

# Long-Term Insights Briefing

Submissions on subject  
matter consultation

DECEMBER 2024

# Contents

Microsoft	3
Government Chief Digital Officer	6
Public Service Association	11
Te Arawhiti	15
Te Arawhiti submission attachment: Partnerships - Attributes for working alongside and with settled Iwi	17
Institute of Public Administration New Zealand	18
Government Health and Safety Lead	22
Transparency International New Zealand	25
International Association of Business Communicators – Aotearoa Chapter	28
Philanthropy New Zealand	32
Brian Picot Chair in Ethical Leadership	35
Brian Picot Chair in Ethical Leadership submission attachment: IBE – Ethics at Work New Zealand country report	37
New Zealand Security Intelligence Service	38
Regional Public Service	41
The Ethics Conversation	47
Amazon Web Services	51



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1 October 2024

**Re: PSC long-term insights briefing: the future of the public service**

Kia ora PSC

Microsoft is pleased to comment on the potential topics for the Public Service Commission and Ministry of Regulation's long-term insights briefing.

As noted in the consultation document, "advances in technology are changing citizens' expectations of government, challenging traditional ways of working, and creating opportunities for improvements to public services."

The rapid and accelerating development of artificial intelligence (AI) will be a defining feature of the 21st century, to a greater extent than the internet and smartphone revolutions of the 20th century. A recent Microsoft/Accenture report on New Zealand's Generative AI Opportunity suggests generative AI could add \$76 billion to New Zealand's economy by 2038, or more than 15 per cent of GDP. In the best-case scenario, the potential gains could reach \$102 billion. However, with the country lagging on digital maturity, we stand to miss out on at least \$33 billion unless greater focus is placed on developing the right policies, skills and trust in AI.

Companies which are slow to adopt AI will be outcompeted. In the case of the public service, the consequences are set to be far more significant, affecting prosperity, security, education and more across all of society. Against that background, we submit that the future of public service organisations and future of public service workforce topics should be prioritised, with a particular focus on the impact AI will have. Just as citizens will increasingly use AI – including tools like Microsoft/Callaghan's GovGPT - the public service of the future will need to have responsible AI at its core so it can deliver more responsive and impactful services.

To address some of the key questions in the consultation document:

1. The work of the public service will be digital first, cloud first and AI first. To harness the full potential of AI, it is crucial to foster a culture of continuous learning at every level of the public sector. This requires a comprehensive upskilling strategy that targets three key groups: public sector leaders, who must drive change and empower their teams to embrace AI; the wider public sector workforce, who need role-specific training to effectively leverage AI tools; and the general public, whose trust and understanding of AI is essential for its successful adoption.
2. The shape of policy, organisational support, service delivery, and regulatory work will change accordingly. AI has the potential to transform each of those areas of endeavour by augmenting public servants' work so they can focus on the higher end and more complex tasks. For example, the time spent searching for content, reviewing and redacting OIA requests is likely to be significantly reduced, as is the time spent compiling briefing papers. The detection, investigation and prosecution of regulatory issues will also change significantly, with powerful new tools available, and the ability to better spot concerning patterns of activity.
3. The public service should be organised to ensure speedy dissemination of AI technology. The appropriate agency or agencies should be tasked with identifying and swiftly addressing the shared challenges faced in the public sector, and testing AI solutions that can be scaled and deployed. Where AI has been deployed to best effect by one agency, all agencies should be made aware. This is about reducing duplication of effort and sharing best practice centrally, without acting as a brake on individual agencies' efforts to innovate.
4. New governance, accountability and procurement processes will be needed as AI becomes increasingly integrated into the public sector, including clear guidelines for the development, deployment, and monitoring of AI systems, as well as ensuring that human oversight is maintained throughout the decision-making process. Procurement will also need to be rethought to ensure an AI first approach is taken to cutting edge technology (with in-depth consideration of the different approaches appropriate for procuring AI models vs applications vs AI-related data), including requirements that providers follow responsible AI practices. And it's important to note that the cloud provides the computational power that underpins AI, so operational vs capital expenditure budgeting processes will also need review to ensure they are fit for purpose.

The New Zealand public service, being relatively small, agile and centralised, is well-placed to harness the benefits of AI and lead on swift, responsible and above all impactful AI adoption for citizens.

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Drawing on our extensive experience as a partner to New Zealand public service agencies, we would be pleased to provide more detailed comment as the long-term insights discussion continues.

Ngā mihi nui

A handwritten signature in blue ink, appearing to read 'Lewis Mills', with a stylized flourish at the end.

Lewis Mills  
Head of Corporate Affairs – New Zealand

## Public Service Commission – Long Term Insights Briefing Topics

[Our second long-term insights briefing - Te Kawa Mataaho Public Service Commission](#)

### Proposed topics and key questions:

1. **Future of the public service workforce:** What work will the future Public Service need to do and what sort of workforce will be needed to do it?
2. **Future of public service integrity:** What does a Public Service culture of integrity look like and how can New Zealand proactively address integrity risks in the future?
3. **Future of public service organisations:** How should Public Service agencies be organised in the future to best address the complex problems facing New Zealand?

## Overview of the Government Chief Digital Officer feedback

The currently constrained fiscal environment is creating urgency around how the Public Service operates and we are at a critical decision point between: (a) maintaining status quo across the Public Service with less resourcing over time or (b) reimagining the Public Service so that is more efficient, effective and digitally enabled.

If there is acceptance that we should move past status quo, we recommended that the Public Service Commission focuses on the topic of ‘**Future of Public Service organisations**’, with a secondary focus on ‘**Future of the Public Service workforce**’ because of the significant causal relationship.

While we recognise the importance of the ‘future of Public Service integrity’ as a topic, the other topics seem **more relevant** to the current context for the New Zealand Public Service and the issues we are facing into the future.

### How should Public Service agencies be organised in the future to best address the complex problems facing New Zealand?

The Government Chief Digital Office (GCDO) function has a role to provide strategic direction to the Public Service around the digital government agenda. This was articulated in the 2020 Strategy for a Digital Public Service (SfDPS) which outlined the objective of using digital technology and methods to improve the efficiency, productivity, and delivery of public services to achieve better outcomes for New Zealand.<sup>1</sup>

The SfDPS highlights the following key focus areas:

- **Integrated services for people and business** - Integrated services to provide all New Zealanders with a better experience of government

<sup>1</sup> [Strategy for a Digital Public Service | NZ Digital government](#)

- **Leadership, people, culture** — strong leadership to drive public sector collaboration and cultural change. Adopting flexible and facilitative ways of working.
- **Digital foundations** - digital foundations used across the public service, with reuseable data, rules and transactions, as well as government-wide standards and frameworks.
- **Digital Investment** - Investment in digital, data and ICT take an all-of-government view to ensure future investment is targeted, efficient and creates public value.
- **New ways of working** - Digital transformation isn't just about putting new technology in place, it's about new ways of working. This means the public service working together, across agencies, being flexible and mobile, and using appropriate practices to deliver better services for all New Zealanders.

The vision to support the notion of an increasingly unified Public Service is not new and is a direction of travel that we have been supporting in a number of ways for many years. If we want the Public Service to make further process towards this vision, **we should consider:**

- **Increasingly cross-agency delivery of public services** with less individual agencies holding exclusive delivery responsibility and capabilities. Agencies partnering to deliver services to overlapping user groups will deliver a more unified customer experience, will be more productive, and save on costs.
- **A different approach to the leadership, people, culture exhibited across the Public Service.** Leaders would be aligned to overall Public Service outcomes rather than a specific organisation delivering an isolated service. This would flow down to Public Servants who would also be similarly less bound to a specific organisation and more the outcomes that they are supporting. The culture within the Public Service would reflect this interdependency between delivery functions in support of shared outcomes and would consequently be necessarily flexible and adaptive.
- **The increasing ubiquitousness of digital foundations** across the Public Service delivery organisations would inevitably lead to a high degree of consolidation of these foundations – within sector and/or centralised Public Service functions. The focus should be on procurement and setting commercial terms that offer all-of-government value and uptake. This will allow the Public Service to build system assets rather than organisational assets, and the sharing of data and technology should be built into operational models. This consolidation would allow greater efficiency and effectiveness of Public Service capability deployment.
- **Digital investment** is likely to become less discretionary over time within Public Service agencies because it will be considerably more efficient and effective to administer standardised digital components from a centralised delivery function. Digital investment direction will become a mix of either prescribed (and likely administered) digital system assets, and discretionary bespoke or specialised digital assets. Agencies should increasingly only have decision rights around specialised digital infrastructure.
- **An increasingly adaptable workforce** with agile ways of working; multidisciplinary teams across policy, technology, legal and delivery functions to work on initiatives

from end to end; horizontal governance; focus on outcomes and users, customer insights and iteration. People capability policies and processes need to enable staff mobility across the system.

- **Te Tiriti o Waitangi is recognised as a founding principle** of the Public Service, and reflected through policies which include and are co-designed with Māori. The public workforce will need to have both the technical skills to adapt to new technology and the knowledge of how technology impacts and can support Māori. Co-designed, mutually beneficial Māori data governance should be prioritised to add value to the official data ecosystem through te ao Māori insights and innovations.

Fundamentally, if the Public Service shifts towards more active and dynamic use of technology, this will enable flexibility and mobility to enable more tailored and user centric delivery of public services. Emergent technology such as AI is likely to play a growing and disruptive role in the delivery of services and consideration through long-term insights will be valuable to ensuring that the Public Service can adapt to future developments.

### What work will the future Public Service need to do and what sort of workforce will be needed to do it?

Digital workforce challenges will be key to consider when looking at how the Public Service organises itself in the future, and a more coordinated approach will be needed to address this.

**The challenges of recruiting, retaining and growing digital capability are global issues.** New Zealand competes with other countries and large technology companies for digital talent. Agencies are facing the same challenges as the private sector in hiring and retaining staff with digital skills. Different agency capabilities impact on resilience and responsiveness and affect the public service as a whole. The most resilient and responsive agencies during the COVID-19 response typically had a higher level of digital capability.<sup>2</sup>

**The Public Service continues to experience difficulty filling digital roles,** particularly senior specialists. The demand for digital specialists is likely to continue to increase and this puts digitising government at risk. Agencies have supplemented internal digital capability by engaging contractors and consultants to deliver service modernisation work, much of which is time-bound. Agency spend on contractors to support the delivery of major digital projects and programmes contributed significantly to overall government contractor spend throughout 2022 and 2023.

Work to build internal capability will not be a quick fix. However, we have an opportunity to focus on long term results through engaging in system-level, long-term strategic workforce planning and changes to the way the Public Service workforce operates and is managed.

<sup>2</sup> [Report summary: Digital insights from the public service response to COVID-19, 2021](#)



**Growing and upskilling public servants in digital skills is crucial.** Developing tailored digital training programmes for New Zealand’s public workforce is key to increasing skills in technology and should include Māori perspectives, including Māori data sovereignty. All public servants, including leaders, will need to become digitally literate.

An essential step to achieving this is **implementing a standard skill framework across government** to enable a common language around describing digital skills.

The Skills Framework for the Information Age (SFIA) is a globally recognised technical competency and skills framework for the digital world. Used by other governments including Australia, SFIA helps identify the types of digital skills that government and businesses need to operate, both now and in the future. It also supports the development of digital technology career pathways and the targeting of professional development for private and public sector employees. New Zealand has a SFIA country licence, currently funded jointly by DIA and MBIE.

We would like to see SFIA implemented across the Public Service. Benefits include the ability to better attract, retain and develop more people into and within the public service’s digital workforce. In addition to these benefits, continuing with SFIA adoption would show government role modelling the transformation needed in industry.

People capability policies, and processes need to be addressed **to enable staff mobility across the system**. Tight staffing levels and agency priorities make it extremely difficult to release staff for secondment or reskilling activities. Enabling mobility and flexible learning environments would be a significant cultural shift for government. We will need to consider how the Public Service could provide alternative contractual arrangements and enable different models of workforce recruitment and retention that facilitates central deployment to agencies, rather than individual agencies holding these employment relationships.

We would like to see the Long-term Insights Briefing consider what extent could New Zealand consider lessons from international digital government leaders and adapt to our country’s culture and context.

As an example, South Korea is a leading digital government and in 2023 topped the OECD Digital Government Index for the second time. Their public sector digital talent skills are embedded in a broader strategy. Public servants are trained from the start when they join the civil service and digital competence training is supported through the Digital Education Academy. Public servants rotate between agencies every 2 to 3 years and they have smart incentives to develop professions. Attraction to this profession is motivated through cyber security camps with young people in winter breaks, plus training programmes and job opportunities.

## **What governance, accountability, and coordination arrangements will be needed?**

**GCDO agrees that** further work needs to be undertaken to explore how the Public Service can operate between centralisation and devolution, focusing on whole-of-system leadership, cross-agency collaboration, and aligning common functions. Practical activity-based models such as Agile and other methods that utilise emergent technology such as AI should be considered too.

