



# MEMORANDUM



Te Kawa Mataaho  
Public Service Commission

[IN-CONFIDENCE]

**To:** Sir Brian Roche, Public Service Commissioner

**From:** Eleanor Merton, Senior Analyst

**Copies to:** Callum Butler, Manager, Policy  
Hugo Vitalis, Deputy Chief Executive, Strategy, Policy and Integrity

**Date:** 27 November 2024

**Subject:** Long-term insights briefing (LTIB) – selection of topic

**Attachment:** Draft summary of submissions to the consultation on LTIB topic

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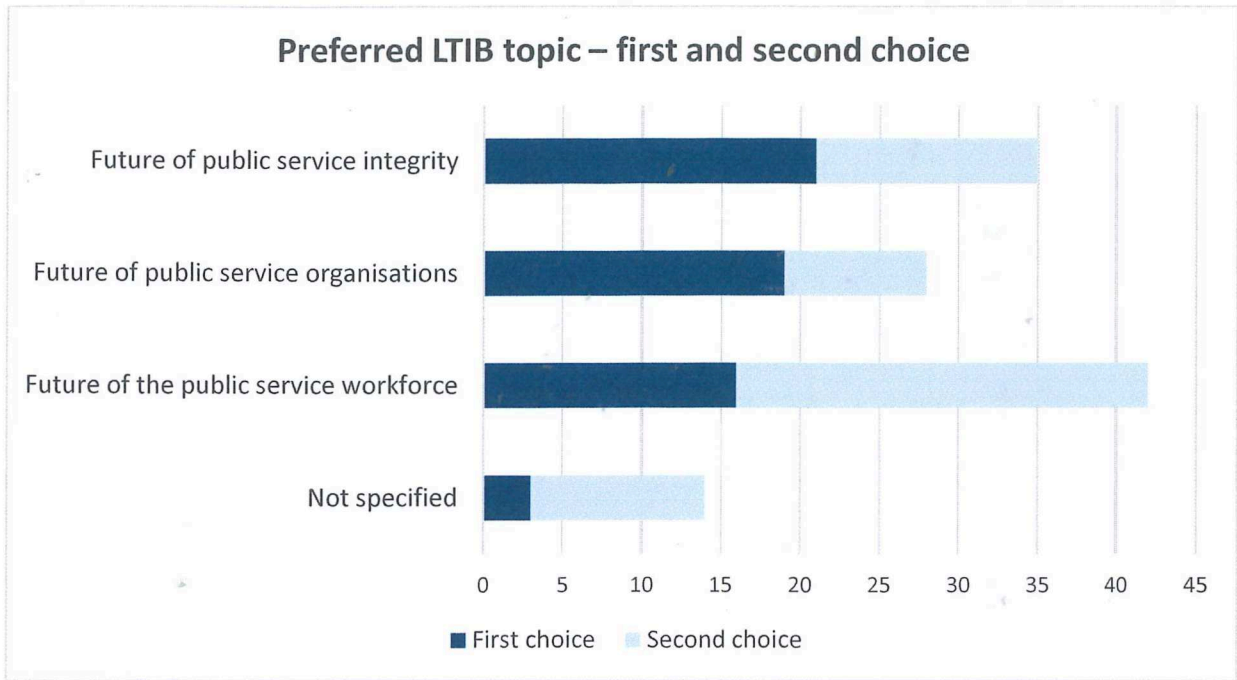
## Purpose and context

1. Each public service department is required under the Public Service Act 2020 (the Act) to produce a ‘long-term insights briefing’ at least once every three years. The Commission’s second briefing is due to be presented to Parliament by 30 June 2025. Determining the topic for the briefing is a statutory decision for you as the chief executive of the Commission. Further background information on long-term insights briefings and the process required to produce a briefing is provided at **Appendix 1**.
2. This memorandum:
  - provides a summary of the results of public consultation on the topic for the Commission’s second long-term insights briefing (attached), and outlines other key considerations; and
  - recommends you select ‘the future of public service integrity’ as the topic for us to take forward in drafting the briefing content.

