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# Mr John Key

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14 months ago I was an investment banker working in the world’s major financial centres - London and New York. After 18 years in the international currency, bond and derivative markets, I hung up my banking boots for New Zealand politics.

What on earth made me do that?

It certainly wasn’t for the money; nor the glamour... one NBR poll rated politicians as the second most reviled occupation, beaten only by sex workers!

I changed careers because I wanted my children to inherit more than a pile of cash; I wanted them to live in the same land of opportunity in which I was raised. I am convinced that our country must do better, and that’s entirely possible – with good leadership.

Leadership is largely in the hands of our politicians, and their policies, so I decided Parliament was the best place for me to contribute. I packed my bags and headed home.

Paul Keating once said, “*Leadership isn’t about being nice; it’s about being right and being strong*”.

Characteristics our nation will need to adopt if we are to correct some alarming statistics.

New Zealand once generated some of the highest average incomes in the OECD. Back in 1950 only two countries had higher average incomes – the United States and Switzerland. Now only Greece, Spain and Portugal rank below us. And not by much.

It’s clear we want a highly educated work force. Only two OECD countries spend more on education than us (as a percentage of GDP). Yet a staggering 40 percent of all adult New Zealanders are unable to read and write properly.

We have the capacity to provide full employment, with increasing incomes; yet 1:7 of working age people live on benefits (that’s 400,000, more than the combined populations of Waitakere and North Shore Cities) and only 5 percent pay the top rate of personal tax, despite the low threshold of \$60,000. That’s about £20,000; considerably below the average income in one of London’s poorest areas – Hackney.

So what’s my vision for our country in 2020?

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I want a nation:

- Where people live in growing prosperity, within a society focused not only on generating more jobs, but better and higher paid ones;
- Where our brightest and best don’t have to leave our shores to be successful;
- Where success isn’t just measured on the Eden Park scoreboard.
  
- A unified nation bound together and enriched by the common things we share.
- A nation ready for the demographic bulge of retired baby boomers.

That’s sounds achievable, but what are the likely characteristics of New Zealand in 2020?

I suspect the following:

- An increased population, around 4.5 million
- A change in our ethnic mix driven by immigration; Kiwis of Asian extraction will almost double
- People will be living even longer; substantially increasing the government’s health bill
- Government-funded superannuation will be emerging as a massive cost, 10 working New Zealanders will be needed for every three pensioners, compared to the two supported today – with on-going controversy over the inter-generational fairness of this fiscal burden
- Treaty issues won’t be resolved; in fact tensions are likely to be considerably worse due to lack of resolutions
- Our standard of living - compared to our major trading partners - will have continued to decline.
- Agriculture and Tourism will still be our major export earners, but China will be a more significant market
- Our infrastructure will remain woefully inadequate to cope with the population growth, with the Resource Management Act remaining as the major stumbling block.
- Australia will be a republic, we won’t but the debate will be intense
- Eric Rush will continue to captain the Rugby Sevens at the age of 55

All sounds a little depressing? So what will it take to achieve my vision and circumvent the less desirable characteristics?

The popular children’s novel, “Harry Potter and the Chamber of Secrets”, provides a clue, when Professor Dumbledore explains, “*It is in our choices that we show what we truly are, far more than our abilities*”.

Or put another way - our country’s raw beauty; fertile, rolling farmland; unspoiled mountains and beaches don’t guarantee a lifetime of prosperity.

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New Zealanders individually and collectively will need to make some difficult choices.

We must reject our education system’s lack of accountability, where grades are so opaque our kids start thinking it’s not important to excel; and reject acceptance of sub-standard teachers and non-performing schools, which are propped up by unions and dumb zoning laws.

Last year we looked on in horror when Bailey Junior Kurariki was found guilty of manslaughter - aged 13 - the country’s youngest convicted killer. He hadn’t been to school for almost two years.

The truth is, too many of our children flout the legal requirement to attend school; making them completely ill equipped to cope with modern life.

Education isn’t the sole consideration if we are serious about developing world-class skills, we must harness the positive benefits of immigration.

But let’s focus on productive migrants, the ones with skills and capital; not the ones who arrive here to live for years on social welfare whilst plundering our kai moana to send home by courier post. Only immigrants with United Nations refugee status should have access to social welfare in their first five years. After all, our ancestors weren’t met at the wharf with a social welfare cheque.

At the same time, we must give priority to those prepared to take their skills to areas away from the congestion of Auckland. Without planning, the infrastructure of our commercial capital will continue to creak under the weight of uncontrolled population increase. We should revisit the bonding scheme to overcome regional skill shortages - such as the inability of Kaitaia Hospital to recruit an anaesthetist.

Next we need to tackle financial capital

We must attract both domestic and international private sector capital and channel it into the construction of public assets.

Well-drafted Public Private Partnerships could funnel fresh capital into our decaying infrastructure – not just roads, but schools and hospitals as well. The days of ‘The Government’ doing everything, the sole funder of such critical assets, are over – governments can’t get things done quickly enough; private enterprise can.

Next we need to come to terms with the Treaty, so we can go forward in harmony together. We must settle claims with efficiency, fairness and dignity, but then we must move on with legislation based on need; not race. Let’s learn from the Americans with their motto – *e pluribus unum*: out of many, one.

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I don’t have time to explore everything today - diversifying our exports, increasing productivity, continuing our enthusiasm for innovation, and adopting the world’s best practices... all play a role, as will the need to develop an entrepreneurial culture that acknowledges personal responsibility and the simple concept that you get out of life what you put in.

Will New Zealand be equipped to cope as the knowledge economy rapidly dismantles the global barriers?

I remain optimistic we can, but we will need to follow the advice of both Paul Keating and Professor Dumbledore. We’ll need to be strong and make some tough choices. But those are the qualities our forebears demonstrated when they hewed this young country from the forests, hills and marshes.

My generation is now taking up the challenge.

You are our young country’s future leaders. Before long, the baton will be passed to your generation; your mission will be to realize the full potential and further enhance our great little nation, to make New Zealand a Pacific powerhouse.

**ENDS**