



Report Title:	Public Service Amendment Bill – Timeline and initial briefing for Select Committee		
Report No:	MoSR 2025-0645		
Date:	5 August 2025		
To:	Hon Judith Collins KC, Minister for the Public Service		
Actions Sought:	Note the timeline and the draft Initial Briefing on the Public Service Amendment Bill that we intend to provide to the Governance and Administration Committee by Friday 8 August.	Due Date	8 August 2025
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Encl:	Draft Initial Briefing for the Governance and Administration Committee on the Public Service Amendment Bill	Priority	High
Security Level:	IN CONFIDENCE		

Purpose of this report

1. This report provides:
 - a) the indicative timeline proposed for the Governance and Administration Committee's consideration of the Public Service Amendment Bill; and
 - b) a draft of our Initial Briefing for the Committee on the Bill for your information.

Background

2. The Public Service Amendment Bill was introduced to Parliament on 28 July and received its first reading on Thursday 31 July. The Bill has been referred to the Governance and Administration Committee (the Committee), with a report back deadline of 1 December.
3. We met with the Clerk on Friday 1 August to discuss the expected timeline for the Bill, and submissions were opened the same day. They intend to hold a session on our Initial Briefing on 13 August. The summary timeline currently expected by the Committee is set out below. Note this is indicative only and subject to change.

Timeframe	Milestone
1 August	Written submissions opened
13 August	Consideration of Initial Briefing
31 August	Written submissions closed
10 and 17 September	Hearing of oral submissions

15 October	Consideration of Departmental Report
5, 12, and 19 November	Consideration of revision-tracked version of the Bill and commentary and deliberations
1 December	Report Bill back to the House

Content of the Initial Briefing

4. Consistent with the no-surprises convention, this report attaches our draft Initial Briefing for the Committee on the Bill. The content of this briefing is summarised in the table below. The narrative analysis in the outline section is consistent with the language used in your Cabinet policy and legislation papers.

Section	Content
<i>Background</i>	A summary of the nature and structure of the existing Public Service Act 2020 and evidence of public service performance.
<i>Context and rationale for the Bill</i>	• The coalition agreement commitment to amend the Act, the Government's view that the 2020 Act has de-emphasised and distracted focus from the fundamentals of the public service, and the desire to reinforce the idea of unbiased, merit-based appointments and driver stronger performance; • The development process for the Bill and links to the Regulatory Impact Statement; and • The purpose and objectives of the Bill (as expressed in the General Policy and Legislative statements for the Bill).
<i>Outline of the Bill</i>	• A summary of key amendments under the themes derived from the objectives (based on your legislative statement); and • A short, narrative analysis of the main features or approach to each key amendment, including (where relevant) the key risks and challenges that have been managed in the drafting of the provisions for each amendment.
<i>Minor & technical amendments</i>	A thematic summary of minor and technical amendments
<i>Appendices</i>	• A graphical map of amendments to key parts of the existing Act; • A summary of key definitions used in the Act and Bill; • The empirical evidence around public service performance; and • A full list of minor and technical amendments.

Next steps

5. We will brief you:
- in early September on the nature of submissions and key issues raised;
 - in late September on our Departmental Report; and
 - on our responses to the Committee on any significant, specific issues as these arise.

Recommended Action

We recommend you:

- a) **note** the contents of this report and the attached Initial Briefing on the Public Service Amendment Bill.

Agree/disagree

Hon Judith Collins KC
Minister for the Public Service



Te Kawa Mataaho
Public Service Commission



Initial Briefing for the Governance and Administration Committee

Public Service Amendment Bill

August 2025

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Purpose

1. This paper provides the Governance and Administration Committee (the Committee) with information on the Public Service Amendment Bill (the Bill), which proposes to amend the Public Service Act 2020 (the Act).

Background

The Public Service Act 2020

2. The Public Service Act provides the statutory framework for the operation of the public service and is an important component of New Zealand's constitutional framework. Its provisions provide for:
 - a. the purpose, principles, and values that govern the actions of the public service (and some organisations within the wider state services);
 - b. the setting and issuing of standards or guidance on integrity and conduct in relation to the public service or state services;
 - c. the establishment and re-organisation of agencies or ways of working within and across the public service;
 - d. the roles, responsibilities, powers, duties and accountabilities of the Public Service Commissioner (the Commissioner) and public service chief executives;
 - e. requirements in relation to employment, public service employees, the negotiation of collective agreements, and pay equity claims;
 - f. the setting of government workforce policy; and
 - g. the appointment of the Commissioner and Deputy Commissioners, and the appointment and performance review of public service chief executives.
3. **Appendix 1** describes the current structure of the Act with cross-references to key clauses of the Public Service Amendment Bill (also listed in **Table 1** below). **Appendix 2** provides a summary of key definitions.
4. The current Act resulted from a significant reform of the State Sector Act 1988, and aimed to enable the public service to deliver better services and outcomes by establishing a clear and unifying sense of purpose, recognising the role of the public service in supporting the Crown in its relationships with Māori, providing more flexible organisational arrangements and increasing interoperability across the public service workforce, and strengthening leadership from a system perspective.
5. The 2020 reforms also added additional provisions requiring specific policies in relation to pay equity and freedom from bias in remuneration, and specific requirements in relation to diversity and inclusion.

Evidence of public service performance

6. The Act has not undergone a comprehensive policy review since it was passed in 2020, so there is no formal basis on which to evaluate its impact. The period since 2020 has also been characterised by extensive public sector reforms, particularly in health and tertiary education, and responses to/recovery from the disruption caused by the Covid-19 pandemic. The public sector also responded in the aftermath of severe weather events and other crises.
7. More generally, public service performance can be assessed against a range of measures, and is influenced by a range of factors, so it is difficult to directly attribute specific successes or challenges in the public service to the Act.
8. Nevertheless, the Public Service Commission (the Commission) monitors and reports on domestic and international indicators and measures across three broad areas:
 - a. New Zealanders' trust in public institutions and satisfaction with public services;
 - b. Public service rankings and indicators across effectiveness and good governance dimensions (e.g. policy-making, fiscal management, integrity); and
 - c. Public servant perceptions and experiences, including in relation to the purpose, principles and values of the public service and productivity/delivery.
9. New Zealand is among the top performers globally for trust and confidence in government, and continues to perform well in measures of public service effectiveness and good governance. Domestic surveys of public trust and satisfaction with services reinforce these results, as do surveys of public servant perceptions and experiences. Further information about public service performance across the three broad areas is provided in **Appendix 3**.