## **Governance**

- New Ministerial and Chief Executive level governance mechanisms will be required to ensure the development and implementation of new horizontal 'system' leadership models. There will need to be clear vertical alignment between the various layers of governance and these potentially formally embedded alongside existing Cabinet processes. Cross agency operational groups will also need to be integrated into the structures so that delivery is appropriately governed.
- Mechanisms such as the Interagency Executive Board (IEB) may need to be utilised more widely as efforts to embed cross agency funding and delivery is promulgated.

## **Accountability**

- Initial efforts to establish stronger vertical alignment of agencies in areas such as digital may not necessarily require immediate changes to Chief Executives' legislative accountabilities, but this may be required over time as specific decision rights are transferred to shared or centralised delivery entities. This could include changes to the Public Finance Act, Public Service Act and specific agency legislation.

## **Coordination arrangements**

- Clearly, the expectation that agencies increasingly coordinate the delivery of their services will require support. As well as the establishment of coherent vertical (system) governance mechanisms, there will need to be fit for purpose cross agency collaborative platforms and tools.

## Submission on Te Kawa Mataaho's long-term insights briefing

### Introduction

The PSA Te Pūkenga Here Tikanga Mahi is the union for public and community services, and is the largest union in New Zealand. We represent over 96,000 people working across the Public Service, Crown Agents, the Legislative Branch, Crown-owned companies, tertiary institutions, the health sector, local government, and people working in publicly funded community services.

For over 110 years people have joined the PSA to negotiate their terms of employment collectively, to have a voice within their workplace and to have an independent public voice on the quality of public and community services and how they're delivered.

We're pleased to have the opportunity to provide our feedback on the scope of Te Kawa Mataaho's second long-term insights briefing.

### Future of the public service workforce

We consider this a useful and important topic for Te Kawa Mataaho to consider. Of the three proposed topics, this is the one we consider would be the most valuable for the long-term insights briefing to consider. The public service *is* its workforce and can't serve the public of Aotearoa without its workforce, so making the workforce fit for the future – by having sufficient people, appropriately trained and resourced, with working conditions that enable them to do their jobs to the best of their ability – matters more than institutional forms and arrangements.

We agree with Te Kawa Mataaho's suggestion that this briefing should consider:

- The impact of an aging population both on demand and on workforce composition
- Public service diversity and demographics
- Technological change and its impact both on societal expectations of government and on the challenges and opportunities that come with the use of new technology by the public service
- Geographic distribution of the workforce
- Career pathways and changes in the types of roles within the public service

We think it would also be useful for the briefing to consider the following matters.

#### *Training and education needs*

Compared to some other jurisdictions, New Zealand's public service has a fragmented and inefficient system for providing public service workers with the training and education they need to do their jobs,

including for both the skills needed for core public service craft and the development of specialist skills essential for occupations common across the public service. The long-term insights briefing could consider ways to improve this, drawing on international practice including that of Canada and Australia.

### ***Career paths within the public service***

The separation of public service agencies, inconsistencies in terms and conditions and lack of portability of accrued entitlements such as leave make it difficult for people to easily move around the system. Difficult not just for the workers, but also for the agencies that lose resources and expertise, are prevented from accessing skills held elsewhere in the system, and have to undertake long recruitment processes to replace people who switch employers for better pay, conditions and recognition because they couldn't achieve this where they currently work.

This long-term insights briefing could look at how the public service can take a whole-of-public-service approach to its workforce, enabling people to move around easily to meet needs and develop new skills.

### ***What workers need to be active participants in their communities***

The briefing rightly recognises that changing demographics, technologies and a changing climate will affect the work of government. However, it will also affect the lives of workers outside of work. Increasing care responsibilities for some people will affect the amount of work they can carry out. At the same time, many of the changes we need to make to respond to climate change require us to travel less and be more active in our communities.

At the same time, technology provides opportunities for workers to spend less time doing low value work. This is an opportunity for Te Kawa Mataaho to consider how it can not just use technology as a way of cutting costs, but also as a way of giving workers more control over their time to participate in their communities without being financially penalised.

### ***Changing political views on public service delivery***

The recent change in government has been a clear demonstration of how different governments' views on the role of the public service can rapidly and significantly affect the workforce and its capacity to deliver. This has been a feature of New Zealand's democracy for some time – with some governments expanding the role of the state and others seeking to shrink it – so it may be useful to look at how those trends affect the workforce and how to ensure the public service always maintains the capacity and capability it needs to deliver services to the people of New Zealand.

## **Future of public service integrity**

We consider this a useful topic for Te Kawa Mataaho to consider.

We agree with Te Kawa Mataaho's suggestion for the briefing to consider emerging and increasing risks to public service integrity, and whether our approach to it is fit for purpose.

We think it would be useful for the briefing to also consider:

- How to protect and enable public service workers to exercise their right to participate in democratic processes and be politically active
- How to create the shift needed in workplace culture to achieve true speak-up cultures. The Positive and Safe Workplaces and Speak Up model standards have been a good start, but these are just first steps and much more is needed.
- How to address some of the threats to the public's perceptions of public service integrity that aren't a result of public servants' actual behaviour – such as the integrity of elected representatives and the pressure that can put on agency staff; the ability (or lack thereof) of public service experts being able to speak publicly and authoritatively on matters within their expertise; and misinformation about the public service and about government policy that undermines faith in public institutions.

## Future of public service organisations

We consider this a useful and important topic for Te Kawa Mataaho to consider.

We agree that it would be useful to look at whole-of-system leadership, cross-agency collaboration, aligning common functions, and exploring the relationship between centralisation and devolution.

The PSA has extensive experience of public service reorganisations and restructures. This experience has generally shown that time after time governments and agencies have used organisational structure as one of the main ways of attempting to improve how the public service works, often causing huge disruption to work and workers' lives without achieving the change it intended to. We think that if the long-term insights briefing looks at this topic, it should focus on how the work is organised and enabled, rather than how the organisations are structured, to build a public service where people within the system can work effectively to get their job done no matter what part of which organisation they're employed in.

We think it would be useful for the briefing to consider the following :

- Workforce matters that could contribute to public service organisations working better together, such as workforce planning, training, common terms and conditions, career pathway planning.
- Funding – including the level of funding and its ability to maintain effectively functioning organisations and keep up with the infrastructure they need to adapt to a changing world; and the way funding is administered (eg, through Budget cycles) and the inefficiencies it creates.
- The relationship between public service organisations with local government and non-governmental providers of public services.

## Other comments

### *Joint briefing with the Ministry for Regulation*

We are unsure why Te Kawa Mataaho's long-term insights briefing is being developed in collaboration with the Ministry for Regulation, especially if the topic of the briefing is not yet known. Although we are supportive of agencies taking a collaborative approach and consulting widely with other parts of the public service with relevant knowledge, we don't necessarily see why this should be a joint

briefing with the Ministry for Regulation. Of the topics suggested, none appear to be ones that are specifically focused on regulatory matters – or at best, regulatory matters appear to be a small component within larger overall issues.

We think it would be of more benefit for the Ministry for Regulation to undertake its own long-term insights briefing focusing specifically on how to improve New Zealand’s regulatory system.

## PSA involvement in the briefing

The PSA would like to engage further with Te Kawa Mataaho and the Ministry of Regulation as part of the process of developing the long-term insights briefing. On any of the three proposed topics, we will have insights we can contribute from a perspective that the team undertaking the briefing may not have access to. Our long history with the Public Service and the wealth of experience of our members give us a big-picture view of some of the issues and potential solutions. Our direct line of contact to our members will enable you to access the views of public service workers that you may not have access to through public service agencies.

We would be happy to facilitate engagement with our members, or engage with our members directly on matters Te Kawa Mataaho would like to get public service workers’ views on and feed it back to you. The team undertaking the briefing are welcome to contact us about this at any time.

For further information about this submission or to discuss any matters in relation to the long-term insights briefing, please contact:

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Kia ora koutou

The Office for Māori Crown Relations - Te Arawhiti (**Te Arawhiti**) supports the topic *‘what skills, knowledge and attributes will the future Public Service workforce need to deliver for the public and work alongside all communities?’* being included in the second Te Kawa Mataaho | Public Service Commission long-term insights briefing (**Briefing**).

One aspect of that topic that we consider should be explored is the skills, knowledge, and attributes the public service will need to support the Crown’s relationships with Māori under Te Tiriti o Waitangi | the Treaty of Waitangi (the **Treaty**).

Exploring that issue would include considering:

- the capabilities the future public service will need to:
  - engage with iwi, hapū and Māori;
  - understand iwi, hapū and Māori perspectives (including the outcomes sought for future generations); and
  - understand the potential impacts of policy options on Treaty rights and interests (including potential impacts on Treaty settlements, takutai moana claims and rights, and Māori rights, as citizens, to equitable access to quality public services leading to equity of outcomes);
- the capabilities future public service senior leaders and managers will require to recognise both the aims, aspirations and employment requirements of Māori and the need for greater Māori involvement in the public service;
- the medium- to long-term trends, risks, and opportunities that might affect the public services’ ability to support the Crown in its relationships with iwi, hapū and Māori;
- what iwi, hapū and Māori groups, businesses and individuals may need, expect, or want from the public service in the medium- to long-term.

The Briefing exploring those issues would:

- be consistent with the requirements of sections 12(1)(e), 14(1) and (2) and 73(3)(d) of the Public Service Act 2020;
- assist the Crown to achieve its intention (expressed in many Deeds of Settlement of historical Treaty claims) to build enduring relationships of mutual trust and cooperation with post-settlement governance entities; and
- be an appropriate response to:
  - the increasing importance of the [Māori economy](#); and
  - the ongoing growth in [both the percentage of the New Zealand population of Māori descent and the percentage of the New Zealand population who affiliate to the Māori ethnic group](#).

To help you to explore these issues, we suggest that you:

- consider the policy settings, guidance and frameworks currently in place to address these matters (including the [Māori Crown Relations Capability Framework for the Public Service](#), and the work the Te Arawhiti Partnerships group has done identifying the attributes needed to work alongside and with settled iwi (**attached**);
- consider whether to develop a strategy to support implementation of sections 14(1) and (2) and 73(3)(d) of the Act;
- contact [Te Rau Hihiri](#), the Charitable Trust that works to support Māori to succeed as Māori in the public service, which organised the recent [He Māori Ahau Conference](#);
- consider M. Bargh & N. Birch, *Māori Crown Relationships: Working with Iwi in Ways that Enhance Capability*, Public Sector Journal, July 2022, Volume 45 | Issue 2;
- take into account the findings in the Office of the Auditor General's report on [Māori Perspectives on Public Accountability](#).

We would like to be kept informed of the development of the Briefing. In particular, we would like to know how this submission was taken into account when you made your final choice of topics for the Briefing.



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**Ma te rongō ka mōhio**

**Ma te mōhio ka marama**

**Ma te marama ka matau**

*From listening comes knowledge*

*From knowledge comes understand*

*From understanding comes wisdom*

## **Introduction**

Partnerships is an Iwi facing capability, working alongside and with settled Iwi. We deliver on behalf of the Crown support to significant events, such as Waitangi Commemorations, Rātana, and National Iwi Chairs Forum hui. We provide funding opportunities to Māori groups and Iwi for significant events.

## **Attributes**

These attributes are based on a team capability.

The attributes required to deliver this capability are:

- Knowledge of the Iwi, their settlement, their aspirations, and their relationship with the Crown.
- Patience, to accept that some Iwi do not have capacity to drop everything and answer your e-mails/ calls.
- Some basic te reo competence.
- Ability to provide advice to Ministers and draft credible talking points/ speech notes without losing the message.
- Good project and event management skills.
- Good writing and review skills.
- Ability to pivot and adjust at short notice to cater for Crown/ Iwi changes.
- Responsive, agile with good analytical skills to ensure the solutions/ options are well thought through and within the agreed timelines.
- Financial knowledge to manage accounts, in particular forecasting/ accruals/ funding.



Institute of  
Public Administration  
New Zealand

## Consultation on Topic for Te Kawa Mataaho Public Service Commission's 2025 long-term insights briefing

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**Q1. Submission from:** The Institute of Public Administration New Zealand (IPANZ) made on 11 October 2024

**Q2. Contact person:** Kay Booth, Executive Director, [kay@ipanz.org.nz](mailto:kay@ipanz.org.nz)

**Q3. Receive email updates?** Yes please.

**Q4. Which of the following topics do you think is the most important for us to focus on in our long-term insights briefing?** (Please rank the options from most important at the top, to least important at the bottom)

No. 1 – Future of public service integrity

No. 2 – Future of the public service workforce

No. 3 – Future of public service organisations

**5. Why did you rank the topics in that order (in the previous question)?**

Integrity is number 1. There is nothing more important than integrity. If the public service was to lose its reputation for integrity, all would be lost – and nothing about its workforce or organisational arrangements would matter. The ability of the public service to undertake its role, its ‘earned authority’, rests upon the public’s trust and confidence in it. In a world of increasing polarisation and waning trust in government’s globally, New Zealand’s relatively high trust environment must be preserved.

Workforce is number 2. The public service comprises public servants – their ability to do their jobs well will make the most difference to the effectiveness and efficiency of the public service.

