

Grade C. New Zealand could do better

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New Zealand is a country with high potential. Material wealth, a productive and beautiful environment, cultural richness and world-class institutions make it a great place to live. New Zealand's appeal is based on the whole package, not a single attribute.

Success depends on performing well across the whole package, so a suite of measures is needed to track how well the country is performing. Schools use report cards to identify opportunities for students to improve, and businesses use a balanced scorecard to manage performance. For a country a set of societal performance measures provides an indication of whether outcomes are improving or not, and helps identify where better strategy or more effort is required.

The New Zealand Institute has produced a report card of New Zealand's social, economic and environmental wellbeing. The NZahead report card is a tool for New Zealanders to understand the country's performance on 16 measures.

Trends are shown, and comparisons made with other OECD countries where they are available. Targets are offered for each measure in 2015. Grades are assessed for each measure, and for performance overall.

New Zealand's highest grades are for life expectancy, educational achievement, and agriculture and forestry land per capita. These are New Zealand's strengths, where New Zealand is consistently among the top 10 OECD countries. But none of these measures was graded A. Performance on life expectancy and educational achievement is very good but New Zealand has some disadvantaged segments within the population that suffer significantly worse results. And agriculture and forestry land per capita is very strong, but it has been declining quite quickly.

Seven of the 16 measures are graded D, including three of the economic performance measures: Innovation and business sophistication, labour productivity, and household wealth. Grades of D are also given for two social measures: inequality and assault mortality, and for two environmental measures.

The NZahead report card is different from the National Report Card released by the Prime Minister in 2009. The National Report Card focuses on inputs; the actions Government is taking to improve outcomes. NZahead reports outcomes, which are the results of government actions, and actions by others.

There are actions underway to improve outcomes on most of the measures included in NZahead. But for many measures those actions are insufficient to change the grade. In some instances that is because improvement is slower than improvements by other countries, meaning New Zealand remains an average performer overall with a grade of C.

New Zealand receives a grade of B- for overall effort. There are efforts under way to improve outcomes for almost all of the measures. For several measures such as suicide, labour productivity, and innovation, there are serious efforts being made to improve outcomes and indications that further progress will be made. For a few measures, including inequality, assault mortality, and water quality, more effort is required.

Looking beyond the summary measures, there are three important patterns in the data. First, despite improvements on average in some social measures, New Zealand's disadvantaged are not doing well relative to the disadvantaged people in other OECD countries. Second, relatively poor grades in innovation, labour productivity, GDP per capita, and wealth indicate that across the board economic performance must be improved. Third, New Zealand has important environmental strengths but environmental assets are being eroded, as they are for the world as a whole.

The hard fact is that New Zealand has limited resources to address many important issues. Success is more likely if people have shared goals, and they are motivated to improve outcomes. We hope NZahead will be a useful way to focus debate about priorities, strategies and results.

These 16 measures of New Zealand's performance should make New Zealanders think about what is important for them and for other New Zealanders. Discussing and agreeing what New Zealand should focus on to ensure a successful future is an important step towards achieving that future. If more New Zealanders are engaged in debating what is important then the country is more likely to develop shared goals and to identify the steps required to help achieve those goals.

You can reach the NZahead report card at www.nzahead.org