Context and rationale for the Bill

10. The Coalition Agreement between the New Zealand National Party and ACT New Zealand contains a requirement to: "Amend the Public Service Act 2020 to clarify the role of the Public Service, drive performance, and ensure accountability to deliver on the agenda of the government of the day."
11. The Government considers that the changes in the 2020 Act (including the increased specification of chief executive responsibilities):
 - a. de-emphasised responsibility for implementing the policies of the government of the day and efficient use of taxpayers money; and
 - b. generated excessive prescription, which in some places duplicates other legislation, and which distracts agencies from their core mission.
12. The Government also seeks to reinforce the idea of unbiased, merit-based appointments, and considers there needs to be a greater focus and stronger levers for driving performance of chief executives and agencies, and achieving efficiency and effectiveness gains from working across agency boundaries where appropriate. It is concerned that open-ended use of different accountability structures may dilute chief executive accountability.

Development of the Bill

13. On 31 March 2025, Cabinet agreed to amend the Act and made a range of policy decisions in relation to these amendments, which can be viewed at: [Public Service Act 2020 amendments - Te Kawa Mataaho Public Service Commission](#).
14. The Ministry for Regulation determined that the majority of the proposals in this Bill were exempt from the requirement to provide a Regulatory Impact Statement on the grounds that the proposals have no or only minor economic, social or environmental impacts, or that the impacts are limited and easy to assess. The Commission produced a Regulatory Impact Statement entitled “Amendments to the Public Service Act 2020” on 19 March 2025. A copy of this statement can be viewed at: [Regulatory Impact Statement – Amendment to the Public Service Act 2020](#).
15. No public or external consultation was undertaken during the policy process as the proposals relate to the internal administrative arrangements of the Government.

Purpose and objectives of the Bill

16. The objectives of the Bill are to:
 - a. drive improvements in public service performance;
 - b. ensure that the public service can efficiently and effectively serve the government to deliver value for money for all New Zealanders; and
 - c. create more stability by removing prescription and allowing individual governments more flexibility to express certain policy objectives using non-legislative levers.
17. Provisions in Part 1 of the Bill aim to achieve these objectives by adding, removing, or changing existing provisions to:
 - a. clarify the role of the public service and streamline the responsibilities of public service chief executives;
 - b. reinforce the core principles of political neutrality, appointment on merit to all positions and professional competence;
 - c. improve chief executive and agency performance management (including to ensure better oversight and transparency of public service conduct);
 - d. ensure capability in key positions; and
 - e. provide for better management of risks to national security or the national interest.
18. It is considered that the amendments will have a clarifying and enabling effect on the operation of the public service. The Bill retains the core construct and purposes of the Act.
19. Consequential amendments amend the Data and Statistics Act 2022 and the Civil Defence Emergency Management Act 2002. The amendments provide for the Commissioner to appoint a Government Statistician under the Data and Statistics Act 2022 rather than under the Act, and shift provisions relating to business continuity management from the Civil

Defence Emergency Management Act 2002 to the Act, modernising the language at the same time. Part 2 also sets out consequential amendments to other Acts.

Outline of the Bill

20. Key amendments made by the Bill are summarised in the following table and explained in more detail in the sections below:

Table 1: Key amendments made by the Bill

No.	Clause	Amendment
Public Service Act 2020		
<i>Clarifying the role of the public service</i>		
1	Clause 10	Amend the Purpose statement to focus the public service on supporting the government to develop and implement their policies, delivering high quality and efficient public services, meeting the needs of New Zealanders and acting in accordance with the law. Restore ‘spirit of service’ to the purpose, as opposed to a stand-alone provision.
2	Clauses 11-12	Move chief executive responsibilities to the front of the Act, re-title as ‘principal responsibilities’ and clarify and re-order the list. Streamline obligations related to the public service principles.
<i>Streamlining chief executive responsibilities</i>		
3	Clause 34	Remove requirements for chief executives to have specific policies recognising the importance of achieving pay equity and the importance of decisions about remuneration being free from bias.
4	Clauses 21, 35, 39, 43(9), and 46(4)	Remove specific requirements of chief executives relating to diversity and inclusion in favour of addressing the same through government workforce policy statements where necessary, and amend/remove references to diversity and inclusion in the Commissioner’s general functions, the indicative list of matters that may be addressed by the content of government workforce policy statements, the content of the Commissioner’s state of the public service briefing, and appointment provisions for individual chief executives.
5	Clause 45(2)-(10)	Streamline the requirement for long-term insights briefings, requiring the Department of the Prime Minister and Cabinet to coordinate one briefing every three years, and issue guidance to support agency capability for long-term thinking.
6	Clauses 17 & 26	Amend the establishment provisions for Interdepartmental Executive Boards and Functional Chief Executives to require the Order in Council to specify an end date for their operation.
<i>Reinforcing the principles of merit-based appointment</i>		
7	Clause 46(6)	Remove chief executive re-appointment provisions to ensure that a contestable process be conducted each time a chief executive fixed-term appointment ends.
8	Clause 46(4)	Adjust chief executive appointment provisions to remove references to diversity and inclusion to require appointments solely on the basis of merit (also referenced above re amendment 4).

