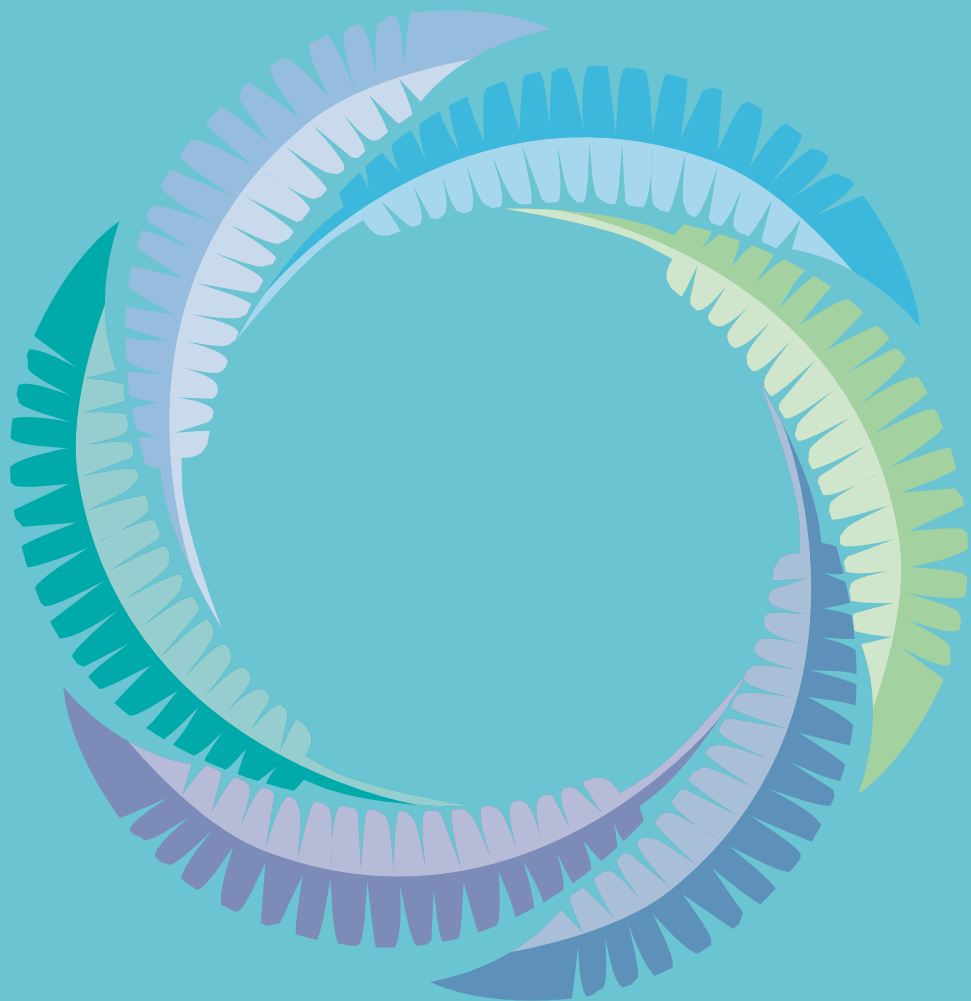




State of the Development Goals Report 2006





State of the Development Goals Report 2006

Acknowledgements

The State Services Commission wishes to acknowledge the contributions of the following agencies for their help in producing this report:

Accident Compensation Corporation
Department of Building and Housing
Department of Internal Affairs
Department of Labour, including the New Zealand Immigration Service
Department of the Prime Minister and Cabinet
Electoral Enrolment Centre
Housing New Zealand Corporation
Inland Revenue
Ministry of Agriculture and Forestry
Ministry of Economic Development, including the Companies Office
Ministry of Education
Ministry for the Environment
Ministry of Fisheries
Ministry of Social Development, including Work and Income
New Zealand Customs Service
New Zealand Trade and Enterprise
Statistics New Zealand
Te Puni Kōkiri
Tertiary Education Commission
The Treasury
Victoria University of Wellington School of Government

