

Office of the Prime Minister

Prime Minister

Minister for National Security and Intelligence

Minister for Child Poverty Reduction

Minister Responsible for Ministerial Services

Associate Minister for Arts, Culture and Heritage



George Morrison

fyi-request-17772-d2d7d77b@requests.fyi.org.nz

fyi-request-17779-f689c790@requests.fyi.org.nz

Ref: PMO 2021-353 / 2021-357

Tēnā koe George Morrison

Official Information Act request for communications with Christopher Luxon

Thank you for your Official Information Act 1982 (the Act) request, received on 30 November 2021. You requested:

Please provide me with all communications from Christopher Luxon to you or your office and/or any other ministerial offices that were received while he was chairing the Prime Minister's Business Advisory Council, and also any communications to-or-from him going back to 19 October 2017.

You also requested:

Please provide me with all text messages and/or other forms of electronic messaging and responses sent to you by Christopher Luxon for the period you have been prime minister.

The Office of the Prime Minister apologises for the delay in response.

On 26 January 2022, we informed you that your requests for communications between the Prime Minister, Rt Hon Jacinda Ardern, and Christopher Luxon during her time as Prime Minister will be responded to as a combined response.

The time frame for responding to your request was extended under section 15A of the Act by 25 working days because it necessitated consultations to be undertaken before a decision could be made on the request. Following this extension, we are now in a position to respond.

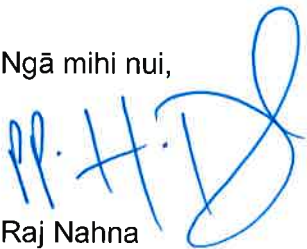
Please find enclosed communications between the Prime Minister and Christopher Luxon during her time as Prime Minister. We have decided to release this correspondence to you, subject to information being withheld under section 9(2)(a) of the Act, to protect the privacy of natural persons.

We are withholding the content of the text messages between the Prime Minister and Christopher Luxon during the timeframe specified in your requests under section 9(2)(g)(i) of the Act, as the withholding of the information is necessary to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any public service agency or organisation in the course of their duty.

In making our decision, we have considered the public interest considerations in section 9(1) of the Act.

You have the right to ask the Ombudsman to investigate and review our decision under section 28(3) of the Act.

Ngā mihi nui,

A handwritten signature in blue ink, appearing to be 'Raj Nahna', written in a cursive style.

Raj Nahna
Chief of Staff

Prime Minister



MP for Mt Albert

Minister for Arts, Culture & Heritage

Minister for National Security & Intelligence

Minister for Child Poverty Reduction

17 OCT 2018

Christopher Luxon
Chief Executive Officer, Air New Zealand
christopher.luxon@airnz.co.nz

Dear Christopher

I am delighted to confirm your appointment as Chair of the Prime Minister's Business Advisory Council.

I thank you for offering your time and energy to the Council, and I look forward to exchanging ideas and working together on policies that will help us transform the New Zealand economy.

Your support, and the support of Air New Zealand, in putting this together over the last few weeks has been very much appreciated. I look forward to seeing you at the first meeting on Thursday 8 November.

Kind regards



Rt Hon Jacinda Ardern
Prime Minister

Ben Cross [DPMC]

From: Raj Nahna <Rajesh.Nahna@parliament.govt.nz>
Sent: Saturday, 2 March 2019 3:33 pm
To: ^EXT: Kurt Mclauchlan
Subject: FW: Information: PM BAC Programme Manager

Importance: High

From: Christopher Luxon [mailto:christopher.luxon@airnz.co.nz]
Sent: Monday, 18 February 2019 12:07 PM
To: s9(2)(a) @airnz.co.nz>; s9(2)(a) @airnz.co.nz>
Cc: s9(2)(a) @mbie.govt.nz>; Raj Nahna <Rajesh.Nahna@parliament.govt.nz>; s9(2)(a) @airnz.co.nz>; s9(2)(a) @airnz.co.nz>; s9(2)(a) @airnz.co.nz>
Subject: Information: PM BAC Programme Manager
Importance: High

Kia ora BAC Friends,

I trust you have all been enjoying this wonderful summer.

For each of us I know it will be really important that we now move on and deliver some very tangible outcomes and actions in the next 6 months through the BAC. To help us do that and to provide some real arms and legs to do the work, I'd like to introduce you to s9(2)(a) who will take the lead as our BAC Programme Manager working alongside each of you to deepen our actions delivery. s9(2)(a)

s9(2)(a) will provide the BAC with programme management and other support across our own streams of work and as a liaison with government. To that end, Nick has all of your contact details and is fully up to speed with all the content we have been discussing. So, he will be reaching out immediately to see how he can help you shape the work and complete actions. He is working full time with us and can be reached on s9(2)(a) @airnz.co.nz and s9(2)(a).

As you can understand with respect to upcoming 2019 meetings, it has been challenging to align 13 busy CEO/Director diaries with the parliamentary schedule. However, can I just say a big thank you to you and your EA's for your tremendous patience and support in working with s9(2)(a) to lock in the below dates in your diaries:

- Tue 12 Mar 1400 onwards: Meeting & Dinner, BAC Only - Auckland
- Wed 13 Mar 1400 - 1700: PM & BAC - Wellington
- Thu 4 Jul 1400 onwards: Meeting & Dinner, BAC only - Auckland
- Fri 5 Jul 0730 - 1200: PM & BAC - Auckland

- Thu 31 Oct 1400 onwards: Meeting & Dinner, BAC only - Auckland
- Fri 1 Nov 0830 - 1230: PM & BAC - Auckland

Over the course of the year there will be instances where not all BAC members will be able to attend due to schedules, so we will aim to have a minimum of 8-10 members present at the meetings so that we can keep things moving forward. The main deliverables will take place outside of the meetings anyway as we progress on actions.

Look forward to seeing you in March and should you have any questions please don't hesitate to call.

Nga mihi,
Christopher
s9(2)(a)

Good planets are hard to find - please think of the environment before you print this email.

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Hon. Grant Robertson
Minister of Finance

Hon. David Parker
Minister of Economic Development

Copy to: The Office of the Prime Minister – Rt. Hon Jacinda Ardern

Parliament Buildings
Wellington

Dear Ministers,

Securing High-Quality Investment

The Business Advisory Council enjoyed the session with Government Ministers on 13 March at Premier House. At that session, we discussed the importance of a high performing investment environment for businesses and the nation to thrive.

As you know, we are interested in discussing infrastructure more broadly at the July meeting with Government and we are presently engaging with Treasury on OIO reform. We would like to reiterate here the Council's general thoughts on venture capital (VC) and investment attraction.

Venture Capital

At the March meeting, Peter Beck led us through a valuable discussion on both the fundamental challenges and the significant opportunity concerning our early stage capital market.

The assessment was blunt; New Zealand is one of the worst places to be a start-up. This is due to a combination of factors including a lack of scale both of vision and of capital, little depth in global access to funding/expertise networks and domestic VCs operating in the absence of global market terms.

In many cases, Kiwi entrepreneurs in need of funding are forced to dilute shares to a point where international investors are attracted to the idea but struggle to make the business case work. Share registers reflects this, lacking the institutional investors that signal a strong business proposition to the market.

In addition, a pervasive cultural weakness holds back the start-up environment. There is a lack of positive recognition of entrepreneurialism, a poor education curriculum which does not deliver to technology requirements, and the long-running tall-poppy syndrome, where financial success is looked down on, and big bold ideas are met with resistance.

New Zealand has a talented entrepreneur community, teeming with good ideas. However, this talent is cocooned in a poor environment. Culture is difficult to change, yet there are steps the Government can take to transition us towards the high potential we know exists.

We need only look to our nearest neighbour for inspiration. Australia had a similar VC issue a decade ago. The government employed the sovereign wealth fund to solve the problem, which embarked on a strategic programme of reform including:

- Building networks and knowledge by working in joint ventures with large US and global venture funds;
- Following this knowledge development, they established their own venture fund as well as becoming a funder of funds for Australian VC funds; and
- They assisted the Australian VC community by setting terms and investment ethos, which introduced them to large sophisticated venture investors so that VCs could create their own global networks.

A cultural shift has slowly been occurring and now Australia has a much more globally competitive early stage capital market, firms are more entrepreneur focused and positive exits are occurring.

The point is to not only set policy as a blunt instrument for change, but to follow a strategic process in bringing a long-term, high-quality transition to this market, policy and culture. This is where the Australian experience is instructive. It is relevant and applicable to the New Zealand context and should be adopted here.

Investment Attraction

We greatly appreciate NZTE presenting at our last session. Their presentation and our own experience underscore problems in the New Zealand investment proposition.

The natural structure of the New Zealand market means that many investment opportunities are small -circa \$20 million on average. This scale does not attract nor warrant significant international interest. This organic challenge is made worse by the absence of a comprehensive, deliberate national plan and long-term strategy regarding which sectors and what type of investment we are seeking as a nation.

We recommend the Government undertake a serious investigation of offshore investment attraction models. The Singaporean approach (and lead agency Enterprise Singapore) is of particular interest.

This approach is based on building-out whole sectors, where sectors with a comparative advantage are deliberately selected and surged. This includes through deliberate policy decisions and long-term resourcing allocations on multiple fronts. These measures may incorporate, for example, attraction of international firms with know-how and capital, attraction of international talent and then in parallel, the development of domestic firms. One objective is to scale local small and medium enterprises to mid-tier company status through this process of sector building.

Like the VC comments above, this is not simply a case of more investment into the existing small scale market, or more funding of existing agencies. It concerns executing on a long-term strategic approach to foreign investment, in pursuit of a national vision for our globally competitive sectors.

From the outset this requires deliberate action, co-ordination and alignment across a suite of government and industry levers. New Zealand requires more foreign investment, but it also requires a new 'playbook' on how to go about attracting it through a sector building model.

We believe NZTE has strong leadership and a capable team. However, this agency can only work within a limited market and policy environment. It is also small when compared to international counterpart agencies. New Zealand needs to get serious about our investment proposition if we are to compete for the global capital currently passing us by. This requires both a fundamental redesigning of our approach to investment attraction *and* a significant increase in resourcing for the agency accountable for delivery.

Thank you again for the genuine discussion held at our last Council meeting and we are looking forward to meeting again in July.

Yours sincerely,



Christopher Luxon

Chair, Prime Minister's Business Advisory Council
Chief Executive, Air New Zealand

Ben Cross [DPMC]

From: D Parker (MIN) <D.Parker@ministers.govt.nz>
Sent: Wednesday, 19 June 2019 12:42 pm
To: s9(2)(a)
Cc: J Ardern (MIN); G Robertson (MIN)
Subject: Letter from Minister Parker
Attachments: Letter to Christopher Luxon.pdf

Dear Christopher Luxon

Please find attached a response to your letter of 27 May 2019.

Kind regards

s9(2)(a)

Office of Hon David Parker

Office of Hon David Parker MP | Attorney-General | Minister for Economic Development | Minister for the Environment | Minister for Trade and Export Growth | Associate Minister of Finance

Authorised by Hon David Parker MP, Parliament Buildings, Wellington

Released under the Official Information Act 1982

Hon David Parker BCom, LLB



Attorney-General

Associate Minister of Finance

Minister for Economic Development

Minister for the Environment

Minister for Trade and Export Growth

19 JUN 2019

Christopher Luxon
Chair, Prime Minister's Business Advisory Council
Chief Executive, Air New Zealand

Dear Christopher

Thank you for your letter of 27 May which outlines the Business Advisory Council's (BAC) thoughts on venture capital and investment attraction. I am also replying on behalf of Hon Grant Robertson, Minister of Finance.

