



# SSC REPORT

IN CONFIDENCE

## Appointment: Secretary to the Treasury and Chief Executive, The Treasury

**Date:** 5 June 2019

**Report No:** SSC2019/0181

**Contact:** Kellie Coombes, Acting Deputy Commissioner

**Telephone:** 9(2)(a)

	Action Sought	Deadline
Hon Chris Hipkins <b>Minister of State Services</b>	Sign and lodge the attached Cabinet Appointments and Honours Committee (APH) papers	<b>By 13 June 2019</b>

**Enclosure:** Yes

### Executive Summary

- 1 The State Services Commissioner intends to appoint Dr Caralee McLiesh as Secretary to the Treasury and Chief Executive, The Treasury.
- 2 The Minister of Finance, Hon Grant Robertson, has been briefed and is supportive of the proposal to appoint Dr Caralee McLiesh to the role.
- 3 In accordance with section 38 of the State Sector Act 1988, the State Services Commissioner is required to consult with you and the Prime Minister before finalising the terms and conditions of employment for Dr Caralee McLiesh. Your office will receive a letter that details the relevant terms and conditions for Dr Caralee McLiesh.

### Recommended Action

We recommend that you:

- a **sign and lodge** the attached APH paper regarding the appointment of Dr Caralee McLiesh as Secretary to the Treasury and Chief Executive, The Treasury, for consideration by APH on 19 June 2019.

Lodged / not lodged

Hon Chris Hipkins  
**Minister of State Services**

IN CONFIDENCE

Chair  
Cabinet Appointments and Honours Committee

**Appointment: Secretary to the Treasury and Chief Executive, The Treasury**

- 1 The State Services Commissioner (the Commissioner) has forwarded to me, as the Minister of State Services, a recommendation for the appointment of Dr Caralee McLiesh PSM to the position of Secretary to the Treasury and Chief Executive, The Treasury, under section 35 of the State Sector Act 1988 (the Act).
- 2 I now submit the Commissioner's recommendation, attached under this coversheet, to the Cabinet Appointments and Honours Committee for consideration and referral to the Governor-General in Council, via Cabinet.
- 3 The Responsible Minister and I have been consulted by the Commissioner about this appointment.
- 4 The Commissioner will consult the Prime Minister and I before finalising conditions of employment for Dr Caralee McLiesh, including her term of appointment, as required under section 38 of the Act.

**Recommendations**

- 5 I recommend that Cabinet:
  - 1 **accept** the recommendation of the Commissioner to appoint Dr Caralee McLiesh to the position of Secretary to the Treasury and Chief Executive, The Treasury;
  - 2 **refer** the recommendation and the attached curriculum vitae to the Governor-General in Council;
  - 3 **note** that the Commissioner is consulting with the Prime Minister and the Minister of State Services before finalising terms and conditions of employment with Dr Caralee McLiesh;
  - 4 **note** that under the Act, the Commissioner is required to publicly announce appointments; and
  - 5 **note** that, subject to the Governor-General's acceptance of the Commissioner's recommendation, the Commissioner intends to:
    - 5.1 publicly announce the appointment of Dr Caralee McLiesh; and
    - 5.2 proactively release associated documents on the State Services Commission's website.



Hon Chris Hipkins  
**Minister of State Services**

30/5/19

5 June 2019

Hon Chris Hipkins  
Minister of State Services

## **Appointment: Secretary to the Treasury and Chief Executive, The Treasury**

### ***Proposal***

- 1 I recommend that Dr Caralee McLiesh PSM be appointed to the position of Secretary to the Treasury and Chief Executive, The Treasury (Secretary to the Treasury) for a five year term.
- 2 Dr McLiesh is currently Managing Director at Technical and Further Education (TAFE) New South Wales (NSW). She has been in that role since September 2018, where she is leading the transformation of TAFE NSW to become a more modern, competitive and sustainable organisation.
- 3 Prior to this, Dr McLiesh was employed at NSW Treasury in several Deputy Secretary roles from 2008 - 2018. In 2017, she was awarded the Public Service Medal of Australia for outstanding public service to social impact investment policy and reform in NSW.
- 4 Dr McLiesh is a highly experienced executive leader with specialist expertise in financial and economic policy leadership. She has over 20 years' experience in government, international, not-for-profit, and commercial sectors, in which she has led large, complex reforms with multiple stakeholders to improve citizen outcomes.
- 5 During her time at NSW Treasury Dr McLiesh led the development of State Budgets, covering AUS\$80 billion operating expenditure and AUS\$350 billion assets.
- 6 Dr McLiesh is a seasoned official with a track record of leading large-scale transformational organisational change. She draws on her strong economic and investment policy background to deliver significant whole-of-system results by working key relationships to drive change.
- 7 Dr McLiesh holds a Bachelor of Economics with First Class Honours from the Australian National University. She also holds a PhD in Finance from the University of Melbourne. Her thesis investigated the development of a comprehensive theory of takeover activity. She has published several reports and books through the World Bank press as well as research papers in economic journals.
- 8 I consider that Dr McLiesh has the necessary skills and experience to successfully lead The Treasury. A copy of her summarised curriculum vitae is attached.
- 9 I propose that you forward my recommendation to Cabinet for referral to the Governor-General in Council. A warrant for execution by the Governor-General is attached.

