

5 February 2015

Rt. Hon. John Key
Prime Minister of New Zealand
Freepost Parliament
Private Bag 18 888
Parliament Buildings
Wellington 6160

Dear Prime Minister,

Update from the McGuinness Institute

Happy New Year. I am writing to share the results of a four-day workshop we hosted with 35 New Zealanders aged 18 to 25 and to discuss more broadly our 2014 observations and 2015 work programme. The Institute aims to provide non-partisan research and policy advice on New Zealand's long-term future. Core funding for the Institute comes from Willis Bond & Co (a property development company), which in turn enables the Institute to undertake key projects with individuals or organisations interested in pursuing similar goals.

The Institute's main focus of 2014 was the *TalentNZ* project. This builds on Sir Paul Callaghan's vision for New Zealand, creating 'a place where talent wants to live'. In March 2014 the Institute undertook a tour of 10 councils which led to the development of the *TalentNZ Menu of Initiatives* and the *LocalNZ workshop*.

LocalNZ Workshop

Our November workshop, *LocalNZ: Connecting youth committed to local government*, brought together 35 young people from throughout the country. This workshop was run in collaboration with the New Zealand Treasury, Wellington City Council and the organisers of the *A Place to Live* conference (the MacDiarmid Institute and Victoria University of Wellington, in association with the Royal Society of New Zealand, Wanganui District Council and the Whanganui River Maori Trust Board). Participants explored the question: How do regional goals align with national goals, and how might these goals need to change in order to aid regional growth?

The young people that attended were extraordinary; they were enthusiastic, inquiring and committed New Zealanders ready to engage and support their local communities. Over two-thirds of the participants were directly involved in councils; seven were council staff and 18 were members of youth councils. The end result, the *A Youth Statement on Regional Goals* booklet (attached), is testimony to their hard work. However, before discussing their recommendations, I would like to share a few personal observations:

- Participants were generally positive about their local councils but deeply concerned about the lack of interest and support by parliament and central government. They had real concerns about the long-term future of their local communities.
- They considered that public policy was focused too much on Auckland and possibly Christchurch and that communication was generally a one-way conversation, central government dictating to local government.

- The idea that local government has the knowledge but central government has the resources resonated; they believed central government failed to see the uniqueness of each region and instead tried to lump all the regions together because it was easy.
- Their recommendations aim to improve the communication between representatives (electorate MPs and councillors) and public servants (central government and local government).

Over the four-day workshop participants identified three themes: the right for all New Zealanders to have a high ‘quality of life’, the need to embrace diversity and the desire for visionary leadership. From these themes, they developed the 10 recommendations featured on pages 5–7 of the booklet. The four recommendations which resonated with me are briefly summarised here:

- **Improve communication between elected representatives.** For example, the participants recommended that it be compulsory for an electorate MP to attend a quota of council meetings (see recommendation 9). I discovered retrospectively from a former cabinet minister that this was common practice in the 1980s. Although it was never compulsory, he was surprised it had not continued, as he believed it was a very effective way of informing MPs of the unique issues facing a region. Arguably this is even more important under MMP, as a list MP does not represent a constituency.
- **Introduce creative information flows between local and central government** (see recommendation 1).
- **Tailor the education system for each region** (see recommendation 7).
- **Introduce a Mokopuna Clause.** This clause is about recognising that decisions do not just affect our generation but could affect, and will affect, generations we may never meet. It is about selfless sacrifice (see recommendation 10).

In addition to the booklet, there are seven other outputs, including a YouTube clip of their presentation in Parliament and a short documentary of their trip up the Whanganui River. If you want to learn more about the workshop or view the other outputs, please see www.localnz.org.

During 2015 there will also be 350 hours of additional community work undertaken throughout the country. Each participant has agreed to spend 10 hours ‘paying it forward’ under the guidance of the councillor who sponsored them (see the participant page of the website for the councillors’ names). The final output, and potentially the most important, is the young people themselves and what they might do as a group going forward. We certainly learnt a great deal from the workshop, and we hope the resulting booklet provides some useful ideas for you to consider in 2015.