Venture Capital

Following from your conversation with the Prime Minister, the Council will have seen the Budget announcement that a new \$300 million fund for early-stage firms is to be established. The aim of this policy and funding is to help provide capital for New Zealand firms that wish to expand beyond the early start-up phase.

The New Zealand Superannuation and Retirement Income Act 2001 will be amended to enable this fund to be established. This amendment will allow the Guardians of New Zealand Superannuation to administer this new fund in a commercial arrangement with NZVIF. We expect the legislation to be introduced in July 2019 and anticipate it will come into force in October 2019, after which capital can begin to be deployed.

We would also like to thank BAC, particularly Peter Beck, for the presentations and discussions which have helped inform this work. We look forward to discussing with BAC members how the fund will operate. This discussion will help inform the details of the operation of the fund.

Investment Attraction

We agree that our key sectors need to be performing at close to their full potential in order for the economy to be more productive, sustainable and inclusive. This involves both building on our traditional strengths, through boosting productivity growth and business dynamism, and also finding new opportunities for firms to flourish.

I have been working with Cabinet colleagues on a refocussed Industry Strategy which is part of the Innovative Industries strand of our Economic Strategy. We are proposing to use Industry Transformation Plans, based on best practice OECD advice and the practical experience of Singapore. We intend to outline this approach in a document titled *From the Knowledge Wave to the Digital*

Age which will be launched on 2 July 2019 at Parliament. Launch copies of this document will be provided directly to BAC members.

The Industry Strategy has a broad focus across ten sectors: Food and Beverage, Agritech, Wood Processing and Forestry, Tourism, Construction, Creative Industries, Renewable Energy, Digital Technologies, Aerospace and Health Technologies sectors. We are working initially on Industry Transformation Plans for the first four sectors; Food and Beverage, Agritech, Digital Technology and Wood Processing and Forestry.

A sectoral approach reflects the thinking BAC presented to Government, including in the report prepared by McKinsey and Company, in partnership with the BAC, on the Future of Work. This report suggested identifying high-performing or high-potential sectors with support and targeted investment and incentives to achieve scale.

The Plans will be market led, take a systems approach and link action across government and the private sector. They will be designed to encourage private sector investment and limit risk of government failure. Detailed Plans are to be developed by lead agencies working across all relevant government agencies, unions, iwi, business groups, firms, and, where applicable, local and regional government. We envisage the BAC playing a key role in helping shape the form of these Plans.

Once developed, these plans will help us identify where to target our relative efforts and resources. They will also help inform what additional delivery capabilities might be required to realise our approach to investment attraction.

Again we look forward to discussing on 5 July how best to utilise the Council's expertise in this work.

Yours sincerely



Hon David Parker
Minister for Economic Development

Cc: Rt Hon Jacinda Ardern, Prime Minister
Hon Grant Robertson, Minister of Finance

Ben Cross [DPMC]

From: s9(2)(a) @airnz.co.nz>
Sent: Friday, 21 June 2019 6:50 pm
To: Bridie Hood
Subject: Information: Letter from the Business Advisory Council
Attachments: PMBAC NZ Business Compliance Research Report May 2019.pdf, PMBAC Letter Re SMEs and Compliance 0619.pdf

Kia Ora Bridie,

Trust this email finds you well.

Please find attached a letter for the Prime Minister's information.

Best regards,

s9(2)(a) EA to CEO & Chairman | Office of the CEO P. s9(2)(a) @airnz.co.nz

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21 June 2019

Hon. David Parker
Minister of Economic Development

Hon. Stuart Nash
Minister of Small Business

WELLINGTON

Copy to: The Office of the Prime Minister – The Rt. Hon Jacinda Ardern
The Officer of the Minister of Finance – Hon. Grant Robertson

Dear Ministers,

Unleashing the Potential of Our Small and Medium Enterprises.

One of the areas the Prime Minister's Business Advisory Council has focused on is easing the compliance burden on small and medium enterprises (SME). New Zealand will not thrive or tackle its productivity challenge until we can unleash the value of the SME sector which, as you know, makes up 97% of all Kiwi enterprises. In this context, we discussed the concept of 'giving back' two days a month to SMEs through a reduction in time spent on compliance. We felt there was significant value to be unlocked in setting this type of ambitious objective.

In partnership with Xero, we commissioned an independent survey of businesses focused on compliance 'pain-points' (**attached**). Key insights from this survey were that:

- Compliance issues are one of the biggest concerns for businesses and are identified as the single largest barrier to growth.
- A reduction in compliance time and cost would enable businesses to focus on, among other areas, growth and profitability.
- Keeping up to date with compliance obligations and understanding regulatory requirements are among the top pain points for businesses.
- Businesses want clarity and consistency when it comes to compliance.
- A 5% reduction in compliance would result in an additional 9 million hours of productivity annually being 'given back' to businesses. That is the equivalent to unlocking approximately 4800 FTEs (giving back two days per month, our original goal, would represent an over 50% reduction and significantly more resources being freed up).

We were conscious that colleagues on the Small Business Council were also looking deeply at this issue. A joint session with members of both Councils was held to discuss these and other insights. Our shared view is that Government will be better served if it receives one set of recommendations in relation to SMEs, endorsed by both Councils.

In addition to broadly agreeing with the more explicit and tangible recommendations of the Small Business Council, we outline overarching themes we suggest the Government pursue in relation to the wellbeing of our SMEs.

21 June 2019

It is important to first note our overarching message. **Government should develop, and hold itself accountable to, a clear and ambitious strategy for the SME sector as a key pillar of its economic agenda. This strategy should be focused on 'making it easy' for business when it comes to regulatory engagement. Inevitably this will include reducing the compliance burden in terms of both the number of regulations and the time spent to satisfy them.**

We accept that in most cases, the underlying purposes of and the outcomes sought by regulation are needed. However, those purposes and outcomes are often clouded or lost in things like: other requirements and impositions that are *not* actually needed; inefficient and unworkable processes; duplication and overlaps; and unnecessarily complex user interfaces.

We feel a bold clean-up, alignment and reduction exercise, underpinned by clear communications and an ambitious goal (such as '*giving back two days per month*') would net substantial and rapid benefits.

Key themes:

1. **It is of paramount importance to set clear, measurable targets** for the public sector to reduce pain-points in relation to SMEs and to hold Department heads accountable for meeting those targets. This will encourage the development of interagency workstreams and priority action lists for what needs to urgently improve.
2. **It is critical to take a user-based approach to compliance.** Businesses are consumers of regulation and therefore their user experience matters a great deal. There are layers upon layers of compliance requirements on SMEs, coming from multiple agencies in an uncoordinated way, with seemingly little awareness from regulators of the cumulative impact on individual businesses.
3. **Communication is critical and Government could significantly improve in this area.** There are many services available for businesses, yet these are shrouded in confusion and there are not easily navigable information banks. Migrant business owners and solo traders are particularly impacted by poor communication, misunderstood and frequently changing obligations. The technology is eminently available and should be employed for targeted messaging in multiple languages to various business types.
4. **Central and local Government need to be aligned and coordinated** when it comes to compliance obligations placed on SMEs. This may require cross cutting agencies with new powers of enforcement and advocacy.
5. **Government could take bold action** in reducing the compliance burden on SMEs by piloting initiatives in one sector where small businesses are concentrated.
6. **We would like to explore how Government and large businesses can work together in implementing e-Invoicing.** We know that both the public and private sector can be poor at timely payments to suppliers, many of whom are SMEs. e-Invoicing is a significant step towards addressing this issue. That will require firm commitments from Government and the willingness to incentivise early adoption of the scheme.

21 June 2019

At an organisational level, it is surprising to us that the team tasked with addressing businesses regulatory engagement issues is buried within MBIE and operating on an uncertain, annual and club funded budget. The agenda, existing data and measures of the Better for Business unit (or an equivalent group) should be forming a key pillar of the Government's business sector strategy.

These themes are in addition to the recommendations we previously made in relation to SMEs as part of the *A Future That Works Report: Harnessing Automation for a More Productive and Thriving New Zealand*.

We look forward to discussing this further with Government at our meeting in July, which will include discussion with the Small Business Council on their recommendations.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'C. M. Luxon', with a horizontal line underneath.

Christopher Luxon

Chair – Prime Minister's Business Advisory Council
Chief Executive Officer – Air New Zealand

Released under the Official Information Act 1982

OPERCEPTIVE



BUSINESS ADVISORY COUNCIL

New Zealand Business Compliance Research

May 2019

Released under the Official Information Act 1982

OBJECTIVES

PERCEPTIVE

The Prime Minister's Business Advisory Council believes Aotearoa New Zealand faces unprecedented opportunities and challenges as automation and innovation change our working lives.

Automation provides an opportunity to reduce compliance requirements for NZ businesses.

Objectives:

- » To identify and understand the pain points for NZ businesses when it comes to interacting with local and central government on compliance matters.
- » To quantify how much time the government can save NZ businesses if they reduce compliance.

For the purposes of this survey we have defined compliance as ensuring that you are aware of, and take steps to comply with laws, policies and regulations that are relevant to your business.

This relates to areas including tax and levies, local government requirements and protecting intellectual property, etc.



METHODOLOGY

PERCEPTIVE

We undertook an online survey of **1,045** New Zealand business decision makers.

Results have a margin of error of **+/-3 per cent** at the **95 per cent** confidence level. Participants were spread across **19** industries including **11 per cent** from Professional, Scientific and Technical Services, **9 per cent** from Retail Trade and **8 per cent** from Construction.

Respondents additionally came from across NZ with **34 per cent** from Auckland, **13 per cent** from Canterbury, **11 per cent** from Wellington and **41 per cent** from other NZ regions. The data has been weighted by business size to ensure a representative sample.

KEY DATA POINTS

- » Compliance is one of the biggest concerns for businesses, ranking only behind 'securing new business'.
- » Although improving compliance isn't specified as a key business goal, it does enable businesses to achieve goals such as increasing profitability, growing revenue, reducing costs and spending less time at work.
- » Compliance is seen as the biggest barrier to growth for businesses (25 per cent), with 35 per cent of businesses believing that compliance has a negative effect on their business.
- » The average NZ business is dealing with almost four (3.6) areas of compliance, primarily tax and levies but also record keeping, health and safety, and industry specific requirements.
- » The main pain points of compliance are around keeping up to date with compliance changes (42 per cent), understanding compliance (40 per cent) and record keeping (40 per cent). Twenty-nine per cent of businesses rank taxes and levies as the most frustrating compliance task, with a further 17 per cent ranking it 2nd and 3rd. This is also the area of compliance that businesses feel they know the least about (28 per cent).
- » Businesses feel the goal posts are constantly changing. Just when they get up to speed, the rules change again. They want clarity and consistency with compliance requirements.
- » Reducing these processes by just 5 per cent could save NZ businesses 9.2 million hours annually.

