligence, synthetic biology, and quantum.
 - 12.5 *Re-align business research and development and innovation functions*: Disestablish Callaghan Innovation and redistribute its most important functions to other parts of the system.
 - 12.6 *Better use of intellectual property*: Investigate and report back to Cabinet with substantial changes to intellectual property settings to drive better economic and commercial outcomes from the SI&T and tertiary education sectors.

Strategic direction and priority setting

- 13 I propose to establish a Prime Minister's Science, Innovation and Technology Advisory Council (the Council) to provide strategic direction and oversight of the SI&T system by:
 - 13.1 identifying the biggest opportunities to leverage SI&T to drive economic growth
 - 13.2 ensuring the SI&T system is aligned with New Zealand's economic strategy

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- 13.3 ensuring the SI&T system focuses on economic, which includes commercial, outcomes for New Zealand.
- 14 The Council will be chaired by the Minister responsible for science, innovation and technology, and be convened by and report to the Prime Minister. Members will collectively have deep and broad experience in business, impact and commercialisation of SI&T and strong connections with SI&T.
- 15 The secretariat function would be funded through re-prioritisation of non-departmental SI&T funds.
- 16 I propose to begin work on establishing the council immediately by starting the APH process to appoint members. This will be done in conjunction with the Prime Minister and his office.
- 17 The proposed Terms of Reference for the Council are provided for your agreement at Appendix Three.

Investment attraction and enabling commercial outcomes

- 18 I propose to progress work for New Zealand having two targeted agencies to support our goal of growing the economy.
- 19 New Zealand is a trading nation. Our standard of living depends on strong international connections through trade and investment. As a small nation, our prosperity depends on access to the benefits of technology and deep specialisation of large overseas markets. Export earnings of \$6.5 billion¹ each month in the year to May 2024 helps New Zealand pay its way in the world and to fund public services.
- 20 The status quo for both inward investment and outward exporting is not working. We need more investment and we need to double exports by value. We can address this by providing investors and entrepreneurs access to the right people, the right advice, and the right support at the right time.
- 21 The new agency, *Invest New Zealand*, will be Government's one-stop-shop for foreign direct investment, similar to how Ireland's Industrial Development Agency functions. It will work with multi-national corporations, and attract people, businesses and investment into New Zealand across industries and technologies, with a particular interest in investing in the SI&T that will drive our economy forward.
- 22 New Zealand Trade and Enterprise, will focus on export growth through trade and exports, ensuring New Zealand businesses have the necessary support to expand their international reach. These agencies will:
- 22.1 be performance based and have a culture under-pinned by clear economic incentives, and a laser focus on commercial outcomes.
- 22.2 have clearly defined roles that allow them to function as easy conduits for inward investment and outward growth.
- 23 These changes will have implications for New Zealand Trade and Enterprise. The investment function of New Zealand Trade and Enterprise will be transferred to *Invest New Zealand*.

¹ Imports and exports | Stats NZ

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- 24 *Invest New Zealand* will be funded by reprioritising funding from appropriations yet to be determined. New Zealand Trade and Enterprise will continue to be funded by the economic development appropriations.
- 25 It is essential that officials from the Ministry of Business, Innovation and Employment and Ministry of Foreign Affairs and Trade work closely on the work to refocus New Zealand Trade and Enterprise.
- 26 Following Cabinet's agreement to this proposal, I will progress work to establish *Invest New Zealand*, in consultation with relevant Ministers, and will report back to Cabinet with options in first quarter of 2025.
- 27 The Minister of Trade and Minister of Economic Development will report back to Cabinet in early 2025 with options for refocusing New Zealand Trade and Enterprise.

