



## **He aha te āhua o te takatū a te ratonga tūmatanui o Aotearoa mō te anamata?**

## **How is New Zealand's public service prepared for the future?**

Te whakawhiti whakaaro mō ngā kaupapa o tā Te Kawa Mataaho puka whakamārama i te pae tawhiti

Consultation on the topics for Te Kawa Mataaho Public Service Commission's long-term insights briefing

This is the consultation document on the topic to be covered in Te Kawa Mataaho Public Service Commission's second long-term insights briefing, which will be a joint briefing with the Ministry for Regulation. The briefing is expected to be completed in June 2025.





## **He aha te puka whakamārama i te pae tawhiti? | What are long-term insights briefings?**

Long-term insights briefings are a requirement under the Public Service Act 2020. Every public service department must produce (or contribute to) a long-term insights briefing every 3 years.

The purpose of these briefings is to:

- support stewardship by ensuring our Public Service departments are thinking about the more complex long-running issues facing society, and are exploring capabilities and solutions that might be needed to respond to these issues.
- make the information and analysis public to New Zealanders to support informed public discourse on important issues. It also enables effective democratic government by providing parties from across the political spectrum with a basis to formulate their policies.

The legislation requires that the briefings are prepared independently of Ministers. This ensures that they reflect the best professional view of the Public Service chief executives. The legislation also requires that the public is consulted on:

- the subject matter to be included in the briefing, and
- a draft of the briefing once this is prepared.

This ensures that the briefing covers a topic and information that the public cares about and wants to engage with.

## **Te whakawhiti whakaaro | Consultation**

This consultation document is the first step in the public consultation process outlined above and therefore seeks your views on the topic to be covered in our long-term insights briefing. We want your help to identify which of the following topics we should focus our draft briefing on.

To give necessary context, this document provides:

- an explanation of our role and functions in leading the Public Service;
- a brief description of potential topics and their links to high-level trends and issues that are facing the public sector and our society; and
- some questions for you, to help us understand your views on the shortlisted topics.



## Te wāhi ki Te Kawa Mataaho | The role of Te Kawa Mataaho

We are a central agency that leads the Public Service to perform for New Zealand. We monitor the system to ensure it is operating in a manner which secures public trust and legitimacy. We support the Public Service Commissioner (also known as the Head of Service), who is responsible for leading the public service and providing oversight of its performance and integrity.

To provide leadership of the system, we:

- uphold and promote the Public Service principles that guide the work of public servants: political neutrality, free and frank advice, merit-based appointments, open government, and stewardship
- promote and reinforce integrity, accountability and transparency across the Public Service, including by setting standards and guidance, issuing a code of conduct for public servants, and investigating matters of integrity and conduct in the public sector
- review and advise on the design and operation of the system of government agencies
- support Public Service agencies to work as one system to deliver better services and outcomes for the public
- promote the development of workforce capability and capacity

Our leadership and oversight role is supported by the other central agencies. The Ministry for Regulation was established as a central government department in March 2024 and will be a collaborator on this long-term insights briefing. Like us, the Ministry for Regulation has a role in guiding the wider Public Service. They have 4 key objectives:

- be a strong voice inside government to make continuous and enduring improvements within New Zealand's regulatory management system
- lift the quality of new regulatory proposals and advice
- improve the functioning of regulatory systems
- raise the capability of regulators to design, operate, and govern regulatory systems effectively

The Treasury, the Department of the Prime Minister and Cabinet, and the Social Investment Agency, lead on fiscal management, strategic policy coordination, and the government's approach to social investment respectively. These system-wide roles differ from many other agencies, which have narrower sector or service focuses.



## Ngā kaupapa | Topics

Our long-term insights briefing needs to be informed by the trends, risks, challenges and opportunities that New Zealand will face in the long term. As a small island nation with a trade-dependent economy, New Zealand is affected by global demographic, geopolitical, and economic shifts. Global megatrends (long-term developments with far-reaching impacts) such as climate change and an ageing population have implications for New Zealand that are shaped by our local context.

In identifying potential topics for our briefing, we have considered global and domestic trends and the implications they could have for New Zealand's Public Service. We have identified 3 subject areas relevant to our work where these trends present opportunities and challenges. There are relationships and overlaps between these topics, and some trends will have impacts across all topic areas.