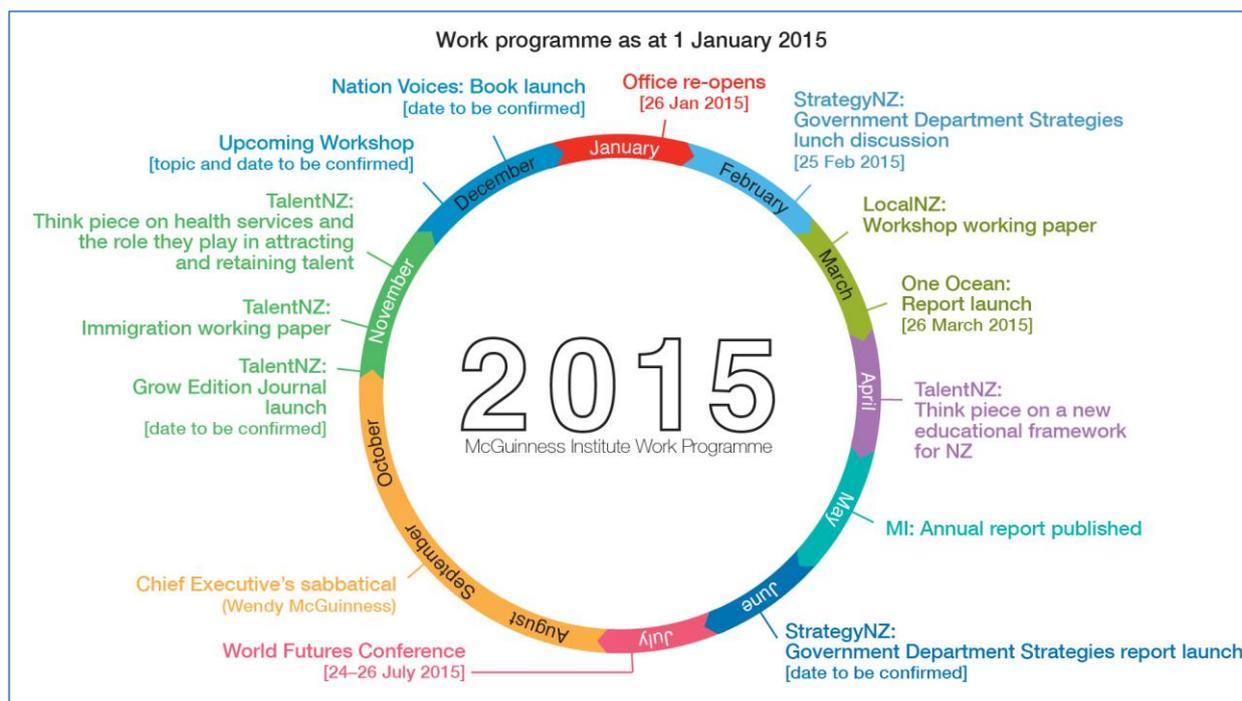
Observations from 2014

The high-level observations are listed below. If you would like to read more, please see our final blog for 2014 – *Prime Minister’s Summer Reading List 2015*. Here we set out our observations in more detail and recommend 12 books that may be useful when considering the challenges and opportunities going forward.

1. New Zealand is at risk of developing into two countries – the regions and the cities.
2. As the population gravitates to the cities, the poor are at risk of being pushed to the outskirts.
3. The idea that ‘character’ should be taught in schools.
4. Civics education should be addressed.
5. Ocean policy, by necessity, must be revisited and integrated.
6. Ebola was the wild card for 2014.
7. The cyber attack on Sony was the weak signal for 2014.
8. The world is more integrated and connected than ever before.

The Institute's 2015 work programme

Our work programme is a response to the observations in 2014 and is summarised below. To learn more about these projects, please see the project page on our website. Alternatively, I welcome the opportunity to meet with you to discuss any of the following in more detail.



- **Publish the TalentNZ Journal: Grow talent edition 2015**

Our focus is on showcasing 30 New Zealanders who are working hard to 'grow talent' in New Zealand. It will also include essays by prominent New Zealanders such as Peter Hughes, Secretary for Education. Other essays will focus on emerging topics such as novel ways we might teach civics in New Zealand and the UK initiative that explores ways character might be taught in schools. You may be interested to learn that the UK Government announced on 16 December 2014 'A multi-million pound push to place England as a "global leader" in teaching character, resilience and grit to pupils'. This journal will be published in November 2015.

