



Te Kawa Mataaho
Public Service Commission

State of the Public Service

Te Kahu Tuatini

DECEMBER 2025



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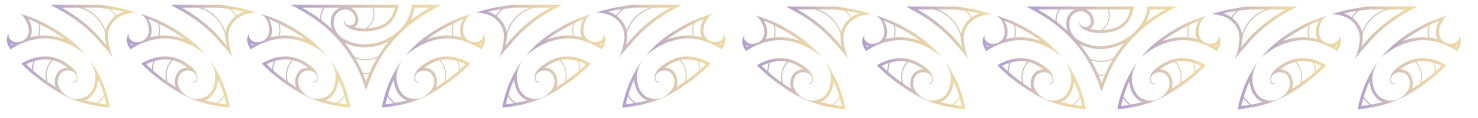
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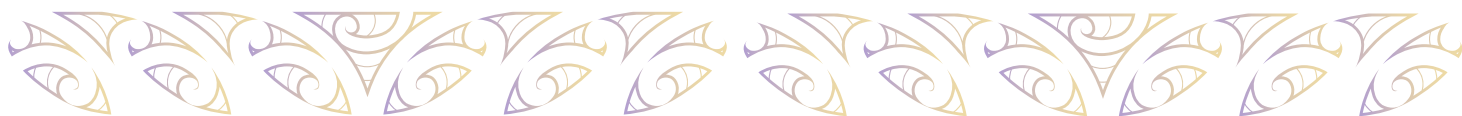


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Commissioner's foreword

Tā te Kaikōmihana matakōrero

Kia ora

I am pleased to present this three-yearly briefing on the state of the Public Service, as required by the Public Service Act 2020.

As I prepare this, I am just over a year into my role. Over this period I have witnessed, first hand, the dedication public servants bring to their roles serving New Zealanders. There is much to admire and be proud of in the motivation and expertise evident in the Public Service. We are, as a country, well served by their professionalism and resilience – albeit with a system under fiscal and technology pressures.

This briefing comes at an important time in the life of the Public Service, a service which has a proud tradition of serving New Zealand for over a century. We can learn from and build on the work of the past, but we must chart our own way forward in a rapidly changing and evolving world. We need to do this with urgency and purpose, without compromising the core foundations of integrity, political neutrality, and free and frank advice. In a world that is rapidly changing in all facets of life for our citizens, we can't afford to stand still or lag behind. We must embrace change and be ready to seize opportunities to work better and smarter for the benefit of New Zealanders.

In my assessment, the Public Service is not as well positioned as it needs to be for the future. The current model, whilst delivering on a daily basis, has significant risks due to its:

- fragmented and siloed approach
- lack of a whole of system perspective
- slow uptake of enabling technologies such as artificial intelligence
- numerous sub-scale agencies, reducing resilience and constraining career pathways
- ongoing fiscal pressures
- insufficient talent development.

Our challenges and opportunities are similar to many other public management systems globally. We have the ability to learn from them. In doing so, we need to shift our focus and the way we organise so that citizens are at the centre of what we do, and deliver services people can rely on while making efficient use of taxpayer dollars. That's what we should all expect from a world class public service.

I acknowledge the complexity, and the courage required, for these challenges to actually be addressed. It's not in my view an overnight fix. It's going to require shifts in our systems and in our mindsets. It's important we start now. That's my focus, and the focus of my chief executive colleagues, as we provide advice to Ministers for decision making. This briefing discusses shifts we need to take in our operating model in light of the challenges and opportunities we face. It also highlights some of the early work that is underway or planned to support the shift in focus to a better, cohesive, and more efficient public service.

Core to the success of our Public Service is the need to attract, retain and develop our people – they are our greatest asset. An increased focus needs to occur in this area to ensure that there is a strong career path for those who choose to serve.

There is, of course, more to do. Any change will involve risk, but we need to think about this in contrast to the status quo. As I look ahead, I am optimistic about the future of the Public Service and the many great people who choose to work in the service of others. The work we do together now will place the Public Service on a strong footing for generations that follow. That will be a legacy all public servants can be proud of.

Ngā mihi

Sir Brian Roche KNZM

Te Tumu Whakarae mō Te Kawa Mataaho
Public Service Commissioner | Head of Service



Executive summary

Whakarāpopotonga matua

The Public Service has a proud legacy of serving New Zealanders for over a century. New Zealand's Public Service ranks highly in international indices for integrity and trust. Public servants are motivated to help New Zealanders and do their best for communities, families and each other. These are important foundations for a strong public service. However, on their own these factors will be insufficient to address the complex challenges and opportunities we face.

While the current model still delivers, it is:

- fragmented
- slow to move on digital and to adopt artificial intelligence (AI) technologies
- slow to change based on customer/citizen feedback
- under ongoing fiscal pressure
- at risk of eroding capability due to insufficient talent development.

The complex structural arrangements, built up over many years, no longer reflect the way people and businesses interact with government. Reforms in the 1980s and 1990s hard-wired silos into our operating model, delivering specialisation at the time, but at a cost. Today, those silos contribute to duplication, inefficiencies, slow decision-making, and risk aversion. This means citizens and businesses face unnecessary complexity, navigating multiple agencies and processes.

Looking ahead, we cannot expect the way things have been done in the past to necessarily be suited to the future. There are limited examples of this being the case in the private sector. We need to take steps now to reorient and modernise the way we organise and operate. Engagement with public servants confirms the need and desire to better organise, upskill, and improve the way we work. The cost of doing nothing is potentially very high.

To address the need for improved policy coherency, alignment and services it is important to tackle organisation fragmentation at a system level.

The number, size and configuration of government departments contributes to the complexity of leading, working and delivering across the Public Service. We need to increasingly shift to organising Public Service departments into groupings that

reflect the way citizens and businesses interact with public services. This will not necessarily change the core business or functions of the Public Service. It will mean they will be delivered by fewer, but more impactful departments, with delivery units sharply focused on the needs of the public. It also offers economies of scale in back-office operations.

In parallel, we must accelerate the use of digital capabilities to better reflect how people live, connect, and engage with services. There are good examples of this in some departments, but we need to make it the way we do business more generally. We are taking steps now that will see New Zealand advancing toward a modern, fully digital public service, capable of delivering faster, more efficient, and connected services. This transformation is being guided by a Digital Target State, developed by the Government Chief Digital Officer (GCDO) and the Public Service Commissioner, with a rolling 5-year strategy and 3-year programme of deliverables. To give effect to this, the GCDO's role and responsibilities are being expanded to lead digital transformation across government, similar to international models like Singapore's GovTech.