Increase ability of research organisations to respond to priorities

- 28 I propose to progress work to establish the following three future-orientated public research organisations to provide greater responsiveness to Government priorities by consolidating or re-purposing existing Crown Research Institutes in the following areas of focus:
- 28.1 *Bio-economy*: formed by consolidating AgResearch, Plant and Food Research, Scion and Manaaki Whenua.
- 28.2 *Earth sciences*: formed by consolidating NIWA and GNS Science, noting that on 23 September 2024 Cabinet agreed in principle for NIWA to acquire MetService as a wholly-owned subsidiary.
- 28.3 *Health and forensic science services*: formed by re-purposing Environmental Science Research.
- 29 The Crown Research Institutes have seen the need to make changes for some time now and are taking steps to be financially sustainable in a tight fiscal environment and to shape up their organizations for potential changes. About 300 jobs are affected by recent change processes, which are at different stages including some which are currently underway.
- 30 The Chairs of the Crown Research Institutes boards have written to me to express their support of proposed changes to consolidate like-orientated Crown Research Institutions. They agree that the system is indeed of a shakeup and have signalled their willingness to help in achieving a system that delivers for New Zealand.
- 31 My expectation is that public research organisations will do more research to develop new or adjacent economic sectors or help existing sectors to move towards the technology frontier, commercialisation of knowledge, and crowding in of private sector investment. They will also:
- 31.1 continue to deliver the critical stewardship science and science services that are needed by well-functioning modern economies.
- 31.2 increasingly focus on SI&T that underpins our future competitive advantage and a more productive economy.
- 31.3 focus on economic outcomes and approach science with a commercial mindset.

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- 32 It is crucial to note that public good science is important to New Zealand and the public research organisations will include a remit on the critical stewardship of this public good research.
- 33 Following Cabinet's agreement, I propose to immediately work with Crown Research Institutes and their shareholding Ministers to progress this work. I expect to report back to Cabinet with further advice in the first quarter of 2025.
- 34 The consolidations and forming of the subsequent public research organisations will be managed from within existing funding for Crown Research Institutes.

Enable New Zealand to keep pace with technological advances

- 35 I propose to progress work to establish an advanced technology-focused public research organisation to deliver research and build capabilities and commercial outreach in areas such as artificial intelligence, synthetic biology, aerospace, medical technology and quantum technology.
- 36 Countries that have driven investment in new advanced fields of science and technology have achieved better economic growth and productivity, and better living standards.
- 37 New Zealand has some world-class firms, innovators and scientists leading working in future technology-related research. But we need more, backed by a SI&T system that invests in advanced technologies to drive greater commercial value from our world-class science and put New Zealand at the forefront of 21st century economies.
- 38 I am keen to quickly lay the foundation for the advanced technology focused public research organisation by creating a platform of research and capability under the Strategic Science Investment Fund, allowing time for the institutional form to be enacted.
- 39 The advanced technology focused public research organisation and platform will be funded by reprioritisation within the SI&T appropriations.
- 40 Once agreed by Cabinet, I plan to immediately progress work to confirm the settings for the platform. I will report back on that work which will include options for reprioritising funding within the SI&T appropriations.

Re-align business research and development and innovation functions

- 41 Callaghan Innovation is spread thinly across many, often conflicting, functions. It delivers a wide range of grants, advice, technical services and research alongside innovation support for business. It also manages Gracefield Innovation Quarter, a complex and ageing asset on behalf of government, that Callaghan Innovation has identified as a critical risk.
- 42 This confusing remit has resulted in poor financial performance and an over-reliance on Crown funding. This is especially concerning given Callaghan Innovation's remit of being an innovation and commercialisation entity. For example:
- 42.1 In 2022/23 Callaghan Innovation received \$133 million in revenue, of which 87 per cent (\$112 million) was Crown funding and only 13 per cent generated as commercial revenue.
- 42.2 Since 2013, Callaghan Innovation has only met or exceeded its budget for commercial revenue on one occasion (2018/19).

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- 43 Some of functions Callaghan Innovation delivers are critical to a well-functioning SI&T system. These reforms provide an opportunity to re-focus Government's interventions in the innovation and business research and development space.
- 44 I propose to stop the lower impact activities, and to redistribute the most important, critical functions to places in the system where they will have greater impact. Stopping functions will put additional pressure on the financial viability of Callaghan Innovation and is best disestablished.
- 45 More work is needed to determine how the Gracefield Innovation Quarter will be owned and operated in the future. My preference is to progress commercial solutions that enable the Quarter to be retained as a centre for science and technology. I am confident that key scientific and innovation functions, such as the Measurement Standards Laboratory, to continue to operate from the site. I will report back to Cabinet on options and fiscal implications.
- 46 Once agreed by Cabinet, I plan to expedite work to disestablish Callaghan Innovation, and will consult relevant Ministers on options as the work progresses. I will also report back to Cabinet with information on fiscal implications. My expectation is that the disestablishment will be funded from within Callaghan Innovation's current funding envelope.

