



New Zealand Report

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Sustainable Governance Indicators 2018

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Executive Summary

Throughout much of the period under review, New Zealand's center-right National Party led government as the largest party in a formally minority government. Generally able to command a legislative majority, the National Party negotiated confidence and supply agreements with three smaller parties, the Maori Party (two seats), United Future (one seat) and the ACT Party (one seat). In early December 2016, shortly after the end of the review period for the SGI 2017, Prime Minister and National Party leader John Key, who had served as head of government since 2008, announced that he would step down. He was succeeded by Bill English, who had previously served as Deputy Prime Minister and Finance Minister. In February 2017, English announced that there would be a general election on 23 September. Although the National Party won the highest proportion of votes, two of its three support parties failed to win parliamentary seats, leaving the New Zealand First Party leader, Winston Peters, holding the balance of power. Instead of endorsing the more favored National Party, Peters decided to form a coalition government with Labour, while the Green Party offered legislative support from the cross-benches. The new prime minister under this three-party arrangement is the 37-year-old Labour leader, Jacinda Ardern, who is the youngest New Zealand prime minister in modern times.

Throughout the review period, New Zealand performed well with regard to indicators of governance capacity, policy performance and quality of democracy. New Zealand's democratic system is based on a unicameral parliament, working rule of law, a strong executive branch and effective government. The system is healthy and stable. Despite an ongoing debate about adopting a written constitution, the fundamental structure and operation of governance reflects a fundamental continuity.

The country's commitment to economic freedom is reflected in its leading position in the World Bank's 2018 Doing Business report. According to the report, New Zealand provides the world's best protection for investors. In addition, it is one of the safest countries in the Asia-Pacific region and offers a "low-risk environment for business investment." Political reforms implemented over recent decades have created a policy framework that demonstrates impressive economic resilience. Openness to global trade and investment are firmly institutionalized. The government has entered into

several free trade agreements. For instance, in June 2017 New Zealand launched FTA negotiations with the Pacific Alliance (Chile, Colombia, Mexico and Peru), has been an initiator of the 11-member Trans-Pacific Partnership Agreement, and is exploring the possibility of a free trade agreement with the European Union.

New Zealand's economy rebounded quickly from the global recession. The impact of several severe earthquakes on economic growth has been limited; indeed, the subsequent rebuilding programs have contributed significantly to economic growth in the South Island. On the other hand, the recent influx of immigrants and the repatriation of many New Zealanders from Australia is placing severe strain on the housing market, especially in Auckland.

According to IMF figures, net general-government debt remained well under control at 8.8% of GDP in 2015. The equivalent rate in the United Kingdom was 80.3% and in the United States it was 79.9% for the same year. During the review period, economic growth has been relatively strong, and inflation has remained under control. Economic recovery from the global economic crisis has been driven by exports and the rebuilding of Christchurch. However, although the New Zealand economy came through the world financial crisis comparatively well, the government was forced to prioritize budgetary policy at the cost of other reform projects. As a result and despite strong performance in terms of macroeconomic indicators, fiscal austerity policies have widened the socioeconomic gap between the rich and poor.

In the lead-up to the 2017 election, the rise in levels of child poverty became a particularly salient issue, with close to one in three children being defined as living in poverty. In response, the government introduced a number of initiatives to combat the problem.

Long-term policy challenges have not changed during the review period. First, New Zealand's economic well-being strongly depends on developing a larger, more highly skilled and better paid workforce. This will require new initiatives and further investment in education and training, as well as a stronger commitment to research and development. Recent trends in immigration and employment have been positive, particularly employment rates in Auckland, the largest metropolitan area. Currently, the construction boom has created a demand for skilled labor that has yet to be met. Whereas New Zealand has demonstrated relative success with integrating immigrants, greater investment is needed to advance improved education outcomes and skills training among the Maori and Pasifika populations. New Zealand also needs to develop stronger links with its neighbors in the Pacific region.

Despite the government's decision to withdraw from its Kyoto obligations, New Zealand's own vulnerability to the consequences of climate change were recognized in its endorsement of the objectives of the United Nations Climate Change Conference in Paris in October 2016. The new government has expressed a strong commitment to addressing the causes and effects of climate change.

Key Challenges

New Zealand is well positioned to tackle current and future challenges. Over recent decades, it has radically reformed its economy as well as its electoral and public management systems. Compared to other OECD countries, New Zealand has emerged from the global financial crisis in a relatively strong position. Nevertheless, four problem areas persist: innovation, tax policy, regional development and government structures, and the government's agenda-setting capacities.

First, innovation. Although governments, including the recent National minority government, have increased investment in tertiary education (particularly in science, technology, engineering and mathematics), and research and development, there remains a need to intensify these efforts, as comparative data for OECD countries has made clear. Similarly, New Zealand does not invest enough in ongoing job-based education and training. The country has followed the tradition of Anglo-American liberal market economies (LMEs), which invest more extensively in transferable skills than in job-based training, which is the focus of some continental European coordinated market economies (CMEs). Given that the New Zealand economy is extremely small, other approaches, including those used in Scandinavian countries, may well be better suited to local conditions. Although unemployment rates are relatively low, at just under 5%, a particular area of concern is the high rate of youth unemployment in Maori and Pasifika communities.

The economy's innovation potential is inextricably linked to immigration policy, where attracting highly skilled workers is of utmost importance. The new government led by Labour Prime Minister Jacinda Adern needs to remain committed to attracting skilled immigrants and ignore pressure from its populist anti-immigration coalition partner New Zealand First. Although New Zealand First is a small parliamentary party, as the key to maintaining the balance of power, it was strategically placed to negotiate with both major parties, Labour and National. By forming a coalition with the former, it has

been given far more power than vote (7.2%) or seat share (nine of 120 in parliament) would indicate. The recent surge in support for anti-immigrant parties in the United States and Europe has placed immigration policy firmly on the New Zealand political agenda.

Second, tax policy. Prioritizing a balanced budget, the new government has shelved plans for the new round of tax cuts promised by the former National-led government. The new government needs to tackle the politically sensitive issue of extending National's "bright line" tax – a mild form of capital-gains tax – from two to five years with a view to reducing the impact of property speculation on the housing market. Since this has been a key Labour election proposal for some time, the new government is likely to initiate legislation in this area. The new government has also promised to prevent non-resident foreign investors from speculating on housing. Unsurprisingly, the country has one of the highest rates of home ownership in the world at 63.2% in 2016. However, these policies violate horizontal equity and divert capital away from more productive uses. A more robust capital-gains tax on all but the family home would cool the property market, especially in Auckland (population 1.4 million). There is growing consensus among parties and economists that this anomaly in the tax structure needs to be tackled.

Third, regional development and governance structures. The economy is characterized by a large and increasing urban-rural divide, particularly regional economic growth, labor productivity and population growth. The government needs to create a focused regional policy both in metropolitan and rural areas. Regional economic policies should be accompanied by governance structures that geographically fit the problem area. The establishment of a unitary Auckland authority with an elected all-Auckland council has been a good starting point, but this should not be the end of local government reform. A similar centralized structure for the Wellington area was rejected by a poll of the city's residents in 2015. Auckland's local government covers more than one-third of the total population of the country. This implies a heavily asymmetric local government structure vis-à-vis central government. The 2010 and 2011 earthquakes in the Christchurch and the Canterbury region, followed by a 2016 earthquake that hit the South Island provincial town of Kaikoura, has understandably dominated the government's regional-development agenda, with most of its activities receiving praise. The potential for restructuring the regions on a more general scale should be evaluated.

Fourth, government as agenda-setter. New Zealand's political system is still characterized by majoritarian design. There are no institutional veto players whose policy positions the government must consider (such as provincial or state governments, second chambers, constitutional courts or local

governments with constitutionally guaranteed powers). However, the change to a mixed-member proportional electoral system has led to a multiparty system, the emergence of several minor political parties with de facto veto powers, and the formation of minority and coalition governments of different formats. After more than a decade, this governing arrangement has proven relatively positive, although parts of the electorate, especially older and more conservative voters, still need to be persuaded of the benefits of proportional representation. The outcome of the 2017 election, with the most popular party being rebuffed by the small New Zealand First Party, has prompted many older and more conservative voters to question the legitimacy of the new center-left government.

Recent governments have been able to proactively pursue their respective policy-reform agendas with noticeable success. However, while successive governments have been able to implement the vast majority of their policies, the process has been very time-consuming and occasionally produced contradictory policy initiatives. In 2013, former prime minister John Key proposed increasing parliamentary terms from three to four years to promote policy coherence and consensus. The proposal had failed in two previous government-initiated referendums (1967 and 1990). Judging from comments made by other party leaders, this proposal appeared to have wide-ranging support. At the same time, there is no evidence that public opposition has weakened. Short of gaining a 75% majority among members of the unicameral parliament, a four-year term seems an unlikely proposition.

Citation:

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Policy Performance

I. Economic Policies

Economy

Economic Policy
Score: 6

New Zealand is widely known for the significant structural policy reforms introduced in the 1980s and 1990s. Despite strong early public opposition, these reforms have had a largely positive impact, and the resulting policies have remained largely intact. Yet New Zealand is also often cited as a country for which free-market reforms have not yielded the improvements in productivity, economic growth and living standards that were anticipated and promised by reformers. The demand for a return to growth became more insistent after the National government took office in 2008, with some blaming the minority nature of the National government for the slow and incremental nature of change. However, given that National has been able to implement a vast majority of its economic initiatives, responsibility may have less to do with lack of support from its junior support parties than with the cautious, pragmatic and poll-driven nature of the government's economic agenda. This is not to ignore the wider context of the global financial crisis, which drove the New Zealand economy into recession, albeit less severely than in many other OECD countries. Fiscal surpluses, due in part to earlier reforms, swung to deficits. Getting back to a balanced budget has since been the pre-eminent issue on the government's agenda. According to the 2017 OECD Economic Survey of New Zealand, economic growth has averaged around 3% over the past three years and is projected to remain strong through 2018. Whereas inflation increased somewhat to 2.2 % in early 2017, it then slowed down to 1.7% in the second quarter of the same year.

Citation:

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Labor Markets

Labor Market
Policy
Score: 7

Although the National-led government was reluctant to intervene directly in the labor market, New Zealand's labor-market policy has been relatively successful. The unemployment rate was at 4.8% in June 2017, the lowest rate since December 2008 and the onset of the global financial crisis. Averaged over time, unemployment rates have risen less than in most OECD countries. In addition to longer-term measures to reduce non-wage labor costs, the government has concentrated on online information for job seekers (the Department of Labor's Jobs Online Index) and on measures to build up skill levels in the workforce and address skill shortages. For a number of years, a major problem in this regard was the persistent loss of highly skilled workers to Australia. The volume of this expatriation rose at its peak to over 50,000 persons per annum, a significant loss for a country with a population of only 4.8 million. This trend has been stopped. In 2017, net migration amounted to over 70,000. However, skills shortages in the telecommunication, IT and construction sectors remain a problem. In April 2016, the Global Impact Visa policy was announced. A collaborative public-private sector approach, the policy aims to identify the best applicants from around the world and provide support as they integrate into the New Zealand economy.

In April 2017, changes were announced to the Essential Skills visa program, which is designed to facilitate the entry of temporary workers needed to fill employment shortages. These changes included requiring Essential Skills visa holders to leave New Zealand for a period of 12 months after having resided a maximum of three years in the country before they can apply for another Essential Skills visa to work in another low-skilled position.

Areas of concern remain, such as the differentials between urban and non-urban areas, and in terms of unemployment rates for the Maori and Pasifika populations (11.1% and 10.1% respectively for the second quarter of 2017). The unemployment rate for young people has been on the decline since 2008. This is mainly due to the government's youth-based initiatives, including increased financial support for apprenticeship training, greater vocational preparation in schools and the introduction of a 90-day employment trial period. The rebuilding of Christchurch and the housing boom, especially in Auckland, stimulated economic growth. This has been sustained by sharp growth in tourism, a rise in net migration and an associated demand for housing, especially affordable housing targeted toward first-time buyers.

Citation:
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us/media-centre/news-notifications/changes-temporary-migrant-work-settings) (accessed 21 September 2017).
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September, 2016)

Quarterly Labour Market Report. Ministry of Business, Innovation & Employment. August 2017
(<http://www.mbie.govt.nz/info-services/employment-skills/labour-market-reports/labour-market-analysis/labour-market-report/document-image-library/quarterly-labour-market-report-august-2017.pdf>)
(accessed September 19, 2017).

