

Ngā Tohutohu mō te Minita Tomo Mai | Briefing to the Incoming Minister

Ngā huarahi e tuwhera ana me te
kōrero whakataki ki tō tari | Opportunities
and an introduction to your portfolio

FEBRUARY 2023



Te Kawa Mataaho
Public Service Commission



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Te rārangi upoko

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Whakarāpopotonga matua | Executive Summary

This briefing provides an overview of your Public Service portfolio and includes, for further discussion, potential opportunities for ongoing improvements in the Public Service, areas that are likely to require your attention over the next 12 months, and specific matters that will arise in your first three months as Minister. Appendices provide more detail on the Te Kawa Mataaho Public Service Commission role and organisation.

The Public Service exists to drive the Government's programme and deliver better outcomes and services for New Zealanders. The Public Service portfolio is about improving the ability of the Public Service to carry out this role.

The Public Service Commissioner leads the Public Service, working through the Public Service Leadership Team (made up of the departmental secretaries and other Public Service leaders) to ensure the Public Service performs at its best.

The Public Service Commission plays a critical role in reviewing and supporting performance, both to deliver the programme of the government of the day, and to steward the Public Service for the longer term.

In December, the Commissioner published the first ever stewardship briefing setting out the current state of the Public Service. This report, Te Kahu Tuatini, is attached to this briefing and can act as an introduction for you to the changes that have been made to the Public Service under the current Government, and the challenges for the future.

There are opportunities this year to continue to drive change and improvement, and to ensure that the Public Service is configured to deliver on the Government's priorities.

This includes levers that will help the Government achieve the re-focusing of effort across the Public Service that the Prime Minister has announced.

We would like to discuss your areas of priority for the year. Possibilities include:

a. Organising the Public Service around Government priorities – embedding new collaborative models for ensuring agencies are better able to work together and to deliver better results.

b. Strengthening delivery of regional public services – enabling communities to design interventions at a local level, in a way that is joined up across the Public Service and helps to achieve Government priorities.

c. Improving property, procurement, digital, data, information security and service transformation across the Public Service – driving alignment and cohesion, as well as potential efficiencies by using common approaches where that makes sense.

d. Building and deploying a workforce that is fit for the future – improving mobility and consistency across workforces, to increase responsiveness to Government priorities, and ensure efficient use of resources, while also ensuring that the Public Service is an exemplar employer and has a diverse workforce that reflects the communities that we serve.

e. Enabling active citizenship through public participation in government – enabling greater involvement of citizens in policy making and the design of services, an important driver for ensuring trust and confidence in the Public Service and other democratic institutions.



We have also identified areas that are likely to require your engagement over the coming year.

These are:

a. Supporting the Public Service to re-prioritise, refocus and refresh – ensuring that the Public Service is configured around the Government’s priorities through strong leadership.

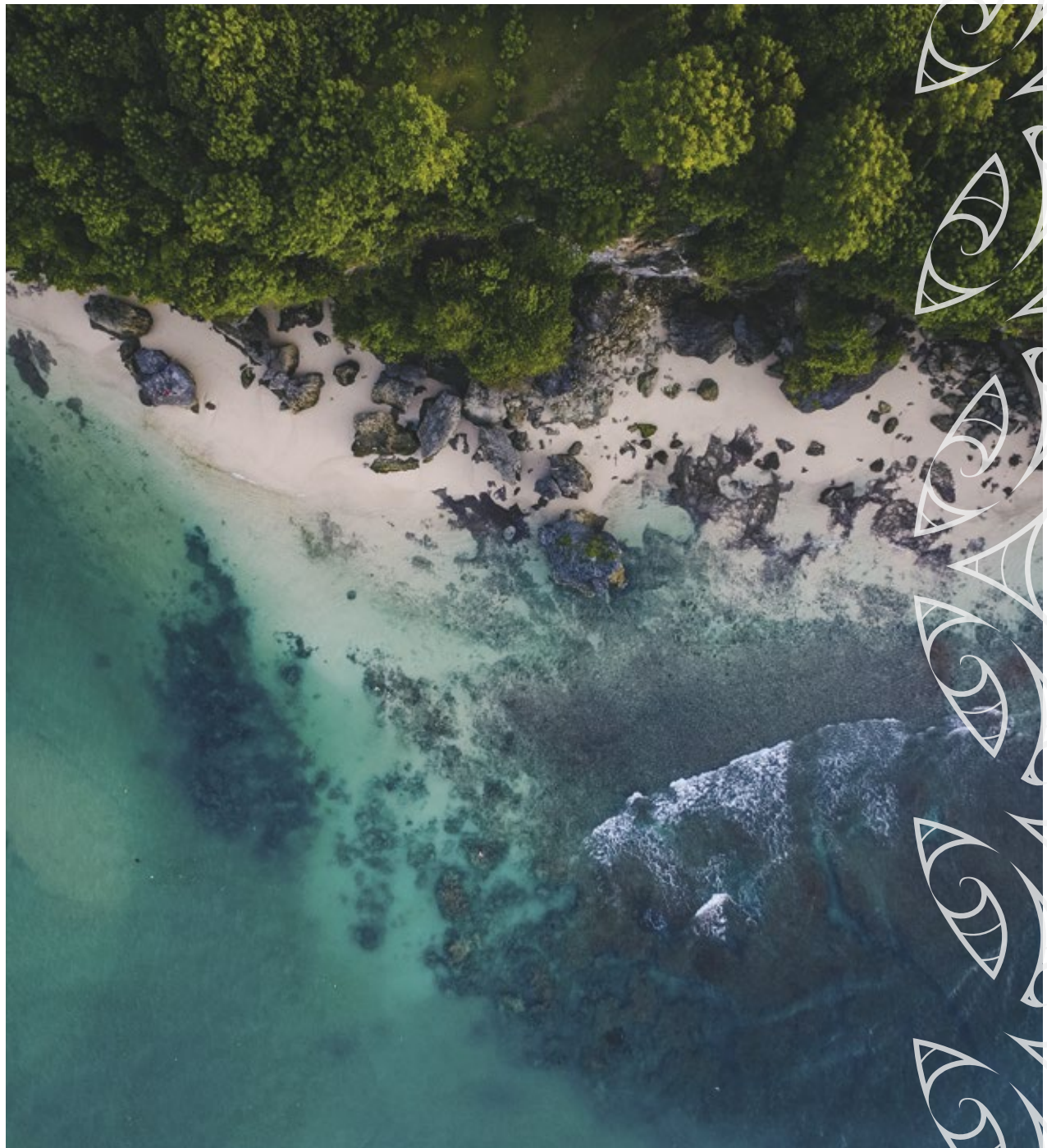
b. Public Service workforce size and costs – This is a matter of ongoing media and political scrutiny. You play a role, along with the Minister of Finance, in ensuring that your Government has a good understanding of how resources are being allocated to your Government’s priorities.

c. Employment relations pressures across the Public Service – The Public Service Pay Adjustment (PSPA) is delivering a response to these pressures, and we propose this should be the first significant area that you discuss with us.

d. Openness and transparency of Government information – While significant improvements have been made, there is ongoing scrutiny of the performance of the Public Service in the timely and appropriate release of official information.

e. Public Service conduct through the General Election – The Commissioner has a key role in assuring the political neutrality of the Public Service, and election year brings heightened scrutiny of the integrity of our institutions.

