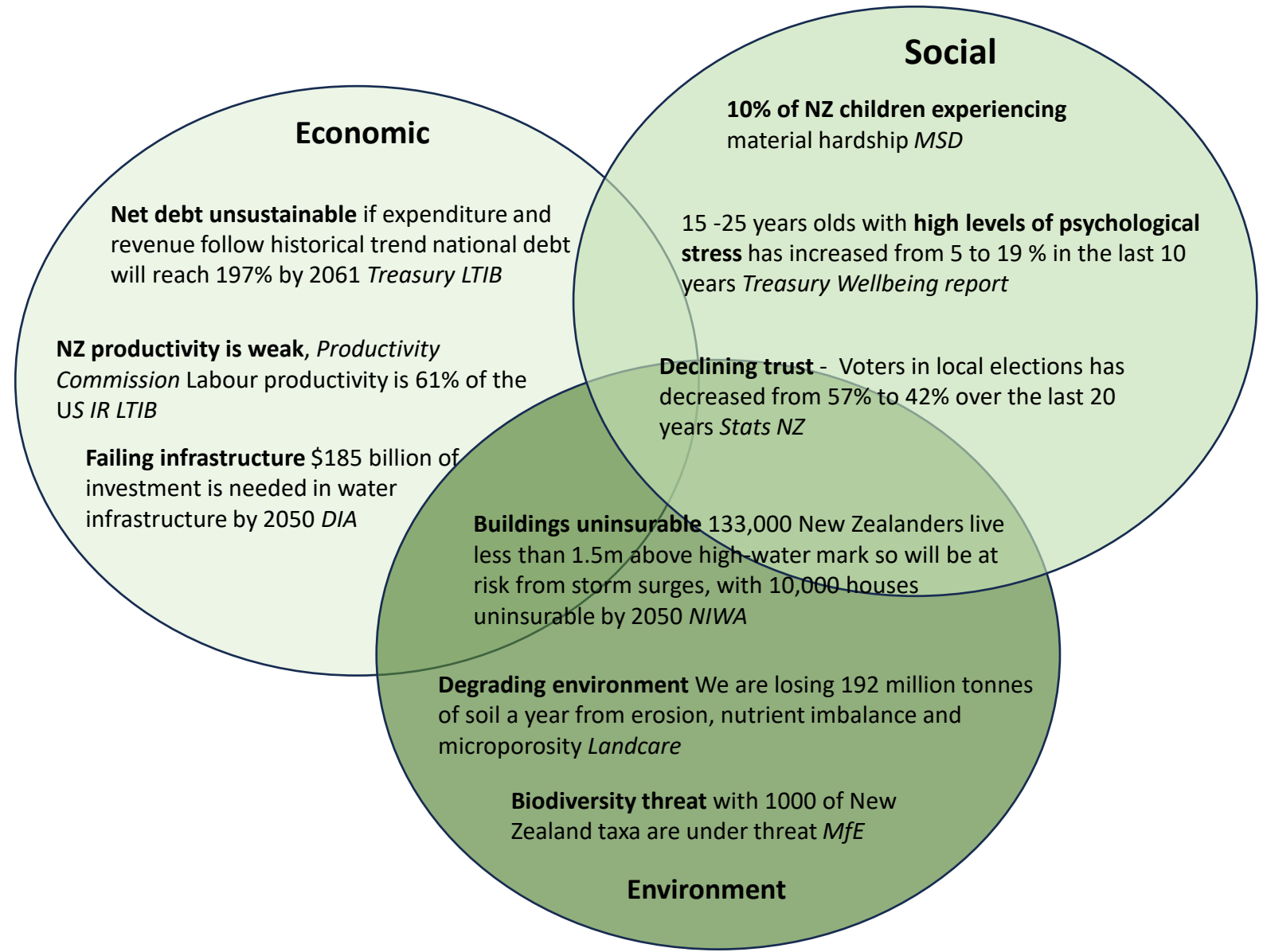


# Reimagining Public Value in times of challenge

Professor Jonathan Boston

Andrew Jackson



# NZ and international experts explored what value public policy should seek to deliver and what policy tools we should use to deliver that value in the face of the polycrisis

5 sessions were run under MBIEs' thought leadership series in collaboration with VUW on

What is Public Value?