KEY FINDING

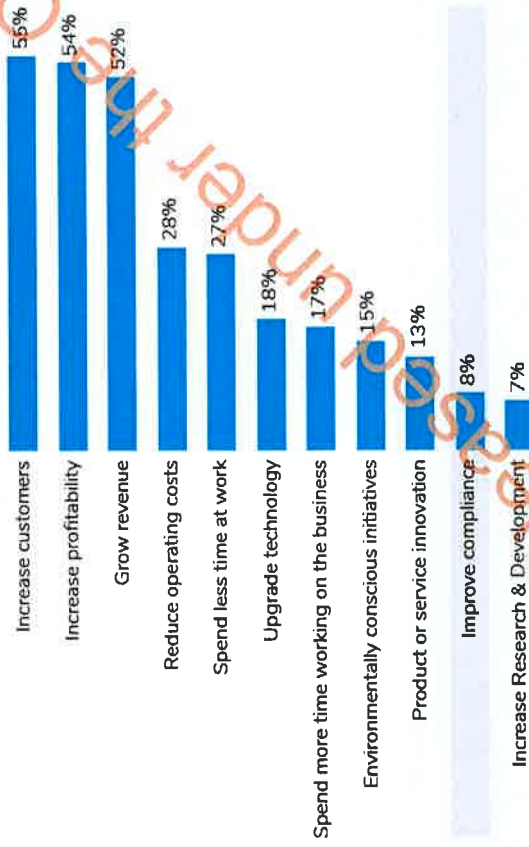
PERCEPTIVE

Improving compliance is not a top priority for most businesses, however, it is one of the biggest concerns. While improving compliance is not a specific goal it is an enabler that would free up businesses to focus on the top-ranked goals.

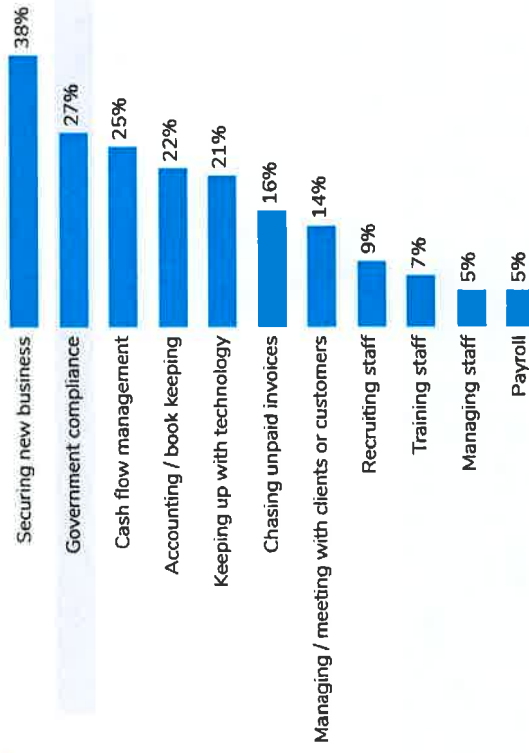
“If I could get past all the restrictive rules that limit my business then I could be very successful and contribute to society in a meaningful way.”

- ▶ What are the main business goals you would like to improve on in the next year or so? Base n = 1045.
- ▶ Please select the biggest concerns, or pain points, that you have in your business at the moment; Base n = 1045.

Business goals



Biggest concerns



KEY FINDING

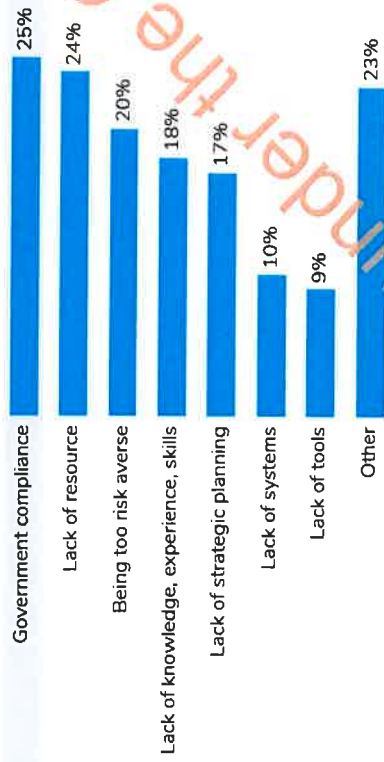
PERCEPTIVE

Government compliance is seen as the main barrier to growth for businesses and 35 per cent believe that compliance has a negative effect on their business.

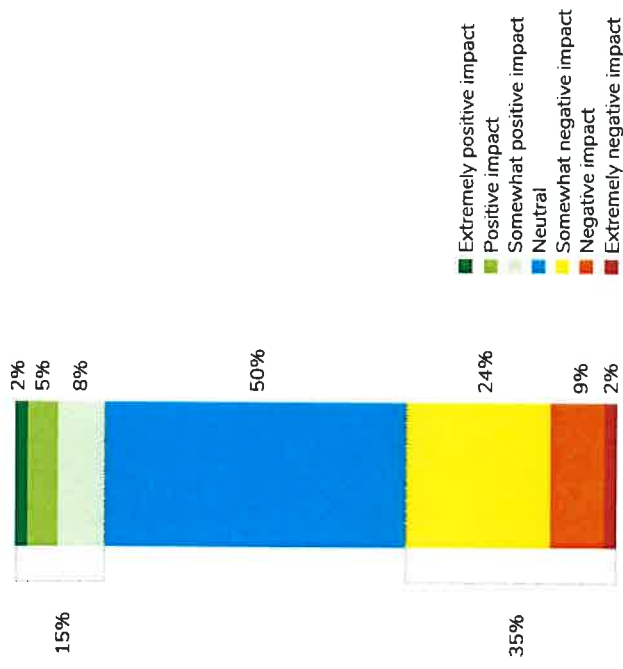
‘It is essential to my business, however, it is time consuming and costs money to do these things, which eats in to income.’

- ▶ What are the biggest barriers to growth for your business? Base n = 1045.
- ▶ What kind of impact do you believe compliance has on your business? Base n = 1045.

Barriers to growth



Impact of compliance



KEY FINDING

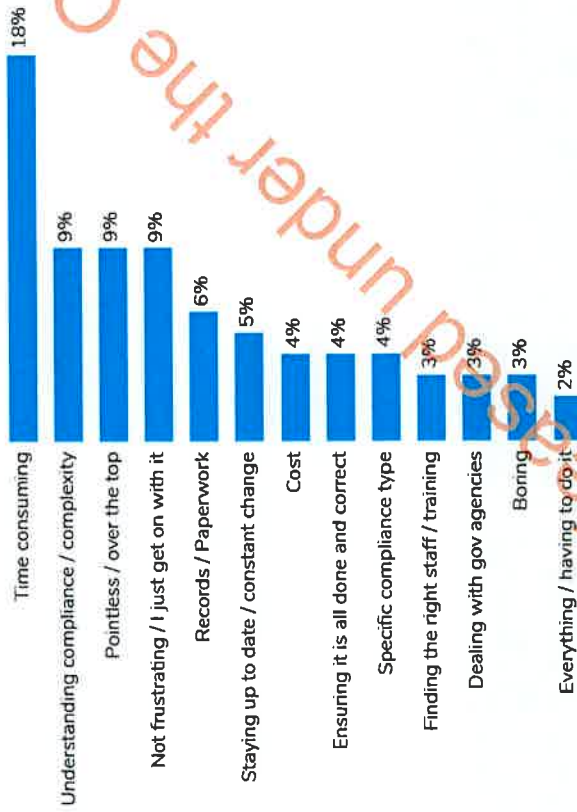
PERCEPTIVE

The biggest frustrations are the time it takes and the complexity / lack of understanding. More communication and education should be given to business decision makers to help them understand the required tasks, this, will help reduce frustration.

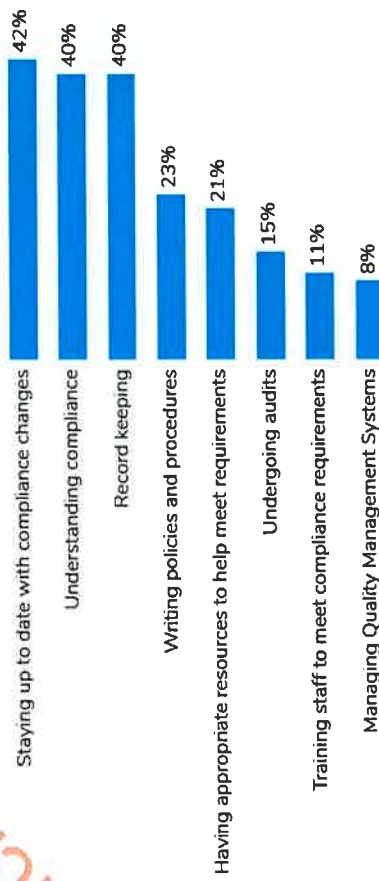


- What is it about those compliance tasks that frustrates you most? Base n = 1044.
- What are the areas of compliance that are the most painful for you? Base n = 1045.

What frustrates you most



Painful areas of compliance



KEY FINDING

PERCEPTIVE

42 per cent of businesses said staying up to date with compliance was the biggest pain point, business decision makers feel as though the goal posts are constantly shifting.

- » "Council keeps changing the bar and their ideas for compliance. It would be easier if they came out with new rules every 5 years and everyone knew that the upgrades and changes would make council happy."
- » "I have had to spend a lot of time in the business catering and sorting compliance instead of focusing on growth of my business—every time I get on top of it, a new law changes."
- » "The goal posts seem to be altering all the time. When a task is completed another round is necessary far too soon."
- » "Rules keep changing. Makes forward budgets difficult."
- » "It is finding the new legislation and information and then implementing the changes. New regulations and laws are not transparent enough and clear enough."
- » "I think that I have it all organised, then the website changes, or the rules change and I have to read and understand the implications. The playing field is constantly in flux."
- » "It changes without warning, some of the information is hard to find and understand on their website. Trying to find relevant permit forms is really hard."



KEY FINDING

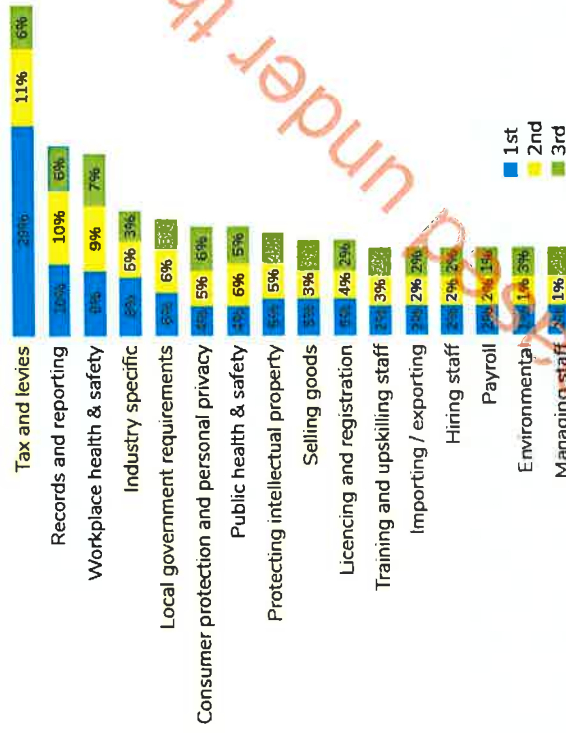
PERCEPTIVE

Tax and levies are the most frustrating compliance task by far, it is also the compliance area that business decision makers know the least about.

