

GUEST LECTURE • MĀTAI TŌRANGAPŪ, HONONGA TĀWĀHI

The importance of the Public Service Act 2020

From the State Sector Act 1988 to a public service that looks ahead

Deborah M Te Kawa

School of Political Science and International Relations | University of Canterbury | Te Whare Wānanga o Waitaha

The 1986 reforms

Commercialisation

SIR RODERICK DEANE, 1986

Government trading departments were stripped of their social policy objectives and remade as profit-making, standalone businesses.

The manual rewritten

PRINCIPLES, NOT RULES

Most of the rules for being a public servant gave way to principles, conventions and practices in the language of managerialism. Much of it was red tape, but the manual had been the shared memory of the public service for over seventy-five years.

Soon after its re-election in 1987, the Lange government introduced the State Sector Bill to remake the public service.

A profoundly different public service

01

Purchase agreements

Department heads became more directly accountable to ministers through annual purchase agreements. Ministers specified outputs, and departments produced those outputs and only those outputs.

02

Chief executives on contracts

Department heads lost permanent tenure and moved to fixed-term contracts. In return they became chief executives with, in theory, greater autonomy over their inputs, including hiring and firing their own staff.

03

A new role for the Commission

The State Services Commission ceased to be the employer of all public servants. It became the employer of the chief executives, a monitor of chief executive and agency performance, and took on an oversight role.

Much is written about the Act. What is often overlooked is how it shaped the culture of the public service.

The culture the Act produced

[Highest-rated PIF element] = Serving ministers

Good at the short term

Departments became very good at reacting to the well-defined, shorter-term issues specified by individual ministers.

Less good at core business

At the same time, they became less good at core business effectiveness and efficiency.

Ministers became very powerful

Possibly too powerful. A strong relationship helps a government refine its goals, but only if it does not displace political neutrality and free and frank advice.

Source: aggregate findings of the Performance Improvement Framework reviews.

What was gained, and what was lost

	Chief executives	Ministers	New Zealanders
Gained	Autonomy over their inputs	Chief executives serving their immediate and urgent issues	A retail and online approach to most public services
Lost	The ability to improve core business effectiveness and efficiency	Free and frank advice on medium- to long-term challenges	For the most vulnerable, a way through agencies that could not work together

Long-term challenges include persistent and structured inequity, housing poverty, climate change and biodiversity loss.

WHY START WITH 1988?

The big issues endure

As we move into the new normal, the big issues facing our nation endure.

They are cross-cutting, and they have eluded every government for the past few decades.

A

Persistent and structured inequity

B

Housing poverty

C

Climate change

D

Biodiversity loss

E

Agencies that cannot work together on complex problems

What is required is a fundamental change to how the public service operates. The foundation has been laid by the Public Service Act 2020.

Two new duties of foresight

Long-term Insights Briefings

SCHEDULE 6

Departmental chief executives must publish a briefing once every three years on medium- and long-term trends, risks and opportunities, using impartial analysis and including policy options.

The state of the public service

THE COMMISSIONER'S BRIEFING

At least once every three years, the Public Service Commissioner must brief the Minister for the Public Service on the state of the public service, on topics of significant public interest.

Every three years, the public service has to show New Zealanders that it is skilled in offering free and frank advice.

Five principles, one purpose

THE PUBLIC SERVICE PRINCIPLES • PUBLIC SERVICE ACT 2020

Political neutrality

Principle

Free and frank advice

Principle

Merit-based appointments

Principle

Open government

Principle

Stewardship

Principle

Constitutional and democratic government

The purpose they support

NOT NEW

in circulation in Wellington for several decades

WHAT IS NEW

together, they reassert the public service's independence

The Act confirms the purpose of the public service, **supporting constitutional and democratic government**, and describes its character through five principles.

Joining up the public service

[Executive boards] + [Interdepartmental ventures] = **Joined-up government?**

Interdepartmental executive boards

Bring the decision-making rights of several agencies into one arrangement.

Interdepartmental ventures

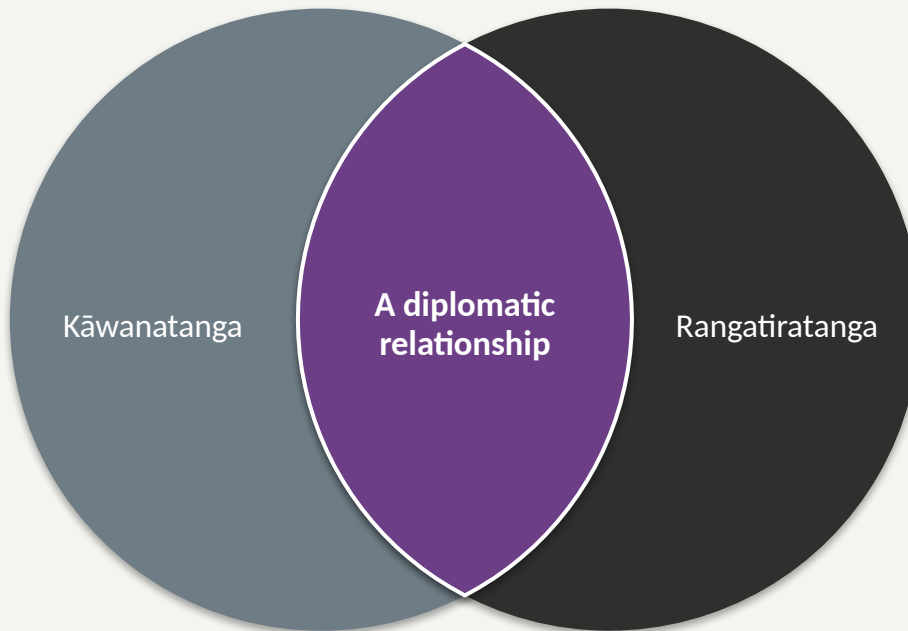
Bring operational resources together under one entity.

A note of caution

The Office of the Auditor-General has been sceptical about the first interdepartmental venture.

Only time will tell whether these forms, together with all the others, will make a difference.

Te Tiriti o Waitangi



What the Act says

The public service supports the Crown in its relationships with Māori under te Tiriti o Waitangi.

The standard it sets

To engage with, and understand the perspective of, the Crown's Tiriti partner, less than twenty years from the bicentennial.

Why it may still help

It may reduce the risk created by not doing this evenly or correctly, a point Treasury made in its 1984 and 1987 briefings.

THE QUESTION THAT REMAINS

Only time will tell



A	Foresight	BRIEFINGS	advice on future challenges and opportunities, every three years
B	Reporting	COMMISSIONER	a regular account of the state of the public service
C	Principles	INDEPENDENCE	neutrality, free and frank advice, merit, open government, stewardship
D	New forms	JOINING UP	executive boards and ventures, with the Auditor-General sceptical
E	Te Tiriti	THE STANDARD	to engage with and understand the Crown's Tiriti partner

Each of these is welcome. Whether together they are sufficient to address the problems created by the State Sector Act 1988 is a question only time will answer.

He pātai. Deborah M Te Kawa · University of Canterbury | Te Whare Wānanga o Waitaha