Organisations is number 3. The public service institutional arrangements are (of course) important, but a good public service can still operate *despite* its organisational arrangements.

**6. What specific issues or parts of the proposed topics you would like to see explored?**

**6a. Integrity: This topic asks, ‘how can New Zealand proactively address integrity risks in the future?’**

We believe that the ‘machinery’ for managing integrity is already in place (e.g. code of conduct, standards, speaking up process, principles enshrined in law, spirit of service, watchdog bodies and consequences for integrity breaches).

Integrity issues primarily relate to how to ‘bring to life’ all of these things.

Specific topics include:

- i. **Public transparency** – obfuscation around OIAs, poor handling of public complaints. Turning the mindset around, so that these processes are seen to facilitate public participation and accountability rather than viewed merely as a burden to be minimised.
- ii. **Consequences for lapses in integrity** – insufficient focus (and perhaps ‘turning a blind eye’) so that matters of integrity are not as rigorously pursued as they should be (e.g. matters raised in recommendations from reviews and Commissions).
- iii. **Codes of conduct** – need for energetic implementation so that they are brought to life rather than seen as simply a list on paper. The old adage that ‘culture eats strategy for breakfast’ pertains to this point – build it into ‘how things are done around here’.
- iv. **No surprises** – potential to shift the tenor of the minister/official relationship. Perhaps a future where ministers also have a code of ethics and are trained to understand and value the public service commitment to integrity. Public servants may have to stand up to ministers more on matters of integrity and so shift the nature of ‘no surprises’ to more simply ‘early warning’.
- v. **Responding to mis- and dis-information** – assisting public servants to combat views/hate speech, to spread more information about the role of the public service, to demonstrate how they can be trusted, and (perhaps) to have a little more freedom to engage in public discourse. The context being that it is very hard for public servants to speak up for themselves, and yet they receive unfair criticism.

**6b. 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?’**

Our ‘top picks’ for public service capabilities are:

- i. **Mindset is just as important as skillset.** The required mindset will have a bias towards action and continual learning-by-doing. Feedback indicates that public servants are wired to be wary of change – this needs to be addressed through recruitment, culture, rewards, modelling and leadership.
- ii. **Ability to act with consistency but with flexibility and enterprise.** There is too little of the latter. This is a fine line (to avoid comprising integrity/values) but the opportunity is for more flexibility to land a solution best for the circumstances. Of course, different parts of the public sector need different skills and approaches – e.g. reliable management of processes and people may be what matters. There is no ‘homogenous public servant’.
- iii. **Digital skills** are an obvious requirement. This will include AI, and requires public servants to be up-to-pace on the fast-changing digital technologies.
- iv. **Sophisticated capability in knowledge management.** Not only does the public service need fresh voices and expertise from the outside, it must also stop reinventing the wheel. As put by Tā Tipene O’Regan – “we must remember to remember”. The ability to harness, capture, utilise and make available all types of intelligence is a critical skill.

Alongside an understanding of the skills, knowledge and attributes, the public service workforce will require, the processes of ‘remembering’ themselves require different capabilities (via the use of technology and different ways of working).

- v. **Problem solving** is often mentioned in the literature as one of the most important skills. Some writers say it will exceed the importance of analytical and logical policy design. If we are to have healthy problem-solving, we must harness wisdom from many sources. Skills in data, statistics, systems, mātauranga Māori, science and technology needs to be more sophisticated and permeated throughout the public sector. The capability to innovate is an important part of problem solving. This relates to the mindset of ‘learning by doing’.
- vi. **Partnering and co-design** will become more important as policy and its implementation engages citizens and communities more often, as well as the public sector working more closely with other societal actors (private sector, third sector and Iwi). If public servants are to be genuinely and deeply involved in co-design, there will need to be a big leap in communication and engagement skills, and a mindset change. Public servants have to be able to engage hearts and minds, including their own.
- vii. **Relationship skills.** As citizens and communities become part of the solution (and not just the receivers of services), emphasis must be placed on public servants’ relationship skills. These ‘soft skills’ are too often over-looked because of the dominant focus on technical skills.

#### **6c. Public service organisations: This topic asks, ‘what is the best way to organise and govern Public Service agencies into the future?’**

Our thoughts about public service organisational arrangements follow. We have turned our minds to potential new/different arrangements:

- i. **Single platforms for citizens to access services.** This is about establishing platforms to enable a citizen-focused service. It takes advantage of digital technology to organise data as a single platform, so that citizens can access services in a seamless manner. If this was the organising rationale, it would turn the organising framework around to be citizen (not government) focused – disrupting the siloed, department-dominant approach.
- ii. **Departments accountable for outcomes or missions.** An organising principle for departments could be the achievement of cross-sector missions or results, which would necessarily involve many sectors and disciplines, and would include business, NGOs and academia. Some agencies might be set up for a short period – with sunset clauses to assist experimentation.
- iii. **Strategy units.** In many jurisdictions there are powerful strategy units, which harness intelligence from everywhere, focus on the future, secure innovative thinking from outside the public sector, wrestle with the big cross-sector issues, attract people from other sectors, spread knowledge running a highly sophisticated knowledge management system and ensure systemic evaluative enquiry. Attempts at strategy functions in the New Zealand public sector so far have usually been very limited and spread across many agencies. Their juxtaposition with delivery units requires thought.
- iv. **Integration across national and local government.** There must be more integration between local and national government. There will be different models to achieve this, depending on purpose and context. For e.g., agencies primarily based in a locality that

command national resources, and others based near the centre of government with regional networks. Other models may be less about structural institutional arrangements and more about ways of working across the existing layers of government.

- v. **Devolution.** Related to (iv) above is greater devolution, more engagement with citizens, mobilising and engaging citizens, and building trust in communities. The outcome is about more joined-up approaches built into organisational design, not tacked on. Devolution is often viewed as an opportunity to uplift local government capability, but there's also opportunity to improve central government agencies' joined-up governance capability.
- vi. **A radical rethink.** The private sector has developed some different institutional models. For e.g. Air BnB without hotels, Uber without taxis, and many platform-based businesses. Obviously, there is a commercial imperative, but the public sector has the imperative to produce public value which is just as strong. What is the public sector equivalent? There is no reason why the public sector could not rethink its institutional forms in a radical way, away from the pyramid from CEs down to front line workers. We could do away with one basic organisational form. We need to be more flexible, more agile, more entrepreneurial, more engaged with citizens. The design of our organisational structures must reflect this.

## 7. Are there any other topics related to the Public Service as a whole that you think we should consider?

Nothing further to add to our responses in Q6.

## 8. What other challenges do you foresee that the Public Service will need to prepare the country to contend with in the future?

- a) **Slow-burning crises** – the need for overriding missions and global thinking (to address climate change, biodiversity decline, populism and rightwing backlash, rejection of immigration, etc).
- b) **Lack of trust** – in authority, science and government. Resulting in conspiracy thinking and alternate truths dominating thinking and alienating people from the public sector.
- c) **Digital technologies** – changing very fast and dramatically altering the way we operate. Data is multiplying and becoming more accessible.
- d) **Capture the public narrative** – the importance of focusing upon the information received by citizens (from various sources) about their public service.
- e) **Interplay between the public sector and politicians** – this relationship drives many aspects of the public sector (e.g. the creation of a new agency to 'solve' a political problem resulting in a multiplicity of agencies, a government that is risk adverse dampening efforts for public sector innovation, political expediency exerting pressure on upholding public service values). Perhaps this is merely a contextual point, but none-the-less offers food for thought.

# Te whakawhiti whakaaro | Consultation

Topic for Te Kawa Mataaho Public Service Commission's 2025 long-term insights briefing

Te Kawa Mataaho - Public Service Commission      13<sup>th</sup> October 2024      To: [longterminsights@publicservice.govt.nz](mailto:longterminsights@publicservice.govt.nz)

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Kia ora,

Thank you for the opportunity to contribute to contribute to the Te Whakawhiti Whakaato consultation. I thought it might be useful for the Government Health and Safety Lead (GHSL) to share some insights and reflections on each of the proposed topics to assist with selection;

## 1.) Future of the Public Service Workforce

**Integration of health, safety and wellbeing:** Health, Safety and Wellbeing performance and outcomes are most successful when integrated into business operations and aligned with responsibilities and accountabilities.

**People Leadership:** The Health and Safety at Work Act imposes duties on various entities (PCBUs, officers, workers and others) where improvement has generally continued across each. One critical group not listed in need of further attention is People Leaders. Typically approximating 10% of an organisations workforce they set the tone for organisational culture, controlling workplace behaviours and relationships and must design and adapt work to the needs of workers. They can mitigate risks to Wellbeing Health and Safety and deliver early intervention when necessary. These people-centred leadership skills are often not identified and fostered, particularly at the entrance point to people leadership, falling behind capabilities dictated by market conditions or technical and experiential components of work. Addressing this shortcoming could generate significant returns in terms of improved health, safety and wellbeing and increased productivity.

**Transferability of core competencies:** Core Health, Safety and Wellbeing competencies should be consistent and transferable in order to accommodate high levels of workforce mobility and organisational change.

**Addressing the needs of the most vulnerable in our workforce:** The aging and increasingly culturally diverse workforce will predicate higher vulnerability to workplace injury or illness and its consequences. Agencies need to consider how health monitoring and health promotion

services respond to the changing risks of the workforce (which may be through internal occupational health functions or through partnering with external suppliers), and how their Wellbeing Health and Safety systems are culturally accessible and responsive, given Māori and Pasifika disproportionately bear the burden of workplace harm.

**Critical Risk Management:** Trends of workplace injuries are positive, however New Zealand has yet to make equivalent progress with serious harm and fatalities, suggesting a different approach is required and increased maturity around critical risk management.

**Mentally healthy work:** Workplace, or organisational, wellbeing as a function is early on in maturity. The public sector needs to adopt a strategic approach to the organisational capability, structures and systems required to provide Mentally Healthy Work. This includes aspects of psychosocial risk management, work design and organisational culture driving good work, organisational wellbeing, productivity and performance.

## 2.) Future of Public Service integrity

**Workplace culture:** Organisational culture is often presented with a targeted focal area, such as speak up culture, just culture, positive and safe workplace cultures and integrity culture. Each with subtle variance, there is significant commonality aspiring to see the organisational vision and values translated in practice. When considered in totality it is these organisational and sector wide culture initiatives that drive population level change. (e.g. incivility and the role of people leaders to intervene early curbing the ability for toxic culture to embed).

When signs or symptoms present of undesired culture emerge, ideally identified by monitoring and indicators preceding incident (with surveys being one example), internal and external investigations should seek to identify latent organisational factors that create conditions for systemic failure. These investigations provide critical insight and reflection on areas of weakness and have been utilised to good effect surrounding workplace behaviours and relationships (e.g. Debbie Francis Parliamentary Review, Allen and Clarke's review of Positive Workplace Cultures, NZDF OpRespect). Often triggered by incidents of bullying and harassment and driving sector wide programmes of work, such reviews providing qualitative evidence are a powerful tool for corrective actions and could be just as effective in the context of corruption and substantiating/contradicting perceptions of Trust and Confidence.

## 3.) Future of public service organisations

**Governance within the public sector:** Public sector institutions often differ from those found in the private sector through the absence of a Board, with the most commonly seen organisational structure consisting of Ministerial direction being provided to a Chief Executive

and delivered through the Executive Leadership team. This organisational structure also repositions the role of governance onto the executive leadership. In the Health Safety and Wellbeing context the issue this presents is that the same people need to be able to fluidly switch between these differing roles, that of senior leader, operational management and service delivery, and governor. Often it is the role of governor or governance forums / committees that become least effective, or secondary to top management, due to the same individuals needing to hold each other to account on matters of performance, provide strategic direction over long term horizons and reduced external perspectives typically found on boards.

Collectively we will continue to work in support of Te Kawa Mataaho Public Service Commission. Should any of these elements surface in conversation or topic drafting, the GHSL is ready and willing to support improved understanding and direction.

Ngā mihi - Lance

**Lance Goodall (he/him) | Director**

Government Health and Safety Lead

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**Government  
Health & Safety Lead**



12 October 2024

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Longterminsights@publicservice.govt.nz

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Transparency International New Zealand (TINZ) is the recognised New Zealand chapter of [Transparency International](#), the global civil society organisation against corruption. TINZ is a not-for-profit incorporated society with charitable status. TINZ is non-partisan, and is powered by volunteers. This submission has been compiled by two volunteer members with expertise in procurement and by the CEO.

TINZ has made submissions on several core areas within the Public Service Commission's remit in the past and undertaken assessments of national integrity systems.

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Te Kawa Mataaho, The Public Service Commission long-term insights briefing  
October 11, 2024

Our comments focus mainly on two topics in the consultation document but do touch on all.