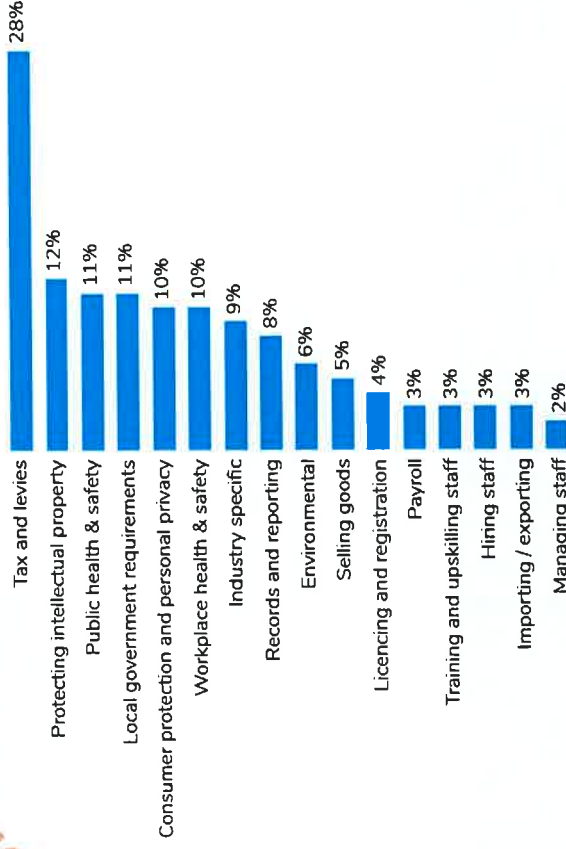
Doing tax compliance, for example, is tedious and time-consuming.

- ▶ Please rank the most frustrating compliance task; Base n = 1045.
- ◉ Which of the following types of compliance do you feel that you know the least about? Base n = 1045.

Most frustrating compliance task - ranking



Compliance type known least about



KEY FINDING

PERCEPTIVE

When interacting with local and central government on compliance matters, business decision makers feel as though compliance standards and rules are frustrating because they:

Get misinterpreted.

Are made by people who don't understand their industry.

Don't get communicated properly when changes happen.

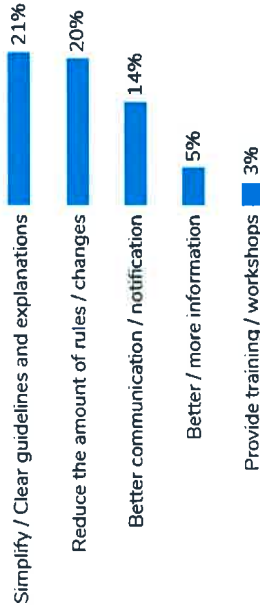
Can be pointless.

- » "The ever changing rules set by people who don't have any hands on experience in our industry making all the rules with out any consultation with the industry."
- » "Ever changing policies, rules and precedent-setting court cases; and different city councils interpreting rules differently in different cities."
- » "The interpretations of the standards in some cases between ourselves and the authorities."
- » "Government and local government not clear on registration information, it is not clear."
- » "Mixed messages from government personnel."
- » "Local govt misunderstanding of our business before passing judgment"
- » "Lack of information from govt on when the changes are coming into effect."
- » "Compliance requirements are sometimes overly bureaucratic with no real tangible benefit to the country. So it eats up time and money from the business."
- » "Stop making changes all the time most of which seem pointless, the what I call 'cotton wool PC' world we have created is cost millions across the country and making people not use there brains."

KEY FINDING

PERCEPTIVE

How can government make compliance easier?



- » "I'd like the government agencies to take the approach of a local chamber of commerce - which is to contribute to a one-stop-shop for information. With technology and the government's resources, standardisation and technology could achieve this."
- » "Make the rules easier for general public to understand and not require an expert to translate."
- » "Publish easy to follow guidelines online designed for small business owners without a team of lawyers to interpret them."
- » "Provide simple clearly written brief guidelines, be aware that 'one size does not fit all' - there needs to be some recognition of lesser requirements for smaller units."

- » Send email updates to business owners.
- » Use layman's terms so that business can understand what is required.
- » Create video updates or tutorials.
- » Create compliance checklists.

- » "Send regular updates of information and in easy to understand language."
- » "Sending out specific emails about things that are important to my business - so the ability for me to subscribe to particular alerts or business-centric email lists."
- » "Simplified video tutorials of what's changed and how it affects business owners."
- » "Webinars, post some short video clips explaining changes. I have heaps to read, so want to be able to obtain information quickly and efficiently."

KEY FINDING

PERCEPTIVE

If compliance tasks were reduced by 5 per cent we would save New Zealand businesses a total of:

9.2 million hours annually

Average business spends	X	There are	=	Total compliance time
345 hours		534,933		185 million
per year on compliance		businesses in NZ		hours annually
		5%	=	9.2 million
		reduction		hours saved

This would enable businesses to focus more time on achieving their goals of:

Growing their customer base

Increasing profitability

Growing revenue

Note: Based on business number and size statistics from Stats NZ.
Total of 534,933 businesses.

KEY FINDING

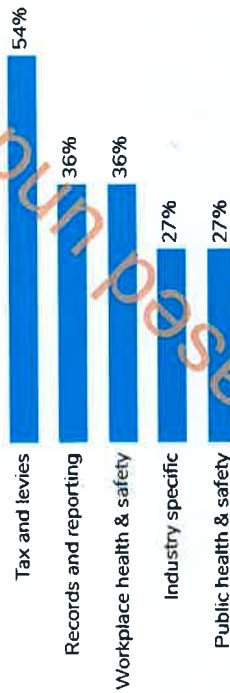
PERCEPTIVE

Average number of compliance considerations



Which of the following types of compliance are a consideration to your business?

Top 5 compliance considerations



Average number of hours spent on compliance annually



How much time per month is required to ensure your business is meeting compliance requirements across all employees?

Average annual direct cost of compliance



What would you estimate to be the total annual cost to your business to ensure that your business is meeting compliance requirements?

- » If we could reduce the time spent on compliance by **10 per cent** we could save NZ businesses an average of 34 hours each annually.
- » If we could reduce the time spent on compliance by **20 per cent** we could save NZ businesses an average of 69 hours each annually.
- » If we could reduce the time spent on compliance by **30 per cent** we could save NZ businesses an average of 103 hours each annually.

KEY FINDING

PERCEPTIVE

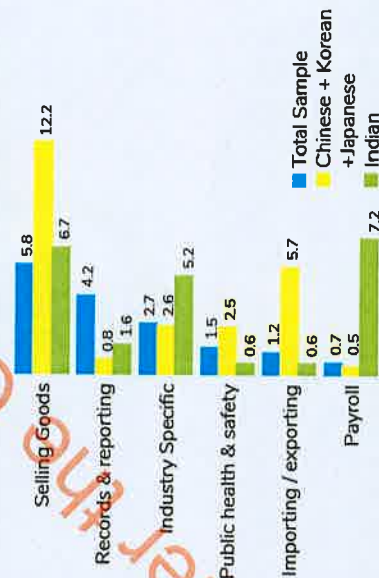
Those from certain ethnic communities are more burdened by compliance. Those from the Asian community (Chinese, Korean, Japanese and Indian) are spending more hours on compliance. Improving this is one of their main goals.

Asian community includes: Chinese, Korean, Japanese, Indian

Average number of hours spent on compliance annually



Average hours spent per month



Improving compliance is a business goal



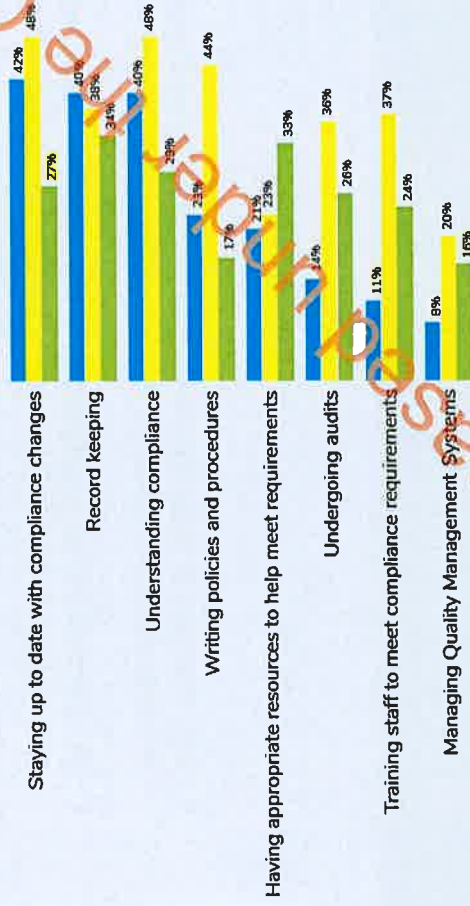
KEY FINDING

PERCEPTIVE

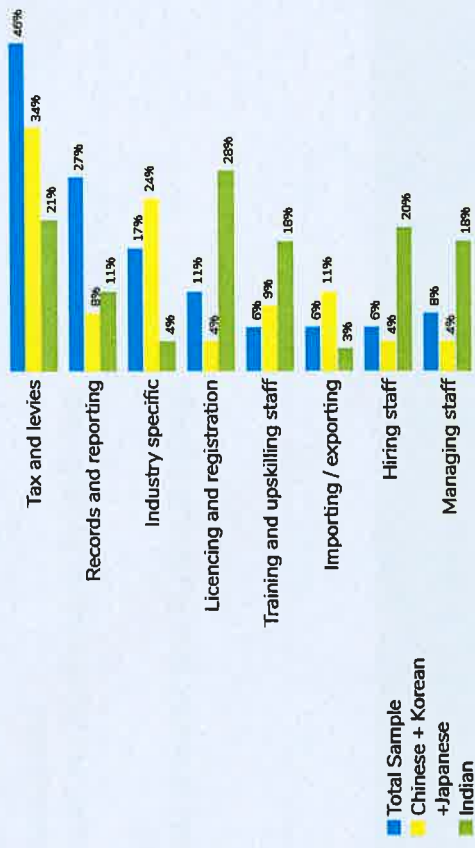
Those from the Chinese, Korean and Japanese communities find many areas of compliance more painful than other ethnicities. While those from the Asian community are less frustrated with tax and levies and records and reporting, those from the Indian community find areas to do with staff much more frustrating than others ethnicities. Working closely with industry and ethnic business networks to develop solutions will be important.

- Please rank the most frustrating compliance task;
- What are the areas of compliance that are the most painful for you?