This briefing may be used as a basis for engagement with us on issues and opportunities in your portfolio. The Public Service Commissioner and senior officials from the Commission are available to brief you further on any of the matters addressed in this briefing, or other priorities or questions you may have.



He Tirohanga Whānui ki te Ratonga Tūmatanui | Overview of the Public Service portfolio

The Public Service exists to help drive the government's programme and deliver better outcomes and services for New Zealanders. The Public Service portfolio is about improving the ability of the Public Service to carry out this role. The portfolio is relevant to all agencies of government. It has a deep involvement with the departments, departmental agencies, and interdepartmental executive boards that comprise the Public Service.

The Public Service Commissioner leads the Public Service, working through the Public Service Leadership Team (made up of the departmental secretaries and other Public Service leaders) to ensure the Public Service performs at its best. The Commissioner also has focused responsibilities across the wider public sector (including the setting and oversight of standards for integrity and conduct).

The Public Service Commission plays a critical role in reviewing and supporting performance, both to deliver the programme of the government of the day, and to steward the Public Service for the longer term. The Commission is here to support you in building a higher performing Public Service that New Zealanders trust, which delivers outstanding results, that is strongly led, and is an exemplar in its employment and contracting functions. The role of the Public Service Commission and the Commissioner are discussed further in the appendices to this briefing.

The aim of the Public Service portfolio is to ensure that the system is well equipped to perform this role. The activities of the portfolio focus on:

- a. **Enabling better coordination of services for the public by improvements to the system**, for example better use of technology or improved coordination between agencies.
- b. **Building public trust and confidence in the Public Service**, including by ensuring that public servants work with integrity, and having the capability to support the Crown in its relationships under the Te Tiriti o Waitangi | Treaty of Waitangi.
- c. **Ensuring that the Public Service is strongly led**, including through the appointment of departmental and departmental agency chief executives, and that they work together as a high-performing Public Service Leadership Team.
- d. **Developing a capable and effective Public Service workforce** with the agility to deploy people and their skills to where they are most needed.

Change is happening on a wide variety of fronts to achieve these aims. Significant progress and improvements have been made over the last five years, and there is an ongoing and ambitious direction for change.

Full detail on this programme of reform can be found in the 2022 report '**Te Kahu Tuatini | State of the Public Service**'. This is the first report of its kind released by the Public Service Commissioner. It shows that the system is making good progress across the board in its capability to achieve outcomes and better services, and in safeguarding the trust and confidence of the public. This will always be a work in progress and below we reflect on the current opportunities to carry the reform process further.



Credit: Colin McDiarmid

The role of the Minister for the Public Service

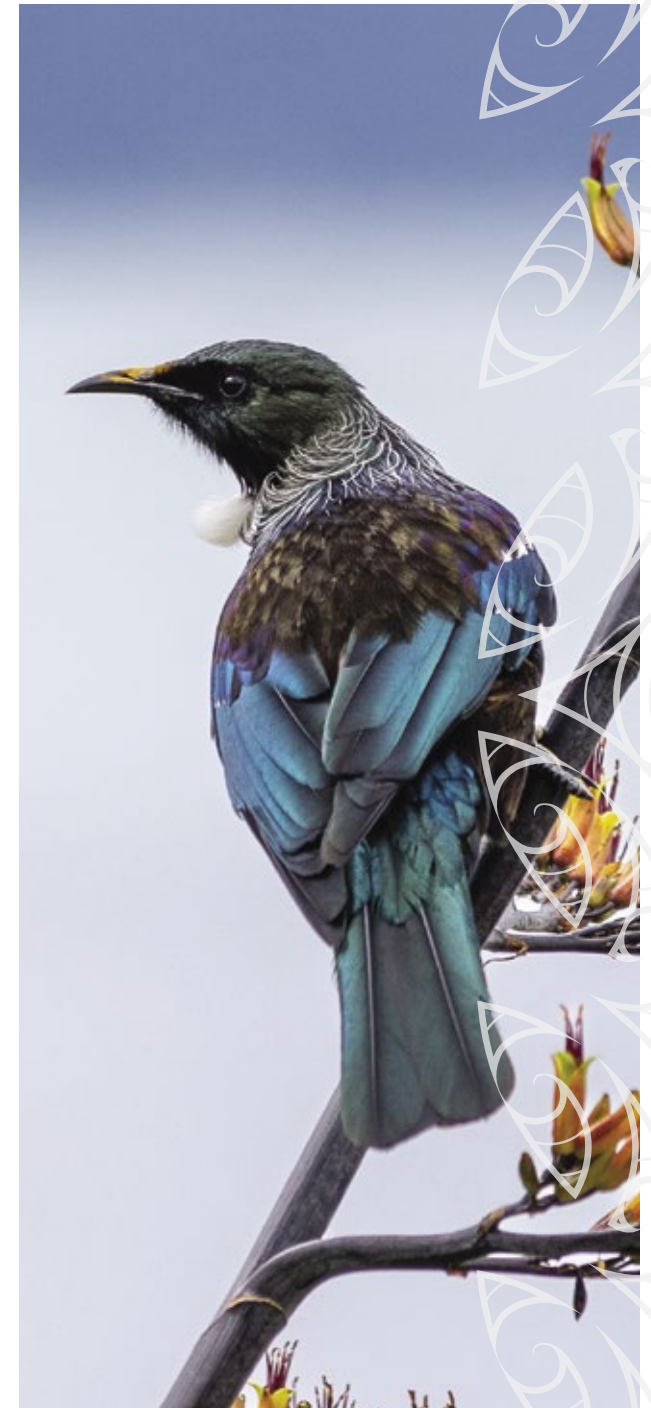
The Minister for the Public Service has overall responsibility for the public sector system. This includes the design, performance and capability of the public sector system as a whole. The system includes the departments and executive agencies of the Public Service, as well as the wider group of government agencies, such as Crown entities.

The Public Service is a major resource for you and your Ministerial colleagues in driving the Government's programme. You and other Ministers are in daily contact with officials and agencies whose job it is to assist you by providing policy advice, ensuring robust and timely implementation of initiatives, and maintaining the high standards of integrity for which New Zealand's public services are known.

Your role in leading change and improvement gives the role of Minister for the Public Service a cross-Cabinet significance. All of your Cabinet colleagues depend on the performance of the system for success in their own portfolios. You are, in turn, able to use the Public Service Commission to respond to feedback, provide advice or manage issues across the whole system.

More specifically, you have a range of levers and resources to help you in your Ministerial role. As Minister for the Public Service you:

- a. Work with Cabinet colleagues and the Public Service Commissioner to ensure that Government expectations and priorities are clear and understood by the Public Service and the wider public sector.
- b. Seek advice from the Public Service Commission on how the various parts of the system should align, adapt, and innovate to achieve the policy objectives of government.
- c. Must be consulted by your Ministerial colleagues on any proposal with structural or organisational implications.
- d. Are consulted on the appointments of chief executives in the Public Service, and some parts of the wider public sector, in order to secure strong and capable leadership cadre.
- e. Are responsible for formulating the Government's expectations on workforce issues and employment relations in the Public Service and other executive branch agencies.
- f. Are responsible for communicating Government expectations regarding chief executive remuneration in the Public Service and parts of the wider public sector, and the remuneration of members of statutory boards.
- g. Are responsible for legislation, including the Public Service Act 2020, the Protected Disclosures (Protection of Whistleblowers) Act 2022, the Plain Language Act 2022, and parts of the Crown Entities Act 2000.