No.	Clause	Amendment
9	Clause 23 and 42	Provide for the appointment of one Deputy Public Service Commissioner instead of two.
Improving chief executive and agency performance		
10	Clause 46(10)	Require the Commissioner to develop and publish a framework for chief executive performance reviews in consultation with the Minister for the Public Service.
11	Clause 46(11)	Require the Commissioner to seek the input of appropriate Ministers in setting performance expectations and conducting performance reviews of chief executives.
12	Clause 43(7)	Allow the Commissioner to conduct agency and system Performance Improvement Reviews by agreement with appropriate Minister(s), and recover reasonable and actual costs from agencies subject to a review.
13	Clause 14	Require that the Commissioner <i>must</i> set minimum standards of integrity and conduct.
14	Clause 38	Require agencies to notify the Public Service Commissioner before commencing any misconduct or serious misconduct investigation in relation to a senior public service leader.
15	Clause 38	Require agencies to report annually to the Public Service Commissioner on the outcomes of misconduct and serious misconduct investigations ceased or concluded in the past year, and the Commissioner to publish a report on this information.
Ensuring capability in key positions		
16	Clause 30	Re-introduce ‘key positions’ in the public service and require chief executives to seek Commissioner (or their delegate, e.g. system leads) approval for appointments in those positions and to consult the Commissioner on performance reviews.
17	Clause 32	Allow for members of the Department of the Prime Minister and Cabinet Policy Advisory Group (PAG) to be appointed on a fixed-term basis.
Better risk management		
18	Clause 43(7)	Allow the Commissioner to restrict (including prohibit) the use of specific products, services or vendors by or within the public service, where there is a risk to national security or other national interest.
19	Clause 45(10)	Lift and shift existing provisions obliging public service agencies to provide for business continuity management (during an emergency) from the Civil Defence and Emergency Management Act (CDEMA) to the Public Service Act, broaden the obligation to contemplate any disruption, and provide for business continuity management plans to be provided to the Public Service Commissioner on request.
Data and Statistics Act 2022		
1	Clauses 54-56	Transfer the provision regarding appointment of the Government Statistician to the Data and Statistics Act 2020.

Clarifying the role of the public service

Refocusing the public service purpose

21. Clause 10 of the Bill provides a re-focused purpose statement (new section 11) for the public service, more clearly specifying and grouping both:
 - a. day-to-day, functional actions (such as supporting the Government to develop and implement policies and deliver services); and
 - b. foundational activities and behaviours (such as supporting constitutional and democratic government and acting in accordance with the law).
22. The requirement to act with a spirit of service to the community has been incorporated into this revised purpose, as it is an example of such foundational behaviour and its position in a separate section (existing section 13) was seen as unnecessary.

Chief executive 'principal responsibilities'

23. Clause 11 brings the responsibilities of chief executives currently described as 'general responsibilities' in existing section 52 forward, to sit alongside other key 'purpose and principle' sections, re-ordering and clarifying language or expectations where possible. Specific emphasis has been added for implementing Ministers' lawful instructions and the financial stewardship of agencies.
24. Amendments to section 12(2) in this clause condense existing sections in the Act that are repetitive, without any change in effect.

Streamlining chief executive responsibilities

25. The Government considers that the new responsibilities imposed on chief executives by the Act included several that either duplicate existing law or that would more appropriately be set and modified through government policy.

Removing requirements for specific policies on pay equity and remuneration bias

26. Clause 34 removes the current requirements in sections 73(3)(i) and (j) of the Act for chief executives to have specific provisions in employment policies reflecting the importance of pay equity and remuneration being free from bias (including, but not limited to, gender bias).
27. Removing the requirement for specific provisions in employment policies does not change the fact that both a requirement against gender-based discrimination (in terms of employment) and a process for pay equity claims are included in the Equal Pay Act 1972, which continues to bind public sector employers. Freedom from remuneration bias more generally is also provided for, implicitly or explicitly, in the provisions of the Human Rights Act 1993, the Employment Relations Act 2000, and under the expectations of fair and proper treatment and equal employment opportunities in section 73 of the Public Service Act.
28. Sections 81-84 of the Act continue to demonstrate the public service's commitment to pay equity claims by providing for the Commissioner's responsibility for, and role in, pay equity claim processes.

29. It is the Government's position that the elements in sections 73(i) and (j) are unnecessary in the context of these other statutory requirements, which will continue to provide a basis for the public service's commitment to equal pay, pay equity, and freedom from bias in remuneration.

Removing specific requirements in relation to diversity and inclusion

30. Clauses 21, 35, 39, 43(9), and 46(4) remove:
- a. references to 'diversity and ensuring fair and equitable employment' from the Commissioner's general function to work with public service leaders in developing the public service workforce - existing section 44(c);
 - b. the specific requirement in existing section 75 for chief executives to be guided by the principle that the group comprising all public service employees should reflect the makeup of society;
 - c. the specific requirement in existing section 75 for chief executives, in employment policies and practices, to foster a workplace that is inclusive of all groups;
 - d. references to pay equity and workforce diversity and inclusiveness from the indicative list of matters that may (without limitation) be included in government workforce policy - existing section 97(2)(e);
 - e. the reference to public service agencies achieving workforce diversity and inclusiveness from the indicative list of matters that may (without limitation) be included in the Commissioner's three-yearly briefing on the state of the public service - existing clause 16(4) in Schedule 3; and
 - f. the reference to diversity and inclusiveness from the requirements that a panel must have regard to when deliberating the appointment of an individual chief executive - clause 3(7) of existing schedule 7.
31. The Government considers that workplace inclusiveness is sufficiently provided for in the 'good employer' provisions in existing section 73, which will continue to provide for the fair and proper treatment of all employees, equal opportunities, and the specific employment requirements of Māori and other specific population groups. Under this section, chief executives will still be expected to draw from the widest possible talent pool and ensure everyone has an opportunity to demonstrate their merit.
32. The Government also considers that both diversity and inclusiveness can be more appropriately provided for in the workforce policy statement of the Government of the day.

Streamlining long-term insights briefings

33. Clause 45(2)-(10) simplifies long-term insights briefings by replacing the requirement for each individual agency to prepare such a document with a requirement for the chief executive of the Department of Prime Minister and Cabinet (DPMC, the head of the policy profession) to prepare a single such briefing on behalf of the public service.
34. By reducing the potential number of such briefings from 34 to one, this clause is intended to reduce agency workload without sacrificing a focus on long-term trends, risks, and

opportunities. It would also ensure a more coherent analysis of how long-term trends may impact New Zealand and the public service as a whole, rather than a range of perspectives based on specific agency interests. As per new section 11A(1)(j) – clause 11 of the Bill – individual departmental chief executives would still be responsible for providing advice to Ministers on the long-term implications of policies. The briefing prepared by DPMC would still be prepared independently of Ministers.

