

How inquiries support change

Lessons learnt from
Productivity Commission inquiries

February (Huitanguru) 2024

NEW ZEALAND
PRODUCTIVITY COMMISSION
Te Kōmihana Whai Hua o Aotearoa



**The New Zealand Productivity Commission
Te Kōmihana Whai Hua o Aotearoa**

The Commission – an independent Crown entity – completed in-depth inquiry reports on topics selected by the Government, carried out productivity-related research and promoted understanding of productivity issues. The Commission aimed to provide insightful, well-informed and accessible advice that lead to the best possible improvement in the wellbeing of New Zealanders. The New Zealand Productivity Commission Act 2010 guided and bound the Commission, until its disestablishment in February 2024.

You can find information on the Commission at www.productivity.govt.nz

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Foreword

Since we began to operate in 2011, the Productivity Commission | Te Kōmihana Whai Hua o Aotearoa has undertaken 18 inquiries, published a range of data and research around productivity, and engaged in public debate, consistent with our legislative role. While each inquiry had its own impact, we have not previously had the opportunity to review the overall impact of inquiries. Consequently, and as part of a broader project on strengthening the foundations of the Commission, this project looked to learn from past inquiries to inform potential changes to improve our “inquiry model”. That inquiry model has been founded on significant engagement with a range of business, community, Māori, worker, academic and policy personnel, as well as on interrogation of data, knowledge and evidence.

The decision to disestablish the Commission means that we will not be able to take these lessons forward. However, the scope of this project has been adapted to offer our findings in a way that may support other agencies looking to do similar types of investigations or inquiries.

Assessing the impact of our mahi is inherently complex, and the nature of an inquiry makes it hard to link our reports definitively to specific changes in society. Data collated for this project, along with interviews and case studies, indicate that some inquiries have been highly influential, while others may have since disappeared. However, we have identified the importance of deep engagement, analysis and thinking – of finding new ways to address old problems. Further, most inquiries have generated findings and recommendations that continue to be referred to when the difficult problems invariably rear their heads again. The value of the ideas uncovered by the inquiries should also not be overlooked. It is the development of these ideas, when underpinned by deep and evidenced analysis, that contributes to a lasting impact.

The work of an inquiry is fundamentally an exercise in persuasion, which cannot succeed without finding the underlying cause of an issue, talking to stakeholders, hearing as many voices as possible, collecting and analysing information and data to draw new insights, and conveying findings and presenting recommendations in a clear and compelling manner.

These traits will continue to be necessary for future organisations, should any inquiry model be adopted to tackle the range of complex and connected challenges facing Aotearoa in the 21st century.

Nō reira, tēnā koutou, tēnā koutou, tēnā koutou katoa.



Dr. Ganesh Nana

Chair, New Zealand Productivity Commission | Te Kōmihana Whai Hua o Aotearoa

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Executive summary

Productivity, and improving productivity, is a key concern for governments seeking to maximise their nations' outcomes and the wellbeing of their populations.

In recognition of this, the Productivity Commission | Te Kōmihana Hua o Aotearoa (the Commission) was established as a Crown entity and began operating in 2011. Its principal purpose was to provide advice to the government on improving productivity. Over our time in operation, we completed 18 inquiries into topics selected by ministers.

This report examines the value delivered by inquiries and sets out some key lessons that may be of value for other organisations conducting similar work in the future.

The full impact of inquiries is delivered over the long term

Until now, we had only looked at the short-term impacts of inquiries, by way of independent evaluations of inquiry reports and processes. These evaluations assessed our performance in delivering individual inquiries, including how well we managed the inquiry, engaged with stakeholders, and delivered a clear message.

Recognising that the full impact of inquiries cannot be seen in their immediate aftermath, this review has taken a more in-depth look at the long-term outcomes of the work. This involved using new measures, complementing data and information we have already collected, and carrying out interviews with external stakeholders who could comment on the longer-term impact of four case study inquiries.

Engagement, strong analysis and compelling communication were essential to the success of inquiries

We identified that inquiries succeed by finding the underlying cause of an issue, listening to as many stakeholders as possible, collecting and analysing information and data to draw new insights, and putting findings across in a clear and compelling manner. The key findings across inquiries are set out below.

- ***Our inquiries were successful in engaging people in the inquiry topic.*** We did a lot of engagement through public meetings, submissions and consultations, all of which helped to gather information and perspectives, build consensus and get our messages across. Generating strong engagement with stakeholders was essential to ensuring inquiries were influential.
- ***Our research and analysis were high quality and trusted.*** We built a reputation for high quality research and analysis, looking across the landscape, digging deep into the data, and coming up with new ways to address issues. Experts in their field contributed to our findings and critiqued the output, ensuring high quality findings and recommendations were the norm rather than the exception. This approach to our work meant our inquiries generated convincing findings that were trusted by stakeholders.
- ***Final inquiry reports were key to impact.*** Final inquiry reports have become important reference documents, used by individuals and organisations long after inquiries are completed. These reports were generally well received, with over 70% of stakeholders

rating the quality of the inquiry they were involved with as good or excellent.¹ We found evidence of a wide range of individuals and organisations using the reports to support change and ongoing debate. Clarity of our communications was fundamental to our reports achieving long-lasting influence.

High quality inquiries maximised impact

Overall, all the inquiries we reviewed received a largely positive response from the government of the day. Governments agreed with most of our recommendations.

All our inquiries have had some recommendations implemented, which have included changing legislation, improving the capability of government systems, introducing new models for funding and delivering social services, establishing new institutions, and informing future inquiries and programmes of work.

Most of the recommendations were implemented within a few years following the release of an inquiry report, though some changes happened several years later.

Sometimes, real-world constraints or changes in political priorities prevented changes from being implemented.

Our inquiry reports were used to support a particular direction of change, generate debate and discussion, and they were used as evidence in support of submissions. Inquiry reports also clearly have a long shelf life and continue to be used as an important reference document many years after being released.

What does this mean for the future?

The feedback from this report, as well as our experience, is that inquiries play an important role in the public policy system. In relation to the particular inquiries we have conducted, the stakeholders we interviewed valued the ability of these inquiries to bring together existing work and thinking about a topic; to look at longstanding, cross-cutting issues that span agency boundaries; and to provide an outsider's perspective in considering new or different solutions.

The work carried out for this assessment report also confirmed some limitations of our inquiry model, which included the lack of requirements that the findings and recommendations of inquiries would be acted upon, no ongoing support provided on a topic once an inquiry had been completed, and no ongoing monitoring of the impact of inquiries.

There are opportunities to learn from this experience to support the government's future efforts. This could involve consideration of:

- how a government builds the work involved in, and the outcomes of, inquiries into its ongoing work programme
- how to monitor and understand the impact of inquiries when they are complete
- the ongoing role and relevance of subject-matter expertise and experience in a topic to support work overtime.

¹ These were stakeholders who responded to post-inquiry surveys carried out by independent evaluators.

Introduction

During our time in operation, the Productivity Commission | Te Kōmihana Hua o Aotearoa (the Commission) carried out in-depth inquiries on topics the government referred to us, in line with our statutory purpose.

Inquiries investigated big, complex and enduring productivity-related challenges facing Aotearoa New Zealand. They involved extensive research, consultation and engagement, to produce final inquiry reports that made recommendations to the government about changes that could be made to improve performance in relation to the topic considered.

Since the Commission started operating in 2011 and its disestablishment in 2024, we published 18 inquiry reports.²

What does this report do?

This report reviews the impacts of a selection of past Commission inquiries, to understand how inquiries influence change, and to support other public sector organisations to maximise the influence of similar inquiry processes in the future.

A comprehensive evaluation of the performance of our past inquiries is beyond the scope of this report. Rather, this work presents an opportunity to learn what impact these past inquiries have had, and to understand what helps and what can get in the way of an inquiry influencing change.

Our annual reports and standard inquiry evaluations (completed soon after inquiries were released) provided relatively short-term observations of inquiry effectiveness. By contrast, this report takes a longer-term view, to better understand how inquiries may have influenced change several years after their publication.

In doing so, the report builds on the approach taken by the standard inquiry evaluations and our pre-existing performance measures to investigate how well inquiries:

- engaged people in the analysis and advice and created a positive response
- stimulated discussion and debate about the issues covered and the solutions proposed
- informed policy change and decision making.

Report structure

The report begins by introducing our inquiry process and the aims of the inquiry work programme, including how it compares to other types of inquiries. We then outline our outcome framework, along with the measures and data we have collected to assess the longer-term impacts of our inquiries.

This is followed by our findings for each of the three outcome indicators for inquiries completed before 2019. The final section draws on what can be learnt from this experience to support future efforts by the government.

² A complete list of Productivity Commission inquiries is in Appendix 1.

Productivity Commission inquiry work programme

Understanding the purpose of the Commission's inquiry work programme and how inquiries were carried out provides useful context for assessing an inquiry's impact.

The impact of an inquiry will be influenced by how an inquiry is set up and run, the powers it has, and the process for how governments respond to it. This section sets out this context in relation to the Commission and our specific inquiry function; compares this to other similar functions conducted elsewhere; and demonstrates how, as a result, our inquiries influenced change.

The Productivity Commission

The Productivity Commission was a Crown entity established by the New Zealand Productivity Commission Act in December 2010 and was disestablished in 2024. The principal purpose of the Commission was to provide advice to the government on improving productivity in a way that was directed to supporting the overall wellbeing of New Zealanders, having regard to a wide range of communities of interest and population groups in Aotearoa New Zealand society.

To achieve our purpose, we had three core responsibilities:

- undertake in-depth inquiries on topics referred to the Commission by the government
- carry out productivity-related research that assists improvement in productivity over time
- promote understanding of productivity issues.

The questions and scope of each inquiry were outlined in Terms of Reference (ToR), set by a group of referring ministers. We had the opportunity to help develop and provide comment on each draft ToR before confirmation by the government.

What did an inquiry involve?

A Productivity Commission inquiry was a unique process that differed from inquiries undertaken elsewhere across government, such as Royal Commissions of Inquiry, public inquiries and government inquiries provided for under the Inquiries Act 2013. Inquiries under that Act typically investigate a specific (generally one-off) challenge or issue of importance for Aotearoa New Zealand. They may relate to a single event or significant system failure,³ and they follow legislatively mandated processes relating to their establishment and operation.

By comparison, a Productivity Commission inquiry was an opportunity to consider big, complex, and enduring productivity challenges facing Aotearoa New Zealand, particularly those that crossed over multiple systems and silos and were not easily addressed by agencies with specific policy portfolios.

³ For example, the Royal Commission of Inquiry into Abuse in Care, or the Royal Commission of Inquiry into the terrorist attack on Christchurch masjidain on 15 March 2019.

Like the long-term insights briefings that agencies are required to produce under the Public Service Act 2020, Productivity Commission inquiries provided an opportunity to look beyond immediate challenges and into the future. However, unlike these briefings, all our inquiries started with the assumption that their core purpose was to provide advice that helps to grow Aotearoa New Zealand's long-term productivity, thereby supporting improved wellbeing.

Delivering inquiries in highly complex areas, and in line with our broad mandate, required the development of advice that was rigorous and trusted. Some of the core elements of our role and approach in delivering an inquiry were designed to support these features, including:

- acting independently – our independence meant that, beyond the ToR, ministers could not influence our work or conclusions, and we published all our reports
- engaging widely with interested parties during each inquiry, gathering ideas and testing findings
- our employees having well-developed research and analytical skills, and the ability to undertake high quality analysis and shape that into influential policy advice, complemented by the contributions of commissioners who are experts in their fields.

Timeframes and process

The timeframes for our inquiries were typically 12 to 15 months from the point the ToR were agreed and referred to the Commission. Inquiries required a deep understanding of a topic and were significant pieces of analysis. These timeframes recognised the importance of high levels of research, consultation and engagement, in producing well-informed, evidence-based policy advice for the government,⁴ as well as recognising that novel analysis, including significant quantitative analysis, takes time. The process is shown graphically in Appendix 2: Inquiry process diagram.

Throughout each inquiry, we undertook extensive consultation with a wide variety of stakeholders – both in terms of identifying the initial direction of the inquiry and in testing its findings. We carried out in-depth research and analysis over many months, exploring and testing hypotheses and findings, to produce a rigorous picture of the history, issues, options and recommendations in a draft report.

For each inquiry, the draft report was tested publicly and debated before the final report was presented to the Minister of Finance. The final report delivered the findings from the inquiry, along with a set of recommendations for the government of the day to consider in its efforts to improve productivity. We regularly published research to support inquiries and used different media channels to reach out to people, aid understanding and enable access to our inquiry research and reports.

Powers of inquiry compared to other inquiry bodies

The Commission had relatively few powers conferred by legislation, compared to other bodies that undertake inquiry-type work. We had no powers to gather or compel evidence from other bodies or organisations to inform our work; we needed to rely on influence and credibility to gather information that was not already in the public domain. By comparison,

⁴ As an example, the *A Fair Chance for All* inquiry heard from over 1,000 people on the terms of reference, received 69 written submissions on the interim report, and held over 140 hui / meetings, wānanga and talanoa sessions with individuals, communities, government and non-government organisations.

inquiries undertaken under the Inquiries Act 2013 (Royal Commissions, public and government inquiries) all have statutory powers to require the production of evidence, to compel witnesses, and to take evidence on oath.

When it came to delivering our inquiries, the requirement for government to respond, or to specify how they would address the issues raised, was weak. Under section 13(2) of the Productivity Commission Act 2010, the responsible Minister had to “present a copy of the final report to the House of Representatives as soon as practicable” after receipt. There was no statutory obligation for the government to respond to the inquiry’s findings, although in practice they generally did respond – albeit many months after the inquiry’s release in some instances. Our inquiries were not often substantively debated in Parliament.

While the statutory provisions of the Australian Productivity Commission’s Act are similar, the tabling of inquiry reports in the Australian Parliament is “usually accompanied by debate in Parliament” (Australian Productivity Commission, n.d.).

Commissions set up more recently have been given more comprehensive powers, and put more specific requirements on the recipients of their advice to respond. For example, the Climate Change Commission is an Independent Crown Entity whose purpose is to provide independent, evidence-based advice to the government on climate issues and which provides reports and advice of various types. Unlike the Productivity Commission, it also has a statutory role to monitor and review the government’s progress towards its emissions reduction and adaptation goals, and there are stronger requirements on the government to respond and to explain its reasoning. The key statutory differences between the two entities are summarised in Table 1.

Table 1: Key statutory differences between the Productivity and Climate Change Commissions

	Productivity Commission (2010) New Zealand Productivity Commission Act 2010	Climate Change Commission (2019) Climate Change Response (Zero Carbon) Amendment Act 2019
Type of agency	Independent Crown Entity	Independent Crown Entity
Advisory role	On referral, to hold inquiries and report to the referring ministers about productivity-related matters (<u>section 9(1)(a)</u>) On its own initiative, to undertake and publish research about, and promote public understanding of, productivity-related matters (<u>section 9(1)(b)</u>)	To provide independent, expert advice to the government on mitigating climate change (including through reducing emissions of greenhouse gases) and adapting to the effects of climate change (<u>section 5B(a)</u>)

Monitoring role	None ⁵	To monitor and review the government's progress towards its emissions reduction and adaptation goals (section 5B(b))
Powers to access information	None	Minister or Commission may request certain organisations to provide information on climate change adaptation (under section 5ZW)
Requirements on government to respond	None	Statutory timeframes obligating the government to respond within set timeframes (section 5U) Government obligated to set out in its response reasons why it is departing from the Commission's advice (section 5U(2))

How the Commission's inquiries influence change

In the absence of statutory obligations on the government to respond to an inquiry and its recommendations, we primarily relied on the quality and communication of our ideas, analysis and evidence to influence and shape policy. We had no direct levers to implement recommendations, and no ongoing monitoring role in respect of completed inquiries.