Taxes

Tax Policy
Score: 8

Taxation policy continues to successfully promote competitiveness and the generation of sufficient public revenues. Regarding equity, governments have followed a policy of equal treatment of tax types, including income earned outside New Zealand, but at relatively low rates. The National government reduced rates across the board in 2010, but at the same time increased the goods and services (GST) tax from 12.5% to 15%. The government has postponed plans for a new round of tax reductions in the face of its “zero budget” priority policy, with the goal of bringing the economy back into surplus. While it has resisted pressure from some media outlets, opposition parties and other sources to introduce a stamp duty and/or capital-gains tax on residential investment properties, in 2015 it was forced to respond to the property boom in Auckland by imposing a “bright line” tax on investors who sold their residential properties (other than the family home) within two years of purchase. As house prices continue to rise, quite dramatically in some regions, the Institute for Governance and Policy Studies in Wellington has argued that such a tax would increase government revenue and reduce distortions in the tax system. Moreover, it would address the issue of inequality in New Zealand.

In the lead-up of the 2017 general election campaign, the Labour Party promised to increase the period of eligibility for the “bright line” property tax from two to five years. Overall, tax policy emerged as one of the most divisive election issues, with the National and Labour parties offering significantly different proposals. Whereas the National Party focused on tax cuts, Labour promised to scrap those tax cuts in order to use the money for its policy pledges in areas such as fees (free education for tertiary students), a far more generous Working for Families package and a new universal payment of \$60 a week for parents of newborn babies once paid parental leave runs out.

Citation:

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Budgets

Budgetary Policy
Score: 9

New Zealand's budgetary policy is fiscally sustainable. The advent of the world financial crisis ended 14 years of budget surplus. The National government stated very early on that a return to high-debt levels would be imprudent, and made decisions designed to ensure that gross debt peaked below 40% of GDP in 2010, well below the OECD average. In succeeding years, the National government maintained its course of fiscal consolidation. According to an OECD forecast, general government gross financial liabilities as a percentage of nominal GDP would decrease from 39.7% in 2016 to 39.1% in 2017 to 38.2% in 2018. Although opposition parties were highly skeptical of the way it was achieved, the government posted a modest budget surplus of NZD 275 million in 2015, the first such surplus since 2008. This trend continued into 2016 and 2017. The longer-term aim of bringing net debt down to 20% of GDP by 2020 appears to be more and more realistic. The government announced that it would only be willing to reassess this course if the economy were hit by a severe negative shock that might imply that sticking to the current fiscal strategy would harm the economy by forcing a sharp reduction in demand.

Citation:

Fiscal Strategy Report 2017 (<http://www.treasury.govt.nz/budget/2017/fsr/b17-fsr.pdf>) (accessed 21 September 2017).

OECD Economic Survey of New Zealand 2017 (<http://www.oecd.org/newzealand/economic-survey-new-zealand.htm>) (accessed 21 September 2017).

Government at a Glance 2013 – Country Note: New Zealand (Paris: OECD 2013).

Research and Innovation

R&I Policy
Score: 6

New Zealand policy regarding research and development (R&D) strategies and expenditure, high-technology employment and patent indicators is deficient, a situation criticized by the OECD. The OECD strongly recommends a coherent policy that makes more use of incentives for enterprises to invest in R&D and that steers and funds public infrastructure with regard to basic and applied research institutions. The problem does not seem to result from cumbersome bureaucratic procedures, but mainly has to do with New Zealand's size and the geographical isolation, as well as the lack of large companies operating at an international level.

According to Statistics New Zealand's Business Operations Survey, business spending on R&D has grown by more than 29% from 2014. While the government has increased spending on tertiary training in the fields of engineering and science, domestic expenditures on R&D as a percentage of GDP place New Zealand well down the list of OECD countries, including its closest economic partner, Australia. New Zealand spent 1.3% of GDP on R&D in 2016; the OECD average is 2.4%. Funds have been provided for the establishment of privately led regional research institutes, agricultural and biological research partnerships, and natural-hazards projects. In October 2015, New Zealand's first national science strategy, National Statement of Science Investment (NSSI), was launched. The statement aims to establish a long-term strategy for government investment in science. Despite these initiatives, government spending on R&D falls far short of levels in many other OECD countries.

Citation:

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Global Financial System

Stabilizing
Global Financial
Markets
Score: 6

As a globally oriented country with a high degree of international economic integration, including financial market integration, New Zealand has a strong interest in promoting a stable, efficient and transparent international financial system. There is a commitment to preventing criminal financial activities, including tax evasion. The Inland Revenue department's audit activities focus on cases in which multinationals appear to be avoiding taxes. In May 2016, it was announced that New Zealand had joined an OECD initiative to allow all participating tax jurisdictions to exchange information on the economic activity of multinational corporations among participating countries. In June 2017, New Zealand signed the OECD Multilateral Convention to Implement Tax Treaty-Related Measures to Prevent Base Erosion and Profit Shifting (known as the Multilateral Instrument). However, New Zealand is too small a player in the international arena to contribute proactively to the regulation and supervision of financial markets. It concentrates on regional arenas, such as the Asia-Pacific Economic Cooperation (APEC). Even here, the country has only limited ability to shape the regulatory process within multilateral institutions.

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NZ joins country-by-country reporting. Tax Policy – Inland Revenue. 18 May 2016 (<http://taxpolicy.ird.govt.nz/news/2016-05-18-nz-joins-country-country-reporting>) (accessed September 17,

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II. Social Policies

Education

Education Policy
Score: 9

According to the OECD's Education at a Glance 2016 Report, the performance across all levels of New Zealand's education sector compares well with those of other developed countries. PISA scores in New Zealand are higher than the OECD average, although the latest PISA report shows signs of some decline. There is growing evidence that children from lower socioeconomic backgrounds are struggling. Scores for Māori and Pasifika students, which have long been below average, are declining. The effects of socioeconomic disparities continue to be a major topic of public debate. In both primary and secondary education sectors, inequalities persist in school financing and students' educational achievement, while affordability is affecting parents' choice of school for their children. Free education is frequently described as being a "myth" and the education-funding system is criticized for being too reliant on parent donations, which produces further inequalities. On a more positive note, according to OECD data, teachers in New Zealand were ranked 4 out of 35 countries for professionalism.

In the field of primary and secondary education, investment and participation rates are high, with teacher-student ratios being among the lowest in the OECD. The main elements of the National government's approach to education include increasing participation of disadvantaged groups in early childhood education, encouraging students to stay in school longer by improving pathways to further learning and work, and raising teaching quality through increasing collaboration between schools. The new Education Act, passed by parliament in May 2017, lets children start school at the age of four years and 10 months and allows for online-only schools called "communities of online learning" (COOLs).

As for tertiary education, New Zealand's eight universities are ranked in the top 450 universities worldwide, according to the latest QS World University Ranking, and in the top 600 universities worldwide, according to the Times Higher Education Ranking. Despite the disadvantage of geographical distance, the proportions of international students undertaking short-term study, as well as enrolling in the bachelors, masters and doctoral programs, are higher than the

OECD average. Nearly half of all international students come from China and India. While graduation rates at undergraduate level are generally higher than the OECD average, graduation rates for students below 30 years old are in line with the OECD average. For masters studies, the graduation rate of 4% is significantly lower than the OECD average.

Tuition costs have been a source of some concern for New Zealand's political parties. According to the OECD, tertiary students in New Zealand are paying the seventh-highest fees in OECD countries. The new Labour/NZ First party quickly introduced free tertiary education for first-year undergraduate students, beginning in the 2018 academic year. This policy had been repeatedly rejected by the National government, largely on the grounds that taxpayers were required to carry the burden of a previous Labour government policy, continued under the 2008-17 National government, of providing interest-free student loans. That said, in September 2016, the Productivity Commission's "New Models of Tertiary Education" recommended reinstating interest on student loans, a suggestion that was categorically ruled out by the National-led government.

A recent development has been the launch of "FindMyPath," "a new website to help young people explore qualification pathways and figure out what they should study to achieve their career goals." The policy aims to strengthen the link between education and the labor market.

In December 2015, the Pathway Student Visa pilot program was introduced for a period of 18 months with selected primary, secondary and tertiary institutions. Immigrants with a Pathway Student Visa can undertake three consecutive study programs with selected education providers and the visas are valid for up to five years.

In vocational education, apprentice numbers and completion rates have increased. Furthermore, New Zealand ranks high among OECD countries for adult education.

Citation:

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Social Inclusion

Social Inclusion
Policy
Score: 7

New Zealand has a long tradition of support for a more egalitarian society. Governments have established a comprehensive system of social security benefits, including income support. Increased efforts have been put into reducing general disparities, most evident between New Zealand Europeans and the Maori, Asian and Pasifika populations. These differences, however, are more of a reflection of economic, structural and geographic influences than race-based discrimination. With regard to gender equality, based on the ratio of female-to-male earned income, New Zealand has slipped behind in recent years, although, with a pay gap of 9.4% in the June 2017 quarter, it continues to rank among the top countries. In contrast, the rate of unemployment among Maori youth in 2014 was 22%, some four times above the national average. Pacific Island youth unemployment for the same year was at 25%. In recent years, there has been growing public awareness of the incidence of child poverty within New Zealand. Its rate is about the OECD average, but is more than double the rate in the best performing OECD countries.

Housing is an ongoing and substantial social problem. Many of these problems are driven by the high cost of housing in New Zealand, which is above the OECD average, and inevitably affects the poor hardest. Today, the median house price in Auckland is about 10 times the median household income. The outgoing National government was criticized for responding too slowly and underestimating the seriousness of the housing problem. In January 2015, it had announced the introduction of a social housing reform program. In September 2016, housing legislation came into force, which aimed to further stimulate house building in Auckland and free up land for low-cost housing, especially for first-home buyers. In 2017 the incoming Labour/NZ First government pledged to build 100,000 affordable houses within the next ten years.

For the 2017 budget, the government announced a social investment program targeting the most vulnerable sectors of society with early intervention in an effort to save taxpayers money in the long run. The package includes 14 initiatives on mental health, behavioral services for children with behavior difficulties, burglary prevention, national coverage for Family Start, an intensive home visiting program, enhancing industry, treatment, and learning interventions to reduce prisoners' risk of re-offending and improving their broader social outcomes, increasing long-term contraceptive access for low-income women, expanding Housing First, reducing youth crime rates, and creating positive pathways for people with a corrections history who participate in specific reintegration programs. During the 2017 election, opposition parties complained that these reforms came too late in the life of the government and did not go far enough.

Citation:

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Health

Health Policy
Score: 8

Since 2009, health reforms have encompassed the consolidation of regional hospitals and primary-care organizations, increased use of benchmarking and further decentralization. Although there is both public and private provision of health care, access to the public hospital system is freely available to all residents. Health care is not only generally of a high quality, it is also cost effective and relatively efficiently managed. However, concerns about rising costs and a lack of productivity gains led to the appointment of a ministerial review group and a national health board in 2009, tasked with improving coordination between the government ministry and district health boards, and providing advice on the allocation of budgets. The OECD points out that the biggest projected long-term public spending pressure is in health care, which is expected to jump from 6.2% of GDP in 2015 to 9.7% of GDP in 2060, owing to both aging demographics and the expected increase in expensive new treatments. The gap in health status between Maori and non-Maori has been reduced, particularly regarding smoking-related illnesses and obesity. Gaps in life expectancy have been reduced but more remains to be done, including changes in behavior and lifestyle. Concerns about health disparities have been an ongoing concern, as noted by OECD reports.

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Families

Family Policy
Score: 8

The labor force participation rate of women is comparatively high. However, women have been more susceptible to unemployment than men following the global financial crisis. In 2017, the gender pay gap in New Zealand was 9.4%. Participation of women in the labor force, including business and politics (e.g., women make up only a third of members of parliament), is still well below that of men. Paid parental leave is funded by the government and was extended by the incoming Labour/NZ First government in November 2017 to cover loss of income for up to 26 weeks.

Despite an effort to target resources to serve low-income families and beneficiaries, child poverty levels remain high. If the poverty line is determined to be less than 60% of the median household income, then some 285,000 children were considered to be in poverty in 2014. This has led to increased public criticism, for example by UNICEF New Zealand. Community-based efforts to provide needy children with food in schools have been supported by businesses and government initiatives.

A strengthening of family violence laws was announced in September 2016. According to the then prime minister, “the rate of family violence in New Zealand is unacceptable.” This will involve reforming civil and criminal law. The resulting Family and Whānau Violence Legislation Bill had its second reading in September 2017.

Citation:

Govt again vetoes paid parental leave bill. 29 June, 2016 (<http://www.radionz.co.nz/news/political/307590/govt-again-vetoes-paid-parental-leave-bill>) (accessed 13 September, 2016).

Safer Sooner: Strengthening family violence laws. The Ministry of Justice: <https://www.justice.govt.nz/about/news-and-media/news/safer-sooner-strengthening-family-violence-laws/> (accessed October 3, 2016).

Family violence laws introduced to parliament. New Zealand Law Society. 16 March 2017 (<https://www.lawsociety.org.nz/news-and-communications/latest-news/news/family-violence-laws-introduced-to-parliament>).

Jonathan Boston, Simon Chapple, 2014. Child Poverty in New Zealand, Wellington Bridget Williams Books.