State Services Commission
ISBN 0-478-24473-8
July 2006
Crown copyright

Contents

Message from the Minister of State Services	4
State Services Commissioner’s preface	5
Introduction	6
Structure of the report	6
Part 1: Development Goals for the New Zealand State Services	7
The Development Goals for the State Services.....	8
Relationships between the Development Goals.....	10
Who will achieve the Development Goals for the State Services?.....	10
Measuring progress on the Development Goals for the State Services.....	10
What will achievement of the Development Goals look like?.....	11
Part 2: Indicators of progress	13
Indicators for the Development Goals.....	14
Employer of Choice.....	17
Excellent State Servants.....	25
Networked State Services.....	33
Coordinated State Agencies.....	41
Accessible State Services.....	49
Trusted State Services.....	59
Part 3: What does this mean going forward?	67
Next steps.....	68
Bibliography	69
Appendices	71
Appendix 1: Process for getting to the Development Goals.....	71
Appendix 2: Agencies to which the Development Goals apply.....	72

Message from the Minister of State Services

I am encouraged to read of the progress that the State Services is making towards the Development Goals. The leadership, commitment and innovation that this report describes certainly support New Zealand's international reputation for a transparent and trusted public sector.

However, we can never afford to lose sight of the fact that this trust is not given lightly, as the *Public Service Code of Conduct* notes, the strength of any State system "lies in the extent to which it deserves and holds the respect of its citizens". Maintaining the trust of citizens requires continuous effort and application from all of us working in government.

This report shows that the State Services is committed to lifting its performance and improving New Zealanders' experience with government, and that this improvement will be tracked and assessed regularly over time.

As in any process of setting goals and assessing performance there will be areas where future improvements are identified and, rarely, where there is evidence of practice below the high standards that are set. The Development Goals are deliberately aspirational, and therefore agencies can always aim higher.

My message to those of you working in the State Services is to continue to pursue the Development Goals and to make every endeavour to honour the trust placed in you by the people of New Zealand.

I would also encourage my fellow Ministers to work with their agencies to ensure that together we are able to lift the performance of the State Services, for the benefit of all.



Hon Annette King
Minister of State Services

State Services Commissioner's preface

The State Services Development Goals were launched with the support of the Government in 2005. This report is the first assessment of our progress towards these goals. It is intended primarily for State servants, as a guide to good practice in the State Services and as one of the tools we can use to identify areas where we can make improvements to the system.

As the first report, it is to be expected that some of the methods and some of the results will benefit from more consideration, more application and more time. However, what is important is that we acknowledge the examples of good practice and ensure that these good practices are built on and become more widespread. These good practices will be the building blocks for the future of New Zealand's State Services.

Similarly, we need to ensure that the areas identified as requiring improvement are prioritised and managed effectively and efficiently. We also need to make sure that the lessons learned from these experiences are shared with each other to promote increased effectiveness and to contribute to our growing understanding of good practice.

To accomplish this, we will need to work together more effectively. At times this will require us to make decisions that put the interests of the State Services above those of our individual agencies. This will necessitate a broadening of our strategic vision and of our concepts of leadership, and trust in each other's ability to lead and to deliver that vision.

This collaborative approach may also present some challenges for us in the short term. However, working together in this way will ultimately deliver a more integrated and better experience of the State Services for New Zealanders.

This is an exciting and challenging time for the State Services and it demands the best of all our efforts. The good progress identified in this report shows that, working together in a spirit of service, we are well positioned to deliver the next generation of State Services.

The challenge now is to build on these foundations and to continue to strive towards the overall goal of a system of world-class, professional State Services, serving the government of the day and meeting the needs of all New Zealanders.

Overall, I am encouraged by the progress that we have made to date and I am also determined to ensure that we continue to work together to collectively lift the performance of New Zealand's State Services.

I look forward to working with all New Zealand's State servants to build that future.



Mark Prebble
State Services Commissioner

Introduction

In March 2005 the Government agreed an ambitious set of Development Goals for the State Services. These provide a framework for delivering the next generation of State Services. The ideas behind these goals are not new, but, by making them clear and visible, and by setting timelines for progress, starting with milestones for 2007 and 2010, a clear agenda has been set for the State Services.

This is the first report, and it is addressed to all those working in the State Services. It has two main purposes. The first is to describe what the State Services might look like when the goals have been achieved. The second is to introduce an initial set of indicators for measuring progress towards achieving the goals and their associated milestones. Future reports will help identify key issues and areas where action is needed to maintain momentum on the Development Goals programme.

The *State of the Development Goals Report 2006* is a step into the unknown. It is a first attempt to establish a platform for understanding performance and progress across the State Services. As the indicators are refined and the development priorities for the State Services change, future reports will evolve and grow.

