

Metals New Zealand 2020 Election manifesto

a. Introduction.

Metals New Zealand wants to see bold policy that supports high-value, high quality and high production manufacturing in New Zealand, providing jobs, supporting our environmental outcomes and addressing impacts of years of cheap, non-conforming imports on our businesses and on New Zealanders.

b. Policies to support the Manufacturing sector

Manufacturing Matters to New Zealand. **Manufacturing** is a critical component of New Zealand's recovery post Covid 19 and essential to government's delivery of jobs in the regions, moving from volume to value and in the transition to a low emission circular economy.

Metals New Zealand, as part of the Manufacturing Alliance commissioned the Manufacturing Matters report¹ and is calling on government to partner with the manufacturing sector to develop a Manufacturing Accord to address key challenges facing the sector. Key actions include:

Incentives to dramatically improve manufacturing productivity and adoption of new technologies

- The introduction of new incentives to increase investment in innovation that complement R&D tax credits, such as accelerated depreciation or a modernisation fund, with a particular focus on encouraging the adoption of Industry 4.0 technologies and the development of cleaner production and products.
- Scaling up the Industry 4.0 demonstration initiative.

Trade policy review

- A serious commitment by government/MFAT to addressing non-tariff measures in trade negotiations, including improved monitoring of non-tariff barriers and the introduction of required testing regimes, product codes and standards when trade agreements are negotiated/re-negotiated.
- Adequate resourcing of MBIE trade remedies team to enable them to professionally and proactively support New Zealand manufacturers.

¹ refer <https://www.metals.org.nz/2020/04/29/manufacturing-matters-a-blueprint-for-boosting-manufacturings-role-in-economic-recovery/>

- The introduction of mechanisms to ensure strong enforcement of standards and conformance for imports, e.g., electronic traceability, improved due diligence and enforcement at the border, and increased support for accreditation bodies.
- A significant improvement in the responsiveness/timeliness of trade remedies investigation processes.
- An independent review of trade remedies location and processes and in particular consider adopting an independent appeal process (as per the Australian example).

Vocational reform and ensuring skills development is focused the delivery of on the job training

- Ensuring ROVE will enable early access to vocational education and pathways and cater for the realities of unstructured skills development, the growing importance of soft skills, and the significant amount of informal and formal learning that takes place in the workplace.

Transition to a low emission and circular economy

- The development with industries of clear roadmaps for how manufacturing industries will transition to meet Zero Carbon Act requirements, including identifying the role that different policy levers will play (e.g., Emissions Trading Scheme, R&D support, trade policy) and options for reducing or eliminating carbon leakage (e.g., the assessment of the potential for introducing a carbon border adjustment scheme).
- The proper adoption of outcome based procurement, design contests and/or pre-commercial procurement to enable the Government’s significant buying power to solve environmental and technological challenges and, at the same time, support domestic manufacturing opportunities.
- Support high energy / high emission production processors through the transition to a low emission economy.
- Facilitate the development of hydrogen and other low / zero emission technologies.
- Partner with key stake stakeholders across the sector to facilitate the transition to a circular economy. A circular metals economy is a key exemplar opportunity for New Zealand to lead the world and demonstrate design, manufacture / construction for disassembly and reuse, repurpose or ultimately recycle.

Ensure Government Procurement delivers broader outcomes for New Zealand and New Zealand businesses

- Ensuring the existing procurement rules are fit for purpose. Rule 25 Subcontracting must be mandatory, not voluntary / best practice – “should” to be replaced by “must”².

² Currently rule 25 states - *An agency should require prime contractors to meet certain standards in its subcontracting. The standards should be consistent with the Principles, the Government Procurement Charter, the Supplier Code of Conduct, the priority outcomes set out in Rules 16 to 20, and other guidance.*

- Government agencies to adhere to the Government Procurement Charter (p13 of Rules) that directs Agencies to Review process followed by procurement managers.
- Increase MBIE resourcing to enable them to directly support agencies on major procurement.
- Introduce a feedback loop to all major construction procurement decisions on completion of the project ensuring broader outcomes are delivered and learning is captured to feed into future review of procurement rules.

Investment strategy

- Improving the criteria to assess overseas investments to provide certainty for investors
- Implementing targeted approach to attracting high quality foreign direct investment (FDI), which brings the capabilities, networks and innovation that are needed to advance domestic manufacturing. This includes ensuring that NZTE leverages investment intermediaries, such as industry associations, supporting local investment promotion efforts, and ensuring comprehensive aftercare.

Select those issues you identify as priorities for your business. If you require supporting information please contact nick@metals.org.nz