

Judges' recognition award

Graham Skellern

In another world, Dr Oliver Hartwich would love to have been a comedian.

Taking the mickey out of something is in stark contrast to his serious role of helping to create public policy.

Friendly and effervescent, he is a man of many talents. He is an experienced economist, an accomplished policy advisor, a savvy columnist, essayist and broadcaster (he likes making podcasts), a reluctant lawyer, and an engaging and entertaining public speaker.

That's why he likes his job so much as executive director of the think tank The New Zealand Initiative. He can utilise all those talents.

But there's one other talent – he enjoys writing satire, on the side. "In an ideal world I could have become a comedian but I needed something to pay the bills."

Hartwich moved from the Sydney-based think tank The Centre for Independent Studies in 2012 and built the Wellington-based New Zealand Initiative, formed through a merger between the New Zealand Institute and the New Zealand Business Roundtable.

"It's such a diverse role and I can translate complicated things in a form of language that people understand without them being an expert in the field. Our mission statement when the Initiative started 12 years ago was to make New Zealand a better country for all its people – and that statement still stands today."

The Initiative conducts independent research and injects new ideas into political debates on a wide range of policy issues – from education to economic policy, poverty to housing, and from local government to immigration.

Hartwich and his impressive PhD team of research fellows have established The Initiative as a credible new voice in the country's political debates.

His thought leadership has earned him the Deloitte Top 200 Judges' Recognition Award. The judges said The Initiative produces thought-provoking, independent research and policy recommendations on topics that are freely available to the public.

"Oliver has been a key contributor to the public dialogue, not simply in identifying the key issues we face as a country but how we might address them. We recognise his sterling contribution to public policy thinking and his willingness to advocate publicly through significant media engagement."

The judges said in recent years The Initiative's policy prescriptions have been influential in key and critical policy areas, with a particular note about education.

A German native who now proudly calls New Zealand home, Oliver has brought to New Zealand a combination of his personable communication style matched by his impressive experience in developing public policy in the United Kingdom as chief economist at the Policy Exchange, and advisor in the House of Lords, as well as being a Research Fellow for the Centre of Independent Studies in Australia, the judges said.

Education – a priority

Hartwich is feeling proud that the Coalition Government has heard The Initiative's calls to improve the education system.

"We want a decent education system that delivers opportunities to every child in life – unfortunately this hasn't always been the case. We've declined in the OECD education test Pisa (Programme for International Assessment that evaluates the knowledge and skills of 15-year-old students in reading, mathematics, and science).

"Over the last two decades, half of the 15-year-olds are as good as 13-year-olds were – that's how much we have lost. The problem with literacy and numeracy is that more

Dr Oliver Hartwich



A man for all seasons

than 40% of school leavers today are functionally illiterate.

"We've argued that the system needs to be improved with a new, knowledge-rich curriculum, better career structure for teachers and improved assessment system. We've been on the same path for 12 years.

"Teachers have been taught on sociology theory, but you talk to young teachers and they don't feel they have the education to succeed in front of a classroom. That is the problem. There needs to be a recalibration towards a better integration of trained and tested teaching skills and methods that are used in front of the class.

"There's been a belief that if you expose students to new knowledge, they will just absorb it. Teachers still need to instruct students directly about how it works," said Hartwich.

In early August, the government announced the first three components of Make it Count – a new maths curriculum that will be introduced in term one next year with resources, including teacher and student workbooks provided in every primary and intermediate school.

There will be twice-yearly standardised assessments for maths in

primary schools and small group interventions to support students who have fallen significantly behind. A sum of \$20 million is provided for professional development in structured maths for new teachers.

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Dr Oliver Hartwich, executive director of NZ Initiative

More policy initiatives

Hartwich and his team have been pressing the case for local councils and Central Government sharing the

tax revenue from new residential development and thus easing the burden on infrastructure costs and housing affordability.

More housing would lead to more funding for local services and infrastructure. The Initiative's research has shown that basing payments on new building consents or completed builds could provide the strongest incentives for councils.

"All that councils have [at present] are the costs of providing infrastructure, such as roads and water, while the tax revenue on new builds goes to Wellington. That's the main problem behind the housing market and affordability.