Pensions

Pension Policy
Score: 6

New Zealand’s pension system is tax-based. It is relatively efficient, as it prevents poverty in old age with a relatively low level of public spending, measured as a percentage of GDP. The most recent innovation in this area is KiwiSaver, introduced in 2007, a publicly-subsidized private pension plan

offered on a voluntary basis. At the time of writing, KiwiSaver enjoys broad political support from both major parties. Although introduced by a Labour government, the National governments implemented only minor modifications. KiwiSaver is a popular option. As of September 2017, more than 2.7 million people had joined the program. However, despite its popularity, the KiwiSaver scheme has come under public scrutiny. A particular criticism has been the lack of transparency around account fee charges, as most KiwiSaver providers don't inform customers of the exact amount charged for managing their accounts. Another public debate concerns where the KiwiSaver funds end up. It was revealed that, through KiwiSaver, New Zealanders have been investing in tobacco and weapons' companies.

In the longer term, however, demographic changes mean that more effort must be made to encourage private savings as part of a strategic plan to address public sector affordability issues and intergenerational equity challenges. New Zealand's recent history of economic downturn and rising unemployment discouraged private saving. As conditions have improved, however, the issues of intergenerational equity and affordability have focused attention on reform. The OECD has suggested improving fiscal sustainability through the raising of the retirement age, while slowing the pace of growth in benefit payments, and through removing subsidies, especially to high-income members. For a long time, the government resisted pressure from some economic and social forecasters, party leaders, and media voices to gradually increase the age of pension eligibility from 65 to 67 years; indeed, prior to the 2014 election the then prime minister threatened to resign rather than adopt a retirement age of 67 years as government policy. One proposal coming from a then government support party, United Future, was to encourage a higher retirement age by increasing the pension rate for those retiring at 70, while allowing retirees to take their pensions at lower rates from the age of 60. Finally, in March 2017, the government released plans to lift the pension age to 67 by 2040 and require migrants to live in New Zealand for 20 years, rather than 10, before they can get New Zealand Super. These plans notwithstanding, in the run-up to the 2017 election, the Labour and NZ First parties made it clear that under their leadership, the 65-year age entitlement would continue.

Citation:

Joining KiwiSaver, <http://www.kiwisaver.govt.nz/statistics/monthly/> (accessed January 18, 2018).

Nippert, Matt, Tutty, Caleb, 2016. Dirty secrets revealed: ANZ announces review amidst KiwiSaver furor. *New Zealand Herald*. 18 August 2016 (http://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=11696300)

Davison, Isaac, 2017. English's Super policy may not survive election. *New Zealand Herald*. 7 March 2017 (http://www.nzherald.co.nz/politics/news/article.cfm?c_id=280&objectid=11813022).

Integration

Integration Policy
Score: 9

Today, New Zealand is a prime destination for immigrants. Typically, New Zealand attracts between 40,000 and 50,000 new immigrants each year, and 2017 was a record year for net migration with 72,000 people moving to New Zealand on balance. The increasing numbers of immigrants who become New Zealand citizens reflects the country's willingness to promote integration. Based on labor market and education system indicators, integration policy has been quite successful. New legislation was enacted in 2015 to ensure that migrant workers had the same employment rights as all other workers in New Zealand. These measures are reflected in the views of most immigrants who are satisfied with their situation. According to statistics collected by New Zealand's General Social Survey, 87% feel fully integrated and perceive no significant differences in economic living standards compared with the native-born population. The government expects that the Immigration Global Management System (IGMS) and the Global Service Delivery Model (GSDM) will improve matters yet further. In April 2016, the new Global Impact Visa policy was announced. It is a collaborative public-private sector approach to attract international applicants with sought-after skills. To some degree, the overall good performance has to do with the fact that New Zealand employs a points-based selection system that helps to attract immigrants who are relatively self-sufficient financially and can be easily integrated in the labor market. Indeed, the Immigration Act 2009 clearly states for the first time that skilled immigration is preferred in New Zealand. The appeals procedure has been streamlined, and the decision to grant entry can now be based on "classified information" with regard to security matters or criminal conduct. Nevertheless, visa procedures are still complex, and dealing with immigration bureaucracy can be tricky for applicants.

More problematic are the challenges for lesser-skilled immigrants, who experience difficulties in settling in New Zealand when they are unable to bring over other family members. Sustained economic growth during the global financial crisis, together with the Christchurch rebuild following the 2010 and 2011 earthquakes, and Auckland's recent house-building boom, have provided significant employment opportunities for migrant workers.

Although the government has been reluctant to increase its quota of refugees, public pressure led to a decision in 2015 to double the quota, with the government agreeing to take an additional 600 Syrian refugees on top of an annual intake of 750 refugees. Even Winston Peters, the leader of the New Zealand First party, supported an increase in refugee numbers, despite having built his party in the 1990s on an anti-immigration and anti-refugee platform. In January, March and May 2016, some Syrian refugees were accepted into New Zealand under special provisions.

Established in 2015, the People’s Party of New Zealand focuses on Indian and other Asian communities’ rights. The party participated in the recent general election, but won only 0.1% of the votes and no seats.

Citation:

Attitudes toward Immigrants and Immigrant Experiences: <http://www.dol.govt.nz/publications/research/attitudes-toward-immigrants-experiences-regional/report-04.asp> (accessed October 13, 2014).

Immigration Act 2009 (Wellington: Government of New Zealand, 2009).

The New New Zealanders: Why migrants make good Kiwis. New Zealand Initiative. Reports & Media. 30 January 2017 (<https://nzinitiative.org.nz/insights/reports/the-new-new-zealanders/>).

Immigration Amendment Act 2015: <http://www.immigration.govt.nz/migrant/general/generalinformation/news/immigrationamendmentact2015.htm> (accessed October 24, 2015).

Collins, Simon, 2016. Syrian refugees welcomed to NZ. New Zealand Herald. 29 January 2016 (http://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=11581680).

Safe Living

Safe Living
Conditions
Score: 8

New Zealand’s internal security is the responsibility of the police. By tradition, the prime minister takes ministerial responsibility for the national security and intelligence portfolio, although former Prime Minister John Key broke with that tradition in 2014 by handing over day-to-day responsibility for intelligence services to the attorney general.

The New Zealand Security Intelligence Service (NZSIS) and the Government Communications Security Bureau (GCSB) provide advisory services. In August 2016, the New Zealand Intelligence and Security Bill 2016 was introduced. The bill has reformed legislation and enhanced transparency of New Zealand’s intelligence and security agencies. Expenditures for public order and safety are relatively high and growing, as New Zealanders feel crime to be a salient issue. Recent crime statistics show a considerable decline in criminal offense – partly as a result of an aging society in which the age groups that statistically commit more crimes are shrinking, and partly as a consequence of increased expenditures for police, criminal justice and prison services. However, there was a 2.3% increase in the victimization rate for the year to July 2016 due to an increase in burglaries.

Internal security threats are also addressed through a Combined Threat Assessment Group (CTAG) which involves staff seconded from NZSIS, the New Zealand Police, the New Zealand Defense Force, the GCSB, the New Zealand Customs Service and Maritime New Zealand. CTAG provides assessments on terrorist or criminal threats intended to create physical harm to New Zealand citizens or affect New Zealand interests at home or overseas, based on all information sources within the New Zealand government.

Citation:

New Zealand Police Crime Statistics for the fiscal year ending 30 June 2014: <http://www.police.govt.nz/about-us/publication/crime-statistics-fiscal-year-ending-30-june-2014> (accessed October 13, 2014).

New Zealand Security Intelligence Service: <http://www.security.govt.nz/our-work/protection-from-terrorism/> (accessed November 30, 2014).

NZ Intelligence and Security Bill 2016. New Zealand parliament (<https://www.parliament.nz/en/pb/bills-and-laws/bills-digests/document/51PLLaw23781/new-zealand-intelligence-and-security-bill-2016-bills>) (accessed 13 September, 2016).

Official crime stats released today. 31 August, 2016 (<https://www.beehive.govt.nz/release/official-crime-stats-released-today-0>) (accessed 13 September, 2016).

Global Inequalities

Global Social
Policy
Score: 9

New Zealand is highly committed to tackling global socioeconomic inequalities. According to the Commitment to Development Index 2017 (Center for Global Development), which ranks 27 of the world's richest countries on their dedication to policies that benefit people living in poorer nations, New Zealand is ranked 10th. Its aid program is managed by the Ministry of Foreign Affairs and Trade. It is coherent and efficient in prioritizing economic development (New Zealand is ranked fifth of 41 countries by the Center for Global Development with regard to the quality of its development assistance), despite being criticized by some NGOs. Free access to global markets for developing countries is high on its agenda. The government openly argues for its development program to be used for diplomatic and trade outcomes, and not solely development outcomes. Geographically, New Zealand focuses on countries in the Association of Southeast Asian Nations (ASEAN) and in the South Pacific, although significant funding is channeled through multilateral and international agencies.

Citation:

Aid Statistics – Donor Aid at a Glance: New Zealand: <http://www.oecd.org/dac/stats/documentupload/NZL.JPG> (accessed October 13, 2014).

International Development Policy Statement: Supporting Sustainable Development (Wellington: Ministry of Foreign Affairs and Trade 2011).

New Zealand Aid Programme: <https://www.mfat.govt.nz/en/aid-and-development/our-approach-to-aid/> (accessed December 4, 2016).

The Commitment to Development Index 2017. Center for Global Development (<https://www.cgdev.org/commitment-development-index-2017>) (accessed 27 September 2017).

III. Environmental Policies

Environment

Environmental
Policy
Score: 6

The performance of New Zealand's environmental policy is mixed but improving. In the 2016 Environmental Performance Index, New Zealand ranked 11 out of 180 countries. However, this particular ranking should not detract from the fact that New Zealand holds only an average overall position in the group of OECD countries. The OECD's third environmental performance report, released in March 2017, increased public concern regarding New Zealand's environmental situation. According to the report, New Zealand's strong economic growth comes partly at the expense of environmental quality, which puts the country's hard-earned green reputation at risk. Central concerns include rising greenhouse gas emissions and declining freshwater quality. The OECD review was particularly critical of New Zealand's record on climate change, saying it has the highest share of emissions from agriculture among the 35 OECD member countries.

Major environmental problems stem from New Zealand's economy, which is heavily dependent on agricultural production and dairy in particular. Areas of concern include water usage and management and greenhouse gas emissions. The main policy tool for tackling greenhouse gas emissions is New Zealand's Emissions Trading Scheme. However, the effectiveness of the scheme is limited, as biological emissions from agriculture and transitional arrangements are excluded. This has halved the carbon price that carbon emitters have had to pay. According to OECD recommendations, the government should address the issue of high greenhouse gas emissions from agriculture through pricing, regulation and R&D, while transitional agreements should be terminated. The then Climate Change Issues Minister Paula Bennett highlighted the need to reform the Emissions Trading Scheme to achieve New Zealand's target for reducing emissions as agreed at the Paris climate conference in December 2015. Deforestation, in contrast, is of much less concern, as logging in indigenous forests on public land has ceased and a permit is required to log on private property (although several major forests will reach maturity in the next few years). Finally, biodiversity is an area in which all recent governments have been quite active. Due to New Zealand's isolated location, its biodiversity is one of the most varied in the world, with a high percentage of vulnerable endemic species. Substantial public interest in environmental issues is evidenced by high levels of support for environmental-interest groups (e.g., Greenpeace and Forest and Birds Society) and the significant influence of the Green Party, which has

since October 2017 held ministerial responsibility for climate change issues. Prior to the change of government, environmentalists accused the National-led government of pandering to farmers, especially the rapidly expanding dairy industry, who are among National's strongest supporters, and of failing to take a strong stance in supporting international environmental agreements such as the Kyoto Protocol.

The problem of gathering and systemizing environmental data was addressed with the introduction of the Environmental Reporting Act in September 2015. This establishes a broad framework of five key areas for the scope of reporting, namely air, climate and atmosphere, freshwater, marine and land, with biodiversity included in all areas. This followed the restructuring of the Environment Ministry to strengthen its policy capability and the creation of the Environmental Protection Authority. These initiatives formed part of the National government's blue-green agenda for improving New Zealand's environmental institutions. New Zealand had previously been the only OECD country without a statutory requirement for the state reporting of environmental data.

Citation:

Environmental Performance Index 2016 (Yale/Columbia: Yale University/Columbia University 2016) <http://epi.yale.edu/downloads> (accessed June 30, 2016).

Environmental Protection Agency: <http://www.epa.govt.nz/Pages/default.aspx> (accessed November 28, 2015).

Ministry for the Environment. About the Environmental Reporting Act 2015 <http://www.mfe.govt.nz/more/environmental-reporting/about-act> (accessed June 30, 2016).

OECD Environmental Performance Reviews: New Zealand 2017 (<http://www.oecd.org/environment/country-reviews/oecd-environmental-performance-reviews-new-zealand-2017-9789264268203-en.htm>) (accessed January 18, 2018).