Painful areas of compliance



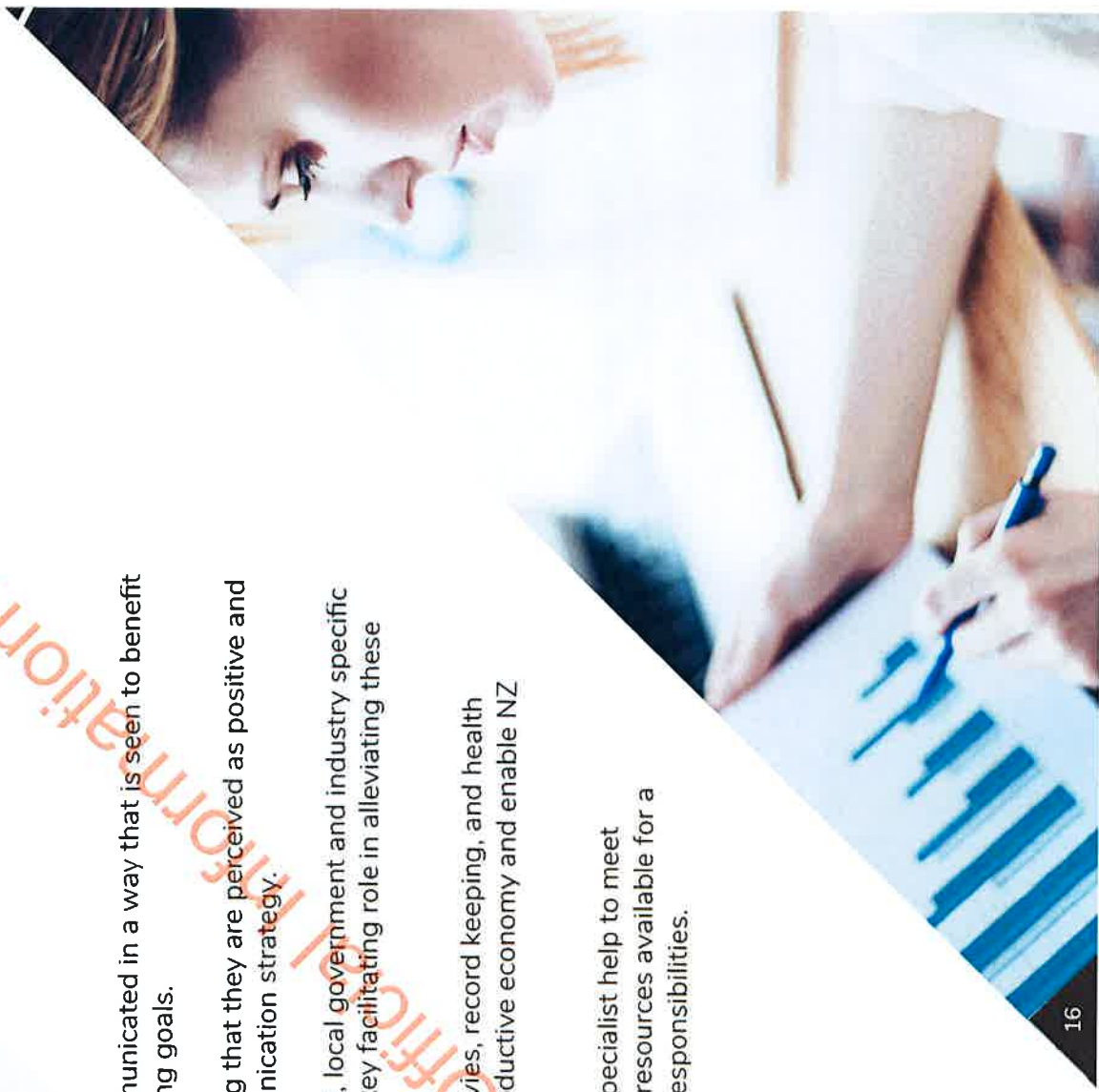
Most frustrating compliance task (% ranked in top 3)



RECOMMENDATIONS

- » Any changes in compliance need to be managed and communicated in a way that is seen to benefit NZ businesses by enabling them to achieve their overarching goals.
- » Businesses will be sceptical about any changes, so ensuring that they are perceived as positive and not another “pointless” change is paramount to the communication strategy.
- » Compliance frustrations can stem from central government, local government and industry specific requirements, however, central governments can play the key facilitating role in alleviating these stresses.
- » Key areas that are causing the most pain lie in taxes and levies, record keeping, and health and safety. Streamlining these areas will lead to a more productive economy and enable NZ businesses to be their best.
- » Most NZ businesses don't have the resources to leverage specialist help to meet compliance requirements. We need to make sure there are resources available for a layman to understand, comply to and execute compliance responsibilities.

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PERCEPTIVE



APPENDIX

BUSINESS GOALS

PERCEPTIVE

Column %	Total	WHICH ETHNIC GROUP(S) DO YOU BELONG TO?			
		New Zealand European	Maori	Samoan + Cook Island Maori + Tongan + Niuean	Chinese + Korean + Japanese + Indian
Grow revenue	52%	52%	65%	42%	45%
Increase profitability	54%	54%	46%	45%	70%
Increase customers	55%	55%	49%	43%	60%
Reduce operating costs	28%	26%	27%	23%	45%
Spend less time at work	26%	27%	26%	16%	27%
Upgrade technology	18%	16%	20%	27%	27%
Spend more time working on the business	16%	15%	34%	19%	25%
Environmentally conscious initiatives	15%	14%	23%	22%	16%
Product or service innovation	13%	12%	21%	31%	22%
Improve compliance	8%	7%	11%	18%	22%
Increase Research & Development	7%	6%	13%	19%	16%
Other - please specify	6%	6%	0%	0%	0%
Column Population	1044	814	60	28	69

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BUSINESS GOALS

PERCEPTIVE

Column %	Total	WHAT INDUSTRY DOES YOUR BUSINESS OPERATE IN? PLEASE READ THE SELECTIONS CAREFULLY BEFORE SELECTING ONE ONLY												
		Retail Trade	Professional, Scientific and Technical Services	Education and Training	Agriculture, Forestry and Fishing	Construction	Healthcare and Social Assistance	Manufacturing	Accommodation, Restaurants and Hospitality	Rental, Hiring and Real Estate Services	Administrative and Support Services	Arts and Recreation Services	Other Services	Other
Grow revenue	52%	67%	47%	30%	45%	52%	45%	43%	48%	59%	50%	76%	58%	51%
Increase profitability	54%	69%	46%	42%	47%	55%	50%	66%	62%	39%	37%	66%	66%	56%
Increase customers	55%	75%	45%	58%	30%	37%	48%	70%	53%	34%	57%	83%	73%	52%
Reduce operating costs	28%	36%	15%	28%	47%	29%	31%	28%	40%	25%	12%	26%	32%	26%
Spend less time at work	26%	18%	28%	21%	28%	47%	26%	17%	22%	33%	35%	11%	28%	26%
Upgrade technology	18%	26%	17%	27%	22%	13%	8%	20%	8%	10%	20%	22%	14%	19%
Spend more time working on the business	16%	38%	11%	16%	13%	6%	9%	16%	12%	18%	17%	26%	18%	17%
Environmentally conscious initiatives	15%	23%	12%	17%	35%	12%	11%	17%	16%	4%	4%	20%	11%	13%
Product or service innovation	13%	14%	16%	16%	11%	9%	6%	14%	20%	6%	12%	13%	11%	15%
Improve compliance	8%	5%	10%	6%	17%	5%	2%	13%	2%	12%	9%	7%	4%	9%
Increase Research & Development	7%	13%	9%	12%	14%	3%	2%	13%	7%	4%	4%	9%	3%	6%
Other - please specify	6%	2%	3%	10%	9%	10%	9%	0%	5%	8%	0%	0%	0%	10%
Column Population	1044	81	142	55	52	75	69	46	43	47	41	56	93	244

BIGGEST CONCERNS

PERCEPTIVE

Column %	Total	WHICH ETHNIC GROUP(S) DO YOU BELONG TO?			
		New Zealand European	Maori	Samoa + Cook Island Maori + Tongan + Niuean	Chinese + Korean + Japanese + Indian
Securing new business	38%	39%	44%	21%	32%
Government compliance (e.g health & safety, tax & levies or employment regulations)	26%	27%	27%	16%	29%
Cash flow management	25%	24%	20%	24%	34%
Accounting/bookkeeping	22%	23%	22%	22%	28%
Keeping up with technology	21%	19%	22%	19%	31%
Chasing unpaid invoices	16%	16%	23%	23%	22%
Managing/meeting with clients or customers	13%	13%	13%	15%	15%
Other - please specify	10%	10%	4%	0%	2%
Recruiting staff	9%	8%	12%	10%	15%
Training staff	6%	4%	9%	12%	22%
Managing staff	5%	4%	10%	14%	19%
Payroll	5%	3%	11%	8%	21%
Column Population	1044	814	60	28	69

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BIGGEST CONCERNS

PERCEPTIVE

Column %	Total	WHAT INDUSTRY DOES YOUR BUSINESS OPERATE IN? PLEASE READ THE SELECTIONS CAREFULLY BEFORE SELECTING ONE ONLY												
		Retail Trade	Professional, Scientific and Technical Services	Education and Training	Agriculture, Forestry and Fishing	Construction	Healthcare and Social Assistance	Manufacturing	Accommodation, Restaurants and Hospitality	Rental, Hiring and Real Estate Services	Administrative and Support Services	Arts and Recreation Services	Other Services	Other
Securing new business	38%	37%	46%	43%	21%	29%	23%	38%	25%	28%	38%	65%	39%	40%
Government compliance (e.g. health & safety, tax & levies or employment regulations)	26%	17%	20%	17%	45%	45%	29%	23%	23%	65%	8%	19%	19%	26%
Cash flow management	25%	30%	12%	18%	20%	36%	18%	20%	32%	17%	27%	36%	28%	29%
Accounting/bookkeeping	22%	30%	16%	27%	28%	32%	25%	20%	29%	13%	19%	20%	30%	16%
Keeping up with technology	21%	24%	30%	21%	30%	15%	17%	20%	11%	10%	17%	22%	14%	22%
Chasing unpaid invoices	16%	13%	21%	17%	15%	29%	13%	18%	6%	11%	11%	14%	19%	14%
Managing/meeting with clients or customers	13%	17%	10%	12%	17%	17%	15%	8%	12%	3%	14%	20%	16%	16%
Other - please specify	10%	7%	5%	19%	13%	4%	6%	10%	4%	2%	16%	8%	10%	15%
Recruiting staff	9%	13%	5%	12%	10%	14%	4%	12%	25%	3%	6%	10%	13%	7%
Training staff	6%	13%	2%	3%	9%	6%	4%	10%	10%	9%	4%	2%	8%	7%
Managing staff	5%	11%	2%	4%	12%	4%	5%	7%	8%	2%	3%	7%	5%	5%
Payroll	5%	5%	3%	2%	5%	7%	4%	10%	16%	3%	2%	4%	4%	5%
Column Population	1044	81	142	55	52	75	69	46	43	47	41	56	93	244

BARRIERS TO GROWTH

PERCEPTIVE

Column %	Total	WHICH ETHNIC GROUP(S) DO YOU BELONG TO?			
		New Zealand European	Maori	Samoan + Cook Island Maori + Tongan + Niuean	Chinese + Korean + Japanese + Indian
Government compliance (e.g. health & safety, tax & levies or employment regulations)	24%	25%	21%	27%	24%
Lack of resource	24%	24%	30%	28%	34%
Other - please specify	23%	24%	12%	7%	2%
Being too risk averse	20%	19%	34%	30%	28%
Lack of knowledge, experience, skills	18%	19%	15%	29%	21%
Lack of strategic planning	17%	15%	25%	43%	32%
Lack of systems	10%	9%	14%	16%	22%
Lack of tools	9%	6%	22%	14%	22%
I don't know	0%	0%	0%	0%	0%
Column Population	1044	814	60	28	69
Managing staff	5%	4%	10%	14%	19%
Payroll	5%	3%	11%	8%	21%
Column Population	1044	814	60	28	69

