



A Measurable Goal for New Zealand

Summary of Responses and Next Steps

November 2008

Two weeks ago, we launched a challenge to New Zealand



- We released a discussion document highlighting the long term decline in New Zealand's relative economic performance
 - Highest GDP per capita in the world in 1900, 6th in 1950, 32nd today
 - On track for 47th by 2025, well below Botswana and Kazakhstan
- We argued that New Zealand needs an ambitious, shared and measurable goal
 - Proposed targeting a return to the GDP per capita Top 10 by 2025
- We were hoping to ignite a debate about our nation's future, and New Zealanders have stepped up to the challenge
 - A massive response, providing valuable feedback on our proposal
- In this update we summarise the responses received to date and outline how we plan to take this project to the next level
- We recognize that there is a long, tough road ahead if New Zealand is to achieve real change and we hope to enlist your support in making it happen

RECAP: NZ's GDP per capita ranking is sliding dramatically



World Rankings: GDP per Capita (PPP)

1950	2007	2025 (Projected)
1. Qatar	1. Qatar	1. Luxembourg
2. Kuwait	2. Luxembourg	2. Singapore
3. United Arab Emirates	3. Norway	3. Qatar
4. United States	4. Brunei Darussalam	4. Hong Kong SAR
5. Switzerland	5. Singapore	5. Norway
6. New Zealand	6. United States	6. Bahrain
7. Luxembourg	7. Ireland	7. Ireland
8. Venezuela	8. Hong Kong SAR	8. Kuwait
9. Australia	9. Switzerland	9. United States
10. Canada	10. Kuwait	10. Oman

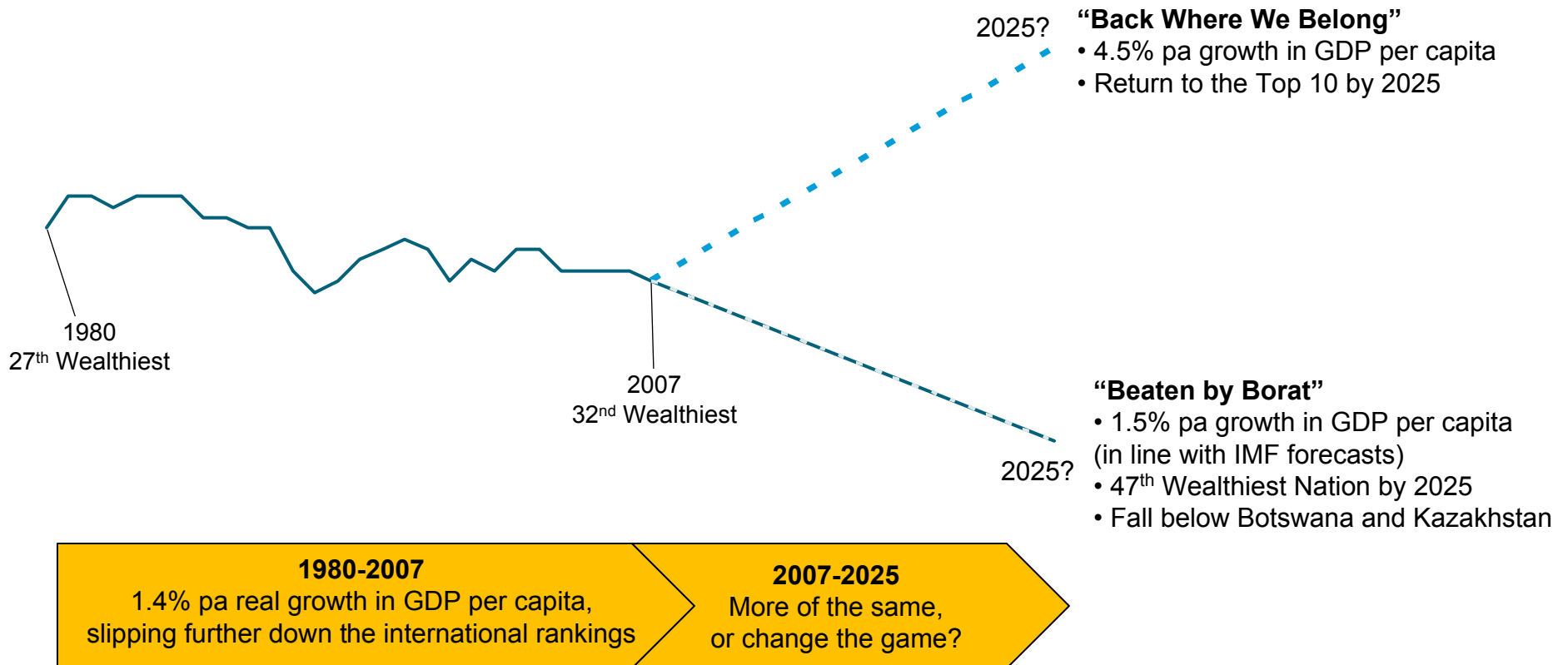
	32. New Zealand	33. Botswana
		...
		42. Kazakhstan
		...
		47. New Zealand

Sources: 1950 GDP per capita rankings from The Conference Board & Groningen Growth and Development Centre, Total Economy Database (Sept 2008)
 2007 GDP per capita rankings from IMF World Economic Outlook Database (April 2008)
 2025 projections based on extrapolation of long term real GDP per capita growth forecasts from IMF World Economic Outlook Database (April 2008)
 IMF rankings are adjusted for purchasing power parity
 Morrison & Co analysis