Global Environmental Protection

Global
Environmental
Policy
Score: 6

New Zealand has a mixed record with respect to its contribution to the global environmental protection regime. After initially committing to the Kyoto protocol, a change of government resulted in the decision to withdraw from the treaty. Nevertheless, the National-led government did commit to reducing emissions to 30% below 2005 levels by 2030. On the other hand, it was pointed out that the country would not be able to achieve this goal if the off-setting effects of its forestry policies were to be excluded. In accordance with the Paris Agreement on climate change, New Zealand committed to reduce greenhouse gas emissions to 5% below 1990 levels by 2020. (The new post-2020 target is equivalent to 11% below 1990 levels by 2030). The government ratified the Paris Agreement on climate change in October 2016. The government also

announced that New Zealand would ratify the Doha Amendment to the Kyoto Protocol and continue to apply the Kyoto rules under the United Nations Framework Convention on Climate Change. The formal ratification took place in November 2016.

Citation:

Ministry for the Environment. New Zealand's 2030 climate change target (<http://www.mfe.govt.nz/more/environmental-reporting/about-act>) (accessed September 12, 2016).

"NZ fails environment tests," The New Zealand Herald, 8.8.2013, http://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=10909645.

New Zealand to ratify Paris agreement this year. 17 August, 2016. <https://www.beehive.govt.nz/release/new-zealand-ratify-paris-agreement-year> (accessed September 13, 2016).

Quality of Democracy

Electoral Processes

Candidacy
Procedures
Score: 10

The registration procedure for political parties and individual candidates in New Zealand, as specified in the 1993 Electoral Act, is fair and transparent. Following the Electoral (Administration) Amendment Act 2010, the tasks of the Electoral Commission and of the Chief Electoral Office have been combined within the Electoral Commission, which started work in October 2010.

The Electoral Act specifies that registered political parties follow democratic procedures when selecting parliamentary candidates. While the two major parties adopt a mixture of delegate and committee systems when making their selections, the Greens give their membership the final say. The other small parties by contrast tend to be more centralized both in the way they select constituency candidates and in the compilation of their party lists. Since the Act was passed, there has been only one formal challenge alleging that proper procedures had not been followed. The resulting judicial challenge was unsuccessful.

Citation:

Annual Report of the Electoral Commission for the year ended 30 June 2016 (Wellington: Electoral Commission 2016).

Electoral Act 1993 (Wellington: The Government of New Zealand 2012).

Changes to Electoral Act introduced. 22 September 2016 (<https://www.beehive.govt.nz/release/changes-electoral-act-introduced>) (accessed 3 December, 2016).

Electoral (Administration) Amendment Act 2010 (Wellington: The Government of New Zealand 2010).

Edwards, Bryce, 2016. Political Roundup: What's wrong with local government? New Zealand Herald. 27 September 2016 (http://www.nzherald.co.nz/politics/news/article.cfm?c_id=280&objectid=11717848).

Media Access
Score: 8

Allocation of election broadcasting time and funds in New Zealand's multiparty system are based on several criteria, including: share of the vote during the previous election; seats in parliament; party membership; and results of opinion polls. The process is monitored by the independent Electoral Commission, and follows procedures laid down in the Electoral Act 1993 and the Broadcasting Act 1998. This ensures the fair coverage of different political positions, although the process has been criticized for favoring parties in decline and disadvantaging emerging parties that have yet to contest an election. Funding of political campaign broadcasts by non-party actors, and the debate over public versus

private funding of political parties and campaigns are yet to secure cross-party agreement. A new interpretation of the Broadcasting Act led to a debate in 2017 as to whether the fact that the public now has been granted the right to advertise on TV and radio about politicians in addition to newspapers represents a fundamental change to how election campaigning takes place in New Zealand. It is feared that attack ads can now be run by anyone with the funds to sponsor such ads.

Media coverage of political issues is generally fair and balanced. Although in some previous elections televised debates included the leaders of all parliamentary parties, during the 2017 general election the main debates were restricted to the leaders of the two major parties, with the leaders of the largest of the small parties being invited to debate separately (Winston Peters declined to participate). A formal complaint was filed by the leader of a small party that was not invited to be represented in the televised minor party leaders' debate. The court ruled in favor of the criteria for participation laid down by Television New Zealand, thereby confirming the small party's exclusion from the debate. In addition to concerns about the fair treatment of minor parties in a multiparty system, the two-tiered arrangement was criticized for thwarting discussion about possible combinations for any future multiparty government.

Citation:

Broadcasting Act 1989 (Wellington: Ministry for Culture and Heritage 1989).

Electoral Act 1993 (Wellington: The Government of New Zealand 2012).

Decision of the Electoral Commission on the allocation of time and money to eligible political parties for the broadcasting of election programs for the 2014 General Election (Wellington: Electoral Commission 2014).

Edwards, Bryce, 2017. Political Roundup: Politicians under attack – should we be worried?. New Zealand Herald. 2 March 2017.

Voting and
Registrations
Rights
Score: 10

New Zealand's electoral process is inclusive. The voting age was lowered from 21 to 20, and then again to 18 in 1974. In March 2017, the Children's Commissioner suggested following countries such as Scotland by lowering the voting age to 16. It failed to win any significant public support. Permanent residents of 12 months standing are given the right to vote in national elections. For those who move offshore, they remain eligible to vote, providing they return home every twelve months. Citizens who live elsewhere retain their eligibility for three years. While it is compulsory to register to vote, the act of voting is voluntary (despite facing a potential fine, a growing number of young voters choose not to register). Indigenous Maori may register to vote on either the Maori electoral roll or the general roll. There are seven designated Maori seats in the current legislature. Additional Maori representatives are elected on the general roll. Electoral boundaries are redistributed every five years. Beyond legal regulations, there are focused and ongoing activities, especially by the Electoral Commission, to increase political efficacy and turnout by ethnic minorities, those with disabilities, as well as young voters. In 2014, it announced

plans to implement a phone dictation voting service for blind voters and those with physical disabilities that prevent them from marking their voting paper independently and in secret. Whereas electoral turnout in the postwar period tended to fluctuate between 85% and 91%, in 2014, turnout has increased for the first time since 2005, with some 78% of registered voters participating in the 2014 election, many of them by voting early. This positive trend continued with turnout for the 2017 election reaching 79.8%. Registering for an election can be done electronically. Registered voters then receive an “easy vote” pack with further voting information.

Citation:

Access 2011: Accessibility Action Plan for the 2011 General Election and Referendum on the Voting System (Wellington: Electoral Commission 2011).

Annual Report of the Electoral Commission for the year ended 30 June 2012 (Wellington: Electoral Commission 2012), pp. 8-9.

<http://www.elections.org.nz/voters/voting-election/easyvote-cards-make-it-easy> (accessed October 8, 2014).

Access 2013: General Elections 1853-2011, Dates and Turnout, <http://www.elections.org.nz/events/past-events-0/general-elections-1853-2011-dates-and-turnout> (Wellington: Electoral Commission 2013).

Voter turnout, <http://www.elections.org.nz/events/2017-general-election/2017-general-election-results/voter-turnout-statistics> (accessed January 16, 2018).

Children’s Commissioner wants to lower voting age to 16 in New Zealand. *New Zealand Herald*. 6 March 2017.

Electoral Commission, 2014. Party Secretary Handbook. General Elections, <http://www.elections.org.nz/party-secretary-handbook>, (last accessed 6 October 2014).

Raymond Miller, *Democracy in New Zealand*, Auckland, Auckland University Press, 2015, chapters 1, 5 and 9.

Party Financing
Score: 8

Party financing and electoral campaign financing is monitored by the independent Electoral Commission. Registered parties have upper ceilings regarding election campaign financing (including by-elections). Upper limits for anonymous donations as well as donations from abroad are comparatively low. In 2012, a government minister, John Banks, was accused of breaching the Local Government Act 2002 by failing to disclose the sources of three substantial donations made to his 2010 Auckland mayoral campaign, which he declared as anonymous. In mid-2014 the Local Government Amendment Act came into force, which aims to bring local election laws into line with the provisions of the aforementioned Electoral Amendment Act. The long-standing public-private mix of party financing continues to draw criticism. Private funding in particular is criticized for being insufficiently transparent, unfair to less well-off parties or smaller parties lacking access to parliamentary sources of personnel and funding.

Citation:

Annual Report of the Electoral Commission for the year ended 30 June 2012 (Wellington: Electoral Commission 2012), pp. 13-15.

Local Government Amendment Act 2014, <http://www.legislation.govt.nz/bill/government/2013/0165/latest/versions.aspx> (last accessed 6 November 2014).

Popular Decision-
Making
Score: 5

New Zealand belongs to a small group of countries (the others being Italy and Switzerland) where citizens have the right to propose a national referendum. In addition, referendums are regularly initiated and are an important part of domestic politics. However, these citizens' initiated referendums (CIRs) are legally non-binding.

CIRs were first introduced in 1993, the year the government held its own binding referendum on the reform of the electoral system. While a total of 46 CIR petitions have been launched to date, only five have come to a vote, with other proposals either failing to meet the signature target (10% of registered voters within 12 months) or having lapsed.

All five referendums secured majority support, but were subsequently rejected by the government in office at the time. Whereas CIR supporters contend that the "will of the majority" is being ignored, a consensus exists among leaders of the major political parties that the non-binding provision in CIRs should be retained. Most CIRs are initiated by individuals or small groups. In marked contrast, a petition on the political agenda against the further privatization of state assets was sponsored by the Green, Labour and New Zealand First parties. While the petition exceeded the required number of signatures, it was overtaken by events, with the sale of shares in the first of the designated state assets taking place before the date of the referendum had been determined. From its perspective, the National government argued that its 47.3% share of the vote at the previous election (compared with Labour's 27.5%) gave it a mandate to proceed, especially since the government's intentions had been made explicit well in advance of the election.

Citation:

Citizens Initiated Referenda Act 1993 (Wellington: The Government of New Zealand 2012).

<http://www.justice.govt.nz/publications/publications-archived/2001/the-citizen-initiated-referenda-act-1993/publication> (accessed October 8, 2014).

Information by the Electoral Commission.

Access to Information

Media Freedom
Score: 9

Freedom of the media is regulated by the Broadcasting Standards Authority. In addition, it is safeguarded by the New Zealand Press Council, an independent organization that hears complaints from consumers and publishes annual reports. There is an ongoing discussion whether the current situation adequately deals with new media as well as traditional media outlets. In 2011, the New Zealand Law Commission proposed to establish a new independent regulator (the News Media Standards Authority) that would replace the current dual public-private regulatory regime. By January 2018, this recommendation had yet to be adopted by the government.

In 2015, the Office of the Ombudsman undertook a “quality-assurance” review of the Official Information Act (OIA). It confirmed that there had been a number of complaints regarding delays in the government’s response to applications for information under the provisions of the OIA, as well as regarding the incompleteness of the information provided.

An extensive article on the state of democracy in New Zealand, published in June 2017 by the New Zealand Herald, addressed issues such as government agencies thwarting the Official Information Act, tendencies within the government to skirt accountability, and government secrecy regarding its relationship with Israel.

Citation:

Annual Report of the New Zealand Press Council 2014 (Wellington: New Zealand Press Council 2014).

<https://freedomhouse.org/report/freedom-press/2016/> (accessed October 24, 2016).

<https://rsf.org/en/new-zealand> (accessed October 24, 2016).

Edwards, Bryce, 2017. Political Roundup: Let’s make government more democratic. The New Zealand Herald. 20 June 2017.

Search and Surveillance Act 2012 (Wellington: The Government of New Zealand 2012).

The News Media Meets ‘New Media’: Rights, Responsibilities and Regulation in the Digital Age (Wellington: Law Commission 2011).

Online Media Standards Authority, <http://www.omsa.co.nz/> (last accessed October 24, 2016).

Media Pluralism
Score: 4

New Zealand’s media market has been affected by major changes in the last few years. Private-media companies are increasingly subject to influence by their well-funded owners. Private and public companies are replacing public-interest content with programs seeking high audience ratings. In September 2011, the New Zealand Press Association, New Zealand’s largest news agency, closed. It was replaced by three news services, which are all Australian-owned. Consequently, apart from the Otago Daily Times, New Zealand is now one of only a handful of countries that does not have a domestically owned news agency.

New Zealand’s media market is dominated by foreign companies (mainly from Australia), although there are two public television stations (Maori TV, TVNZ) and one national public radio station called Radio New Zealand. Sky TV monopolizes pay TV. However, Igloo, a joint Sky Network Television and Television New Zealand (TVNZ) venture, has made a small selection of pay TV channels available at low cost since 2012.

In September 2016, two Australian media giants, Fairfax and APN, signed a deal to merge their New Zealand businesses, Fairfax NZ and NZME respectively. The Commerce Commission rejected the merger in May of 2017, raising doubts about whether or not this amounted to a win or lose situation for democracy.

Bloggers have gained prominence as an alternative to traditional media offers. Some of them concern themselves with political affairs and reach high numbers of visitors. Despite this development, continued constraints on media funding help prevent a strong investigative reporting culture from developing.