## Results from public consultation on possible topics

3. With the agreement of Te Mana Arataki, we consulted on a shortlist of three possible topics, each of which are aligned with one of the Commission’s ‘big rocks’:
  - The future of the public service workforce
  - The future of public service integrity
  - The future of public service organisationsThe potential scope and focus of these topics (excerpted from the consultation document) is included as **Appendix 2**.
4. Public consultation ran from 17 September to 14 October 2024. It asked which of the three topics we should focus on for our second long-term insights briefing, and what specific issues or parts of the topics we should explore. We received 60 submissions – 44 through the online survey and 16 via email. Submitters included interested individuals, organisations, and public servants.
5. We have **attached** the full submission analysis that summarises topic preferences and themes raised in feedback to the consultation.
6. The graph below shows how the topics ranked according to submitters’ first and second preferences.

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7. Feedback from submitters indicated that there are clear relationships between the topics. In particular, the workforce topic has significant overlap with both other topics, because how the workforce is configured is part of public service organisations and system design, and how the workforce behaves is part of public service integrity. These close relationships are likely the reason why the workforce topic was such a popular second choice, as a supplementary topic for each of the other two.
8. Innovation was frequently raised by submitters. It was most often discussed as part of the capabilities required of a future public service workforce, especially in relation to AI and technological change. These ideas can be addressed as a theme regardless of which topic you select.

**Recommendation on topic**

9. The Act requires that when you select the subject matter for the briefing, you take into account the purpose of the briefing, which is to make available into the public domain:
  - information about medium- and long-term trends, risks, and opportunities that affect or may affect New Zealand and New Zealand society;
  - information and impartial analysis, including policy options for responding to matters in the categories referred to in the bullet above.
10. In deciding the topic, you must also take into account:
  - the matters that you consider are particularly relevant to the functions of the Commission and
  - feedback received through public consultation, as outlined above.
11. The ‘future of public service integrity’ topic received the greatest support from submitters as a first-choice topic. There is also substantial interest in the topic in light of the government response to the Royal Commission of Inquiry into Abuse in State Care as well as international trends around declining public trust, corruption scandals and foreign interference. A recent report from Transparency International New Zealand<sup>1</sup> specifically recommended stronger, more visible leadership from the Commission on public sector integrity. Exploring trends, risks and opportunities across the whole

<sup>1</sup> <https://www.transparency.org.nz/blog/an-assessment-of-the-effectiveness-of-anti-corruption-institutions-in-new-zealand-in-deterring-detecting-and-exposing-corruption>

integrity system has the potential to add significant value to our forward work programme as well as public discourse.

12. In determining the topic for the Commission's previous briefing, we drew from DPMC guidance on topic selection, to develop criteria to help guide decision making on the subject matter of the briefing. We have also assessed the integrity topic against these criteria below:

- *Is the topic something that is not otherwise receiving public service attention?*

Issues around integrity are the subject of ongoing work, but there are significant opportunities to increase our focus on longer-term integrity risks and opportunities for safeguarding against failures.

- *Is the topic of significant public interest (or for us, significant public service interest)?*

The consultation results indicate that there is significant public interest in the integrity topic, as well as overlapping matters (e.g. leadership, culture, AI).

- *Does the topic have significant implications for New Zealanders beyond a single term of government (ideally over at least a decade)?*

Building a culture of integrity was one of the strongest themes from responses relating to this topic, and effectively embedding culture change requires long-term effort.

- *Is the topic within the Commission's remit in terms of levers (either direct action or influence across the public service)?*

The integrity topic is directly within the Commission's remit in terms of direct action and influence across the public service.

- *Do we have the capability and data to investigate the topic effectively? (What level of work and resource is involved?)*

We have capability and data across the Commission that will allow us to investigate the topic effectively, including within the group leading the LTIB process.

- *How related is it to the work of other departments?*

The integrity topic has relevance to all departments, as well as close connections to institutions within the broader integrity system like the Serious Fraud Office. However, it falls solely within our remit at the system level for the public service. Relationships to the work of the Ministry for Regulation are discussed below.