Specifying an end date for innovative accountability structures

35. Clauses 17 and 26 relate to innovative structures first enabled under the 2020 Act, including interdepartmental executive boards that allow for greater cross-agency collaboration on significant policy issues, or functional chief executives that allow for focused accountability in an important, emerging work area.
36. While the Government considers such structures should still be available, it seeks to ensure they do not confuse long-term accountabilities between chief executives and Ministers by continuing indefinitely or without justification. For this reason, the Bill would require the Orders in Council which record the establishment of such structures to specify an end date for their operation. A further Cabinet decision would be required to extend this date.

Reinforcing the principles of merit-based appointment

Removing ‘re-appointment’ provisions for chief executives

37. Clause 46(6) removes chief executive re-appointment provisions in existing clause 4 of Schedule 7, to ensure a contestable recruitment process each time a chief executive appointment ends. Incumbent chief executives would still be able to apply for the role, but the Government considers it valuable for such applications to be assessed against other candidates, to allow for more frequent testing of the market (including private sector leaders and rising talent within the public service) and provide assurance that the best possible candidate has been employed whenever the opportunity arises.

Shifting to a single Deputy Public Service Commissioner

38. Clauses 23 and 42 make amendments to reduce the required number of Deputy Public Service Commissioners from two to one.
39. Historically there has only been a need for one Deputy Public Service Commissioner, but the Public Service Act 2020 increased it to two, reflecting a view that the scope of the Commissioner’s role had expanded. The amendment therefore represents a return to the pre-2020 position and aligns with the Government’s move to ‘right size’ Public Service leadership and spans of control.

Improving chief executive and agency performance

40. A suite of amendments are proposed to strengthen transparency of and confidence in the robustness of chief executive and agency performance management.

Strengthening chief executive performance management processes

41. Clause 46(10) adds provisions to existing Schedule 7 requiring the Commissioner to develop and publish a framework (including the criteria and process) for chief executive performance reviews in consultation with the Minister for the Public Service. This is intended to make the expectations, process, and practice of reviewing the performance of chief executives more transparent for Ministers and the public.
42. Clause 46(11) adds provisions requiring the Commissioner to seek the input of appropriate Ministers in setting performance expectations (including key performance indicators) and conducting performance reviews for specific chief executives. While the Commissioner has routinely consulted such Ministers when undertaking these activities in the past, the Act has not required it, and this change is intended to provide greater transparency and confidence in the performance management process.
43. As under the existing Act, the Commissioner is still expected to act independently when making decisions about individual chief executives (see existing section 45 and clarifying amendment in clause 22 of the Bill).

Mandating agency and system Performance Improvement Reviews

44. Clause 43(7) provides a specific statutory mandate for agency and system Performance Improvement Reviews. While these reviews are an established practice, the amendments will provide a clear mandate for the Commissioner to undertake such reviews with the agreement of the appropriate Minister(s), and to recover reasonable and actual costs from agencies subject to a review. The amendments also specifically apply this approach to statutory Crown entities and non-public service departments.
45. These changes are expected to strengthen the Commissioner's mandate to drive public sector performance, particularly where a deeper review of agencies or groups of agencies would be valuable.

Strengthening oversight and transparency of public servant integrity and conduct

46. Amendments also seek to strengthen oversight around matters of public servant integrity and conduct and transparency for Ministers and the public.
47. Clause 14 amends the Act to require that the Commissioner must set minimum standards of integrity and conduct. Currently, the Commissioner may set standards, but without such standards there would be no consistent mechanism for holding public servants to account.
48. Clause 38 adds a new requirement for a chief executive of a department or the board of an interdepartmental venture to notify the Commissioner before commencing any misconduct or serious misconduct investigation in relation to a senior public service leader, which is defined as an employee reporting directly to a chief executive or board.
49. This will enable the Commissioner to provide oversight and advice to the chief executive or the board on the interpretation and application of standards and guidance relating to integrity and conduct, consistent with the Commissioner's existing mandate under the Act.

50. Clause 38 also adds a requirement for agencies referred to in section 17(2) of the Act (excluding school boards) to report annually to the Commissioner on the overall outcomes of investigations into alleged misconduct or serious misconduct that have ceased or are concluded in a financial year, as soon as practicable after the end of that year. The Commissioner will be required to publish a report on this information.
51. Some information relating to investigations of alleged misconduct or serious misconduct may be considered personal information, and the Office of the Privacy Commissioner was engaged in the drafting these provisions.
52. The requirement to notify investigations of senior public service employees is consistent with Information Privacy Principles (IPP) 1, 2, and 10 because:
 - a. the Commission will only collect the amount of personal information required to fulfil the function of providing advice about the interpretation and application of standards and guidance relating to integrity and conduct (in practice the amount/nature of personal information shared will depend on the case, and the Commission will encourage chief executives to only share what is needed and seek permission/inform those impacted as appropriate);
 - b. it is not reasonably practicable for the Commission to collect this information directly from the individual concerned in these circumstances; and
 - c. the Commission will not use personal information received through this notification for any other purpose.
53. While these provisions do mean a targeted disapplication of IPP 11 (disclosure of personal information by agencies), this is only for the purpose described above. The Commission will not share this information any wider and has established standards and protocols for protecting employment-related information.
54. The requirement for an annual report from agencies is consistent with the IPPs as reports will be aggregated and focused on the overall outcomes of investigations (not personal information about those investigated). Where small agencies report a small number of investigations, the Commission will apply its data and reporting standards to ensure the presentation of data means no personal information can be inferred from the report issued by the Commissioner.
55. Further detailed protections in the notification and reporting processes will be addressed in how the Commission operationalises these provisions.