### ***Background***

- 10 On 27 June 2019, a vacancy will be created in the Secretary to the Treasury role when Mr Gabriel Makhlouf will finish his appointed term.

- 11 Mr Makhlof has been the Secretary to the Treasury and Chief Executive since 28 June 2011.
- 12 The key statutes that The Treasury administers are: Public Finance Act 1989; Part 4 of the Crown Entities Act 2004; State-owned Enterprises Act 1986; and all legislation relating to the annual Budget.
- 13 The Treasury is the Government's lead economic and financial adviser, with a vision to be a world-leading Treasury working towards higher living standards for all New Zealanders.

#### **Requirements of the Position**

- 14 The Secretary to the Treasury is responsible for leading and overseeing New Zealand's public finance system.
- 15 The Secretary to the Treasury will be accountable for providing strategic policy advice on the New Zealand economy and producing a range of publications and economic data; monitoring and managing the financial affairs of the Government; assessing public sector proposals which have economic and financial implications; monitoring commercial and other organisations the Government has an interest in; and delivering operational services through its debt management and New Zealand export credit roles.
- 16 The position description was considered by the Cabinet Appointments and Honours Committee on 28 November 2018 and confirmed as the basis for recruitment to the role [APH-18-MIN-0307].
- 17 The Secretary to the Treasury will support the Minister's priority areas of:
  - refreshing the macroeconomic framework (fiscal, monetary and financial stability) to ensure it is fit for purpose for the next twenty years, including driving the further development of a wellbeing approach;
  - leading the organisation through a culture change that will result in a deeply embedded wellbeing and integrated economic perspective; and
  - advising and implementing strategies regarding the Crown's balance sheet including: debt, risks, contingent liabilities, and the government's investment in companies and other entities.

#### **Selection Process**

- 18 I have undertaken a comprehensive recruitment and assessment process for the next Secretary to the Treasury, including the engagement of external executive search and assessment consultants.
- 19 The vacancy was advertised online and in newspapers from 17 December 2018. Applications closed on 24 February 2019.
- 20 9(2)(a) candidates applied for the position. 9(2) applicants were shortlisted for interview.
- 21 Shortlisted candidates were interviewed on Friday, 12 April 2019 by a panel comprised of:
  - Mr Peter Hughes CNZM, State Services Commissioner, Chair of the interview panel;
  - Mr John Ombler QSO, Deputy State Services Commissioner;
  - Dr Brook Barrington, Chief Executive, Department of the Prime Minister and Cabinet;

- Professor Philippa Howden-Chapman QSO;
- Ms Kerrin Vautier CMG; and
- Ms Liz Coutts ONZM