An inquiry's influence could be direct and immediate (for example, through government acceptance of inquiry recommendations) or it could occur over longer periods, after policies are adjusted or adopted. In recognition of this, we aimed not just to produce reports, but to produce reports that were robust and well evidenced, with analysis and commentary that would be disseminated, understood, and used to influence policy and other behaviours over time.

...inquiry "success" can be assessed in many ways. For instance, considerations may include: their processes and levels of engagement with stakeholders. Too often whether recommendations are accepted and implemented has been used as the sole criterion for gauging inquiry success. More qualitative judgments are needed to assess the soundness of an inquiry's report and whether it has served the public interest.

(Prasser, 2023c, pp. 8–9)

⁵ While the Commission had no statutory monitoring or follow-up powers, we did undertake (at the Government's request) the *Follow-on review: Frontier firms* report, which was a first, and entirely at the government's discretion. Since 2019, we have produced three *Productivity by the numbers* reports, which inform the public about trends in Aotearoa New Zealand's productivity, looking at both the latest statistics and longer-run productivity performance measures.

Understanding the impact of inquiries

As the Commission had no ongoing role with respect to acting on, or monitoring, the recommendations of an inquiry once it had been completed, there has been relatively limited work undertaken before now to build understanding of the impact that inquiries have delivered.

This section sets out how we measured our performance in delivering inquiries, how this approach recognises the complexity of measuring research impact consistent with overseas experience, and how this project has built from these foundations to deliver a more comprehensive method for understanding the impact of past inquiries.

Past inquiries were independently evaluated

After each inquiry, we arranged an independent evaluation of the inquiry report and process. These evaluations assessed our performance, including how well we managed the inquiry and engaged with interested parties, and how clearly we delivered the message.

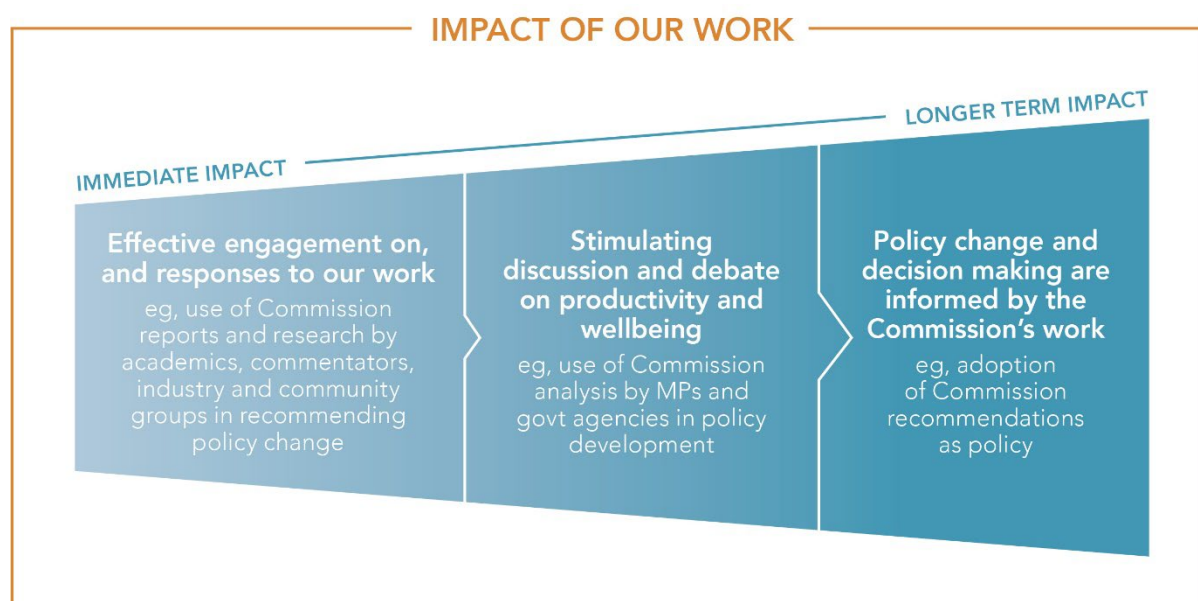
Part of these evaluations considered the impact of an inquiry. Performance measures focused on potential pathways for the inquiry's findings and recommendations to be used, over time, to support change. These measures assessed the extent to which an inquiry:

- engaged people in the analysis and advice and created a positive response from stakeholders
- stimulated discussion and debate about the issues and proposed solutions covered
- informed decisions and policy changes.

Our performance framework is grounded in the logic that, if people were aware of the work and valued the contribution of the analysis and recommendations, then the work would be much more likely to contribute to debate and discussion, inform decision making and lead to policy change (New Zealand Productivity Commission, 2023).

Figure 1 sets out in more detail our 2023 framework for measuring the impact of our work.

Figure 1: Productivity Commission’s impact indicators



Source: NZPC (2023b, p. 12)

Methodology adopted for this report

Measuring the long-term impact of our inquiry work programme is challenging when the pathway from carrying out an inquiry to attributing influence on policy and practice is complex and can occur over many years. Some changes may be easy to identify, such as a government citing a commission’s recommendation when making a policy change. Other changes may be harder to detect, for reasons set out in the Limitations of the study section below.

Our measurement approach to detecting the impact of our inquiries builds on the performance framework and impact indicators outlined above. We use a mixed-method approach and a wider range of measures, over a longer period, than is reported in our annual reports.

Our approach included taking a more in-depth look at four case study inquiries, using our range of measures and interviews with external stakeholders, who could comment on the longer-term impact of these inquiries.⁶ The case studies include two inquiries where employee assessment suggested their influence had been relatively large (*Low-emissions economy* inquiry and *Regulatory institutions and practices* inquiry), and two inquiries where it was felt the findings and recommendations were less influential (*New models of tertiary education* inquiry and *Using land for housing* inquiry).

To assess the longer-term impact of inquiries, we focus on inquiries that were completed before 2019 – that is, 11 inquiries completed between 4 and 11 years ago. We have restricted some measures to the four case study inquiries because we have not had

⁶ There is general agreement that a mixed-methods approach is most useful for assessing the influence of research. This includes the use of case studies, which are particularly good at capturing the context-specific and variable nature of influence (Boaz et al., 2009), as well as interviews, which are often reported as a useful source of information (Molas-Gallart & Tang, 2011).

sufficient time to collect data on all 11 inquiries (for example, implementation of inquiry recommendations and stakeholder interviews). On one measure, inquiry quality rating, we collected data on 17 inquiries (up to 2023).

Impact measures

We created a set of measures that used existing data and information we have already collected, as well as collecting new information for this project. Table 2 lists the measures created for the three impact indicators and contains more information about each measure.

Table 2: Performance measures and indicators

Impact indicator	Measure	Source	Number of inquiries reported on
Engagement and response	Number of inquiry meetings and submissions	Inquiry final reports	11
	Type of individuals and organisations who engaged with inquiries	Inquiry final reports	4
	Inquiry quality rating	Post-inquiry participant survey	17 ⁷
Discussion and debate	Internet citations	Google search	11
	Parliamentary mentions	Google search of Parliament website	5
Policy and behavioural change	Initial government response	Post-inquiry government response	9
	Inquiry recommendations implemented	NZPC annual reports Google search Discussions with Commission employees	2

Notes: Not all the 11 inquiries completed before 2019 could be included in every measure due to data limitations. The Parliamentary website was established in 2013, which meant that we could only look at parliamentary mentions of 5 of the 11 inquiries. The earliest inquiry included was the Effective social services inquiry, which

⁷ We collected data for 17 inquiries that ran a post-inquiry participant survey, which includes the inquiries prior to 2019 and between 2019 and 2023.

was released in September 2015. The Commission received government responses to only 9 out of the 11 inquiries completed before 2019. It has received no response to date for the Boosting services sector productivity and Better urban planning inquiries.

We intended to carry out internet searches of individual recommendations from the four case study inquiries. Determining whether recommendations have led to change is time consuming and we were only able to review two inquiries (*New models of tertiary education* and the *Low-emissions economy* inquiries).

Interviews with stakeholders

Not all inquiry impacts can be easily detected using quantitative measures. For example, whether an inquiry has changed a person's or organisation's understanding of the key issues is best assessed qualitatively. We carried out interviews with stakeholders, to complement the more quantitative measures; gather their perspectives about the longer-term impacts of an inquiry; and to understand how inquiries had helped influence change and, if they had not, why not.

We also asked interviewees about their views and suggestions for how future inquiries could be more successful in influencing change.

We attempted to interview stakeholders from a range of backgrounds from inside and outside government who were familiar with one of the four inquiries. We obtained views from people who participated in the inquiry (for example, contracted consultants, submitters), as well as non-participants, but we avoided interviewing anyone who was part of the inquiry team itself. The people interviewed included policy advisors, researchers, consultants, sector representatives, and academics.

In total, we interviewed 25 individuals. Appendix 4 sets out the interviewees' roles and which inquiries they were involved with.⁸ We ended up interviewing 10 stakeholders about the *New models of tertiary education* inquiry, because several people joined an interview. To ensure the views from this inquiry did not dominate interviews from other inquiries, we have specified whether an interview theme only applies to a single inquiry or was common to all inquiries.

Limitations of the study

The approach taken to measure the impact of our inquiries has a number of limitations that need to be considered when interpreting the findings. The limitations are discussed in Appendix 3.

A focus on pre-2019 inquiries may limit findings

To understand the longer-term impact of inquiries, we have focused on inquiries completed before 2019. This acknowledged that it can take time for an inquiry to achieve its full influence, and that the kind of impact sought by an inquiry (for example, policy change) is

⁸ While some stakeholders were happy to be identified, others preferred to remain anonymous, due to the sensitivity of some of the material and the relatively small size of Aotearoa New Zealand's policy sector. Therefore, we have decided to not identify the interviewees in this report.

often delivered over years, rather than in the immediate aftermath of delivering a final inquiry report.

However, this focus may have limited what we could identify through this exercise. For example, some of the issues we have found with earlier inquiries may have been addressed by our more recent inquiries. Over time, for example, we may have improved our engagement processes and the way we disseminate inquiry findings. We provide an overview of how our inquiry process has evolved in Appendix 7.

While older inquiries have had more time to achieve influence, the passing of time could also make it harder to find evidence of this impact, which could mean their contribution is understated in some measures. For example, inquiry citations on webpages or in documents on the internet may disappear over time as websites are updated. Stakeholders may also find it difficult to recall the contributions made by an inquiry completed several years ago.

Individual measures should not be read alone in assessing the impact of an inquiry

Our impact framework specifies that the contribution of an inquiry can take many forms, which means care is needed when interpreting individual measures. For example, an inquiry with lots of engagement does not necessarily mean people were listened to, or that their viewpoints were taken on board. A lack of recommendations being implemented may not always mean an inquiry has not been influential. A particular inquiry may have provided a strong challenge to the current solutions being used to address issues in a sector, which may mean many of the recommendations made are not implemented. However, over time, the inquiry may become an important guide in shaping reform in the sector.

When we spoke to stakeholders about inquiries creating change, some of them challenged the notion that having recommendations implemented was a good measure of success. According to Scott Prasser, editor of a recent volume on public inquiries:

'...inquiry 'success' can be assessed in many ways. For instance, considerations may include: their processes and levels of engagement with stakeholders. Too often whether recommendations are accepted and implemented has been used as the sole criterion for gauging inquiry success. More qualitative judgments are needed to assess the soundness of an inquiry's report and whether it has served the public interest'
(Prasser, 2023c, pp. 8–9)

They also acknowledged that the Commission has relatively weak levers for making change happen, because we lack any direct influence over ministers.

You're measuring the wrong thing if you measure the recommendations accepted. If all your recommendations were accepted, that would be failure... If the right people are using it as a base resource, that may be more important than 50% rather than 25% of your recommendations being adopted. It's that indirect influence rather than direct influence that makes sense.

– Private sector consultant

It's not a test of the report as I see it, whether it changed the culture in the public service, the test is whether it did an excellent job of meeting its terms of reference and I think it did. And that's all you can do. The Productivity Commission can't hope to change what ministers want.

– Private sector consultant

Not all changes made in response to an inquiry are readily identifiable or attributable

Assessing whether an inquiry's recommendations have been implemented and whether the inquiry played a role in contributing to the change can be challenging. This is due to the time needed to undertake the research, the fact that not all changes are documented, and the need to have a certain level of sector knowledge to assess whether changes can be reasonably attributed to specific recommendations.

The follow-up review of the *New Zealand firms – Reaching for the frontier* inquiry carried out interviews with knowledgeable people in both the public and private sectors, alongside analysis of documents, to assess whether recommendations had led to change. While successful, such an analysis is time consuming and takes several months to complete.

Furthermore, the intention of inquiries was to investigate long-term and intractable challenges and identify opportunities to improve outcomes. Productivity is not a short-term outcome, and productivity growth is driven by ongoing decisions and investment over years and decades (NZPC, 2021, 2023a). On that basis, any assessment of impact at this stage will not be able to look at the overall influence the advice delivered on, and the changes made to, long-term productivity gains for Aotearoa New Zealand. And because of the indirect influence of inquiries, even if productivity gains are achieved, it would be difficult to link these back to our inquiry work programme.

The methodology acknowledges the complexity of measuring research impact

The framework and measures adopted for this report acknowledge that the pathway from undertaking an inquiry to attributing influence on policy and practice are often not direct, but can be messy and complex and can occur over a long period. Our approach was consistent with the literature on how research influences and supports change. Research does not just directly influence policy change, it can also indirectly influence individuals and organisations by spreading and building knowledge, and changing attitudes and perceptions (Williams & Lewis, 2021). In other words, failure of research to change a policy or practice in the short term does not mean the research had no impact. Morton (2015) describes the process as “research uptake, use and influence”.

Other research institutions have used a similar approach to assess the influence of their work.

- **The Australian Productivity Commission** looks for evidence of engagement in and response to their work by seeing whether it has generated public debate, which includes measuring the level of awareness of their work and agreement with their recommendations. They also look at the extent to which people agree their work is a valuable source of evidence to inform public policy, and whether it is used by others. The

Australian Productivity Commission's approach is similar to our performance framework in that it assumes that if their research is high quality, and is being discussed and used, then it has a higher chance of informing public policy changes in Australia.

- **The National Institute of Economic and Social Research** in the UK has a similar view to ours, about how research influences change. The Institute aims to create high quality and policy-relevant research that is used by media and policymakers to inform debate. It aims to achieve this by improving people's understanding of economic and social issues and providing alternative policy solutions to the status quo.

However persuasive and useful an inquiry's findings are in recommending change, external factors can still influence an inquiry's impact. These include economic changes, or shifts in public attitudes or political agendas (Williams & Lewis, 2021). Prasser sums it up well, stating that "...as with all matters concerning public inquiries from their appointment, membership, form, terms of reference and timeframes, it is the politics of the issue under review that determines how quickly a government responds to recommendations" (2023a, p. 79).