Ensuring capability in key positions

Designating and providing a role for the Commissioner in relation to 'key positions'

56. The State Sector Amendment Act 2013 allowed the Commissioner to designate 'key positions' within the public service and delegate another public servant the power to veto appointments to these positions. This was used to allow, for example, a representative of the Treasury to sit on the selection panel for an agency Chief Financial Officer to ensure that candidates were suitably competent. A similar approach is taken in other jurisdictions, such

as Singapore, where a chief executive and system leader must jointly agree to relevant appointments.

- 57. These provisions were removed in the Public Service Act 2020 because their implementation was too broad and insufficiently targeted – placing an excessive burden on the Commission and chief executives in relation to a large number of positions.
- 58. Clause 30 re-introduces this mechanism. Positions can be designated where they are seen as critical to the performance of the public service, or talent management. Chief executives will be required to seek the Commissioner's (or a delegate's) approval for appointments designated as 'key positions', and consult the Commissioner on performance reviews. Stronger processes will be put in place to ensure this mechanism is implemented in a more targeted way than under the 1988 Act.

Appointments to the Policy Advisory Group

- 59. Clause 32 adds provisions allowing for members of the DPMC Policy Advisory Group (PAG) to be appointed on a fixed-term basis.
- 60. Members of this group deliver free and frank advice to the Prime Minister to support coordination and delivery of the Government's priorities across multiple portfolios. It is important that PAG advisors rotate regularly, bringing current context and policy knowledge from roles outside DPMC, and supporting talent development and succession planning.
- 61. Advice received from the Legislation Design and Advisory Committee (LDAC) addressed the need to ensure this proposal interacts with existing employment law in a coherent way. In general, it is preferable to avoid creating parallel employment systems where the public sector is treated differently to the private sector.
- 62. The provisions have been drafted in line with LDAC advice, in order that they do not exempt these appointments from the Employment Relations Act provisions for fixed-term appointments. Instead, they deem the particular circumstances and needs of PAG to be a valid reason for the use of a fixed-term approach.

Better risk management

Restricting the use of products, services and vendors to protect national security or interests

- 63. Clause 43(7) introduces new provisions giving the Public Service Commissioner a power to restrict (including prohibit) the use of a specific vendor, service or product by public service agencies (and those directed to apply the Protective Security Requirements) to manage risks to national security or the national interest.
- 64. Before making such a direction, the Commissioner would need to consult the Minister for the Public Service, and seek the advice of public sector chief executives, including the Director-General of Security, the Director General of the Government Communications Security Bureau, and the Secretary of DPMC regarding risk to national security, and the Secretary of Foreign Affairs and Trade regarding New Zealand's international obligations and relationships.

65. The Commissioner would also need to have regard to the nature and extent of the risk, a principle that the direction should be proportional to that risk, New Zealand's international obligations and relationships, the anticipated benefits from issuing a direction, the impact on users of the vendor, service or product, and the impact on markets and trade. Classified information considered in making such a direction would be protected in the event of judicial review or other court proceedings. Where a direction is made, the Bill would provide for the Commissioner to also issue corresponding guidance to agencies in the wider State services.
66. Advice received from LDAC focused on ensuring that there is a clear need for the proposed power, the power is targeted to achieving that policy objective, and the power is held by the appropriate person or body, and subject to sufficient safeguards.
67. The Government considers this power necessary to mitigate risks to the national security or national interest in an environment of heightened strategic competition. Existing tools and levers, such as the Government Procurement Rules and Protective Security Requirements, provide guidance and standards for considering supply chain security but do not provide a power to ensure restriction or prohibition. A direction power provides both clarity and certainty for agencies and an ability to ensure malicious actors cannot access and control sensitive information, disrupt critical infrastructure, or otherwise threaten national security or interests.
68. The Commissioner was considered the appropriate person or body to hold this power because there is currently no single chief executive or system lead with responsibility for the full range of national security and national interest risks that may arise. While choices regarding national interest are often best made by Ministers (who have direct public accountability), placing the power with a statutory officer seeks to mitigate perceptions that any such directions are politically motivated.
69. As described above, safeguards are provided by the need for the Commissioner to consult, which offers a means to weigh questions of national security and national interest, and by the statutory considerations the Commissioner must turn their mind to when considering the need to issue a direction.

Strengthening business continuity management

70. Clause 45(10) of the Bill will 'lift and shift' existing provisions obliging public service agencies to provide for business continuity management from the Civil Defence and Emergency Management Act (CDEMA) to the Public Service Act, broadening the obligation to contemplate any disruption, and requiring agencies to provide business continuity management plans to the Commissioner on request.
71. The existing CDEMA provisions require public service agencies to ensure they can function to the fullest extent possible during and after an emergency (focused on situations that could cause loss of life or injury or endanger public safety). However, a broader and more modern concept of business continuity management means the public service is now expected to have systems in place to ensure continued delivery of functions and services during any significant disruption (whether this amounts to an emergency or not), and for there to be

appropriate oversight and levers to ensure that public service agencies are well-prepared to do this.

72. For this reason, the Government considers it more appropriate that the provisions sit within the Public Service Act, with modernised language to reflect expectations around functioning during disruption. The Commissioner will need to rely on advice from the Director of Civil Defence and Emergency Management and the Secretary of DPMC when considering the sufficiency of agency systems, but is better positioned to drive agency performance against this objective.

