

# **Performance Improvement Framework**

**Formal Review of**

**Te Puni Kōkiri**

**(Ministry of Māori Development)**

**ACTION PLAN**

**Sept 2010**

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**Performance Improvement Framework  
Formal Review: Te Puni Kōkiri  
ACTION PLAN**

**Te Puni Kōkiri  
Wellington, New Zealand**

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## **TE PUNI KŌKIRI: PERFORMANCE IMPROVEMENT FRAMEWORK ACTION PLAN**

### **Contextual Information**

During the Performance Improvement Framework (PIF) formal review Te Puni Kōkiri instigated a 'Priority Alignment Review'. The purpose of this review is to determine the optimal configuration of Te Puni Kōkiri to ensure we are able to deliver on Government priorities.

With the steadily improving economic conditions, government as a whole is shifting its overall economic emphasis from supporting New Zealanders through the recession, to achieving a step-change in economic performance through higher, more sustainable, economic growth. Alongside this, there are two other whole of government priorities that have particular importance to, and implications for, Te Puni Kōkiri. These are: the aim of achieving settlement of all historical Treaty of Waitangi claims by 2014; and the lead agency role and implementation of the recently announced Whānau Ora Approach.

In addition to these whole of government priorities, there are a number of additional priorities that the Prime Minister and the Minister of Māori Affairs have agreed to progress in the immediate term. These include: a review of Māori language sector; repeal and replacement of the Foreshore and Seabed legislation; and a review of New Zealand's constitutional arrangements. These priorities are all clearly articulated in our 2010-13 Statement of Intent, and together, signal a sharpened medium term focus for Te Puni Kōkiri.

While these priorities pose exciting leadership opportunities for Te Puni Kōkiri, they also pose challenges. Government is operating under tight fiscal constraint, including capping of the size of the state sector – and is largely expecting agencies to deliver on Government priorities within existing resources. We must ensure that we are appropriately configured, and that resources are appropriately directed, to successfully deliver on these changing expectations.

At the time of finalising this action plan a consultation document has been released to staff. The consultation document recommends some immediate structural change but also signals where further work is required as stage 2, in terms of work prioritisation, capability requirements and resource allocation across the new structure and stage 3, in terms of business process re-engineering we may need to undertake.

The PIF review findings have been taken into consideration as part of stage 1 and the proposed stages 2 and 3 of the Priority Alignment Review.

## Priorities Areas for Action

The following priority areas for action have been developed in response to the PIF report findings. Through the PIF moderation process, the Executive Leadership Team (ELT) have agreed to focus on the following areas as a matter of priority: strategic direction, work prioritisation, people development and measuring/achieving effectiveness and efficiency. These are detailed in the table below:

Reviewers' Priority Area for Action from the PIF Report	Action Required	Responsibility for Action (ELT lead)	Timeframe
<b>Strategic Direction</b>			
<p>1. <u>Improve strategic capability to play a more proactive role across agencies (RECOMMENDATION 1)</u></p> <p>The challenges of the next few years will see an increasing need for TPK to play a stronger, and in some cases leadership, role in cross-agency and sector wide processes.</p>	<p>A. The 'Priority Alignment Review' recommends the establishment of a senior strategic coordination role to support and facilitate strategic thinking by ELT and across senior management.</p> <p>B. Specific mechanisms to ensure that strategic thinking is embedded into our business, through policy, operations and more strategic communications will be considered in stages 2 and 3 of the Priority Alignment Review. In particular, to establish a strategic policy function in order to instigate the overall strategic thinking and forward programme of Te Puni Kōkiri.</p> <p>C. Establish a project focused on pursuing strategic relationships with some tertiary providers and Crown Research Institutes (CRIs) to build our strategic capability and influence.</p> <p>The next specific 'products' from this approach will be the (i) Minister's response to the scheduled appearance at ECC, (ii) Budget 2011 strategy, (iii) 2011/12 Sol and (iv) 2011 Briefing to the incoming Government.</p>	<p>Primarily ELT with wider senior management involvement.</p> <p>Deputy Secretary Support Services – establishment &amp; on-going management of the senior strategic coordination role.</p> <p>Deputy Secretary Policy – developing options for the establishment of a strategic policy function.</p> <p>Deputy Secretary Policy – pursuit of strategic relationships across tertiary &amp; CRI providers.</p>	<p>A. Establish and recruit to a senior strategic coordination role – by October 2010.</p> <p>B. Develop options for establishing a strategic policy function – by October 2010.</p> <p>C. Establish strategic relationships across tertiary and CRI providers – by June 2011.</p>