Citation:

Fairfax-APN merger more bad news for media diversity. *The Conversation*. 12 May 2016 (<http://theconversation.com/fairfax-apn-merger-more-bad-news-for-media-diversity-59232>) (accessed September 26, 2016).

JMAD New Zealand Media Ownership Report 2015 (http://www.aut.ac.nz/_data/assets/pdf_file/0011/608366/JMAD-2015-Report.pdf) (accessed September 26, 2016).

Edwards, Bryce. Political roundup: Congratulating and condemning media merger rejection. (http://www.nzherald.co.nz/politics/news/article.cfm?c_id=280&objectid=11851457) (accessed January 15, 2018).

Access to
Government
Information
Score: 8

Access to government information is regulated by the Official Information Act 1982. It is based on the principle that all official information should be made available to the public, but that there are restrictions with regard to the protection of the public interest (for example, national security or international relations) and the preservation of personal privacy. There are clear procedures in how queries are handled by public bodies, including a time frame of 20 working days. The Office of the Ombudsman reviews denials of access upon request. Decisions are binding, but there are no real sanctions for non-compliance. Following a number of precedent-setting decisions by the office in recent years, access to official information is now far-reaching, including access even to politically sensitive communications between political advisers and ministers as soon as these communications are made. The Official Information Act has been reviewed several times. Proposals for reform have included a reduction in the time frame for dealing with requests for official information; and more resources for the Office of the Ombudsman. These reforms have not yet been implemented. The office has instead concentrated on organizational restructuring to achieve more efficiency and effectiveness. This has to be viewed in light of the steep rise in the number of complaints the office has had to deal with in recent years. In 2012, a review of the Official Information Act by the New Zealand Law Commission resulted in several recommendations, including the appointment of a statutory officer to provide oversight over the legislation's implementation. The primary purpose behind such a role is to provide leadership in the training and education of officials, as well as to help publicize developments. The government has yet to act on these recommendations. Recently, there has been a debate over the Reserve Bank decision to charge for most Official Information Act responses. A Dominion Post editorial claimed that this was undemocratic, calling it "the tax on democracy itself." The Reserve Bank responded by saying that this policy is a "common, fair and reasonable response to a marked growth of OIA requests." In

June 2017 a Legislation Bill was introduced in parliament which, if enacted, would extend online access to the body of legislation by including secondary legislation.

Citation:

Annual Report of the Ombudsman 2015/2016 (Wellington: Office of the Ombudsman 2015/2016).

Bascand, Geoff, 2016. Reserve Bank: Charging for official information a 'reasonable' response. The Dominion Post. 19 January 2016 (<http://www.stuff.co.nz/business/opinion-analysis/76020387/Reserve-Bank-Charging-for-official-information-a-reasonable-response>) (accessed September 23, 2016).

New Zealand Law Commission, 'The Public's Right to Know: Review of the Official Information Legislation' (R125, Wellington, July 2012)

Civil Rights and Political Liberties

Civil Rights
Score: 8

Civil and human rights protection is based on the Bill of Rights Act 1990 and the Human Rights Act 1993, the latter of which defines the tasks of the Human Rights Commission. The Commission actively promotes compliance with civil and human rights by public bodies and in society. Recent activities concern rights within the Treaty of Waitangi and a Human Rights Action Plan 2005 with regard to violence against women and children and maltreatment in prisons and mental institutions. These have led to various activities, such as the establishment of a high-level taskforce for action on sexual violence, chaired by the secretary for justice, to advise the government. Amnesty International reported in its Annual Report 2012 that it had met with parliamentary members to discuss progress made with regard to social, economic and cultural rights (e.g., the Marine and Coastal Area (Takutai Moana) Act 2011). New Zealand signed the Optional Protocol to the U.N. Convention on the Rights of the Child on the sale of children, child prostitution and child pornography in September 2011.

The powers of the Communications Security Bureau to conduct surveillance on New Zealanders has recently been the subject of scrutiny by civil rights, internet and legal groups, including the New Zealand Law Society. The Government Communications Security Bureau (GCSB) and the Related Legislation Amendment Bill, which was debated in parliament in 2013, extended the provisions under which the GCSB could investigate and gather information on residents and citizens. This bill amended the GCSB Act 2003, which stipulated that the GCSB's role was to conduct foreign, not domestic, surveillance. Prior to and during the 2014 election campaign, the activities of the GCSB came under close scrutiny. Controversially, New Zealand continues to be an active member of the so-called Five Eyes network, a government-level alliance that shares intelligence information on a global scale.

In August 2016, the New Zealand Intelligence and Security Bill 2016 was introduced. The bill modifies existing legislation and enhances transparency of New Zealand's intelligence and security agencies. The introduction of the bill resulted in a significant increase in the scope and powers of the GCSB. According to the Human Rights Commission, although the bill is a significant improvement in legislation, "there are aspects of the bill which are still of concern," notably the definition of national security. In March 2017, the Intelligence and Security Act was passed with cross-party support. It brings the GCSB and the NZ Security Intelligence Service (SIS) under the same law. In a fundamental shift in policy, it permits the GCSB to monitor New Zealanders if national security issues are at stake.

Citation:

Amnesty International Aotearoa New Zealand Annual Report 2016: https://www.amnesty.org.nz/sites/default/files/Amnesty%20International%20NZ%20Annual%20Report%202016_May.pdf (accessed November 30, 2016).

Human Rights Act 1993 (Wellington: The Government of New Zealand 2011).

New Zealand Bill of Rights Act 1990 (Wellington: The Government of New Zealand 1994).

NZ Intelligence and Security Bill 2016. New Zealand parliament <https://www.parliament.nz/en/pb/bills-and-laws/bills-digests/document/51PLLaw23781/new-zealand-intelligence-and-security-bill-2016-bills> (accessed 13 September, 2016).

Spying reforms allowing GCSB to spy on Kiwis pass into law with little opposition. New Zealand Herald. 21 March 2017 (http://www.nzherald.co.nz/politics/news/article.cfm?c_id=280&objectid=11822634) (accessed January 16, 2018).

Political Liberties
Score: 10

The Bill of Rights Act 1990 guarantees unlimited political rights to think, speak, assemble, organize and petition without interference. Those who believe that their rights have been infringed upon can file a suit before the High Court. In addition, the New Zealand Council of Civil Liberties is an active, non-governmental organization that promotes these liberties. Freedom House assesses the situation of political rights in New Zealand as excellent. Despite being widely accepted as an important feature of New Zealand's constitutional arrangements, the provisions of the Bill of Rights are not supreme law; that is, they have never been entrenched. During 2012 and 2013, a constitutional advisory panel appointed by the government sought the public's view on whether the Bill of Rights should be expanded to include additional rights and be entrenched. It ultimately recommended that consultation on these issues should be continued.

Citation:

Constitutional Advisory Panel, 2013. New Zealand's Constitution. A Report on a Conversation, http://www.ourconstitution.org.nz/store/doc/FR_Full_Report.pdf (accessed November 11, 2014).

Non-discrimination
Score: 9

Anti-discrimination legislation is outlined in a number of acts, including the New Zealand Bill of Rights Act 1990, the Privacy Act 1993, and the Human Rights Amendment Act 2011 (establishing the position of a full-time disability rights commissioner within the Human Rights Commission). Even more

important, the Human Rights Commission actively promotes anti-discrimination measures focusing on populations such as Maori and women. Cases of discrimination are rare, but they do occur. Maori are disproportionately represented in the prison population, which may point to problems of discrimination, as has been highlighted by the United Nations Human Rights Committee. A lasting problem is the extent to which the Treaty of Waitangi as the basis of the relationship between Maori and the state is embedded in the general legal order. The complexities of this problem have been highlighted in the controversy over the ownership of the country's foreshore and seabed, with many Maori groups claiming that Maori had a rightful claim to the title, based on the Treaty of Waitangi. More recently, the conflict over the Kermadec marine reserve sanctuary led to tensions between the minority National government and one of its key parliamentary allies, the Maori Party. The conflict led the Maori Party to threaten to end its supply agreement with National, which would have undermined parliamentary confidence in the minority government. The government reacted by postponing a final decision on the project.

Citation:

Foreshore and Seabed Act 2004 (Wellington: The Government of New Zealand 2011).

Human Rights Amendment Bill 2011 (Wellington: The Government of New Zealand 2011).

Human Rights and the Treaty of Waitangi: Draft for Discussion (Auckland: Human Rights Commission 2010).

New Zealand Bill of Rights Act 1990 (Wellington: The Government of New Zealand 1994).

Privacy Act 1993 (Wellington: The Government of New Zealand 2013).

Bramwell, Chris, 2016. Māori Party puts government on notice over Kermadec row. 15 September, 2016.

Radio New Zealand. <http://www.radionz.co.nz/news/political/313354/maori-party-puts-govt-on-notice-over-kermadec-row> (accessed 12 October, 2016).

Rule of Law

Legal Certainty
Score: 10

Although New Zealand, following the British tradition, does not have a codified constitution but instead a mix of conventions, statute law (Constitution Act 1986, Bill of Rights Act 1990, Electoral Act 1993 and the Treaty of Waitangi) and common law, the executive acts according to the principles of a constitutional state. A number of independent bodies, such as the Office of the Ombudsman, strengthen accountability.

In "A Constitution for Aotearoa New Zealand," former prime minister Sir Geoffrey Palmer proposed a codified constitution for New Zealand. As of the end of September 2016, comments on the proposals were being sought from the public. However, based on previous responses to written constitutions, the level of public interest is low, being restricted largely to the legal and academic communities.

Citation:

Annual Report of the Ombudsman 2015/2016 (Wellington: Office of the Ombudsman 2015/2016).
 Constitutional Advisory Panel, 2013. New Zealand's Constitution. A Report on a Conversation, http://www.ourconstitution.org.nz/store/doc/FR_Full_Report.pdf (accessed November 11, 2014).
 Draft Constitution for New Zealand proposed in new book. The Constitution Unit. UCL. 27 September 2016. <https://constitution-unit.com/2016/09/27/draft-constitution-for-new-zealand-proposed-in-new-book/> (accessed 28 September, 2016).

Judicial Review
 Score: 10

New Zealand does not have a Constitutional Court with concrete or abstract judicial review. While it is the role of the judiciary to interpret the laws and challenge the authority of the executive where it exceeds its parliamentary powers, the judiciary cannot declare parliamentary decisions unconstitutional. This is because under the Westminster system of which many Commonwealth countries are a part, parliament is sovereign. The courts may, however, ask the House of Representatives to clarify clauses. There is an extended and professional hierarchical judicial system with the possibility of appeals. Since 2003, New Zealand's highest court has been the Supreme Court, taking the place of the Judicial Committee of the Privy Council in London that had in the past heard appeals from New Zealand. An institution specific to the country is the Maori Land Court, which hears cases relating to Maori land (about 5% of the total area of the country). Equally important is a strong culture of respect for the legal system.

Citation:

<http://www.justice.govt.nz/courts/maori-land-court> (accessed October 20, 2015).

Appointment of
 Justices
 Score: 8

Although judicial appointments are made by the executive, it is a strong constitutional convention in New Zealand that, in deciding who is to be appointed, the attorney general acts independently of political party considerations. Judges are appointed according to their qualifications, personal qualities and relevant experience. The convention is that the attorney general mentions appointments at cabinet meetings after they have been determined. The appointments are not discussed or approved by the cabinet. The appointment process followed by the attorney general is not formally regulated. There have been discussions of how to widen the search for potential candidates beyond the conventional career paths, but not with regard to a formal appointment procedure, as there is a widespread belief that the system has worked exceptionally well. In practice a number of people are consulted before appointments are made, including the opposition's justice spokesperson as well as civil society groups. In 2012, a review by the New Zealand Law Commission recommended that greater transparency and accountability be given to the appointment process through the publication by the chief justice of an annual report, as well as the publication by the attorney general of an explanation of the process by which members of the judiciary are appointed and the qualifications

they are expected to hold. The government indicated that it intended to adopt a number of the Law Commission's recommendations. These have yet to be implemented.

Citation:

Paul Bellamy and John Henderson, *Democracy in New Zealand* (Christchurch: MacMillan Brown Centre for Pacific Studies, 2002).

New Zealand Law Commission, 'Review of the Judicature Act 1908: Toward a New Courts Act' (R126, Wellington, 2012).

Corruption
Prevention
Score: 10

New Zealand is one of the least corrupt countries in the world. Prevention of corruption is strongly safeguarded by such independent institutions as the auditor general and the Office of the Ombudsman. In addition, New Zealand has ratified all relevant international anti-bribery conventions of the OECD and the United Nations. All available indices confirm that New Zealand scores particularly high regarding corruption prevention, including in the private sector. Transparency International's Corruption Perceptions Index 2016 found New Zealand to be the least corrupt country in the world, equal to Denmark.

Citation:

Freedom House: *Freedom in the World 2016*: <https://freedomhouse.org/report/freedom-world/freedom-world-2016> (accessed October 24, 2016).