Embracing a digital-first mindset and scaling the use of AI across the Public Service will be critical to lifting productivity and enhancing customer experience. Jurisdictions such as Singapore, Estonia, and New South Wales are leading in digital service delivery and use of AI, offering valuable lessons for New Zealand. These include, exploring how digital identity can streamline access to services, and how centralised procurement can optimise investment, by identifying gaps, reducing duplication, and enabling reuse through a "pay once, use many times" approach.

Our people are central to how we do things, and how well we do them. If we want to keep delivering great work, we need to make the Public Service a place where people genuinely want to be. That means creating an environment that's rewarding, vibrant, and welcoming. It means making it a place that draws in talented people, helps them grow their careers, and encourages leaders to stay curious and try new things to lift performance and outcomes. This isn't a one-off effort, it's something we need to keep focusing on as we modernise the Public Service and build on its proud legacy of serving New Zealand.



About this briefing

Mō tēnei kōrero whakarāpopoto

Commissioner's three-yearly briefing

The Public Service Commissioner is required to prepare a briefing on the state of the Public Service for the Minister for the Public Service, at least three-yearly, under Schedule 3 (16) of the Public Service Act 2020 (the Act).¹ The purpose of the briefing is to promote stewardship of the Public Service. Under the Act, the Commissioner is responsible for determining the subject matter of the briefing taking into account issues the Commissioner considers are in the public interest. This is the second briefing issued under the Act.²

Commissioner's role

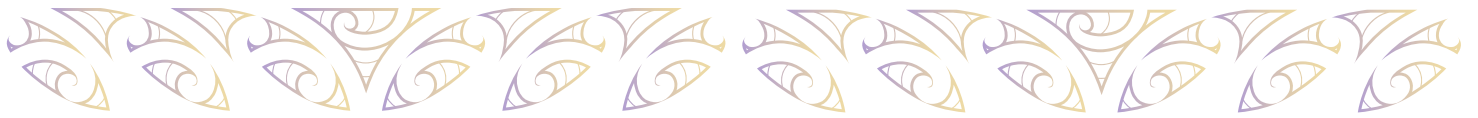
The Commissioner leads the Public Service to deliver better services and outcomes for New Zealanders. The Commissioner is appointed by the Governor-General and plays a key role in advising the Government about the public sector, including on how it can be organised to deliver effective and efficient services and advice.

The Commissioner employs chief executives of departments and sets their employment expectations as well as providing workforce-related guidance and setting standards for public service conduct. The Commissioner advises ministers on how the Public Service is designed and operates including how agencies work together, how governance is structured, and how responsibilities are shared across the system.

The preparation of this briefing is part of the Commissioner's stewardship role. It highlights some key shifts the Commissioner sees as necessary to evolve the Public Service operating model, helping to set it up for success in the years ahead and ensuring greater resilience in an ever increasing and challenging fiscal environment.

Te Kahu Tuatini

Te Taura Whiri i te Reo Māori | Māori Language Commission gifted the title of the briefing Te Kahu Tuatini to illustrate the essence of the briefing and its purpose. Te Kahu Tuatini is an intricate and detailed cloak, fashioned from many elements. Te Kahu protects, wards off danger, and supports wellbeing. Looking closely at the elements, layers and threads of Te Kahu reveals the complexity of the design woven together as a cohesive and functional whole. Likewise, the Public Service is a complex tapestry of processes, systems, and people that strive every day to achieve better outcomes for New Zealanders. To retain its integrity and relevance for this and future generations, the Public Service (like Te Kahu) needs to be well looked after – united, maintained and strengthened.