The next three sections of this report review the impact of our inquiries using the measures outlined above and the interviews with stakeholders. The findings are organised using our three impact indicators.

- Engagement in, and response to, our inquiries.
- Generating discussion and debate.
- Changing policy and behaviours.

The report concludes with a discussion about the implications of our findings for commissioning and running inquiries in the future.

What was the engagement with, and response to, inquiries?

Our first impact indicator attempts to measure how well an inquiry engaged with external stakeholders, and to measure their response to the final inquiry report.

A common view among the people we interviewed was that engagement was an important ingredient that contributed to the success of an inquiry. In particular, interviewees commented on the importance of inquiries being open to hearing different views and perspectives and being prepared to work with interested groups on potential solutions. The outcome was an inquiry that built goodwill and consensus among people in the sector about the problems that needed addressing.

I remember sitting down with the team at the very beginning of the process and it was something that a lot of people had a lot of interest in when it was first mooted. Everybody came to the party with “here are all of my issues and problems”, and so I think the scope justifiably went quite wide.

– Public sector manager

Pretty much everybody seemed to agree with the problem diagnosis.

– Government policy advisor

However, in one inquiry, one of the stakeholders we interviewed felt the inquiry had been less successful, because we did not properly consider their views. The result, in their opinion, was that the inquiry focused on the wrong issues, because the Commission did not fully understand how the sector operated.

It did feel like there was a very strong ideological driver right from the very outset around how to see the sector. And we just never got away from the fact that it was all about lack of competition and how you create more competition.

– Public sector manager

We use three measures to examine how well inquiries engage with stakeholders. The first measure counts the number of individuals and organisations who engaged with the 11 inquiries completed before 2019 by meeting with the inquiry team or making a submission. The second measure looks at the spread of engagements undertaken across the four case study inquiries to see if inquiries consulted widely with different types of individuals and organisations. The third measure uses the post-inquiry participant survey for 17 inquiries (11 inquiries before 2019 and 6 inquiries from 2019–2023) to determine whether inquiry participants were positive about the overall quality of the final report. A positive response from participants provides an indication that their views were listened to, and that we were successful in bringing together the many perspectives we heard.

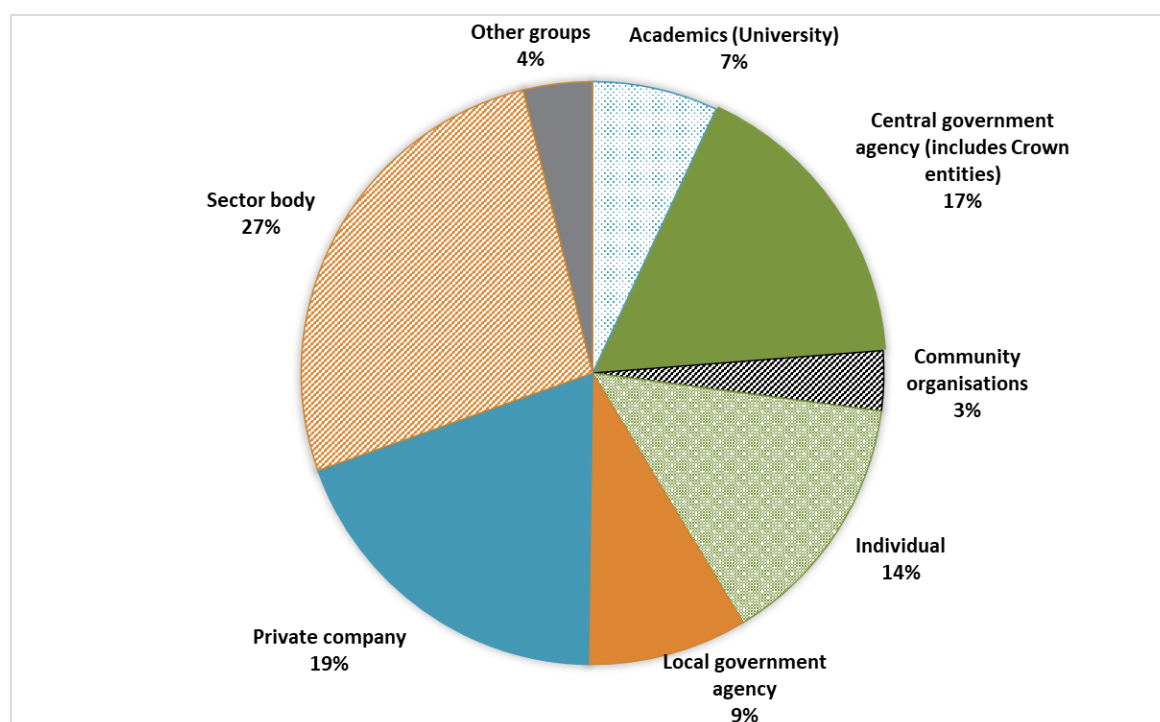
Inquiries engaged with a broad range of individuals and organisations

We measure two types of engagement with stakeholders. The first type is a meeting between stakeholders and the Commission during an inquiry. The second type is a written submission about the findings and recommendations made in the draft inquiry report.

Inquiries involve a lot of engagement with stakeholders. Across the inquiries completed before 2019, we received an average of 132 submissions and met with an average of 106 individuals and organisations. The *Low-emissions economy* inquiry received over 300 submissions, and the *More effective social services* inquiry met with nearly 200 individuals and organisations.

Inquiries received submissions from, and met with, a wide range of individuals and organisations. We analysed our four case study inquiries to get a sense of the different types of individuals and organisations that engaged with these inquiries.⁹ Figure 2 presents the average percentage of meetings with, and submissions received from, different groups of individuals and organisations across these four inquiries.

Figure 2: Percentage of submissions and meetings by stakeholder type



Note: The data are based on the submissions received and meetings held listed in the final inquiry report. Other groups includes international organisations, iwi, private and public research organisation, other groups.

Across the four inquiries surveyed, submissions and meetings took place with four broad groups. On average, sector bodies (27% of meetings and submissions), private companies (19%), central government agencies (17%), and individuals (14%) made up just over three-quarters (77%) of all submissions and meetings. This is probably because most inquiry

⁹ These were the *Low-emissions economy*, the *New models of tertiary education*, *Regulatory institutions and practices*, and *Using land for housing* inquiries.

recommendations need to be implemented by central government agencies (eg, changes to legislation) and are likely to impact on individuals, companies and sector organisations and institutions (e.g., tertiary education institutions). Understanding the implications for these groups would have been a priority for an inquiry, as well as for those impacted.

Different inquiry topics will be of interest to different groups, which was reflected in who we engaged with across the four inquiries reviewed. In the *Using land for housing* inquiry, local government made up 26% of meetings with the inquiry team, compared to less than 2% across the other 3 inquiries. Meetings with sector bodies (education institutions and groups) made up nearly half (47%) of all meetings in the *New models of tertiary education* inquiry, and government agencies made up 31% of meetings in the *Regulatory institutions and practices* inquiry.

Some groups were engaged with more than others

Central government agencies were more likely to meet with the inquiry team (an average of 23% of meetings across the 4 inquiries), than to make a submission (an average of 10% of submissions). This may be because central government agencies feel they do not need to make a submission if they have already met with the inquiry team to provide their views. Commission employees also noted that government agencies sometimes did not want to make a submission because it would involve a lengthy process of getting agreement from across the organisation, and possibly from ministers.

Groups less likely to engage included academics, community organisations, international organisations, iwi, local government, and research organisations (public and private). There are not many research organisations in Aotearoa New Zealand, which may explain the low level of engagement with this group. For the other groups, engagement did vary depending on the inquiry topic. Engagement with academics on the *Low-emissions economy* inquiry was higher than on the other inquiries, probably reflecting the need to understand the science behind climate change gas emissions.

Low engagement with a particular group may have occurred for several reasons: because they were not aware of the inquiry, they were not directly impacted by an inquiry's recommendations (that is, they would not have to implement recommendations), they had insufficient resources/expertise to engage, or they lacked confidence in the Commission. These groups may still be impacted, but indirectly (for example, legislation change can impact community groups and local government).

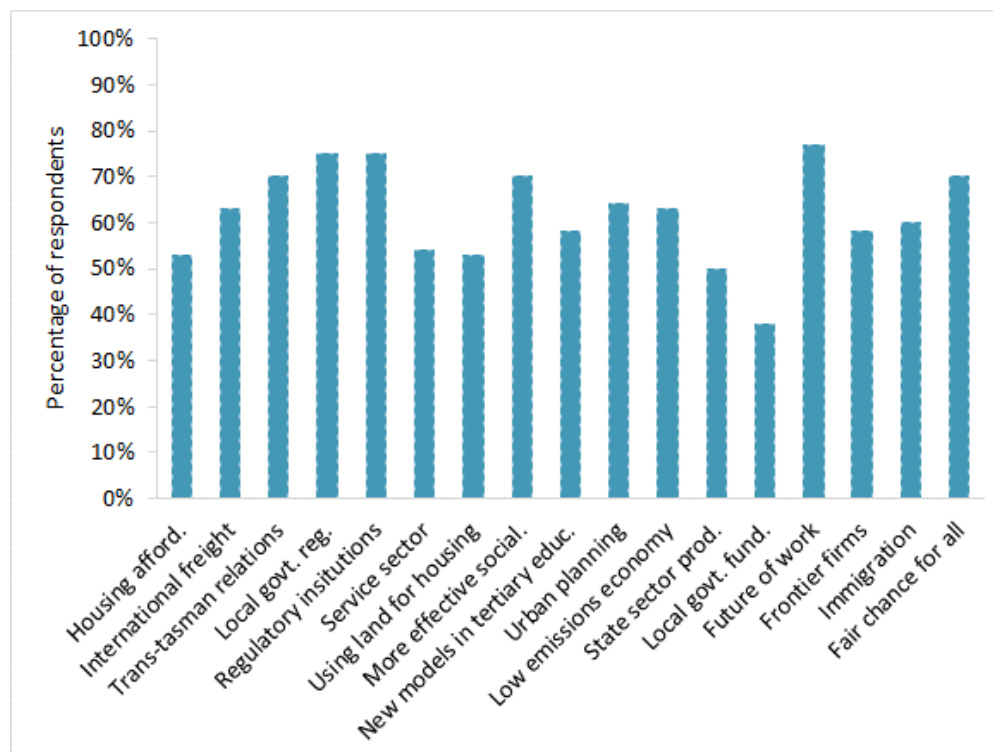
It is difficult to establish the extent to which an individual inquiry was able to draw on the full range of viewpoints from across the community by reviewing the list of individuals and organisations. For example, while there is not much evidence of engagement with Māori organisations in the *Using land for housing* and *Low-emissions economy* inquiries, the *Regulatory institutions and practices* inquiry gathered feedback from Māori stakeholders about the relationship between Te Tiriti o Waitangi and regulatory design and practice. In addition, the viewpoints of specific communities may be provided through other organisations, such as sector bodies.

Past inquiries have been positively received

To get a sense of how our inquiries were received, we used a measure from the post-inquiry participant survey. Participants involved in an inquiry (that is, who made a submission or met with the inquiry team) were asked to rate the overall quality of the final inquiry report. Figure

3 plots the percentage of participants who agreed that the overall quality of an inquiry was good or excellent. The number of inquiries included in Figure 3 has been expanded to include data from all our post-inquiry participant surveys.¹⁰

Figure 3: Percentage of respondents who rated the quality of an inquiry as good or excellent



Of the 17 inquiries included in Figure 3, over 70% of participants rated the quality the inquiry as good or excellent. The least well received inquiry was the *Local government funding and financing* inquiry – the quality of which was rated as good or excellent by only 38% of participants. The most well received was the *Future of work* inquiry, with 77% of survey participants rating its quality as good or excellent. Of the four case study inquiries, the results line up with our view that the *Regulatory institutions and practices* and *Low-emissions economy* inquiries (well received) had a greater impact than the *Using land for housing* and *New models of tertiary education* inquiries (less well received).

Most inquiries received positive reviews from experts

The final inquiry reports were reviewed by independent experts in the months immediately following their publication. A summary of the assessment’s main findings for inquiries completed before 2019 are listed in [Appendix 5](#). Of the 11 inquiries, 7 of the inquiries received largely positive reviews, while the independent reviews of the other 4 inquiries were less positive. With these inquiries, reviewers raised issues around:

- the lack of in-depth analysis in some areas (*Strengthening trans-Tasman relations*)

¹⁰ We have run post-inquiry participant surveys for 17 inquiries. We did not run post-inquiry participant surveys following the completion of the *Follow-on review: Frontier Firms* and *Improving economic resilience* inquiries.

- the lack of emphasis on how future policies and arrangements could support deeper integration (*Housing affordability*)
- the challenge of grappling with a range of issues at the same time (for example, data challenges, complex frameworks, and the complicated nature of the sector) (*Boosting services sector productivity*)
- a failure to reshape the thinking of the sector (*New models of tertiary education*).

Do inquiries contribute to discussion and debate?

We have used two measures to capture the extent to which our inquiries contribute to discussion and debate, which we outline in this section. The first measure counts the number of webpages and documents on the internet that cite an inquiry, including how the inquiry has been used and by whom. The second measure looks for mentions of inquiry reports in the New Zealand Parliament.

The section finishes with insights from the stakeholder interviews about how inquiries help contribute to debate and discussion.

Inquiries continue to be discussed and debated by a wide range of individuals and organisations

We used the Google search engine¹¹ to find citations of inquiry reports on webpages and documents on the internet. In total, we found 546 citations of the 11 inquiries completed before 2019. There were four reasons inquiry reports were cited.

- The recommendations were used to support a particular direction of change.
- The inquiry findings were used as evidence.
- The findings and recommendations were debated or discussed.
- The release or existence of an inquiry report was being publicised.

Table 3 provides examples of citations for each of the four reasons above and Figure 4 plots the percentage of citations found that align with each of the four reasons.

Table 3: Reasons inquiry reports are cited

Reason	Example
Recommendations used to support a particular direction of change	The Carbon Neutral NZ Trust quoted the <i>Low-emissions economy</i> report in advocating for such things as a move to electric vehicles, a lower carbon footprint, and better environmental protection to Waiheke Island residents, in response to threats of climate change (Carbon Neutral Trust, 2018).
Findings used as evidence	The New Zealand Institute of Economic Research cited the <i>Better urban planning</i> inquiry's findings on projected benefits of driverless vehicle uptake in its <i>Benefits from Auckland road decongestion</i> report to the Employers and Manufacturers Association, Infrastructure NZ, Auckland International Airport Ltd, Ports of Auckland Ltd and the National Road Carriers Association (NZIER, 2017).

¹¹ As at October 2023.

Findings and recommendations debated or discussed

A public forum of economists, academics and a variety of other interested parties from the tertiary education sector was convened to discuss the *New models of tertiary education* report. The panel discussion expressed a “desire to put aside differences and competitive urges to look at solutions” (The Policy Observatory, 2017).

Publicising the release or existence of an inquiry report

Key findings and recommendations from the newly-released *Regulatory institutions and practices* report were quoted in an article by Bernard Hickey on the interest.co.nz website (Hickey, 2014).

