Submission | **Wellington City Council Draft Long Term Plan 2012-22**

23 May 2012

Baz Kaufman
Senior Strategic Analyst
Wellington City Council
PO Box 2199
Wellington 6140

Dear Baz Kaufman,

Please find attached the McGuinness Institute's submission on the draft *Long Term Plan 2012-22* to the Wellington City Council. The McGuinness Institute works to contribute strategic foresight and planning and therefore welcomes this opportunity to contribute research to the city's *Long Term Plan*.

We look forward to providing further comment at the oral hearing.

Kind regards,

Wendy McGuinness   Rory Sarten
Chief Executive   Head of Research

Contact Details:
Wendy McGuinness
Chief Executive
McGuinness Institute
l: Level 2, 5 Cable Street
p: PO Box 24222, Wellington 6142, New Zealand
t: +64 4 499 8888
e: wmcg@mcguinnessinstitute.org
w: www.mcguinnessinstitute.org

About the McGuinness Institute
The McGuinness Institute, formerly the Sustainable Future Institute, was founded in 2004 and is a non-partisan think tank working towards a sustainable future, contributing strategic foresight through evidence-based research and policy analysis.

Introduction
The development of the Wellington City Council's *Long Term Plan* is an exceptional chance to engage the community in strategic thinking about our future. Strategic thinking, in its most simple terms, is a means of identifying and then achieving a desired outcome. A local government long-term strategic plan should define a shared vision that focuses and inspires members of the community, and then explains the process for achieving that vision. It requires a wide-ranging and inclusive process that is carefully considered and structured by a solid framework. Hence, it is also an invaluable opportunity for dialogue and collaboration within the local government agency, the wider community, iwi and other stakeholders.

This submission seeks to outline some important observations concerning local government and how these are relevant to the Wellington City Council's development of a long-term strategy. The submission is divided into two parts; Part One considers the importance of region wide strategic approaches to local government, and developments in the relationship between local and central government. Part Two looks at the importance of strategy mapping, and outlines the strategy development framework created by the Institute.

Attached are four examples of strategy maps developed by participants during the Institute's *StrategyNZ: Mapping our Future* event held in March 2012.

Part One: Local Government

(i)   Strategy for the Region

There are currently 78 local governing entities covering New Zealand, with one that represents approximately a third of the population. The new Auckland arrangements at a strategic level are giving the region greater traction in its relationships with both public and private sector organisations, by virtue of critical mass and a 'singular voice'. The Auckland region is now better positioned than any other in the country in understanding and synthesising disparate goals, and in achieving a unified outcome. This is illustrated particularly well by the Regional Authority's increased ability to work with and leverage central government.

An effective Wellington Regional Strategy would be an invaluable alternative for ensuring mutual prosperity in the region.[1] Currently, there is not a strong focus on strategies for regional coordination within the City Council's plan. In both the *Draft Long Term Plan* and the *Draft Long Term Plan Summary* the Wellington Regional Strategy is only mentioned once. This may be largely due to the Local Government Reform debate, which has led to a public consultation with the Council taking submissions in June on the possible formation and makeup of greater regional governance structures.

(ii)   Local Government versus Central Government

Another important observation for the Institute concerns the relationship between local and central government authorities in regard to decision making. There has always been a degree of tension between central and local governance. A notable example is in 1856 when Henry Sewell, New Zealand's first Premier, believed that the provinces should be subordinate to the central 'governing government'. His position was contested by a narrow majority of provincialists, resulting in his administration as Prime Minister lasting only a fortnight.

The recent case of the King Salmon Proposal in the Marlborough Sounds provides an important illustration of how this relationship between central and local government continues to generate tensions. The Marlborough District Council is opposed to the proposal to expand salmon farming operations put forward by the King Salmon company. However, King Salmon successfully pushed to have the decision put before the Environmental Protection Authority on the grounds that the Marlborough Sounds area, and therefore the proposal, was of national significance. This allowed King Salmon to bypass the direct decision making of the local council based on local priorities and considerations, and to put the matter before a national body with different priorities and broader economic and environmental concerns.

---

[1]   The *Wellington Regional Strategy* (WRS) was established in 2007 following a multi-party agreement between all of the region's councils. However, an independent review of the *Wellington Regional Strategy* published by MartinJenkins in June 2011, found that the most significant issues likely to influence the region and its economy over the coming decades have not been tackled and the cooperation between councils had fallen short of strategic engagement

This also means that the decision will be final and cannot be appealed, as it could be if it was heard by the local authority. By arguing that the King Salmon proposal was a consideration of *national significance* the Minister of Conservation revoked the Marlborough District Council's authority to make a decision regarding an issue *of local significance*. The Institute believes that situations such as this pose a significant challenge to how local councils can develop long-term strategies without clear areas of jurisdiction that mandate how far their decision making powers extend.