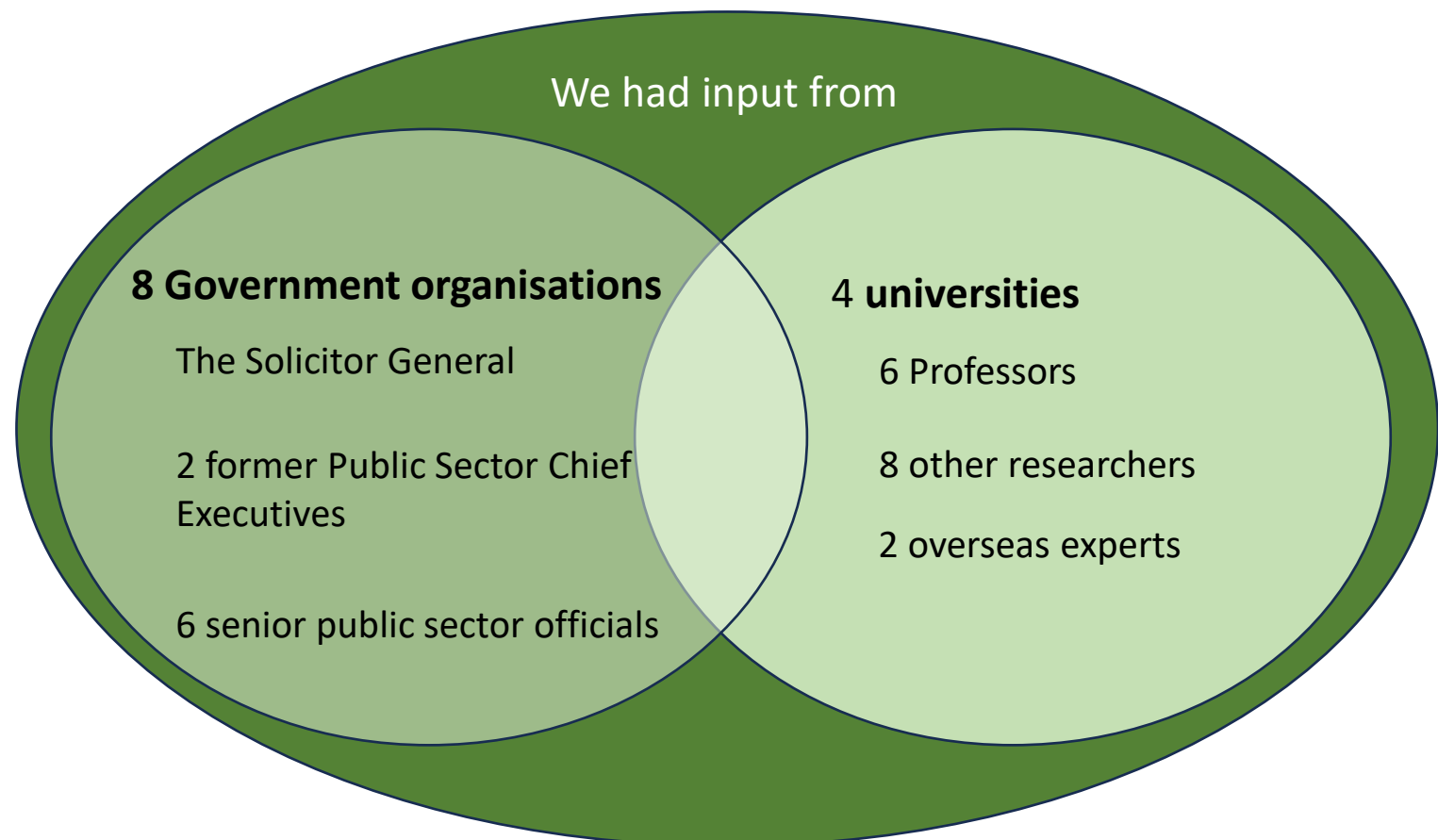
Accountability

Expanding the policy toolkit

Anticipatory governance

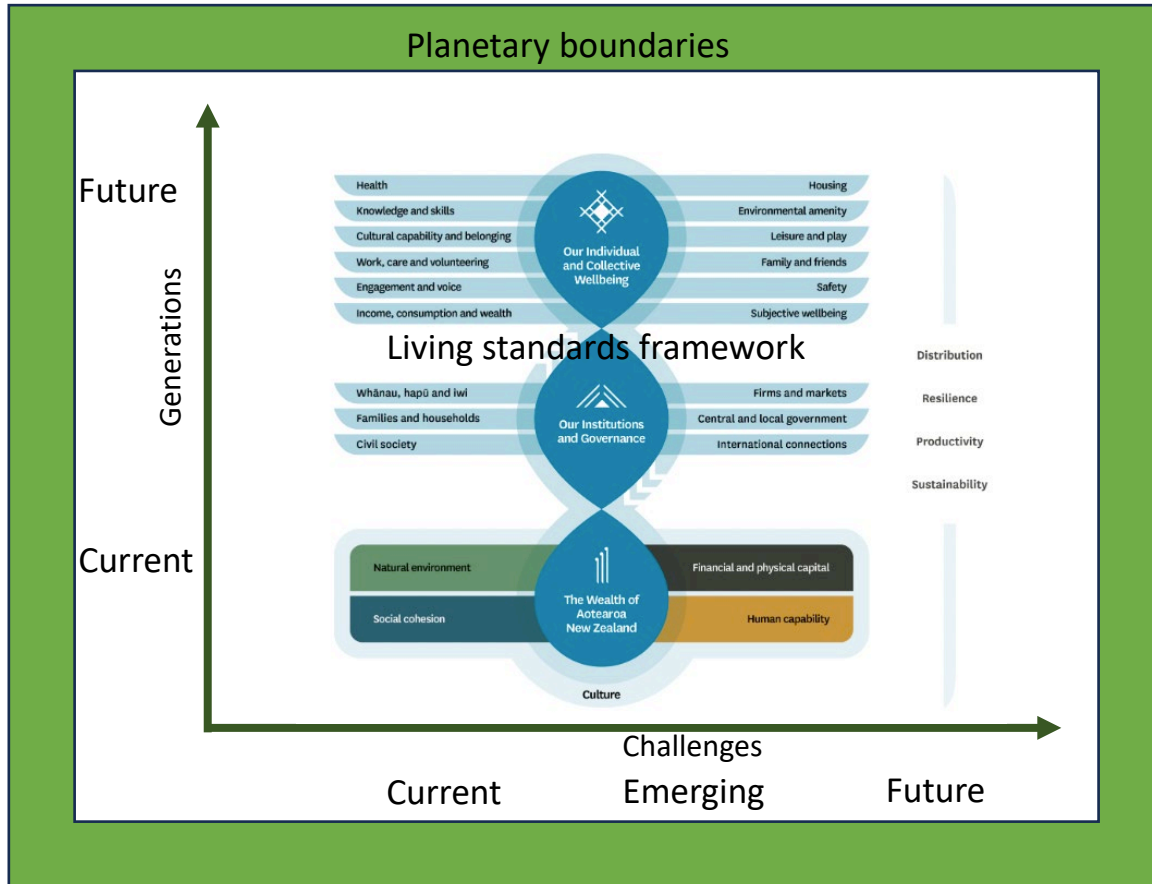
Delivering public value

This paper provides a high-level executive summary of key themes from the series and picks out key issues for consideration.



# The first challenge in policy design is balancing what different parties value to inform which outcomes should take priority

## The is a range of competing outcomes to balance in public policy



While there is broad agreement that creating public value is important, there is less agreement on what that means and how to achieve it because:

- there are multiple views of what outcomes should be valued
- what outcome the public values changes over time;
- there needs to be a balance between the interests of current and future generations
- social, economic and environmental outcomes are often in tension as are the goals of resilience versus efficiency;
- we do not know what future challenges or opportunities we will face
- it is hard to predict how various policy outputs will affect societal outcomes
- it is hard to hold departments to account

And any interventions have to be designed and delivered within our fiscal means whilst respecting planetary boundaries!

**Proposal** Include an expectation that for all major policy proposals and investments that consideration is given to inter generational impacts.

# We are facing not one but many challenges in what has been described as a “polycrisis”

Systems analysis is critical to understanding and responding to a “polycrisis”

A “polycrisis” is described in various ways – from the more immediate definition

“the simultaneous occurrence of several catastrophic events that have negative reinforcing effects” as illustrated by the diagram to the left