Better use of intellectual property

- 47 I propose to investigate and report back to Cabinet with substantial changes to the settings relating to intellectual property for the purpose of driving better commercial outcomes from the SI&T and tertiary education sectors.
- 48 New Zealand is full of great research, but this research is often stuck in research organisations due to lethargic rules and unnecessary interface with technology transfer organisations. Issues like aggressive equity retention from research organisations or technology transfer organisations are causing researchers to lose out on their fair share of research and disincentivise commercialisation. We need to create a system where innovators benefit from what they create.
- 49 Several overseas jurisdictions have moved to standardised rules for treatment of intellectual property and stepped away from collecting equity. Waterloo University, for example, successfully incentivises commercialisation by allowing inventors to own their intellectual property.
- 50 I propose to report back to Cabinet in the New Year with substantive changes to settings for intellectual property and technology transfer organisations in the SI&T and tertiary education sectors for the purpose of better incentivising commercialisation and economic outcomes.
- 51 I note that the Minister of Commerce and Consumer Affairs is looking to improve intellectual property and copyright law to enable the value captured to be maximised. This should complement the work I am proposing to improve the settings in the SI&T and tertiary education sectors.

Implementation

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52 I propose to move with alacrity through a staged implementation starting with the establishment of the Prime Minister’s Science, Innovation and Technology Council, re-prioritisation of funding, and re-setting of expectations for the Crown Research Institutes.

Timeframe	Recommendation
Immediately	<p>Prime Minister’s Science, Innovation and Technology Advisory Council established – start APH process to appoint members.</p> <p>SI&T funding reprioritised to invest in a platform of advanced technology research and capability. Confirm the settings for that investment via my SI&T portfolio responsibilities.</p> <p>Crown Research Institute shareholding Ministers provide direction on mergers to Crown Research Institute boards.</p>
Early 2025	<p>Cabinet decisions taken to enable drafting instructions to be issued for:</p> <ul style="list-style-type: none"> • Invest New Zealand. • public research organisations. <p>Cabinet decisions on re-focusing New Zealand Trade and Enterprise.</p>
Late 2025	Legislation passed.
Early 2026	Boards of Crown Research Institutes finalise mergers.
Mid 2026	<p>Merged Crown Research Institutes translated into new legal forms.</p> <p>Invest New Zealand established and New Zealand Trade and Enterprise refocused.</p>

Risks

- 53 New Zealand’s SI&T system is experiencing significant strain, and we must be better positioned to make good of the technological developments evolving at pace internationally. Not making, or poor execution of, the change would:
- 53.1 damage New Zealand’s international credibility and relevance, including our ability to attract international and private investment in SI&T.
 - 53.2 undermine our ability to adopt key technological developments from offshore.
 - 53.3 result in the loss of top talent from the SI&T system.
- 54 Consolidating Crown Research Institutes carries risks such as cost overruns, delays, institutional capture, loss of research capability and damage to relationships with businesses, communities and government. These risks can be mitigated by setting clear Ministerial expectations, leadership by the chairs of the Crown Research Institutes, and active oversight by officials.
- 55 To mitigate the financial risks, I propose that the consolidation of the Crown Research Institutes be managed within existing baselines.

Financial Implications

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56 The Government invests around \$1.2 billion in SI&T each year. As noted above, the system is not well-tuned to generate the economic outcomes New Zealand needs and is minimal relative to the countries we would wish to be compared to.

57 The purpose of these reforms is to make better use of Government's investment in SI&T. This involves, among other things, moving money from lower to higher value uses.