PartTwo: Strategy

(i) Communicating Strategy – The Strategy Map

The strategy map included on page 3 of the council's *Draft Long Term Plan Summary* is a useful way to quickly distil the draft strategy into a succinct summary.[2]

The Institute has been examining effective approaches to strategy with the overall goal of developing a general model for strategic thinking that can be applied from across small organisations and businesses through to planning at a national level. The *StrategyNZ: Mapping our Future* event, hosted by the Institute in March 2011, and supported by the Council, aimed to explore how New Zealanders might develop a strategy map for our nation.

The two-day workshop involved a hundred New Zealanders from around the country working in groups to develop a vision for New Zealand and then show how that can be achieved through developing a strategy map. Selected strategy maps from this process were then presented at the Legislative Council Chamber of Parliament. Key themes that resonated with the participants were the:

- importance of attracting talent to New Zealand and retaining it;

- the desire to move to a much more entrepreneurial, high-income society;

- the constitutional review;

- the appetite from young people to engage in national dialogues; and

- the desire to have a robust, bicultural and multicultural society.

Particularly prevalent was the idea expressed by Sir Paul Callaghan and picked up by the participants that New Zealand should be 'a place where talent wants to live'.

We have also included those strategy maps presented at the Legislative Council Chamber as an appendix to this submission to provide examples of how a national or regional strategy map could be structured.

---

[2]   A strategy map is a one-page diagram that illustrates all the key elements of a strategy and how they interlink is the most effective tool for translating strategy to stakeholders.

(ii)   Strategy Development Process – the Strategy Pyramid

The Institute, on request, has further developed a robust strategy development process. The Institute would like to share this framework to provide some fresh perspectives and new considerations to inform the Wellington City Council's strategy process.

Our approach has drawn heavily on the work of Robert S. Kaplan and David P. Norton, professors at the Harvard Business School who pioneered the strategy mapping process.[3] Another important influence on our approach comes from another Harvard Professor, Robert Simons, whose work demonstrates how important it is to be constantly asking the right strategic questions. He proposes a number of key questions that should be asked in order to anticipate change and respond in a way that repositions yourself, your entity, your city or your country as competitive.[4]

The approach that we have developed is structured into what we call the *Strategy Pyramid*. The pyramid has three overarching components, purpose, strategy and execution. Each of these is further divided into three stages that are approached as high-level strategic questions. In total it forms nine steps that should be worked through linearly and are shown in the Strategy Pyramid on the opposite page.

The first component, purpose, sets the conceptual lens for the rest of the strategy. Broadly it is asking, what is the problem that we are trying to solve? It is critical those developing a strategy develop a clear purpose for what they are trying to achieve and an understanding of the values and ethics that will shape their thinking and actions. This component is divided into three stages, mission, values and vision. Effectively answering the questions that these stages present provides the greatest opportunity for wide engagement and consultation. It is important that the mission, values and vision are shared by those implementing and those affected by the strategy. While sometimes seen as the most abstract component of strategy, getting this stage right will result in greater cohesion and focus for everything that follows. Because this stage is about genuine buy-in, treating it as a marketing opportunity or using 'corporate filler' can undermine the entire strategy.

The second component is strategy. This is generally the most emphasised component of planning and requires careful consideration in order to maximise the potential leverage from effectively aligning the parts of an organisation to deliver on its purpose. We divide this into the stages: strategic intent, drivers and enablers. Strategic intent is a collection of distinct goals and ambitions that will together begin to realise the vision. This is reframing the vision in terms of the material and organisational milestones needed to arrive there. Identifying both the drivers and enablers requires a sound understanding of an organisations internal mechanisms and assets. Drivers identify key focus areas the strategy will use to drive activity while enablers outline the means used to achieve the purpose. Enablers drive change. Finding the most natural alignment between drivers and enablers can go a long way toward a sound strategy. However, time should always be afforded to looking at an organisation's drivers and enablers from new directions and under new light;
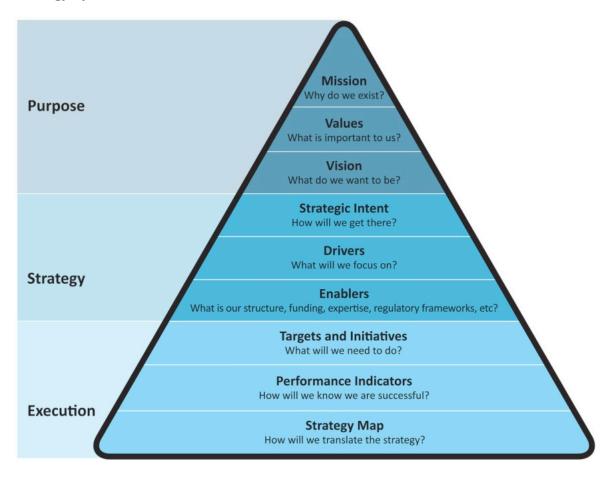
---

[3]   See, Robert S. Kaplan & David P. Norton (2008). *The execution premium*. Harvard Business Publishing.
[4]   See, Robert Simons (2010). *Seven Strategy Questions: A simple approach for better execution*. Harvard Business Publishing.

finding new ways to approach and understand these is central to genuinely innovative and transformational strategy.