### **Future of the public service workforce**

This topic asks, 'what skills, knowledge and attributes will the future Public Service workforce need to deliver for the public and work alongside all communities?'

We are already undertaking work to better understand the employment conditions and the composition, capability and capacity of the Public Service workforce. Alongside this, the long-term insights briefing presents an opportunity to explore what our ideal workforce might look like in the future, what they might want from public sector work, how work might be organised, and what the public and successive governments might need from the Public Service workforce.

Trends, both global and domestic, are likely to provide challenges and opportunities in this area. Population ageing is a demographic megatrend, with almost all countries experiencing an increase in the proportion of people aged 65 and older. Demand for services like superannuation and healthcare will almost certainly increase alongside our ageing population, and there may be a need to reallocate human resources to meet greater demands on health and social services. Demands to improve Public Service productivity will also likely increase due to fiscal pressures created by an ageing population, as well as other pressures such as climate change and weak economic growth. Although the ageing of New Zealand's Public Service has slowed, the potential exit of a large number of experienced staff creates risks for capability and organisational knowledge, but also offers the opportunity to bring staff with new skills into the Public Service.

Differences in New Zealand's fertility and mortality rates across ethnic groups mean our population will be more diverse in the future. Changes in the composition of the New Zealand population will require the Public Service to change its own composition if it remains a priority for



public servants to reflect the communities they serve, while expectations for what and how the Public Service should deliver may also change.

Technological change and the adoption of new technologies have implications for labour markets and will have an impact on the future of work in public services. Advances in technology are changing citizens' expectations of government, challenging traditional ways of working, and creating opportunities for improvements to public services. To keep pace with these trends, there is growing need for capability in data, insights, evidence, and evaluation.

As jobs evolve in response to technology, the Public Service is required to be more adaptive and more fluid career pathways may be needed. Roles may no longer be seen as fitting into discrete domains such as service delivery, operations or policy. At the same time, the difference in perspective between service delivery and regulatory work will need to be maintained. Technology facilitates the ability to work remotely, which presents opportunities for the workforce to be more geographically distributed. There are also challenges associated with managing a distributed workforce, including the transmission of Public Service principles and the craft associated with a role.

In providing your thoughts on this topic, you may wish to consider the following questions:

- What work will the future Public Service need to do and what sort of workforce will be needed to do it?
- What will policy, organisational support, service delivery, and regulatory work look like in the future?

### **Future of public service integrity**

This topic asks, 'how can New Zealand proactively address integrity risks in the future?'

New Zealand has traditionally been seen as a high integrity environment, with a trusted Public Service. Our approach to integrity has emphasised the promotion of ethical standards of behaviour, implying higher trust in public servants. However, we are increasingly seeing risks internationally that New Zealand cannot afford to ignore, including corruption risks from foreign interference and artificial intelligence. In some jurisdictions, we have seen a trend towards strengthening institutional integrity or an integrity culture (a culture at the institutional level which encourages integrity) as a response to integrity challenges.

Our own context has also shifted and will continue to change in the future, bringing the opportunity to assess whether our approach to integrity is still fit for purpose. Our high-trust approach to integrity may be contributing to a mismatch between integrity on paper and integrity in action, and we may need to be more deliberate and systematic in our approach. There may be



opportunities to address fragmentation and overlap with stronger oversight, or to strengthen a culture of integrity.

International evidence suggests that fiscal pressures affecting the size of the public service and increasing demand for delivery partnerships are likely to also introduce integrity challenges. New technologies, including regulatory technologies, may offer opportunities to increase the efficiency of our work, but these technologies must also work in a way that ensures public confidence in the integrity of decisions. Increases in non-governmental organisations (NGOs) and community groups delivering services and in private sector third-parties with roles in a regulatory system highlight the need to examine our integrity system with a wider lens.

This topic also raises questions about how we measure integrity. We have traditionally relied on perception measures of integrity, which we have consistently scored well in. However, the international practice of measuring integrity is shifting to a more evidence-based approach that requires tangible evidence of a lack of corruption. Our ability to look for and identify corruption is likely to require strengthening as public decision-making processes change in the face of resource pressures and new technologies.

In providing your thoughts on this topic, you may wish to consider the following questions:

- What does a Public Service culture of integrity look like and how can New Zealand proactively address integrity risks in the future?
- How might this differ between different types of government agency or function?