- **StrategyNZ: Government Department Strategies**

In 2014 we undertook a project to review government department strategies (GDSs). The first stage in the process was to collect all GDSs published over the last 20 years. Through OIA requests and research we found 290 GDSs – see *Working Paper 2014/01: List of Government Department Strategies Between 1 July 1994 and 30 June 2014*. We then completed an overview analysis of all 290 to understand the historical narrative. What we found was shared in a lunch meeting with interested parties on 1 October 2014. Both the *Working Paper 2014/02 Analysis of Government Department Strategies Between 1 July 1994 and 30 June 2014* and the resulting PowerPoint can be found on our website under project *StrategyNZ*. In 2015 we are undertaking a more in-depth analysis of each of the 136 current GDSs, benchmarking them in accordance with our classification of what makes a 'good' strategy. The findings will be presented at a public lunch on Wednesday, 25 February 2015 at the Institute. If you or your colleagues would like to attend this event, please RSVP to 25february@mcguinnessinstitute.org by 23 February 2015.

- **Report on ocean policy**

In late March we will publish a report that explores the seascape of New Zealand – the past, present and future. We will also continue to support the New Zealand Antarctic Youth Council, which we established with nine young New Zealanders late last year. You are cordially invited to attend the launch

of this report on the evening of 26 March 2015 at the Institute. If you, or your colleagues, would like to attend this event, please RSVP to 26march@mcguinnessinstitute.org by 23 March 2015.

- **Think piece on education**

This think piece will explore the idea of New Zealand universities reverting to a University of New Zealand with the current regional universities reverting to colleges. We consider the current structure is not optimal if we want New Zealand to deliver a world-class university that attracts talent (including both students and lecturers), provides equal access to all New Zealanders, ensures resources are used effectively and are fit for purpose (e.g. building costs and curriculum) and leverages relationships within New Zealand (e.g. CRIs) and internationally (e.g. international universities). We aim to publish this think piece in April 2015.

- **Working paper on immigration**

There are so many stories out in the community that indicate the system is not working, but it is unclear whether they are myths or the tip of the iceberg. The Institute is interested in exploring the question: how effective is our current immigration system? Is the current framework acting as a barrier to business? Are we doing enough to attract and streamline the right talent? Do we really understand the needs of our key industries going forward? Are there opportunities such as using talent visas to attract talent into specific cities and regional communities in New Zealand? This working paper will not be published until the second half of 2015, as we want to fully understand New Zealand's current immigration system and those of other countries.

- **Think piece on health services and the role they play in attracting and retaining talent**

Cities and regions will continue to be our focus for research in 2015. We would like to explore the role of health services and whether health boards might benefit from aligning more directly with councils. For instance, should the representative nature of health boards be removed and governance be shared between councils and central government? This will not be published until the second half of 2015, as we want to discuss this and other ideas further with key stakeholders.

- **Workshop on removing poverty traps so talent can grow**

This workshop is still in its very early stages of development, but it would follow the model of previous workshops, bringing together 30 youths aged 18 to 25 from throughout New Zealand. Participants would be young New Zealanders that (i) have experienced poverty first hand, (ii) are working hard to alleviate poverty and/or (iii) are studying towards a relevant degree. We are interested in identifying the traps, learning more about the long-term consequences and brainstorming possible changes to public policy. We hope to again collaborate with the New Zealand Treasury and plan to run this workshop in November or December 2015.

- **Civics education**

The lack of a good civics education in New Zealand has been a continuing theme voiced by participants of our workshops. Hence, the key finding of the Constitutional Advisory Panel (CAP) in November 2013 that New Zealand should develop 'a national strategy for civics and citizenship education in schools and in the community, including the unique role of the Treaty of Waitangi, te Tiriti o Waitangi, and assign responsibility for the implementation of the strategy' was not a surprise. We look forward to the Government's response to this important report. Good civics education should showcase the machinery of government, empowering citizens through a shared understanding of our common rights and responsibilities. The upcoming dialogue over our national flag might be the very vehicle to explore our shared identity, embrace our diverse backgrounds and inform youth about their individual rights and our mutual responsibilities. This will be a continual theme in our work this year.

At the Institute we value our non-partisan status and welcome comment and discussion. If you would like to meet to discuss any of the above in more detail, please do not hesitate to contact me. Our work programme is a response to the issues that seem most important going forward, based on our research and conversations. Your feedback would be very much appreciated.

All the best for 2015.

Yours sincerely,



Wendy McGuinness
Chief Executive

Attachment:

A Youth Statement on Regional Goals: An output from the LocalNZ workshop

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