***Recommended Appointee***

- 22 I recommend the appointment of Dr Caralee McLiesh to the position of Secretary to the Treasury for a five year term.
- 23 Dr McLiesh currently leads an organisation of approximately 17,000 people and a budget of AUD\$1.8 billion. As the person responsible for leading the transformation of TAFE NSW, she is responsible for creating and implementing the transformational strategy that will affect every element of TAFE, from structure, products, processes, systems, capabilities through to culture. She is achieving this by working alongside stakeholders and government to ensure products are of high quality and aligned with workforce skills gaps and reprioritising resources and resetting ambitious, but more realistic, targets.
- 24 Dr McLiesh's strengths and experience lie in fiscal and economic policy, and financial management. Referees describe Dr McLiesh as a world-class economist and a fiscal and economic policy thought leader.
- 25 Dr McLiesh is experienced in delivering policy and operational advice in complex economic, political and organisational environments, including advising governments on regulatory reforms in more than 30 OECD and developing countries. Her previous work for the World Bank provided her with a strong foundation in delivering reform in partnership with a range of stakeholders, having helped to spark regulatory reform in hundreds of countries as a principal author on the World Development Report 2002.
- 26 Dr McLiesh has a decade of executive leadership experience. In her most recent role at NSW Treasury as the Deputy Secretary for the Fiscal and Economic Group, Dr McLiesh was responsible for providing advice to the Treasurer and other government agencies on fiscal and economic policy, coordinating the state Budget and total state sector accounts, and advising on taxation, intergovernmental relations and balance sheet management. Her most notable achievement was the development of Australia's first Social Impact Bond, which looked at delivering better services and results for families at risk. This work earned her the Public Service Medal of Australia for outstanding public service to social impact investment policy and reform in NSW.
- 27 During her time at NSW Treasury Dr McLiesh led the development of the State Budgets, covering AUS\$80 billion operating expenditure and AUS\$350 billion assets. She used a collaborative and considered approach to working closely with multiple NSW ministers as a senior official and has established advisory and other boards.
- 28 Dr McLiesh takes her responsibilities seriously and is motivated to make a meaningful contribution to the living standards of New Zealand by leading The Treasury. Dr McLiesh demonstrated to the panel that she is well prepared to lead The Treasury and deliver on the Government's priorities, including leading the organisation through a culture change and driving the further development of a wellbeing approach. She strives to achieve high standards and is committed to meeting the standards expected of the Public Service.
- 29 Dr McLiesh holds a Bachelor of Economics with First Class Honours from the Australian National University. She also holds a PhD in Finance from the University of Melbourne.
- 30 Dr McLiesh was subjected to a comprehensive vetting and reference check process. Reference checks were undertaken with six referees that Dr McLiesh provided, as well as two further referees not provided by Dr McLiesh. References were received from

Australian Public Sector leaders and included direct reports, former employers, and peers from the sector. There were no issues of integrity or credibility from any of the referees.

- 31 Dr McLiesh's references refer to her as a highly respected, intelligent, authentic leader who is able to use a collaborative and strategic working style to influence those around her towards a common goal. She takes a measured approach to bringing change and her referees describe her as always displaying the highest level of judgement and integrity. Her referees all describe her as a highly respected world-class economist and all referees agreed Dr McLiesh is ready for the role and would make an excellent Secretary to the Treasury for New Zealand.
- 32 In summary, I am of the view that Dr Caralee McLiesh meets the requirements outlined in the attached position description.

### **Conditions of Employment**

- 33 I have consulted with Hon Grant Robertson, Minister of Finance, about the proposed appointment and he is supportive of the proposal.
- 34 In accordance with section 38 of the State Sector Act 1988, I will consult with you and the Prime Minister before finalising the terms and conditions of employment for Dr McLiesh, including a proposed five year term of appointment.
- 35 The Secretary to the Treasury must be able to obtain and maintain a Top Secret Special security clearance. 9(2)(a) privacy

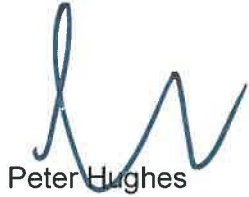
### **Publicity**

- 36 Subject to the Governor-General's acceptance of my recommendation above, I intend to publicly announce the appointment of Dr McLiesh on 25 June 2019.
- 37 It is also my intention to publicly release associated documents, including this paper, on the State Services Commission's website, as is our standard practice for Chief Executive appointment recommendations. The documents will have any necessary redactions in accordance with the Official Information Act 1982. You will be consulted on the communications plan and material to be released.

### **Recommendations**

- 38 I recommend that you:
- 1 **forward** my recommendation to **appoint** Dr Caralee McLiesh to the position of Secretary to the Treasury and Chief Executive, The Treasury, to the Cabinet Appointments and Honours Committee for referral to the Governor-General in Council;
  - 2 **note** that a warrant for appointment is attached for execution by the Governor-General in due course;
  - 3 **note** that I will consult with the Prime Minister and you, as Minister of State Services, before finalising terms and conditions of employment for Dr McLiesh, including her term of appointment;
  - 4 **note** that Dr McLiesh's employment is subject to her obtaining and maintaining a Top Secret Special security clearance;
  - 5 **note** that subject to the Governor-General's acceptance of my recommendation, I intend to:

- 5.1 publicly announce the appointment of Dr McLiesh on Tuesday, 25 June 2019;  
and
- 5.2 proactively release associated documents on the State Services Commission's website.



