

**MINUTES OF THE BETTER PUBLIC SERVICES ADVISORY GROUP  
MEETING  
WEDNESDAY 25 MAY 2011 AT 09:30  
LEVEL 2, EXECUTIVE WING, PARLIAMENT BUILDINGS**

**Present:**

Maarten Wevers (Chair)	Chief Executive, DPMC
Mark Ford	Chief Executive, Watercare Services Ltd
Jacqui Graham	Chief Executive, Wise Group
John Whitehead	Secretary to the Treasury
Helene Quilter	Acting State Services Commissioner
Peter Hughes	Chief Executive, MSD
Sandi Beatie	Deputy Chief Executive, Ministry of Justice

**In Attendance:**

Andrew Kibblewhite (Secretariat) Deputy Chief Executive, Treasury  
Withheld under section 9(2)(a) of the Official Information Act

**Apologies:**

Vanessa Stoddart	Group General Manager, People and Technical Operations, Air New Zealand
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**Welcome and Introduction**

1. The Chair welcomed all the members of the Advisory Group to the initial meeting, and noted apologies had been received from Vanessa Stoddart. He noted that the decision to establish the group marked a milestone, not an end-point; arising from a conversation between the three Central Agency CEs and Ministers about whether there was scope for re-shaping and re-designing the state services. He noted that the Advisory Group had a mandate from Cabinet to look at the way the public services and wider state sector organises itself – a project likely to take several years at least. He noted that the focus of the group is fundamentally about the services delivered to New Zealand, and about improving those services.
2. The Chair invited the members of the group to introduce themselves, and to highlight the skills and experiences they bring to the group. Mark Ford noted his involvement in the private and public sector, and recent involvement in the reforms in Auckland which had sought to deliver a change in culture and a return in value to ratepayers.
3. Jacqui Graham – the founder and CE of Wise Group noted the extensive arrange of industries that the Wise Group is involved in ranging from software development and manufacturing, to employment relations and the health industry. She noted that the Wise Group is one

of the largest non government providers in the mental health sector, and 22<sup>nd</sup> largest charity in New Zealand. She noted that the Wise Group had faced many of the same issues as government, and has moved towards shared infrastructure services, and whole of organisational thinking.

4. Helene Quilter noted that she was attending as Acting State Services Commissioner in place of Iain Rennie. John Whitehead noted that he was due to finish as Secretary to the Treasury, and that Gabriel Makhoulf would be attending the next meeting as Acting Secretary to the Treasury. Sandi Beatie noted her long involvement in the Public Sector, including most recently at the Ministry of Justice. She noted that she will be starting at the State Services Commission as a Deputy Commissioner the following week. Peter Hughes noted his 30 years of public sector experience, including in change management. He noted that as the Chief Executive of MSD he chairs a social sector forum – a cluster of government agencies working on social sector issues.

## **Meeting Goals**

5. Ministerial interest in receiving a sense of oversight, reassurance and critical advice on the broad public sector reform to ensure it is on track, dealing with the issues that matter most, and to lift the pace were cited as the key goals of the Advisory Group. Further, one member added that the group can help Ministers clarify what they want in terms of state sector reform, and part of the advice from the Advisory Group can be to help Ministers in an interactive way. One member noted that the Prime Minister and Deputy Prime Minister will need a compelling proposition for change that will help them take their ministerial colleagues along with them.
6. One member proposed the question of “what success looks like” for the work of the Advisory Group. In response, members agreed success would mean a world class public service for New Zealand, and highlighted the importance of living standards. One member suggested the group focus on what it is that government does that can better contribute to growth in living standards – from their perspective success would mean delivering options to Minister that have a significant impact on lifting living standards. Additionally, one member noted that success would mean a smaller, more agile, and more responsive public service that is better targeted and achieves better results.
7. One member believed that a statutory deadline to deliver an outcome is very effective. They noted, for example, that the reforms in Auckland had been driven by a statutory deadline.
8. An official from the Advisory Group secretariat briefed the meeting on the discussion with Ministers on 11 April (material circulated to the group in advance of the meeting) and noted the importance of change

given the fiscal challenges that the public service is facing. They noted that the Deputy Prime Minister wants the changes to make sense, and for it to be clear about how the changes will lead to a better set of outcomes. They noted that part of the role of the Advisory Group is to interact with all the state sector reform projects currently underway. They drew member's attention to the A3 "How can this toolkit help achieve our goals" and the A4 "Better Public Services: Prioritising Key Initiatives".

## **Engagement with Ministers**

9. The meeting noted that there are a number of milestones for the Advisory Group; in the short run (next 2-3 months) success for the Advisory Group means have sufficient engagement with Ministers so that there is a clear and consistent message about what Ministers want in terms of reform. Longer-term (6 months) success would mean having a specific set of recommendations and advice on tangible reforms that Ministers can implement.
  