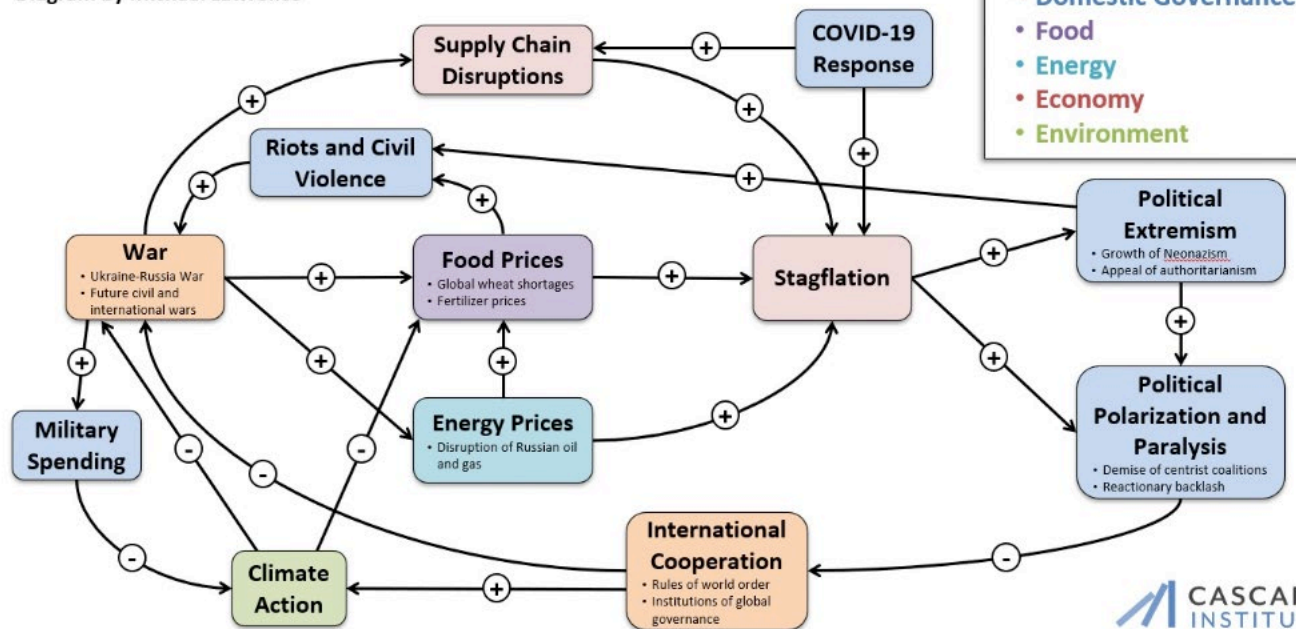
....to the longer-term view

an array of grave long-term challenges, which are described as global systemic risks, which would include:

- Increasing frequency of extreme weather events
- Financial system instability
- Ideological extremism
- Erosion of trust in democratic institutions
- Geopolitical tensions
- Technological stressors

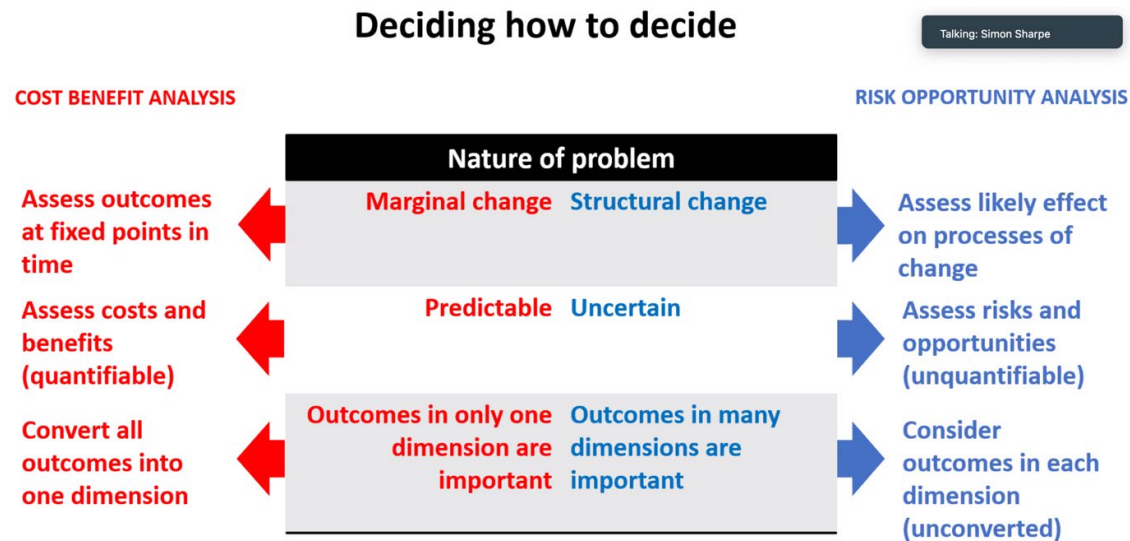
## Inter-Systemic Cascades of the Ukraine-Russia War

Based on discussions of the Cascade Institute’s Ukraine-Russia War Expert Panel  
Diagram by Michael Lawrence



**Proposal** Trial a review of a risk management plan for an operational area against the simultaneous occurrence of three inter-related catastrophic events to assess resilience to magnifying consequences.