SECTION 1

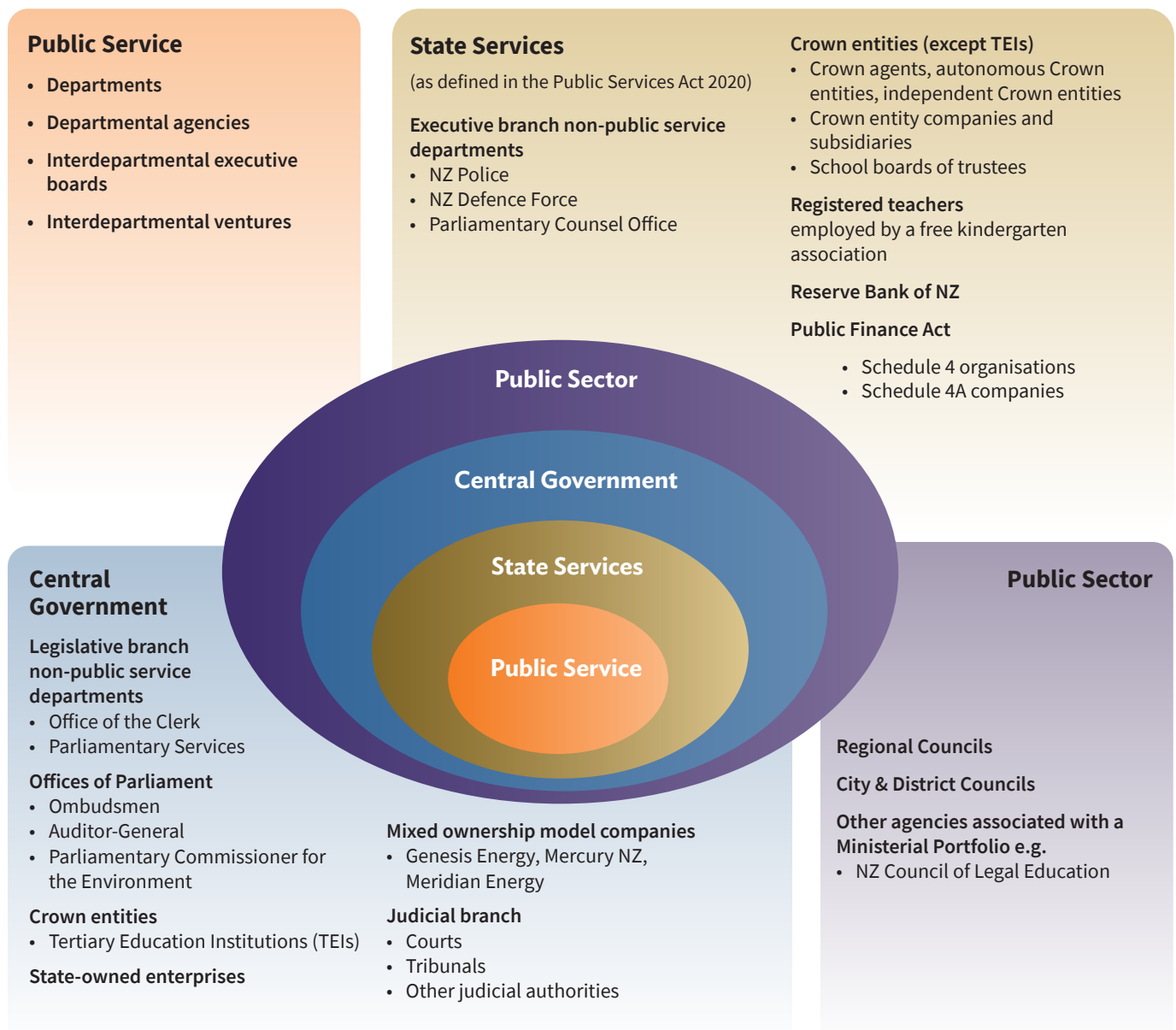
Who we are and what we do

Ko wai mātou, ā, he aha ā mātou mahi

About the Public Service

The Public Service was established in legislation in 1912 and over the past 113 years has served New Zealand and the government of the day. From its beginnings, it has been designed to be politically neutral, trusted, and enduring, providing continuity across governments and helping to steward public resources responsibly.

Today, the Public Service continues to play a vital and enduring role in shaping a better future for New Zealand. As a permanent institution transcending electoral cycles, the Public Service provides expertise and stewardship, ensuring that governments, both current and successive, are equipped to make informed decisions which serve the long-term public interest and give effect to their policies.



Public Service at a glance (30 June 2025)

62,654

Full-time equivalent (FTE) staff*

34

Departments

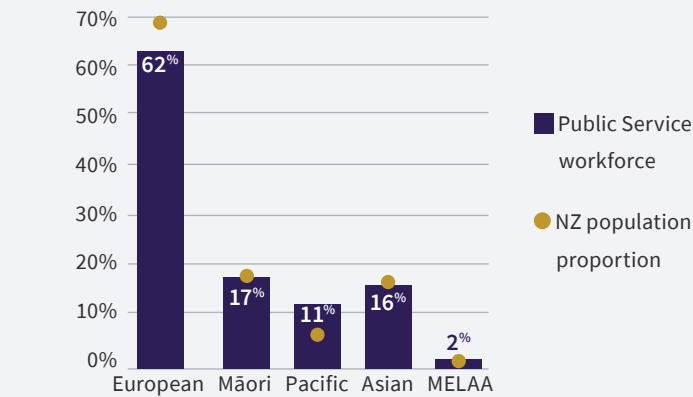
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Departmental Agencies

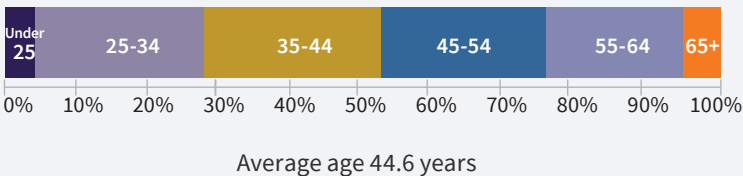
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Interdepartmental
Executive Boards

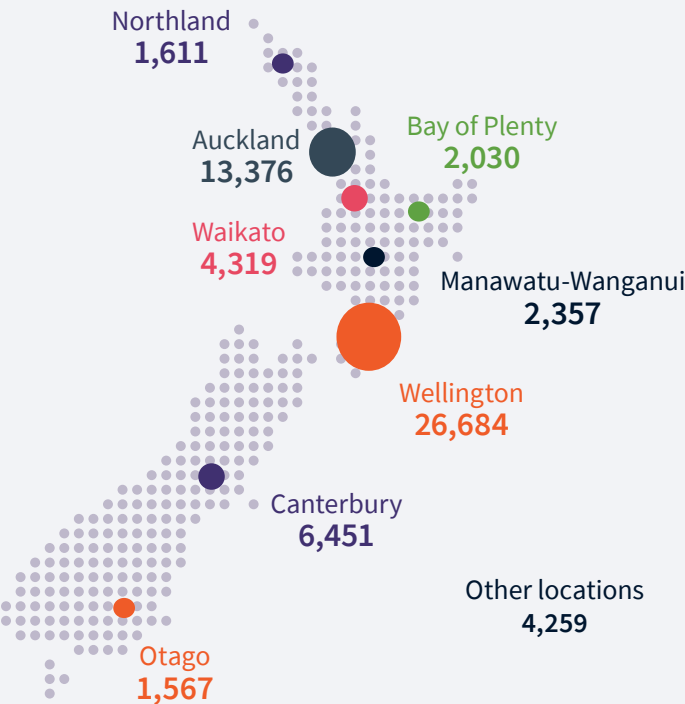
Ethnicity of the Public Service workforce (2025)
compared with the NZ population (Stats NZ 2023 Census)



Public Service age groups*



Public Service employees –
main locations*



*Source: Workforce data as at 30 June 2025

People who work in the
Public Service include*

5,199
Call Centre Workers

1,497
Customs and
Quarantine Officers

3,596
Case Managers

366
Statisticians

4,565
Prison Officers

536
Software and
Applications
Programmers

984
Park Rangers

502
Psychologists

1,803
Social Workers

562
Youth Workers

Making things happen for New Zealanders

Public servants play a vital role in making sure government works effectively.

Day-to-day, we are responsible for delivering a vast array of frontline services which people rely on from registering newborns to administering superannuation payments.

Crown entities play an important role in the public sector and their boards are responsible to Ministers for delivering services to the public in areas such as health, education, and transport.

Behind the scenes, public servants help shape policies, manage government systems, monitor Crown entities, deliver regulatory functions, and ensure public funds are used responsibly and transparently.

They support decision-makers with evidence and advice and uphold the values that underpin a trusted and high-performing public service.

The scale and scope of Government spending reflects the breadth of responsibilities public servants carry out every day to support citizens and deliver essential services.

In 2024/25, the Government spent \$183.5 billion, around 42% of GDP, on a broad range of activities, including health, education, and superannuation. Of this, \$11.2 billion (2.6% of GDP) was spent on staff costs in the core Crown, which was around \$75 million less than the previous year. Overall, \$38.8 billion (9% of GDP) was allocated to staff-related costs across central government, including Crown entities and state-owned enterprises.³

Examples of Public Services



Identity and access

Helping people prove who they are and access services — e.g. passports, birth certificates, citizenship, and digital ID.



Social support and inclusion

Providing financial help and support for wellbeing — including income support, pensions, job services, and programs for disabled people, ethnic communities, and vulnerable children.