The indicators in this first report are very much a work in progress. The State Services Commission (SSC) will seek feedback about these indicators and, over the coming years, will continue to engage with the State Services about them and how they may need to change.

Structure of the report

This report is divided into three sections. Part 1 outlines the Development Goals for the New Zealand State Services – what they are, the relationship between the goals, who is tasked with achieving them, measuring progress against the goals, and what achievement of the goals will look like.

Part 2 outlines the six individual Development Goals – what achievement of each goal will look like, the indicators proposed to track progress towards each goal, the current situation for each indicator, and how progress on each indicator will be assessed going forward.

Part 3 summarises the next steps to be taken in working towards the 2007 and 2010 reports, and gives information on how to provide feedback on the report.

The Appendices offer background information on what led to the Development Goals and the agencies to which the Development Goals apply.

Part 1: Development Goals for the New Zealand State Services

This section outlines the Development Goals for the State Services, the relationship between the goals, who is tasked with achieving the goals, measuring progress on the goals, and what achievement of the goals will look like.

The Development Goals for the State Services

The Overall Goal for the State Services is:

A system of world class professional State Services serving the government of the day and meeting the needs of New Zealanders.

For New Zealanders to lead healthy and satisfying lives, they need highly professional government agencies to deliver the outcomes sought by government. For government agencies to be world class, they need the best possible systems and the best possible staff, operating with high levels of integrity.

The State Services currently performs well, however, as the world continues to move forward, fresh initiatives are needed to ensure excellent performance.

The Development Goals programme, overall, seeks to lift the performance of the State Services in order to deliver better results for government and for New Zealanders (as well as those who interact with the New Zealand State Services, hereafter “New Zealanders”). This will result in major shifts in the way State servants see and undertake their roles, how agencies design and deliver services and how systems and networks are designed to support a whole-of-State Services approach to getting results.

The Overall Goal is not simply a milestone to be met. Rather, it describes an aspirational level of performance and service delivery for the State Services, which should remain consistently high as the State Services anticipates and readily adapts to the needs and expectations of the people it serves. It will be realised in a variety of different ways, across people, services and technologies throughout New Zealand’s State Services.

The Overall Goal is supported by six more specific Development Goals for the State Services, which articulate the approach for achieving this shift. These Development Goals reflect judgements about the key things that need to change at a system-wide level if the State Services is to advance towards the Overall Goal.

Development Goals

Employer of Choice – Ensure the State Services is an employer of choice attractive to high achievers with a commitment to service.

Excellent State Servants – Develop a strong culture of constant learning in the pursuit of excellence.

Networked State Services – Use technology to transform the provision of services for New Zealanders.

Coordinated State Agencies – Ensure the total contribution of government agencies is greater than the sum of its parts.

Accessible State Services – Enhance access, responsiveness and effectiveness, and improve New Zealanders' experience of State Services.

Trusted State Services – Strengthen trust in the State Services, and reinforce the spirit of service.

The Development Goals are not intended to outline *what* outcomes the State Services will achieve, as that is a matter for government policy. Rather, the goals are aspirations for *how* the State Services will be configured and perform.

The first two goals relate to the need to develop the people capability of the State Services. The State is a major employer and, while it should not be an over-generous employer, it must be a good employer if it is to attract and retain the people it needs to deliver quality services. State Services employers also need to recognise the dynamic nature of skills and knowledge in today's workplace. Developing a strong commitment to constant learning in pursuit of excellence is the subject of the second Development Goal.

The third and fourth goals address the quality of the organisational systems within which people work. These stress the need for the State Services to adopt and use information and communication technologies, and to ensure a stronger focus on results in organisational planning and management. This requires more of a focus on coordination between agencies than has been the case in the past.

The fifth goal focuses on the ways in which New Zealanders access the State Services and the responsiveness of these services. It reinforces the need for State Services agencies to take an 'outside-in' perspective, that is, to see quality of service from the point of view of the public.

The first five Development Goals build towards the sixth goal, which focuses on trusted State Services. Trust will be enhanced as the State Services further develops people and organisational capability, and takes an 'outside-in' perspective in shaping services. This goal also emphasises the need to focus directly on standards of conduct in the State Services.

Relationships between the Development Goals

The six Development Goals work together to support each other and collectively contribute towards strengthening the degree of trust New Zealanders have in the State Services.