Consequential amendment to the Data and Statistics Act 2022

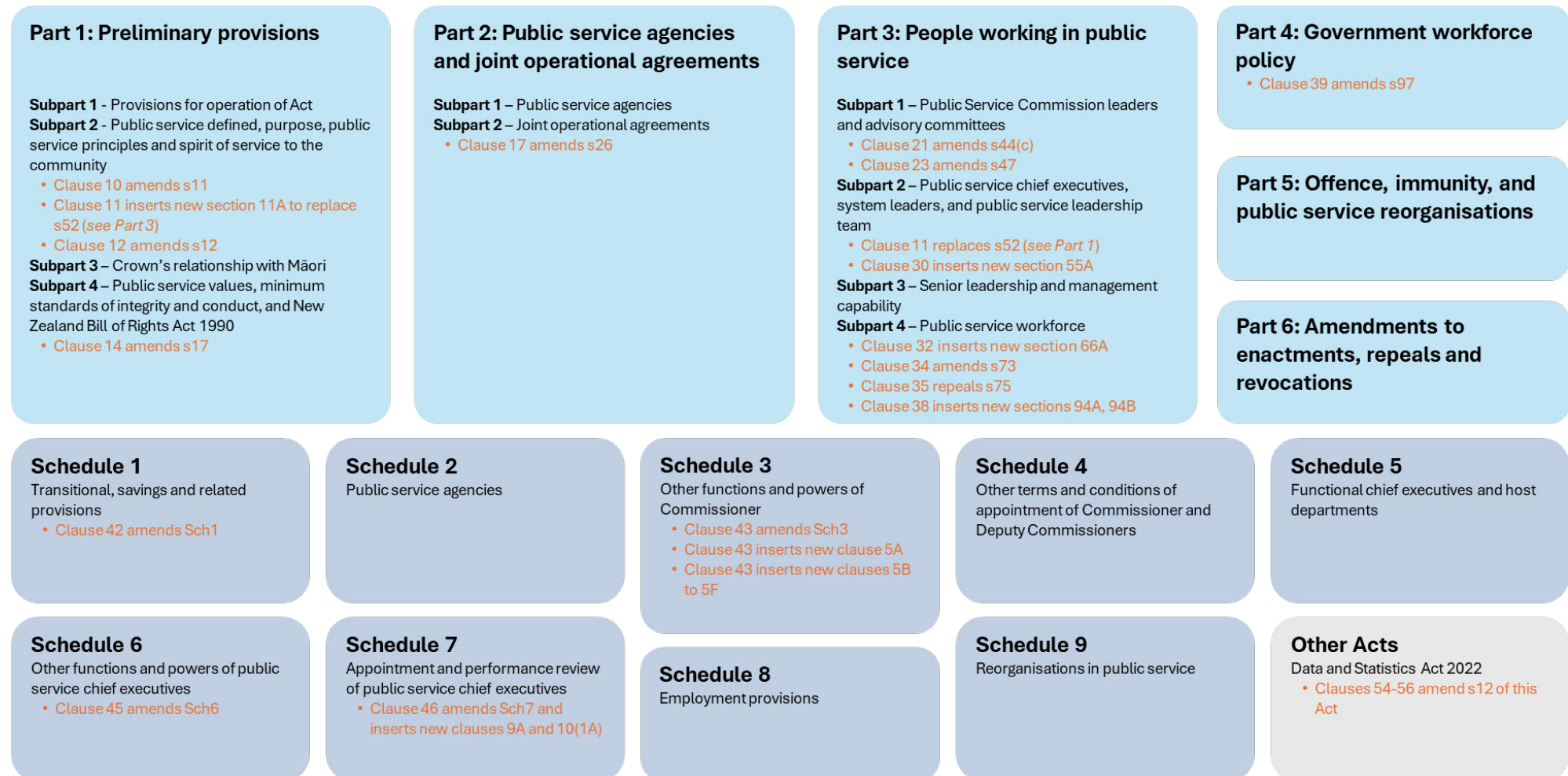
73. Clauses 54-56 transfer the provisions regarding appointment of the Government Statistician to the Data and Statistics Act 2022.
74. The Act currently describes general processes for the appointment of chief executives. Where there are different requirements for specific roles (including the Commissioner of Police, Chief of Defence, and Solicitor-General), these are contained within the legislation which deals with the agency the chief executive leads (e.g. the Policing Act 2008 for the Commissioner of Police). These changes conform to that practice.

Minor and Technical Amendments

75. In making policy decisions, Cabinet authorised the Minister for the Public Service to make minor or technical amendments to the Bill consistent with those decisions, and a small number of amendments have been made on this basis. These are summarised in full in **Appendix Four** along with relevant clause references, but include:
 - a. rearranging provisions relating to employment of public servants to locate them in the same part of the Act, and removing inconsistencies around vacancy and appointment process requirements,
 - b. clarifying provisions relating to chief executive immunity from liability in civil proceedings, temporary/acting chief executive appointments, and who chief executives may delegate to,
 - c. clarifying the functions of the Public Service Commissioner in relation to issuing guidance to the State services, cost recovery of inquiries/investigations, and panel requirements for chief executive appointments, and
 - d. modernising the language and refocusing the provision around the Commissioner entering premises of a public service agency, questioning public service employees and requiring information (e.g. focusing on requiring information and questioning ahead of entering a premises).

Appendix 1: Public Service Act 2020 structure, and key amendments made by the Bill

Key amendment clauses are noted in relation to the current structure of the Act [only key amendments are noted – see Table 1].



Appendix 2: Definitions

The following are the definitions of key terms used in this briefing and the Act:

Commissioner means the Public Service Commissioner appointed under section 42.

Commission means the Public Service Commission.

Crown agent means a statutory entity named in Part 1 of Schedule 1 of the Crown Entities Act 2004.

Department means any of the agencies listed in Part 1 of Schedule 2.

Departmental agency means any of the agencies listed in the first column of the table in Part 2 of Schedule 2, and that are each part of the corresponding host department stated in the second column of Part 2 of Schedule 2.

Functional chief executive means a chief executive appointed under section 51(5) to a particular functional chief executive role.

Public service has the meaning given in section 10

Section 10 – In this Act, the public service –

- (a) means public service agencies, which are –
 - i. departments;
 - ii. departmental agencies;
 - iii. interdepartmental executive boards;
 - iv. interdepartmental ventures; and
- (b) includes Crown agents for the purposes of this subpart and subpart 4 of this Part.