Economic growth and regulation

Supporting businesses and fair markets — through immigration services, consumer protection, and policies that encourage innovation, investment, and job creation.



Transport and mobility

Managing transport systems — like roads, driver licensing, and public transport — to ensure safe and accessible travel by road, rail, sea, and air.



Justice services

Delivering fair and timely justice — through courts, tribunals, legal aid, and rehabilitation services for people in the corrections system.



Environmental sustainability

Protecting nature and preparing for climate change — through conservation, biosecurity, and sustainable resource management.



Safeguarding our borders

Protecting our borders by stopping harmful pests, diseases, and illegal goods from entering the country, keeping our people, environment, and economy safe.

Examples of the way we serve (2024/25)

55,982

New Zealanders provided with disability support



90%

of passport applications submitted electronically and 78% of passports delivered within 10 working days

\$7.6 billion

in potential harm prevented by seizing drugs offshore or at our border

19,902

marriages and



59,865

births registered



941,500

recipients of New Zealand Superannuation

10,927



healthy homes interventions delivered for Pacific communities in South Auckland and Porirua to help reduce the number of avoidable hospital admissions

14,000 km



of tracks and 920+ huts managed by DOC across Aotearoa

10,592

hours of face-to-face clinical contact with people in prison with mild-to-moderate mental health needs

3.4 million

overseas visitors



Source: Agencies' Annual Reports and data 2024/25

Shining a light on public service

It's important to recognise and celebrate the work that truly embodies the spirit of service to the community, bringing its principles and values to life through meaningful action.

Each year, the Commissioner recognises outstanding individuals and teams whose work exemplifies integrity, service, and excellence via the Spirit of Service Awards.⁴

The awards highlight the creativity, commitment, and care individuals and teams bring to their work every day to make a real difference for New Zealanders.

Whether working directly with communities or supporting ministers and agencies, public servants continue to be central to delivering services that improve lives and outcomes for New Zealanders.

Futhermore, we know that when public services are reliable, responsive, and respectful, people are more likely to trust the Public Service. That trust is essential. It strengthens democracy, supports social cohesion, and enables better outcomes.⁵



Award-winning initiative: Building a More Efficient Building System

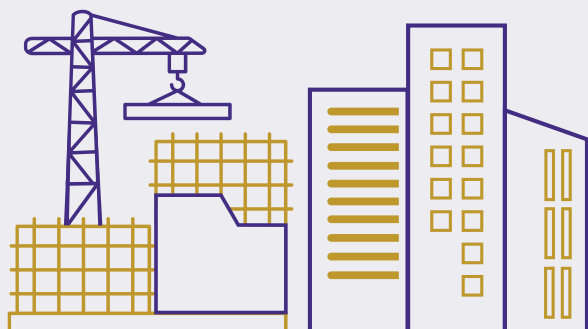
The Ministry of Business, Innovation and Employment's (MBIE) Building System Performance branch was honoured with the Prime Minister's Award and the Excellence in Public Policy Award at the 2025 Spirit of Service Awards — recognising its outstanding contribution to public service through transformative reforms in New Zealand's building regulatory system.

The branch was recognised for leading reforms that:

- Simplify building consents
- Reduce costs
- Support faster, more affordable construction.

Key changes include enabling greater use of overseas building products and streamlining consent processes.

These reforms are expected to accelerate housing development, stimulate economic growth, and improve outcomes for New Zealanders.





The need to modernise our approach

While there is much to be proud of in the dedication and professionalism of public servants, the system that enables and supports their efforts is under considerable strain. Fiscal pressures, evolving public expectations, and global shifts around technology and data are placing increasing demands on our ability to deliver effectively.

To remain viable, relevant, and responsive, we must modernise how we organise and deliver public services.

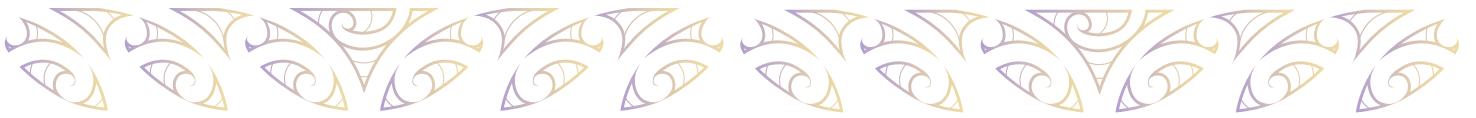
Achieving this transformation will require a fundamental shift in our:

- structures – how we are set up and governed
- processes – how we work, make decisions and deliver services
- mindsets – how we think about our roles, responsibilities, and the value we bring.

In the following sections, we explore the key challenges and opportunities ahead and outline how we must evolve to meet them with confidence and purpose.

Rather than operating “business as usual,” government departments now have to plan and operate for “business as disrupted.” Governments therefore need to not only transform their business models, processes, and services, but to create an adaptive government.

Business of Government (2023)
A Guide to Adaptive Government



SECTION 2

Challenges and opportunities

Ngā wero me ngā arawātea

Five conditions for a successful Public Service

To navigate change and deliver for New Zealanders, a successful Public Service depends on five key conditions. Some are within its direct control, others require collaboration, and some depend on the broader environment. All are essential.



People and leadership

- A skilled, diverse, and committed workforce
- Visionary, ethical, and reform-minded leadership
- Institutional memory and leadership continuity



Systems and technology

- Digitised, resilient services and back-office systems
- Data-driven, user-centred service design and delivery
- Systems and processes which enable delivery, not obstacles to work around



Culture and innovation

- Evidence-based advice and decision-making
- A culture of learning, innovation, and adaptive capacity
- A place where experimentation and continuous improvement is encouraged



Trust, transparency and integrity

- Openness and access to information
- Clear standards, clearly upheld and demonstrable ethical conduct
- Public trust through responsiveness and integrity



Enabling environment

- A society governed by the rule of law
- Economic stability which supports long-term planning
- Strong partnerships across civil society, private sector and iwi/Māori



How is the New Zealand Public Service doing?

It's worth pausing to reflect how the Public Service measures up against these key conditions for success. They reveal both strengths and areas for improvement. While the Public Service has strong foundations, elements of its operating model reflect an earlier era, less suited to the demands of a fast-moving, digitally connected society. Without change, we risk falling behind citizens' expectations, losing trust, and missing opportunities to deliver better outcomes.