## 1. Culture of Integrity

**Q. What does a public service culture of integrity look like and how can New Zealand proactively address integrity risks in the future?**

### TINZ Response

This is good initial policy thinking by the PSC. As a general statement integrity must sit at both the institutional level, as part of public service DNA, and also be accountable, through transparency, measurable accountability, and compliance

Our recently published report [An assessment of the effectiveness of anti-corruption institutions in New Zealand in deterring, detecting and exposing corruption](#) speaks to the heart of this question. The primary recommendation is for "a zeitgeist shift from the current default and complacent reactive model for thinking about anti-corruption in New Zealand to a positive, proactive preventive mode." The recommendation also says that this shift can only take place with a stronger tone from the top. Stronger and more visible leadership by the PSC in the new unified public service on public sector integrity matters is recommended.

*Actions might include: an update and reboot of the code of conduct by PSC, unified cross-public sector training courses on integrity codes for both staff (induction) and managers, centralised collection and reporting of information by PSC on all employment-related integrity breaches by type, a performance focus in the public sector on improving public accountability and public responsiveness; a broader approach on diversity to embrace a wider range of differences,, and strong independent monitoring of adherence to public service principles and values across agencies and through time.*

### **Proactively Addressing Integrity Risks**

The second major recommendation in our report speaks to the second half of the question ‘how can New Zealand proactively address integrity risks in the future?’

Our research recommends the appointment and appropriate funding of an agency that has the primary and high-profile responsibility for anti-corruption monitoring, coordination, research and strategic operations. Rather than a new agency, this agency might be the SFO, the MoJ or the PSC.

The functions of that agency should include the development of an early warning system regarding corruption changes to avoid the ‘slow boiling frog’ danger, where we slip without realising into a more corrupt country. Indicators of corruption could be developed, along with greater competency and capacity to analyse and remedy strategic and operational weaknesses in the cross agency anti-corruption network and to provide better public reporting.

Our report also calls for a strategic policy focus on identifying areas where competition is lacking, and where there is extensive discretion and limited transparency.

It makes sense therefore to reduce the likelihood of these corruption-conducting elements by increasing information about responsibilities and increasing transparency, as well as increasing the probability of being caught and the severity of consequences.

In summary – stronger leadership, a more strategic approach to corruption, early warning systems in place, more transparency and bigger sticks.

### **Further comment on public service culture of integrity**

The PSC discussion document focuses on the increasing external influence of corruption, but political polarisation and corruption are also homegrown as well as influenced by social media and global trends. This can impact on public service integrity and needs of the workforce:

- Where public discourse and engagement becomes disproportionately disrupted by those who have strongly held beliefs (not always evidence-based). Managing public consultation and engagement, including innovative and new thinking without getting waylaid by public attack is an increasingly needed skill.
- It would be realistic to expect that some level of polarisation is occurring within the public service, and it would be useful to understand from public servants the tensions they feel in relation to their beliefs and values and their public service role.
- Taking a strategic approach on corruption as outlined in our earlier points would require structural analysis of areas of greater risk, where financial and power influence rewards appear greater. These areas might include procurement, borders (customs and immigration), data management, financial infrastructure, investigation and prosecution, social cohesion, defence and security, local government and environmental protection.
- Ultimately greater transparency is more likely to support integrity especially within the context of constrained resources. We already know how effective the media and researchers can be at shining a light on non-transparent financial transactions, political decisions and funding and on compliance with rules and misuse of resources or entrusted power. Transparency enables accountability and so should be further enhanced. Three areas where greater transparency is achievable are more transparent public procurement, improvements to the Official Information Act, and a public register of beneficial ownership that includes trusts.

## **2. Future of public service organisations**

Te Kawa Mataaho are thinking about alternatives that operate in the middle ground between centralisation and devolution, e.g. aligning common functions (e.g. information security, government procurement, and health and safety).

They also ask about what governance, accountability, and coordination arrangements are needed in the future? The challenge is for any services that are publicly funded or have a regulatory requirement to also meet standards of public transparency, integrity and accountability. This should apply whether the organisation is private, NGO, local or central government.

## **3. Other matters: Open Government Partnership**

Though not a topic in the consultation document, the Open Government Partnership (OGP) is an important tool of engagement between government and civil society on issues specifically focussing around transparency and openness.

The model of design of successive OGP National Action Plans has not been entirely successful, and the recent report from PSC on progress against National Action Plan 4 is extremely disappointing with almost all commitments on hold or uncertain, and unlikely to meet the plan date.

We know that across New Zealand government agencies are working closely with communities on nuggety problems. The question is, how can this success be modelled in work with civil society on open government including transparency and accountability measures. TINZ suggests this is an important discussion for the Public Service Commission to lead on, to inform the Minister for Public Services.



# How is New Zealand's public service prepared for the future?

International Association of Business Communicators (IABC) Aotearoa Chapter's submission on the topic to be covered in Te Kawa Mataaho Public Service Commission's second long-term insights briefing.

1. Thank you for the opportunity to make a submission on the topic to be covered by this long-term insights briefing.
2. IABC Aotearoa New Zealand is part of the International Association of Business Communicators (IABC), a global network of more than 10,000 business communications professionals in over 70 countries – from those entering the workforce to the senior practitioners and management-level professionals in government agencies, private enterprise, publicly-traded corporations, not-for-profit groups and professional consultancies.
3. IABC brings together the communication profession's collective disciplines to deliver on and uphold the Global Standard of the Communication Profession, which sets out the Career Purpose of a Communication Professional and the Six Principles of the Communication Profession (ethics, consistency, context, analysis, strategy and engagement).<sup>1</sup> IABC members also abide by its Code of Ethics<sup>2</sup> and other standards such as DEI (diversity, equity, equality and inclusion) and the use of AI.
4. **Our submission is that the long-term insights briefing should cover the future of the public service workforce.**
5. Below we provide our views on potential areas of focus with regard to the communication function.

## Securing public trust and legitimacy

6. The role of the public service is to support the Government of the day to implement its policies and deliver services for New Zealanders, while operating in a manner which secures public trust and legitimacy (licence to operate).
7. The public's expectation and scrutiny of public sector integrity, transparency and accountability – and the sector's responsibility to deliver these – will persist even as demographic changes, technological advances and emerging global societal and political

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<sup>1</sup> <https://www.iabc.com/about/what-we-do/standards/global-standard>

<sup>2</sup> <https://www.iabc.com/about/what-we-do/standards/code-of-ethics>

issues impact future Government policies and the skills, capacity and finances required to implement them.

8. Having the workforce capability and capacity – however it might be organised – to support and secure public trust and legitimacy will continue to be key to the effective functioning of the public service and the wider public sector.

## The role of the communication function in securing public trust

9. Te Kawa Mataaho guidance<sup>3</sup> defining the role and scope of public service communications focuses on the provision and explanation of information.

10. The Global Standard takes a broader definition of the communication function's purpose. The communication professional:

- a. represents and brings to life the voice of an organisation as it interacts with customers, clients, employees, partners, shareholders, competitors and the community
- b. aligns the organisation's verbal, visual and digital messages and activities with its mission and vision and, in doing this, helps ensure the organisation runs efficiently and effectively.
- c. builds a strategic communication plan based on thorough research, communicates with a variety of audiences in a range of styles, develops and edits content, and assess where and how to communicate and how to evaluate the results of their work.
- d. acts as the organisation's conscience and strives for its financial, social and environmental sustainability.

11. According to the OECD, today, more than ever, citizens demand greater transparency from their governments and greater transparency is key to upholding integrity in the public sector.<sup>4</sup> OECD TrustLab research has found that perceived government integrity is the strongest determinant of trust in government.<sup>5</sup> Perceptions of integrity are founded on observed honesty, congruence (doing what you say you'll do, walking the talk) and adherence to moral and ethical principles.

12. Under the Global Standard, the communication function is essential to building these perceptions through bringing to life the voice of the organisation, aligning messages with purpose, and planning effective communications that support organisational sustainability by meeting audience communication and engagement needs.

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<sup>3</sup> Guidance: Communications function definition <https://www.publicservice.govt.nz/guidance/guidance-communications-function-definition>

<sup>4</sup> <https://www.oecdbetterlifeindex.org/topics/civic-engagement/>

<sup>5</sup> Murin, F. et al. (2018), "Trust and its determinants: Evidence from the Trustlab experiment", *OECD Statistics Working Papers*, No. 2018/02, OECD Publishing, Paris, <https://doi.org/10.1787/869ef2ec-en>

## The communication function is both strategic and tactical

13. The communication function is both strategic and tactical, with a career path that builds on a core set of competencies to develop communication professionals as generalists or specialists, strategic advisors and business leaders<sup>6</sup>.
14. Deloitte UK’s most recent Corporate Affairs Report<sup>7</sup> found that the role of communication leaders and functions today is broader and more complex than ever before, spanning four foundations:
  - a. Architect: Architecting the right structure and strategy to win
  - b. Orchestrator: Orchestrating communication operations for business impact
  - c. Steward: Steering the organisation through risk and transformation
  - d. Ambassador: Championing for the business and the function
15. These foundations are presented as a framework for communication leaders to assess and strengthen their maturity.



## The system-level opportunity

16. System-level functions and associated standards already exist to support the quality of public sector delivery in core capabilities such as policy, financial management and reporting, auditing and assurance and, most recently, regulation.
17. Given the importance of the communication function’s role in securing public trust and legitimacy, there is an opportunity to establish system-level professional communication

<sup>6</sup> Career Roadmap: <https://thecsce.com/career-roadmap/>

<sup>7</sup> 2024 Corporate Affairs Report | Deloitte UK

capability and standards to support sector-wide professional communication capability and ensure high-quality communication delivery.

18. Potential system-level approaches to communication standards and capability range from a Head of Profession (currently the case in New Zealand) through to the UK's Government Communications Service (UKGCS),<sup>8</sup> which brings together people, processes, and specialist expertise within and across government, and works in partnership to ensure the highest standards of communication practice.
19. UKGCS recent examples of system-level standards and guidance include a crisis communications planning guide, a generative AI policy (IABC has also published one of these), and an evaluation framework for measuring success across all communication activities.
20. Within the scope of this long-term insights briefing, we feel there is an opportunity to look at how workforce capability is supported at a system level – particularly those functions that operate in agencies throughout the sector – and to extend real system-level support for the public sector's communication function, 'by the profession, for the profession'.
21. In doing this, established global standards of professional certification and continuing professional development – as followed by IABC (Global Communication Certification Council)<sup>9</sup> and PRINZ (Global Alliance for Public Relations and Communication Management)<sup>10</sup> – could form the basis of a competency standard-setting model.

## Conclusion

Thank you for the opportunity to make this submission. Please contact me at [president@iabcaotearoa.co.nz](mailto:president@iabcaotearoa.co.nz) if you have any questions about our submission or require further information.

We look forward to making a submission on the draft of the long-term insights briefing in due course.

Yours sincerely



Chris Dutton  
President, IABC Aotearoa Chapter

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<sup>8</sup> <https://gcs.civilservice.gov.uk/about-us/what-we-do/#communication-function>

<sup>9</sup> <https://www.gcccouncil.org/>

<sup>10</sup> <https://www.globalalliancepr.org/global-accreditation>



## Submission to the Public Services Commission on the Long-term Insights Briefing (October 2024)

He waka eke noa: We're all in this together

### Introduction

1. Thank you for the opportunity to make a submission on the Public Service Commission's ("PSC's") Long-term Insights Briefing ("LTIB"). Our current context, and the magnitude of issues facing our country, requires innovation and a fresh approach to the way that we work to increase collective insights and the connectivity and impact of our actions. The Commission raises a number of key questions that relate to our work and members - including how the public sector can work differently and in partnership. Our key recommendations relate to strengthening the relationship that the Government has with the philanthropic sector via PNZ and implementing levers that support an enhanced culture of philanthropic giving.
2. This paper is informed by our research, previous consultation and work with PNZ members, and meetings with Ministers and officials in other departments. We have a number of conversations and work programmes underway across various agencies via the regular Government and Philanthropy Forum including: the Department of Internal Affairs, the Social Investment Agency, Ministry of Education and the Ministry for the Environment that touch on the opportunities in this paper.

### About Philanthropy New Zealand

3. Philanthropy New Zealand | Tōpūtanga Tuku Aroha o Aotearoa ("PNZ") is the peak body for philanthropy and grantmaking in Aotearoa New Zealand. We are a non-profit, independent membership organisation. We support generosity, effective giving, and a strong philanthropic ecosystem, and offer guidance for people with an interest in giving to make the world a better place. We provide training, share best practice, data and research, and connect our members to enable collaboration, representation, networking, professional development and information provision to the philanthropic sector. This includes our annual Philanthropy Conference and representing the needs and views of the sector with both local and central government.
4. You can read a copy of PNZ's Briefing to the Incoming Minister [here](#).

### About the Philanthropic Sector

5. Philanthropic organisations, and the giving sector, are an essential part of our country's infrastructure that are working with communities all over the country to support areas of human, social, economic and environmental development. The philanthropic sector's grant and donation-based funding is worth around \$3.8 billion per annum<sup>1</sup> with the opportunity for significant growth, particularly given the current

<sup>1</sup> Those figures are from 2018, in the 2020 JB Were report, [link](#).





intergenerational transfer of wealth valued at over \$1 trillion, and growing corporate generosity. There are also substantial sums of capital funds available for investment.