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BARRIERS TO GROWTH

PERCEPTIVE

WHAT INDUSTRY DOES YOUR BUSINESS OPERATE IN? PLEASE READ THE SELECTIONS CAREFULLY BEFORE SELECTING ONE ONLY

Column %	Total	Retail Trade	Professional, Scientific and Technical Services	Education and Training	Agriculture, Forestry and Fishing	Construction	Healthcare and Social Assistance	Manufacturing	Accommodation, Restaurants and Hospitality	Rental, Hiring and Real Estate Services	Administrative and Support Services	Arts and Recreation Services	Other Services	Other
Government compliance (e.g. health & safety, tax & levies or employment regulations)	24%	19%	20%	27%	33%	44%	23%	27%	29%	33%	8%	8%	26%	24%
Lack of resource	24%	23%	27%	20%	14%	28%	17%	13%	34%	8%	33%	40%	20%	27%
Other - please specify	23%	12%	27%	34%	19%	14%	24%	29%	16%	24%	11%	13%	22%	30%
Being too risk averse	20%	19%	22%	19%	30%	21%	13%	17%	12%	29%	27%	30%	17%	18%
Lack of knowledge, experience, skills	18%	31%	14%	16%	14%	9%	18%	22%	18%	2%	26%	30%	18%	17%
Lack of strategic planning	17%	22%	20%	17%	28%	15%	22%	20%	6%	4%	13%	17%	14%	17%
Lack of systems	10%	16%	11%	6%	13%	7%	13%	14%	12%	12%	5%	9%	12%	8%
Lack of tools	9%	8%	10%	10%	9%	9%	2%	7%	16%	7%	2%	11%	8%	9%
I don't know	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Column Population	1044	81	142	55	52	75	69	46	43	47	41	56	93	244

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IMPACT OF COMPLIANCE

PERCEPTIVE

Column %	Total	WHICH ETHNIC GROUP(S) DO YOU BELONG TO?			
		New Zealand European	Maori	Samoaan + Cook Island Maori + Tongan + Niuean	Chinese + Korean + Japanese + Indian
Negative impact	35%	36%	37%	49%	34%
Neutral	50%	49%	48%	39%	48%
Positive impact	15%	15%	14%	12%	18%
Column Population	1044	814	60	28	69

Column %	Total	WHAT INDUSTRY DOES YOUR BUSINESS OPERATE IN? PLEASE READ THE SELECTIONS CAREFULLY BEFORE SELECTING ONE ONLY												
		Retail Trade	Professional, Scientific and Technical Services	Education and Training	Agriculture, Forestry and Fishing	Construction	Healthcare and Social Assistance	Manufacturing	Accommodation, Restaurants and Hospitality	Rental, Hiring and Real Estate Services	Administrative and Support Services	Arts and Recreation Services	Other Services	Other
Negative impact	35%	27%	34%	31%	55%	55%	30%	31%	37%	49%	18%	30%	29%	34%
Neutral	50%	53%	52%	60%	30%	34%	49%	60%	44%	29%	64%	40%	60%	53%
Positive impact	15%	20%	13%	8%	15%	10%	22%	9%	19%	22%	19%	30%	12%	14%
Column Population	1044	81	142	55	52	75	69	46	43	47	41	56	93	244

PAINFUL AREAS OF COMPLIANCE

PERCEPTIVE

Column %	Total	WHICH ETHNIC GROUP(S) DO YOU BELONG TO?			
		New Zealand European	Maori	Samoaan + Cook Island Maori + Tongan + Niuean	Chinese + Korean + Japanese + Indian
Staying up to date with compliance changes	42%	44%	44%	17%	39%
Record keeping	40%	41%	30%	30%	36%
Understanding compliance	40%	41%	51%	20%	40%
Writing policies and procedures	23%	23%	23%	19%	32%
Having appropriate resources to help meet requirements	21%	21%	25%	20%	27%
Undergoing audits	14%	13%	18%	25%	32%
Other - please specify	12%	12%	1%	7%	0%
Training staff to meet compliance requirements	11%	9%	9%	20%	31%
Managing Quality Management Systems	8%	7%	10%	23%	18%
Column Population	1044	814	60	28	69

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PAINFUL AREAS OF COMPLIANCE

PERCEPTIVE

WHAT INDUSTRY DOES YOUR BUSINESS OPERATE IN? PLEASE READ THE SELECTIONS CAREFULLY BEFORE SELECTING ONE ONLY

Column %	Total	Retail Trade	Professional, Scientific and Technical Services	Education and Training	Agriculture, Forestry and Fishing	Construction	Healthcare and Social Assistance	Manufacturing	Accommodation, Restaurants and Hospitality	Rental, Hiring and Real Estate Services	Administrative and Support Services	Arts and Recreation Services	Other Services	Other
Staying up to date with compliance changes	42%	37%	44%	24%	48%	52%	57%	41%	47%	51%	45%	37%	41%	35%
Record keeping	40%	52%	42%	52%	45%	41%	25%	42%	35%	30%	41%	33%	47%	37%
Understanding compliance	40%	40%	39%	30%	46%	46%	39%	33%	38%	52%	26%	53%	39%	40%
Writing policies and procedures	23%	33%	18%	18%	36%	26%	19%	24%	25%	17%	25%	24%	18%	21%
Having appropriate resources to help meet requirements	21%	14%	12%	15%	34%	29%	15%	26%	20%	21%	16%	30%	20%	25%
Undergoing audits	14%	12%	13%	15%	18%	18%	21%	11%	15%	14%	10%	7%	13%	16%
Other - please specify	12%	4%	15%	17%	9%	0%	12%	21%	4%	3%	9%	5%	11%	20%
Training staff to meet compliance requirements	11%	10%	5%	14%	22%	11%	5%	14%	14%	7%	1%	12%	13%	12%
Managing Quality Management Systems	8%	7%	6%	9%	15%	8%	3%	18%	11%	5%	1%	9%	6%	9%
Column Population	1044	81	142	55	52	75	69	46	43	47	41	56	93	244

TOTAL ANNUAL COST

PERCEPTIVE

Column %	Total	WHICH ETHNIC GROUP(S) DO YOU BELONG TO?			
		New Zealand European	Maori	Samoan + Cook Island Maori + Tongan + Niuean	Chinese + Korean + Japanese + Indian
Less than \$500	30%	31%	19%	7%	13%
\$501 - \$1,000	18%	19%	20%	11%	10%
\$1,001 - \$2,000	14%	13%	21%	3%	16%
\$2,001 - \$3,000	9%	9%	8%	28%	14%
\$3,001 - \$4,000	9%	8%	6%	33%	19%
\$4,001 - \$5,000	6%	7%	6%	15%	7%
\$5,001 - \$6,000	4%	4%	5%	2%	5%
\$6,001 - \$7,000	2%	2%	2%	0%	5%
\$7,001 or more	7%	7%	13%	1%	13%
\$1,001 or more	51%	50%	61%	82%	78%
\$3,001 or more	28%	28%	32%	52%	48%
\$2,001 or more	37%	37%	40%	80%	62%
Average	\$2,145	\$2,120	\$2,616	\$2,908	\$3,232
Column Population	1044	814	60	28	69

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TOTAL ANNUAL COST

PERCEPTIVE

Column %	Total	WHAT INDUSTRY DOES YOUR BUSINESS OPERATE IN? PLEASE READ THE SELECTIONS CAREFULLY BEFORE SELECTING ONE ONLY												
		Retail Trade	Professional, Scientific and Technical Services	Education and Training	Agriculture, Forestry and Fishing	Construction	Healthcare and Social Assistance	Manufacturing	Accommodation, Restaurants and Hospitality	Rental, Hiring and Real Estate Services	Administrative and Support Services	Arts and Recreation Services	Other Services	Other
Less than \$500	30%	26%	30%	45%	13%	13%	19%	40%	29%	13%	30%	50%	47%	32%
\$501 - \$1,000	18%	31%	16%	17%	12%	24%	12%	12%	11%	28%	24%	9%	10%	21%
\$1,001 - \$2,000	14%	16%	18%	10%	11%	13%	11%	11%	17%	19%	15%	14%	11%	11%
\$2,001 - \$3,000	9%	5%	9%	3%	14%	17%	7%	7%	16%	17%	11%	5%	9%	7%
\$3,001 - \$4,000	9%	8%	10%	8%	8%	13%	7%	7%	11%	2%	14%	8%	7%	11%
\$4,001 - \$5,000	6%	6%	6%	7%	16%	1%	3%	3%	2%	0%	3%	10%	7%	6%
\$5,001 - \$6,000	4%	6%	2%	1%	10%	1%	8%	8%	7%	11%	0%	3%	2%	3%
\$6,001 - \$7,000	2%	1%	2%	2%	4%	3%	2%	2%	2%	5%	0%	0%	3%	1%
\$7,001 or more	7%	2%	7%	8%	11%	10%	10%	10%	5%	6%	4%	1%	3%	8%
\$1,001 or more	51%	43%	54%	38%	75%	57%	48%	48%	60%	60%	45%	40%	43%	47%
\$3,001 or more	28%	22%	26%	25%	50%	27%	30%	30%	27%	23%	20%	22%	22%	28%
\$2,001 or more	37%	28%	35%	28%	64%	44%	37%	37%	43%	40%	31%	27%	32%	36%
Average	\$2,145	\$1,748	\$2,081	\$1,834	\$3,352	\$2,334	\$2,305	\$2,188	\$2,391	\$1,496	\$1,642	\$1,742	\$2,103	
Column Population	1044	81	142	55	75	69	46	43	47	56	41	93	244	

KNOW THE LEAST ABOUT

PERCEPTIVE

Column %	Total	WHICH ETHNIC GROUP(S) DO YOU BELONG TO?			
		New Zealand European	Maori	Samoan + Cook Island Maori + Tongan + Niuean	Chinese + Korean + Japanese + Indian
Tax and levies	28%	29%	29%	28%	23%
Protecting intellectual property	11%	12%	20%	6%	10%
Public health & safety	11%	12%	6%	11%	14%
Local government requirements	11%	11%	12%	16%	15%
Consumer protection and personal privacy	10%	11%	4%	2%	6%
Workplace health & safety	10%	9%	16%	2%	12%
Industry specific	9%	10%	13%	3%	8%
Records and reporting	8%	7%	5%	6%	8%
Environmental	6%	6%	7%	3%	8%
Selling goods	5%	4%	5%	14%	13%
Licencing and registration	4%	3%	2%	16%	8%
Other	4%	4%	3%	0%	0%
Payroll	3%	3%	2%	6%	7%
Training and upskilling staff	3%	2%	6%	2%	6%
Hiring staff	3%	2%	3%	9%	10%
Importing/exporting	3%	2%	1%	3%	6%
Managing staff	2%	2%	2%	0%	9%
Column Population	1044	814	60	28	69