Ngā huarahi rautaki | Strategic opportunities

The Public Service is engaged in a series of reforms to improve our ability to deliver better outcomes and services for New Zealanders and maintain the trust and confidence of the public. There are a number of areas of reform work that you as incoming Minister could choose to prioritise during the year and build further momentum and support. In particular, we have considered mechanisms that will assist the Government to achieve the re-focus of effort that has been signalled by the Prime Minister.

We look forward to discussing your priorities with you. A number of potential opportunities are outlined below.

Organising the Public Service around Government priorities

Enabling different agencies and stakeholders to work together to address complex problems is a perennial challenge for governments across the world. The lives of individuals, families and communities cannot be neatly divided along bureaucratic or organisational boundaries. This can create complexities when setting out clear lines of funding, accountability and decision-making.

In the last five years, New Zealand has made world-leading changes in creating new collaborative models to help approach these challenges in new ways. The wellbeing budgets have created clusters of agencies, looking at interconnected funding streams and outcomes. At the same time, the Public Service Act formalised the model of boards of chief

executives to collaborate on problems or in service areas. There are now five Interdepartmental Executive Boards and the model is showing great promise, most notably enabling border agencies to collaborate on a shared approach to managing COVID-19 at the border.

There is potential to use the Board model to help frame and drive the Government's key priorities. This could take the form of organising around a focused set of objectives.

Collaboration is not only about legal and structural solutions. These models provide a basis for shared working, and the Commission has been supporting the cultural change needed to work in new ways. To generate the full gains for New Zealanders, further work is required to remove administrative barriers and support officials, Ministers and stakeholders to understand how to operate in this new environment.

Strengthening delivery of regional public services

Connecting the Public Service across the regions is central to our ability to act collaboratively around communities' strengths and needs. To better align Public Service efforts with key regional stakeholders, improve collaboration and connection between different agencies operating in the regions, and support locally-led implementation of national priorities, 11 Regional Public Service Commissioners have been appointed across 15 regions (some Commissioners cover more than one region).

The Regional Public Service Commissioners play an important role in coordinating between national policy and local implementation. They also support the system to work cohesively with local government, iwi, Māori organisations and NGOs to define priorities in their communities and improve services and outcomes for people. The impact of the Regional Commissioners was very clearly demonstrated in the response to

COVID-19, where they were instrumental in the successful delivery of locally-led responses within regions across New Zealand.

There are opportunities for you to champion and support your colleagues to use this Regional Commissioner model as a tool to achieve greater collaboration with communities, and ensure we remain proactive in addressing regional priorities as a unified Public Service. Too often in the past, the regional arms of different government agencies have been directed towards different priorities. This has led to confusion, and the front-line staff of the Public Service struggling under multiple layers of initiatives and directives. The new regional structure is an important mechanism for ensuring that the Government's re-focused priorities flow through to those who are directly delivering services. Even more importantly, it enables regional staff the flexibility to make these priorities really work for their local communities.

The Regional Public Service Commissioners are overseen by the Secretary of Social Development who has been appointed as system lead for the Public Service in the regions. We will work with Ministry of Social Development officials to provide you with further advice relating to this work.

Improving property, procurement, digital, data, information security and service transformation across the Public Service

In April, Cabinet agreed an ambitious vision for the Public Service's management of common functions and capabilities across agencies – property, procurement, digital, data, information security and service transformation. This vision includes shared Public Service workplaces managed as a single portfolio, common digital platforms that support collaboration and joined-up digital services, improved management of suppliers of goods and services to government, and collection and use of data in a way that supports improved outcomes rather than just meeting individual agency needs.

The first step has been the designation of system leaders for each of these areas. These are Public Service chief executives who are responsible for providing whole-of-government leadership of key functions of the Public Service. System leaders are looking at ways to prioritise and align system investments and develop and deliver system assets and services for all Public Service agencies, rather than each agency developing their own approaches. This new model will generate cost efficiencies and other benefits over time, but will require investment before these savings and benefits can be realised.

The mandates required to carry out each of these rules are required to be agreed by Cabinet. The digital and data mandates were agreed last year, with the rest to be considered this year. It has also been agreed that there be further discussion at Cabinet early in 2023 on how the system leadership work is progressing more generally.

We can discuss your ambitions in this area and will provide you with advice in the next weeks on these matters. This will include advice on how this work is progressing, and a draft paper to update Cabinet.

You are also the responsible Minister for the property system leader. The Ministry of Business, Innovation and Employment (MBIE) houses the Government Property Group, and will provide you with advice relating specifically to the property work programme.

Building and deploying a workforce that is fit for the future

We are changing the way the Public Service works so we operate as a single integrated system to meet government priorities. The Public Service was able to quickly deploy resources during COVID-19, through the Commission's Workforce Mobility Hub, and we are now building on this experience to ensure we have greater interoperability between agencies and greater movement of people across the system. We continue to build on this approach to deliver specific priorities, such as supporting Immigration New Zealand to speed up visa processing.

We are working on a number of initiatives to develop a workforce fit for the future, including increasing common competencies and conditions for shared workforces (e.g. policy staff), addressing supply pressures, enabling agile deployment, visibility of short-term opportunities and enhancing, recruitment and retention. We can brief you on ways in which these initiatives will ensure that the workforce is configured to deliver the Government's needs.

At the same time, it is critical that the Public Service reflects and understands the society it serves. This is recognised in the Public Service Act which requires chief executives to build diverse workforces, underpinned by inclusive workplace and employment policies and practices.

We have made great progress building a diverse Public Service with: more women in leadership roles; increasing representation of Māori, Pacific and Asian people; and lowering gender and ethnic pay gaps. The Government launched Kia Toipoto, the Public Service Gender, Māori, Pacific and Ethnic Pay Gaps Action Plan in November 2021. The Public Service Gender Pay Gap is now at 7.7% (2022) from 12.2% (2018) the lowest since it was first reported in 2000.

Work to improve diversity and inclusion across the Public Service is led by a dedicated chief executive group, Papa Pounamu. Papa Pounamu is implementing five diversity and inclusion priority areas which are mandatory across all agencies: addressing bias, building cultural competency, supporting employee-led networks, building inclusive leadership and building relationships.

The Commission will continue to drive ongoing work to support diversity, equity and inclusion across the Public Service. Work is also underway to extend our diversity, equity and inclusion approaches to all public servants regardless of ethnic group, disability, sexual orientation or gender identity.

Enabling active citizenship through stronger participation in government

Public participation in policy and service development is an increasing focus in many countries around the world. Governments are engaging citizens in new ways and seeking their input and views on important issues affecting them, including at the level of examining policy options and trade-offs. Participation and trust reinforce each other, and better outcomes and services can be achieved by working more closely with communities and service users.

In June 2022, the Public Service Commission published its first Long-term Insights Briefing – Enabling Active Citizenship: Public Participation in government into the future. The next step in improving participation across the Public Service involves adopting a common framework and tools for engagement with citizens and measuring and reporting on participation. New Zealand’s fourth National Action Plan under the Open Government Partnership, agreed in December 2022 also commits us to developing a public participation standard for government.