6. New Zealand is currently ranked at number 17 on the World Giving Index 2024 (This list is headed by Indonesia, the US is number 6, and Australia is number 8).<sup>2</sup> Fundraising is dominated by the largest organisations with the largest 9% of charities receiving 91% of all donations.<sup>3</sup> Over half of New Zealand charities receive donations; and “mean charity income by source differs by charity sector and size, with smaller charities receiving most of their income from donations, medium-sized charities from government grants, and larger charities from service/trading activities.”<sup>4</sup>
7. The main groups that give for charitable and public benefit reasons in New Zealand are individuals/households, businesses, trusts and foundations. According to studies quantifying giving in New Zealand, around 62% of donations are made by private individuals (48% direct donations, 9% family and individual trusts and foundations, and 8% bequests), 8% by businesses, and around 30% by statutory trusts and societies (JBWere, 2020; GNZ, 2014, 2011, 2006).
8. Philanthropic funding is complementary to government funding, and not positioned to fill core service gaps. It supports innovative initiatives and offers important “risk capital” for social change in areas aligned to your Government’s focus. Evidence of impact from such initiatives can highlight solutions suitable to scale (especially under a social investment approach) and inform new policy development. Philanthropic funders and grantmakers are close to communities: building capability; supporting grass-roots action; and delivering impact through Te Tiriti based partnerships.

## The Opportunities

9. The key opportunity relates to recognising the value of the philanthropic sector and the increased impact that can be achieved through a coordinated strategy and approach to programming, shared data and insights, and building a culture that enhances philanthropic giving.

## Strategic Partnership

10. As reflected in the United Nations Sustainable Development Goals (SDGs) agreed to by member states, including New Zealand, partnerships are key for governments delivering on the targets in the goals and emerging challenges facing our nations. This includes the nine targets set by the New Zealand Government.<sup>5</sup> In preparing this paper we have considered the Government’s commitment to growing public-private partnerships and social investment, as outlined by Minister Willis in speeches and her paper to Cabinet<sup>6</sup> on this topic. We have also considered how to enable more philanthropy to thrive in New Zealand - taking into account sustainability and the “quality” of the philanthropic dollar and increasing the amount.

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<sup>2</sup> [Link](#)

<sup>3</sup> [Link](#)

<sup>4</sup> Pg 5, [Link](#).

<sup>5</sup> [Link](#).

<sup>6</sup> [Link](#).



11. There is a prime opportunity for the New Zealand Government to build a strategic cross-sector relationship with the philanthropic sector through PNZ. The strategic partnership should focus on shared sector priorities, and increased efficiencies in funding that maximises impact for communities, and addresses existing challenges, such as:
  - Siloed-working by Government and Philanthropic sectors in areas of common interest adds to the burden on communities and reduced impact from investment
  - Lack of engagement of philanthropic sector at policy and legislative development stage leads to implementation issues, unintended consequences and exclusion of relevant evidence
  - PNZ cannot meet current ad hoc / unplanned and increased demand from Government to broker critical connections and enable rapid engagement.
  
12. A strategic relationship between PNZ and key Government agencies offers:
  - Deep understanding of philanthropic organisations their operating context and priorities
  - Independent and apolitical stance with a long-term view
  - Agility and collaborative approach
  - Can be a trusted navigator, enabler, broker and advisor for the Government.
  
13. Expected outcomes from a strategic partnership include:
  - Complementarity of funding approaches around shared interests, which means diversity of options for achieving impact;
  - Government gains additional sources of community knowledge and networks, evidence of impact, and approaches to funding;
  - Opportunities to co invest capital funds to solve complex problems such as climate change solutions and affordable housing;
  - Outcomes above also result in greater return on investment; and
  - Ability to measure impact of formal structured relationship and continue to strengthen.

### **Blueprint and Action Plan**

14. One of the first actions that the new strategic partnership should seek to achieve is an agreed Blueprint / Action Plan for increasing philanthropic giving in Aotearoa. This would provide important strategic direction and leadership for philanthropy, and supports a foundation for the Government's commitment to public-private-charitable partnerships for addressing the most challenging issues facing our country. It would also help to ensure prioritisation and development of levers and actions that can help to support increased philanthropic giving, such as incentives through the tax system (e.g. increasing the donation tax refund and removing the exception that prevents charities to benefit from imputation tax credits), capacity-building and training, shared data, and education/campaigns.
  
15. The Australian Government and Philanthropy Australia have a shared vision and set a target of doubling philanthropic giving by 2030. They have developed a [Blueprint](#) to set out key cross-sector actions to help meet those targets. Some work is required to identify and test the right targets and levers for the New Zealand context and the nature of our philanthropic entities in Aotearoa.

### **Next Steps**

16. We are available to meet with you to discuss the issues raised in this submission. The best contact is our Chief Executive at [rahul@philanthropy.org.nz](mailto:rahul@philanthropy.org.nz).

18 October 2024

## **SUBMISSION TO PUBLIC SERVICE COMMISSION: FUTURE OF PUBLIC SERVICE INTEGRITY**

- ✓ What does a Public Service culture of integrity look like?
- ✓ How can New Zealand proactively address integrity risks in the future?

This submission is made by 9(2)(a) privacy

Brian Picot Chair of Ethical Leadership | Arithai  
at Te Herenga Waka | Victoria University of Wellington

Thank you for the opportunity to contribute to your second long-term insights briefing. I have attached the Institute of Business Ethics latest New Zealand report from their *Ethics at Work: 2024 international survey of employees*, for which I am the NZ National Partner. The survey was undertaken in 16 countries in April of this year and gives a solid baseline for not only the current position in New Zealand, but how that compares with fifteen other countries.

The report speaks for itself in most ways, but I would like to highlight four points:

- **ETHICAL CULTURE:** New Zealand employees are among the strictest towards ethically questionable practices, including inappropriate behaviour towards colleagues and using organisational resources for personal use – they recognise right from wrong. This is an important foundational position – but of concern, there are still a range of integrity violations to be seen in New Zealand workplaces and organisational pressures that can lead to unethical behaviour.
- **SPEAKING UP:** Worryingly, many employees choose not to speak up about misconduct that they see, or if they do, either experience some form of retaliation or otherwise are not satisfied with the outcome. This New Zealand position has deteriorated from previous surveys and compares poorly with other countries. Of the 16 surveyed countries, employees in New Zealand are the least likely to be satisfied with the outcome of speaking up.
- **ETHICS PROGRAMME:** There has been an increase in New Zealand employees reporting awareness of their organisation's ethics programme, especially with regard to receiving advice or helpline support regarding ethical behaviour.

- ETHICAL LEADERSHIP: New Zealand employees rate their experiences close to the global averages but two points are lower
  - Issues of ‘right and wrong’ are discussed less in New Zealand workplaces;
  - NZ employees perceive lower rates of ‘discipline’ for colleagues who violate ethical standards than their international peers.

In my view, efforts focussed on workplace culture, especially the strengthening of ethical leadership in managers and supervisors is required in New Zealand workplaces, including in the Public Service. Ethics programmes are necessary but not sufficient to inculcate an ethical culture where people feel safe to speak up about what needs to be improved to further strengthen public performance.<sup>1</sup>

According to Barry Quirk<sup>2</sup>: “*Ethical public leadership is behaviour and practice that encourages everyone to act responsibly and ethically in the public interest and for the public good, so that fairness, justice and equality characterise institutional and community outcomes.*”

And he further notes: *intentions are nowhere enough, thus while our intentions are good → our behaviour is not quite so good → and the impact of our actions barely registers.*

New Zealand has proudly reported its position in the Transparency International Corruption Perceptions Index over many years as being one of the least corrupt countries internationally. However, the IBE survey identifies structural weaknesses in the workplace, specifically with the practice of ethical leadership.

I would be happy to meet with you in due course to further outline steps that could be taken to strengthen the ability and confidence of public managers to better support ‘speak up’ programmes, to deal fairly with unethical behaviour when it occurs and to further embed ethics communication within the workplace. I see this as an important opportunity for the Public Service to be a role model for all new Zealand workplaces.

9(2)(a) privacy

Brian Picot Chair in Ethical Leadership | Aritahi  
Te Herenga Waka | Victoria University of Wellington

9(2)(a) privacy

<sup>1</sup> See further: <https://www.linkedin.com/pulse/ethics-work-aotearoa-new-zealand-high-standards-come-karin-lasthuizen-6tkpc/?trackingId=y0notSdtTRqgEAUHEH1Hsg%3D%3D>

<sup>2</sup> *An Ethics Primer: why do ‘do-gooders’ often get it wrong?*, August 2024, see also: <https://www.barryquirk.com>

# New Zealand

Ethics at Work 2024 country report

**Employees in New Zealand are among the least likely of the 16 surveyed countries to find each of the eight ethically questionable practices outlined to be acceptable. Although New Zealand compares favourably with other countries surveyed in relation to the percentage of employees who say that they have felt pressured to compromise on their organisation's standards of behaviour, and those aware of misconduct at work, these figures have increased compared to 2021.**

Compared to three years ago, employees in New Zealand say that they are as likely to speak up about misconduct: around six in ten employees have spoken up about misconduct that they have been aware of. However, employees are much less likely to be satisfied with the outcome after speaking up, which is at a record low compared to previous years (2018 and 2021). This is also the lowest of all countries surveyed. Around two in five employees say that they experienced retaliation after speaking up.

Organisations in New Zealand seem to have missed some opportunities to encourage dialogue and discussions around ethics internally. Although 4 in 5 employees say that people in their organisation know what is expected of them in terms of ethical behaviour, they are less likely than the global average to say that their line manager explains the importance of honesty and ethics in the work they do and that issues of right and wrong are discussed in staff meetings. Furthermore, they are not as likely to say that in their organisation's decisions about people are made fairly nor that their organisation disciplines employees who violate its ethical standards. This indicates that ethical leadership needs greater priority and further attention.

Compared to 2021, employees in New Zealand are more likely to say that they are aware of their organisations providing each of the four building blocks of an ethics programme. The biggest increase has been recorded in relation to receiving advice or having an information helpline about behaving ethically. Although awareness of advice and hotlines is still the least common of the four building blocks asked about, it is at the highest level ever recorded in this survey for New Zealand.

## Organisational culture



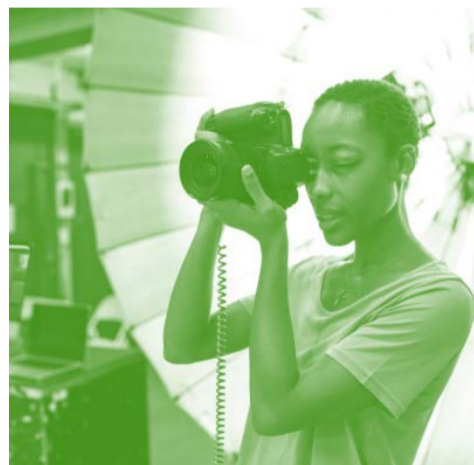
- Employees in New Zealand are among the least likely of the 16 surveyed countries to find each of the eight **ethically questionable practices** outlined to be acceptable. They are less likely than the global average to find each of the eight ethically questionable practices acceptable (18% vs 20% globally).
- Around nine in ten employees in New Zealand say that **honesty** is practised always or frequently in their organisation (85%), remaining consistent with findings in 2021(88%) and similar to the level who say this globally (84%). Employees in India (91%), Brazil (89%), Germany (89%) and France (87%) have a higher rating.
- Around one in eight employees in New Zealand say that they feel **pressured to compromise on ethical standards of behaviour** (12%) compared to 2021 when around one in ten employees said so (10%). This figure is below the percentage of employees who say so globally (15% global average). So, employees in New Zealand are among the least likely to feel pressured to compromise on ethical standards, alongside those in France (10%), the UK and Germany (both at 9%), and the Netherlands (7%). Around one in three employees in New Zealand who have felt pressured to compromise on ethical standards say that following their boss's orders (30%) is the **main source of pressure**. Notably, around one in four employees in New Zealand point to time pressure / unrealistic deadlines (26%), and feeling peer pressure to be a team player (26%) as other main sources.
- Around one in five employees in New Zealand reported being **aware of conduct** that they thought violated either the law or their organisation's ethical standards in the last year (23%). This figure in 2024 (23%) is statistically higher than in 2021 (16%), but similar to the percentage of employees who say this globally (25% global average in 2024).