### Comments

A number of different work streams will impact on TPK's strategic direction, these include:

- Crown-Māori relationships: need to assess the impact of emerging Crown-Māori relationships on the role and responsibilities of Te Puni Kōkiri (e.g. emergence of Iwi leaders grouping; instruments being developed as part of Treaty settlements; and possible changes to the Māori Community Development Act);
- Review of Te Puni Kōkiri's legislative obligations, including on-going maintenance of the Māori Affairs legislative portfolio, according to the regulatory plan and legislative programme.
- Government Priorities / Servicing the Minister - ongoing consideration of the priorities and requirements of the Minister and Government, including prioritising departmental support to enable the Government to meet its priorities and govern in the Māori Affairs portfolio.
- Review Te Puni Kōkiri's involvement in cross-cutting machinery of Government initiatives, with the view to prioritising our activities on areas of most importance to the Ministry. The types of cross-agency forums in which we may reconsider our level of involvement include the Family Violence forum; the Sexual Violence forum; and Chief Executives' Environment Forum;
- Establishment of a Centre of Indigenous Development - consider the establishment of a Centre of Indigenous Development through the collection and dissemination of information that deals with indigenous development issues.

Work Prioritisation			
<p>2. <u>More rigorous work prioritisation (RECOMMENDATION 2)</u></p> <p>TPK needs to prioritise its activities to manage a steadily increasing workload.</p>	<p>A. Stage 2 of the 'Priority Alignment Review' will include a review of work priorities to establish capability requirements and an appropriate allocation of resources across Te Puni Kōkiri.</p> <p>B. The planning &amp; budgeting process through the development of an Annual Output Plan/work programme will ensure resource allocation to priority activities. On-going financial &amp; non-financial performance management &amp; reporting will provide supporting information for formal ELT review/discussion on a four monthly basis (minimum).</p> <p>Through these actions, explicit prioritisation decisions/options will be evidenced through key strategic and corporate accountability documents including; (i) Priority Alignment decision documents (stages 1 &amp; 2), (ii) Minister's ECC report, (iii) Budget 2011 strategy, (iv) 2011/12 Sol and (v) 2011 Briefing to the incoming Government.</p>	<p>ELT – Stage 2 of the 'Priority Alignment Review'</p> <p>ELT – prioritisation discussions</p> <p>Senior strategic coordination role and Group Manager Finance – facilitate planning &amp; budgeting process and on-going performance reporting.</p>	<p>A. Stage 2 completed – by December 2010</p> <p>B. Planning &amp; Budgeting process – within established timeframes</p>
<p>3. <u>Improve information sharing, policy alignment and prioritisation of activities across Wāhanga and between Head Office and regional offices. (RECOMMENDATION 5)</u></p> <p>Information flows within Wāhanga seem satisfactory but cross-agency systems are less effective. Regional office work needs to be more closely aligned to Head Office.</p>	<p>A. Stage 2 of the 'Priority Alignment Review' has a focus on a review of the Relationships and Information Wāhanga (R&amp;I) in conjunction with a review of work priorities to establish capability requirements and an appropriate allocation of resources across the Ministry. While each of these projects will be run in parallel we will be looking to integrate any decisions that are finally reached so there is complete alignment between Wāhanga and ease of workflow.</p> <p>B. Stage 3 of the 'Priority Alignment Review' has a focus on the business processes and workflows through and across all Wāhanga. This stage will be concurrent with stage 2 and will be on-going as we strive for best practice.</p>	<p>ELT – Stage 2 &amp; 3 of the 'Priority Alignment Review'</p>	<p>A. Stage 2 completed – by December 2010</p> <p>B. Stage 3 substantially completed – by March 2011</p>