13. On this basis we recommend that 'future of public service integrity', which meets relevant criteria in legislation and DPMC guidance, as well as being supported through public consultation, should be the topic selected for the Commission's briefing.

14. We note that the topic 'the future of the public service workforce' also had high public support when looking at both first- and second-choice votes combined, but as discussed at paragraph 8 above, this was largely because it was seen as a supporting topic for the other two topics that received greater first-choice support. Additionally, the workforce topic is already receiving public service attention as part of the Commission's core work, including with a long-term lens as part of previous Commission research into the future of work.<sup>2</sup>

### **Ministry for Regulation**

15. Given the ability for agencies to produce joint briefings, Te Mana Arataki agreed to develop a joint briefing with the Ministry for Regulation. This is an opportunity for us to demonstrate collaboration

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<sup>2</sup> [www.publicservice.govt.nz/research-and-data/workforce-future-of-work](http://www.publicservice.govt.nz/research-and-data/workforce-future-of-work).

among the central agencies, noting that commentary on the first round of briefings asked for a more joined-up approach across departments. The Ministry for Regulation was interested in a joint approach because they have limited resource to contribute to the development of a briefing, as a relatively new agency.

16. The Ministry for Regulation indicated that they would be able to bring a regulatory lens to any of the three topics but have a strong preference for contributing to a joint briefing on the workforce topic, given their current focus on regulatory system capability. If integrity is the topic selected, they will need to reconsider whether they still wish to collaborate with the Commission on a joint briefing.
17. As the Commission is leading the briefing process, the most straightforward approach to selecting a topic is for you to make a decision and then for the Ministry for Regulation to decide whether they want to remain joined up or produce a separate briefing. You may wish to have a conversation about this with the Secretary for Regulation.

### Next steps

18. We are available to discuss the results of the consultation and submissions analysis with you. It would also be helpful to have a conversation about how you would like to be involved in the rest of the process for preparing the briefing.

### Recommendations

19. We recommend that you:

1. **note** the attached summary of submissions received in consultation on the topic for our second long-term insights briefing
2. **discuss** the consultation results and the relative merits of the possible topics, if necessary to inform your decision
3. **agree** 'the future of public service integrity' as the topic for us to take forward in drafting the briefing
4. **note** we plan to publish this memorandum on our website alongside the summary of submissions

Yes / No

Sir Brian Roche  
Public Service Commissioner

OK by me.  
Brian Roche

Eleanor Merton  
Senior Analyst

Callum Butler  
Manager, Policy

## APPENDIX 1 – BACKGROUND AND PROCESS

1. Long-term insights briefings give effect to the public service principle of stewardship by giving agencies the space to consider medium and long-term trends, risks, and opportunities that might otherwise be subsumed by day-to-day business. The briefings are also intended to provide a publicly available account of the public service’s expertise and thinking that can be used to lift public discussion and to help political parties (including opposition parties) formulate better policy. They include information, impartial analysis, and policy options. The strengths and weaknesses of policy options may be outlined without indicating a preference for a particular policy option.
2. All departments delivered their first long-term insights briefing following the passage of the Act, and are now in the process of developing their second briefings. For this second round of briefings, the Standing Orders Committee has indicated a preference for briefings to be presented to Parliament by June 2025. The Act specifies at least two rounds of consultation on the briefings – first on the selection of their subject matter and then on a draft of the full briefing. Agencies are allowed to collaborate on joint briefings.
3. Once completed, briefings are provided to the appropriate minister, who then tables them in Parliament to be examined by a relevant select committee. They are also published on agency websites and the Commission has been maintaining a table of links to completed briefings.<sup>3</sup> The Commission’s first briefing looked at the topic: *How can we better support public participation in government into the future?*<sup>4</sup> It was tabled in Parliament in June 2022.
4. The process of producing a briefing is lengthy, particularly given the statutory requirement to consult the public at two separate stages. DPMC’s updated guidance sets out the following indicative timeline:

