

Enhancing policy formation

Long-term opportunities and challenges for Aotearoa New Zealand

Briefing for the incoming Prime Minister and Government

October 2023

Introduction

There is growing concern about the state of Aotearoa New Zealand's policy processes. The public service is perceived by many to be increasingly isolated and dysfunctional. The public service may need substantive review. The policy process is rather siloed, yet most complex issues cross departmental responsibilities. The relationship between the political and policy processes structures have changed and may have impeded quality advice. The short-term focus on much policy development to serve the three-year electoral cycle needs to evolve to better address the nation's increasingly numerous intergenerational challenges.

Key points

- Robust policy formation relies on a range of independent assessments of the evidence and wide and meaningful stakeholder input.
- Science advice can play a critical policy-development role but the science advisory system needs strengthening.
- The relationship between the policy process and the political process needs to be reviewed to ensure quality policy advice.
- The public service would benefit from regular infusions of new blood from academia and the private sector.
- A politically independent foresight and risk-definition process is needed (see [Risk assessment and response](#)).
- A whole-of-government approach should be taken to the digital transition.
- The Integrated Data infrastructure is an undervalued tool.
- Processes for long-term and integrated policy development that focuses on intergenerational challenges needs to be enhanced.
- There is a capacity gap in implementation and evaluation science – disciplines essential to efficient and effective programme design.
- Consideration should be given to creating the office of a parliamentary commissioner for future generations.

Context

Koi Tū staff and affiliates who routinely engage with the policy communities in Aotearoa New Zealand and international agencies notice the absence to any great degree in this country of anticipatory governance, which might be described as 'taking care of tomorrow today'. As obvious as it might seem, its practitioners use foresight to make future plans and guide them in actions to be taken in the present. Our governments and policy community could do with a enhancing their use of this practice.

New Zealand's policy formation would be improved with greater transparency and rigour, particularly with regard to long-term implications. There are many considerations. The country limits the potential for revision of and correction to legislation with its single parliamentary house. Further it is much easier to start a new policy programme than to stop an existing one unless there is very robust evidence of low or no effect.

Our public service is by nature relatively insular with most civil servants staying within the system for their entire career. The churn to and from academia and the private sector is low compared with other liberal democracies. This is both limiting and also makes engagement with external stakeholders much more important. Yet such engagement often comes late in the policy-formation process and after primary

decisions have been reached. There are many examples where core stakeholders have felt excluded to the detriment of a new policy's effect and acceptance. We have suggested solutions (see [Democratic innovation](#)) to the consultation deficit. The public service should consider ways to promote staff turnover, including looking beyond Wellington, which is the extent of too many policy makers' knowledge and experience. Formal means of enhancing evidential input in policy development both early and late in the process are desirable. New Zealand is internationally recognised for developing its science advisory mechanism, but it operates rather informally and thus inconsistently. The terms of reference of the advisers, how they are appointed, and their independence need to be formalised. Their value in emergencies is well demonstrated by the Covid crisis but equally their utility in social sector budget decisions was clear when the social investment panel (SIP) was operating. The SIP was a process that brought treasury, domain experts and science advisors together formally to iteratively review budget proposals in their development and advise cabinet prior to budget decisions. It was globally seen as highly innovative and strengthened evidence informed policy making. It relied heavily on the Integrated Data Infrastructure (IDI). With science and technology being core to virtually every decision a government makes, filling the gaps in the science advisory system (for example in the Ministry of Foreign Affairs and Trade's security system) must be to the national advantage.

In contrast to many other democracies, policy making in New Zealand is very weak in terms of operational research, policy trials, programme evaluation and impact assessment. The consequence is that programmes, particularly in the social sector, are added but seldom stopped with consequent efficiency and cost implications. The Integrated Data Initiative (IDI) was developed as a valuable tool in policy development, whose value will only grow with developments in AI which will provide insights not possible by classical means. It will also allow targeting of programmes to where they might be effective. The IDI needs enhancement to allow it to be maximally useful – this is best done via a separate budget line from that of Statistics, and perhaps linked to the Social Wellbeing Agency.