Corruption Perceptions Index 2016. Transparency International. https://www.transparency.org/news/feature/corruption_perceptions_index_2016 (accessed 4th July 2017).

Governance

I. Executive Capacity

Strategic Capacity

Strategic
Planning
Score: 8

The core executive in New Zealand is organized according to new public-management approaches and methods. Most importantly, contracts are negotiated between ministers and chief executives. With the large number of government departments and ministers (28), most of whom are responsible for several portfolios, taking a whole-of-government approach to policy development can be complex and time-consuming. Recent governments have reacted to concerns about fragmentation by recentralizing the steering capacity of the core executive. The most important government departments involved in strategic planning and policy formation are the central agencies of the Department of the Prime Minister and Cabinet (DPMC), the State Services Commission (SSC) and the Treasury. All contracts (performance agreements and departmental statements of intent) support a cooperative and whole-of-government policy approach, though evaluation of the performance assessment of chief executives has a strong focus on departmental achievements. The National government (2008-17) sought to achieve substantial efficiency reforms without a major reorganization of public sector departments and ministries. This led to various initiatives, such as greater rationalization and coordination with respect to back-office functions (such as IT, payroll and procurement) with a view to achieving savings which can be shifted to delivering frontline services. Since chief executives are on contract and employ staff, these changes can occur only with their support and cannot be imposed on individual departments.

Developing strategies to enhance public sector performance management has been progressing for some time. Since the government has imposed a cap on the size of the state sector, these measures are aimed at securing greater efficiency, effectiveness and performance across the sector. Recent initiatives include the Better Public Services (BPS) program and the Policy Project

Frameworks. BPS aims to build efficient and effective public services by emphasizing outputs, strengthening leadership and providing better services and greater value for money. The Policy Project Frameworks aims to improve government infrastructure around policy capability, skills and advice. Under the new prime minister, Bill English, who took office after the surprise resignation of John Key in December 2016, the government updated 10 Better Public Services targets as part of a new social investment package that included changed standards for improved math and literacy skills in primary schools, better health outcomes for new mothers and their children, reductions in child abuse and the number of serious crime victims, lower welfare dependence and faster times to access social housing.

The prime minister can draw on only moderate strategic-planning capacity (in the form of a policy-advisory group) vis-à-vis ministers. Ad hoc groups, often including some outside expertise, are increasingly used to complement government agencies' policy-advisory function.

Citation:

Department of the Prime Minister and the Cabinet (DPMC). Annual Report for the Year Ended 30 June 2015 (Wellington: State Services Commission 2015) <http://www.dPMC.govt.nz/sites/all/files/publications/dPMC-annual-report-2015.pdf> (accessed 5 October, 2016).

Prime Minister Launches Policy Project Frameworks. Department of the Prime Minister and the Cabinet (DPMC). <http://www.dPMC.govt.nz/node/1566> (accessed 5 October, 2016).

Performance Improvement Framework: <http://www.ssc.govt.nz/pif> (accessed October 9, 2014).

Six Dimensions of System Performance (Wellington: State Services Commission 2013).

State Services Commission: Annual Report for the Year Ended 30 June 2013 (Wellington: State Services Commission 2013).

The Capability Toolkit – A Tool to Promote and Inform Capability Management (Wellington: The Government of New Zealand 2008).

McBeth, Paul, 2017. English flags \$321m social investment package for needy Kiwis. *New Zealand Herald*. 3 May 2017.

Scholarly Advice
Score: 7

In terms of frequency and intensity of policy advice, the relevance of external academic experts for governmental policymaking depends on the subject area. Non-governmental academics with technical expertise can have a significant role in policy areas such as health, energy, social policy and tertiary education. In general, the importance of scholarly advice is increasing. The most recent initiatives in this regard include the establishment of a Maori Language Advisory Group and an expert panel tasked with overseeing the overhaul of Child, Youth and Family, a service agency subordinate to the Ministry of Social Development. One of the innovations of the 2008-17 National government was the appointment of a Prime Minister's Chief Science Advisor.

Eichbaum, Chris und Richard Shaw: Minding the Minister? Ministerial Advisers in New Zealand Government, *New Zealand Journal of Social Sciences Online*, 2007, Vol. 2: 95-113.

Eichbaum, Chris und Richard Shaw: Revisiting Politicization: Political Advisers and Public Servants in Westminster Systems, *Governance: An International Journal of Policy, Administration and Institutions*, 2008, Vol. 21, No. 3: 337-363.

Interministerial Coordination

GO Expertise
Score: 8

The policy-advisory group in the Department of Prime Minister and Cabinet (DPMC) currently consists of 14 staff members covering a broad spectrum of policy expertise. They are in constant contact with the prime minister and provide advice on all cabinet and cabinet committee papers. They also engage in coordinating interministerial cooperation. The policy-advisory group provides direct support to the prime minister on specifically commissioned initiatives, such as the prime minister’s “Tackling Methamphetamine” Action Plan. In 2015, a Legislation Design and Advisory Committee (LDAC) was established with the aim of improving the quality and effectiveness of legislation. The LDAC advises departments regarding the design and content of bills while still in the development stage.

Citation:

Annual Report for the Year Ended 30 June 2014 (Wellington: Department of the Prime Minister and Cabinet 2014).

Policy Advisory Group: <http://www.dPMC.govt.nz/pag> (accessed October 24, 2015).

Legislation Design and Advisory Committee: <http://www.ldac.org.nz/> (accessed 30 November, 2015).

GO Gatekeeping
Score: 9

The key policy adviser in the Department of Prime Minister and Cabinet (DPMC) plays an influential role in policy processes and regularly intervenes to “pull” cabinet papers that are deemed to be inadequate in some way.

Citation:

Confidential information by a policy adviser in the DPMC.

Line Ministries
Score: 9

If line ministries prepare a policy proposal, they are obliged to consult other ministries that are affected as well as the coordinating units, the Department of Prime Minister and Cabinet (DPMC), the Treasury and the State Services Commission. There are clear guidelines which not only de jure but also de facto govern the coordination of policy formulation in the core executive.

Citation:

CabGuide – Consultation: <http://cabguide.cabinetoffice.govt.nz/procedures/consultation> (accessed October 9, 2014).

Cabinet Manual: <http://www.cabinetmanual.cabinetoffice.govt.nz/3.28> (accessed October 24, 2015).

Cabinet
Committees
Score: 9

There are clear guidelines for policy formulation in the New Zealand core executive. All policy proposals are reviewed in cabinet committees. Full cabinet meetings therefore can focus on strategic policy debates and policy conflicts between coalition partners or between the government and its legislative support parties in the House of Representatives. In quantitative

terms, from 1 July 2014 to 30 June 2015, the full cabinet met 39 times while cabinet committees met 121 times. A revised cabinet committee structure was implemented in October 2014 following the formation of the government after the 2014 general election. This resulted in the disestablishment of one cabinet committee, reducing the overall number from 11 to 10. Key committees include Economic Growth and Infrastructure, Social Policy and Cabinet Legislation.

Citation:

Annual Report for the Year Ended 30 June 2015 (Wellington: Department of the Prime Minister and Cabinet 2015).

Cabinet Office Circular CO 14) 8. Cabinet Committees: Terms of Reference and Membership, <http://www.dPMC.govt.nz/cabinet/circulars>, accessed October 24, 2016).

Ministerial
Bureaucracy
Score: 9

The cabinet process is overseen by the cabinet office on the basis of clear guidelines. Departmental chief executives typically meet with ministers prior to cabinet meetings to discuss the agenda and clarify matters. The amount and effectiveness of policy proposal coordination varies a great deal depending on the policy field. However, there is clearly coordination in the preparation of cabinet papers and demanding processes specified in cabinet office circulars.

Citation:

CabGuide – Officials’ Committees that support Cabinet Committees: <http://cabguide.cabinetoffice.govt.nz/context/definitions/officials-committees> (accessed October 9, 2014).

CabGuide – Role of the Cabinet Office: <http://cabguide.cabinetoffice.govt.nz/context/definitions/cabinet-office> (accessed October 9, 2014).

Informal
Coordination
Score: 9

In addition to formal coordination, there are a number of informal channels between coalition partners, government and legislative support parties, and ministers and their parliamentary parties. Although media commentary tends to not draw a distinction between formal coalitions (e.g., Labour/NZ First 2017-) and non-coalition support parties (e.g., National 2008-17), the Cabinet Manual seeks to at least formally clarify which procedures should be used as a guideline in case of informal coordination. For instance, Cabinet Office Circular CO (15) 1 “National-led Administration: Consultation and Operating Arrangements” defines the relationship between government ministers and ministers from parties that are not officially part of the government: “Support-party ministers are not members of cabinet. From time to time, support-party ministers and other ministers outside cabinet may seek the prime minister’s agreement to attend cabinet when significant matters within their portfolios are being addressed.”

Citation:

Cabinet Office Circular CO (15) 1 (Wellington: Cabinet Office 2015).

Evidence-based Instruments

RIA Application
Score: 10

Following its restrictive policy regarding regulation, the National government introduced a guideline in late 2009 with the effect that regulatory impact assessments (RIAs) are systematically undertaken for any policy activity involving options that may result in a paper being submitted to the cabinet and may accordingly lead to draft legislation. This aims at restricting new regulations to those that the government sees as necessary, sensible and robust, while avoiding regulations that are ineffective and costly.

Citation:

Cabinet Office Circular CO (09) 8: Regulatory Impact Analysis Requirements: New Guidance (Wellington: Cabinet Office 2009).

Regulatory Impact Analysis Handbook (Wellington: The Treasury 2013).

New Zealand's Regulatory Management System: <http://www.treasury.govt.nz/regulation/system> (accessed November 30, 2015).

Quality of RIA
Process
Score: 9

The Treasury's Regulatory Impact Analysis Handbook offers comprehensive guidance with regard to consultation within government as well as with stakeholders, to transparency and to quality evaluation. The major instrument for consultation and transparency is the regulatory impact statement (RIS). Independent quality assurance is to be obtained either by a unit located within the Treasury or through a suitable internal review process. A quality-assurance statement is to be provided in the cabinet paper.

Citation:

Regulatory Impact Analysis Handbook (Wellington: The Treasury 2013).

Sustainability
Check
Score: 9

Without using the term "sustainability," the regulatory impact assessment (RIA) process includes major aspects of this concept's underlying idea. Part of the quality-assurance monitoring process is to check whether all substantive economic, social and environmental impacts have been identified (and quantified where feasible). In addition, it is an integral part of RIAs to plan for regulatory-instrument reviews that consider the following issues: Is there still a problem (and is it the one originally identified)? Are objectives being met? Are the impacts as expected? Are there any unforeseen problems? Are there any indirect effects that were not anticipated? Is intervention still required? Is the current intervention still the most appropriate, or would another measure be more suitable?

Citation:

Regulatory Impact Analysis Handbook (Wellington: The Treasury 2013).

Negotiating
Public Support
Score: 8

Societal Consultation

New Zealand has a strong tradition of broad policy consultation with interest groups and with its citizens. The need for consultation has been enhanced by two developments. One is the change to a multiparty system and the formation of minority governments, which require the support of smaller parties to be able to pass legislation. The other relates to a greater diversity and sophistication of voters, with political views that are more difficult to predict and no longer fit within a simple left-right dynamic. While it may be the case that the ideologies of some parties may make them more compatible than others, under a mixed-member proportional (MMP) system it is not always easy to predict where a minor party will sit on a particular issue. Moreover, elected representatives of local governments have generally avoid partisan affiliations, and local governments have a tradition of consulting with their citizens and communities, and consultation is mandated in many cases under the Local Government Act 2002. Consultation is also commonly used by central government agencies with respect to new policy initiatives. When a consultation has taken place, the details of consultations, internal and external, need to be set out in regulatory impact statements. While parliamentary select committees hold hearings on proposed legislation once it has been introduced in parliament, giving individuals and organizations the opportunity to make written or oral submissions, the incidence of by-passing select committees by introducing bills under urgency is growing. In late 2015, for example, a high-profile law to monitor the activities of New Zealand citizens with criminal records who had been deported from Australia was passed under conditions of urgency, thereby precluding any opportunity for public input or debate. In 2014, the government allowed a mere three days of public submissions as part of a review of New Zealand's anti-terrorism laws. In addition to the aforementioned tools for measuring public opinion, both the government and organizations that are likely to be affected by policy outcomes make increasing use of opinion polls, media and online comment and focus groups. One such initiative was the establishment of a Rules Reduction Taskforce by the local government minister in October 2014. The taskforce held community meetings across the country to hear complaints from property-owners groups and local government about ineffective property rules.

Citation:

Cabinet Office Circular CO (09) 8: Regulatory Impact Analysis Requirements: New Guidance (Wellington: Cabinet Office 2009).

Local Government Act 2002: <http://www.legislation.govt.nz/act/public/2002/0084/latest/DLM172326.html> (accessed October 9, 2014).