### Indicative timeframes of the Long-term Insights Briefings process

1	2	3	4	5	6	7	8
Gather intelligence about the future	Consider topic and potential for joint Briefings	Engagement on proposed subject matter	Develop draft Briefing content	Engagement on draft Briefing	Present final Briefing to the House	Select committee examination	Conduct review activity
April to May 2024	May to June 2024	June to Sept 2024	August 2024 to April 2025	April to July 2025	June to July 2025	July to Nov 2025	January to March 2026

5. We have completed the first three stages of the above process. Once we have a decision on the topic to be covered by the Briefing, we will move to substantive development of briefing content and engagement with relevant stakeholders as appropriate.

<sup>3</sup> <https://www.publicservice.govt.nz/publications/long-term-insights-briefings>

<sup>4</sup> <https://www.publicservice.govt.nz/publications/our-first-long-term-insights-briefing>

## **APPENDIX 2 – EXCERPT OF SHORTLISTED TOPICS FROM THE CONSULTATION DOCUMENT**

### **Ngā kaupapa | Topics**

Our long-term insights briefing needs to be informed by the trends, risks, challenges and opportunities that New Zealand will face in the long term. As a small island nation with a trade-dependent economy, New Zealand is affected by global demographic, geopolitical, and economic shifts. Global megatrends (long-term developments with far-reaching impacts) such as climate change and an ageing population have implications for New Zealand that are shaped by our local context.

In identifying potential topics for our briefing, we have considered global and domestic trends and the implications they could have for New Zealand's Public Service. We have identified three subject areas relevant to our work where these trends present opportunities and challenges. There are relationships and overlaps between these topics, and some trends will have impacts across all topic areas.

### **Future of the public service workforce**

This topic asks, 'what skills, knowledge and attributes will the future Public Service workforce need to deliver for the public and work alongside all communities?'

We are already undertaking work to better understand the employment conditions and the composition, capability and capacity of the Public Service workforce. Alongside this, the long-term insights briefing presents an opportunity to explore what our ideal workforce might look like in the future, what they might want from public sector work, how work might be organised, and what the public and successive governments might need from the Public Service workforce.

Trends, both global and domestic, are likely to provide challenges and opportunities in this area. Population ageing is a demographic megatrend, with almost all countries experiencing an increase in the proportion of people aged 65 and older. Demand for services like superannuation and healthcare will almost certainly increase alongside our ageing population, and there may be a need to reallocate human resources to meet greater demands on health and social services. Demands to improve Public Service productivity will also likely increase due to fiscal pressures created by an ageing population, as well as other pressures such as climate change and weak economic growth. Although the ageing of New Zealand's Public Service has slowed, the potential exit of a large number of experienced staff creates risks for capability and organisational knowledge, but also offers the opportunity to bring staff with new skills into the Public Service.

Differences in New Zealand's fertility and mortality rates across ethnic groups mean our population will be more diverse in the future. Changes in the composition of the New Zealand population will require the Public Service to change its own composition if it remains a priority for public servants to reflect the communities they serve, while expectations for what and how the Public Service should deliver may also change.

Technological change and the adoption of new technologies have implications for labour markets and will have an impact on the future of work in public services. Advances in technology are changing citizens' expectations of government, challenging traditional ways of working, and creating opportunities for improvements to public services. To keep pace with these trends, there is growing need for capability in data, insights, evidence, and evaluation.

As jobs evolve in response to technology, the Public Service is required to be more adaptive and more fluid career pathways may be needed. Roles may no longer be seen as fitting into discrete domains such as service delivery, operations or policy. At the same time, the difference in perspective between service delivery and regulatory work will need to be maintained. Technology facilitates the ability to work remotely, which presents opportunities for the workforce to be more geographically distributed. There are also challenges associated with managing a distributed workforce, including the transmission of Public Service principles and the craft associated with a role.

In providing your thoughts on this topic, you may wish to consider the following questions:

- What work will the future Public Service need to do and what sort of workforce will be needed to do it?
- What will policy, organisational support, service delivery, and regulatory work look like in the future?