Figure 4: Different reasons why inquiry reports are cited (% of total reasons)

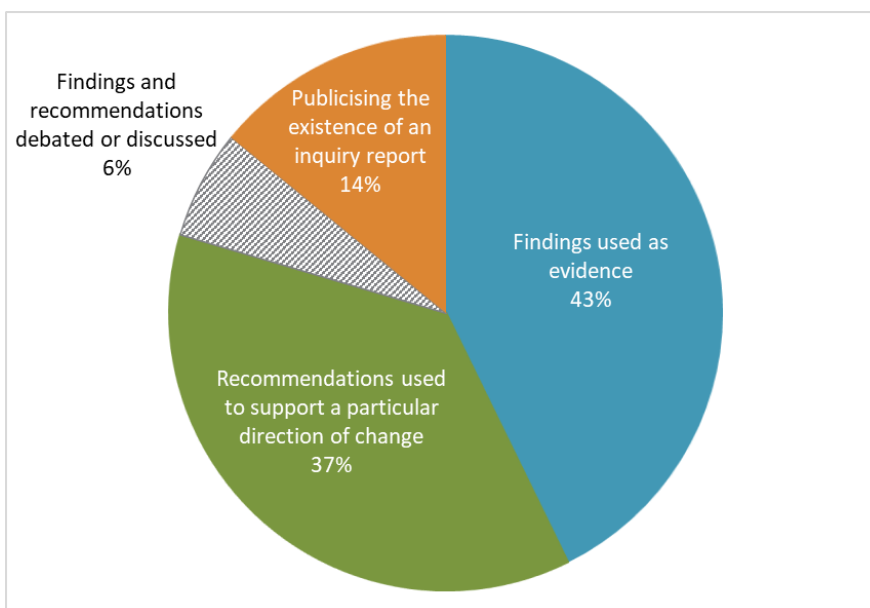


Figure 4 shows how inquiries were being used and discussed to inform ongoing analysis and debate of topics. Findings being used as evidence was the most common reason, accounting for 43% of citations. Citations included people and organisations using inquiry findings to highlight the issues in a sector that need to be addressed. Many of the citations showed up as evidence in journal articles and PhD theses, which suggests that findings in inquiry reports were considered robust enough to be cited in peer-reviewed documents.

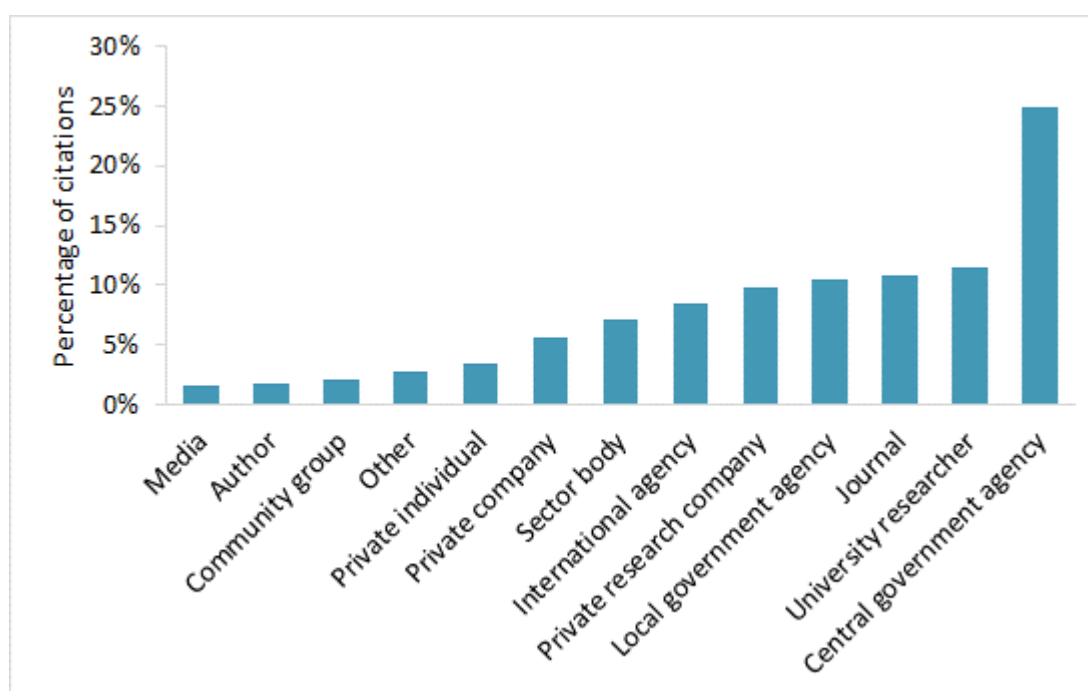
The second-most common reason inquiries were cited (37%) was to use recommendations to advocate for a particular change, such as to legislation, regulations or practices. Less common reasons were publicising the release or existence of an inquiry report (14%) and discussing and debating inquiry findings and recommendations (6%).

A wide range of individuals and organisations were using inquiry reports

Our data collection revealed that a wide range of organisations have cited inquiry reports. These included government agencies, academia, sector bodies (for example, umbrella organisations), private companies, community groups, individuals and media companies.

Figure 5 plots the different types of organisations that have cited inquiry reports. Government agencies combined to form the largest group (just under a third of citations), comprising central government (22% of citations) and local government (10% of citations). This is not surprising, because inquiry reports often dealt with long-term policy issues and made recommendations that required action from ministers and government agencies, such as changes in legislation.

Figure 5: Types of organisations that cited inquiry reports



Academia was the next largest group, accounting for 23% of citations, including universities (11%) and authors of articles in academic journals (12%). Private companies (including research companies) accounted for 14% of citations, international agencies for 9%, sector bodies 7%, book authors and private individuals 8%, community groups 2%, and media organisations for 2%. We found that media outlets published articles that cited findings and recommendations from inquiry reports, in addition to their reporting on the inception and publication of inquiry reports.

Inquiry reports continue to be mentioned several years after being released

Internet citations still show up several years after an inquiry is completed, which is consistent with feedback from the stakeholders we interviewed about inquiry reports holding long-term value. Figure 6 plots the number of citations by the number of years after an inquiry report was released. The chart plots more recent inquiries (five inquiries released between 2015

and 2019) and older inquiries (six inquiries released between 2012 and 2014) separately, because citations for older inquiries may have disappeared from the internet over time.

Figure 6: Internet citations by year

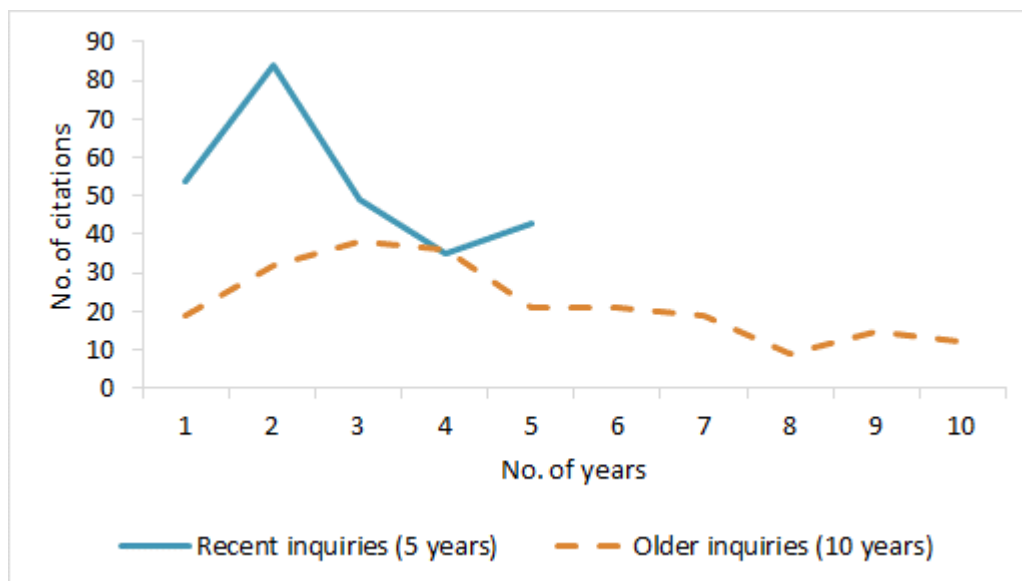


Figure 6 shows that inquiry reports continue to be cited in the years after the final report is released. Across the six inquiry reports that have been released for 10 years or more, we found that most of the mentions occurred within the first five years after the completion of the inquiry. However, these inquiries were still being referred to 10 years later (10 and 20 mentions each year, five to 10 years after their release). Box 1 below provides some examples of inquiries being cited and used 10 years after publication.

The more recent inquiry reports had more citations in the first five years following publication than older inquiries did. This could be because older internet webpages and reports may be updated or taken down over time, which would reduce the number of citations that could be found. An alternative explanation is that we had improved our distribution of inquiry reports and encouragement of people discussing and using our findings and recommendations.

Box 1. Examples of inquiry reports being used 10 years after publication

Below are several examples of inquiry reports being used in 2023, long after they were first published.

The *Using land for housing* inquiry report (published in 2015) is cited in a BRANZ report on alternative housing tenures (BRANZ, 2023).

The *Towards better local regulation* inquiry report (published in 2013) is being used to guide decisions on responsibilities for commissioning of health services at the national, regional and local levels, and on the level of infringement fees for breaches of land-use rules in the Auckland district plan (MOH, 2023).

The *Regulatory institutions and practices* inquiry report (published in 2014) has been:

- referenced by Parliament as part of the General Policy Statement for the Regulatory Systems (Climate Change Response) Amendment Bill (MPI, 2023)

- cited by the Department of Prime Minister and Cabinet in one of its policy methods toolbox documents (DPMC, 2023)
- referenced by the Chair in Regulatory Practice at the School of Government, Victoria University of Wellington, in a final report on improving regulation regimes (School of Government, Victoria University of Wellington, 2023).

Inquiry reports have become important reference documents

The stakeholders we interviewed also supported the ongoing usefulness of inquiry reports. Several of the interviewees told us they were still regularly referring to the analysis and arguments in inquiry reports. For example, people gave examples of using the *Regulatory institutions and practices* inquiry report as a guidance document and to provide an introduction for people new to the topic of regulation.

We still have hard copies of the Commission report sitting on the shelf, and it's still essential reading for anyone coming into my branch. I'd say once a month, I probably have reason to go and refer to it.

– Government policy advisor

Interviewees provided other examples of using inquiry reports as a place to start when undertaking new analysis in an area covered by an inquiry.

The Productivity Commission report is a resource that you go back to see how an idea fits with the analysis that was in there and ask if: Is there something in this analysis on which we can either hang a hat or that we need to respond to?

– Public sector manager (with reference to the *Regulatory institutions and practices inquiry*)

The lead of the Higher Education Funding workstream went back to that report as the most recent piece that's been done. It's been 6–7 years since it was released, and the environment hasn't changed that much. So, it is a starting point for a diagnosis of things, thinking and consideration about what else we might need to explore.

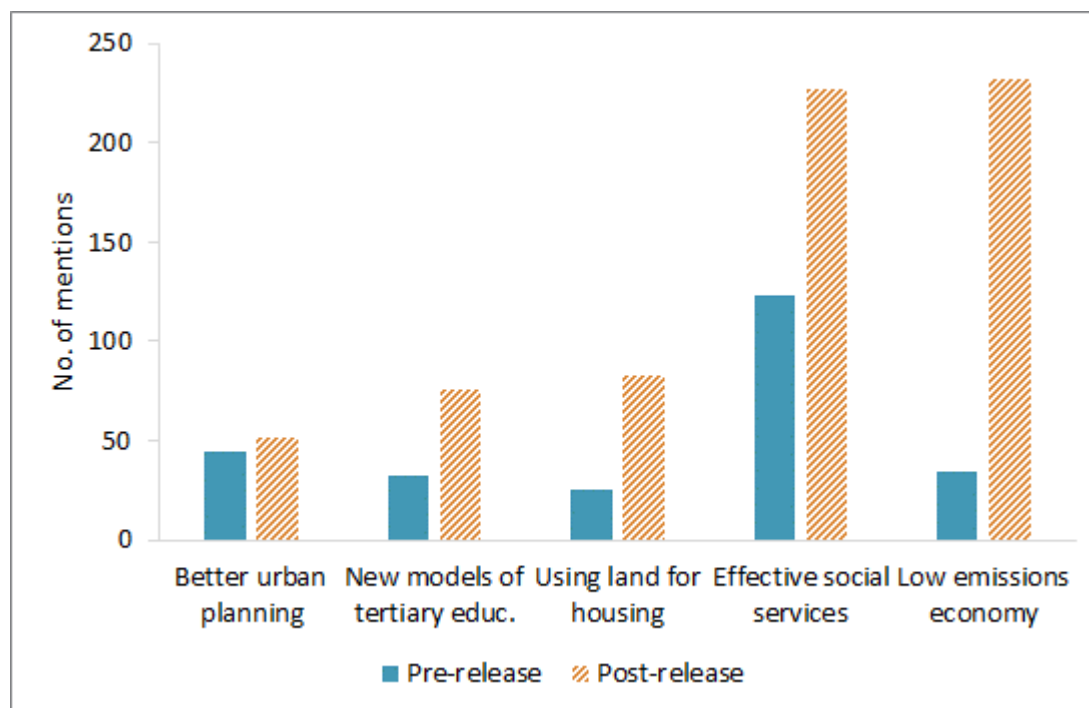
– Government policy advisor (with reference to the *New models of tertiary education inquiry*)

Parliamentary debate increased following the release of an inquiry's final report

We assessed the level of parliamentary mentions of five selected inquiries where data were available. Figure 7 plots mentions of the five inquiries before and after publication of the final inquiry report. The period before the release of the final report captures the discussions about the commissioning of an inquiry and the release of the issues paper and draft report.

The period after the release of the final inquiry report captures discussion about our findings and recommendations.

Figure 7: Mentions of selected inquiries on the parliamentary website



Mentions significantly increase following the publication of the final report for four of the five inquiries, which indicates discussion and debate of these inquiry reports (although further analysis of the parliamentary mentions would be needed to confirm this). It is not clear why the *Better urban planning* inquiry had a relatively lower level of parliamentary mentions following the release of the final report compared to the other inquiries, though the trend was still upward.¹²

How do inquiries help contribute to discussion and debate?

The previous sections measure the extent to which inquiries have been discussed and debated, including examples of inquiries being used to advocate for change. The people we interviewed about the four case study inquiries provided insights into how inquiry reports helped inform their work and supported wider discussion and debate.

Interviewees identified four key elements of inquiry reports they particularly valued, namely:

- that inquiry reports brought all the relevant research about a topic into one place
- the analysis and discussion an inquiry report provided about how a sector or system worked, its current performance and the key drivers or barriers influencing the system

¹² One possible explanation is that the inquiry had a focus on reform of the Research Management Act 1991, which is a perennial topic regularly debated in Parliament.

(e.g., the impact of funding arrangements on tertiary education, or of carbon prices on emissions)

- how inquiry reports set out the key problems or issues that need to be addressed to increase productivity and wellbeing
- how inquiry reports provided a way forward by setting out what needed to change and how.

The feedback from stakeholders was that all these elements are important and leaving any out would weaken an inquiry's ability to support discussion and debate.

Comprehensive research, analysis and discussion

The interviewees commented on the importance of the research carried out during an inquiry. They talked about the value of inquiries in carefully reviewing and pulling together all the relevant research about a topic, including international perspectives – creating a foundational piece of work that brought together all the past and current thinking about a particular topic.

From my perspective, this was a foundational piece in terms of bringing together the state of knowledge up to that point.