Strategy Pyramid

The final component is execution. This component translates the strategy, manages strategic initiatives, aligns organisational units, communicates the strategy, and reviews and updates the strategy. It is divided into targets and initiatives, performance indicators and developing a strategy map. Targets and initiatives sets out the new modes of action that will embody the strategy. This can take the form of changes in funding and reallocation of resources, changes or reorganisation of personnel and whole new initiatives designed to fill gaps or address specific concerns. Performance indicators are the metrics by which the implementation of the strategy will be assessed. Robust and honest benchmarking will provide feedback and allow for monitoring and refining of the strategy in response to things that are working well and those that are not. Strategies can be let down by inadequate performance indicators resulting in an organisation not being able to effectively assess the implementation of their strategy.

The final state of this component is the development of a strategy map. The importance of communicating the strategy, which as noted above, is critically important.

Ka haere nga mokopuna ki te hi tuna!
"The grandchildren will fish the eels"

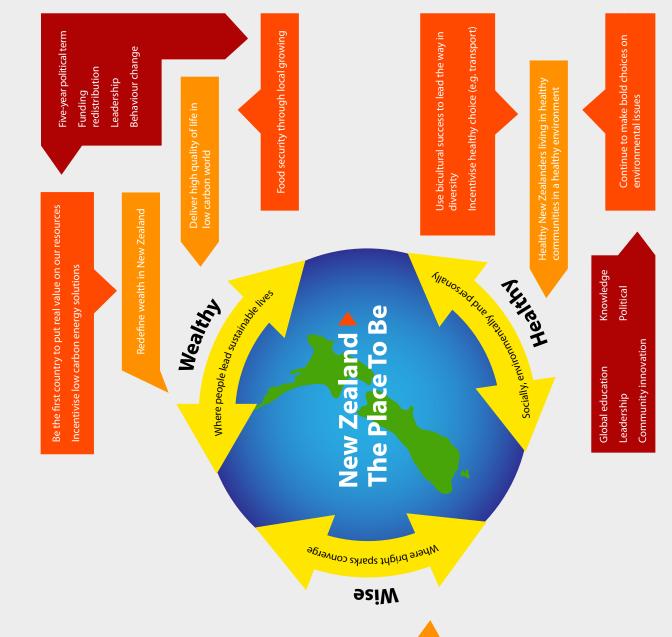By 2058 New Zealand will be recognised as the happiest nation on earth!

Kaitiakitanga Well-being Goals	Papatuanuku and Ranginui Restored Environment	Kotahitanga Dynamic and capable communities	Manaakitanga Prosperous and developing economy	Whakawhanuangatanga Global connectedness
What must the Strategy Achieve?	• Healthy eco-systems • Clean water • Optimised use of the land's natural capital	• Flexible, versatile, resilient communities responsive to opportunity • Intelligent community engaged in government • Respect and harmony in diversity	• Improved living standards for all	• Strong trade and peacekeeping relationships
How will we do it?	• Recognise and acknowledge the social, productive, spiritual and financial value of ecosystem services • Restore ecological infrastructure • Private / Public collaborative management of ecosystem services • Incentivised industry to exceed baseline regulation	• Educate New Zealanders on cultural differences and Government processes (civics) • Aotearoa citizen charter	• Commercialising smart business ideas • Rebuild Christchurch as a leading eco-city	• Humanitarian commitment • Advocate in international forums • Build strategic relationships
What will it take?	• Industry and community collaboration • Education about accounting for externalised costs • Right mix of regulation and incentive frameworks • Shorten farmer to consumer chain	• Incentivise and regulate for transparent government • Understand and practice other's worldviews • Ability to relate cross-culturally	• Increased access to capital • Open R&D links between science and business • Effective open collaboration across value chains • Access to high speed data	• Skilful diplomacy • Confidence on world stage • Openness and transparency

2058 Aotearoa Strategy Map

Strategy Map
New Zealand 2058

Vision: in 2058 Aotearoa/New Zealand will be a healthy, creative and prosperous country in which people will want to live.