Progress towards each of the goals will strengthen progress in the others. For example, if the State Services is considered a great place to work [Employer of Choice] and offers constant development of staff [Excellent State Servants], good people will want to work and stay in government agencies. If State Services agencies are well connected to each other and to citizens [Networked State Services], and better coordinated to improve their overall performance [Coordinated State Agencies], then New Zealanders will get better services from agencies which meet their needs¹ [Accessible State Services]. This good service, provided in an open and honest way, will improve New Zealanders' trust in the State Services [Trusted State Services].

Whilst State servants will be aware of, and contribute to achieving, these six development priorities for improving State Services, New Zealanders will experience the overall improvements in services.

Who will achieve the Development Goals for the State Services?

Achieving the Development Goals will need the momentum and support of State servants across the whole State Services. Transformation of the way State servants see and undertake their diverse roles, the way agencies design and deliver services and the way systems and networks are designed will present many challenges. Solutions that make these changes possible will only be created by State servants engaging with the challenges collectively. The role of State Services chief executives and chairs of Crown entity boards is to lead in a way that will achieve the Development Goals.

The Development Goals programme is clearly far broader than could be completed by the SSC working alone, and the SSC is harnessing wider State Services momentum and support for the programme. However, the responsibility for driving the programme, including developing a means of monitoring progress towards the goals, lies with the SSC.

Measuring progress on the Development Goals for the State Services

In order to understand progress across the State Services, the SSC, with the help of other State Services agencies, has started to look at some indicators and information that provide a 'State Services approach' to assessment of progress. Assessments at individual output or individual agency level, on their own, do not tell a rich enough story, even when considered together. This is partly due to the wide variety of business for which the State Services is responsible, where aggregation can sometimes hide the 'real story'. In addition to this, the performance challenges that State Services agencies face are increasingly at a whole-of-State Services level, requiring a response across a number of agencies. Progress in areas such as achieving greater coordination across agencies or using technology to better connect services cannot be measured properly by assessing outputs or agencies individually. Finding

¹ In this report, 'needs' means needs as defined by current legislation, regulation and government policy.

indicators of progress that are meaningful comes with the challenge of developing new approaches that are applicable over the more than 190,000 people and many entities making up the State Services². The SSC will continue to engage with State Services agencies on developing and refining indicators.

What will achievement of the Development Goals look like?

When the Development Goals are achieved, the State Services will be experienced differently:

You will be attracted to the State Services as an employer of choice. You have been drawn to the State Services by its reputation for integrity, for professionalism and for its spirit of service. People who work for the State Services are well regarded in your community and by your peers.

Once you become a State servant, working for a State Services agency, you see that you and your peers are led, managed and developed well – you share a positive work environment with your colleagues, where you are all committed to advancing New Zealand’s interests and to making a difference in the lives of your fellow New Zealanders. There are multiple career development and on-the-job training options for you, and New Zealand’s reputation for world class State Services means that there are opportunities to work in other jurisdictions and in organisations like the United Nations and the OECD³.

Mentors and senior State servants give you guidance and advice as your career in the State Services progresses. You are able to move between State Services agencies and projects, pursuing interesting and challenging assignments. Whatever your role, you will have opportunities for learning and development. If you aspire to more complex and senior roles, you are supported and guided on that path. Like the rest of your colleagues, you perceive the State Services as a unified field of endeavour, with shared values and goals, and committed to delivering excellence for New Zealanders.

To achieve this, you work as part of a vast network, connected by the advanced use of information and communications technologies. These technologies will give you superb support to work in an integrated and collaborative way with colleagues from across the full range of agencies.

All New Zealanders benefit from this progress and you, as a State servant, will contribute to New Zealanders experiencing State Services differently. Service users who prefer electronic channels are able to access government information and services 24 hours a day, 365 days a year. As a service user, there is ‘no wrong door’ to your requests for information and services. You can complete complex transactions involving multiple agencies and are able to do it with as much personalisation, or as little, as you choose. You can do this with absolute certainty that your privacy is protected and that your transactions are secured.

Similarly, when New Zealanders approach you, or any other part of the State Services, they are confident that they will be treated fairly and in a spirit of service, and provided with, or guided to, the information and services appropriate to their needs. You collaborate with your colleagues across the State Services to ensure that where New Zealanders’ needs require service from different parts of one agency, or from more than one agency, these needs are met efficiently and effectively.

² See Appendix 2 for further information on the agencies included in the State Services.

³ Organisation for Economic Cooperation and Development.