The world, and New Zealand, is changing and we need to change with it

New Zealand's Public Service plays a central role in supporting the country's democratic resilience and international reputation. A capable and principled public service, grounded in sound regulatory frameworks and practices, enables people to participate meaningfully in society, uphold democratic values, and maintain trust in public institutions. This foundation also supports business certainty and investor confidence. Though New Zealand is generally well-positioned globally, with strong public institutions anchored in the rule of law, ongoing vigilance is essential. New Zealand is not immune to the pressures that have eroded institutional strength and public trust elsewhere.

Like others globally, we must evolve to meet shifting societal, economic and technological demands. Key trends to which governments globally must adapt, include:^{6,7,8}

- technological change, including the rise of AI and data-driven decision-making
- rising citizen demand for faster, intuitive, personalised services
- fiscal pressures which demand greater efficiency, effectiveness and value-for-money
- complex societal challenges and polarisation
- more collaborative governance across sectors.

Additionally, our domestic pressures are intensifying, as we face:

- uneven technology adoption within and across the Public Service which limits quality and efficiency
- limitations accessing high quality and real time data, constraining decision-making
- expectation gaps, as political demands outpace system delivery
- fiscal constraints, demanding new ways of working and greater resilience
- sector expansion, with rising costs, headcount and scope.

These trends create pressure to respond by delivering more for less, modernising services, scaling AI, collaborating smarter, and organising around citizens.

Artificial Intelligence offers transformative opportunities for governments to enhance service delivery, improve efficiency, and enforce policies.

World Bank - Global Program on GovTech & Public Sector Innovation

Trust provides an anchor in uncertain times and must be preserved

High levels of trust, backed by transparency and integrity, are a powerful asset for organisations navigating times of uncertainty and change. The Public Service is no different. Fortunately, New Zealand's Public Service ranks among the best for trust and integrity.^{9 10}

#2 – The Economist Intelligence Unit Democracy Index

#3 – For trust and integrity and #6 overall – Blavatnik Index of Public Administration

#4 – Transparency International Corruption Perceptions Index

#5 – Index of Public Integrity.

This reputation is hard-earned and essential. Integrity isn't just an ideal, it is the foundation of public trust and effective service delivery. It provides the Public Service with an anchor in uncertain and changing times. We must uphold it.¹¹ To safeguard this, the Commissioner is delivering on a new integrity action plan and dedicated the 2025 Long-Term Insights briefing to the future of integrity in the Public Service.^{12 13} This work helps ensure integrity remains central to the way we operate.

Trust isn't universal. The regular Kiwis Count survey shows:

- under 25s trust public services less than those over 65
- digital-only service users report higher satisfaction than others
- Māori, Pacific, and disabled people experience lower satisfaction and trust.¹⁴

Importantly, only 40% of respondents believe the Public Service changes services based on feedback.¹⁵ We must listen and adapt to better meet the needs of citizens and businesses.

Strengthening integrity in the Public Service



The Public Service Commission is leading a multi-year programme to strengthen integrity

Key focus includes:



Resetting standards

For integrity and conduct



Mandatory training

Integrity training for all public servants



Conflict of interest management

Improved identification and handling



Speak-up culture

Safe channels to report wrongdoing



Anti-corruption taskforce

Partnering with the Serious Fraud Office

Long-Term Insights Briefing

Integrity is the focus of the Commission's three-yearly Long-Term Insights Briefing. It covers:

- current state of integrity
- trends and future challenges
- scenarios to 2040
- policy options for medium-term strengthening





We have exceptional people, but our systems can hold them back

Every day, public servants show commitment, creativity and resilience, often under pressure. Many join the Public Service to make a difference and they continue their work driven by purpose and values.¹⁶

However, the way the Public Service is organised can sometimes work against the very strengths on which it depends. For example, having many separate agencies can lead to fragmentation and silos, increasing transaction costs and make it harder to coordinate policy and investment.¹⁷ Instead of enabling public servants, it can create friction and frustration, limiting their ability to adapt and respond effectively. This can result in a disjointed and inconsistent experience for the public, making government services feel less accessible, responsive, and trustworthy.

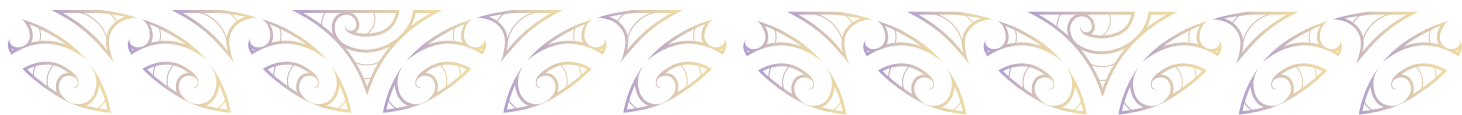
Despite shifts towards a digital-first society, with some excellent examples at Inland Revenue, Land Information New Zealand, and the Ministry of Business, Innovation and Employment (Companies Office), we've been slow to adopt shared platforms. At a time when many citizens conduct most of their business digitally, the way we are working is not reflective of a modern system. For example, agencies often buy expensive digital solutions in isolation, rather than as a unified sector, exacerbating fragmentation and silos, making the work harder and responsiveness more elusive.

Taking opportunities to improve our operating model

While we face challenges, we also have significant opportunities to embrace. There is much we can do to rethink what the Public Service does, and how it does it. We need to continue to operate in ways which deliver better, more cost-effective services, while preserving the integrity and stability which underpin our system.

We need to shift our operating model. Instead of citizens, businesses, and iwi/Māori navigating complex government, the Public Service must better organise itself around its customers' needs. Other jurisdictions, such as Estonia, Singapore and New South Wales, have leveraged digital transformation to boost government responsiveness, reinforce public trust, and deliver tangible value to citizens. There is no reason New Zealand could not do this too.

The task ahead is significant but we have the people, trust, tools and opportunity to make change happen. The next section sketches what this might look like, and practical steps we can take to get there.



SECTION 3

Where we are heading

Tō mātou ahunga

We want a high performing, world class Public Service that captures the foundations of integrity, political neutrality, merit-based appointments and free and frank advice. We know the challenges and can see the opportunities. We need to move from observation to action.

To do this we need to be considered and deliberate, but not rigid and inflexible. A static operating model won't meet the demands of a fast-changing world.

Globally, governments are embracing adaptive strategies to tackle complex challenges, with the OECD and others highlighting agile governance and innovation as essential tools for navigating complexity.¹⁸ This is very different to traditional public sector approaches which assume a relatively stable environment and where plans are made for long-term implementation with minimal change and where risk is avoided.¹⁹

We are taking steps now to modernise the way the Public Service works. The following initiatives aim to organise around the needs of New Zealanders by:

- reducing fragmentation by organising around the needs of citizens and businesses
- creating a unified 'digital front door' to many public services
- centralising digital investment and procurement for efficiency and reuse
- embracing technology, including better use of AI.