State services—

- (a) means all instruments of the Crown in respect of the Executive Government of New Zealand, whether public service agencies, bodies corporate, agencies, or other instruments; and
- (b) includes Crown entities; and
- (c) includes organisations named or described in [Schedule 4](#), and companies named in [Schedule 4A](#), of the Public Finance Act 1989; and
- (d) includes the education service; but
- (e) does not include—
 - (i) the Governor-General; or
 - (ii) members of the Executive Council; or
 - (iii) Ministers of the Crown; or
 - (iv) members of Parliament; or
 - (v) organisations listed in [Schedule 1](#) of the State-Owned Enterprises Act 1986; or
 - (vi) tertiary education institutions; or
 - (vii) Offices of Parliament; or
 - (viii) the Office of the Clerk of the House of Representatives; or
 - (ix) the Parliamentary Service

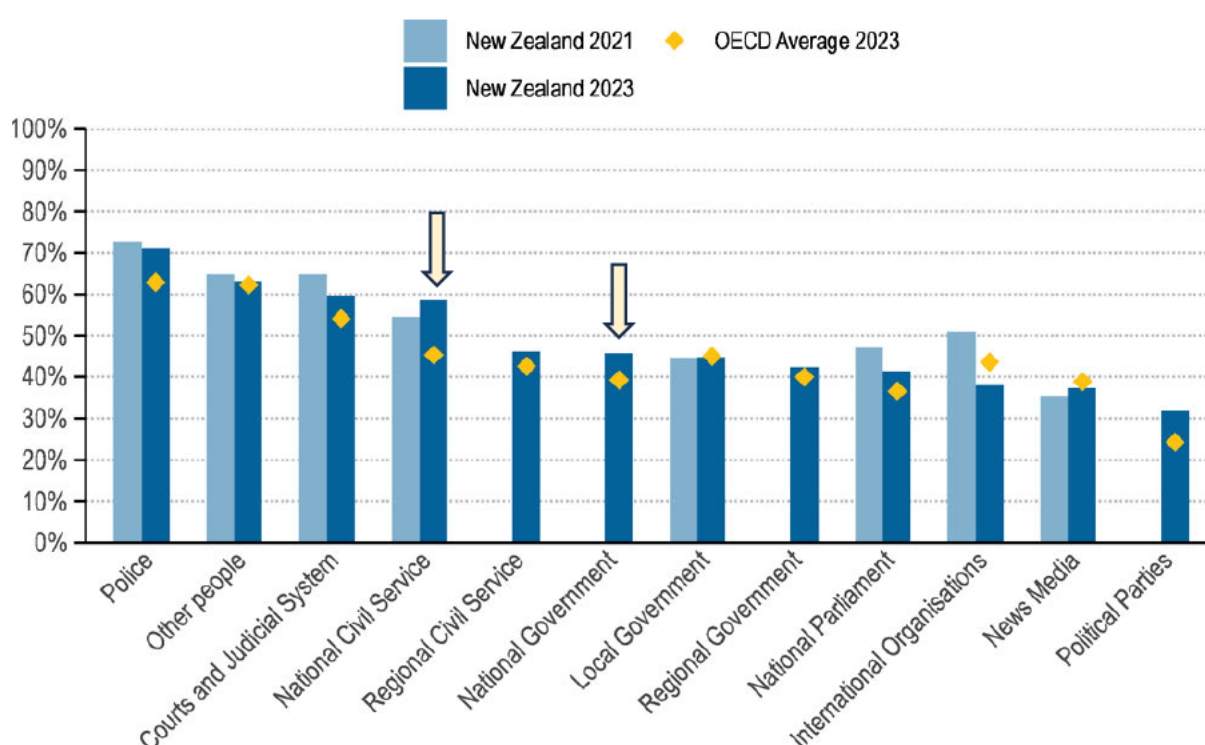
Appendix 3: Measures of public service performance

New Zealanders' trust and satisfaction

New Zealand remains among the top performers globally for trust and confidence in government, in a context of trust and confidence in public institutions generally declining since 2021. The OECD's *Drivers of Trust* survey (2023) shows people in New Zealand reported high or moderately high trust in the national civil service, and the central government, above the OECD average in both cases (see in Figure 1). New Zealanders' satisfaction with day-to-day interactions with public institutions is also above the OECD average.

Figure 1: New Zealanders' trust in different institutions, 2021 and 2023

Source: [OECD Survey on Drivers of Trust in Public Institutions 2024 Results - Country Notes: New Zealand | OECD](#)



Domestic surveys support these global trends. The *Kiwis Count* survey measures trust and confidence, as well as customer satisfaction in government services (based on most recent service experience and perception overall). As at June 2025, *Kiwis Count* found that 81% of New Zealanders trust public services based on their personal experience, comparable to the result for satisfaction with service experience (82%). This is similar to 80% last quarter and is consistent with the range of trust scores over the past 10 years. Trust in the public service brand is 58%, down from 61% last quarter. This remains above pre Covid-19 levels. For more information, see [Kiwis Count - Te Kawa Mataaho Public Service Commission](#)

Public servant perceptions and experiences

Te Taunaki Public Service Census (the Census) is a survey of all public servants working in departments and departmental agencies. It captures employee experiences and demographic information, offering insights about public service capability and culture.

Most public servants believe the work they do delivers better outcomes for New Zealand and provides value for taxpayers. But there are some challenges perceived to public servants performing at their best, including high workloads, complexity of business processes, and a lack of clarity from senior leadership.

Nearly all public servants surveyed felt they had a good understanding of what it means to be a politically neutral public servant (95%) and that their organisation is working for the long-term good of New Zealand (87%). Most said it was important to them that their organisation is open and transparent (91%). However, two questions related to public service principles had lower agreement levels. Though 44% of public servants felt confident that people in their organisation get jobs based on merit, 30% disagreed or strongly disagreed, and a further 26% neither agreed nor disagreed. Of the people who were directly involved in preparing advice for ministers, 71% agreed or strongly agreed that their organisation is free and frank in their advice to ministers.

For more information about the results of the 2025 census, and how they compare to 2021, see: [Public Service Census - Te Kawa Mataaho Public Service Commission](#). The Public Service is preparing system and agency response plans to address census findings.

Measures of public service effectiveness and good governance

New Zealand has performed well in international measures of public service effectiveness and good public governance, often ranking among the least corrupt and most effective public administration systems. Countries that perform comparably, like Norway and Denmark, spend nearly twice as much as New Zealand on their public service per capita.