– Public sector manager

Picking up on the international academics in bringing their work and making it relevant to a New Zealand context, I think that was very helpful and helped to steer things.

– Government policy advisor

As well as summarising the relevant research, interviewees also told us that inquiries added value by explaining how a system worked and what has happened in the past. For example, inquiries could document past failures in a system or sector and then create a framework that could be used to identify where failures may occur in the future.

When you're looking at regulatory failure or regulatory institutions and structures, the Productivity Commission report is very much a resource that you go back to and use to test or make sure that you are considering the right issues. It doesn't mean you always follow it, but that's not the point, the point is that it has findings, and it has rationale for those findings.

– Public sector manager

Lots of really interesting insights into the problems of the sector, such as issues with performance and the ways the levers functioned.

– Public sector manager

Some stakeholders we interviewed also pointed out that when the research was not sufficiently comprehensive or convincing, this could lead to an inquiry being ignored or not well used. For example, the impact of an inquiry could be reduced if key facts are ignored, viewpoints are not well supported, or the analysis is poorly reasoned.

A lot of the analysis was not incisive and at times was misleading, they haven't poked at some of the things that they should have been poking at. Their rationale for not poking them in some cases is weird and contradictory.

– Private sector researcher

Identified the critical issues and provided a call to action

Once inquiries had laid out existing research, stakeholders wanted them to surface all the issues or questions that needed to be addressed in a sector or system, together with the barriers to, and opportunities for addressing those issues.

Provided good information on what was hindering or slowing planning processes to enable land development.

– Private sector consultant

The digging into the regulatory barriers and opportunities was really helpful. There's a lot to do there, and it's something that's hard to get onto the political agenda. There was some good cut-through in a way that officials might not have been able to achieve.

– Government policy advisor

Addressed the ability of the system to adapt and innovate.

– Government policy advisor

Interviewees also talked about how inquiries could provide a call to action. For example, interviewees told us that the *Low-emissions economy* inquiry did a good job of setting out the seriousness of the climate change issue:

A definitive study that said that climate change is a serious issue, we've got to do something about it.

– Public sector manager

It surfaced all of the questions that New Zealand needs to answer if it wants to get to net zero in a way that doesn't bankrupt the economy or lead to the lights going out every other Sunday.

– Private sector manager

Provided a direction for change

Stakeholders value the fact that inquiries provide a direction for change. In other words, just saying there are problems or issues that need addressing is not enough. People need to be able to think about and discuss potential solutions as well. Interviewees told us that the inquiries did this by:

- expanding on the range of possibilities for change
-

- resolving outstanding issues and identifying a way forward
- creating agreement on the changes needed.

Inquiries were successful when they opened the policy space by challenging the status quo, pushed the boundaries of what people thought was possible, and making a case for change that had not been made before.

Opening up the policy space by putting some new ideas on the table was certainly very important for us.

– Government policy advisor

Your job is to push out the boundaries, to expand the set of possibilities, it's not to second guess the politics.

– Private sector consultant

Interviewees also said it was important for inquiries to identify a way forward by outlining the goals or milestones that needed to be achieved, and to outline the policy changes and interventions needed to get there.

I was looking for insights on what the low emission future was going to look like and how we could get there in terms of policy interventions, where the opportunities lay to improve the emissions trading scheme, and how it fit into the policy package.

– Public sector manager

Finally, inquiry reports helped the discussions around evaluating different options for achieving a particular goal.

When we're weighing up the pros and cons of different models to provide access to secondary legislation (that we don't draft and publish) the Productivity Commission report is actually useful because you can go back and you can ask: Why? What's the rationale here?

– Government policy advisor

The report has been quite relevant in the sense that it's been a touchstone for when stuff has been looked at previously, the sort of conclusions that we come to, the descriptions and diagnosis of issues, and the sector issues that we would think about at that point.

– Government policy advisor

Inquiries created wide agreement on the change needed

In addition, interviewees said inquiries could generate cross-party ownership and bipartisan support for solutions and contribute to developing a political consensus.

Pivotal in terms of shaping the direction, had that credibility as well because it had a cross party ownership.

– Public sector manager

A huge amount of institutional design was achieved with bipartisan support.

– Government policy advisor

Inquiries could also help make the case for driving policy and legislation in new directions.

The Commission helped answer a long-delayed question in the policy space as to what to [do] about agriculture emissions, as successive governments have postponed putting it into the ETS.... How do ideas get adopted by decision makers? Part of it is what I call “rolling the pitch,” and it was very helpful for that.

– Government policy advisor

This Using land for housing inquiry is the inquiry that made a case for developing legislation for Urban Development Authorities.... and eventually led to a whole new RMA system.

– Government policy advisor

Provided an outside perspective that was trusted

Interviewees appreciated the Commission’s efforts to provide outside perspective. It is often the case that current views about the performance of a system have been made by the people inside the system, which often reflect their particular roles. We were able to provide a view that was independent of the system being investigated, and which covered the entire system. Interviewees told us that people inside a sector were willing to listen to us, because we had built a reputation for high quality work that was trusted.

It’s always very helpful to have that credible independent view come through. It’s also great when it aligns with our view naturally. I think it is important both the individual and the organisational level have that credibility and independence.

– Private sector manager

Some of the tone and language in this report, it contributed to the sector discussion and debate around the equal treatment of wānanga and their status and the system alongside universities. It probably contributed to the political consensus that came into play around protected terms, legislation and the like.

– Government policy advisor

How successful were inquiries in changing policy and behaviours?

The ultimate test of our inquiries is whether they led to changes in line with their findings and recommendations.

As discussed above, it is challenging to identify whether an inquiry has led to a change in policies and behaviours. Changes may not be well documented. It is also possible a recommendation was successful in motivating a direction for change, but the solution implemented was very different to the recommended change. Working out whether an inquiry has changed people's behaviour is likely to be even harder without talking to them.

We used two indicators to get a sense of whether inquiries led to a change in policy, which are discussed in detail in this section. The first indicator is the formal response to an inquiry provided by the government. This indicator is already reported in our annual reports. The assumption is that if a government's response to an inquiry is positive (that is, if the government agrees with the recommendations), then it is more likely to make the recommended changes. The second indicator measures whether recommendations are actually implemented.

We then used the responses from stakeholder interviews, from the four case study inquiries, to identify any broader changes created by inquiries (for example, whether an inquiry changed the way the stakeholder thinks about the issues raised), as well as their views about the overall impact of an inquiry.

Governments' formal responses to inquiries have been mostly positive

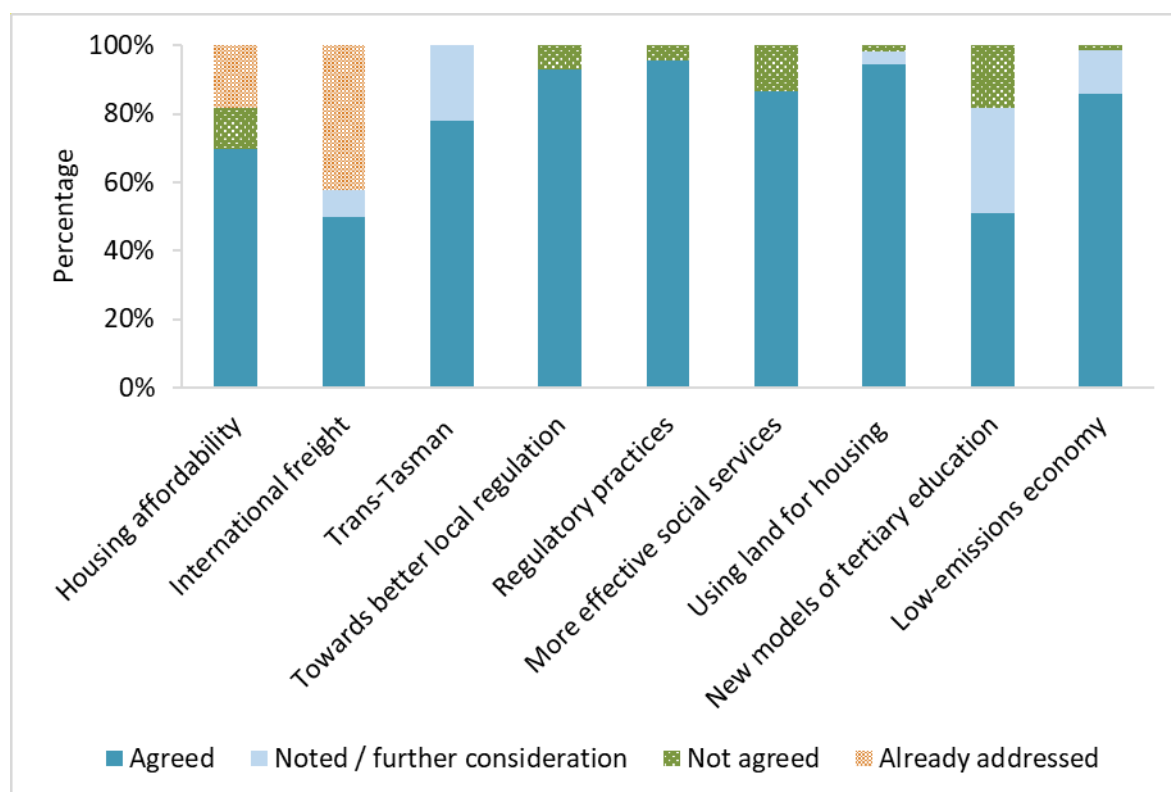
Governments have provided a formal response to nine of the 11 inquiries we reviewed for this report.¹³ Generally, each inquiry recommendation received one of four types of response – that the government:

- agrees with a recommendation (sometimes the response indicates agreement in principle, agreement with the entire recommendation, or agreement with only a part of the recommendation)
- disagrees with a recommendation
- notes a recommendation will be considered further
- notes a recommendation has already been addressed.

Governments have agreed with most of the recommendations made by past inquiries. Figure 8 shows the percentage of recommendations for each inquiry that received one of the four responses outlined above.

¹³ The government is not required to provide a response to an inquiry and did not provide a reason for not responding to the *Boosting services sector productivity* and *Better urban planning* inquiries.

Figure 8: Formal government response to inquiries



Note: “Agreed” includes agreed in full, agreed in part, and agreed in principle. The *Boosting services sector productivity* and *Better urban planning* inquiries are excluded because we did not receive a response from the government.

Governments agreed with at least three-quarters of recommendations in six out of the nine inquiries reviewed.¹⁴ The *New models of tertiary education* inquiry had the lowest “agreed” response, with only 51% of the recommendations being accepted. However, the response noted further consideration of 31% of the recommendations.

Governments rarely disagree with recommendations. The government did not disagree with any recommendations made by 2 of 9 inquiries, less than 10% of recommendations in four of the nine inquiries, and between 10% and 20% of recommendation in three inquiries.

Evidence of policy change

Government responses were often completed within a year of the release of the final inquiry report. However, this does not mean the recommendations government agreed with were always implemented.

We have used two approaches to examine whether inquiry recommendations are implemented over time. The first indicator uses examples of recommendations being implemented across all our inquiries, taken from our annual reports and discussions with Commission employees. This measure gives an indication of whether any changes have occurred following the completion of an inquiry. The second indicator takes an in-depth look

¹⁴ As observed above, the agreed responses were lower because the government claimed it had already addressed many of the recommendations (specifically, 18% of the recommendations made by the *Housing affordability* inquiry, and 42% of the recommendations made by the *International freight transport services* inquiry).

at two of the case study inquiries to measure how many of their recommendations have been implemented.

All of the inquiries have produced some changes

A review of all our inquiries (including those completed after 2018) shows that all of them have had some recommendations implemented.¹⁵ [Appendix 1](#) lists the recommendations that we are aware have been implemented. The types of recommendations implemented are wide ranging and include the following examples.

- **Changes to legislation.** The Government removed the exemption of international shipping lines from the competition provisions of the Commerce Act 1986 (*International freight transport services* inquiry) and has mandated climate-related financial disclosures (*Low-emissions economy* inquiry).
- **Improving capability of government systems.** The Government Regulatory Practice Initiative came in response to recommendations to better support a professional community of regulatory compliance professionals. This initiative (known as G-REG) has expanded over time and continues to be hosted by the Ministry for Business, Innovation and Employment (*Regulatory institutions and practices* inquiry).
- **Introducing new models for funding and delivering social services.** The Enabling Good Lives approach of client-directed budgets is being extended to traditionally underserved communities (*Effective social services* inquiry).
- **Establishing new institutions.** The independent Climate Change Commission was established following the *Low-emissions economy* inquiry.
- **Informing future inquiries and programmes of work.** Our *Better urban planning* report (published in 2017) and *Using land for housing* report (published in 2015) were influential in informing the overhaul of the Resource Management Act 1991 by the Government of the day.¹⁶

The list of implemented recommendations confirms that change can take time. Most of the recommendations were implemented within a few years following the release of an inquiry report. However, some changes happened several years later. For example, the Enabling Good Lives approach was extended in 2023, eight years after the release of the *More effective social services* inquiry that recommended expanding the model. A reform of the Commerce Act happened in 2020 – six years after it was recommended by the *Boosting services sector productivity* inquiry. Delays in implementing recommendations may reflect that it can take time to introduce or change legislation and implement new funding models. It is also possible that some recommendations were implemented later because of a change in the political agenda following a change in government priorities, or because of a change in government.

When we spoke to stakeholders, they also acknowledged that the Commission had relatively weak levers for making change happen due to our lack of direct influence over ministers.

It's not a test of the report as I see it, whether it changed the culture in the public service, the test is whether it did an excellent job of meeting its

¹⁵ Apart from the most recent *A fair chance for all* inquiry, which was only released in June 2023.

¹⁶ Though the legislation was recently repealed following a change of government.

terms of reference and I think it did. And that's all you can do. The Productivity Commission can't hope to change what ministers want.

– Private sector consultant

Inquiries had different levels of success in having recommendations implemented

Our initial plan was to review the key recommendations made by the four case study inquiries. However, determining whether recommendations have led to change is time consuming, and we were only able to review two inquiries (the *New models of tertiary education* and *Low-emissions economy* inquiries) to assess whether any progress has been made. These inquiries were chosen because the *Low-emissions economy* inquiry was considered by Commission employees to have been relatively successful in having recommendations implemented. This is contrasted with the *New models in tertiary education* inquiry, which was considered to have been less successful in leading to change.

Table 4 summarises the number of key recommendations implemented (as highlighted in our summary documents) from the *Low-emissions economy* inquiry and the *New models in tertiary education* inquiry. The findings confirm the views of Commission employees of the relative success of the implementation of recommendations in each of these inquiries. Of the 24 key recommendations in the *Low-emissions economy* inquiry, our review found evidence of 19 having been implemented. By contrast, the review of the *New models in tertiary education* inquiry only showed evidence that four out of 15 recommendations were implemented.

Table 4: Implementation of recommendations

Inquiry	Number of key recommendations	Evidence of implementation	No evidence
Low emissions	24	19	5
Tertiary education	19	4	15

Not surprisingly, we only found evidence of recommendations being implemented where government had agreed with them in their response. We found no evidence of recommendations being implemented that government had previously disagreed with, but we did find a couple of instances of recommendations that were noted for further consideration and then subsequently implemented.

It is possible that the results in Table 4 underestimate the number of recommendations implemented. We looked only at the subset of recommendations featured in inquiry summary documents (not the entire list of recommendations from the full report). Also, finding no evidence of a recommendation being implemented does not mean a change has not occurred. However, the picture in Table 4 is consistent with the views of stakeholders we interviewed about the *Low-emissions economy* and the *New models in tertiary education* inquiries.

