

**MINUTES OF THE BETTER PUBLIC SERVICES ADVISORY GROUP MEETING
THURSDAY 6 OCTOBER 2011 AT 09:00
LEVEL 2, EXECUTIVE WING, PARLIAMENT BUILDINGS**

Present:

Maarten Wevers (Chair)	Chief Executive, DPMC
Jacqui Graham	Chief Executive, Wise Group
Vanessa Stoddart	Group General Manager, People and Technical Operations, Air New Zealand
Peter Hughes	Head, School of Government, Victoria University of Wellington
Gabriel Makhlouf	Secretary to the Treasury
Iain Rennie	State Services Commissioner
Sandi Beatie	Deputy Commissioner, SSC

In Attendance:

Andrew Kibblewhite (Secretariat) Deputy Chief Executive, Treasury

Withheld under section 9(2)(a) of the Official Information Act

Apologies:

Mark Ford Chief Executive, Watercare Services Ltd

Introduction and debrief of Ministers meeting

1. The Chair provided a debrief to the Secretariat on the meeting with Ministers the night before, and noted that there was a sense of “lifting the bar”. One member relayed Ministers comments that recommendations should not be sanitised, and that they should be provided frank advice, and that they will manage the politics of the recommendations. Another member noted the importance of there being a target, and providing Ministers with numbers/data.
2. Themes arising from the discussion with Ministers included: don’t sanitise, build on what has already been done, the need for numbers and the savings/reinvestment story, leading the change, accelerating change, and the drive to sector aspirational results. Key factors were seen as the customer voice, risk tolerance, leadership and culture, capability (including IT) and governance. The Advisory Group noted the importance of identifying the “big results” and what sectors can contribute to this.
3. The Advisory Group felt that the first draft of the report was not ambitious or sharp enough, and that it needed to be re-drafted to reflect the discussions with Ministers. The Advisory Group agreed that the 4 sectors which should be the basis for the advice in the report would be: skills and education, natural resources, justice, and business facing agencies. Other sectors should have

licence to also move in the direction of the report/advice. One member reflected on the discussion with Ministers and noted that Ministers want to see something on areas of work already underway and how this can be accelerated, and noted that the Advisory Group members had also mentioned to Ministers the need for greater tolerance of risk taking.

4. One member noted the unique position of New Zealand, compared to the UK, US and Australia, to lead state sector change and that this point should be conveyed to CEs. They noted that New Zealand has led the world in public sector reform before, and can do so again. One member noted that Ministers wanted to see some “easy wins” and savings that can be re-invested elsewhere.
5. The Advisory Group members discussed what “world best” public services would look like. The following themes were discussed: results, value for money, ease of use, IT enabled, responsive/flexible, voice and choice, best-sourcing and co-production, one-time data input, fast decisions, long-term sustainability and affordability, nimbleness, high trust, and future-proofed.

Leadership presentation

6. Officials from SSC presented to the Advisory Group on Leadership and talent management in the public service, and noted the need to place more emphasis on the expectation that CEs build leadership within organisations.
7. SSC presented to the meeting about the need to get the state sector to develop and cultivate talent, and the importance of CEs undertaking as part of their role developing future leaders. SSC noted the need to shift the focus to system wide identification and development of leadership, and that part of this included looking at ways to make it easier to move talented staff around agencies. SSC noted that it is about developing the talent already in the state sector, and attracting new talent to the sector. SSC noted the advantage of the state sector (in terms of scale and range of opportunities) compared with the private sector.
8. SSC noted that in order to successfully develop talent and leadership would require a greater role for SSC, including the need for senior leadership groups, and noted, for example, that some Tier 2 positions were more complex and demanding than some Tier 1 positions, and that they needed to be appointed in consultation with SSC. The Advisory Group noted the importance of the work around leadership occurring at the same time as the work around sectors, and the importance of being able to appoint people to “levels” rather than “positions”. The Advisory Group noted that the importance of having performance management of CEs more closely aligned with talent development.

Draft Recommendations

9. The Secretariat spoke to the draft recommendations circulated in advance of the meeting. The Secretariat noted that it is a robust framework to hang the report off. The Advisory Group members discussed each recommendation in turn, and provided drafting feedback to the Secretariat, and noted the need for key figures in the report, including the cost of the “system” at the moment. One member noted that it would be beneficial to reflect the size of the potential “prize” of the proposed changes, and some further discussion on how progress of implementation would be monitored.

The meeting closed at 1:00pm.