And throughout all of this, you continually see that your colleagues and peers in the State Services are known for their commitment to, and active promotion of, integrity in the way they operate. State servants are, and are seen to be, responsible stewards of the State's powers and resources in their service to the community. You are proud to be part of a trusted State Services. New Zealanders trust you because they have confidence in the State Services' people, systems and processes, and the way New Zealand's State Services are delivered.

Part 2:

Indicators of progress

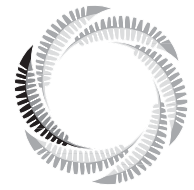
This section sets out what achievement of each of the six individual Development Goals would look like, the indicators proposed to track progress towards each Development Goal, the current situation for each indicator, and how progress on each indicator will be assessed.

Many agencies are working on lifting their performance and at the same time considering the performance improvements needed to achieve the Development Goals. The 'Current situation' sections for each indicator are illustrated with a small number of good practice examples.

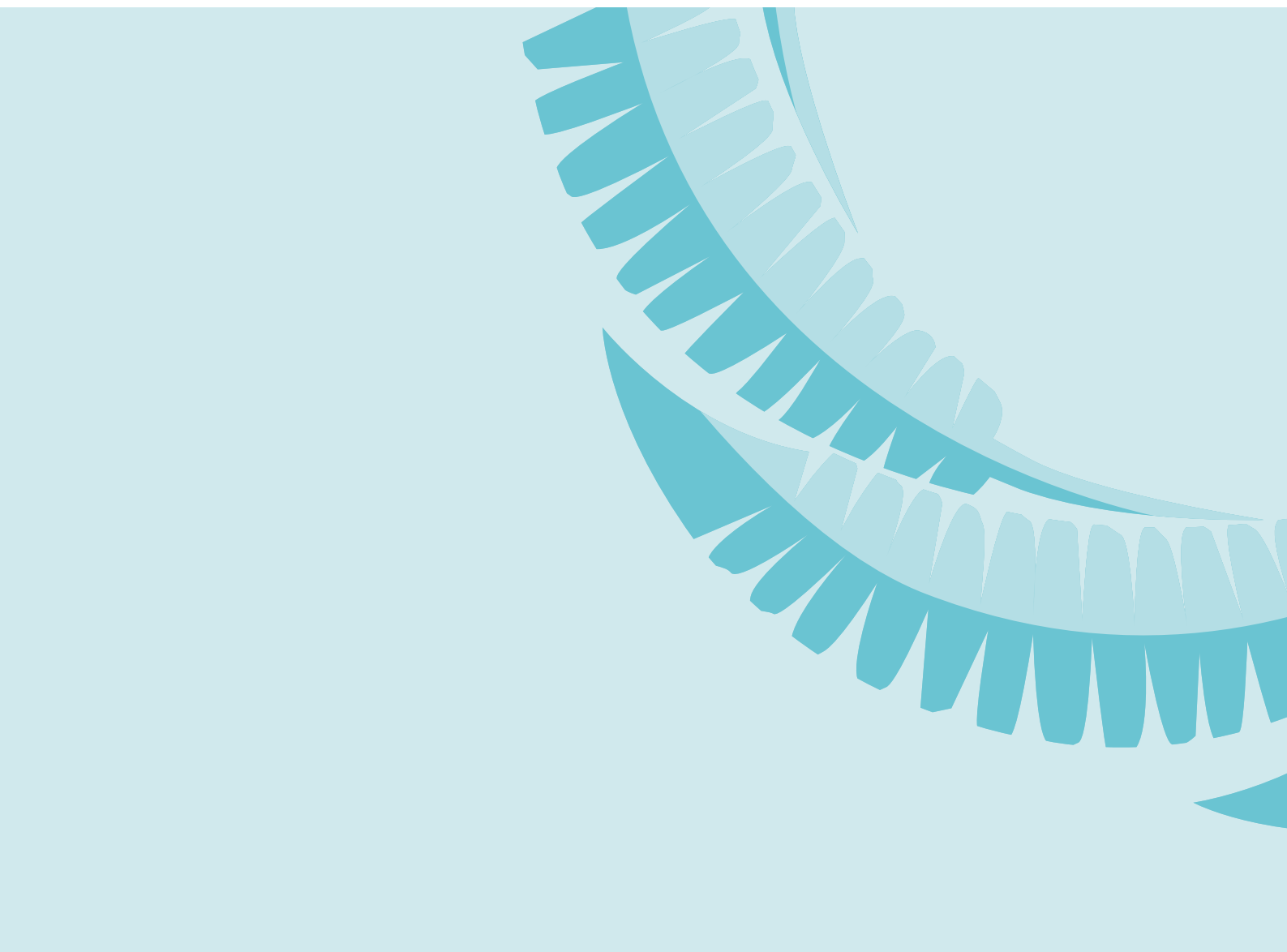
Indicators for the Development Goals

Development Goal	Indicator
<p>Employer of Choice</p> <p>Ensure the State Services is an employer of choice attractive to high achievers with a commitment to service</p>	<ol style="list-style-type: none"> 1 Reputation: Perceptions of the State Services as a place to work 2 Staff engagement: Engagement levels of staff in State Services agencies
<p>Excellent State Servants</p> <p>Develop a strong culture of constant learning in pursuit of excellence</p>	<p><i>Staff:</i></p> <ol style="list-style-type: none"> 1 State servants' perceptions about the effectiveness of development plans, processes and opportunities <p><i>Chief executive/agency:</i></p> <ol style="list-style-type: none"> 2 The extent to which agencies are specifying the competencies they require of their people to meet current and future organisational needs <p><i>Sector:</i></p> <ol style="list-style-type: none"> 3 The extent to which a learning and development framework is used across the sector to improve agencies' performance