The timing of the final report was critical for the recommendations from the *Low-emissions economy* inquiry gaining traction with Ministers. A change of government led to a political agenda that prioritised reducing Aotearoa New Zealand's climate change emissions and included an increasing concern that New Zealand was starting to look like a laggard compared to other countries.

When the 2017 Government was elected we saw for the first time in the confidence and supply agreement with the Greens a climate change commission, 100% renewables, and net zero legislation.

– Private sector consultant

We were starting not to look like the previous Prime Minister's "We should be fast followers". We were starting to look more like laggards than fast followers.

– Government policy advisor

In contrast, stakeholders told us that the *New models of tertiary education* inquiry met with immediate resistance, because the report failed to convince referring Ministers.

The initial draft report which, from memory, was consulted on, included the idea of a student account. Both the MoF and the Minister of Tertiary Education came out in the first five seconds and said that's a dreadful idea. I think that probably set the tone for the way in which they then approached the final report.

– Public sector manager

In addition, the longer-term impact of the *New models of tertiary education* inquiry may have been affected by a change in government.

With the change of government, all our attention switched to fees-free, tertiary policy, student support, and the industry training reforms

– Government policy advisor

What helps get recommendations implemented?

In our interviews with stakeholders, they reflected on how the four case study inquiries had been successful in contributing to change. They felt inquiries could increase the probability of a recommendation being implemented by:

- identifying key policy settings that could facilitate change
- making recommendations that supported an existing policy direction
- being released at a time when there was an appetite for reform.

Inquiry reports helped change to happen when they provided a clear link between the issues in the system and the way different levers could be used to address them (for example, by identifying gaps in the legislation that could and should be filled).

It described the issues with the performance of the system and the way the levers functioned.

– Government policy advisor

There was a clear direction from the report to the Legislation Design Advisory Committee about legislation design, the gaps that were emerging and its role within the system.

– Government policy advisor

Reports could also help set the ball rolling in a policy area that government was starting to work on. The interviewees told us about how an inquiry report had influenced the current agenda by pulling together all the information needed to develop advice for Ministers, making sense of an area, and providing mechanisms that could be used to achieve a government's goals.

People were talking about what the report was doing and what the inquiry was about and what might it mean for vocational education. So, all of those things were dovetailing together in terms of the advice that was being given to the Minister about vocational education in particular.

– Government policy advisor

When you go through the report you find all of the mechanisms first talked about, so the clean car, the discount it's in here as a feebate.

– Private sector consultant

Stakeholders also told us about how reports sometimes did not hit the mark with the recommendations they made. This was often because recommendations lacked an explanation for how proposals would work in the real world, or because ideas that seemed very elegant on paper were difficult to translate into practice.

In the agriculture space it turned out to be a lot more complicated [than the Commission assumed]. The actual workability you had to discover by doing the policy design process.

– Government policy advisor

There is almost nothing within the list of 49 recommendations that outlines what the new models should or could look like.

– Public sector manager

Wider implications for commissioning and running inquiries

Feedback from this report, along with our experience undertaking inquiry work, suggests that inquiries play an important role in the public policy system. In relation to our inquiries, the stakeholders we interviewed valued the ability of these inquiries to bring together existing work and thinking about a topic, to look at long-standing, cross-cutting issues that span agency boundaries, and to take an outsider perspective to consider new or different solutions.

The value of inquiries and what they deliver is also shared by others. Prasser, in his review of inquiries, claims inquiries can play a valuable role in the public policy system.

... one of the most valuable characteristics of public inquiries is their ability to bring in, creatively deploy, and reconcile diverse meanings of evidence. Few policy arrangements have this capability. In the face of growing complexity and plurality of public policy, arrangements equipped to navigate diverse evidence – such as public inquiries – are perhaps needed more than ever.

(Prasser, 2023c, p. 107)

Wendy McGuinness, who specialises in public sector reporting, risk management and future studies, states “[inquiries] are the ultimate tool for reviewing complex issues and getting to the truth” (McGuinness, 2023, p. 343).

If inquiries serve a useful purpose, there is value now in reflecting on what worked well – and what did not – in the inquiry model approach used by the Productivity Commission.

Strengths of the Commission’s inquiry model

We have found that our inquiry model had several strengths that contributed to the impact of the inquiries it delivered. These are set out below.

Independent advice that cuts across silos and challenges the status quo

The Commission’s legislative independence as a Crown Entity meant that inquiries were a vehicle to deliver independent advice to the government of the day on opportunities to improve productivity.

Experts have expressed considerable concern that Aotearoa New Zealand’s policy system is weak in several areas – particularly in relation to issues that require long-term thinking and the ability to anticipate what the future may hold, and where solutions may challenge existing preconceptions and ways of operating (Boston, 2016; Washington & Mintrom, 2018). Moreover, many of the most challenging policy issues are cross-cutting and often fall through the cracks of current administrative responsibilities (Washington, 2021).

Similar concerns were echoed in the engagement we conducted in late 2023 about Aotearoa New Zealand’s productivity challenges. Key themes raised by participants included the need for long-term intergenerational work that confronts the complexity of the whole social and

economic system, and the importance of policies that promote participation for all (NZPC, 2024).

The need for such advice is likely to increase, given the scale of social and economic change anticipated for Aotearoa New Zealand, including in response to approaching global mega-trends (KPMG International, 2014; MPI, 2023b; MfE, 2023; PwC, 2022).

In this context, our independence and ongoing mandate around productivity was a significant strength of our inquiry model. This independence allowed us to undertake long-term, deep policy thinking that cut across silos and challenged the status quo.

Time to carry out research, including commissioning new research to fill gaps

Another strength of our inquiry model was the ability to carry out the substantial collation and synthesis of existing research, as well as to commission new research to fill gaps and extend the state of knowledge. People we spoke to told us they valued how our inquiries carefully reviewed and pulled together all the relevant research about a topic, including international perspectives.

Engagement that brings together a range of voices and perspectives

Deep and broad engagement allowed an inquiry to bring together a range of voices and perspectives, as well as helping to form consensus about the issues that needed addressing and the solutions that may help.

Engagement is not just something that good policy analysts and researchers do; rather, it is a specialist field that requires particular capability and investment. This may mean recruiting people who already have or can develop trusted relationships and networks with a wide range of interested parties, including with small business representatives, community groups, and Māori and Pacific stakeholders.

An inquiry model that can adapt and improve

One of the advantages of repeating an inquiry process is the ability to learn from previous inquiries and adapt the model for new inquiries. We used our own experience, as well as independent evaluations carried out after each inquiry, to make incremental changes to the inquiry model to help improve the impact of future inquiries. A summary of recent changes to inquiries is provided in Appendix 7 including, for example, changes we made to how we engaged with Māori and Pacific stakeholders.

Limitations of the Commission's inquiry model

The work carried out for this report also confirmed several limitations of our inquiry model, including:

- no requirements that the findings and recommendations of inquiries would be acted upon
- a lack of ongoing support provided on a topic once an inquiry had been completed
- no ongoing monitoring of the impact of inquiries, beyond their initial delivery, affecting the ability to fully understand how they support change over time.

These limitations are examined in more detail below. In examining each limitation, we considered what opportunities there were to respond to these, should similar efforts be undertaken in the future.

A commitment to action

This report highlights that not all inquiries, across successive governments, resulted in a commitment to consider our findings and implement the recommendations made. Even if a government agrees with most of the recommendations made, action after some inquiries can be lacking.

This problem is not unique to our model. As Prasser notes, "... great dissatisfaction with the implementation and impact of public inquiry reports ... is as old as public inquiries themselves" (Prasser, 2023a, p. 189). This risk is well articulated in the independent evaluation of our *A fair chance for all* inquiry, with the author noting that, while "expectations for action were high for this inquiry [...] the Commission does not possess a mandate for ensuring action, nor is it resourced for facilitating and convening dialogues and networks for ongoing conversation. It is not a policy agency and it does not have policy levers" (Fischer-Smith, 2023, p. 27).

Even if decision makers disagree with the specific recommendations, the issues and findings remain, and they should be addressed in some way.

One solution to this limitation would be to introduce commitment devices to encourage governments to take accountability for commissioning an inquiry. The design of such a device would need to consider the balance between getting changes considered or adopted, and an unwillingness to commission inquiries in areas uncomfortable for ministers. Options could include:

- specifying in the ToR the government's commitment to responding within a certain timeframe
- legislation setting out a requirement on government to respond to advice, whether it accepts it or explains why not and do this within specified timeframe (see earlier discussion of Climate Change Commission – an option also recommended in (Fischer-Smith, 2023))
- an inquiry follow-on review: McGuinness (2023) recommends that: "...former inquiry members should be part of a review mechanism to assess the extent to which an inquiry's recommendations have been implemented. This would improve accountability and make the cost and the investment in the inquiry more worthwhile. Furthermore, some issues will re-emerge, and it will be useful to know what recommendations were implemented and which were not. A review would be very useful, particularly where a package of recommendations was crafted to resolve a complex and challenging issue" (p. 340). We have already trialled a follow-on review of the *New Zealand firms – Reaching for the frontier* inquiry, which investigated what progress had been made in addressing the issues raised by the inquiry and what recommendations had been implemented.

Supporting inquiries after they have been completed

Our inquiry model meant that once an inquiry was completed, resources were quickly allocated to starting a new inquiry. As a result, we found it hard to contribute to the public

debate generated by an inquiry after it was completed, or when an inquiry topic returned to the public arena years later.

Ongoing resourcing beyond the life of an inquiry – at a much lower intensity than that required to deliver an inquiry – could provide one opportunity to continue supporting the public debate. This would enable experts to continue contributing the knowledge and insights they had gained during an inquiry to ongoing efforts across government and beyond, as well as to bring people’s attention to the inquiry’s reports and associated research.

Ongoing monitoring

As noted, we carried out independent evaluations when inquiries were completed. The evaluations involved an expert review of the final report and gathering feedback from people outside the Commission who were involved in the inquiry. These evaluations provided valuable feedback about the inquiry process, but were conducted too soon to assess the longer-term impact of an inquiry.

Undertaking ongoing monitoring of the impact of inquiries would help:

- provide feedback to the government about what progress has been made in addressing the issues raised by an inquiry
- build on the independent evaluations by using the longer-term impacts of an inquiry to help improve inquiry processes, such as engagement and communicating findings and recommendations
- identify opportunities for an inquiry to contribute to the ongoing discussion and debate discussed above – for example, by identifying who is using the inquiry and how it is being used to inform their work.

A balance would need to be found between a resource-intensive review process, such as the *Follow-on review – Frontier firms* discussed above, and something that could be carried out across all inquiries. This report has identified several measures and data sources that could be used to contribute to an ongoing monitoring programme, as well as the usefulness of interviewing sector experts for their perspectives.

The evidence in this report suggests that ongoing monitoring should focus on what has happened between two and five years following the completion of an inquiry, which is when inquiries are most likely to contribute to discussion, debate and change.

A pathway forward

This report has shown the value of carrying out inquiries into long-term system challenges, such as productivity, that cut across government and society.

Our findings illustrate the commitment and level of expertise needed to thoroughly research and review a topic, and to carefully consider what changes could be made. They also identify some significant challenges that are faced in achieving value from these inquiries – and in understanding the value that is delivered.

There are opportunities to learn from this experience to support the government’s future efforts. This could involve consideration of:

- how the government builds the work and outcomes of inquiries into its ongoing work programme

- how to monitor and understand the impact of inquiries when they are complete
- the role, and ongoing relevance, of subject-matter expertise and experience in a topic to support work overtime.

We hope these lessons will support other organisations looking to do similar types of inquiries in future.

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Appendix 1: A list of inquiries and changes made following their release

Inquiry name (year of release)	What changed?	Year of change
Housing affordability (2012)	In response to our inquiry recommendations, the Government commenced a comprehensive work programme, including follow-on work for relevant government agencies.	2013
International freight transport services (2012)	We recommended improving governance of local government-owned port and airport companies by not allowing council members or employees as directors (to avoid conflicts of interest between commercial and wider council objectives). Auckland Council adopted this practice.	2013
	The Ministry of Transport continued to develop its Freight Information Gathering System following our recommendation to do so, subject to a net benefit test.	2013
	We recommended that shipping companies should no longer be exempt from the Commerce Act 1986. In 2019, the Government removed the exemption of international shipping lines from the competition provisions of the Commerce Act.	2019
Strengthening trans-Tasman economic relations (2012)	<p>The following announcements were made by the Aotearoa New Zealand and Australian Governments based on the inquiry's recommendations:</p> <ul style="list-style-type: none"> • CER investment protocol coming into force • a single application and examination process for patents • extension of mutual recognition regulations • trans-Tasman retirement savings portability scheme • a new scheme to make young New Zealanders who have spent a significant period growing up in Australia eligible for student loans • consideration of further opportunities to improve on obligations and entitlements of Aotearoa New Zealand citizens who are on Special Category Visas in Australia and living there long term • single visa for international visitors attending the Cricket World Cup in Australia and New Zealand. 	2014
Towards better local regulation (2013)	The Regulatory Impact Analysis Handbook & DIA's Policy Development Guidelines for Regulatory Functions Involving Local Government were updated. DIA leadership was enhanced within local government regulation.	2014

Boosting services sector productivity (2014)	The Government announced a review of section 36 of the Commerce Act 1986 to prevent the misuse of market power, as per recommendations in our 2014 <i>Boosting services sector productivity</i> report.	2016
	In 2018, the Government changed the law to enable the Commerce Commission, under direction, to undertake market studies, as per recommendations in the 2014 <i>Boosting services sector productivity</i> inquiry report.	2018
	In December 2019, the Government confirmed it will improve competitiveness and transparency in the retail fuel market (after findings of a market study by the Commerce Commission).	2019
	In June 2020, the Government decided to reform section 36 of the Commerce Act 1986 to prevent the misuse of market power, as per recommendations in the 2014 <i>Boosting services sector productivity</i> report.	2020
Regulatory institutions and practices (2014)	The Legislation Design and Advisory Committee was established, to improve the quality and effectiveness of legislation.	2015
	In 2015, the chief executives of the major regulatory agencies and departments agreed to set up a new Government Regulatory Practice Initiative (known as G-REG) to lead and contribute to collective capability initiatives that help develop a professional community of regulatory compliance professionals. The G-REG initiative has expanded over time and continues to be hosted by MBIE.	2015
	In June 2016, the first cohort to complete the New Zealand Certificate in Regulatory Compliance (Core Knowledge) graduated. This followed a recommendation for a more professionalised regulatory workforce, with better training and career pathways. As at 2023, this has been expanded to a suite of five regulatory practice qualification programmes, including modules at post-graduate level.	2016
	MBIE and other large regulatory agencies began to progress regular Regulatory Systems Amendment Bills following our <i>Regulatory institutions and practices</i> report. Two Regulatory Systems Amendment Bills were passed, in 2017 and 2019, respectively. A third amendment bill is due to be introduced in 2023, and a process has begun to identify amendments for a fourth Bill. The Bills present an opportunity for minor and technical amendments to be implemented across the local government legislative regime.	2017
	The Terms of Reference (ToR) for the 2019 Resource Management Review Panel stipulated that the Panel was required to “take into account the Productivity Commission’s framework to guide the allocation of regulatory roles, especially the principles for allocating roles” from the <i>Regulatory institutions and practices</i> inquiry.	2019