Peter Hughes  
State Services Commissioner

RELEASED BY SSC UNDER OUR COMMITMENT TO OPEN GOVERNMENT

# SUMMARISED CURRICULUM VITAE

Dr Caralee McLiesh

STATE SERVICES COMMISSION  
LE KAWA MATATIA



## Employment History

- 2018 - present **TAFE NSW Sydney, Australia**  
Managing Director
- 2008 - 2018 **NSW Treasury Sydney, Australia**  
Deputy Secretary, Fiscal and Economic  
Deputy Secretary, Agency Budget and Policy  
Deputy Secretary, Human and Social Services  
Executive Director, Human and Social Services
- 2000 - 2007 **The World Bank Group Washington DC, USA**  
Program Manager  
Senior Economist  
Economist  
Young Professional
- 1997 - 2000 **International Red Cross Bosnia and Herzegovina, Botswana**  
Development Delegate
- 1994 - 1997 **The Boston Consulting Group Melbourne, Australia**  
Senior Associate  
Associate

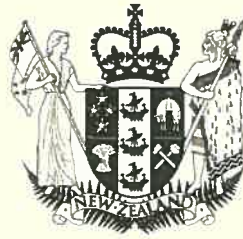
## Academic Qualifications, Awards and Honours

- 2017 Public Service Medal of Australia
- 1998 PhD - Finance, The University of Melbourne
- 1993 Bachelor of Economics (First Class Honours), The Australian National University
- 1999 Graduate Certificate, International Studies, United Nations University

## Professional Memberships

- Current Fellow, Certified Practicing Accountants Australia
- 2017 - present Trustee, Committee for Economic Development of Australia
- 2017 - present Member, Institute of Public Administration of Australia (NSW) Council
- 2016 - 2018 Australian Statistical Advisory Council





## In Executive Council

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*Her Excellency the Governor-General is recommended to*

accept the recommendation of the State Services Commissioner that

**Dr Caralee McLiesh**

be appointed, pursuant to section 35 of the State Sector Act 1988,  
as the Secretary to the Treasury and Chief Executive, The Treasury

A handwritten signature in blue ink, appearing to be 'C Hipkins', written over a horizontal line.

Hon Chris Hipkins  
Minister of State Services

*Approved in Council*

A handwritten signature in blue ink, appearing to be 'Patsy Reddy', written over a horizontal line.

A handwritten signature in blue ink, appearing to be 'Michael White', written over a horizontal line.

*Clerk of the Executive Council*

Date: 24 June 2019



**Position description**

Position	Secretary to the Treasury and Chief Executive (the Secretary)
Department	The Treasury
Position Purpose	<p>The Treasury is the principal advisor on economic strategy for the Government. The three key outcomes the Treasury works towards are improved economic performance and prosperity for all New Zealanders, macroeconomic stability, and a higher performing State sector. This requires that the Treasury work in partnership with others to ensure:</p> <ul style="list-style-type: none"> <li>• Fiscal, monetary and regulatory frameworks result in a stable and sustainable economic environment with improved living standards and well-being for all New Zealanders;</li> <li>• The Crown's finances and the financial and non-financial balance sheet are managed efficiently, effectively and sustainably; and</li> <li>• Institutional and regulatory settings support the state sector system to increase equitable, inter-generational wellbeing for New Zealanders.</li> </ul> <p>The Treasury also provides strategic policy advice on the New Zealand economy and produces a range of publications and economic data; it monitors and manages the financial affairs of the Government; assesses public sector proposals which have economic and financial implications; monitors commercial and other organisations the Government has an interest in and delivers operational services through its debt management and New Zealand export credit roles.</p>
Key external relationships	<p>Government and Parliament:</p> <ul style="list-style-type: none"> <li>• Prime Minister</li> <li>• Minister for State Owned Enterprises</li> <li>• Minister of Finance (the primary vote Minister)</li> <li>• Minister of Housing and Urban Development</li> <li>• Minister of State Services</li> <li>• Associate Ministers of Finance</li> </ul>

- Minister of Infrastructure
- Minister of Revenue
- Minister for Economic Development
- Minister for Regional Economic Development

#### The Treasury Board:

The Treasury Board currently has an advisory board that supports the Treasury's Chief Executive and Executive Leadership Team in ensuring that its organisational strategy, capability and performance make the best possible contribution to the achievement of its goals.

#### Sector:

The Treasury role is to work with and support the interconnected parts of the Public Sector to operate effectively and meet the Government's objectives.

#### Communities and the public:

- Leaders within the New Zealand international economies; and
- Key international financial institutions e.g. the International Monetary Fund, the World Bank, the Asian Infrastructure Investment Bank, the Asian Development Bank and the OECD.

