

## **Comment on Improving Economic Resilience Issues Paper**

Thank you for the opportunity to comment on the NZPC's Improving Economic Resilience Issues Paper.

The NZPC Inquiry papers so far have included good discussion of mainstream supply chain resilience issues. There are also big security issues around seabed infrastructure, including telecommunications and electrical transmission cables.

There are several "big picture" strategies New Zealand could develop to enhance its economic resilience. It is important that we return to a lower public debt position as a percentage of GDP. This is where we need to be in the event of another major earthquake, pandemic or an unpredictable "Black Swan" event.

We also need higher domestic savings rates if we wish to address the real exchange rate and shift the economic balance from the non-tradeable to the tradeable sector. If these strategies were supported by effective innovation policies we could enhance the sophistication of our export product mix as reflected in the Atlas of Economic Complexity Index (ECI). The ECI is a good proxy for the complexity of product space and therefore our ability to reduce the concentration of risk within our economy.

There is a compelling case for expanding our renewable energy sector to enhance our resilience. It is absurd that we still import coal to overcome the risks associated with dry or windless periods and energy intermittency leading to energy supply not meeting demand. Our approach should have been to promote a "contest of ideas" for a solution to the intermittency problem. Instead, we seem to have opted rather pre-emptively for the Lake Onslow project which is based on old technology located in the wrong part of the country. There are lots of emerging technologies to explore and build on and an investment in other options of a tiny proportion of what is proposed for the Onslow project could pay off handsomely.

While New Zealand needs to be outward-looking, advances in design and in production technology such as 3D printing create opportunities for more domestic production.

The Te Tiriti/Treaty of Waitangi clause agreed to in recent New Zealand trade agreements should be used actively to lift the proportion of government procurement contracts that go to New Zealand businesses. Few realise that if we take the Treaty/Te Tiriti as it is written it confers the same rights on all New Zealanders. This means many more New Zealand businesses can take advantage of the Te Tiriti/Treaty clause in trade agreements that empower rather than limit us.

Finally, I suggest the NZPC needs to use the correct name for our country, "New Zealand" rather than the contrived fashion for "Aotearoa" which only confuses international audiences in particular. It is noted that "New Zealand" or in Māori "Nu Tirani" is our country's name in Te Tiriti. Any decision to change the country's name would need to go to a referendum.