KNOW THE LEAST ABOUT

PERCEPTIVE

WHAT INDUSTRY DOES YOUR BUSINESS OPERATE IN? PLEASE READ THE SELECTIONS CAREFULLY BEFORE SELECTING ONE ONLY

Column %	Total	Retail Trade	Professional, Scientific and Technical Services	Education and Training	Agriculture, Forestry and Fishing	Construction	Healthcare and Social Assistance	Manufacturing	Accommodation, Restaurants and Hospitality	Rental, Hiring and Real Estate Services	Administrative and Support Services	Arts and Recreation Services	Other Services	Other
Tax and levies	28%	26%	38%	29%	18%	21%	37%	19%	29%	23%	23%	26%	23%	30%
Protecting intellectual property	11%	12%	12%	6%	7%	16%	2%	17%	13%	7%	24%	27%	11%	8%
Public health & safety	11%	5%	8%	15%	15%	15%	22%	7%	18%	18%	2%	21%	9%	9%
Local government requirements	11%	9%	15%	11%	15%	22%	6%	12%	23%	34%	1%	4%	11%	5%
Consumer protection and personal privacy	10%	11%	11%	13%	9%	6%	20%	4%	8%	6%	10%	7%	11%	10%
Workplace health & safety	10%	6%	8%	12%	15%	10%	6%	16%	9%	8%	5%	12%	13%	9%
Industry specific	9%	7%	12%	8%	7%	11%	3%	0%	7%	18%	9%	8%	8%	10%
Records and reporting	8%	10%	5%	9%	10%	3%	3%	11%	13%	2%	13%	8%	8%	10%
Environmental	6%	4%	7%	0%	25%	7%	4%	10%	5%	2%	0%	4%	3%	5%
Selling goods	5%	22%	1%	1%	7%	2%	1%	18%	2%	6%	2%	1%	4%	5%
Licensing and registration	4%	2%	0%	5%	7%	6%	5%	7%	6%	5%	1%	4%	3%	5%
Other	4%	0%	2%	7%	7%	0%	0%	4%	4%	6%	5%	1%	3%	6%
Payroll	3%	4%	3%	3%	1%	4%	1%	5%	3%	0%	3%	1%	5%	3%
Training and upskilling staff	3%	4%	0%	0%	1%	6%	1%	6%	4%	2%	6%	3%	2%	4%
Hiring staff	3%	1%	4%	4%	4%	4%	2%	4%	4%	4%	0%	1%	0%	3%
Importing/exporting	3%	14%	2%	0%	0%	1%	0%	5%	1%	2%	1%	8%	3%	1%
Managing staff	2%	2%	4%	2%	9%	1%	2%	3%	1%	2%	0%	2%	2%	1%
Column Population	1044	81	142	55	52	75	69	46	43	47	41	56	93	244

SUM OF COMPLIANCE CONSIDERATIONS

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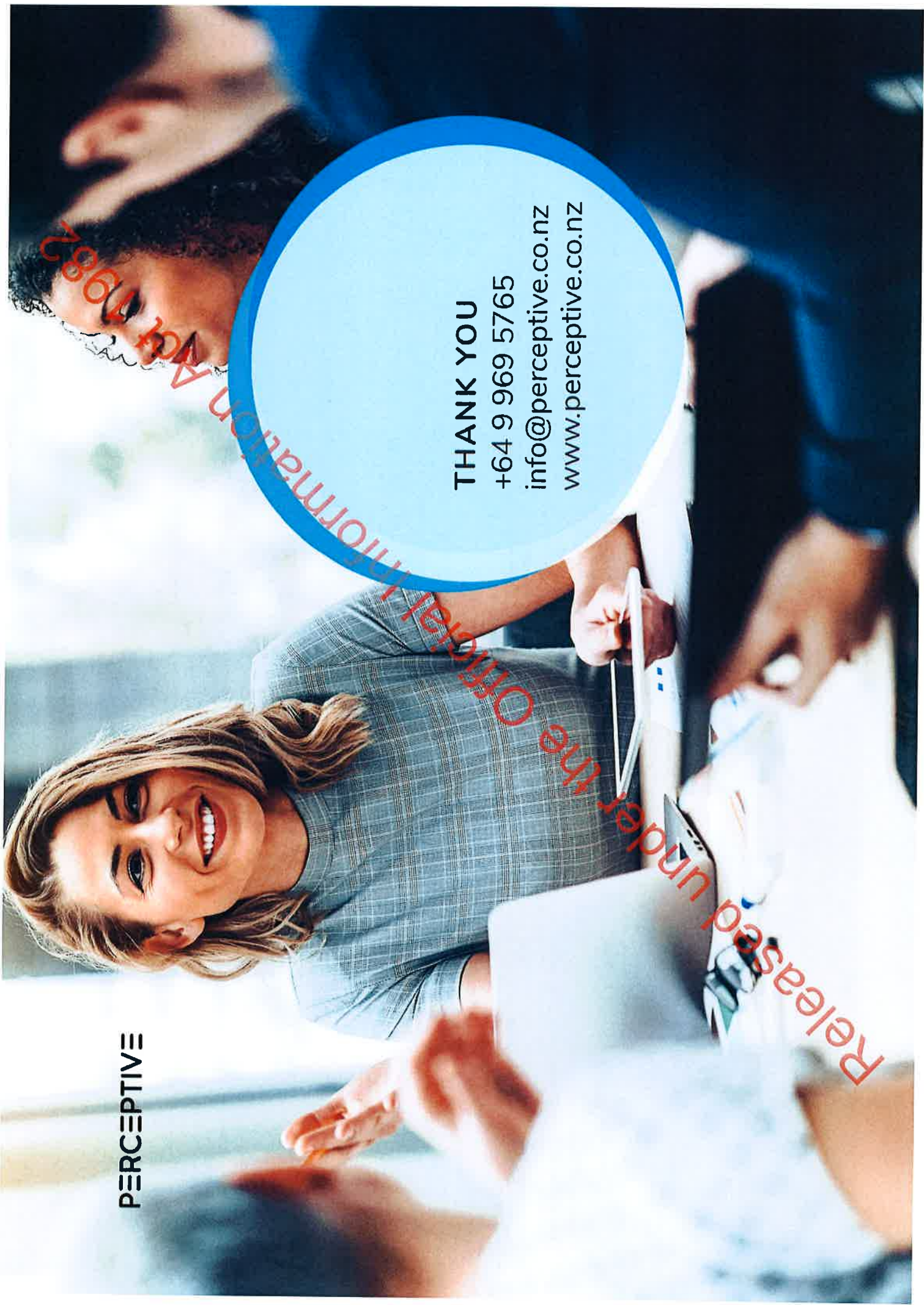
Column %	Total	WHICH ETHNIC GROUP(S) DO YOU BELONG TO?			
		New Zealand European	Maori	Samoaan + Cook Island Maori + Tongan + Niuean	Chinese + Korean + Japanese + Indian
Sum of compliance considerations	3.6	3.7	3.6	4.0	3.5
Column Population	1044	814	60	28	69

Column %	Total	WHAT INDUSTRY DOES YOUR BUSINESS OPERATE IN? PLEASE READ THE SELECTIONS CAREFULLY BEFORE SELECTING ONE ONLY												
		Retail Trade	Professional, Scientific and Technical Services	Education and Training	Agriculture, Forestry and Fishing	Construction	Healthcare and Social Assistance	Manufacturing	Accommodation, Restaurants and Hospitality	Rental, Hiring and Real Estate Services	Administrative and Support Services	Arts and Recreation Services	Other Services	
Sum of compliance considerations	3.6	3.9	3.4	3.1	4.2	4.4	4.6	3.3	3.9	2.9	3.9	2.9	3.6	3.2
Column Population	1044	81	142	55	52	75	69	46	43	47	56	41	93	244

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PERCEPTIVE

THANK YOU
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info@perceptive.co.nz
www.perceptive.co.nz



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Ben Cross [DPMC]

From: s9(2)(a) [redacted] @parliament.govt.nz> on behalf of Rt Hon Jacinda Ardern
<Jacinda.Ardern@parliament.govt.nz>
Sent: Tuesday, 25 June 2019 12:45 pm
To: s9(2)(a) [redacted] @airnz.co.nz'
Subject: FW: Attention of the Prime Minister: BAC to PM re Infrastructure
Attachments: BAC to PM Infrastructure 0619.pdf; Infrastructure New Zealand's Top Ten Infrastructure Policy
Priorities 2019.pdf

Dear s9(2)(a) [redacted]

I am writing on behalf of the Prime Minister, Jacinda Ardern, to thank you for sending her the letter from the Chair of the PMBAC, Christopher Luxon.

Yours sincerely
s9(2)(a) [redacted]

Office of the Prime Minister

Authorised by Rt Hon Jacinda Ardern MP, Parliament Buildings Wellington 6012

From: s9(2)(a) [redacted] @airnz.co.nz}
Sent: Tuesday, 25 June 2019 12:32 PM
To: J Ardern (MIN) <j.ardern@ministers.govt.nz>
Subject: Attention of the Prime Minister: BAC to PM re Infrastructure

Kia ora Prime Minister, The Rt. Hon. Jacinda Ardern,

Trust this email finds you well.

On behalf of Christopher Luxon – Chairman Prime Minister’s Business Advisory Council, please find attached a letter for your attention.

Best regards,
s9(2)(a) [redacted]

EA to CEO & Chairman | Office of the CEO P. s9(2)(a) [redacted] @airnz.co.nz

Good planets are hard to find - please think of the environment before you print this email.

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25 June 2019

The Rt. Hon. Jacinda Ardern
Prime Minister
WELLINGTON

Dear Prime Minister,

Infrastructure Development

Infrastructure has been a recurring theme in the discussions of the Business Advisory Council. This is because we know that for the business sector to thrive, it needs to be underpinned by world class infrastructure that effectively connects, transports and develops information and ideas, people and products. It is also an ideal topic for the Council to comment on given infrastructure development is so reliant on Government action and its outcomes significantly impact the creation of wealth and the distribution of prosperity.

In May, members of the Business Advisory Council met with sector leaders for a conversation on New Zealand's infrastructure environment. We were fortunate to host the Hon. Steve Bracks, Former Premier of Victoria (Labour) as part of that session. Mr. Bracks' insights were invaluable given during his premiership he faced many of the infrastructure challenges New Zealand now faces.

The purpose of that session was to bring together thought leaders to discuss challenges and to lay the foundations of a discussion with Government at the July meeting.

General Comments

In our view, New Zealand is at an infrastructure crisis point. This is not, we should add, the fault of the current Government. These issues are multi-generational and systemic. However, we believe your Government has the opportunity to begin resetting our systems and to address this crisis.

Infrastructure, in its broadest sense, underpins well-being. The success of regions relies upon their effective connectivity to urban centres; linking the city fringe with the centre can reduce income inequality; mature, unclogged and functioning cities (especially Auckland) are our critical engines of growth; swimmable beaches rely on major storm water and sewerage projects; energy certainty is a basic building block for investment; larger bridges can enable higher loadings, fewer truck movements and lower emissions; broadband connectivity empowers business to occur anywhere, anytime; and a connected vision for infrastructure enables wealth to flow into and around the country, building an equality of opportunity for all Kiwis.

