



Institute for Governance and Policy Studies

A research institute of the School of Government

IGPS lecture: 'State Sector Public Reform: A progress report from the State Services Commission' **20 June 2014**

A plan to ensure the public sector's integrity and trustworthiness, a new head of profession for policy analysts, and more services being delivered locally will all help bring New Zealand's government into the twenty-first century, Iain Rennie says.

Giving a lecture to the Institute for Governance and Policy Studies, the State Services Commissioner said public services were improving. The Kiwis Count survey showed trust in the public service generally had risen from 29% in 2007 to 45% in 2012, while satisfaction with the services people received had also increased.

The government's 10 key results under the Better Public Services plan had been "an important and useful innovation" helping the public sector to prioritise. But progress on them had been "mixed", with big improvements in the justice sector but across the whole set of results only a "moderately good" response. On issues such as reducing rheumatic fever, he said: "Frankly we don't yet have intervention logic for how we are going to drive that change in that timeframe."

More broadly, changes to the way government departments operate had been "marginal" so far, and would need to "broaden and deepen" if they were to work together better, Rennie said.

Modern public services needed to tackle major challenges – such as poor productivity, high family violence, and poor school results for a significant minority – on which "collectively we have not made sufficient progress".

They also needed to put citizens "much more at the centre". The previous model of government was based on discrete policy changes decided centrally and then implemented by a single government department. "Now the nature of the challenges we face are qualitatively quite different," Rennie said. "This sort of challenge ... cannot be solved either within confines of an individual minister's portfolio or within the confines of a particular organisation."

Outlining likely changes to services, Rennie said department chief executives were increasingly being selected for their ability to collaborate.

Place also “matters much more now and in future than it did historically”. The location of almost all public service leadership in Wellington “needs to change, [especially] if we think that some of the solutions [to key problems] will be locally or regionally based”.

That would be seen first in Canterbury, where there was a “huge” opportunity to engage people who had got involved in shaping public services post-earthquake. Second, departmental chief executives had “kicked off” some reviews of the nature of governance in Auckland, which would “shape a bit more clearly what this devolved level of leadership means”.

There would also be more focus on designing services around citizens’ needs. The Performance Improvement Framework used for assessing government departments would be reformed to have at its heart “an understanding of agencies’ customer groups ... and done well, that will be a quite profound change for the public sector”.

Professions within government department – such as lawyers and ICT experts – needed to be stronger, Rennie added. A new head of the policy profession would help “reinvigorate the policy function” and would be located in the Department of the Prime Minister and Cabinet.

Stressing the need not to “lose sight of values”, Rennie said he had commissioned a stocktake “of our work ... around trust and integrity.” With a more “diverse” community and “relatively wealthy” individuals trying to come to New Zealand, “we are going to face more issues around fraud and corruption”, and robust processes would be needed. This “broad and far ranging piece of work” would have an advisory group led by chief ombudsman Beverley Wakem.

Summing up, Rennie said: “We are changing, and fundamentally we are changing the way we will work for quite a period of time.”