### **Future of public service organisations**

This topic asks, ‘what is the best way to organise and govern Public Service agencies into the future?’

Globally, public services are being challenged to adapt their institutions to address a combination of pressures, including climate change and related environmental challenges. The world is likely to reach 1.5°C of warming in the near term, which will come with worsening impacts like drought, fires, flooding, sea level rise, ocean acidification and higher temperature extremes. At the same time, governments are experiencing increased challenges to democracy and institutional trust, including greater polarisation and larger groups of citizens distancing themselves from traditional democratic processes. New challenges due to complex issues, combined with changing citizen expectations and fiscal pressures, point to a need for more innovative approaches.

Long-term issues, such as climate change, democratic distrust, and population ageing may require new organisational, financial, and workforce arrangements to enable New Zealand’s Public Service to work to address them. New Zealand’s previous approaches to public management have left us with a system of government organisations based on vertical hierarchies that are not



always able to adapt to changing needs. This system has been successful for solving clearly defined problems, but it forces trade-offs when it comes to addressing the complex and cross-cutting problems that New Zealand increasingly faces. There may be other ways to divide the functions of government that allow for better horizontal coordination and local self-determination. In New Zealand, a significant amount of government activity occurs through Crown entities, including regulatory activity. However, there are tensions between the purpose of arms-length entities and the aims of a joined-up and responsive government.

We have started to explore some alternatives that operate in the middle ground between centralisation and devolution, focusing on whole-of-system leadership, cross-agency collaboration, and aligning common functions (e.g. information security, government procurement, and health and safety). Looking at the strengths and opportunities of these models in light of emerging trends would help us understand how we should organise government to address the complex problems of the future, while maintaining stewardship of New Zealand's important institutional arrangements and regulatory systems. Advancements in technology have changed the options available, and we might also look to the private sector for new inspiration like activity-based models, matrix models, and agile approaches that the Public Service could learn and borrow from.

In providing your thoughts on this topic, you may wish to consider the following questions:

- How should Public Service agencies be organised in the future to best address the complex problems facing New Zealand?
- What governance, accountability, and coordination arrangements will be needed?

## **He aha ō whakaaro? | What do you think?**

We are interested in:

- Your views on which topic we should prioritise for this briefing
- Your thoughts on the proposed topics
- Your views on specific parts of these topics that you would like to see explored

We are also interested to know:

- What other topics related to the public service as a whole do you think we should consider?
- What other challenges do you foresee that the Public Service will need to prepare the country to contend with in the future?



The final briefing will not be able to cover all topics. Topics that cannot be included in this briefing may still be considered for a future long-term insights briefing.

Please email us at [longterminsights@publicservice.govt.nz](mailto:longterminsights@publicservice.govt.nz) to provide your feedback or complete the online survey at <https://www.publicservice.govt.nz/resources/our-second-long-term-insights-briefing>. Consultation on the topics closes on 13<sup>th</sup> October 2024.

The information and feedback we receive as part of this consultation will inform the proposed topic of the briefing, and what issues we prioritise during its development. There will be a further opportunity to provide feedback when we release the draft of the long-term insights briefing for public consultation.

### **Privacy Statement**

We will collect information, including your name and email address supplied with your submission, to inform the development of our long-term insights briefing and to provide you with updates on the outcomes of this consultation. You do not have to provide your email address in order to make a submission however please note, if you choose not to supply this information, we will not be able to keep you informed.

All submissions, or a summary of, will be published on our website once the consultation period has closed in the interests of transparency and to inform public discussion on these topics. Your name and email address will be removed from your submission when we publish it on our website.

We will keep your name and email address secure by storing it in restricted files and only allowing certain Commission staff to access it. You have the right to ask for a copy of any personal information we hold about you, and to ask for it to be corrected if you think it is wrong. If you'd like to ask for a copy of your information, or to have it corrected, please contact us at [commission@publicservice.govt.nz](mailto:commission@publicservice.govt.nz), or +64 4 4956600, or PO Box 329 Wellington 6140.

All submissions received may be subject to the Official Information Act 1982 (OIA) and we may be required to release your submission including your name and email address. If such a request is made under the OIA, we will consider removing your name and email address when responding to requests.