We must also recognise that delivering a world-class Public Service cannot be achieved in isolation. For example, the private sector plays a critical role in shaping innovative solutions, driving technological advancements, and partnering with government to deliver better outcomes. By leveraging private sector expertise, particularly in areas like digital transformation, AI, and service design, we can accelerate progress, improve efficiency, and ensure our systems are future ready.

Organising around the needs of citizens and businesses

Over time, we have seen that New Zealand's Public Service has become increasingly fragmented, with 43 departments, departmental agencies and interdepartmental executive boards of various sizes and mandates operating at the time of preparing this briefing. This is more than most small, advanced economies. This complexity limits our ability to manage costs, maintain critical capacity and deliver joined-up services with a system perspective.

While levers like performance management help, they are not enough. Fragmentation makes it harder to:

- drive efficiency and interoperability
- deliver seamless experiences for citizens and businesses
- maintain critical capability which is stretched across multiple agencies
- create scale to achieve resilience and career paths/development
- address long-term, cross-cutting issues like future-focused investment
- manage transformation and change
- maintain trust and confidence in government.

To address this, we must reshape the system around users, reducing duplication, improving coordination, and delivering better value for money.

Reorganising agencies around citizens

One way to reduce fragmentation is by merging or clustering agencies around common platforms, citizens and businesses, or markets. This 'invest to save' approach would see some agencies become delivery units within overarching portfolio departments. Core functions would be retained and easily identified with their own brand.



This will enable stakeholders and the public to deal with key parts of government as they have normally done, but with less duplication and better service.

This approach offers three key benefits:

- fewer ‘touch points’ for the public, enables more seamless and efficient service
- grouping agencies with like functions, supports policy cohesion and leadership
- shared back-office functions, reduces overheads and builds organisational resilience.

Through this approach, we are progressing toward a model that emphasises greater use of core administrative functions, distributed services, supported by shared, common data. As the model matures duplication will be reduced,

integration increased, and customer focus and efficiency improved. The Public Service will be better placed to weather future cost-pressures, while delivering better services. These benefits will be multiplied as we continue to leverage digital change. Of course, change takes time and must be managed carefully. We won’t arrive at a new system overnight. Reform must be sequenced, grounded in a clear understanding of costs and benefits, and designed to minimise disruption. By rolling out changes gradually, we can learn, adapt, and refine our approach to suit an evolving operating environment. In doing so, it will be crucial to strike the right balance in both scale and scope – ensuring agencies are neither too large, which can dilute focus, nor too small, which may lead to inefficiencies and threaten long-term viability.

A digitally enabled Public Service

In parallel with structural alignment, a fully digital government will enable us to deliver modern, efficient public services.

Governments are investing in scalable digital infrastructure, experimenting with emergent technologies (such as automation, AI and modular code), and expanding innovative and digital skills to make public services more efficient.

OECD (2024) - Global Trends in Government Innovation

Driving a vision for digital government

We are working towards a Public Service that is modern at its heart and where all New Zealanders are thriving in a digital age. Increasing our digital capability offers a big opportunity to shift our operating model so that we:

- meet customers in their channel of choice and deliver fast, seamless services
- reduce baseline costs and invest to save, for example by clustering around common services and needs and by standardising, reusing and sharing
- connect services using digital public infrastructure – enabling new channels to emerge
- align investment to system-wide priorities, including aggregating digital procurement for better deals.

To accelerate progress, the Public Service Commission and the Government Chief Digital Officer (GCDO) are setting the direction for digital government, our Digital Target State. A rolling 5-year digital state and a 3-year programme of deliverables are being prepared.

A digital front door

We're not starting from scratch. Foundational initiatives are already in motion, led by the GCDO. These include, for example, a Government app and a digital identity ecosystem designed to deliver a more connected and secure digital experience.

The app will serve as a digital front door to government. Users will be able to receive secure notifications, store credentials (like a digital driver's licence), message government agencies, and pay for services. This will be backed by a trusted digital identity ecosystem, so when people use digital services they can prove who they are securely and privately. Importantly, traditional service channels will remain available, enabling people to choose how they engage.

Taking these initiatives forward will bring New Zealand closer to leading international jurisdictions, such as Estonia (e-ID) and Singapore (SingPass) whose national digital identity systems provide a secure and convenient way to access thousands of government and private sector services online.²⁰

Estonia's e-ID

Estonia's electronic identity (e-ID) is a state-issued digital identity that allows secure authentication and digital signing for both public and private sector services. Citizens can see who accessed their data and when.

The e-ID operates in multiple interoperable formats:



ID-card: A chip-based smart card used for authentication, digital signatures, and encryption



Mobile-ID: SIM-based authentication for mobile phones



Smart-ID: App-based solution for secure logins and signatures

Ways e-ID is used

- Vote online (i-Voting)
- Sign contracts and documents digitally
- Access healthcare records and use e-Prescriptions
- Submit taxes and interact with government services
- Open bank accounts, manage businesses and start a company online

Centralising digital investment and procurement for efficiency and reuse

We need smarter digital investment in the public sector. Platform-based technologies, for example, allow us to build once and reuse widely, avoiding duplication, fragmentation, and unnecessary cost. In a system where agencies hold individual decision rights and oversight has been limited, this has led to duplicated efforts, service gaps, and poor value for taxpayers.

Cabinet has now agreed to centralise digital investment and procurement for the public sector. Led by GCDO, this approach is designed to reduce duplication, fragmentation, and costs, with projected savings of up to \$3.9 billion over five years.²¹

To support its expanded responsibilities, GCDO will take on a stronger leadership role around aligning priorities, coordinating investment and optimising digital efforts across agencies. This mirrors strategic models like GovTech in Singapore, which is empowered to buy, build, and deliver technology solutions across government.

Better data will contribute to better outcomes for New Zealanders

Digital investment and capability are only part of the story. The Public Service must combine this with world-class data collection, modelling, public trust and strong IT security. The potential gains are not just theoretical. We can expect faster, better-informed, and more coordinated advice and service delivery.

We are already making progress. For example, the Statistics NZ Integrated Data Infrastructure and the work of the Social Investment Agency illustrate the shift toward a smarter, evidence-based public service, signalling a future where data is used not just to measure outcomes, but to shape them.