Unfortunately, the system that sits beneath effective and sustainable infrastructure development in our country is fundamentally broken. We also have a proclivity as a nation to focus on the short term and on individual projects as a means of addressing our challenges rather than addressing the system itself.

We applaud the Government's work in establishing the Infrastructure Commission and the development of the project pipeline. These are vital and necessary steps and we will do all we can to support it being successful, independent and above the political fray. The Commission will take time to establish itself and make recommendations. This should not however, preclude Government taking its much-needed leadership role, now, in resetting our infrastructure systems.

Our intention in this letter is to encourage the Government to be bolder and think bigger when it comes to enabling an effective infrastructure ecosystem. Respectfully, we also want to create the impetus with Government to act with a greater sense of urgency in tackling this issue.

25 June 2019

The business community, and many other sectors, will support the Government in a bold and effective infrastructure plan.

We have found the work of Infrastructure New Zealand and its Chief Executive, Stephen Selwood, helpful in understanding the challenges we face and conceptualising the solutions. This has drawn on the infrastructure experience of nations such as Ireland, Denmark, Singapore and Australia. Following our discussions with sector leaders, we have developed the following comments.

The Challenges

1. There is no overarching vision or leadership in New Zealand for infrastructure development. This means there is no nation building narrative upon which to build a strategic direction.
2. We lack a national masterplan that would bring that vision to life and would allow the country to tangibly map out our immediate, medium and long-term infrastructure future in an integrated way.
3. Funding and financing mechanisms that would allow for long-term, debt-funded or investable opportunities are not in place meaning plans remain simply, plans.
4. Our key legislative frameworks in relation to planning and incentives between central and local governments are misaligned with one another and do not enable positive, integrated or strategic growth.
5. We are poor at execution and delivery. The public sector does not have the capability to manage a programme of projects of national significance and the private sector operates in a boom-bust cycle.

These issues are relatively simple to articulate but challenging to implement. Some are cultural and will take time to remedy. However, these challenges require strong central government leadership and vision in order appropriately define the issue, work it through and resolve it.

We believe the following initiatives, which are a mix of immediate actions and longer-term solutions, will contribute to addressing our infrastructure challenges and create a momentum for further positive reform.

Reform our planning and local government systems

1. Borrowing from the Australian and British models, New Zealand should establish a Ministry of Cities, Urban Development and Population. This new portfolio could incentivise locally developed, long-term and tangible strategies and execution through the administration of City Deals. This would include allowing local authorities to capture part of the value created through their own successful strategies and initiatives.
2. A Prime Ministerial Taskforce or Commission of Inquiry should be established to undertake a comprehensive, evidenced based and first principles review of our planning laws and local government system. This would include reviewing, among other areas, the Resource Management Act, Local Government Act and Land Transport Act. This process should address local government settings in New Zealand, including economic incentives and funding mechanisms with a view to ensuring we have a world class system that is fit for purpose in a modern economy of less than five million people.

25 June 2019

Create Opportunities for Investment

3. We appreciate and agree that a strong rail network is in the national interest. However, our transport infrastructure solution is not a binary choice between rail *or* roads, but a comprehensive, scaled up solution of rail *and* roads *and* coastal shipping *and* other modes. Our system must be totally integrated and agnostic as to mode of transport as each region will have different needs. As such, the 12 roading projects presently on hold or under review should proceed and be opened to private investment. These projects are investment ready, provide the beginnings of a pipeline of investable opportunities and would be an effective use of the roading capability developed in New Zealand over the last 20 years.
4. New Zealand cannot simply rely on the market to deliver projects of scale that are of national significance. There would be value in beginning a process to identify and develop nation building projects to form a "New Zealand Prospectus" that can be used to both inform a national master plan and to provoke wider systems change. This Prospectus should be partly informed by scaled-up projects which mitigate the unique and potentially highly disruptive seismic risks our country faces.

Develop our own talent and capability, and import foreign expertise, to execute nation building projects

5. Establish a civil service academy for local and central government to build needed capacity in commissioning and managing projects of national significance. Part of this capacity building process also needs to include buying in a critical mass of private sector and international expertise, alongside the development of civil service expertise. The focus for capability development should result from a skills audit in the sector but is likely to include: best practice planning; investment rigour; risk; procurement; delivery; and an above average agility and execution capability given our unique seismic vulnerabilities.
6. We believe the infrastructure deficit in New Zealand needs urgent attention and our lead-in time to develop our own capability and capital will lag this urgency; it is already challenging to access qualified workers. Furthermore, Australia has a significant number of infrastructure projects underway or planned, meaning a significant amount of regional expertise will be focusing on the Australian pipeline. The Government should therefore investigate the responsible and sustainable use of international expertise, capital and labour (both skilled and unskilled) for both high-priority future projects of national significance and existing infrastructure projects.

Funding and financing

7. The National Land Transport Fund (NLTF) rules need to be amended to allow for the raising of debt in order to fund long-term and strategic programmes of work. The present fund is limited to a user-pays system which prevents debt financing, long-term planning and discourages meaningful private sector investment.
8. There should be an amalgamation of the funding bases for road, rail and shipping. Bringing together the agencies responsible for these modes of connectivity will result in an integrated approach to our transport network. This will require the NLTF to be supplemented by allocations from the consolidated fund to pay for social and environmental outcomes from investment in rail, walking and cycling.

25 June 2019

9. A philosophical shift is required in our national approach to infrastructure concerning the use of public private partnerships. Government needs to ask itself whether there is any great social benefit in the state owning certain assets, especially when that comes at the expense of other government priorities and responsibilities. A process of asset recycling can then take place which releases much needed public capital for new projects, while leveraging private resources to take over (in whole or in part) and revitalise mature state assets.

These are provocations and challenges because we see this moment as a significant opportunity to make a step change in the long-term well-being of Kiwis through infrastructure reform. We also see significant risks facing New Zealand if bold action is not taken in the very near future.

We look forward to our next discussion with Government on 05 July.

Yours sincerely,



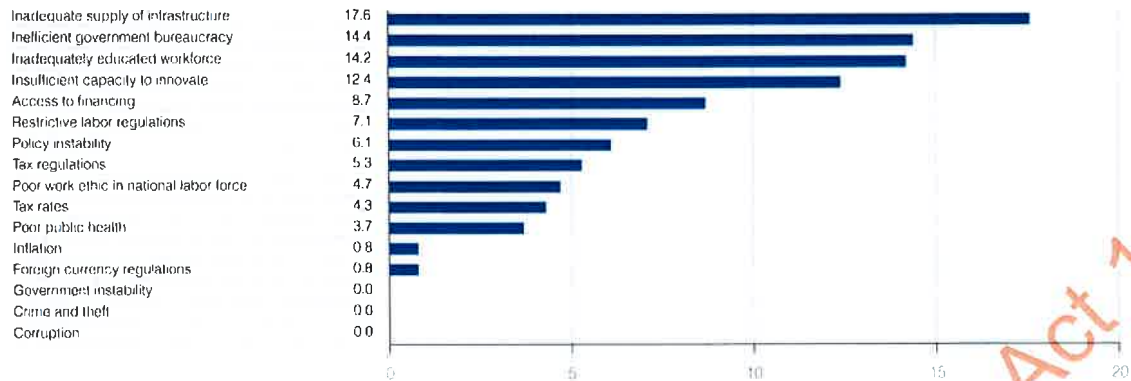
Christopher Luxon

Chair, Prime Minister's Business Advisory Council
Chief Executive Officer, Air New Zealand

Copy to: Hon. Grant Robertson, Minister of Finance
Hon. Shane Jones, Minister of Infrastructure

Most problematic factors for doing business

Source: World Economic Forum, Executive Opinion Survey 2016

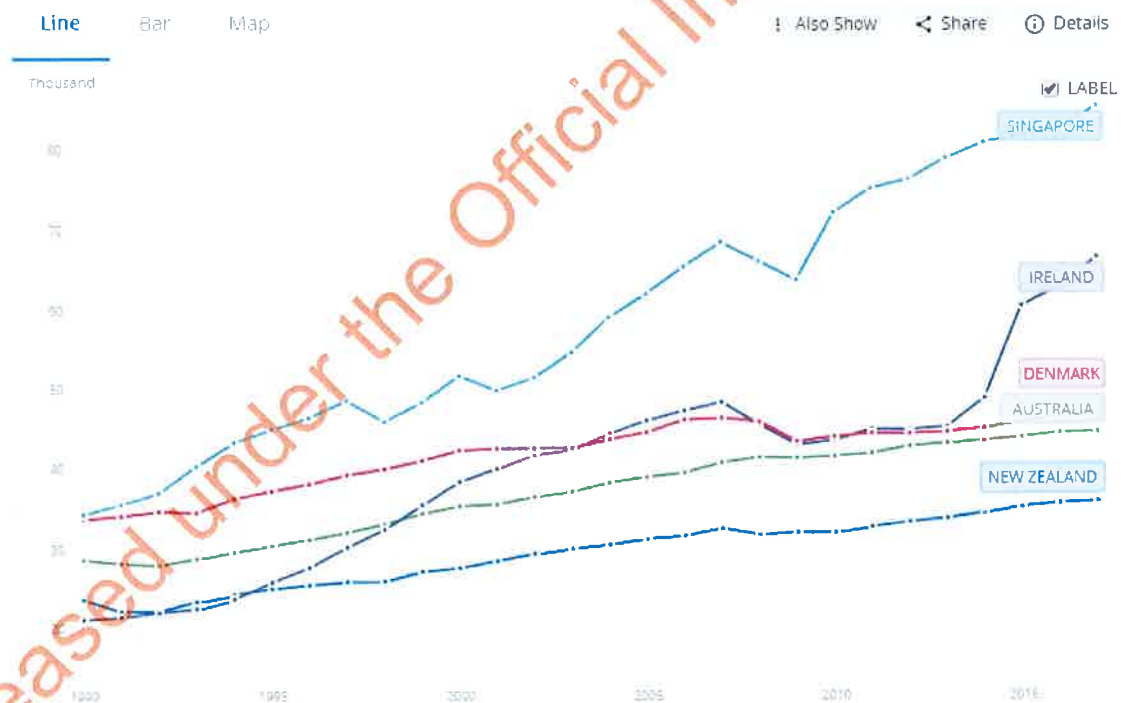


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GDP per capita, PPP (constant 2011 international \$)

World Bank, International Comparison Program database.

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² World Bank, GDP <http://www.worldbank.org/en/programs/icp>

Prime Minister



MP for Mt Albert

Minister for Arts, Culture & Heritage

Minister for Child Poverty Reduction

Minister for National Security & Intelligence

18 SEP 2019

Christopher Luxon
Chief Executive
Air New Zealand
christopher.luxon@airnz.co.nz

Dear Chris

I would like to thank you and your colleagues from Air New Zealand for the enormous effort you have put into establishing and chairing the Prime Minister's Business Advisory Council in its first year of operation.

I have very much appreciated the enthusiasm and engagement of Council members on policy issues affecting businesses both small and large in New Zealand.

As you know I have asked Fraser Whineray to take over as Chair, and I anticipate announcing this appointment on Wednesday 18 September.

I wish you well for the future.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Jacinda', written over a large, diagonal watermark that reads 'Released under the Official Information Act 1982'.

Rt Hon Jacinda Ardern
PRIME MINISTER

Thanks again,
Chris!