58 **Confidentiality**
59

60 The *Cabinet Office Circular CO(22)2: Revised Fees Framework for members appointed to bodies in which the Crown has an interest* will guide payment for members of the Prime Minister's Science, Innovation and Technology Advisory Council.

Legislative Implications

61 Legislation will be required to establish *Invest New Zealand* and the public research organisations. I will report back to Cabinet in the New Year with recommendations on the policy settings and legislative changes needed for these reforms.

Consultation

62 This paper has been developed by the Ministry of Business Innovation and Employment and shared, for their information, with the following agencies: the Treasury, the Department of the Prime Minister and Cabinet, the Public Service Commission, the Parliamentary Council Office, the Ministry of Education, the Department of Conservation, the Ministry for the Environment, the Ministry of Health, the Ministry for Primary Industries, the Ministry for Social Development, Te Arawhiti, and the National Emergency Management Agency.

Communications

63 I wish to publish the SSAG's report and announce the Government's response in November.

Proactive Release

64 I intend to direct officials to release this paper in accordance with the guidance in Cabinet Office Circular CO (18) 4.

Recommendations

I recommend that the Committee:

- 1 **agree** to proactively release the Science System Advisory Group's report.

Strategic direction and priority setting

- 2 **agree** to establish a Prime Minister's Science, Innovation and Technology Advisory Council, and to its Terms of Reference, as provided in Appendix Three.
- 3 **note** that further advice from the Science System Advisory Group is expected in early 2025 that will consider other components of the science system and include:
 - the shape of New Zealand's innovation system
 - how to best support start-up and scale-up, technology transfer and transitioning to a new mode of operating
 - government's use of and expenditure on science, innovation and technology.

Investment attraction and enabling commercial outcomes

- 4 **agree** to progress work to establish an investment attraction agency, *Invest New Zealand* and for the Minister for Science, Innovation & Technology to report back to Cabinet with options in the first quarter of 2025.
- 5 **agree** to progress work to refocus New Zealand Trade and Enterprise to prioritise strong export outcomes.
- 6 **direct** officials from the Ministry of Business, Innovation and Employment to work closely with the Ministry of Foreign Affairs and Trade on how best to achieve a refocused New Zealand Trade and Enterprise.
- 7 **note** the Minister of Science, Innovation and Technology will report back in the New Year with the details for establishing *Invest New Zealand*.
- 8 **note** the Minister of Trade and Minister of Economic Development will report back in the New Year on the refocus of New Zealand Trade and Enterprise.

Increase ability of research organisations to respond to priorities

- 9 **agree** to progress work to establish the following the public research organisations:
 - *Bio-economy*: formed by consolidating the crown research institutions AgResearch, Plant and Food Research, Scion and Manaaki Whenua.
 - *Earth science*: formed by consolidating NIWA and GNS, noting that Cabinet has already agreed-in-principle for NIWA to acquire MetService as a wholly- owned subsidiary.
 - *Health and forensic science services*: formed by re-purposing Environmental Science Research.

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- 10 **note** the first step of establishing the above public research organisations will be through the merger of Crown Research Institutes under current regulatory settings.
- 11 **note** the Minister of Science, Innovation and Technology will report back to Cabinet with the details for establishing the public research organisations in the New Year.

Enable New Zealand to keep pace with technological advances

- 12 **agree** to progress work to establish a public research organisation focused on advanced technologies.
- 13 **agree** to progress work to establish a platform of advanced technologies research and capability under the Strategic Science Investment Fund as the first step of establishing a public research organisation focused on advanced technologies.

Re-align business research and development and innovation functions

- 16 **agree** to disestablish Callaghan Innovation, redistribute its most important functions to other parts of the system and to stop others.
- 17 **authorise** the Minister for Science, Innovation and Technology to make decisions about existing research and development and innovation-related funding products including transfer to other entities.
- 18 **note** that the Minister of Science, Innovation and Technology will explore commercial solutions to retain the Gracefield Innovation Quarter as a centre for science, innovation and technology.
- 19 **note** the Minister of Science Innovation and Technology will seek further Cabinet decisions related to the future of the Gracefield Innovation Quarter and disestablishment of Callaghan Innovation in the first quarter of 2025.

