

Hon Grant Robertson

MP for Wellington Central

Minister of Finance

Minister for Sport and Recreation

Associate Minister for Arts, Culture and Heritage



- 6 AUG 2018

Mr Murray Sherwin
Chair
Productivity Commission
PO Box 8036
The Terrace
WELLINGTON 6143

Dear Murray

SCOPE OF RESEARCH FOR JOINT WORK BETWEEN THE AUSTRALIAN AND NEW ZEALAND PRODUCTIVITY COMMISSIONS

I am pleased to refer to you the attached scope of research document for joint research with your Australian counterparts into *Growing the Digital Economy and Maximising Opportunities for Small and Medium Enterprises*.

This work reflects the commitment made by the Prime Ministers of Australia and New Zealand in March this year to review how New Zealand and Australia can work together to further remove barriers and enhance our already-close economic relationship.

I look forward to receiving a joint report by the end of January 2019, to enable it to be received by leaders in February 2019.

I wish you all the best as you commence this joint research and look forward to your results.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Grant Robertson'.

Hon Grant Robertson
Minister of Finance

Growing the Digital Economy and Maximising Opportunities for SMEs – Joint Research by the Productivity Commissions of Australia and New Zealand

Scope of Research

At their annual leaders' meeting in March 2018, the Prime Ministers of Australia and New Zealand commissioned a review into how Australia and New Zealand can work together to remove barriers to growing the digital economy, both between the two countries and into the region, to ensure that the two countries are prepared to seize the opportunities arising from digital transformation. They also commissioned work to identify opportunities for small and medium sized enterprises (SMEs) to make full use of trans-Tasman economic integration.

Growth in digital technologies - and availability of the data that supports them - has enabled a range of new business models, products and insights, providing new trade opportunities and opportunities to boost productivity.

The Productivity Commissions of Australia and New Zealand will undertake joint research to examine priority areas for growing the digital economy, in particular opportunities for SMEs.

In undertaking the research, the Productivity Commissions should explore the extent to which institutional and regulatory settings in the two countries support opportunities for the utilisation of digital technology. In doing so, the Commissions should consider the ability of SMEs to benefit from trans-Tasman economic integration and digital technology, including barriers to entry or expansion and any factors specific to SMEs that might impede them harnessing the opportunities from digital technology.

The Productivity Commissions should focus their attention on areas that offer the greatest potential benefits to both economies.

The Commissions should commence the joint work in September and submit a report to leaders, through the Treasurer of Australia and the Finance Minister of New Zealand, by the end of January 2019. The report will be published.

Hon Grant Robertson
Minister of Finance

Hon Scott Morrison
Treasurer