"There needs to be better financial incentives for new development that creates economic activity. We have to make sure councils keep some of the extra tax revenue from development."

Hartwich is pleased the Government is now considering sharing GST revenue with councils and it might even be on a 50/50 basis.

Aligned with this, The Initiative is promoting localism. "When we started this word in 2012 no-one knew what it was," said Hartwich.

Localism is formal agreements

From Essen to Wellington

Dr Oliver Hartwich was brought up in the industrial heartland of Essen, the home of coal and steel. "It wasn't the prettiest part of Germany but it was the most honest."

He studied at Ruhr University Bochum and gained a Master's Degree in Economics and Business Administration. He then became a research assistant at the Bonn University concentrating on competition law issues, and took a year out in 2001 as a visiting fellow to the Sydney Law School.

Hartwich completed his PhD in Law back at Bochum university but "I didn't want to become a lawyer; it was purely an academic interest."

There was another reason for travelling to Australia – to meet his penfriend of eight years who lived in Adelaide.

He and Julie married in London in 2004 when Hartwich was assisting Lord Oakeshott of Seagrove Bay in the House of Lords on pensions legislation.

He worked at the think tank Policy Exchange in London from 2005-08, becoming chief economist before deciding to make another move.

"She was keen on Berlin; I was keen on Sydney. I won."

Hartwich spent four years at The Centre for Independent Studies in Sydney before taking up his new role in Wellington.

"When we moved to New Zealand in 2012, we bought a house and two weeks in the country my wife got pregnant.

"Leo is now 11 years old and we are very settled here," Hartwich said.

between various stakeholders – central and local government, businesses, tertiary institutions, iwi – to align their efforts around shared strategies and investments tailored to a specific area. They provide a pathway for devolving powers and funding to the local level, giving communities the tools they need to shape their own futures.

Hartwich is heartened by the moves from government to encourage more international capital. "We've argued the point that New Zealand needs to be more welcoming – it has one of the more restrictive Foreign Direct Investment (FDI) regimes in the OECD.

"I'm happy with the announcement from (Associate Finance Minister) David Seymour that that the main criterion for checking FDI applications is whether the proposer has negative implications for New Zealand's national security.

"It will make it easier for applications and for capital to come to New Zealand. The more bureaucratic processes deter investment. Ideally, we should abolish the Overseas Investment Act – New Zealand doesn't need it – and roll out the red carpet to international investors like the Netherlands and Ireland have done."

Hartwich said New Zealand has made it hard (for foreign investment) because of a mentality issue. "The fear that we will become tenants in our own country is not justified. FDI offers trade, job opportunities and economic growth."

Next on Hartwich's agenda is transport costs and introducing a Smart Road User Charges system nationwide to replace the current fuel excise duty, and therefore reduce the price of petrol. Under the system, vehicles would be charged based on actual road usage, time of day, and vehicle type. The proposed system aims to reduce congestion, improve road maintenance, and ensure a fairer distribution of costs.

Regaining our ambition

New Zealand could have avoided the economic pain if the Reserve Bank had simply not stimulated the economy as much as it did, says The New Zealand Initiative executive director Dr Oliver Hartwich.

In the response to the Covid pandemic, the bank flooded the market with money and it only created inflation, he says.

"We had a supply shock – supply chains were severely disrupted – and the labour market was extremely tight driving wage inflation. This created headaches for companies in an

overheated economy.

"After creating the inflation, the bank has tried to get it back in the bottle by increasing the official cash rate and driving us deliberately into a recession.

"It wasn't good economic management from the Reserve Bank. It will take us a few years to settle down after much economic pain," Hartwich says.

"With interest rates coming down again and with the economic reforms the government is undertaking, things will get better.

"In the next year or two we should get back to good times."

Hartwich said "what we are working on is to make New Zealand do better. The country needs to become ambitious again.

"If you look out there, the rest of the world has moved on and New Zealand has some catch-up to do.

"We put too much faith in the previous government, bureaucrats and regulators. We should have unlocked private initiatives and relied on the markets to grow and take the opportunities," said Hartwich.