Policy Communication

Coherent
Communication
Score: 7

The coherence of government communication strongly depends on the topic under consideration. All recent governments have been of the minority type, which has increased the chances of conflict between the governing party and its small support partners. This may include disagreement over what constitutes an electoral mandate, as well as accusations of broken promises when sacrifices have to be made during the course of the post-election negotiating process. Successive minority governments have freely acknowledged that tension is part and parcel of the governing process under a mixed-member proportional (MMP) system, with an “agree to disagree” clause being all that may separate the government from instability and collapse. That said, MMP governments have been remarkably stable, with only one early election (2002) – which was due as much to electoral considerations as political instability, since the advent of the proportional electoral system in 1996. One development that requires careful reporting is the growing trend of political spin among both politicians and bureaucrats, which exacerbates the public’s skepticism regarding communication processes in government.

Citation:

Jonathan Boston, *Innovative Political Management: Multiparty Governance in New Zealand*. *Policy Quarterly* 5:2 (2009), 51-59.

Implementation

Government
Efficiency
Score: 9

Throughout the review period, the three-term National government held minority status, although its 2014 victory, with 47% of the vote and 59 out of 121 seats, brought it closer to majority status than any other under MMP (indeed, the last time a party gained over 50% of the vote was in 1951). Minority status implies that the government has to anticipate the policy preferences of other parties in parliament and needs to seek legislative support on an issue-by-issue basis. Nevertheless, minority single party and minority-coalition governments have been relatively successful in implementing their agendas. The focus of the National minority government’s policy priorities included: building a stronger and more competitive economy; ensuring a budgetary surplus; and selectively funding major infrastructure developments and public services.

Citation:

Statement of Intent 2014-2018 (Wellington: Department of the Prime Minister and Cabinet 2014).
Statement of Intent 2014-2018 (Wellington: State Services Commission 2014).

Ministerial
Compliance
Score: 9

There is a strong tradition of collective responsibility of the cabinet. Ministers are allowed to disagree over policy initiatives, even in public, but once a decision has been made in cabinet they have to follow the collective will. The Cabinet Manual 2008 is very explicit about this. The prime minister has the power to appoint and dismiss ministers (formally it is the governor-general who does this on the advice of the prime minister). In reality, however, whereas the National Party's cabinet is chosen by the prime minister, Labour's is subject to an election by all of its members of parliament, with the prime minister's direct power being largely limited to the ranking of ministers and allocation of portfolios. Naturally, in coalition governments or minority governments with support agreements with other parties, the prime minister's power over the personnel of another party is restricted. Collective responsibility within a formal coalition arrangement is strengthened by an extensive list of coalition management instruments based on a comprehensive coalition agreement with regard to the legislative agenda but also procedures to ensure coalition discipline. On the other hand, there are procedures for dealing with a minority government. The most recent National minority government built on the experience of earlier minority governments on how to ensure ministerial compliance under a confidence and supply mandate. In its Cabinet Office Circular CO (15) 1 "National-led Administration: Consultation and Operating Arrangements," the government at the time of writing specified the nature of its agreements with support parties that receive ministerial appointments outside of cabinet. While such ministers may disagree with government policy if it lies outside their ministerial responsibility, they are bound by collective responsibility on issues within their portfolio.

Citation:
Cabinet Office Circular CO (15) 1 (Wellington: Cabinet Office 2015).

Monitoring
Ministries
Score: 9

Following from the experience of fragmented policymaking in vertically integrated networks, all recent governments have strengthened the steering capacity of the core executive. All contracts between cabinet and line ministries and ministers and chief executives are based on a whole-of-government policy approach. National introduced a performance-improvement framework intended to strengthen a central-agency approach to assessing, supporting, informing and focusing performance across state services.

Statement of Intent 2014-2018 (Wellington: State Services Commission 2014).

Monitoring
Agencies,
Bureaucracies
Score: 9

The monitoring of executive agencies is based on the same procedures governing line ministries.

Citation:
State Services Commission: Annual Report for the Year Ended 30 June 2015 (Wellington: State Services Commission 2015).

Task Funding
Score: 9

The New Zealand governmental system is highly centralized. Local government structures, which are lean and generally uniform, raise only about 5% of total government tax revenues. However, local autonomy in setting tax rates and bases is greater than in any other OECD country. The main source of local tax revenues is the so-called rates, which are taxes on real-estate holdings. At the time of writing, local governments had full discretion to set rates, subject to a general balanced budget requirement. Other revenue sources include user charges and fees. Local government officials have been lobbying central government for the right to raise revenue from additional sources, including road tolls and a gasoline tax. To date, their lobbying has been largely unsuccessful, although the Transport Minister recently announced that Auckland would be given the right to derive transport income by way of a 10 cent per liter fuel tax. There are no block grants from central to local government, but the central government contributes funding to specific local government functions, in particular transportation as well as road construction and maintenance. For example, a major new city rail link in Auckland is being funded by a combination of local and central government money. The National government has reformed the Local Government Act with the aim of limiting local services more to their core tasks to keep costs under control.

Citation:

Local Government Act 2002 Amendment Act 2012 (Wellington: The Government of New Zealand 2012).
M. Reid, J. McNeill and C Scott, Local Government, Strategy and Communities, Wellington, Institute of Policy Studies, 2006.

Constitutional
Discretion
Score: 6

There is a clear legal framework for local government autonomy, consisting of the Local Government Act 2002, the Local Electoral Act 2001 and the Local Government (Rating) Act 2002. In addition, the comprehensive reform program, “Better Local Government,” was put into action during the review period, culminating in the Local Government Act 2002 Amendment Act 2014. The Amendment Act became law in August 2014. According to the Department of Internal Affairs, the act includes, among others things: changes in regard to what development contributions can be used for; more collaboration and shared services between local authorities; new requirements for infrastructure strategies and asset management planning; elected members to use technology to participate in council meetings, rather than attending in person; local councils to disclose information about their rating bases in long-term plans, annual plans and annual reports; and discloses risk management arrangements for physical assets in annual reports. In addition, the act includes provisions that enable the Local Government Commission to establish local boards as part of new unitary authorities, and in existing unitary authorities. There is no de facto infringement of this scope. Local governments do not enjoy constitutional status, as they are creatures of statute. As noted already,

local governments in New Zealand are unusual in terms of their relatively narrow task profiles and their inability to tap into other commonly used sources of subnational revenue such as sales and/or income taxes. Local governments therefore raise a relatively large proportion of revenue from rates and charges; and given concerns about rating levels, they are fiscally constrained from expanding their roles and functions.

Citation:

Department of Internal Affairs, Better Local Government: <http://www.dia.govt.nz/better-local-government> (accessed November 30, 2015).

Local Electoral Act 2001 (Wellington: The Government of New Zealand 2012).

Local Government Act 2002 (Wellington: The Government of New Zealand 2012).

Local Government Act 2002 Amendment Act 2014 (Wellington: The Government of New Zealand 2014).

Local Government (Rating) Act 2002 (Wellington: The Government of New Zealand 2011).

National
Standards
Score: 7

It is not central government as such but a dense network of agencies that are involved with the development and monitoring of local government. This includes the Minister of Local Government, the Department of Internal Affairs, the Local Government Commission, Local Government New Zealand (representing local councils on the national level), the Office of the Controller and Auditor General, the Office of the Ombudsman and the Parliamentary Commissioner for the Environment. Their roles range from strategic development, policy formulation, regulation and monitoring, to handling complaints about the activities and operation of local government. At the end of 2013 a comprehensive reform program, “Better Local Government,” was introduced, whose provisions are part of the Local Government Act 2002 Amendment Act 2014. In June 2016, the Local Government Act 2002 Amendment Bill (No 2) passed its first parliamentary reading, which includes the Better Local Services reforms. The bill continues the general trend of increasing central government scrutiny and control over local government. These reforms have been the subject of criticism, especially in Auckland with its relatively new “super-city” structure and population of 1.4 million. However, smaller municipalities have also been critical of the reforms, describing them as being undemocratic, especially the “draconian” powers granted to the Local Government Commission. Smaller municipalities argued that they could be forced amalgamate their services. In an open letter to then-Prime Minister John Key, Invercargill Mayor Tim Shadbolt called the legislation the “crushing of local government democracy and seizing control of their assets bill.”

Citation:

Local Government Act 2002 Amendment Bill (No 2). NZ parliament. https://www.parliament.nz/en/pb/bills-and-laws/bills-proposed-laws/document/00DBHOH_BILL69266_1/local-government-act-2002-amendment-bill-no-2 (accessed 7 October, 2016).

Woolf, Amber-Leigh, 2016. Minister says Better Local Services reforms not a ‘threat to democracy’ or forced amalgamation. Stuff.co.nz. 3 August 2016

<http://www.stuff.co.nz/national/politics/82752225/Minister-says-Better-Local-Services-reforms-not-a-threat-to-democracy-or-forced-amalgamation>.

Adaptability

Domestic
Adaptability
Score: 8

New Zealand has ample experience in drastically restructuring its public sector and reforming policymaking to adapt to new challenges. Major reforms were accomplished from the mid-1980s to the mid-1990s. However, this was done under a majoritarian regime, based on a first-past-the-post electoral system. Part of the reform package involved the change to a proportional electoral system, a move that was initiated by the voting public rather than the governing elite. Today, given the existence of a multiparty system and minority government, radical reform is much more difficult to achieve. In retrospect, institutional reforms delivered somewhat less than was anticipated and have at times been disruptive. The government at the time of writing was concerned with driving efficiency and performance improvements into the system, and was seeking to accomplish this with relatively limited emphasis on a major restructuring of government agencies.

International
Coordination
Score: 8

Given New Zealand's small population and geopolitical isolation, it has been surprisingly successful at participating proactively in many international organizations and in the international coordination of joint reform initiatives. Major areas include issues regarding the Antarctic region, disarmament and proliferation, environmental protection and human rights. New Zealand is a member of the Asia-Pacific Economic Cooperation (APEC) forum, the Commonwealth, the OECD, the United Nations and the World Trade Organization. Free trade is a central preoccupation within foreign relations, especially in the Asian region. Having signed the Association of Southeast Asian Nations (ASEAN)-Australia-New Zealand agreement and a bilateral agreement with Malaysia and Korea in recent years, current efforts are directed at deepening its "comprehensive strategic partnership" with China and continuing negotiations with India and Russia. In June 2017, New Zealand launched free trade agreement negotiations with the Pacific Alliance (Chile, Colombia, Mexico and Peru). New Zealand has been an enthusiastic supporter of the Trans-Pacific Partnership (TPP) Agreement. The government reinforced its willingness to conclude the negotiations until 2020 even after the election of Donald Trump to the office of U.S. president and the U.S. rejection of further negotiations. After strongly opposing aspects of the TPP Agreement, the new Labour/NZ First successfully negotiated several amendments to the Agreement before giving its endorsement. Negotiations on a Partnership Agreement on Relations and Cooperation (PARC) between New Zealand and the European Union (EU) were concluded in July 2014. The agreement is a platform for pursuing New Zealand's ambitions for a free-trade agreement with the EU. This, however, might be more complicated after the United

Kingdom's Brexit decision. New Zealand is a member of the United Nations Security Council during the 2015 to 2016 term. It has been very active in campaigning for a humanitarian response to the situation in Syria.

Citation:

Annual Report 2014/2015 (Wellington: Ministry of Foreign Affairs and Trade 2015).

Strategic Intentions 2015-2019 (Wellington: Ministry of Foreign Affairs and Trade 2015).

Trevett, Claire, 2016. Claire Trevett: New Zealand brought new perspective to U.N. Security Council but no major breakthrough. *New Zealand Herald*. 25 August 2016 (http://www.nzherald.co.nz/politics/news/article.cfm?c_id=280&objectid=11699941).

Editorial: Brexit begins and NZ has work to do. *New Zealand Herald*. 30 March 2017 (http://www.nzherald.co.nz/opinion/news/article.cfm?c_id=466&objectid=11827847) (accessed January 16, 2018).

Organizational Reform

Self-monitoring
Score: 9

Following from the change to a proportional electoral system in 1996, institutional arrangements in the core executive as well as executive-legislative relations and democratic decision-making have been regularly and effectively monitored. Although the first government under the new electoral system was a majority coalition, subsequent governments have lacked a parliamentary majority. Rather than assembling a formal coalition, the recent National government followed the example of its immediate predecessor, the Labour government of Helen Clark, by keeping its support parties at arm's length from the cabinet. All 20 cabinet seats were held by National members. Two of the three support parties (United Future and the Maori Party) were given ministerial portfolios outside of cabinet but within the larger executive. The only member of parliament from the Act party, a newcomer to parliament, was given the title of undersecretary (he declined a promotion to ministerial level in a December 2015 cabinet reshuffle). While each party was committed to providing the government with confidence and supply, it was free to oppose the government on all policy matters that lay outside its portfolio responsibilities. This governing arrangement had the dual benefit of limiting the influence of the small support parties while providing them with the ability to retain their separate political and electoral identity.