### Performance profile

- Critical success priorities
- Leading, organising and managing the Treasury so it delivers on the Government's goal of a shared prosperity where all New Zealanders benefit from the wealth that growth in the economy provides;
  - Refreshing the macroeconomic framework (fiscal, monetary and financial stability) to ensure it is fit for purpose for the next twenty years, including driving the further development of a wellbeing approach;
  - Promoting greater transparency and understanding of the Government's economic goals through supporting the embedding of wellbeing measures in the Public Finance Act and through the Secretary's and other Treasury communications and engagements;
  - Providing advice to assist the Government to meet its policy priorities within its Budget Responsibility Rules;
  - Working collaboratively with others, including Māori, to collectively develop and deliver creative solutions to resolve long-term challenges including child poverty, housing, climate change, and freshwater;
  - Building a more integrated infrastructure system to better understand the services required, improve the Treasury's asset management practices and use of date and more effective decision making that consider non-asset solutions; and
  - Building and maintaining a relational/partnership approach with Public Service chief executive colleagues and agencies and the Reserve Bank.

## Accountabilities

The Secretary is accountable to the Minister of Finance. The Secretary (as the Chief Executive) must perform the duties as set out in the State Sector Act, the Public Finance Act and other relevant statutes and legislation.

The Secretary of the Treasury is also accountable for:

- Leading and overseeing New Zealand's public finance system;
- Working collaboratively with the State Services Commissioner and the Chief Executive of the Department of the Prime Minister and Cabinet to ensure a consistent and aligned approach to State sector system leadership;
- Advising on, and implementing strategies for, managing the Crown's balance sheet including debt; risks; contingent liabilities; and the government's investment in companies and other entities;
- Advising and reporting on fiscal management for the Crown and monitoring departmental operating and capital expenditure; and
- Building succession for the Treasury's leadership team and working with colleagues to leverage the Treasury's talent for system benefit while building a diverse and inclusive organisation where staff have career pathways.

## Person profile

### Leadership and stewardship

Excellent leadership by Public Service Chief Executives is essential for a high performing, professional and world class State sector. Underpinning chief executive leadership is the requirement to adhere to the Standards of Integrity and Conduct and the higher bar expected of chief executive behaviour.

Chief executive stewardship responsibilities reinforce that chief executives administer their departments on behalf of others; serving current and future Ministers and meeting the needs of all New Zealanders.

The stewardship responsibility requires chief executives to plan and actively manage for the medium term and long term interests. This applies to all aspects of the department including capability; information and privacy stewardship; legislation administered; and managing the assets and liabilities of the Crown.

Chief executives are also stewards of the system and are required to achieve cross-agency, sector and system results by leading, collaborating and exerting their influence in a cohesive way across boundaries and ensuring their staff have both the authority and motivation to do likewise.

### Position specific competencies

*The competencies outlined below are the specific requirements of the role at this time. To see the full range of capabilities required go to: <https://www.ssc.govt.nz/leadership-success-profile>.*

### Leading strategically

Think, plan, and act strategically; to engage others in the vision, and position teams, organisations, and sectors to meet customer and future needs.

### Leading with influence

Lead and communicate in a clear, persuasive way; to convince others to embrace change and take action.

### Enhancing organisational performance

Drive innovation and continuous improvement; to sustainably strengthen long-term organisational performance and improve outcomes for customers.

Enhancing system performance	Drive innovation and continuous improvement; to sustainably strengthen long-term organisational performance and improve outcomes for customers.
Achieving ambitious goals	Demonstrate achievement drive, ambition, optimism, and delivery-focus; to make things happen and achieve ambitious outcomes
Enhancing team performance	Build cohesive and high performing teams; to deliver collective results that are more than the sum of individual efforts.

Security Clearance	<i>Appointment will be subject to a New Zealand Government <b>Top Secret Special</b> security clearance.</i>
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Up to date information on the Treasury can be found on its website: <http://www.treasury.govt.nz/>.

Other useful information available on the site includes

- The Treasury Board: <https://treasury.govt.nz/about-treasury/our-team/our-governance/treasury-board>
- The Treasury's Living Standards Framework: <https://treasury.govt.nz/information-and-services/nz-economy/living-standards>
- Corporate publications: <https://treasury.govt.nz/publications/corporate-documents>
- Briefings to the Incoming Ministers following the 2017 Election. <https://treasury.govt.nz/publications/corporate-documents/briefings-incoming-ministers>
- Organisations the Treasury monitors: <https://treasury.govt.nz/about-treasury/our-work/organisations-we-monitor>
- A list of the Acts the Treasury administers: <https://treasury.govt.nz/about-treasury/our-work/legislation-we-administer>

# Leadership Success Profile