## Speaking up



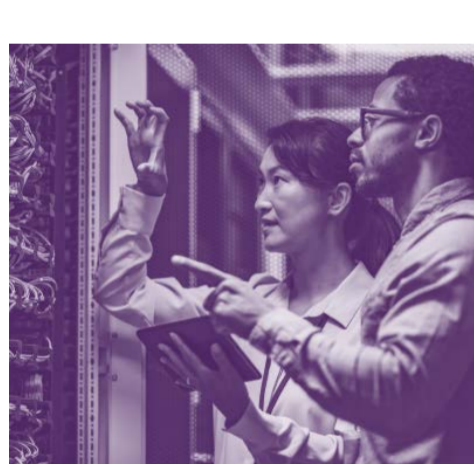
- Around three in five employees in New Zealand who were aware of misconduct **spoke up** about it with management, another appropriate person, or through any other mechanism (62%). This figure is similar to 2021 (61%) and the percentage of employees who say so globally in 2024 (64% global average).
- Of all those who did not report a concern, around one in three of them cited a fear of jeopardising their job (34%) as a **key deterrent to speaking up**. Notably, around one in four cited not wanting to be seen as a troublemaker by management (28%), a lack of belief that corrective action would be taken (28%), and that they felt it was none of their business (28%) as other key deterrents.
- Of those reporting a concern, around two in five (42%) say that they experienced a form of personal disadvantage or **retaliation** as a result. This figure is similar to 2021 (41%), but below the 2024 global average - where nearly half said so (46%).
- Around half of employees in New Zealand that spoke up say they were **satisfied with the outcome** after raising concerns (49%). This figure is the lowest level ever recorded for New Zealand in this survey and is much lower than in 2021 (58%), and the percentage of employees who say so globally in 2024 (71% global average). Of the 16 surveyed countries, employees in New Zealand are the least likely to be satisfied with speak up outcomes – a key area of concern that requires greater focus and attention.

## The ethics programme



- Compared to 2021 and the other surveyed countries, employees in New Zealand are more likely to say that they are aware of their organisations providing each of the four building blocks of an **ethics programme**. For example, 77% of them are aware of written standards of ethical business conduct in their organisation, compared to a global average of 71%.
- The biggest increase in awareness has been recorded in relation to employees in New Zealand saying that they are aware of their organisations offering advice or an information helpline where they can get advice about behaving ethically at work (57% vs 49% in 2021). This is at the highest level recorded for New Zealand in this survey.

## Embedding ethics through a supportive environment



- In New Zealand, 73% (vs 72% global average) of employees say that their **line manager** sets a good example of ethical business behaviour, 63% (vs 68% globally) say that their line manager explains the importance of honesty and ethics in the work they do, 73% (vs 72% globally) say that their line manager supports them in following their organisation's standards of ethical behaviour, and 71% (vs 71% globally) say that senior management takes ethics seriously in their organisation. Yet 31% (vs 38% globally) also say that their line manager rewards employees who get good results, even if they use practices that are ethically questionable.
- 77% (vs 76% globally) of employees in New Zealand say that their organisation **acts responsibly** in all its business dealings and 70% (vs 72% globally) that it lives up to its stated policy of social responsibility.
- Employees in New Zealand are also likely to have mixed views about how their organisation **engages with employees on ethics**. 82% (vs 78% globally) say that people in their organisation know what is expected of them in terms of ethical behaviour. However, they are not as likely to say that in their organisation decisions about people are made fairly (66% vs 67% globally) nor that issues of right and wrong are discussed in staff meetings (59% vs 62% globally).
- 61% of employees in New Zealand say that their organisation **disciplines** employees who violate its ethical standards. A higher percentage of employees say this globally (65%).

Key findings	→
France	→
Ireland	→
Portugal	→
South Africa	→
Spain	→



## National partner

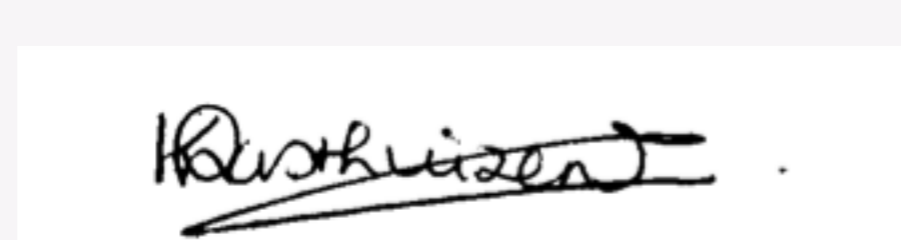


### The Brian Picot Chair in Ethical Leadership, Aritahi, Te Herenga Waka - Victoria University of Wellington, New Zealand

Professor Karin Lasthuizen is the inaugural Chair and contributes with her academic work to facilitating a transparent and ethically sound public and private sector in New Zealand.

The Ethics at Work Survey provides facts and figures that give important insights into employees' attitudes to and views on workplace ethics. They are key to help mitigate the risks that can lead to organisational failures, to improve the practice of ethical leadership and to lead New Zealand organisations towards sustainable business outcomes.

The 2024 findings also give us more knowledge about the recovery from the Covid-19 pandemic and its impact on workers and their workplaces, and help us make evidence-based decisions about how to move forward ethically in these still uncertain times.



Professor Karin Lasthuizen

Brian Picot Chair in Ethical Leadership - Aritahi

Website: [www.wgtn.ac/ethical-leadership](http://www.wgtn.ac/ethical-leadership)



**Te Pā Whakamarumarū**  
New Zealand Security  
Intelligence Service

## Submission: Future of Public Service Integrity

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<b>Date</b>	17 October 2024
<b>To</b>	Public service Commission, Long Term Insights Briefing Submission
<b>From</b>	New Zealand Security Intelligence Service

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The New Zealand Security Intelligence Service (NZSIS) supports a focus on the Future of Public Service Integrity for the Public Service Commission's next Long Term Insights Briefing (LTIB).

New Zealand benefits from high levels of integrity within the public service. This supports public trust and confidence, and contributes to the protection of information held by the New Zealand Government. Having a public service with high levels of integrity and an awareness of threats also plays a key role in making New Zealand a less permissive environment for foreign states to conduct foreign interference or espionage.

The NZSIS's interest in the proposed LTIB topic stems from our focus on the risk of foreign interference and insider threats to the New Zealand public service, and the agency's role in providing protective security advice and guidance to government agencies.

As the Government Protective Security Lead, the NZSIS plays a key role in supporting the public service to protect government information, particularly sensitive information. The NZSIS also supports agencies to manage foreign interference and insider threat risks as part of building and maintaining a strong security culture.

We provide a range of support to agencies to address these risks, including support to investigate and resolve personnel security issues involving national security, and vetting candidates for certain roles involving national security or public sector governance.

### ***What is foreign interference?***

Foreign interference is an act by a foreign state, often acting through a proxy, which is intended to influence, disrupt or subvert New Zealand's national interests by deceptive, corruptive or coercive means. Normal diplomatic activity, lobbying and other genuine, overt efforts to gain influence are not considered interference.

Foreign states seeking to interfere in New Zealand can do so through a variety of means. These can include targeting communities, the private sector, academic institutions, media and government institutions.

A small number of illiberal foreign states engage in foreign interference against New Zealand as a tool for advancing their interests. The level of foreign interference we see in New Zealand is an ongoing concern.

***How could foreign interference impact the integrity of the public service and how can integrity help prevent foreign interference?***

Foreign interference targeting the public service presents a risk to public service integrity. In respect to the public service, the goal of foreign interference would be to persuade officials to self-censor or encourage positions in line with the interests of the foreign state through deceptive, coercive or corruptive means. This kind of activity aims to undermine New Zealand's ability to make independent domestic and foreign policy decisions.

Due to the deceptive, corruptive or coercive nature of foreign interference, those subject to it may find themselves to be an unwitting participant. A strong Integrity culture that supports awareness of potential risks plays a critical role in reducing exposure to foreign interference risk. This is an important tool in combatting successful foreign interference's corrosive effect on the integrity of the public service.

From the point of view of the NZSIS, a culture of integrity in the public service is linked with a strong security culture. Robust protective security, especially personnel security, is a key part of building a public service culture of integrity and addressing integrity risks. Public servants should be aware of the potential risks of foreign interference, supported to manage potential risks, and know where to report any concerning behaviour.

We support agencies to implement the Protective Security Requirements (PSR), the New Zealand Government's best practice security policy framework. This framework provides advice and guidance to build security capability across the four pillars of security governance, personnel security, information security, and physical security. The PSR is mandatory for public service departments, the NZDF, NZ Police, Reserve Bank and Parliamentary agencies.

The PSR provides practical advice to agencies to manage potential foreign interference risks ([Protection against foreign interference | Protective Security Requirements](#)). In this new era of strategic competition it will become more important for the public service to manage these risks.

You can find more information on foreign interference, particularly targeting government institutions, and insider threats<sup>1</sup> in the recently released NZSIS report on New Zealand's security threat environment ([New-Zealands-Security-Threat-Environment-2024.pdf \(nzsis.govt.nz\)](#)).

***How might this differ between different types of government agency or function?***

The level of risk of foreign interference and insider threat differs depending on the work each public sector agency undertakes. Those with a focus on national security and foreign policy for example may have a higher risk. However, the risks are present for all public sector employees no matter which agency.

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<sup>1</sup> An insider threat is when individuals within organisations use their access to information, places, or systems to intentionally or unintentionally cause harm.

As the strategic environment becomes more complex and contested, it will be important to ensure that agencies and their staff remain alive to those risks and supported to manage them. The NZSIS sees a focus on public service integrity as an opportunity to bring awareness of these risks and how we can support our public sector colleagues to respond.

Should this topic be selected for the Long Term Insights Briefing, we would welcome the opportunity to contribute.

Ngā mihi nui



**Andrew Hampton**

Te Tumu Whakarae mō Te Pā Whakamarumarū  
Director-General of Security, New Zealand Security Intelligence Service





## Regional Public Service feedback on the topic for the second PSC Long Term Insights

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18 October 2024

The Regional System Leadership Framework (RSLF) was developed in 2019 to give effect to the Public Service Act 2020, focusing on building a unified public service, supporting Te Tiriti, strengthening regional leadership and promoting the spirit of service. Eleven Regional Public Service Commissioners were appointed with a mandate to convene the public service to work collectively on complex challenges that require cross agency responses. The RSLF utilises a locally led, regionally enabled and nationally supported approach to support a realignment of the public service to meet the Act objectives. Further information on the RSLF is provided in Appendix One.

We therefore consider the third topic of the Future of Public Service Organisations is an important and timely area to develop further insights and direction that will support the objectives of the Public Service Act. We consider that this topic will be the most effective at driving change as it encompasses aspects of all three nominated topics. When Public Service agencies are organised and governed effectively, the public service workforce and the public service's integrity will also flourish.

### Topic 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?

To best address the complex problems facing New Zealand in the future, Public Service agencies should be organised in ways that promote flexibility, cross-agency collaboration, local decision making, and the ability to adapt to rapidly changing circumstances. These organisational strategies will enable agencies to respond more effectively to complex, interconnected challenges like climate change, population ageing, inequality, and declining public trust.

There is an opportunity through this topic to consider the role of the RSLF to date in driving system change and to continue aligning and strengthening the framework to achieve the objectives of the Public Service Act.



Although the RSLF has been a key strategy to drive system change and has progressed many of the new ways of working set out below, there remains ongoing challenges to sustain and embed changes due to structural and system barriers within the public service.

We consider the following areas as key opportunities for further development through the work of the long-term insights to identify the public service system changes needed that can unlock the full potential of the public service to better meet the needs of all New Zealanders:

### **Horizontal and Cross-Agency Collaboration**

- **Break Down Silos:** Agencies can tend to default back to vertical, siloed ways of working, particularly in times of financial or workforce constraints. The future public service should move toward horizontal collaboration, where multiple agencies work together on shared challenges.
- **Cross-Agency Working Groups:** Working groups that draw from multiple agencies can ensure a more integrated approach to problem-solving. Cross agency working should be considered part of an agencies BAU approach and be empowered to coordinate resources and expertise from across government.

### **Supporting Local Decision Making**

- **Powering up communities:** In alignment with the approach of the RSLF, local authorities and communities are often better positioned to understand and respond to their unique needs. Supporting more local decision-making through strengthened regional and local leadership structures can enabling communities to develop tailored solutions and improve service delivery and responsiveness.

### **Whole-of-Government Leadership**

- **Strengthen Cross-Agency Leadership:** Future governance models should continue to drive whole-of-government leadership collaboration that oversee coordination across departments and agencies. These leadership structures should seek to support locally led responses to regional and government priorities, ensure policy coherence as an enabler, and facilitate resource sharing between agencies.

### **Integrated Service Delivery Models**

- **Co-location and One-Stop-Shop Service Centres:** To improve accessibility, public services could be integrated into co-location hubs or one-stop-shop models, where people can access multiple government services from a single point of contact.



## Coordinated Resource Management

- **Shared Services Models:** Develop shared services models for back-office functions like procurement, IT, and human resources. Centralizing these services can reduce duplication, lower costs, and free up agencies to focus on core missions. For example, a central IT agency could provide cybersecurity services for all public agencies, ensuring consistency and efficiency.
- **Resource Allocation and Pooling:** Introduce mechanisms for resource pooling across agencies for large-scale projects, especially in areas like climate adaptation and emergency management. By pooling resources, agencies can respond more quickly to crises and share the costs and benefits of major investments.
- **Digital Platforms for Collaboration:** Lack of ability to digitally collaborate cross-agency is a common barrier for public service mahi. Advanced digital tools can enable better collaboration across agencies, allowing for real-time communication, data sharing, and joint problem-solving. Public Service agencies should invest in improving digital platforms that facilitate cross-agency coordination and enable virtual collaboration between geographically distributed teams.
- **Improved Public Service Workforce Induction:** Public Service workforce should be pro-actively trained on the Public Service Act and the expectations to work in cross-agency collaboration as part of their roles.