	Foresight	Reform	Education	Kaitiakitanga	Wellness
themes					
	Innovative high-tech business	Mode 2 governance participation prosperity	Education for schools of the future	Sustaining our environment	A healthy human population
achievements					
	·Foresight centre ·Investment R&D ·Talent utopia ·Govt/Bus partner ·Global networks	·Constitutional reform ·Broaden monetary framework ·Tax resources ·Civics education ·Youth vote	·Investment ·Enviro schools ·Foster creativity ·Systems thinking ·Civics curriculum ·Life-learning	·GPI account tech ·Kaitiaki education ·Eco-services ·Business kaitiaki	·Food without tax ·School lunch M2 ·Preventative & monitoring health care
how?					
	·Visionary culture ·Increase R&D to 5% of GDP ·Expand entry visa criteria ·Global marketing strategy	·Constitution ·Policy targets broadened by Reserve Bank ·Est. and fund office of strategic foresight	·Expand funding ·Curriculum dev. for - Environment - Civics ·Teachers empowered ·Build on best practice	·Ecoservices markets ·R&D invest ·GPI centre & Res +$ ·Business as kaitiaki ·Consumption as kaitiaki	·Tax free fruit & vege ·Health checks to 18yr ·e-Medicine growth ·Climate change disease mitigation
what will it take?					

New Zealand — The Place To Be

Legend
- Theme (yellow)
- Strategy (orange)
- How (red-orange)
- What (dark red)

Central theme
New Zealand — The Place To Be

- Where people lead sustainable lives (Wealthy)
- Socially, environmentally and personally (Healthy)
- Where bright sparks converge (Wise)

Wealthy

- Be the first country to put real value on our resources / Incentivise low carbon energy solutions
- Redefine wealth in New Zealand
- Deliver high quality of life in low carbon world
- Food security through local growing
- Five-year political term / Funding redistribution / Leadership / Behaviour change

Healthy

- Use bicultural success to lead the way in diversity / Incentivise healthy choice (e.g. transport)
- Healthy New Zealanders living in healthy communities in a healthy environment
- Continue to make bold choices on environmental issues
- Global education / Knowledge / Leadership / Political / Community innovation

Wise

- A culture of risk taking / Virtual conversation on hard choices / Interest in New Zealand
- Attractive to purposeful, passionate, citizens
- Education / Commercalise innovation
- Venture capital / Research and development expenditure / Money

WHAT THE STRATEGY WILL REQUIRE

HOW THE STRATEGY WILL BE REALISED

WHAT THE STRATEGY ACHIEVES

THEMES

VISION

By 2058, New Zealand will be the most desirable country to live in.

THEMES

- Healthy people and communities.
- A nation that values and leverages diversity.
- Transparent and accountable governance.
- Foster innovation and creativity that leaves a positive and sustainable society.
- Embed long-term future thinking at all levels of government and community.

WHAT THE STRATEGY ACHIEVES

- People live longer and well in their own homes and communities.
- Homes are safe, warm, and dry.
- Communities and housing utilise renewable resources.

- Equal opportunities for all.
- Resilient, adaptive, and responsive to change.
- Reduced conflict reflected in crime rates.
- Increase and provide support for new immigration.

- Raised level of citizen engagement in democratic process.
- Increased involvement and understanding of decisions.
- 100% voting rate.

- Job creation.
- A desirable location for business start-ups.
- Increased satisfaction for work and lifestyle.
- A safe environment.

- Everyone knows what future thinking is and how to do it.
- Identify future scenarios and prevention activities that are incorporated into policy and planning.
- Legislate for 5, 10, and 20-year plans that can be changed.
- Make future thinking a requirement for our new constitution.

HOW THE STRATEGY WILL BE REALISED

- Legislation that ensures sustainable houses are built for NZ conditions, specific to region.
- Actively replace and retrofit existing building stock to conform to new regulations.
- Match work to people's skills and interest for as long as they are willing to work.
- Utilise technologies to increase a social community and nation.

- Increase immigration by attracting and harnessing those with skills that are needed and valued.
- Provide support for new immigrants.

- Political terms of government are a minimum of five years.
- Decisions that are publicly originated.
- Use social and emerging media to facilitate democratic processes.
- Compulsory education on the democratic process.

- Develop infrastructure that enables, fosters, and creates job opportunities.
- Publicly recognise and applaud innovation and achievement.
- Actively discourage tall-poppy syndromes.

- Create local, regional, and national networks.
- Change in mindset.
- Engagement from government.
- Skilled future thinkers.
- Collaboration.

WHAT THE STRATEGY WILL REQUIRE

- An accessible and tailored healthcare system. (Right care, right place, right time.)
- Design and implement an integrated health system based around the person.
- Change how we train our workforce for the new future.

- Education for increased tolerance and valuing difference.
- Active exposure to diversity in communities.
- Clarifying our values and skill gaps.

- All levels of society participate.
- A mechanism for a participatory approach.
- Society values input from non-experts.

- Incentives, rewards, and funding focused on long-term outcomes, as opposed to short-term gains.
- Leaders who are prepared to take risks and trust others to do things differently.