### **Future of public service integrity**

This topic asks, ‘how can New Zealand proactively address integrity risks in the future?’

New Zealand has traditionally been seen as a high integrity environment, with a trusted Public Service. Our approach to integrity has emphasised the promotion of ethical standards of behaviour, implying higher trust in public servants. However, we are increasingly seeing risks internationally that New Zealand cannot afford to ignore, including corruption risks from foreign interference and artificial intelligence. In some jurisdictions, we have seen a trend towards strengthening institutional integrity or an integrity culture (a culture at the institutional level which encourages integrity) as a response to integrity challenges.

Our own context has also shifted and will continue to change in the future, bringing the opportunity to assess whether our approach to integrity is still fit for purpose. Our high-trust approach to integrity may be contributing to a mismatch between integrity on paper and integrity in action, and we may need to be more deliberate and systematic in our approach. There may be opportunities to address fragmentation and overlap with stronger oversight, or to strengthen a culture of integrity.

International evidence suggests that fiscal pressures affecting the size of the public service and increasing demand for delivery partnerships are likely to also introduce integrity challenges. New technologies, including regulatory technologies, may offer opportunities to increase the efficiency of our work, but these technologies must also work in a way that ensures public confidence in the integrity of decisions. Increases in non-governmental organisations (NGOs) and community groups delivering services and in private sector third parties with roles in a regulatory system highlight the need to examine our integrity system with a wider lens.

This topic also raises questions about how we measure integrity. We have traditionally relied on perception measures of integrity, which we have consistently scored well in. However, the international practice of measuring integrity is shifting to a more evidence-based approach that requires tangible evidence of a lack of corruption. Our ability to look for and identify corruption is likely to require strengthening as public decision-making processes change in the face of resource pressures and new technologies.

In providing your thoughts on this topic, you may wish to consider the following questions:

- What does a Public Service culture of integrity look like and how can New Zealand proactively address integrity risks in the future?
- How might this differ between different types of government agency or function?

### **Future of public service organisations**

This topic asks, ‘what is the best way to organise and govern Public Service agencies into the future?’

Globally, public services are being challenged to adapt their institutions to address a combination of pressures, including climate change and related environmental challenges. The world is likely to reach 1.5°C of warming in the near term, which will come with worsening impacts like drought, fires, flooding, sea level rise, ocean acidification and higher temperature extremes. At the same time, governments are experiencing increased challenges to democracy and institutional trust, including greater polarisation and larger groups of citizens distancing themselves from traditional democratic processes. New challenges due to complex issues, combined with changing citizen expectations and fiscal pressures, point to a need for more innovative approaches.

Long-term issues, such as climate change, democratic distrust, and population ageing may require new organisational, financial, and workforce arrangements to enable New Zealand's Public Service to work to address them. New Zealand's previous approaches to public management have left us with a system of government organisations based on vertical hierarchies that are not always able to adapt to changing needs. This system has been successful for solving clearly defined problems, but it forces trade-offs when it comes to addressing the complex and cross-cutting problems that New Zealand increasingly faces. There may be other ways to divide the functions of government that allow for better horizontal coordination and local self-determination. In New Zealand, a significant amount of government activity occurs through Crown entities, including regulatory activity. However, there are tensions between the purpose of arms-length entities and the aims of a joined-up and responsive government.

We have started to explore some alternatives that operate in the middle ground between centralisation and devolution, focusing on whole-of-system leadership, cross-agency collaboration, and aligning common functions (e.g. information security, government procurement, and health and safety). Looking at the strengths and opportunities of these models in light of emerging trends would help us understand how we should organise government to address the complex problems of the future, while maintaining stewardship of New Zealand's important institutional arrangements and regulatory systems. Advancements in technology have changed the options available, and we might also look to the private sector for new inspiration like activity-based models, matrix models, and agile approaches that the Public Service could learn and borrow from.

In providing your thoughts on this topic, you may wish to consider the following questions:

- How should Public Service agencies be organised in the future to best address the complex problems facing New Zealand?
- What governance, accountability, and coordination arrangements will be needed?