Better use of intellectual property

- 20 **note** the Minister of Science, Innovation and Technology will investigate and report back to Cabinet in the New Year with changes to the settings around intellectual property and technology transfer organisations in the SI&T and tertiary education sectors.
- 21 **note** complementary work being undertaken by the Minister of Commerce and Consumer Affairs to improve the intellectual property and copyright law and maximise the value captured.

Funding

- 22 **note** the proposed changes will be funded by reprioritising funding from SI&T and other appropriations yet to be determined.

Hon Judith Collins KC

Minister of Science, Innovation and Technology

Summary – Driving Economic Growth Through Science, Innovation and Technology

The Report

The Science System Advisory Group has reported back to us with a set of key findings:

- New Zealand must diversify its export economy and urgently address its productivity challenge if standards of living are to increase or even be maintained. We are unlikely to meet these challenges without capitalising on our SI&T capabilities.
- Investing in science, innovation and technology (SI&T) is recognised internationally as the core element to enhancing productivity. CSIRO recently reported a New Zealand specific figure of \$3.50 return for every dollar invested in research and development.
- Our current expenditure on SI&T is about 1.45 per cent of GDP compared to the OECD average of 2.95 per cent. New Zealand’s investment is minimal relative to the countries we would wish to be compared to, such as Singapore or Ireland.
- As a small country, New Zealand cannot do everything possible in SI&T. Choices need to be made and strategic partnerships – both international and domestic – need to be enhanced. New Zealand’s SI&T system suffers from:
 - A lack of strategic oversight.
 - Enduring structural challenges, leading to a lack of flexibility to respond to new priorities.

Our Response

Theme	Action
Strategic direction and priority setting	Establish a Prime Minister’s Science, Innovation and Technology Council to provide strategic direction and oversight of the SI&T system by identifying the biggest opportunities to leverage SI&T to drive economic growth and ensuring the SI&T system is aligned with New Zealand’s economic strategy.
Investment attraction and enabling commercial outcomes	Establish Invest New Zealand - Government’s one-stop-shop for foreign direct investment. It will work with multi-national corporations and on attracting people, businesses and investment into New Zealand. Re-focus New Zealand Trade and Enterprise as a strong export-oriented agency working to double export value in ten years. Callaghan Innovation would be disestablished.
Increase ability of research organisations to respond to priorities	Establish public research organisations by consolidating or re-purposing existing Crown Research Institutes, forming: <ul style="list-style-type: none"> • One with a bio-economy focus • One with an earth science focus • One with a health and forensic sciences focus
Enable New Zealand to keep pace with technological changes	Establish a public research organisation to focus on advanced technology , to deliver research and build capabilities and commercial outreach in areas such as artificial intelligence, synthetic biology, aerospace, medical technology and quantum technology. Start by creating a platform of research and capability under the Science System Investment Fund.
Make better use of intellectual property	Investigate and report back to Cabinet with substantial changes to the settings relating to intellectual property and technology transfer offices for the purpose of driving better incentivising commercialisation and economic outcomes from the SI&T and tertiary education sectors.

Next Steps

Timeframe	Recommendation
Immediately	Establish the Prime Minister’s Science, Innovation and Technology Advisory Council – start APH process to appoint members. SI&T funding reprioritised to invest in an advanced technology platform of research and capability. Confirm the settings for that investment via my SI&T portfolio responsibilities. Shareholding Ministers provide direction on mergers to boards of Crown Research Institutes.
Early 2025	Cabinet decisions to enable drafting instructions to be issued for legislation to support the reforms.
Late 2025	Legislation passed.
Early 2026	Boards of Crown Research Institutes finalise mergers.
Mid 2026	Crown Research Institutes translated into new legal form for public research organisations. Invest New Zealand established and New Zealand Trade and Export re-focused.

Other Recommendations

The Science System Advisory Group made other recommendations on funding, science infrastructure, and machinery of government. We can defer decisions on those for now and consider them in future phases of reform, if we wish.