<p>Networked State Services</p> <p>Use technology to transform the provision of services for New Zealanders</p>	<ol style="list-style-type: none"> 1 Grouping of services/transactions that apply technology to allow an individual – from one place at the same time – to access multiple programmes 2 Channel synchronisation of government transactions – within an agency or across government 3 The extent to which technology supports a user having to give the same information to government only once

Development Goal	Indicator
<p>Coordinated State Agencies</p> <p>Ensure the total contribution of government agencies is greater than the sum of its parts</p>	<ol style="list-style-type: none"> 1 The extent to which behaviours exhibited by State servants support coordination in pursuit of results 2 The extent to which systems support strategy, design and service delivery staff to work together
<p>Accessible State Services</p> <p>Enhance access, responsiveness and effectiveness, and improve New Zealanders' experience of State Services</p>	<p><i>Accessible State Services:</i></p> <ol style="list-style-type: none"> 1 Target group uptake of services <p><i>Responsive State Services:</i></p> <ol style="list-style-type: none"> 2 Appropriateness of referral <p><i>Effective State Services:</i></p> <ol style="list-style-type: none"> 3 Users' experience and expectations inform service design and improvement
<p>Trusted State Services</p> <p>Strengthen trust in the State Services, and reinforce the spirit of service</p>	<ol style="list-style-type: none"> 1 Trustworthiness exhibited by State servants 2 The extent of New Zealanders' confidence in the integrity of State servants when delivering services



Employer of Choice



Employer of Choice:

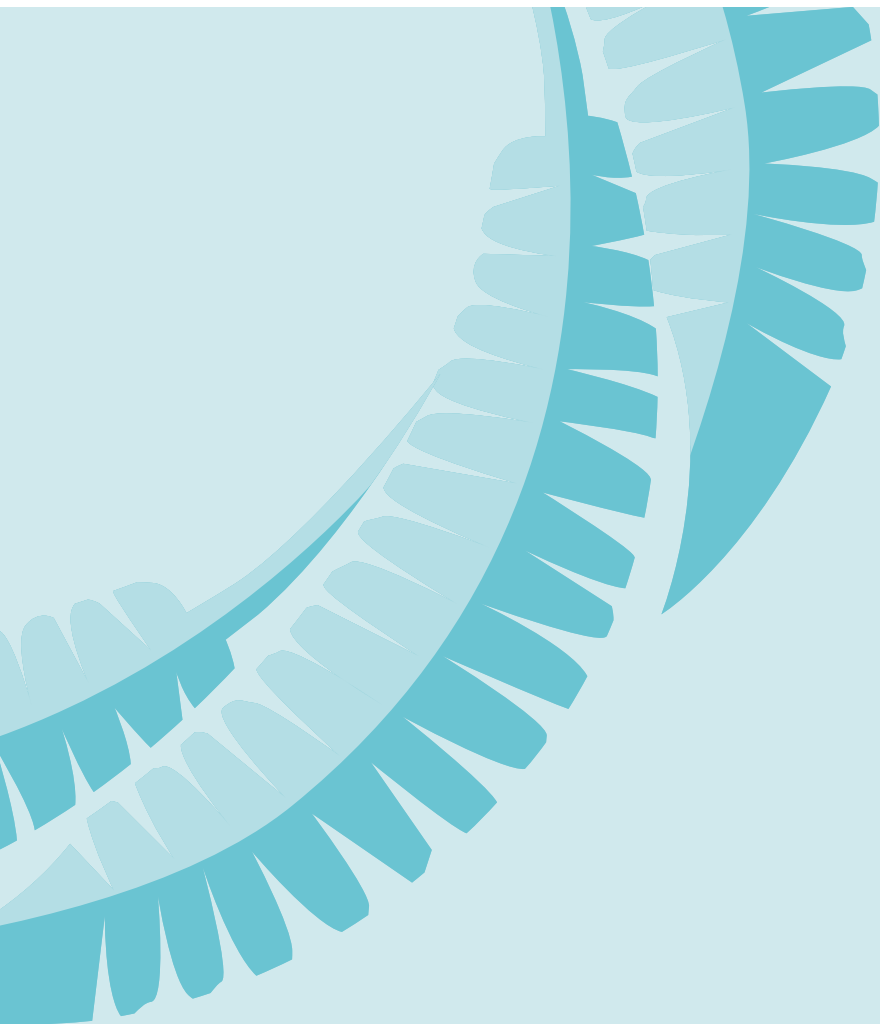
Ensure the State Services is an employer of choice attractive to high achievers with a commitment to service.