# We need to broaden the approaches we take to policy development to respond to these emerging challenges



Simon Sharpe Director Institute for Innovation and Public Purpose UCL

**Proposal** Stock take capabilities in systems analysis and simulation tools and develop and implement a plan to upskill if there is a shortfall.

Many of the current policy interventions are seeking to restore balance in an existing system. The typical approaches to the development of policy will not be sufficient to respond effectively to these challenges. Cost benefit analysis, while useful in stable times is not an effective tool when dealing with significant future uncertainties.

We now need to move to new systems to respond to the polycrisis. For example, we need to move from a carbon driven society to a carbon reducing society, which require the trust of society, financial investment and global co-operation (all of which are under threat)

For these long-term challenges we need to add market shaping policy interventions to our tool kit. This requires us agree what society present and future would see as good and to find ways to manage the many uncertainties ahead

Key capabilities we will need to build are in:

- Systems analysis
- Risk and opportunity analysis
- Foresight
- Knowledge transfer models
- Simulation and the use of AI to support decision making in situations of uncertainty

# We will need to build trust to support the scale of the policy changes we need to make

Dr Kiri Dell used the Hakari to provide a metaphor to capture the Māori perspective on the creation of public value.

## **Who prepares the value - everybody's contribution is valued and appreciated**

- Whanau – who grew it, harvested it, presented it
- Kaumatua – for their wisdom in passing down the how
- Rangatahi – for their future value

## **Who consumes the value - everyone will get to eat**

- But, there is an order of who eats first:
- Manuhiri | Kaumatura | Tamariki | Rangatira

## **What principles underpin the value**

- Spending time with each other
- Dignifying and uplifting others
- Showing up

## **Who decides the order in which we all eat**

- Respected Authority, i.e rangatira who are mandated to make decisions

If we are to bring into place the significant changes we need to respond to the polycrisis we will need to

- work closely with our communities to agree the best way forward.
- everyone to take responsibility to play their part whether small or large in accepting the changes we need to respond to the polycrisis
- ensure that we have a just transition to the future state.

And the change will only be accepted if there is deep trust in the institutions leading the development and implementation of the changes we need.

Engagement can no longer be seen as a 4 week consultation period, it needs to be based on relationships of trust. Those relationships take time to form, investment is needed now in the time to build those relationships which can be the basis for the changes we need to make. We need to build those relationships of trust before crisis hits.

**Proposal** Review and confirm key relations needed to ensure ongoing confidence in services. Identify and invest in any areas where deeper relationships would deliver benefits.



# We need to have clear targets and effective mechanisms for accountability

Effective accountability is necessary to build public trust to ensure social license for change

*I am concerned that it is often not clear to the public or Parliament what outcomes are being sought by governments, how that translates into spending, and ultimately what is being achieved with the public money the Government spends – about \$150 billion last year. Auditor General*

What is needed	Problems identified	Possible way forward
Clear goals and objectives	Short term goals which change with governments	Seek cross party agreement on long term goals in response to long term challenges
Agreed actions to deliver on those goals	Fragmented actions delivered in silos	Agree multi agency targets and action plans, where outcomes require action across agencies
Performance indicators	Often absence of indicators or evaluation of policy changes	Include resource for evaluation of major policy change in business cases.
Effective reporting	Profusion of long overlapping reports	Rationalise and simplify the accountability system
Effective scrutiny	Increasing number of oversight bodies, some which focus on detail rather than the strategic	Rationalise the accountability institutions and build scale to ensure capability. Ensure use of experts as necessary
A mature culture that seeks to solve rather than sack	Reporting documents tend to be PR rather than honest assessment	Ensure incentives recognize and reward portfolio performance, and the importance of learning