We look forward to the work of the second long term insights commencing and would welcome the opportunity to contribute to the development of your report.



## Appendix One

### Regional System Leadership Framework - Driving System Change

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#### **The goal of the RSLF is to support a unified public service and better outcomes for the communities we serve**

Regional Public Service Commissioners enable the objectives of the framework through:

- supporting a unified and effective public service approach to supporting and enabling the aspirations of iwi/Māori and communities
- bringing together agencies that may have important levers and perspectives to address the issues that matter to communities
- building enduring partnerships and relationships with iwi/Māori, local government, community organisations, businesses and communities, enabling more collective and effective engagement with the public service.

### Regional Public Service Commissioner Role & Scope

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#### **Responsibility**

RPSCs are senior public servants appointed to represent the Public Service and support coordination at a regional level. RPSCs do not have the mandate to direct the funding and activities of individual agencies.

In July 2021, Cabinet agreed to expand the scope of the Regional System Leadership Framework (RSLF) to include the social, economic, skills and workforce, and environmental sectors; and strengthen the Regional Public Service Commissioners (RPSC) mandate to convene, resolve, and escalate across the Public Service.

Regional Public Service Commissioners are expected to:

- **convene:** bring together, coordinate and align central government decision-makers as it relates to regional leadership, planning, and delivery of outcomes for communities.
- **resolve:** coordinate with officials to resolve barriers to achieving outcomes for communities. This can include working collaboratively with iwi/Māori, local government and regional stakeholders.



- **escalate:** identify and raise issues with relevant Chief Executives groups, where resolution cannot be achieved at a regional, work programme or single agency level; this will be done through the system leader for regional public service.

## **Regional Public Service and Regional Leadership Groups**

RPSCs have the mandate to convene the Regional Public Service (RPS) as a group to work collectively together. Regional Leadership or Governance groups comprising iwi, local government, and community leaders have evolved to meet the needs of their own communities. The regional public service groups meet regularly with regional leadership either through existing local governance groups or a through a regional leadership group hosted by the RSPC.

## **Regional Priorities**

Each region has a set of regional priorities that span across the social, economic and environmental sectors. The priorities reflect what is most important to communities, iwi Māori and local government, based on discussions to date. They identify key strategic issues that are currently impacting the most on the wellbeing of communities in their regions. They are focused on what the public service, at a regional level with their partners, can leverage and impact by working together for better wellbeing outcomes.

Regional priorities are also aligned to support the delivery of Government of the day priorities.



# REGIONAL SYSTEM LEADERSHIP FRAMEWORK: GOVERNANCE AND ROLES

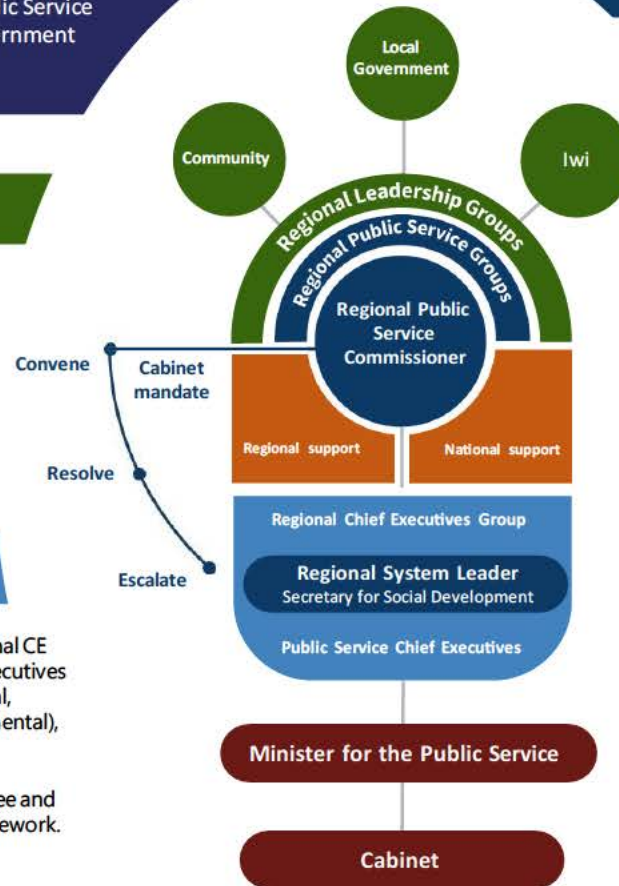
The framework is implemented by Public Service Leadership in regional and central government across agencies and domains.

## Regional Leadership Groups

- Iwi, local and central government, and community leaders have regular hui to understand community aspirations and collaborate on solutions.
- RPSCs have the mandate to convene the Regional Public Service (RPS) Groups to work collectively with Regional Leadership Groups.

## Regional Chief Executives Group

- Regional System Leader convenes a Regional CE group consisting of public service Chief Executives representing each of the four sectors (social, economic, skills & workforce and environmental), iwi/Māori and local government.
- The Regional Chief Executive Group oversee and provide sector representation for the framework.



## Regional Public Service Commissioners

- Senior public servants appointed to represent the Public Service Commissioner as Head of Public Service in the regions.
- They work across each region with a mandate to convene central and regional decision makers, resolve issues at the regional level, and escalate issues to the relevant national decision makers.
- Each RPSC is supported by a Director and Advisors.

## National Support Functions Regional + national support

- Hosted by MSD but with a cross-governmental mandate. Provide system support to implement the framework to succeed both nationally and regionally.
- Supporting RPSCs in their role and providing policy and systems advice to the Regional CE Group and Ministers.

## Regional System Leader Secretary for Social Development

- Appointed under s56 of the Public Service Act 2020.
- Work with CE groups on behalf of the Public Service Leadership Team. The System Lead coordinates public service activity at the regional level and is responsible to the Minister for the Public Service.

## Public Service Long Term Insights Briefing

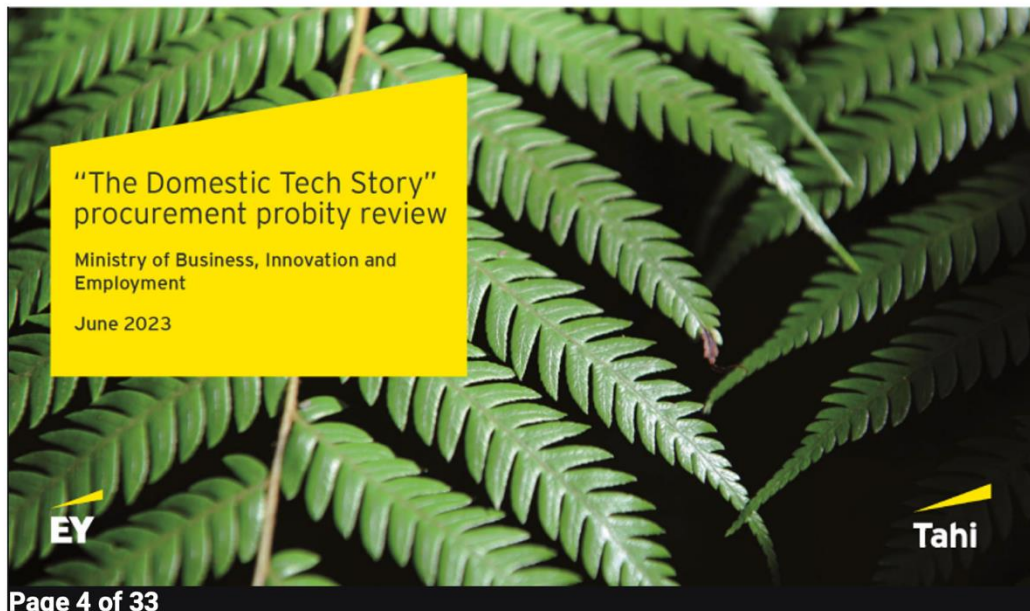
### Introduction

Trust and integrity in New Zealand's public sector has been falling. Underpinning all decision-making must be a willingness and ability to consider process and outcomes through an ethical lens.

The Public Service however appears deeply conflicted through internal relationships that have been borne out of decades of collegial relationship building across departments that over time create and intensify loyalty to each other – at the expense of service to the peoples of New Zealand. This public sector mindset creates a level of defensiveness and denial from criticism and prevents behaviour based on fairness, openness to scrutiny and an ability to consider actions, attitudes and decisions from the perspective of those who are impacted.

The passing of the 'updated' Protected Disclosures Act is one example where an excellent targeted and broader consultation that encouraged gnarly thinking and reflection became, over time, so diluted that the outcome was a half-hearted and clearly moderated attempt to maintain the past. It is noteworthy that the SFO, Ministry of Justice and the Ombudsman did not consider that the changes had gone far enough and that further work was needed. Notable too was the fact that the initial public servants who started the work and drove new lines of approach and thinking both resigned from the public service prior to the final drafting of the Bill.

Another example is the EY Procurement Probity review which highlights shocking flaws in process. It reveals and exposes the ability of a conflicted panel of public service employees to allegedly justify discharging \$3.6m of taxpayer money to a former colleague despite originally stating that there would be fair consideration of entities and representatives for the disadvantaged group. There is insufficient time and space to provide more insight on this specific procurement issue but the list is lengthy.



## Public Service Long Term Insights Briefing

### Future of Public Service Integrity

1. How can New Zealand proactively address integrity risks in the future?

The briefing document alerts to foreign interference and AI. In doing so it diminishes, dissuades if not trivialises any discussion around the internal culture of public service organisations and behaviours of public sector employees. It yet again reflects a mindset that public servants can do no wrong.

The later reference to technologies that increase efficiency, but must also ensure public confidence, is troublesome. Public confidence is equally eroded when there is an entrenched attitude of doing things the way they were always done. To believe that only one aspect determines the strength of public confidence is unreasonable.

My thoughts to proactively address integrity risks include:

#### **1.1 Recruitment decisions that value diversity of thought and personality.**

The public service is, I believe, well known for demanding compliance at the expense of rigorous debate, innovative thinking and challenge. A 'safe pair of hands' is common descriptor. Effectively reviewing and assessing how recruitment decisions and appointments are made may work to undermine cosy relationships and over bearing authority that seemingly favours obedience over the opportunity for transformational change.

#### **1.2 A willingness to accept that public servants 'don't know it all' nor do the bigger and costlier entities.**

Engaging with and commissioning the talent/resources of smaller, newer entities constitutes a wise development and is to be encouraged across public sector procurement culture. Reporting against a standard that could be developed is the only way to secure this.

In so doing there needs to be recognition and insight that the investment of time and effort involved in preparing both submissions and tenders needs / could include payment.

Some individual and smaller entities could be targeted to promote diversity of thought without compromising their business model.

Currently consultation documents perpetuate engagement with those person and businesses who can afford 'unpaid labour' and the risk of not being able to recoup time and resource.

This is not the business population at large and disadvantages if not negates input from a broader cross section of society/businesses.

I personally don't believe that procurement or consultation processes upholds the public sector spirit of fairness. Looking specifically at consultation and submission writing the process favours those that can afford to commit to often lengthy report writing in an unpaid capacity. Targetted consultation is not any better. Charities have to veer away from their charitable purpose in order to be heard.



## Public Service Long Term Insights Briefing

Perspectives that are found useful are never attributed and would seem to exploit goodwill.

On this basis it appears that, repeatedly, NZ's public sector executives turn to consulting firms characterised by established networks, profile and expense. This holds the potential to create a 'pleasing' arrangement that works against honest conversations in favour of winning the next piece of work.

The development of short listed / pre approved companies also requires review. Too often, once shortlisted, companies are able to price gouge or deliver poor quality as employees come and go and incentives change.

Public sector employees know this is happening but rarely speak up.

The public sector need to do more to facilitate procurement and consultation through, potentially, gaining the information they want through site and office visits and preparing material for review. Encouraging 'other ways' to source information/opinions/ experiences is needed.

### **1.3 Encouragement and incentives to accept and explore innovation**

The public service also has a reputation for rejecting innovation – alluded to with reference in the briefing paper to technology assisting efficiency but having the potential to undermine confidence. NZ's housing crisis (disaster) is an example of this. As the former CEO of an industry good organisation that represented both forestry and wood processing significant attempts to brief senior executive at MBIE about the benefits of engineered timber and offsite manufacture along with prefabrication were swept aside. It was futile and no one from the public sector made the effort to gain the knowledge that would have transformed house building at scale.

Professional lobbyists held too much sway – and this group subverts fairness.

Resistance to new ways of thinking from within the public sector is never checked. There is nowhere to escalate or raise concerns.

Using the same example, only after a senior MBIE executive was appointed a judge ( a role that was difficult to turn down) for the Timber Design Awards that awareness of the innovation that had been ongoing within the wood processing and engineering sectors was fully understood.

The significant benefits to the construction sector continue however to edge along.