By June 2007:

A comprehensive guide to good employment practice developed with input from State Services employers and unions, in place for use across government agencies.

By June 2010:

Measurable improvement in the proportion of talented job seekers aspiring to join the State Services.



What does achievement of this Development Goal mean?

You will be attracted to the State Services by its reputation for integrity, its professionalism and its spirit of service. People who work for the State Services are well regarded in your community and by your peers.

Once you become a State servant, working for a State Services agency, you see that you and your peers are led, managed and developed well. You share a positive work environment with your colleagues, where you are all highly productive and highly engaged in your work, all committed to making a difference for New Zealanders.

You see that this commitment to excellence builds a reputation that attracts like-minded people from the private sector and overseas to come to work in New Zealand's State Services.

Indicators

The combined effects of a tight and shrinking labour market, the changing expectations of a new generation of employees and increasing expectations of the public, require a significant change in how State servants are attracted, developed, engaged and retained. A successful employer of choice programme will make it easier for high performers to see how they could contribute in a variety of State Services agencies, and to know that their skills will be valued and developed within and across these agencies.

There are two key indicators for this goal. They indicate how attractive the State Services is to high achievers with a commitment to service, and how well the State Services is doing as an employer for these people:

- 1 Reputation: Perceptions of the State Services as a place to work
- 2 Staff engagement: Engagement levels of staff in State Services agencies

1 Reputation: Participants' perceptions of the State Services as a place to work

Rationale for this indicator

Implicit in being an 'employer of choice' is that people have a positive view of the employer as a place to work. The current – and predicted future – labour market situation means that State Services employers are in a highly competitive market for people. Anecdotal information suggests that negative perceptions or a lack of understanding about State Services agencies, and what they do, create challenges for employers in attracting sufficient high-quality employees. These factors make it imperative that an understanding is developed of the reputation of the State Services for different groups of job seekers. This includes understanding the attributes of those employers that are considered 'employers of choice' for the people with the skills and values needed to excel in delivering services to the government of the day and to New Zealanders.

Current situation

There is some indicative information about job seekers' perceptions of the State Services as a place to work. This includes feedback from students, findings from the SSC's annual survey of skill shortages in Public Service departments, and research on local government. The SSC will be undertaking more comprehensive market research in the 2006 calendar year, as outlined below.

Feedback from students

In 2001, CM Research completed a report for the SSC looking at how the Public Service was perceived by students as a potential employer⁴. Twelve small focus groups of high-achieving students – a mix of recent graduates and students in the final year of their degree – were questioned about their perceptions of the public sector as an employer. The following table summarises their perceptions.