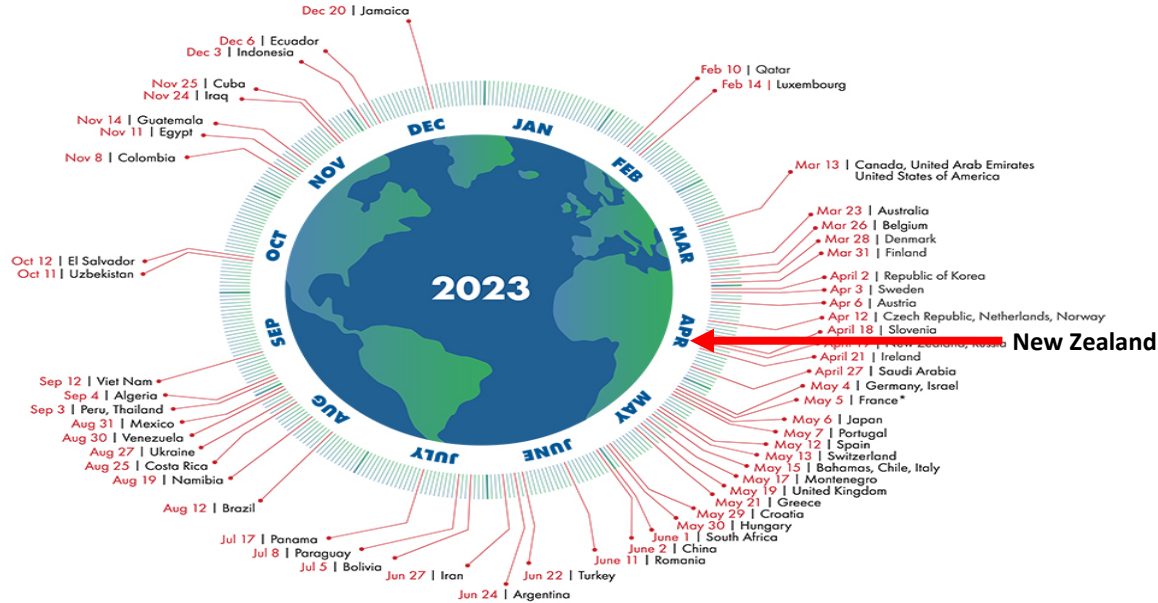
*‘Vagueness and indeterminacy are often the necessary recipe for political and peaceable co existence’*  
Pro Vice Chancellor Government Law and Business Victoria University

**Proposal** Review institutional infrastructure to ensure fit for purpose to test the value and efficacy of the increasing layers of oversight commissions.

# The Welsh experience over the last 25 years shows change is possible but it takes time

## Country Overshoot Days 2023

When would Earth Overshoot Day land if the world's population lived like...



For a full list of countries, visit [overshootday.org/country-overshoot-days](https://overshootday.org/country-overshoot-days).  
\*French Overshoot Day based on nowcasted data. See [overshootday.org/france](https://overshootday.org/france).

Source: National Footprint and Biocapacity Accounts, 2022 Edition  
[data.footprintnetwork.org](https://data.footprintnetwork.org)



### Critical things for transformative change

We heard from the Welsh ex Minister for Environment about the journey they went through to deliver change. She said five things were critical to get it in place to support change

### Empowerment of those affected

The Welsh Assembly was empowered to find a way to to deliver develop that meets the needs of the present without compromising the ability of future generations

### A powerful narrative to galvanise action

The Country Overshoot Day became the catalyst to drive action and led to cross party and broad social support

### Legislation with teeth ensuring accountability

The legislation had to have “must” based clauses to ensure that there was real action

### Innovation in policy

New approaches and policies were needed to achieve their aim – one example given was the decision that they could not justify building any more roads

### Engagement

Significant change required the support of those leading the change and those affected by the change



# We need to take action today

In order to develop policies which will be effective and receive the necessary social support to implement we need to:

## Deepen our understanding of the challenges ahead

- Develop an agreed process to identify and agree the critical long-term challenges for NZ and their inter relationships
- Ring fence public sector resource to develop responses to NZ's long-term challenges]

## Develop our capability to respond to the challenges

- Build capability in the use of systems thinking, foresight, risk and opportunity analysis, simulation and AI and knowledge transfer models
- Identify exemplars in policy innovations that deliver system level changes which could be considered for application in New Zealand

## Build the trust necessary for change

- Embed the principles from the Māori Hakari to build the trusted relationships to serve as the necessary basis for the system level changes we need
- Deepen our understanding of how to build healthy information ecosystems necessary to ensure trust in the institutions which will engage with society on these issues.

## Establish clear long-term goals and track progress towards those goals

- Include multi-agency medium and long-term goals to ensure aligned responses to the challenges ahead
- Rationalise and simplify the accountability system