Offsite construction companies that offered exceptional efficiencies and throughput have gone bust while traditional and slow construction methods have been favoured across the public sector.

Being open to new ideas, enabling relationships outside of existing networks, accepting new opportunities to deliver, change adept cultures are critical indicators of a thriving economy.

## Public Service Long Term Insights Briefing

Also, lobbyists require effective management. How galling it is to know that paid professionals get access to public sector officials with ease for personal commercial gain without necessarily

having any committed or sincere interest in an issue. From liquor licensing, to gun control to animal welfare to – many of the people or communities who are most impacted or most concerned (particularly from an ethics perspective) don't get fair access.

### **What does a Public Service culture of integrity look like?**

Visible and accessible employees – across all levels

An absence of anonymity – faceless and nameless public servants do not assist in building trust and confidence.

Recognition that external inputs add value and attribution of input

Regular review of unpaid consultation rounds to determine whether a socio economic or big business bias is evident .

Commitment and processes to apply or check against ethical values to operational decisionmaking.

Embedded speak up programmes along with transparency and disclosure around matters raised.

Embracing speak up at a level that goes beyond the Protected Disclosures Act that is cumbersome and undermining – employees too often wait for a serious threshold to be reached so multiple instances of small wrongdoing are overlooked. This cuts to the core of public sector integrity.

Replacement of the Code of Conduct with a Code of Ethics that also embraces Ti Kanga- it should be complete examples of what is and isn't ethical behaviour

Personal accountability for the power and influence they hold and the income they earn.

### **How Can New Zealand proactively address integrity risks in the future?**

Commitment to ethics training and ethical leadership, commitment to ensure that conflicts of interest are prevented and procurement panels and other panels are carefully vetted. Adherence to Codes of Ethics to be embedded in contracts.

Enable and encourage the engagement of subject matter experts.

Creating an Office of the Whistleblower – providing anonymous reporting for public servants – and the broader public who are confronted with unethical behaviour of public servants – without needing to reach a gross or serious threshold.

### **How might this differ between different types of Government agency or function?**

Codes of ethics should reflect the key threats and conduct risks. While there may be an overarching Code, each sector/area should be tasked with developing, training and reporting against their values and their speak up programme. There should be no exceptions. Further all speak up programmes must be endorsed, supported by all executive management teams and, critically, overseen or monitored by independent, non public sector resource .

Te Kawa Mataaho | Public Service Commission  
Long-term Insights Briefing Team  
[By email: [longterminsights@publicservice.govt.nz](mailto:longterminsights@publicservice.govt.nz)]

23 October 2024

**Re: Amazon Web Services New Zealand Limited comments on topics for the Kawa Mataaho Public Service Commission Long-term Insights Briefing**

Amazon Web Services New Zealand Limited (AWS) is grateful for the opportunity to comment on topics for the Kawa Mataaho Public Service Commission's proposed second *Long-term Insights Briefing (LTIB) on the future of the New Zealand public service*.

AWS is the cloud computing arm of Amazon.com, Inc. AWS has been operating in New Zealand for more than 10 years, and employs more than 150 staff in New Zealand. In September 2021, AWS announced plans to launch an [AWS Region in Auckland](#). This investment, of an estimated NZ\$7.5 billion over 15 years, will create 1,000 new jobs and contribute an estimated NZ\$10.8 billion to New Zealand's Gross Domestic Product (GDP) in the same timeframe. In May 2023, we launched [AWS Local Zones in Auckland](#), providing New Zealand customers with access to AWS services in-country.

In July 2022, AWS announced an [all of government Cloud Services Agreement](#) with the Department of Internal Affairs to provide cloud services to government departments, agencies, councils, universities, tertiary institutions, and schools. Through this agreement, AWS provides New Zealand's public sector agencies with the tools and flexibility to build modern digital services so they can innovate on behalf of citizens using secure, cost-effective cloud services. In 2023, AWS and the New Zealand Government signed a [Memorandum of Understanding \(MoU\)](#) to drive innovation across the economy, and accelerate digital transformation. Through the MoU, AWS and the New Zealand government have a foundation for long-term collaboration in areas of cloud adoption, innovation, advanced digital skills, sustainability, and cyber security.

At AWS we are deeply invested in the role technology has to play in responding to the challenges and opportunities identified in the Public Service Commission's consultation paper. We believe that cloud technologies, and cloud enabled technologies including artificial intelligence (AI) and machine learning (ML) are transformational technologies still in the early stages of adoption. As is the case with other organisations, it is important that the New Zealand Public Service has the capabilities necessary to utilise these technologies to their full potential.

New ways of working — both at the individual and organisational level — will be required to address the challenges identified in the consultation paper. To this end, we welcome the Commission's proposed LTIB topic, *the Future of the New Zealand Public Service*. We support the scope and the direction of the three topics identified: the future of the public service workforce, the future of public service integrity, and the future of public service organisations. We acknowledge that the three topics are connected and believe that all three are a high priority for consideration in the LTIB.

**Future of the Public Service workforce**

AWS agrees that the LTIB should focus on how the future New Zealand Public Service workforce can become highly adaptable, tech-savvy, and diverse to deliver effective citizen services, and work alongside all communities. As technologies like generative AI and cloud evolve and reshape how work gets done, the Public Service workforce will require strong digital literacy, and capabilities to

work with data analytics and automation tools. The workforce will need to be equipped with the skills and capacity to apply emerging technologies responsibly.

AWS suggests a further topic of focus on how the New Zealand Government can leverage the expertise of the private sector in building workforce capability. Leading technology companies, including AWS, possess cutting-edge knowledge and best practices with emerging technologies, data analytics, cybersecurity, cloud computing, and agile product development methodologies. Having supported the digital transformation of governments globally, industry is often able to bring valuable third-party insights to government.

A focus of the AWS-New Zealand Government MoU is to help New Zealanders to upskill to support current and future workforce needs. To help deliver the necessary training to foster more local talent, AWS announced a goal in partnership with the New Zealand government to provide cloud training opportunities for 100,000 people over five years through a range of programs, including AWS Skill Builder, which provides over 600 free on-demand cloud courses online to all New Zealanders, including the Public Service workforce. By expanding public-private collaboration models, the government can provide this workforce with training, professional development, and hands-on experience from private sector experts.

An innovation mindset in the public sector workforce is vital for addressing the global and domestic trends and opportunities facing New Zealand. Here again, the private sector may be able to provide insights and methods to support the Public Service of the future in shaping its own innovation culture. Amazon's Culture of Innovation<sup>1</sup> centres on four pillars: a culture of customer centricity; mechanisms (processes) to efficiently and effectively achieve outputs; digital architecture and platforms to enable innovation; and organisational structures that enable small teams to develop solutions and deliver priorities. Amazon also has a "Working Backwards" mechanism, which starts with the customer experience and designs solutions to meet their needs, which can drive public sector transformation. This customer-centric mindset shifts focus from internal processes to understanding citizen needs, leading to innovative, streamlined services. An innovation and customer centric mindset will complement the use of new technologies such as generative AI. This will ensure that new technologies increase productivity and support data-driven decision making, while also ensuring that that public trust and accountability is enhanced.

### **Future of Public Service Integrity**

AWS supports the focus on the Future of Public Service Integrity and the outlined focus on how to maintain and grow public trust for government institutions and the public service. We suggest that this topic take into consideration how technology can support a culture of integrity in the public service and build public trust.

Generative AI and ML can increase efficiency, speed, and analytical capabilities across policy, service delivery, and operations, thereby helping grow trust in the effectiveness of the Public Service. These technologies can also be used to enhance the capacity for the public service to detect and respond to public concerns such as around fraud, both quickly and at scale. At the same time, questions about accuracy, bias, explainability, privacy, and potential for misuse or harmful outcomes of AI need to be addressed as risks to public trust. As the public service leverages AI, robust governance frameworks and both policy and technical "guardrails" are important to mitigate these risks, while still allowing space for responsible innovation. These guardrails can be built into how these

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<sup>1</sup> Please see: <https://aws.amazon.com/blogs/publicsector/building-culture-innovation-better-serve-citizens/>

technologies are deployed and used and mapped directly to organisational policies and risk frameworks.

Private sector companies that are themselves developing ways of working responsibly with new technologies, are well placed to share insights on their experiences with public sector colleagues, and we would be willing to do so if the Public Service Commission was interested. At AWS we take a practical approach to transform responsible AI from theory into practice, coupled with tools and expertise, that enable AWS customers to implement responsible AI practices effectively within their organisations. To date, we have launched over 70 responsible AI capabilities and features, published or funded over 500 research papers, studies, and scientific blogs on responsible AI, and delivered tens of thousands of hours of responsible AI training to our Amazon employees. AWS also continues to expand its portfolio of free responsible AI training courses for people of all ages, backgrounds, and levels of experience.<sup>2</sup>

### **Future of Public Service Organisations**

AWS agrees with the consultation paper's assessment that cross-cutting issues like climate change, democratic distrust, and an aging population, will challenge traditional Public Service organisational structures and operating models. We support the focus on horizontal models of organisation and local self determination to solve complex social challenges. Machinery of Government changes can be costly and time consuming, and should be augmented by other options to de-silo government including setting the shared vision and outcomes with top-level support, establishing cross sector and multi-disciplinary project teams to design and deliver solutions, and provide access to common digital platform capabilities, services and shared data.<sup>3</sup>

We recommend that the LTIB explore how more decentralised, networked organisational structures and operating models can tap into the capabilities of other sectors. Rather than solely relying on traditional hierarchies, the Public Service should look to build broader networks and collaborations with corporations, non-profit organisations, philanthropic entities and communities that leverage their expertise, resources, and differing perspectives.

Cross-sector partnerships and collaborative networks can help to inject new ideas, technologies, funding and diverse skillsets to tackle future challenges in a more holistic, coordinated manner. For example, engaging companies like AWS and social entrepreneurs could help spur public service innovation around sustainable solutions and test new service delivery models that are aligned to government policy priorities and shared outcomes. Relationships with Māori communities and organisations, local non-profits, and community leaders can strengthen self-determination, community-led policymaking, and service delivery. The LTIB could explore the different ways in which the Public Service can source and co-develop solutions and ensure policies and services meet the evolving needs of all New Zealanders.

### **Other topics**

We propose the following topics for consideration in the LTIB, and would be pleased to elaborate on these further if there is interest:

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<sup>2</sup> Please see for more detail: <https://aws.amazon.com/blogs/machine-learning/a-progress-update-on-our-commitment-to-safe-responsible-generative-ai/>

<sup>3</sup> Please see: [https://d1.awsstatic.com/institute/AWS-Institute-Digital-service-design-and-policy-implementation.pdf?did=psr\\_card&trk=psr\\_card](https://d1.awsstatic.com/institute/AWS-Institute-Digital-service-design-and-policy-implementation.pdf?did=psr_card&trk=psr_card) and <https://d1.awsstatic.com/institute/AWS-Institute-Accelerate-public-service-transformation-with-the-cloud-report.pdf>

1. **Digital public infrastructure fit for the future<sup>4</sup>** - this topic would focus on the foundational digital capabilities that the Public Service needs to facilitate efficient and secure interactions within society, such as proving identity, paying for goods and services, proving an entitlement, or sharing data. Having a robust, cloud-based digital backbone provides shared capabilities for verifying identity, collecting form data, sending notifications, making payments, and issuing certificates—and means that public agencies are able to assemble a new digital service in a matter of days. With such reductions in delivery timeframes, shared digital public infrastructure also makes experimentation quicker, cheaper, and easier, leading to increased innovation.
2. **Moving towards more participatory decision making-** technology will lift citizen expectations about open government and the ability to influence policies and decision making in real time. Citizen engagement models should evolve to empower more participatory decision-making by the public, supported by cloud technology, a workforce with the requisite digital capabilities, and service-oriented culture.
3. **The productivity and efficiency imperative** - resource productivity and operational efficiency can be improved through measures like the use of shared services, common digital platforms, optimized processes, and strategic workforce planning. This will allow the public sector to reallocate funding towards priority areas while operating in a fiscally constrained environment. The use of new technologies can significantly improve not only productivity but can also reduce the costs of maintaining legacy technology infrastructure. A future-fit Public Service should establish modern digital foundations to support the use of newer technologies such as generative AI, robotic process automation and workforce transformation to respond to increasing economic and cost pressures.

Thank you for the opportunity to provide our input at this early stage of consultation for the LTIB. We would welcome the opportunity to engage further as the LTIB progresses and would be pleased to meet with the LTIB team to discuss any of the foregoing in more detail. As a practical next step, for example, we'd be pleased to offer Public Service Commission staff the opportunity to participate in a workshop in Wellington to explore the Amazon Culture of Innovation and Working Backwards methodologies.

Should you have any questions or if you would like to discuss this submission please contact 9(2) [redacted] or 9(2)(a) privacy [redacted] (a) i

Yours sincerely,

9(2)(a) privacy [redacted]

Head of Public Policy, New Zealand  
Amazon Web Services

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<sup>4</sup> Please see: <https://aws.amazon.com/blogs/publicsector/digital-public-infrastructure-high-priority-governments-worldwide/>