In contrast, the new Labour/NZ First government is a coalition, with Labour holding 16 of 20 cabinet seats, including the positions of prime minister and finance minister, and NZ First holding four, including deputy prime minister. To ensure it has a legislative majority, the new government secured a confidence and supply agreement with the eight-member Greens. In return, the Greens received three ministerial posts outside of cabinet.

One area of particular interest is the performance of the reformed electoral system. The Electoral Commission regularly commissions surveys to ascertain

satisfaction with the way elections are organized, what the barriers to voting are and how to address these barriers. In the context of the general election in 2011, a referendum was held on whether to retain or replace the electoral system. A majority of 56% opted to keep the mixed-member proportional (MMP) system.

Citation:

Colmar Brunton, Voter and non-voter survey report, Auckland and Wellington: Colmar Brunton New Zealand 2012.

Elections New Zealand: Results of the Referendum: <http://www.elections.org.nz/events/past-events-0/2011-referendum-voting-system/results-referendum> (accessed October 9, 2014).

Ministerial List: <http://www.dPMC.govt.nz/cabinet/ministers/ministerial-list> (accessed October 24, 2015).

Institutional
Reform
Score: 9

Major adaptations to the multiparty system and coalition government occurred in the mid- to late 1990s. An effective framework is in place with the Cabinet Manual, which has begun to attract more and more interest from other jurisdictions. Cabinet office circulars are used for minor changes. Particularly after the change of government in 2008, a number of such modifications were made. One area of institutional change that has been largely neglected has been the reform of parliament's conventions and opportunities for public engagement.

Citation:

Cabinet Manual: <http://www.cabinetmanual.cabinetoffice.govt.nz/3.28> (accessed October 30, 2015).

Grant Duncan, 2014: New Zealand's Cabinet Manual: How Does It Shape Constitutional Conventions?, *Parliamentary Affairs* 2015, 68:4, 737-756.

II. Executive Accountability

Citizens' Participatory Competence

Policy
Knowledge
Score: 7

The most recent comparative data set which includes information on New Zealand policy knowledge is the International Social Survey Program. In the 2004 edition, New Zealand respondents overwhelmingly (69%) felt that they had a good or very good understanding of important political issues. Only about 13% of respondents said that most people are better informed about government and politics. The 2007 edition of the survey however did not include this question. Regarding the question, "How interested would you say you personally are in politics?" there was a slight decline of political interest in New Zealand between 2004 and 2007. According to survey data from the New Zealand Election Study of 2014, approximately two-thirds of respondents expressed satisfaction with the state of their democracy.

While levels of party membership and voter turnout have been in sharp decline – voter turnout dropping from the 80s and low 90s percentiles for much of the postwar period to 74% in 2011 with a minor increase in 2014 to 78% – there is evidence to suggest that levels of political knowledge and engagement are not as worryingly low as figures might suggest. This said, participation rates among the young suggest that generational disaffection during the review period is at an all-time high. According to OECD data, however, children in New Zealand are more civically engaged than on average in the OECD. In New Zealand, 84.4% of 14-year olds intend to vote in elections when they are adults, compared to the OECD average of 78.7%.

From time to time, matters of constitutional importance or public interest are put to voters by way either of citizen- or government-initiated referendums. In 2015 – 2016, for example, the government conducted a two-stage referendum on whether New Zealand should replace its national flag.

Citation:

International Social Survey Programme 2004: Citizenship:
<http://zacat.gesis.org/webview/index.jsp?object=http://zacat.gesis.org/obj/fStudy/ZA3950>.
 International Social Survey Programme 2007: Leisure Time and Sports:
<http://zacat.gesis.org/webview/index.jsp?object=http://zacat.gesis.org/obj/fStudy/ZA4850>.
 New Zealand Election Study, University of Auckland, 2011-12.
 Voter turnout: http://www.stats.govt.nz/browse_for_stats/snapshots-of-nz/nz-social-indicators/Home/Trust%20and%20participation%20in%20government/voter-turnout.aspx (accessed October 9, 2014).
 OECD Better Life Initiative: How is Life in New Zealand? Update from 31 May 2016.
<http://www.oecd.org/statistics/better-life-initiative.htm#Countrynotes> (accessed June 30, 2016).

Legislative Actors' Resources

Parliamentary
 Resources
 Score: 6

While New Zealand members of parliament are not generously equipped with financial or personnel resources to monitor government activity, they do have access to party research units. Other personnel available to individual members of parliament include an executive assistant (in parliament) and electorate staff, with constituency members being more generously funded than those on the party lists. Despite the availability of these resources, opposition parties are placed at a distinct disadvantage relative to the breadth of staff, research and other resources made available to the government and its small support parties. Each of the non-government parties has a research unit, which follows up on MPs' requests, especially in preparation for parliamentary debates.

Citation:

K.-U. Schnapp and P. Harfst, *Parlamentarische Informations- und Kontrollressourcen in 22 westlichen Demokratien*, *Zeitschrift für Parlamentsfragen*, 36 (2005), pp. 348–70.

Obtaining
Documents
Score: 9

The Cabinet Manual defines the right of committees to ask for government documents. All documents have to be delivered in full and within an appropriate time. There are limitations with regard to classified documents.

Citation:
Cabinet Manual: Providing Information to Select Committees:
<http://cabinetmanual.cabinetoffice.govt.nz/8.66> (accessed October 24, 2015).

Summoning
Ministers
Score: 8

It is common practice that ministers follow invitations to visit select committee meetings, but occasionally they refuse to do so. This follows a guideline that committees can request but not require that a minister appear before them. Only the House of Representatives itself can compel members to attend a committee if they do not do so voluntarily.

Citation:
Officials and Select Committees – Guidelines (Wellington: States Services Commission 2007).

Summoning
Experts
Score: 9

Select committees may summon experts. The only restriction is with regard to public servants who need the approval of their minister to attend committee meetings.

Officials and Select Committees – Guidelines (Wellington: States Services Commission 2007).

Task Area
Congruence
Score: 6

The New Zealand House of Representatives is far too small to establish as many select committees as would be necessary to fully correspond to the number of ministries. In recent years, efforts have been made to restrict the number of select committees any individual member of parliament may sit on. Prior to the 2017 election there were some 13 select committees, which had to face 59 portfolios, led by 20 cabinet ministers, five ministers outside cabinet, two support party ministers and one parliamentary undersecretary from a support party. Select committees have an average of 9.5 members, with numbers fluctuating between six and 11.

Citation:
Ministers: <http://www.dPMC.govt.nz/cabinet/ministers> (accessed December 5, 2016).
Select committees: <http://www.parliament.nz/en-nz/pb/sc> (accessed December 5, 2016).

Audit Office
Score: 10

The controller and auditor general is appointed by the governor general on the advice of parliament and is fully accountable to it. The Office of the Auditor General consists of the following departments: Accounting and Auditing Policy, Legal Group, Local Government, Parliamentary Group, Performance Audit Group and Research and Development. It is empowered to survey the central government and local governments. The legal basis is the Public Audit Act 2001.

Ombuds Office
Score: 9

Citation:

All about the Controller and Auditor General (Wellington: Office of the Auditor General 2012).

New Zealand was the fourth country in the world to establish an Office of the Ombudsman (in 1962). The office is highly effective in terms of formally or informally resolving complaints. In 2015 to 2016, nearly 12,600 complaints were handled. Organizational reform has been under discussion for a number of years because of an ever-increasing caseload. In addition, there is an even older tradition of dealing with petitions in parliament.

Citation:

Annual Report 2015/16 of the Ombudsman (Wellington: Office of the Ombudsman 2016).

Media

Media Reporting
Score: 5

Not all television and radio stations produce high-quality information programs, but both Television New Zealand (TVNZ) and Radio New Zealand provide a regular evaluation of government decisions. TVNZ's TVOne has three news programs per day, each lasting between 30 minutes to one hour, as well as a lighthearted daily current affairs magazine-style program. It also has an hour-long current affairs program, "Q and A," which screens once a week and focuses on domestic politics. TVNZ 7, a station established in 2008, offered a range of news and current affairs programming and attracted a small but loyal audience prior to its disestablishment in 2012. A second television network, TV3, offers a similar news and current affairs schedule to that of TVNZ. Radio New Zealand has four extensive news features per day in addition to hourly news programs. Newspapers provide information and analysis on government decisions and policy issues – although many articles report government statements verbatim and such stories tend to be relegated to the inner pages – with crime and celebrity stories dominating the headlines. The decline of investigative journalism by electronic- and print-media outlets has been noted by media commentators, although internet commentary, including blogs, has to some extent provided a substitute.

Citation:

TV One: <http://tvnz.co.nz/tv-one> (accessed October 9, 2014).

Radio New Zealand: <http://www.radionz.co.nz/news/programmes> (accessed October 9, 2014).

Parties and Interest Associations

Intra-party
Democracy
Score: 4

During the bulk of the review period, there were three political parties that were supported by more than 10% of voters in the 2014 general election. The two major parties, National and Labour, dominated the electoral map with

47% and 25% of votes, respectively. The Green Party came next with 10.7% of the vote. In 2017, National attracted 44.4% of the vote and Labour 36.9%. None of the small parties reached 10%, although NZ First did best with 7.2%, followed by the Greens with 6.3%.

The organizational structure of the Labour Party is complex, as it mainly consists of affiliated members (for example, a (decreasing) number of trade unions). Although the party refuses to disclose membership numbers (a policy shared by the National Party), it is thought to have a current membership of around 7,000. Decisions with regard to personnel and policy are therefore not restricted to individual party members. However, at the same time, Labour uses a system of delegates. The selection process for candidates for parliamentary seats is based on a heavily formalized moderating procedure that takes criteria such as ethnic background, gender and region into regard. Following pressure from grassroots members to have a say in the selection of the party leader, in 2011 the party took away the party caucus's sole responsibility for choosing a party leader, replacing it with a combination of party membership (40%), the parliamentary caucus (40%) and the affiliated trade unions (20%). This system has been used to elect the last two party leaders, David Cunliffe in 2013 and Andrew Little following the 2014 election.

National considerably increased the central leadership's influence in an organizational reform in 2003. The newly created National Management Board, which includes the parliamentary leader, plays an especially influential role in pre-selecting parliamentary candidates for electorate seats (to a so-called Candidate's Club), although these are still required to compete with other nominees, using the existing decentralized electorate selection process. The selection of candidates for list seats has equally been centralized at the expense of regional party organizations. The party leader is chosen by the members of the parliamentary caucus.

The Green Party's organizational structure is quite decentralized in comparison with the traditional larger parties. Decisions on policy and the selection of parliamentary candidates are made by the party membership, with less control exerted by the parliamentary caucus.

Constitution and Rules of the New Zealand National Party (Wellington: New Zealand National Party 2013).

Green Party: <http://www.greens.org.nz/> (accessed October 24, 2015).

NZ Electoral Commission (elections.org.nz, 2017)

Candidate Selection and List Ranking Procedures 2014 (Wellington: Green Party of Aotearoa New Zealand 2014)

Labour Party: Constitution and Rules 2014 (Wellington: New Zealand Labour Party 2014).

Stephens, Gregory R. und John Leslie: Parties, organizational capacities and external change:

New Zealand's National and Labour parties, candidate selection and the advent of MMP, *Political Science* 2011 (63): 205-218.

Association
Competence
(Business)
Score: 7

There are few well-organized and well-staffed interest groups in New Zealand. The largest and most prominent are the New Zealand Council of Trade Unions, Federated Farmers, the Chambers of Commerce and Business New Zealand. All are involved in policy formation and dissemination, and all seek to influence government policy. However, there is an underlying asymmetry. Business interests additionally rely on the work of the New Zealand Business Roundtable, an organization of chief executives of major business firms. In 2012, this merged with the New Zealand Institute to form the New Zealand Initiative, a libertarian think-tank that lobbies for pro-market economic and social policies.

Citation:

Business New Zealand – Submissions: <http://www.businessnz.org.nz/submissions> (accessed October 24, 2015).

New Zealand Council of Trade Unions – Campaign Main: <http://union.org.nz/campaigns/summary> (accessed October 24, 2015).

The New Zealand Initiative: <http://nzinitiative.org.nz/> (accessed October 24, 2015).

The National Business Review: Roundtable and NZ Institute Morph Into New Libertarian Think-Tank: <http://www.nbr.co.nz/article/roundtable-and-nz-institute-morph-nz-initiative-ck-115751> (accessed October 9, 2014).

Association
Competence
(Others)
Score: 8

There is a rich tradition of consultation with societal groups during policy formulation. The degree of consultation with groups and individuals and the way in which their proposals have been dealt with is reported in regulatory impact statements. Recent such statements claim that consultation has had a substantive impact in several cases. Still, resource shortages prevent some interest associations from developing specialist policy know-how that would give them durable impact in the consultation process.

Citation:

Regulatory Impact Statement Information Release:
<http://www.treasury.govt.nz/publications/informationreleases/ris> (accessed November 30, 2015).

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