	The ToR also identified the following Productivity Commission inquiry reports as relevant to the review: <i>Low-emissions economy</i> , <i>Better urban planning</i> , <i>Using land for housing</i> , <i>Regulatory institutions and practices</i> , and <i>Towards better local regulation</i> .	
More effective social services (2015)	In December 2019, the Minister of Finance announced plans to reform the governance and accountability arrangements of the Reserve Bank of New Zealand, in line with recommendations from our 2014 <i>Regulatory institutions and practices</i> report. At the first reading of the Secondary Legislation Bill, Hon Tim Macindoe informed Parliament it reflected the work of the Productivity Commission, among others. MP Paulo Garcia also noted this Bill was a result of inquiries by the Productivity Commission and Regulations Review Committee.	2019
	In 2016, three place-based initiatives of the <i>More effective social services</i> inquiry) were established, of which two (South Auckland Social Wellbeing Board and Manaaki Tairāwhiti) are still operating.	2016
	In 2021, the Government established the Social Sector Commissioning programme of work, which responded to several recommendations in the inquiry report.	2021
	In 2023, the Government provided additional funding for Whaikaha Ministry of Disabled People to extend the Enabling Good Lives approach of client-directed budgets to traditionally underserved communities.	2023
Using land for housing (2015)	Key actions taken include: <ul style="list-style-type: none"> • development of a National Policy Statement (NPS) on Urban Development Capacity, with a draft released in June 2016 • creation of a Housing Infrastructure Fund in 2016 • development of urban development legislation for designated large-scale development anywhere in Aotearoa New Zealand. 	2016
New models of tertiary education (2017)	The New Zealand Qualifications Authority (NZQA) reviewed its guidance on academic credit transfer and published new guidelines on the recognition and transfer of credits.	2017
	The Tertiary Education Commission created new funding for micro-credentials, which enable learners to access specific knowledge and skills in a cost-effective and time-efficient way.	2019
Better urban planning (2017)	In July 2019, the Government launched an overhaul of the Resource Management Act 1991 (RMA). Themes from our 2017 <i>Better urban planning report</i> and our 2015 <i>Using land for housing report</i> were influential in the following ways. <ul style="list-style-type: none"> • Kāinga Ora – Homes and Communities was established as a new Crown agency to transform housing and urban development. • The Resource Management Review Panel (chaired by Hon Judge Randerson) published papers with multiple references to our work – 	2019

<p>Low-emissions economy (2018)</p>	<p>in particular <i>Transforming the resource management system</i> and <i>New directions for resource management in New Zealand</i>.</p> <ul style="list-style-type: none"> Major design features of the <i>Better urban planning</i> report (such as clear principles for the natural and built environments, greater use and status of spatial planning, more efficient plan making, and greater use of independent hearings panels) were incorporated in the new legislation that replaced the RMA. 	
	<p>Several of our recommendations were implemented, including:</p> <ul style="list-style-type: none"> establishing and giving teeth to an independent Climate Change Commission in the Climate Change Response (Zero Carbon) Amendment Act 2019. a “feebate” scheme in 2021, to accelerate the uptake of EVs (the scheme is set to stop in 2024 following a change in government) emissions standards for newly registered vehicles mandatory climate-related financial disclosures (in 2021). 	2018
	<p>In August 2019, the Government announced a climate action plan and included progress on the following areas recommended by our <i>Low-emissions economy</i> inquiry.</p> <ul style="list-style-type: none"> The Zero Carbon Bill was passed into law. It set targets for Aotearoa New Zealand’s greenhouse gas emissions (separate targets for long-lived and short-lived gases), set up the Climate Change Commission, and provides for five-yearly emissions budgets. The Emissions Trading Scheme is being, reformed following the passage of the Climate Change Response (Emissions Trading Reform) Amendment Act 2020. The Government released a paper to encourage action on climate-related financial disclosures. The Government proposed to increase the landfill levy and apply it to more types of waste. 	2019
	<p>The Government:</p> <ul style="list-style-type: none"> introduced a Climate Disclosure Bill to make climate-related disclosures mandatory for publicly listed companies and large insurers, banks, non-bank deposit takers and investment managers provided an update to the process for the Budget, requiring a shadow carbon price for certain bids to account for the climate impacts of new policies introduced a rebate for buyers of electric and other low-emitting vehicles, and a levy on high-emitting vehicles (the feebate scheme). <p>Stats NZ found our recommendations helpful for estimating greenhouse gas emissions on a consumption basis (in addition to on the standard production basis).</p>	2021

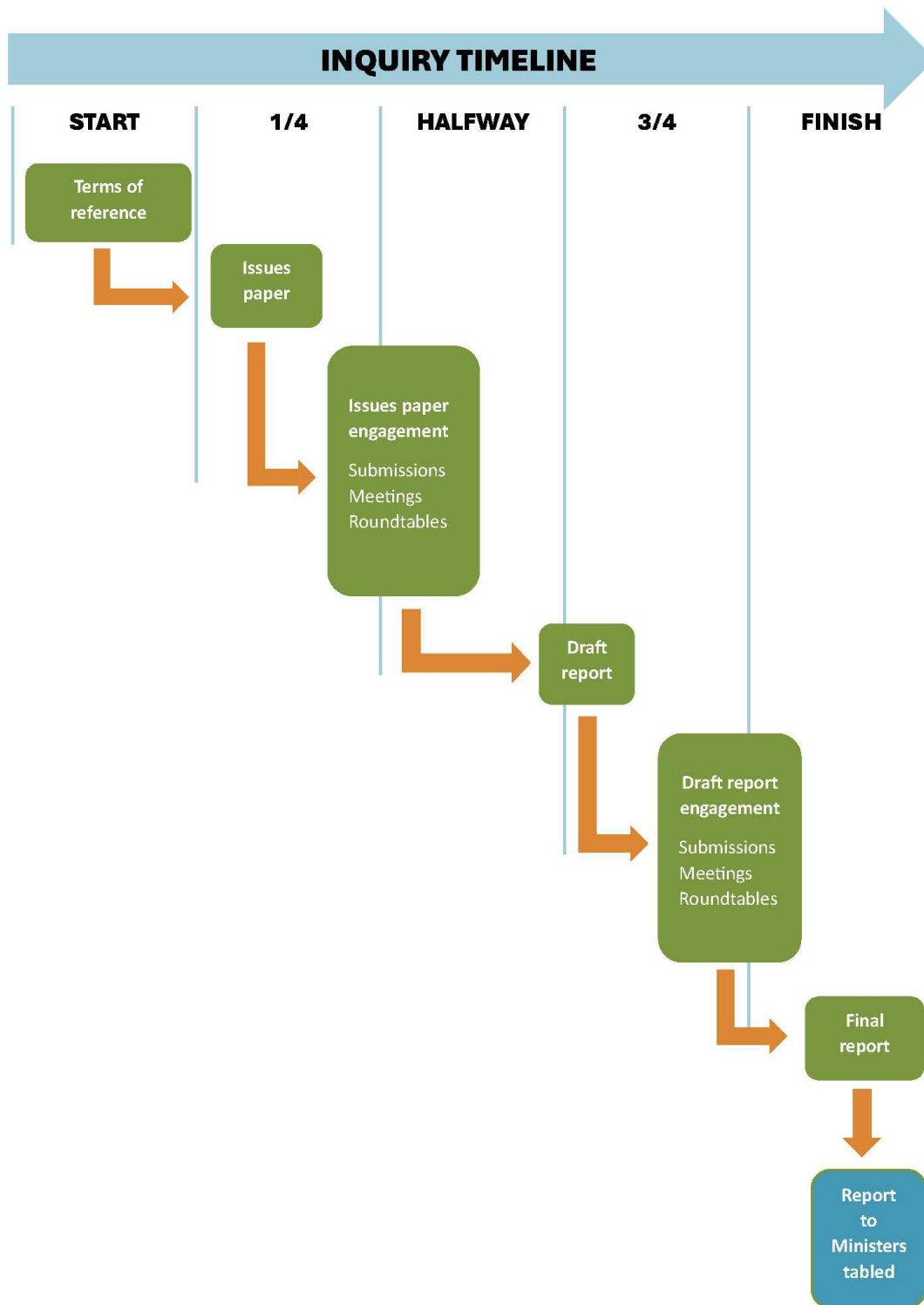
State sector productivity (2019)	We are not aware of any changes in response to the inquiry.	2020
Local government funding and financing (2019)	In December 2019, Special Purpose Vehicle legislation was introduced to help councils fund and finance infrastructure for housing.	2019
	In 2020, the Government launched a reform of local government three waters service delivery arrangements. While we had recommended change, the form it took was different to the one recommended. We considered it better to allow local councils – incentivised by the need to meet quality standards – to work individually or through shared entities to find the most effective way forward, having regard to local circumstances.	2020
	<p>Our inquiry highlighted the general fiscal challenges faced by councils, which were subsequently exacerbated by COVID-19. While not a specific inquiry recommendation, the inquiry paved the way for the Minister of Local Government to establish a Ministerial Review into the Future for Local Government, which was delivered by an independent panel in 2022. The Review’s ToR specifically required the panel to consider our inquiry report.</p> <p>Our inquiry highlighted the growing challenges for communities, insurers, other businesses, households and council and national infrastructure assets from climate change. These questions and challenges were reflected in the Government’s draft national adaptation plan.</p>	2022
	The new Government intends to give local councils a portion of central government revenue related to the amount of development capacity put in place by councils. This idea was canvassed in our <i>Local government funding and financing</i> report.	2023
	Growing the digital economy (2019) – research report	<p>In September 2019, Australian and New Zealand Ministers met to advance the Single Economic Market agenda. The Ministers noted progress on our 2019 <i>Growing the digital economy</i> report. They are collaborating on:</p> <ul style="list-style-type: none"> • a trans-Tasman innovation ecosystem • development of emerging technologies (for example, AI) • advancement of economic integration in the wider region.
Technological change and the future of work (2020)	The NZQA updated its micro-credential approval process to enable “stacking” towards qualifications.	2020
	The Government announced updates to the Education and Training Act 2020, for more flexible education and training options. This included allowing Workforce Development Councils to develop micro-credentials,	2020

New Zealand firms: Reaching for the frontier (2021)	replacing Training Schemes with micro-credentials, and formally including micro-credentials on the New Zealand Qualifications Framework.	
	In 2022, the Government started work on an unemployment insurance scheme following the development of an approach by BusinessNZ and the Council of Trade Unions in early 2020. In 2023, work on the scheme was stopped, following a change in the government.	2022
	The report emphasised learning from successful small advanced economies (SAEs), such as the Netherlands and Sweden. The Government continued to support an international programme of work with SAEs, to learn from each other.	2021
	The Government progressed some of the report's recommendations to improve support for Māori businesses, such as refreshed and refocused efforts to protect mātauranga Māori and intellectual property and initiatives to grow public purchasing from Māori businesses.	2022
	Callaghan Innovation and New Zealand Trade & Enterprise (NZTE) have taken steps to enhance their services to support innovation and exporting in areas of focus, as recommended in the <i>New Zealand Firms – Reaching for the Frontier</i> inquiry.	2022
	The Government (with MBIE leading) has progressed a scheme and legislation for consumer data rights (for example, to facilitate open banking) in line with our recommendations on consumer data rights.	2022
	We recommended a review of Aotearoa New Zealand's regulation of genetic modification (GM) and GM organisms (GMOs). In response, the last Government took steps to liberalise GM regulations in biomedical research and to discuss GM reform with the primary sector. The new Government has announced it will liberalise.	2022
Immigration settings (2022)	We recommended more and better monitoring and evaluation of government services that aim to help firms internationalise and innovate. NZTE and Callaghan Innovation have both responded to this (for example, by tagging firms that receive specific services or grants in the Longitudinal Business Database, to enable rigorous and objective evaluation).	2022
	In 2023, in response to the inquiry's report, the Government announced it wanted to create a Government Policy Statement to make immigration decisions and strategy more deliberate and transparent, to help meet the infrastructure needs of a growing population and to keep the government accountable.	2023
Follow-on review – Frontier firms (2023)	We are not aware of any changes in response to the follow-on review.	2024

A fair chance for all (2023)	We are not aware of any changes in response to the inquiry.	2024
Improving economic resilience (2024)	We are not aware of any changes in response to the inquiry.	2024

Note: The table includes 18 inquiries, one follow-on review (Follow-on review – Frontier firms) and one research report (Growing the digital economy).

Appendix 2: Inquiry process diagram



Appendix 3: Detailed description of impact measures

Inquiry meetings and submissions

The measure is intended to identify the level of engagement the Productivity Commission had with individuals and organisations who were involved in and impacted by an inquiry topic. We use the number of submissions and meetings listed in the final inquiry report and their affiliation to identify types of people and organisations who engaged with the inquiry, (such as central government agencies, community organisations, academics, and individuals). The submissions were made in response to the draft inquiry report, and the meetings were carried out by the inquiry team during the inquiry.

Inquiry quality rating

The inquiry quality rating attempts to measure the response of external stakeholders to the final inquiry report. The rating is based on a question in the participant survey we would run following the completion of an inquiry. The question asked respondents “*How would you rate the overall quality of the inquiry?*”. Respondents could answer very poor, poor, acceptable, good, or excellent. Inquiry reports that draw a poor response from participants may have less impact in the longer term. The post-inquiry survey is not a survey of all interested parties in a sector or system covered by an inquiry topic. Rather, it represents the views of individuals who had an involvement in the inquiry, including people and organisations that met with the inquiry team, made a submission to the inquiry, attended workshops or focus groups, or were on the inquiry mailing list.

Internet citations

We searched the internet to get a sense of the extent to which inquiry reports continue to be used following their release. We used the Google search engine to find citations. The number of citations were counted for each inquiry report and the links analysed to identify the type of individual or organisation that created the citation (for example, sector body or media organisation) and the purpose of the citation. The types of citations found are described in in the findings section in Table 3.

Parliamentary searches

This measure was intended to assess the degree to which Members of Parliament debated our inquiries – MPs being a key audience in terms of influencing change.

The New Zealand Parliamentary website (www.parliament.nz) provides data on all categories of parliamentary business, including Bills and laws, select committee transcripts, transcripts from the debating chamber (the *Hansard Reports*), and parliamentary questions.

We looked for mentions of an inquiry topic alongside a mention of the Commission. Our searches covered the three years before and after the publication of the final inquiry report. The search of three years before publication captures mentions associated with the commission of the inquiry and the release of the issues paper and draft report. The search of three years after publication captures mentions associated with the final inquiry report.

Discussion and debates that do not mention the inquiry title and the Commission will have been missed. In addition, the current version of the parliamentary website was established in 2013, which meant that we could only look at five of the 11 inquiries covered by this report. The earliest inquiry included was the *Effective social services* inquiry, which was released in September 2015.

There was not sufficient time to analyse why inquiry reports were being mentioned within Parliament.

Government response to an inquiry

A government is not obliged to respond to an inquiry, but it has become a convention that is followed. Among the 11 inquiries reviewed, nine inquiries had received a response from the government. The *Boosting services sector productivity* and *Better urban planning inquiries* have not received a response. The responses received have generally commented on each recommendation made by that inquiry, and they provide an indication as to whether the government of the day agrees or disagrees with the recommendation.