People Development			
<p>4. <u>Pay more attention to <b>development and performance management of individual staff members.</b></u> <u>(RECOMMENDATION 8)</u></p> <p>Not only are formal systems not sufficiently well applied, but valuable opportunities for staff development are being missed.</p>	<p>A. It is compulsory to have performance agreements/ assessments for all staff and the timeframes around these processes are well established. We will re-emphasise the importance and value of the performance agreement/ assessment process to Managers and staff through (i) CE/ELT led communications (ii) monitoring of Wāhanga progress by Deputy Secretaries, and (iii) the incorporation of compliance information into the monthly HR KPI report tabled at ELT.</p> <p>B. Continue to offer HR training and support to Managers and staff in developing performance agreements and undertaking performance assessments. In the first instance this will be instigated by HR advisors in agreement with relevant Wāhanga Deputy Secretaries. Progress against this activity is to be reported in the monthly HR KPI report tabled at ELT.</p> <p>C. Strengthen the focus on an on-going performance culture through performance management training. The HR Group have developed a performance management training package. In association with Deputy Secretaries, those with staff management responsibilities will be encouraged to attend one or more of the training offerings.</p> <p>D. Continue to create a work environment where highly performing staff are recognised, not over-worked, and given development opportunities to be taken out of the line from time to time. Particularly through LDC offerings, secondments and opportunities to 'act up'.</p> <p>Through these actions we expect to see improvements in the next staff engagement survey (by April 2012) across the following sections:</p> <ul style="list-style-type: none"> <li>• Learning &amp; Development – 65% (62% in 2010)</li> <li>• Performance &amp; Feedback – 65% (61.7% in 2010)</li> </ul>	<p>Coordinated by the Group Manager, Human Resources</p>	<p>A. On-going but specifically during 6 month performance agreement / assessment rounds and monthly HR reporting to ELT. We expect to see completion rates increase to 90% (currently 80%) by July/August 2011.</p> <p>B. As above.</p> <p>C. A minimum of 10 to 12 managers undertake formal performance management training by June 2011.</p> <p>D. A minimum of 10 high performing staff have been given development opportunities through; LDC offerings, secondments and/or opportunities to 'act up'.</p>

Effectiveness and Efficiency			
<p>5. <u>Increase focus on <b>efficiency and effectiveness</b> assessments.</u> <u>(RECOMMENDATION 4)</u></p> <p>Performance and impact measures need more work and better measurement of efficiency and effectiveness is required to ensure maximum value for money and informed judgements on alternative delivery options at a time of static or reducing baselines.</p>	<p>A. An exercise to begin developing efficiency and effectiveness measures across Te Puni Kōkiri at both an input and output level is underway. Where appropriate these measures will be used to benchmark our performance against other government agencies. An initial set of measures and broader discussion of possible wider measures will be presented to ELT for the purposes of agreeing to next steps. In particular, the level of complexity across the efficiency and effectiveness measures going forward.</p> <p>B. In connection with the above work, Te Puni Kōkiri has recently agreed to become part of the second wave of agencies involved in the BASS benchmarking exercise.</p> <p>C. There are also efficiency/effectiveness performance measures incorporated into the 'Information Supporting the Estimates' to demonstrate performance at an output level. Additional non-financial performance measures will be developed through the Output Plan/work programme.</p> <p>D. Stage 3 of the 'Priority Alignment Review' has a focus on the business processes and workflows through and across all Wāhanga. This stage will be concurrent with stage 2 and will be on-going as we strive for best practice. A range of business processes have been initially identified for fuller consideration, including for example, contract management, Ministerial servicing, and giving effect to our role in the Treaty settlements process.</p> <p>The above actions will be operating effectively when they are used to support strategic direction and work prioritisation decisions.</p>	<p>Group Manager Finance &amp; senior strategic planning resource - Effectiveness and efficiency measures</p> <p>Group Manager Finance – BASS benchmarking</p> <p>ELT – Stage 3 of the 'Priority Alignment Review'</p>	<p>A. Initial set of measures &amp; proposed work plan – by August 2010 and wider set substantially completed by March 2011</p> <p>B. BASS benchmarking – September/October 2010</p> <p>C. Non-financial output measures – by October 2010</p> <p>D. Stage 3 substantially completed – by March 2011</p>

## Other Areas for Action

The table below responds to additional areas identified through the PIF review that require action.