RECAP: We proposed that NZ should aim to return to the GDP per Capita Top 10 by 2025



NZ's World Ranking in GDP per Capita (PPP)



Sources: 1980 to 2007 data from IMF World Economic Outlook Database (April 2008)

2025 projection based on extrapolation of long term real GDP per capita growth forecasts from IMF World Economic Outlook Database (April 2008)

The response to our initial challenge has been terrific



- The blog site had over 6500 visitors from 39 countries in the first ten days (www.blog.nzx.com)
- Hundreds of messages of support and contributions to the debate have been received by via email and the blog
- The campaign received extensive media coverage
 - Print: NZ Herald, Dominion Post, Sunday Star-Times, NBR
 - Radio: National Radio, Newstalk network, Radio Live
 - TV: NZI Business (TVNZ), TV3
- The 'Measurable Goal' report was used in the final TV3 Leader's Debate to initiate a discussion of each party's vision for New Zealand
- **But...** we recognize that these are just the first steps in generating a genuinely **national conversation** and **translating talk into results**

We have received valuable feedback on the three questions we initially posed



Summary of Responses to Date

Do you agree that we need an ambitious, measurable, shared goal for New Zealand?

- Near unanimous support for the idea of setting an ambitious, shared goal for New Zealand
- Strong endorsement of the call for “measurability” so that we can track national progress and hold ourselves and our leaders accountable for results
- But also widespread acknowledgement that it won’t be easy to achieve broad national consensus or to secure genuine commitment from political leaders

Do you believe that we ought to set our sights on returning to the global GDP per capita top 10 by 2025?

- The majority of respondents were supportive of the proposed ‘Top 10 by 2025’ goal
- However, while most agreed that an economic target is an important part of our national goal, two key issues were raised on the blog and in emails:
 - The need to consider alternative measures of economic growth, such as GNP
 - The importance of incorporating environmental and social aspects when making decisions about New Zealand’s future

Do you have better ideas?

- Three distinct views emerged as to how we should incorporate social and environmental factors into the “Measurable Goal” concept:
 - i. Maintain a focus on long term, sustainable economic growth, but reinforce the message that this implicitly requires investment in social programmes and protection of the environment
 - ii. Supplement our economic goal with measures of social and environmental wellbeing
 - iii. Replace GDP per capita with a measure that incorporates broader issues (e.g. Genuine Progress Indicators, the Human Development Index)
- Several national goals or visions were suggested that could capture the public’s imagination while also driving economic growth (ranging from “winning the war for talent” to becoming the world’s premium source of organic food)

The new Government has made positive moves towards a measurable goal



- The National-ACT Confidence & Supply agreement signed this week includes a commitment to a measurable goal
 - Goal is to close the income gap between New Zealand and Australia by 2025
 - Government will establish an advisory group that will recommend policy changes to lift growth and report annually on progress towards the goal

- We applaud the Government's commitment to a long term measurable goal and hope it will make a similar commitment on what it will deliver in this three year parliamentary term

- Our assessment is that catching up to Australia will get us to about 20th position in the world GDP per capita rankings by 2025

- We'd be interested in your thoughts on the Government's proposed goal:
 - Is the target sufficiently ambitious?
 - Is Australia the right benchmark for us or do we need a broader peer group?

Based on feedback to date, we are now moving forward on three fronts



Action Plan for the “Measurable Goal” Initiative

1. Engaging the broader New Zealand community

- While we’re delighted with the response to date, we realise there’s a long way to go before we can genuinely call this a “national conversation” about New Zealand’s Measurable Goal
- We are planning a number of initiatives to broaden public engagement
 - Developing a progressive campaign
 - Establishing a “Measurable Goal” website and Facebook group
 - Working with universities to organise lectures, debates and essay competitions

2. Getting political leaders on board

- To achieve real, long term results will take bi-partisan political commitment
- We will hold discussions with senior MPs from all political parties, sharing our analysis of New Zealand’s current trajectory and the public feedback received to date
- We will work with the NZ Institute, NZX, the World Class New Zealanders Network and others to support the development of a long term strategy for New Zealand that will deliver on an ambitious measurable goal
- Longer term we will ensure that politicians are held to account by tracking New Zealand’s progress towards the Measurable Goal

3. Continuing to contribute to the definition of New Zealand’s Measurable Goal

- As we continue to promote public discussion and engage with the politicians, we’ll keep developing our thinking about the definition of New Zealand’s measurable goal
- We plan to reach out to New Zealand leaders and experts from a variety of fields, asking them to share their thoughts on what New Zealand’s goal should be and how we should measure progress
- In particular, we’ll seek further input on the key issues raised in response to our initial challenge
 - Selecting the most appropriate measure of economic success
 - Ensuring social and environmental factors are not neglected in the pursuit of economic growth

Five ways you can continue to support the ‘Measurable Goal’ project



MORRISON & CO

1. Continue to pass on the “Measurable Goal” message to friends, family and colleagues
2. Keep visiting www.blog.nzx.com to share your views on what New Zealand’s long term goal should be and how we should measure progress
3. Show your support by joining the Facebook group [“A Measurable Goal for NZ”](#) and pass the invitation on to all your Facebook friends
4. Email us at measurablegoal@hrlmorrison.com with ideas on the best ways to communicate the “Measurable Goal” message to the masses
5. Let us know if you have specific expertise or contacts that could contribute further to the project