Other opportunities to improve participation include trialling new and different approaches that allow for deeper involvement of the public in decision-making, and expecting that over time agencies use these approaches in place of traditional consultation processes.

The Commissioner intends to progress this work by setting standards and issuing guidance for the Public Service. We will keep you updated on this work and can provide you with further advice if required.



Ngā kaupapa me mātua aro atu i tēnei tau | Areas likely to require significant attention over the coming year

We have identified a small number of areas that will require engagement with you, or action by you, over the coming 12 months.

Supporting the Public Service to re-prioritise, refocus and refresh

The Prime Minister has indicated that his focus for 2023 will be on a tighter number of priorities. As indicated above, the Public Service portfolio provides opportunities to ensure that the Public Service is organised around the Government's priorities. This includes using inter-agency boards to drive the government's top cross-agency priorities, using System Leadership to streamline approaches to back-office functions, using Regional Public Service Commissioners to deliver focus at the regional level and ensuring that we can deploy our workforce where most needed.

The Public Service Commission also has the ability to reach out to leaders and agencies to ensure that they are responsive to shifting priorities. The Commissioner leads the system through the Public Service Leadership Team, and acts as the employer of departmental secretaries (including assessing their performance). To support the Commissioner in this role, each Chief Executive is assigned an Assistant Commissioner who works to support their performance and helps ensure that agencies deliver on system priorities. Assistant Commissioners also work closely alongside other central agencies (the Treasury and the Department of Prime Minister and

Cabinet) in their roles. We are also about to launch refreshed Capability Reviews to offer additional support to some chief executives and agencies (see below for more information).

The Commission is a small and agile organisation that is well practiced at shifting to different priorities and issues as they arise. As governments have become more focused on whole-of-system performance, we have successfully evolved from being a hands-off regulator to being a hands-on system leader which can drive performance and improvement. We also host of a number of additional system-functions that are funded from other parts of Government (for example, the Leadership Development Centre and the Public Service Fale – see Appendix 1). Once we have discussed your priorities with you, we will ensure that our people are deployed appropriately.

Public Service workforce size and cost

The size and shape of the Public Service workforce is under ongoing scrutiny. It will be important that you, in partnership with the Minister of Finance, have a clear view of spending on the Public Service and how this is delivering on your Government's priorities, including the use of contractors and consultants. The Government may wish to re-examine investment in the Public Service in line with any changes to government priorities being led by the new Prime Minister.

The Government has invested in the capability of the Public Service over the last five years following unprecedented population growth and with significant additional resources required to support Government's COVID-19 response. Investment has now levelled off with much more moderate growth expected in 2023 to support government priorities funded through Budget 2022.

Last August, agencies provided forecasts that indicated FTE growth of 4.7% for 2022/23. This was consistent with projected workforce investment of approximately 2900 FTE from Budget 2022. However, by the end of 2022 it was apparent that the workforce was growing more slowly than expected, partially due to a tight labour market. At the same time, an anticipated drop in spending on contractors and consultants was less than anticipated. Growth over the current and future years will also be affected by other cost drivers including the Public Service Pay Adjustment.

We will provide you with updates on actual and projected numbers, covering both employees and contractors/consultants, as they become available. We can also brief you on options for influencing spending and deployment across agencies.

Employment relations pressures across the Public Service

Employment relations is both a key opportunity and a risk this year, and we recommend that this topic is the first on which we offer you a more detailed briefing (in particular in relation to the Public Service Pay Adjustment).

The general employment relations environment is one in which higher inflation and a tight labour market has driven expectations of wage increases. This feeds through into both individual and collective employment negotiations. As seen internationally, we are also experiencing an increase in industrial action, both actual and threatened.

You have a role in setting the overall employment relations expectations for the public sector. These expectations apply generally across the public sector and are formally issued by the Minister for the Public Service as a Government Workforce Policy Statement under the Public Service Act 2020. The overall objectives include a level of remuneration increase that is both fair and affordable for the Government and terms and conditions that help support mobility and flexibility across the Public Service.

The Commission supports you in your role as Chair of the Ministerial Oversight Group on State Sector Employment Relations (MOGSSER). MOGSSER is the Government's primary forum for Ministers to engage with key system issues and the state of the public sector employment relations environment.

We support you in setting Government expectations that are issued as Government Workforce Policy Statements under the Public Service Act 2000. The Commission is also available to support you in interactions with relevant unions, including the PSA, and with the Council of Trade Unions.

The Commission provides assistance and advice to Public Service agencies on meeting Government expectations. The Commissioner is responsible for the negotiation of all collective agreements in departments and departmental ventures as if he was the employer. In practice, that role is delegated to the individual chief executives, although the Commissioner approves all bargaining strategies and settlements. He also provides Public Service Pay Guidance to support agencies to give effect to the Government's expectations. This guidance will be updated in the next few weeks, and we will brief you ahead of that. The Commission also provides support and guidance to the wider public sector in employment relations matters.

In the area of collective bargaining, while bargaining across the public sector was already occurring, the Public Service Pay Adjustment (PSPA) process is an opportunity to explore a joined-up approach to negotiations and provide certainty in an inflationary environment, not only for employees and employers but for all New Zealanders who depend on public services.

Offers aligned with the PSPA have been made in number of agencies already and the first tranche of terms of settlement reached under the PSPA are currently out with unions for ratification. PSPA bargaining is limited to employment agreements covering employees of the Public Service (i.e. the employees of organisations funded by or contracted to the state are not covered). The PSPA presents opportunities for greater efficiency, alignment and equity of bargaining and employment relations outcomes across the system. However, the rollout will require careful management and we will provide a more detailed briefing on this as a priority.

There are also several other major processes that are part of the public sector employment relations landscape. The Pay Equity settlement process is a major component of this. There have been eight pay equity settlements thus far which have corrected the pay of over 100,000 people in the public sector. There are currently 27 claims covering another 212,000 people and further pay equity claims are expected in the first quarter of 2023. It is anticipated that 2023 could bring another 4-6 pay equity settlements. There is currently litigation in two pay equity claims (nurses and midwives) that will proceed throughout this year.

As part of our more detailed employment relations briefing, we will provide you with more information about our governance and support role for pay equity, and also the work we lead to close gender and ethnic pay gaps across the Public Service. We will also provide information to the Minister for Women if they have specific delegations in this area.



Openness and transparency of government information

Openness of information and data across the Public Service is a key driver of trust and confidence. Over the past five years, very significant progress has been made in providing greater transparency and the more proactive release of information. Nevertheless, the appropriate compliance of the Public Service with its responsibilities under the Official Information Act continues to come under scrutiny.

Every six months, the Commissioner releases statistics on the performance of Public Service departments, non-Public Service departments and statutory Crown entities in complying with the Official Information Act. The statistics to 31 December 2022 will be released in mid-March 2023. The statistics have recently been expanded to include the use of refusals, extensions, transfers and average time to respond to requests for information.

In May 2022, Cabinet agreed the Commission should gather six-monthly information from agencies on the number of Cabinet papers being proactively released by Ministers, including within the target of up to 30 days of final decisions being made. The first collection of information, for the six-months to 31 December, will be reported to you in late February.