However, recent years have seen New Zealand decline in some international rankings (see Figure 2). This includes a fall in the Transparency International Corruption Perceptions Index (from first equal in 2021 to fourth in 2024), and other measures of effectiveness and good governance, for example the Chandler Good Governance indices.¹

¹ A close interdependence of rankings is created by the widespread use of certain individual indicators in aggregated indices or rankings. Declines in those indicators may be amplified in broader rankings.

Figure 2: New Zealand's performance in international rankings/measures of civil service effectiveness and good governance

Ranking / measure (Sources as linked)	Latest performance	Trend	Performance since 2015
Democracy Index Economist Intelligence Unit - Link	2 nd place (2024)	↗	2 nd place (2023, 2022, 2021) 4 th place (2020, 2019, 2018, 2017, 2016, 2015)
Freedom in the World Index Freedom House - Link	99/100 (2025)	→	99/100 (2024, 2023, 2022, 2021), 97/100 (2020), 98/100 (2019, 2018, 2017)
Corruption Perceptions Index Transparency International - Link	4 th place (2024)	↘	3 rd place (2023), 2 nd equal (2022), 1 st equal (2021, 2020, 2019), 2 nd (2018), 1 st equal (2017, 2016, 2015). <i>Raw index scores are also declining globally.</i>
Index of Public Integrity European Research Centre for Anti-Corruption and State-Building (ERCAS) - Link	5 th place (2023)	→	3 rd place (2021), 5 th place (2019, 2017) 1 st place (2015)
Public sector performance indicator The European Institute of Public Administration Link	5 th place (2022)		[One-off benchmarking study, no time series data]
Blavatnik Index of Public Administration Blavatnik School of Government - Link	6 th place (2024)	↘	InCiSE rankings: 2 nd place (2019), ranked top for integrity, capabilities and procurement, 2 nd place (2017) [The Blavatnik Index is the 'spiritual successor' to the <i>International Civil Service Effectiveness (InCiSE)</i> project.]
Public Services index in the Fund for Peace <i>Fragile States Index</i> Link and link	7 th place (2024)	→	7 th place (2023), 5 th place (2022)
Chandler Good Government Index - Link	13 th place (2025)	↘	12 th place (2024), 9 th place (2023, 2022, 2021)
Government Effectiveness: Estimate World Bank - Link	17 th place (2023)	→	23 rd place (2022), 25 th place (2021), 18 th place (2020), 14 th place (2019), 15 th place (2018), 11 th place (2017) 7 th place (2016), 4 th place (2015)
Sustainable Governance Indicators Bertelsman Stiftung SGI network - Link <i>Note: 2024 had a major methodological change, previous results are not directly comparable.</i>	9 th place for democratic government, 4 th place for governing with foresight (2024)	→	9 th for Quality of Democracy, 8 th for Good Governance (2022), 8 th for Quality of Democracy, 6 th for Good Governance (2020), 8 th for Quality of Democracy, 8 th for Good Governance (2019), 8 th for Quality of Democracy, 5 th for Good Governance (2018, 2017, 2016, 2015),

Appendix 4 – Minor and Technical Amendments

No.	Clause	Amendment
Employment provisions		
1	Clause 37	Rearrange provisions relating to the transfer of functions and employees between agencies so that clauses 7-11 in schedule 8 now sit within Part 3 subpart 4 of the Act so that all of the information about transfers is in one part of the Act).
2	Clause 47(1)	Amend schedule 8 clause 4 to remove the inconsistency regarding notification and review of appointments for temporary or casual employees so that those roles are subject to both the review of appointment and notification obligation provisions.
3	Clause 47(2)	Amend schedule 8 clause 5 to remove the requirement for the Commissioner to approve procedures regarding the review of appointments. Procedures must still comply with guidelines prescribed by the Commissioner.
Chief executive provisions		
4	Clause 41	Amend section 104 to clarify that immunity from civil liability applies to the Commissioner and public service chief executives both where they are acting as chief executives and in other roles/capacities.
5	Clause 45(1)	Amend who may be a delegate in schedule 6 to clarify that a contractor is both a person directly engaged by the agency on a contract for services and also someone who works for them, and to clarify it is secondees and not contractors who must be from elsewhere in the State services.
6	Clause 46(5)	Amend schedule 7 clause 3(15) to ensure that where the Governor-General declines the chairperson's recommendation for a chief executive and instead appoints a particular person to the position, the chairperson must without delay publish in the Gazette notice of the Governor-General's direction to appoint the person and notice of the appointment. This amendment brings the provision back in line with the State Sector Act 1988 requirement which had not been intended to change in the Public Service Act 2020.
7	Clause 46(8)	Amend schedule 7 clause 9 so that the Commissioner is able to appoint an acting chief executive to a role where the incumbent chief executive is absent from duty and either unable to delegate their functions, duties and powers or where that chief executive agrees that the Commissioner make the acting appointment.
8	Clause 46(9)	Amend schedule 7 clause 9 to clarify that the appointment of an acting chief executive ends when a newly appointed chief executive takes office or when the substantive chief executive returns to duty.
Commissioner's mandate and functions		
9	Clause 15	Amend section 19 to restore the ability for the Commissioner to issue guidance to the State services (excluding Crown Research Institutes and their subsidiaries). This had been unintentionally removed during the drafting of the Public Service Act 2020.

No.	Clause	Amendment
10	Clause 22	Amend the wording in section 45 back to that used in the State Sector Act 1988 so that it is clear the Commissioner must act independently except as provided for in the relevant cross-referenced provisions. The amended wording ensures the Commissioner must act independently of Ministers in relation to those provisions in so far as those provisions require independence.
11	Clause 43(1)	Add a provision to schedule 3 to expressly enable the Commissioner to recover actual and reasonable costs incurred by the Commission from agencies who are subject to an inquiry or investigation by the Commissioner.
12	Clause 43 (2)-(6)	Amend schedule 3 clause 4 to refocus and reorder the provision on requiring information and questioning public service employees before reference to the power to enter premises, to better align with what happens in practice.
13	Clause 46(3)	Amend schedule 7 clause 3(4) so that the Commissioner may be a member of an appointment panel without also being the chairperson.