But, most importantly, programmes must be designed in ways that they can be evaluate. But implementation and evaluation science are virtually non-existent in New Zealand – these are distinct and critical disciplines in designing programmes to deal with complex social issues. It needs strengthening and investment. Implementation science is virtually non-existent and needs to be developed within and beyond the public service; it would add much to the efficiency and effectiveness of public investment. Only with culture of evaluation built into the public service can we reorientate public investment to be most effective. Evidence must be brought together with other domains to lead to scalable, affordable, acceptable and ideologically compatible recommendations. But, more than that, the evidentiary perspective should help ensure programmes started are likely to be effective and efficient. Yet that is difficult to achieve without rigorous assessment of budget proposals alongside Treasury and other stakeholders within and beyond ministries. In many cases programme design can benefit from expert input to ensure evaluation is possible. Without evaluation-science, programmes become difficult to stop except on a rhetorical or ideological basis. The public and politicians of all parties should be entitled to see how programme goals are set and will be evaluated.

Long-term policy briefings are a welcome development but in general they are not developed with long time horizons or with sufficient depth. This is where more anticipatory governance is called for. New Zealand has a generally weak approach to long-term policy development although such an initiative as the Climate Change Commission is one green shoot. The Infrastructure Commission, for its part, does not hold the purse strings leaving its investment largely a political tool.

There are many other aspects to long-term thinking and in particular the issues of sustainability and responses to rapid technological and related changes. Wales has shown the value of a commissioner for future generations whose role is to ascertain whether policies are developed with cognisance of their

intergenerational effects. The potential for an officer of Parliament in such a role would be an initiative that many in younger cohorts would value as would the Māori community that has always embraced long-term thinking. That commissioner could be responsible for the oversight of the long-term briefings.

Technology will affect every area of society from social services and the economy to how our democracy operates. Every institution of individual, social and civic life is being affected. It will enhance some services and cause harm elsewhere. The OECD and many governments, but not New Zealand, have recognised that the issues and opportunities that emerge are central to how a society and its government will evolve. Thus, rather than permitting half-baked and haphazard activities across government, the OECD recommends these be co-ordinated at the highest level of government. The issues extend well beyond government use of data or disinformation to how our society and economy will evolve. A Cabinet committee chaired by the Prime Minister, or a senior minister is likely to be needed and, given its anticipatory role, it should have advisory mechanisms from the Department of the Prime Minister and Cabinet that span government, the private sector and experts in social science.

Actions for consideration

- **Anticipatory-governance skills should be boosted within and beyond the public service.**
- **The Public Service Commission should promote staff churn and rotation to academia and the private sector.**
- **The science adviser system should be strengthened and formalised.**
- **Greater use should be made of implementation and evaluation science in the public sector.**
- **The use of long-term briefings should be strengthened.**
- **Processes such as the social investment panel that put evidence, fiscal priorities and sector need together in policy and budget-proposal development should be promoted.**
- **A parliamentary commissioner for future generations should be considered.**

Key contact



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We address critical long-term national and global challenges arising from rapid and far-reaching social, economic, technological, and environmental change.

Our name, Koi Tū, was gifted by Ngāti Whātua Ōrākei. It means ‘the sharp end of the spear’. Like our namesake, Koi Tū aims to get to the heart of longterm issues challenging our future.

This document was developed as part of a comprehensive briefing to the incoming prime minister and government. The full document is available informedfutures.org/briefing-to-incoming-government-2023

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THANK YOU TO OUR SUPPORTERS

Andrew and Elle Grant

Anita Baldauf

Bernard Pesco

Bernard Sabrier

David Levene Foundation

The Gluckman Family

Graeme and Robyn Hart

Gus Fisher Charitable Trust

Kelliher Charitable Trust

Modena Trust

The MSA Trust

Norman Barry Foundation

The Tindall Foundation

The Wright Family Foundation

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