Other countries have shown how investments which better integrate data and analytics can contribute to measurable improvements in outcomes. For example, cancer survival rates in Denmark have increased significantly over the past two decades thanks, in part, to its world-class digital health infrastructure and data analysis.²² While contexts differ, the principles of secure data sharing and real-time insights are just as applicable in New Zealand. We need to continue to move in this direction.

GovTech (Singapore)

Singapore is a recognised world leader in citizen-centric digital services. The Government Technology Agency (GovTech) drives digital transformation of Singapore's public sector. It focuses on building technology for public good and supports public agencies' efforts in driving digital transformation.



Experiment and prototype new technologies to drive innovation



Develop digital products, infrastructure, and applications for government use



Run large-scale government systems to ensure reliable public services



Set ICT standards and ensure interoperability across government platforms



Develop tech talent in AI, cybersecurity, Internet of Things (IoT), and more

Preparing for an AI-enabled future

As we look to the future, it's clear that AI will be a key enabler of a smarter, more responsive Public Service.^{23,24} As AI continues to evolve, we must actively learn from leading jurisdictions, stay receptive to emerging practices, and remain agile in adapting to new insights as they arise. By responsibly harnessing its potential, we can improve productivity, reduce administrative burden, and deliver better outcomes.

Improving services and freeing up public servants to focus on higher-value work

AI offers practical solutions to long-standing challenges. It can automate repetitive tasks, streamline information retrieval, and support analysis, freeing up staff to focus on higher-value work. For example, 20,000 UK civil servants took part in a trial using generative AI tools to support their work. The initial findings indicated time savings equivalent of almost two working weeks per person, per year.²⁵ On the front line, AI can improve service delivery by reducing wait times, directing requests more efficiently, and helping people to quickly get the information they need.²⁶

While AI offers tremendous value it is important to acknowledge its limitations and risks. These include, for example, the need to assess the outputs of AI as it can introduce bias, and struggle with nuance of particular contexts. This means human oversight and judgement is vital to harnessing the benefits of AI while also countering the risks associated with unfettered use of the technology.²⁷ These challenges underscore the need to equip the Public Service with the capability to harness AI responsibly and transparently. Doing so is essential for maintaining public trust, which is a cornerstone of the social licence that enables the Public Service to operate.

There are some early signs that AI is becoming more integrated into the work of New Zealand public servants. A 2025 survey identified over 270 AI use cases across the public sector, more than double the number from the previous year.²⁸

AI - empowering public servants to work smarter

Across jurisdictions artificial intelligence is helping public servants do their job more easily. This includes quickly summing up documents, making writing clearer, and finding common ideas in lots of information. This creates the potential to enable staff to focus on more creative and analytical work.



Summarising

Extracts key points from documents for quick understanding



Redrafting

Improves clarity and professionalism within written content.



Grouping themes

Identifies common topics across multiple documents.




Coherent text

Transforms rough notes into structured and readable text.



Shortening speech notes

Condenses speech notes for concise delivery.



These span digital operations, communications, and policy development, with applications in areas like:

- tax administration
- biosecurity risk detection
- public-facing chatbots.

Citizens are increasingly interacting with content through AI-enabled searching and AI agents. A recent AI assistant pilot in New Zealand indicated strong demand for tools that simplify navigating across government services. The pilot reported that 85% of participants found using the AI assistant was more efficient than their previous searching methods.²⁹ These examples show that AI is already making a difference for both public servants and the public.

Despite recent progress, New Zealand ranks lower in AI readiness than leading jurisdictions and has been slower to implement AI in a systematic way. Accordingly, we have seen uneven uptake of AI across agencies. This is echoed in the 2025 Public Service Census which found that while a third of public servants have tried AI at work, only 14% use it regularly.³⁰ Encouragingly, most public servants surveyed expressed confidence in their ability to learn new digital skills, suggesting a strong foundation for future growth. By increasingly adopting AI, we can reinforce the quality of our people and unlock the full potential of our investment in human capital.

We are taking steps to accelerate the use of AI

The Government is actively accelerating the use of AI through a coordinated national strategy and supporting frameworks aimed at both the private and public sectors.³¹

Launched in July 2025, the National Strategy, led by the Ministry of Business, Innovation and Employment, sets out a clear vision for New Zealand to become a global leader in responsible use of AI. The Strategy has a particular focus on the private sector, including addressing key barriers to the uptake of AI.

To accelerate AI adoption in the public sector the GCDO (as Government's AI Lead) is leading coordinated work that complements the National Strategy. The work programme will see the public sector expand its use of AI, while ensuring implementation of AI remains safe, ethical, and responsive to the needs of New Zealanders.

This includes taking a principles-based approach, with guidance under the Public Service AI Framework (including responsible use of Generative AI). The guidance aligns with the OECD principles for AI which emphasise fairness, transparency, human rights and democratic values. By taking a whole-of-system approach we can build momentum and ensure AI is deployed in a consistent, scalable way, aligned with public service values.

Putting our people at the heart of public service transformation

Our people are central to reorienting the way the Public Service operates. We need the Public Service to be a rewarding, vibrant and welcoming place to work. It needs to attract talent and empower leaders to be curious and innovate to improve performance and outcomes.

We have a strong foundation for this in the motivation and skills of our people, in our reputation for integrity, and in our collective potential to improve outcomes. We now need to ensure the way we organise and operate matches our vision and delivers for citizens.

We need to develop agile, adaptive leaders

The same pressures which drive change across the system demand more from its leaders. We must strengthen leadership culture by supporting leaders to be more decisive, agile, and adaptive in the face of economic and structural challenges. We must support and develop current and future leaders. This includes building on existing strengths, such as the Leadership Development Centre, which plays a key role in equipping high-performing leaders to navigate complexity and lead through change.

The recent establishment of the Public Service Talent Board signals the direction we are taking to bring a wider perspective into public service leadership and talent management. Led by the Public Service Commissioner, the Board includes a mix of private sector experts and public service chief executives who provide advice on how to grow and manage leadership talent. The Board challenges current thinking and shares ideas from other sectors to improve how leaders are developed and deployed across the Public Service.

Removing barriers to leadership drives delivery and improves outcomes

Training leaders is essential, but it won't deliver results if the systems they operate in are outdated or overly complex. The Public Service operating model must empower leaders to act decisively, collaborate effectively, and challenge the status quo.

It is important to have the underlying settings right. The Minister for the Public Service is progressing amendments to the Public Service Act 2020 that are designed to streamline chief executive responsibilities and focus the Public Service more closely on the priorities of the Government of the day.³² The proposed amendments retain and reinforce the foundational principles of the Public Service such as political neutrality, merit-based appointments, and free and frank advice.