Reviewers' Priority Area for Action from the PIF Report	Action Required	Responsibility for Action (ELT lead)	Timeframe
<b>Delivery of Government Priorities</b>			
<p>6. <u>Strengthen TPK's economic analysis capacity to enable it to play a full part in economic development and natural resources work. (RECOMMENDATION 7)</u></p> <p>TPK is not currently equipped to play a full role in the important areas of natural resources, economic development, land utilisation and the environment.</p>	<p>A. Building off the Economic Futures work, develop Te Puni Kōkiri economic development and growth strategy, including positioning relative to wider Government and iwi/Māori interests, role, priority industry/sectors and business capability (eg, SME, export ready etc).</p> <p>B. Through stage 2 of the 'Priority Alignment Review', agree to the level of resource and effort, relative to other priorities across Ministry, to give effect to the above strategy.</p> <p>C. Align policy, investments and programme delivery to strategy, including ensuring appropriate capacity and capability requirements are provided for. Depending on decisions taken on the final form of the strategy and associated resourcing, this may include increasing capacity and capability.</p>	<p>Deputy Secretary (Policy) with Deputy Secretary (R and I), Director (Resources and Wealth) - finalise strategy and agree to resourcing, capability and capacity requirements.</p>	<p>A. TPK Economic development &amp; growth strategy - by August 2010</p> <p>B. Stage 2 completed by December 2010</p> <p>C. As above</p>

Delivery of Core Business			
<p>7. <u>Continue to pay close attention to contract management practice. (RECOMMENDATION 3)</u></p> <p>Contract management is a high and increasing risk area for TPK.</p>	<p>A. Contract management of the Māori Potential Funds (MPF) is a function which is currently spread across all parts of the organisation. The changing profile of our MPF into a greater concentration of larger national contracts and the increased demands of Whānau Ora means that we are proposing to assign all contract management responsibility to the R&amp;I Wāhanga through stage 1 of the 'Priority Alignment Review'.</p> <p>B. Consideration of National Investment Management capability within R&amp;I, will be factored into the fuller review of that Wāhanga to be completed as part of Stage 2. Specifically this will identify what capability requirements are needed both as part of the National Investment Management role but also across wider regional staff and determine on-going training requirements.</p> <p>C. Stage 3 of the 'Priority Alignment Review' has a focus on the business processes and workflows through and across all Wāhanga, including MPF and other contracting. This stage will be concurrent with stage 2 and will be on-going as we strive for best practice.</p> <p>D. The recently approved Internal Audit Programme (over 3 years) incorporates annual compliance audits of contract management practice. This will ensure timely identification of areas for improvement on a continuous basis.</p>	<p>ELT – Stage 2 &amp; 3 of the 'Priority Alignment Review'</p> <p>Internal Audit &amp; Risk – compliance audits</p>	<p>A. Change to take effect on finalisation of decision document post stage 1 consultation – by August 2010.</p> <p>B. Stage 2 completed – by December 2010</p> <p>C. Stage 3 substantially completed – by March 2011</p> <p>D. Compliance audits - Annually</p>
<p>8. <u>Make fuller use of regulatory impact analysis in regulatory work. (RECOMMENDATION 12)</u></p> <p>Important to use and follow public service best practice.</p>	<p>A. In January 2010 the broad legislative review programme for the next 2-3 years was considered by ELT. Update the forecast legislative programme for outyears, as part of the ELT approval of the annual legislative programme.</p> <p>B. Establish a regulatory review programme, to provide for a systematic approach to maintaining the regulations administered by TPK.</p> <p>C. Conduct in-house training for Policy Managers and staff on RIA requirements and standards.</p>	<p>A. and C. Deputy Secretary (Policy) with Policy Managers and staff working on policy issues leading to legislative reform in the Māori Affairs portfolio</p> <p>B. Deputy Secretaries (Policy and Support Services) with Manager, Legal</p>	<p>A. January/February 2011</p> <p>B. By end September 2010</p> <p>C. By end September 2010</p>