Public Service conduct through the General Election

A focus in election year is ensuring that the Public Service adheres strictly to its obligations regarding politically neutral conduct. The Commissioner will issue guidance on what is required of public servants and agencies before, during and after an election. The Commission will support agencies by answering queries about the application of this guidance in specific cases and presenting on its content. This helps to ensure the Public Service maintains the trust and confidence of the public as well as current and future governments.

Following the election, the Commissioner will also facilitate access to the Public Service by political parties, to inform any negotiations to form a government.

Ētahi kaupapa atu ka ara ake i te wāhanga mātāmua hei Minita mō Te Ratonga Tūmatanui | Other matters arising in your first three months as Minister for the Public Service

Engagement with the Public Service Leadership Team

The Public Service Leadership Team (PSLT) is made up of all the departmental secretaries and some other Public Service leaders, and provides strong and cohesive leadership of the Public Service. PSLT is convened by the Commissioner under the Public Service Act 2020 and meets regularly throughout the year through a series of regular team meetings and quarterly retreats.

In previous years, the Prime Minister, Minister of Finance and the Minister for the Public Service have attended the first retreat of the year. This can be a very useful way to ensure that the leaders of the Public Service have a good understanding of Government priorities. We look forward to hosting you, along with the Prime Minister and Minister of Finance, at the first PSLT retreat this year, or another opportunity if that is more practicable.

Public Service Commission Budget 2023 proposal

The Commission was invited to submit a proposal to Budget 2023 in relation to the costs of the Public Service Pay Adjustment. We will provide you with a briefing on the Commission's budget position and this proposal.

Chief executive appointments

A core statutory role of the Public Service Commissioner is recruiting and employing Public Service chief executives. We ensure the best talent is employed in these leadership roles, to help progress the Government's programme. Our chief executives come from a range of backgrounds, skill sets and experiences. The Commission values diversity in our appointments to ensure the chief executive cohort reflects the communities they serve.

The Public Service Act 2020 sets out the responsibilities you, as Minister, have in relation to the chief executive appointment process. These responsibilities include advising the Commissioner of any matters to be taken into account in the appointment of a chief executive and referring the Commissioner's recommendations to appoint to the Governor-General in Council.

Between now and June 2023, we will consult you and relevant Ministers on the following appointments and re-appointments:

- a. Three roles that are vacant and will require appointment of a new chief executive – New Zealand Security Intelligence Service, Cancer Control Agency and Independent Children's Monitor.
- b. A number of chief executives whose terms end in early 2024 where reappointment may be considered. These are the chief executives of the Ministry for Social Development, the Ministry of Justice, and the Department of Prime Minister and Cabinet.
- c. Appointment of up to two statutory Deputy Police Commissioners. These appointments are made by the Governor-General on the recommendation of

the Prime Minister. The Commission is responsible for managing the appointment process, as required in the Policing Act 2008.

System and Agency Capability Reviews

The Public Service Commission is intending to launch a refreshed programme of Capability Reviews in the coming months. Capability Reviews are an evolution of the Performance Improvement Framework (PIF). The PIF model was last updated in 2015. In the interim, the expectations of the Public Service have continued to evolve and a new Public Service Act is now in place. We are reflecting these changes in the refreshed framework and intend to use future Reviews to support chief executives.

These Reviews will provide a robust evidence base to identify opportunities for both agency and Public Service-wide reform. Reviews will be independent, forward-looking and assess an agency's ability to meet future needs and challenges. Initially, we will focus the Reviews on supporting newly appointed chief executives to identify organisational strengths and areas for improvement. Reviews will support discussions around an agency's desired future state, highlight organisational capability gaps and identify opportunities to address them.

Work has begun on the framework and methodology for these Reviews, and we expect to commence the first Agency Review in the next 2-3 months. We will provide you with a more detailed briefing on the Capability Review programme shortly.



Public Service Code of Conduct

We are developing an updated Public Service Code of Conduct to reflect the principles and values set out in the Public Service Act 2020. It will replace the existing Standards of Integrity and Conduct issued in 2007 and will apply to Public Service departments, departmental agencies, statutory Crown entities, Crown entity companies (excluding CRIs) and Public Finance Act Schedule 4A companies.

The draft Code is currently with some agencies and the Public Service Association for comment. Following further testing we expect it to be issued in the first half of 2023.



Implementing structural changes to the Public Service

As a result of your responsibilities for the Machinery of Government, you will be asked to progress Orders in Council to implement Cabinet decisions in the following areas:

- a. The Oversight of Oranga Tamariki System Act 2022 was passed last year to establish an Independent Monitor of the Oranga Tamariki System. Cabinet has decided that the Monitor will be a Departmental Agency and will come into force on 1 May 2023.
- b. The Climate Change Chief Executives Board was established in July 2022 to oversee implementation, monitoring, and reporting of New Zealand's first emissions reduction plan. In August 2022, Cabinet agreed to extend the remit of the Board to include the Department of Internal Affairs and the National Emergency Management Agency.
- c. The Strategic Planning Reform Board was established in April 2021 to lead the development of the Spatial Planning Act. Changes will update the Board's name and remit.

Crown response to the Royal Commission on historical abuse in care

As Minister for the Public Service, you are responsible for leading the Crown response to this Royal Commission. Briefing on this matter will be provided by the Secretary of Education who has been appointed as the Public Service lead for responding to the Royal Commission and the Crown Response Unit which is currently housed within Oranga Tamariki.

The Royal Commission is due to report in June 2023.

It provided an interim report in late 2021 on issues around redress. During 2022, Cabinet approved a process to co-design a new redress system with survivors and other stakeholders, and several interim measures including rapid payments of lump sums to elderly or ill survivors.

The Public Service Commission has been supporting the key agencies responding to the inquiry and the Public Service Commissioner was a witness at the hearing on institutional responses in 2022. As a result of this, we have explored possible tools that could ensure the Public Service is configured to respond to the issues being identified by Royal Commission. We are available to discuss this with you at your earliest convenience.



Kupu whakamutunga | Conclusion

Leading the public sector to deliver

The Public Service supports current and successive governments to set and achieve ambitious goals for New Zealand. We are committed to supporting the Government to deliver on its priorities, while at the same time building and maintaining the capability and culture of the Public Service to deliver into the future.

Over the coming year, we will continue to build our interoperability and adaptability to respond to challenging cross-agency issues, and we will continue to strengthen the things that provide the basis for public legitimacy – active citizenship and open government, diversity and inclusiveness, and our ability to effectively support the Māori-Crown relationship.

Using strong leadership arrangements, the tools that we have put in place through the Public Service Act, and our ongoing reform programme – the Public Service is prepared to support your Government to deliver on the priority outcomes that you aspire to achieve for New Zealand, and will continue to find new and innovative ways to deliver services that New Zealanders can be proud of. We welcome the opportunity to engage with you on your vision for the future, and on how we can support you in the crucial leadership role of Minister for the Public Service. We are here to support you to meet the challenges of implementing your Government's programme and we look forward to working with you.

At the heart of everything we do, our vision is to maintain and lead a trusted, leading edge Public Service that makes a difference for New Zealand and New Zealanders.



Appendix One: Releases and publications

Several publications and releases are expected in the next quarter. You will be briefed on each in more detail at the appropriate time.