Implementation of recommendations

The purpose of this measure was to identify the level of change that had occurred following the completion of an inquiry. We have not kept track of all the changes created from every recommendation made. We have therefore undertaken two exercises to collect information on the implementation of recommendations. We reviewed our corporate documents (such as annual reports) and surveyed Commission employees for known examples of changes that had occurred following the completion of an inquiry (see Appendix 1).

In addition, we intended to carry out internet searches of individual recommendations from the four case study inquiries. Given the large number of recommendations produced by an individual inquiry, we decided to analyse a subset of recommendations and focused on the “key recommendations” as set out in the summary or cut to the chase inquiry reports for the two inquiries we analysed. We then used internet searches to find evidence for whether selected recommendations had been implemented or had led to changes occurring.

Determining whether recommendations have led to change is time consuming, and we were only able to review two inquiries (the *New models of tertiary education* and *Low-emissions economy* inquiries) to assess whether any progress has been made. These inquiries were chosen because Commission employees considered the *Low-emissions economy* inquiry to have been relatively successful in leading to change, whereas they considered the *New models in tertiary education* inquiry to have been less successful in leading to change. It is likely that we may miss the implementation of some of the recommendations, because of a lack of documentation or a lack of knowledge of the sector and whether an inquiry has influenced any reforms.

Appendix 4: Stakeholder interviewees – Roles and relevant inquiries

Inquiry	Roles	Total interviews
Low-emissions economy	Government policy advisor (x1)	6
	Public sector manager (x1)	
	Academic (x1)	
	Private sector manager (x2)	
	Private sector consultant (x1)	
New models of tertiary education	Government policy advisor (x5)	10
	Public sector manager (x4)	
	Private sector consultant (x1)	
Regulatory institutions and practices	Government policy advisor (x2)	5
	Government policy manager (x1)	
	Private sector consultant (x2)	
Using land for housing	Government policy advisor (x2)	4
	Private sector consultant (x1)	
	Private sector researcher (x1)	

Appendix 5: Summaries of independent external evaluations of inquiries

Inquiry	Evaluation summary
Joint inquiry into strengthening trans-Tasman relations (2012)	<p>Overall, this is a good report that will assist in maintaining a momentum of work that helps increase the integration of the two economies. A broad range of policies is reviewed and the advice seems robust and credible. The report uses sound frameworks for its analysis.</p> <p>The report though may have had greater long-term influence if it had placed some greater emphasis on the ways in which future policies and institutional arrangements would best support deeper integration. These are likely to centre on areas that are more strongly connected to innovation, the provision of health and education and the development of stronger and productive connections between the combined two economies and the rest of the world.</p> <p>- Howard Fancy</p>
International freight transport services (2012)	<p>Overall, the document is useful and relevant. I found the freight inquiry a difficult document to access but, in the end, I found my way through the issues presented and came away thinking that it was a good job of work with material and relevant recommendations that are likely to have a durable effect. I found the thematic chapters from Chapter 6 on highly interesting and recommend starting the report with those thematic chapters and then working back to earlier background and context setting sections.</p> <p>- Sapere Research Group</p>
Inquiry into housing affordability (2012)	<p>The full report is a comprehensive document with a wealth of information. Major barriers to improving outcomes are clearly and persuasively identified. Recommendations clearly flow from the analysis. In some key areas, more in-depth analysis relating to current practices could have been warranted. The report could have also provided stronger direction in relation to the framing and approach to follow-up work.</p> <p>- Howard Fancy</p>

Regulatory institutions and practices (2014)

This report brings together the best of current thinking and evidence on a central function of modern governments. Despite its length and complexity, it is a valuable resource for future study of regulation. Just as important, it starts in the right place. Many reviews of regulations are built on the premise that the objective is to cut red tape and reduce costs on business. The Commission is to be commended for starting from a different place: that regulation is a necessary and beneficial government service which can be made to work better. Early indications are that the report will be useful for future government policy and practice.

- Rob Laking

Boosting services sector productivity (2014)

This inquiry was a challenge. The way official statistics and economic paradigms have developed means that the comfortable frameworks and data are not as ready to hand, nor were the facts about the sector as familiar to the reader as those for other sectors – goods and primary.

This unfamiliarity also created an understanding “gap” that the report had to overcome. In effect the investigation had to grapple with a range of issues at the same time: find or grow data; develop and communicate appropriate frameworks; and create and evidence credible arguments. In general, these attempts have been successful, though the quality of the communication has been varied. But the success in putting forward some credible ideas reflects a focus on quality – especially of evidence – which has paid off.

Taking account of these challenges and the starting point, we are impressed with the work done and the overall achievement. Having the inquiry has signalled the importance of the sector, but the report plus data and analysis is a lasting asset for the wider interested community. We assess that the inquiry has made significant progress in the two directions in the ToR.

- NZIER

Towards better local regulation (2013)

Overall, the inquiry effectively engaged with a wide range of stakeholders to develop a comprehensive investigation into local government regulation. The findings and recommendations are balanced and flow logically and credibly from the analysis. The relationships and interfaces between local and central government were well addressed and the diverse range of regulatory powers of local government were considered. The inquiry seems to be very well regarded and to have enhanced the credibility of the Commission in the local government sector.

- TDB Advisory

More effective social services (2015)

Overall, this is a landmark report which is impressive in its scope and analytical detail. Considerable thought has gone into designing a report structure which covers the wide range of issues examined.

- David A Preston

Using land for housing (2015)

The report under review here fits squarely within the Productivity Commission's tradition of and reputation for careful and thorough analysis of a major policy issue for New Zealand's future productivity. I am satisfied that it contains the best available evidence and analysis of the questions it addresses and comes up with recommendations that deserve serious consideration at both central and local government levels. Particularly on the question of national versus local interests in urban planning, it raises a basic question about the future of local democracy in New Zealand that should be the subject of widespread debate. It also challenges central government to think carefully about how it should engage with local government in the future.

- Rob Laking

New models of tertiary education (2017)

While the report provided a good summary of the current system and how it has evolved, it was less clear how the package of recommended changes would generate the desired change in system performance. Change is difficult to engineer in complex adaptive systems. System steering is not adequately addressed in the report.

The review process provided an opportunity to reshape the thinking of the sector by engaging in a collaborative dialogue around the potential future states for the tertiary sector. This opportunity was missed.

Standing back from these comments, overall, we were impressed with the quality of the report, the depth and range of the analysis, the evidence used, and the efforts made to engage stakeholders. The Commission has produced a landmark review of the evolution of the tertiary education system and the need for change.¹⁷

- NZIER

¹⁷ Note: Shortened from the original.

Better urban planning (2017)

The Commission has brought together a significant body of thinking on the matter of urban planning and its framework within a modern market economy. While there is much that appears on first reading as radical, it is largely evolutionary. Certainly, many instruments are proposed for change but the institutional framework is left largely intact. That shows a sophisticated sense of the practical.

The Commission charts an important course and role for urban planning – ostensibly more evident than has been the case since the days of the Town and Country Planning Act. Its proposed separation of urban and natural environments within the same statute is a novel deconstruction of some of the problems seen in Part 2 of the RMA which, prior to King Salmon witnessed the overall broad judgement approach that frequently comingled the two. Since that seminal decision we would expect plans to more carefully delineate the interface of the two environments.

- David Hill

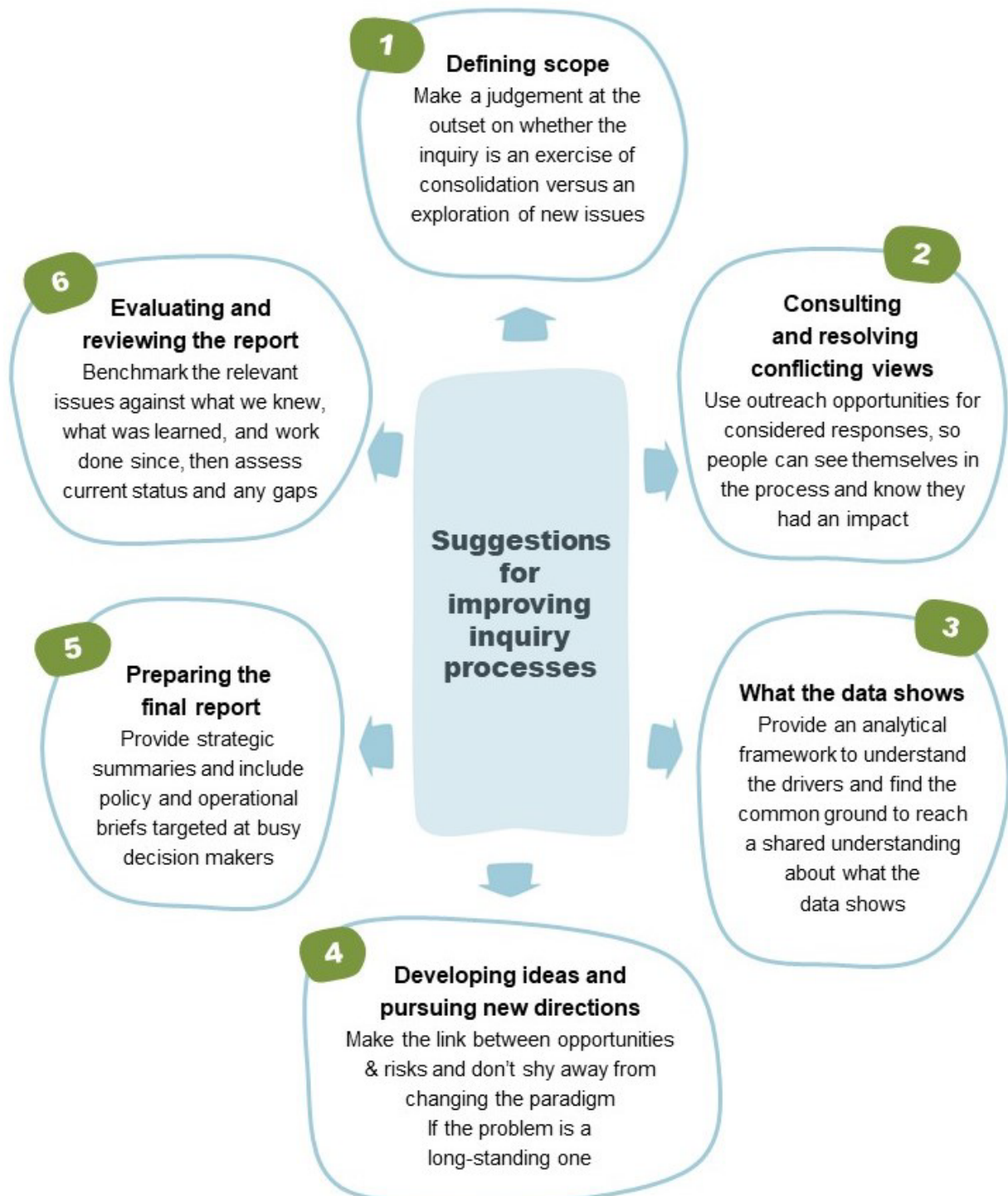
Low-emissions economy (2018)

The structure and writing in the report, the clarity, the presentation of complex modelling, the consultation process and use of external material, the thorough analysis of the economy and the influences of decarbonising it, make this a document on which people can rely. This is critical given the gravity of the recommendations.

Low-Emissions Economy is a high-quality report of which the authors should be proud. It is an impressive analysis of transitioning an economy in a major way over a relatively short period and the unprecedented (for the Commission) interest in it and the post report feedback confirm this. It will obviously make a major contribution to the debate about New Zealand's approach to emissions reduction and will likely be the benchmark against which other contributions on this topic are assessed.

- Wendy Craik AM

Appendix 6: Suggestions for improving inquiry processes



Appendix 7: Evolution of inquiries since 2018

This report reviewed the impact of inquiries before 2019. Since then, the Productivity Commission has made several changes to improve the engagement and influence of inquiries. There have been two stages of evolution.

Following a review of the Commission by economist David Skilling, the Minister of Finance issued a new “letter of expectation” in 2019. This letter encouraged us to look at more flexible formats for inquiry outputs – for example, by producing short papers or defined pieces of evidence or research on an inquiry topic. This was to be undertaken while also maintaining the strong analytical foundation and high level of public engagement.

Then, in 2019 and 2021, the Minister of Finance issued letters of expectation that asked the Commission to:

- look beyond traditional measures of economic success such as GDP, and have the wellbeing of current and future generations of New Zealanders front of mind as we generated new knowledge and advice
- inform and interact with a wider range of New Zealanders in the course of our work
- increase influence and impact by considering the mode and products through which our analysis is presented to the public, policy advisors and ministers (that is, principally via lengthy inquiries and substantial written reports)
- facilitate and inform public debate on issues of productivity and wellbeing for communities that may not have engaged previously, to enable us to increase our influence and contribution to productivity and wellbeing.

We completed five inquiries following these new expectations: *Technological change and the future of work*; *New Zealand firms – Reaching for the frontier*; *Fit for the future – Immigration settings*; *A fair chance for all – Breaking the cycle of persistent disadvantage*; and *Improving economic resilience*.

These inquiries implemented several changes, including:

- attempts to produce shorter, punchier reports spread over the inquiry period, in multiple formats, including improvements in accessible formats and the use of blogs
- use of wellbeing frameworks and considerations for future generations (*A fair chance for all – Breaking the cycle of persistent disadvantage*)
- efforts to build on previous attempts¹⁸ to undertake broader engagement with communities that may have been underrepresented in earlier inquiries, including:
 - substantial wānanga engagement with Māori, with some undertaken in partnership with Haemata – a kaupapa Māori consulting company (*New Zealand Firms – Reaching for the frontier*, *Immigration Settings*, *A fair chance for all – Breaking the cycle of persistent disadvantage* and *Improving economic resilience*)
 - talanoa with members of the Pasifika community (*Fair chance for all*)
 - more extensive engagement with disabled people and representatives of the refugee community (*A fair chance for all – Breaking the cycle of persistent disadvantage*).

¹⁸ For example, the *More effective social services* inquiry engaged with a broad range of community groups, including Māori organisations and non-government organisations. The *Better urban planning* inquiry expanded on this to specifically include two “Better urban planning” wānanga.

These efforts met with some success. For instance, the independent evaluation report of the *A fair chance for all – Breaking the cycle of persistent disadvantage* inquiry noted the following.

The Inquiry covered an impressive spread of engagement types. This range of approaches created a broad reach to the voices included in the Final Report.

The level and quality of Pasifika and Māori engagement was seen as positive overall. Key partners saw the voices they represented incorporated throughout the process and within the Final Report.

The diversity of approaches at the beginning of the Inquiry were highly valued by a portion of stakeholders. This included a reach into channels not used as much in previous inquiries.

(Fischer-Smith, 2023, p. 12)

This success is backed up by 66% of evaluation survey respondents reporting that they had never engaged with the Commission on previous inquiries.

Likewise, the *Immigration settings* inquiry was evaluated as having undertaken effective engagement in a contested environment. The evaluator noted that the “significant refinement of many of the recommendations that were contained in the draft report, plus the inclusion of 12 new ones in the final report, reflects positively on the effectiveness of the engagement process” (Bedford, 2022, p. 15).

In addition, the evaluator considered that the inquiry met the Minister’s expectation that the Commission “looks beyond traditional measures of economic success such as GDP, and has the wellbeing of current and future generations of New Zealanders front of mind as it generates new knowledge and advice”. (ibid. p. 25)