<b>Leadership, Direction and Delivery</b>			
<p>9. <u>Reinstate periodic meetings of third tier managers (RECOMMENDATION 6)</u></p> <p>To maximise effective engagement and co-ordination across the whole of the organisation.</p>	<p>Establish bi-annual meeting of third tier managers upward post-budget (June) and as part of the planning process /development of the SOI (November)</p>	<p>CE with ELT and senior strategic coordination role</p>	<p>Due to staff consultation requirements planned for July 2010 (&amp; beyond), the first opportunity to bring 3rd tier management together will for 2011/12 planning – November 2010</p>
<b>External Relationships</b>			
<p>10. <u>Strengthen communication generally with stakeholders about TPK's work and keep Ministers, stakeholders and public closely informed about the Whānau Ora programme in particular. (RECOMMENDATION 11)</u></p> <p>Important to keep stakeholders in the general picture, to communicate decisions on priorities and the reasons for them, and to take a proactive stance on communication with Ministers, stakeholders and the public about the Whānau Ora initiative as it is rolled out.</p>	<p>A. Develop a Ministry wide communications strategy that identifies the key internal and external stakeholders and their respective communications requirements.</p> <p>B. Based on the communications strategy above determine the level of strategic communications support required within the Ministry and agree how this can be best fulfilled. This assessment is to be done as part of stage 2 of the 'Priority Alignment Review'.</p> <p>C. During the initial implementation phase of Whānau Ora, dedicated communications resource has been established to review the communications strategy and resourcing for the implementation of Whānau Ora. Specifically to:</p> <ul style="list-style-type: none"> <li>• Ensure a proactive approach in providing on-going information to the public</li> <li>• Ensure we provide for on-going dialogue with whānau, communities and providers in the implementation of the Whānau Ora approach</li> <li>• Ensure Whānau Ora Ministers, are kept briefed on the implementation progress of the Governance Group and cross agency officials</li> </ul>	<p>Deputy Secretary (Support Services) and Deputy Secretary (Whānau) with Communications Manager</p>	<p>A. Communications Strategy approved by ELT – October 2010</p> <p>B. Stage 2 completed – by December 2010</p> <p>C. Whānau Ora specific communications is well underway and likely to continue in a concentrated manner for a further 6 to 12 months.</p>

**Comments**

A communications strategy has been established for the implementation of the Whānau Ora approach, along with a range of activities since the review was undertaken including: a proactive announcement on Whānau Ora prior to the release of Budget 2010; a series of 12 regional hui was undertaken across the country with very large attendances; and a range of material has been prepared for provision through regional offices and on the internet.

<b>Financial and Resource Management</b>			
<p>11. <u>Consolidate and build on recent improvements to internal audit and risk management functions.</u> (RECOMMENDATION 9)</p> <p>Need to take recent improvements a stage further in order to give adequate levels of assurance.</p>	<p>KPMG is now engaged as the TPK internal audit partner and has undertaken an initial organisational risk assessment. The resultant internal audit work programme (now a 3 year programme) and internal audit activity is expected to demonstrate further improvements.</p> <p>The audit programme has been approved by ELT and endorsed by the Audit and Risk Management Committee (ARMC).</p> <p>A risk management workshop for ARMC members is scheduled to take place in August with the objective of strengthening awareness and approach to risk management at a Deputy Secretary level.</p>	<p>Deputy Secretary (Support Services) with Audit and Risk Manager Committee and Senior Advisor Risk &amp; Internal Audit</p>	<p>On-going</p>

<p>12. <u>Undertake an expert review of TPK's IT systems and processes, with particular focus on business continuity. (RECOMMENDATION 10)</u></p> <p>Questions over business continuity and documentation.</p>	<p>A. In regards to the recovery of IT systems and information post a systems failure, some immediate actions are being instigated; (i) duplicate tapes will be sent to our Hamilton regional office for safe storage on a weekly basis; and (ii) a reciprocal hosting arrangement between TPK and MfE allows for the location of a back-up server at MfE which can be bought into action in case of a local failure at TPK. We plan on installing a small SAN and copying our files directly to it rather than use tapes at all. We have begun the system design and are scoping hardware which will suit.</p> <p>B. Business continuity planning is a wider organisational issue to be addressed, the last formal plan being agreed to in 2006. A formal review of business continuity planning will be undertaken once organisational change decisions have been made.</p> <p>C. IT systems &amp; processes are to be subjected to internal audit (through KPMG).The audit will also make an assessment on the appropriateness/adequacy of current IT systems documentation.</p>	<p>Deputy Secretary (Support Services) with Group Manager Information Services</p>	<p>A. By 31 July 2010. B. By April 2011. C. By December 2010.</p>
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