Item	Comment	Timing
Kiwis Count – survey of trust and confidence in the Public Service	Following the first release of the year on 31 January, there will be three further quarterly releases in April, July, and late October.	Multiple
Public Service Pay Guidance	To help agencies give effect to the Government Workforce Policy Statement, the Commissioner issues pay guidance to Public Service agencies. This has been reviewed, and an update is expected to be released in the next few weeks.	February
Labour Cost Index – December 2022 quarter	The Commission publishes a public sector cut of the LCI and its analysis each quarter.	February
Election Guidance	As discussed above, the Commission will publish guidance for public servants on their conduct in an election year.	March
Release of OECD study into Trust in Government	The OECD have been engaged over the last year in a study of Trust in Government in New Zealand. This study will be released at the end of February/beginning of March. It paints a positive picture of trust in the Public Service and government institutions but also identifies areas for ongoing focus. This report will follow the regular release of the Kiwis Count survey data on trust in the Public Service, which was released on 31 January.	March

Releases and publications (continued)

Item	Comment	Timing
Official Information Act compliance and proactive release statistics	As noted above, regular statistics on the performance of agencies against their OIA responsibilities will be released in March. We will also provide you in February with information on performance in relation to the proactive release of information.	March
Public Service Leaders Group summit	The PSLG is approximately 1000 of the most senior leaders of the Public Service. Over the last few years, the Commission has used a range of virtual channels to engage with this group, and a further hui is anticipated in early 2023.	March
Chief executive remuneration	The Commission discloses the annual remuneration package for all Public Service chief executives. The next disclosure is planned for April 2023.	April
Code of Conduct	As discussed above, a new Code will be issued in the first half of 2023.	April
Government advertising guidance	Supplementary guidance for government advertising is currently being drafted.	April
Plain Language guidance	This guidance is required under the new Plain Language Act 2022, which comes into force on 18 April 2023.	April

Appendix Two: Role of the Public Service Commission

Overview

The Public Service Commission helps you to lead the Public Service in setting ambitious goals and delivering improved results and services for New Zealanders. We help you build parts of the wider public sector so that it can achieve the Government's programme and provide improved public services.

The Commission's purpose is to lead the public sector in the service of New Zealand and New Zealanders – we lead, we serve. We will take a position when required, we back public servants, and we protect the integrity of the Public Service. We ensure that the system is focused on delivering the services that New Zealanders want, need and expect.

We work alongside the two other central agencies – the Treasury and the Department of the Prime Minister and Cabinet in their respective roles.

Leading the system

The Public Service Commissioner is the Head of Service, and leads the Public Service and wider public sector agencies to work as one system to deliver better services and better outcomes. The Commission provides leadership and oversight of the Public Service, ensuring that it carries out its purpose, acts with a spirit of service and builds public trust and confidence.

The legislated purpose of the Public Service is to support constitutional and democratic government, enable both the current

Government and successive governments to develop and implement their policies, deliver high-quality and efficient public services, support the Government to pursue the long-term public interest, facilitate active citizenship and act in accordance with the law.

The Commission also upholds long-held Public Service principles that guide the work of public servants: political neutrality, free and frank advice, merit-based appointments, open government, and stewardship.

The fundamental characteristic that motivates and unites the Public Service is acting with a spirit of service to the community. People sign up to the Public Service because they want to make a difference for New Zealanders and New Zealand.

We are transforming the way the Public Service works to ensure that it is fit-for-purpose and has the capability to deliver the outcomes and services New Zealanders need. A key part of this evolution has been the passage of the Public Service Act. Passed in 2020, the Act replaces and builds on the previous State Sector Act 1988.



Features of the Public Service Act include:

- a. An articulation of the purpose, principles and values of a unified Public Service, and recognition of the spirit of service as the fundamental characteristic of the Public Service.
- b. An affirmation of the role of the Public Service to support the Crown in its relationship with Māori under the Treaty of Waitangi
- c. The ability to formally establish cross-agency boards and ventures for joint working.
- d. The ability to establish functional chief executives and appoint system leaders for particular areas.
- e. A requirement for the Commissioner to establish and lead a Public Service Leadership Team, and develop a strategy for building leadership capability in the Public Service.
- f. Provision for Public Service employees to be appointed to the Public Service, and mechanisms to support more flexible movement between Public Service agencies.
- g. A requirement for chief executives to promote diversity and inclusiveness in their agencies.
- h. Requirements for chief executives to provide Long-term Insights Briefings on trends and challenges facing their departments.

The Public Service Act provides the overall mandate for system leadership and some specific powers and levers that assist the Commission in carrying out its wider role. Under the Act the Commissioner provides leadership and oversight of the Public Service.

The Commissioner's scope of influence is greatest within the Public Service where the Commissioner has employment responsibilities for chief executives. Aspects of the Commissioner's mandate, including the integrity mandate, extend to parts of the wider public sector.

Under the Public Service Act, the Commissioner's specific activities include:

- a. Leading the Public Service to deliver better services and achieve better outcomes for the public.
- b. Promoting and reinforcing integrity, good conduct, and transparency and accountability in the Public Service, including through standards and guidance.
- c. Ensuring the Public Service maintains the capability to support the Crown in its relationships with Māori under the Treaty of Waitangi.
- d. Being responsible, in conjunction with departmental chief executives, for developing senior leadership and management capability in the Public Service.
- e. Promoting the development of workforce capability and capacity, including in the employment relations area.
- f. Being responsible for pay equity bargaining in the Public Service in terms of the Equal Pay Act 1972.
- g. Appointing the leaders of the Public Service and acting as the employer of chief executives of departments and departmental agencies. This includes appointment, reappointment, and performance review.
- h. Advising on improvements to the performance, function, and structure of the public sector system.
- i. Reviewing the performance of departments and departmental agencies and assisting agencies to improve, as well as conducting investigations and inquiries in relation to public agencies.

Other functions and services delivered by the Public Service Commission

Public Service Fale

The Commission hosts the Public Service Fale (the Fale) as an internal business unit currently funded by the Ministry of Foreign Affairs and Trade (MFAT) for a five-year period (2020-2024). The Fale works to support the development of the public services of 16 Pacific nations with a focus on mentoring and coaching for senior public servants, integrity and ethics training for public sector strengthening, and Pacific-specific public sector management advice and support. that can be tailored to work in local conditions. In the delivery of its work programme the Fale takes a whole of government approach, working with a range of New Zealand public sector agencies and regional bodies.

The Fale reports to MFAT as part of the Memorandum of Understanding (MOU) between MFAT and the Public Service Commission on progress towards outcomes. The overarching goal of the Fale programme, as set out in the MOU, is that Pacific public services are strengthened to be more trusted (by Pacific citizens), adaptable, results-driven, gender inclusive and people-centred.

Leadership Development Centre

The Leadership Development Centre (LDC) is the primary vehicle for delivering public sector leadership development. The focus is on creating great Public Service leaders, united around a spirit of service and skilled in working together to achieve positive results for New Zealanders. To achieve this, they connect individuals and member agencies with development programmes, resources and experiences that amplify leadership potential. Some of these programmes are

delivered directly by the LDC, and some are LDC programmes delivered by agencies. The LDC has also started to focus on developing system capability in Public Service craft (our principles and values, and unique skills for Public Service roles). As this work expands there is an opportunity to establish a Public Service academy, which would reduce duplication of training effort and resources across agencies.