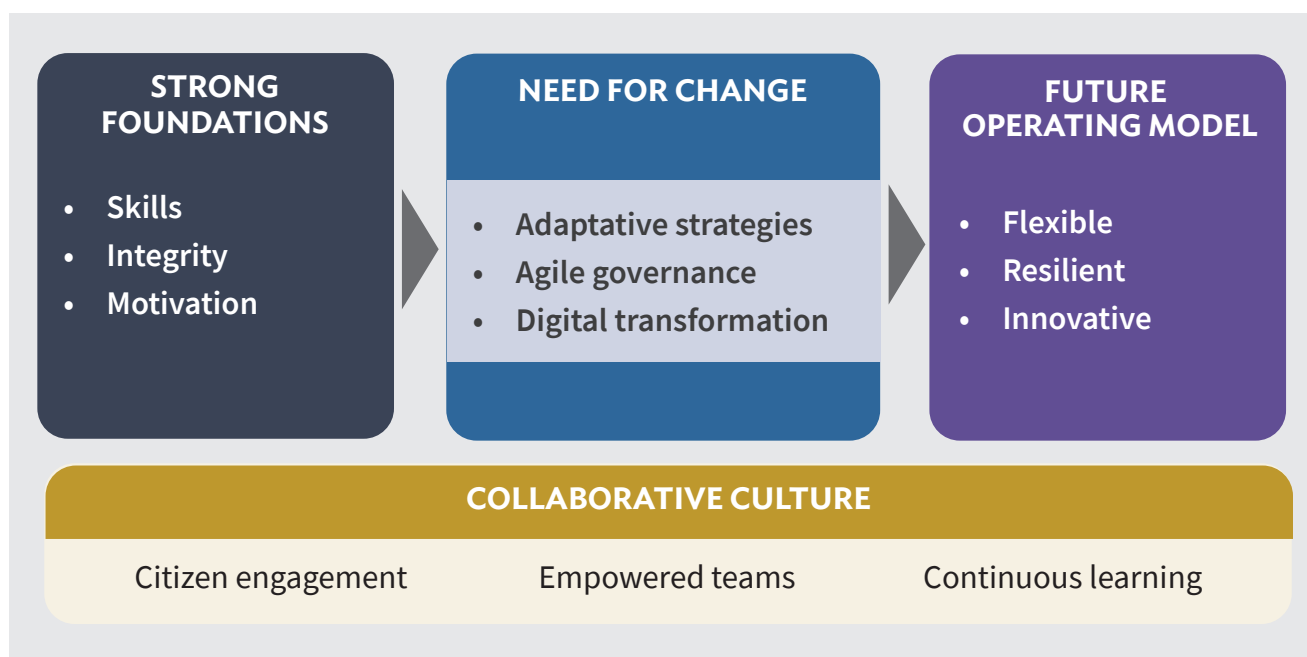
As we transition to our new operating model, we are taking practical action to cut through agency silos and address pressing issues. This includes using sprint teams, where appropriate. Such teams are fast-moving groups of skilled public servants brought together to tackle urgent government priorities like health, economic growth, and abuse in care. They help deliver results quickly by working across agencies with a strong mandate from senior leaders.

Longer-term we need to set up our system to be more flexible, resilient and innovative so we can better and more efficiently serve New Zealanders. By focusing on system priorities, streamlining

decision-making and cutting unnecessary bureaucracy, we can free leaders to focus on what matters – driving delivery and improving outcomes, not managing overlaps and navigating processes.

We also need to cultivate curiosity as a core leadership discipline, using it to challenge assumptions, shift mindsets, and reimagine how we work. Importantly, public servants don't have a monopoly on good ideas. That means we must listen deeply, not only within government but also to the private and NGO sectors, where innovation often thrives. By engaging across sectors, empowering teams to act on what they hear, and creating space for experimentation and improvement, we can deliver better outcomes. This will require a culture that values openness, humility, and shared learning. We must learn from others.

Of course, there is more to do. We are not there yet. The Public Service will need to continue to adapt, innovate, iterate and learn its way forward. The initial steps outlined in this briefing have been designed with this in mind. There is more to do to make the Public Service responsive and future fit. Accordingly, the Public Service Commissioner is continuing to work closely with senior leaders and others to ensure the new operating model places the Public Service on a stronger footing for the future. This will enable us to be more agile and leverage the benefits rapid advances in technology will continue to bring for citizens and businesses.





Conclusion

Kupu whakamutunga

The New Zealand Public Service stands at a pivotal moment. With a proud legacy of service, high levels of public trust, and a workforce motivated by purpose, we have some of the key building blocks to meet the challenges of a rapidly changing world. But legacy alone is not enough. To remain effective, trusted, and relevant, we must evolve. This briefing has outlined the case for change, highlighting the need to modernise our operating model, embrace digital transformation, and organise around the needs of citizens and businesses. It has also shown that we have the people, tools, and values to make this shift successfully.

To build a high-performing, world-class Public Service, we must shift from observation to action, embracing adaptive, citizen-centred approaches that reflect the complexity of today's environment. Traditional models are no longer sufficient. Instead, we need to:

- modernise how the system operates
- reduce fragmentation and address agency silos
- organise around the needs of citizens and businesses.

Achieving a fully digital government alongside structural alignment will unlock transformative potential across the Public Service, enabling faster, more seamless services, smarter investment and greater efficiency. By drawing on proven examples of innovation and transformation, we can accelerate progress and deliver better outcomes. Initiatives such as Inland Revenue's business

transformation and digital innovations across government agencies, including Land Information New Zealand and Ministry of Business, Innovation and Employment, demonstrate how simpler, faster access to information and more efficient services can benefit both citizens and businesses.

Foundational initiatives like the Government app and digital identity ecosystem are already paving the way, while centralised digital investment and procurement will reduce duplication and deliver significant savings. As we prepare for an AI-enabled future, coordinated efforts led by the GCDO and Public Service Commission are accelerating responsible adoption of AI, that will help public servants focus on higher-value work and improve outcomes for New Zealanders. Together, these efforts will position the Public Service to thrive in the digital age and move closer to global digital leaders.

Looking ahead, we know we will face other challenges without ready-made solutions. We must innovate, iterate, and learn, drawing on insights from customers, citizens, businesses, and frontline teams. Adaptive strategies underpinned by a culture of continuous learning, supported by enabling leadership and agile governance, will allow us to more quickly adjust course to seize opportunities and address issues promptly. By taking steps now, we can build a high-performing, world-class Public Service that delivers real value for New Zealanders. One that is adaptive, resilient, and ready for the future, and defined by the quality, adaptability and character of our people.



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