10. The meeting touched on the way Ministers organise themselves, and the number of decision-points and portfolios this creates – this was seen as one possible impediment to implementing a more efficient public service. Withheld under section 9(2)(g)(i) of the Official Information Act  
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11. Initial discussion with Ministers late last year had focussed on smaller and better public services, and the focus of the initial work prepared last year had been on what difference the changes would make to New Zealanders – one member recalled that Minister Ryall had focussed on "what difference is this going to make to Mr and Mrs Papamoā" and that he was not interested in the machinery of government as an end in itself, but rather what the impact of machinery changes will be on service delivery.
  
12. The focus of the advice of the Advisory Group, in the opinion of one member should be on how to achieve better outcomes, and that it will be important to be specific about what outcomes that changes to the public services are going to achieve. One member questioned what "customer service" looks like in the public service – and noted that many of the "customers" are reluctant customers.

## **Public Announcement of the Advisory Group**

13. In response to a question, The Secretariat noted that nothing specific has been mentioned in public yet about the existence of the Advisory Group. The Chair noted that the Deputy Prime Minister is to make an announcement on the Advisory Group next week. One member requested coordinated media messaging for the Advisory Group.

14. The Chair agreed to write to all public service chief executives after the Ministerial announcement, and two members agreed to talk to a future CEs meeting on the work of the Advisory Group. The meeting agreed to the establishment of a central repository of information for the public on the Advisory Group and agreed to a webpage being established on the DPMC website with information on the Advisory Group, the members, links to the Ministers speeches and any other releasable information.

### **Terms of Reference for the Advisory Group**

15. The Chair noted the membership of the Advisory Group, and the Ministerial Group and noted that the advice from the Advisory Group isn't intended to cut across advice coming from Ministers own ministries. He noted that the group will endeavour to have oversight of the various reform initiatives underway across the state sector. The Chair noted that the role of the Advisory Group is to provide leadership and direction for state sector reform, and to provide advice to Ministers on the context and purpose of the state sector reform strategy. While Ministers have agreed some priorities, it was noted that these are not the only priorities.

16. One member noted that it would be good to have briefings on the various state sector reform projects already underway, and that presentations would be beneficial. The Secretariat will arrange to brief the Advisory Group on these various projects, and will arrange for appropriate people to attend future meetings to brief the Advisory Group.

17. The Secretariat briefed the meeting on discussions that had taken place with various "wise heads" Withheld under section 9(2)(a) of the Official Information Act  
Withheld under section 9(2)(a) of the Official Information Act about state sector reform. The Secretariat agreed to circulate the notes from these discussions and to arrange for the "wise heads" to brief the Advisory Group at future meetings (timings to be determined). Additionally, one member noted that it would be useful to engage with the lead Performance Improvement Framework (PIF) reviewers at some future point. The Secretariat agreed to circulate the PIF 2<sup>nd</sup> Tranche Findings to the Advisory Group to give them an understanding of the PIF process.

18. The meeting discussed a timeframe for advice to go to Ministers. A date of 30 November was seen as the timing the group should aim for.

### **Impact of the Christchurch Earthquake**

19. The Advisory Group noted the opportunity presented by the earthquake in Christchurch and the re-build to look at innovative ways in which government services are being delivered. They noted that MSD was

looking at a more integrated service model (with other government agencies) in Christchurch, and that it provides an incubator in which to be innovative.

## **Better Public Services Work Programme**

20. The Secretariat briefed the meeting on the range project workstreams underway across the public service (A3 Better Public Services: Work Programme). The Secretariat noted that Ministers will not be expecting the Advisory Group to have views on all of these workstreams, but to understand how this fits into the broader picture of state sector reform. The Secretariat noted that there is strong Ministerial interest in the work underway around contestability in terms of what services government provides, and what services it contracts out. The meeting focussed on Servicelink as one area where the Advisory Group can add value, and Service Canada and Service Ontario were highlighted as examples of what other countries are doing in this space.

## **Tasking of the Secretariat**

21. The Advisory Group tasked the secretariat to:
- a. update the Terms of Reference of the Advisory Group in light of the conversation;
  - b. provide a schedule of presentations for future meetings on the topics identified above;
  - c. identify the cornerstone initiatives underway already to which the Advisory Group should pay close attention;
  - d. provide background information on the key initiatives already underway;
  - e. circulate note from previous meetings with “wise heads”;
  - f. arrange for the lead PIF reviewers to attend the next meeting;
  - g. launch the website for the Advisory Group
  - h. find examples from other countries where they have implemented innovative state sector reform initiatives;
  - i. develop various models for state sector integration; and
  - j. adopt a “green fields” approach to the state sector reform – how would the Secretariat design the state sector if starting from scratch
22. The meeting noted the time set between meetings (approximately 6 weeks) and tasked the Secretariat to work remotely with all the members to circulate material and aid discussion out of session.

The meeting closed at 1:50pm.