The LDC is funded through membership levy, based on agency headcount, and through user pays services. The LDC currently has 73 member agencies across the wider Public Service and an annual operating budget of approximately \$3.5million. In the future a new funding model will be needed to support the Academy.



Employee-led Networks

Employee-led Networks (ELNs) in the public sector help employees to connect, share ideas and support each other in reaching their potential, and are part of wider efforts supporting diversity and inclusion. The ELN team has been hosted at the Commission since February 2021, and focuses on supporting cross-agency networks. The ELN team's vision is that employees have a sense of belonging in a connected, inclusive and diverse Public Service, and we work to identify and create opportunities for ELNs to contribute to system work for greater reach and impact across the Public Service.

The current funding model for cross-agency ELNs is an annual levy request to the Public Service Leadership Team. The levy is calculated based on the size of the organisation. The cross-agency ELNs who currently get support from the ELN team are: CARN (Cross Agency Rainbow Network); GWN (Government Women's Network, including the Auckland and Southern branches); PPSN (Pacific Public Servants Network); PAPS (Pan-Asian Public Sector Network); PSFN (Public Service Futures Network); Tūhono – Māori Public Service Network; and WEU – We Enable Us Mā Mātau Anō Mātau e Whakamana (Disabled Employees Network in the Public Sector). Cross-agency networks on the horizon are Women of Colour and Neurodiversity.

Clerical and Administration Pay Equity Claim

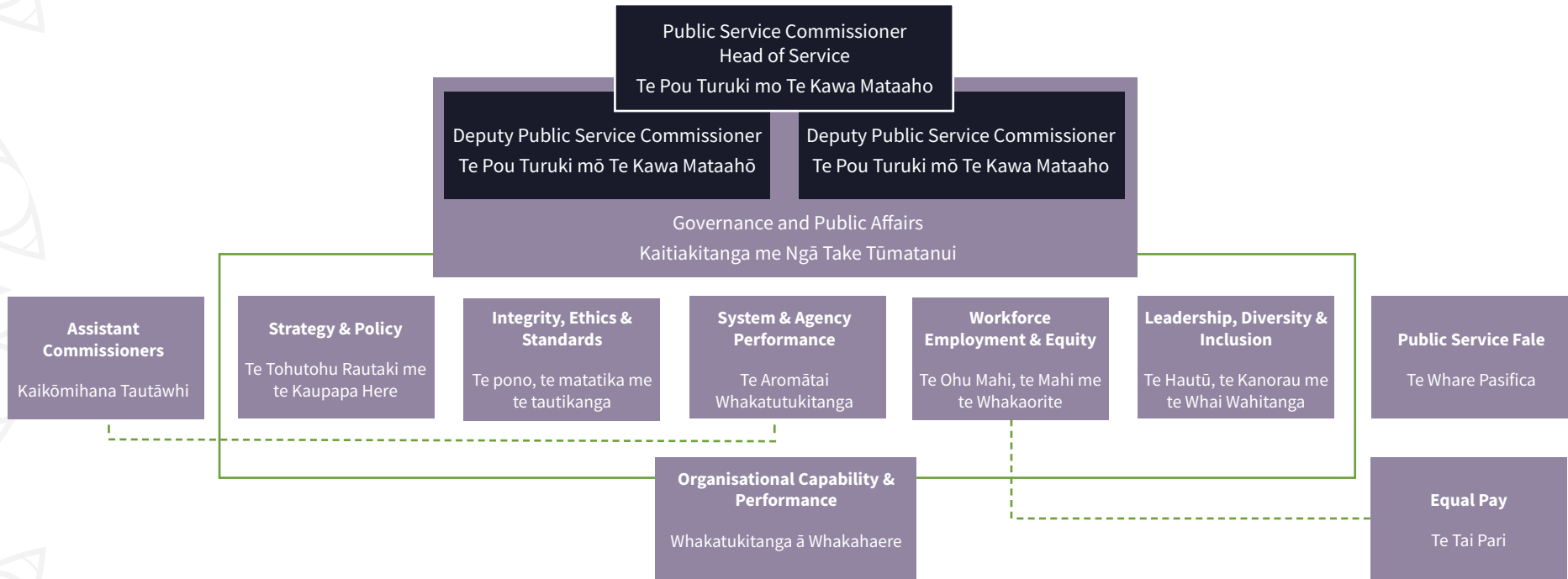
On 31 October 2019, the Public Service Association Te Pūkenga Here Tikanga Mahi (PSA) raised a pay equity claim on behalf of PSA members “who predominantly perform clerical and administrative work (however

described or defined) including those who perform customer support work and call centre work”. The claim was lodged under the Equal Pay Act 1972, and covers employees in 43 public sector agencies. Subsequently, three further unions raised claims for their members covered by the scope of the PSA claim. The unions are: New Zealand Police Association, at New Zealand Police; Taxpro, at Inland Revenue; and NUPE, at Oranga Tamariki and Department of Corrections.

The employer claim team, working on behalf of the 43 employers, is club funded by those employers with more than 50 claimants.



Appendix Three: How we are organised



Appendix Four: Our Leadership



Peter Hughes CNZM (he/him)

Te Tumu Whakarae mō Te Kawa Mataaho | **Public Service Commissioner, Head of Service**

Peter is the Public Service Commissioner and Head of Service. He was appointed to the role in July 2016. Prior to joining Te Kawa Mataaho he served as Secretary for Education for three years. Peter has also held the roles of Professor of Public Management and Head of the School of Government at Victoria University of Wellington, Chief Executive at the Ministry of Social Development, Secretary for Internal Affairs, Chief Executive of the Health Funding Authority and Deputy Director-General of Health. In 2012, he was made a Companion of the New Zealand Order of Merit for services to the State.



Helene Quilter QSO (she/her)

Te Pou Turuki mō Te Kawa Mataaho | **Deputy Public Service Commissioner (to February 28)**

Helene works closely with the Public Service Commissioner to provide leadership and oversight of the Public Service. Prior to joining Te Kawa Mataaho in 2019 as the Deputy State Services Commissioner, she was New Zealand's first woman appointed as Secretary of Defence and Chief Executive in 2012. Helene has also held deputy chief executive positions at the Ministry of Social Development and the State Services Commission.



Rebecca Kitteridge CVO (she/her)

Te Pou Turuki mō Te Kawa Mataaho | **Deputy Public Service Commissioner (from March 1)**

Rebecca is the incoming Deputy Public Service Commissioner, and prior to her appointment was the Director-General of Security at Te Pā Whakamarumaruru New Zealand Security Intelligence Service. Rebecca came to the NZSIS after roles as Secretary of the Cabinet and Clerk of the Executive Council within the Department of the Prime Minister and Cabinet (DPMC). She served under four prime ministers and four governors-general in her roles in DPMC.



Heather Baggott (she/her)

Te Pou Turuki mō Te Kawa Mataaho | **Deputy Public Service Commissioner Kaikōmihana Tuarua, Te Arataki, te Kanorau me te Whai Wāhitanga | Deputy Commissioner, Leadership, Diversity & Inclusion**

Heather has a particular focus on Māori Crown relationships and the leadership, diversity and inclusion priorities for the system. Heather has also been an Assistant Commissioner at Te Kawa Mataaho and has held several senior leadership roles in the justice and culture sectors.



Rauru Kirikiri (he/him)

Kaihautū mō Te Kawa Mataaho
Te Whānau ā Apanui

Mr Rauru Kirikiri has a notable background serving iwi, Māori, and New Zealand through his many roles in academia, consultancy, and the Public Service. Rauru specialises in a range of Māori related issues including environmental management, strategic planning, Treaty of Waitangi claims negotiations, policy development, and tertiary education. His Public Service career began at the: Ministry of Foreign Affairs (with postings to Washington DC, Suva, and London); State Services Commission; and Department of Māori Affairs (now Te Puni Kōkiri). He has recently returned to Te Kawa Mataaho Public Service Commission as Kaihautū to the Public Service Commissioner.



Alastair Hill (he/him)

Kiakōmihana Tuarua, Kaitiakitanga me ngā Take Tūmatanui | **Deputy Commissioner, Governance and Public Affairs**
Upoko o ngā Kaimahi, Te Tari a Te Tumu Whakarae mō Te Kawa Mataaho, Upoko Ratonga | **Chief of Staff, Office of the Public Service Commissioner**

Before joining Te Kawa Mataaho, Alastair was responsible for the design and performance of industry partnership programmes at the Ministry of Social Development. He has also held positions working for ministers as a private secretary. He has a BA in Political Science and Geography and a Master of Public Management from Victoria University of Wellington.



Hannah Cameron (she/her)

Kaikōmihana Tuarua, Te Tohutohu Rautaki me te Kaupapa Here | **Deputy Commissioner, Strategy & Policy**

Hannah was Deputy Chief Policy Officer at the Ministry of Health, prior to joining Te Kawa Mataaho. She has held policy and management roles at the Ministries of Education and Justice and has worked as a ministerial advisor. Hannah has an MA in Social and Political Science from Cambridge University and started her public service career in the UK Civil Service Fast Stream Programme.



Hugo Vitalis (he/him)

Kaikōmihana Tuarua, Te Pono, te Matatika me te Tautikanga | **Deputy Commissioner, Integrity, Ethics & Standards**

Prior to taking up his current role, Hugo was Manager, Innovation and Strategy in the Strategy Group. Before that he was acting Director, Policy in the State Sector Results Group. He was also a member of the Performance Hub, a joint team located in the Treasury advising on Public Service reform. He has also held management roles in strategy and policy groups within the Ministry for Social Development and worked at the Ministry of Justice, Legal Services Agency, Greater Wellington Regional Council and the Ministries of Culture and Heritage and Internal Affairs.



Thor Gudjonsson (he/him)

Kaikōmihana Tuarua, Te Aromātai Whakatutukitanga | **Deputy Commissioner, System & Agency Performance**

Thor joined Te Kawa Mataaho having held a number of Chief Financial Officer roles including the Ministry of Justice and Ministry for Primary Industries. He started his career with Audit New Zealand, auditing a variety of entities across the broader public sector. Thor is a Chartered Accountant and has a BCom and DipGrad in Accounting and Economics from the University of Otago.



Alex Chadwick (she/her)

Kaikōmihana Tuarua, Te Ohu Mahi, te Mahi me te Whakaōrite | Deputy Commissioner, Workforce, Employment & Equity

With a background as an employment lawyer, Alex has significant experience leading and implementing employment relations and workforce strategy in the public and private sectors. She previously managed the Government's Gender Pay Taskforce and continues to lead the work to close gender and ethnic pay gaps across the Public Service.



Duane McKibben (he/him)

Kaikōmihana Tuarua, Whakatutukitanga ā-Whakahaere | Deputy Commissioner, Organisational Capability and Performance

Duane is a committed public servant who started his career on the front line — first as a teacher, then as a client service officer in the Australian Public Service. He has been privileged to take on a number of roles throughout his career which have helped to transform and shape organisations, their leadership, capability and culture. Duane brings strong expertise in building organisational capability through a broad range of disciplines, supported by tertiary qualifications and management consulting experience. He is currently completing his Executive Master of Public Administration with ANZSOG.



Tania Ott (she/her)

Kaikōmihana Tuarua, Te Whare Pasifika | Deputy Commissioner, Public Service Fale Kaikōmihana
Tuarua Urupare KOWHEORI-19 | Deputy Commissioner, COVID-19 Response and Recovery

Tania was previously Group Manager, Senior Courts at the Ministry of Justice. She has held Public Service roles at the Office of Treaty Settlements, Department of Internal Affairs and Department of Labour. Tania has also served as private secretary to several government ministers and as an advisor in the Office of the Prime Minister, Rt Hon Helen Clark.



Gráinne Moss (she/her)

Te Tumu Whakahaere, Tōkeke ā-Utu | Chief Executive and System Lead Pay Equity

Gráinne was appointed to her current role in April 2021. Prior to joining Te Kawa Mataaho, she served as the first Secretary of Children and Chief Executive Oranga Tamariki — Ministry for Children. She was previously Chief Executive of Bupa Care Services NZ. Gráinne holds a BSc (Hons) from the University of Liverpool and worked in the UK National Health Service prior to emigrating to New Zealand in 1998. Gráinne was awarded an MBA (Hons) in 2003 from IMD Switzerland and was presented with the Gillian Welshe Award for outstanding female graduate.

Appendix Five: Legislation we administer

The Public Service Commission administers the following primary legislation:

The Public Service Act 2020

- Is one of the key Acts that sets the foundations for the public sector system.
- Sets the foundations for the Public Service, including its purpose, principles and values and the fundamental characteristic of spirit of service to the community.
- Recognises the Public Service's role in supporting the Māori-Crown relationship.
- Establishes the role, functions and powers of the Public Service Commissioner.
- Provides for the establishment and disestablishment of Public Service agencies.
- Provides for appointment, responsibilities, duties and powers of chief executives.
- Provides for the establishment of the Public Service Leadership Team, and the appointment of system leaders and functional chief executives.
- Provides for various workforce and personnel matters, including how the Employment Relations Act 2000 applies in relation to the Public Service.

The Crown Entities Act 2004 (parts 1, 2, 3 and 5)

- Provides a consistent framework for the establishment, governance, and operation of Crown entities.
- Clarifies accountability relationships between Crown entities, their board members and responsible Ministers on behalf of the Crown and Parliament.

The Protected Disclosures (Protection of Whistleblowers) Act 2022

- Protects employees who disclose information about serious wrongdoing in or by an organisation.
- Facilitates the disclosure and investigation of matters of serious wrongdoing.

The Plain Language Act 2022

- Requires that Public Service agencies and Crown entities take reasonable steps to ensure public-facing documents they produce use plain language.

The Fees and Travelling Allowances Act 1951

- Provided for mechanisms for the payment of remuneration, allowances and expenses of members of statutory boards, as well as travelling allowances or expenses of local authority members.
- Superseded in practice by the Cabinet Fees Framework administered by the Public Service Commission [CO (19) 1], and by the Remuneration Authority in relation to local authority members.

The Ministry of Works and Development Abolition Act 1988

- Provided for consequential matters following the disestablishment of the Ministry of Works and Development (e.g. savings provisions relating to contracts and consents).





Te Kāwanatanga o Aotearoa
New Zealand Government