⁴ State Services Commission. *How is the Public Service Perceived as a Potential Employer?* Unpublished market research report prepared for the State Services Commission by NFO CM Research. 2001

Figure 2.1: Students' perceptions of the public sector as an employer, 2001

	Positive perceptions	Negative perceptions
Perceptions of the private sector	<ul style="list-style-type: none"> • Progressive, modern • Vibrant, glamorous and exciting • Flexible, dynamic • Smart, merit-driven • Cohesive • Delivers • Contribution valued 	<ul style="list-style-type: none"> • Fraught, greedy, shallow, self-centred and profit-driven • Tiring, stressful
Perceptions of the public sector	<ul style="list-style-type: none"> • Diversity of people • Protective, caring, comfortable • Necessary services equate to job security • Financial security (e.g. perfering, superannuation) • More opportunities for some (e.g. social workers) 	<ul style="list-style-type: none"> • Old-fashioned, faceless, grey, oppressive, production line • Lacks individuality – tall poppy syndrome • Low salaries/long hours • Lacks promotion on merit • Poor delivery • Male-dominated

Overall, these students tended to have more positive perceptions of the private sector than of the public sector as a place to work.

More recently, feedback collected from students who participated in the 2005/06 summer internship programme showed that less than 20% of them were very or extremely interested in the State Services as a career option at the start of the programme, whereas more than 40% reported this level of interest at the end. They said that direct experience dispelled some of their more negative perceptions.

Skill shortages survey

The SSC's Skill Shortage Survey of Public Service departments asks respondents about recruitment difficulties, skill shortages and skill gaps they have experienced over the previous year. In 2005⁵, several departments commented that job seekers' negative perceptions were creating recruitment difficulties. For seven departments, it was a negative image of their own department that was posing difficulties. For example:

- “negative images of the department as reported by the media”

5 Summarised information from the 2005 Skill Shortage Survey is presented in the SSC's *Human Resource Capability Survey of Public Service Departments as at June 2005*, published on SSC's website at www.ssc.govt.nz/hrc-survey-2005. Fuller quotes from the survey returns have been reproduced in this document.

- “mixed perceptions resulting from ongoing events putting the Ministry and the sector into the forefront of public awareness have had an impact on the Ministry’s ability to recruit staff”
- “external perceptions of the department that impact on the organisation’s reputation”.

For two other departments, it was a negative image of the Public Service that was a barrier to recruitment. For example:

- “the perceived reputation of the Public Service as an employer in Auckland”
- “a perception from business people that the Public Service was not a desirable place to work”.

Local government research

A recent study on market perceptions of the local government sector identified that 88% of private sector employees and 77% of students chose ‘bureaucracy’ as the defining characteristic of local government⁶. Only 8% of private sector employees and 10% of tertiary students strongly favoured the local government sector as an employer. While these results relate to local government, they do paint a concerning picture from an employer perspective. They suggest that market research in the State Services is important for assisting State Services agencies in identifying, and more pro-actively managing, the perceptions of those they aim to attract to the sector.

How will progress against this indicator be assessed?

The SSC is currently commissioning independent market research to establish information about perceptions of the State Services a place to work compared to perceptions of corporate and not-for-profit organisations. The perceptions data will be analysed by education level, other demographic variables, and psychographic profile⁷ of the survey respondents. The results from this round of research should be available in late 2006. Repeating the research at intervals will allow progress against the indicator to be tracked.

2 Staff engagement: Engagement levels of staff in State Services agencies

Rationale for this indicator

Research shows that one of the key factors in becoming an employer of choice is that workplaces are positive and engage the support of employees, who want to progress their careers with that employer. Essentially, engagement is the extent to which employees commit to something or someone in their organisation, how hard they work, and how long they stay with that organisation as a result of that commitment. More specifically, a recent study on

⁶ Deloitte. *Local Government Recruitment and Retention, October 2005*. Deloitte, 2005.

⁷ ‘Psychographic profiling’ uses a research-based model that categorises people into one of a series of unique groups, based on their values, attitudes and lifestyles. There is broad agreement between research models that people can be validly grouped in this way, and that it is possible to summarise broadly what drives and motivates each group. Knowing the psychographic profile of people the State Services wants to attract into employment will allow it to develop a work environment that attracts these people to work and stay working with it. Such information allows the State Services to develop communication and recruitment strategies that effectively target the people it is more likely to want to employ.

the impacts of employee engagement, undertaken by the Corporate Leadership Council and involving more than 50,000 employees at 59 global organisations, found that:

- employees who are most engaged perform 20% better and are 87% less likely to leave the organisation
- differences in the level of employee engagement between organisations was directly attributable to the organisation's people management policies and practices
- every 10% improvement in engagement can increase an employee's effort level by 6%, and every 6% improvement in effort can increase an employee's performance by 2%⁸.

Another recent international study, conducted across ten of the world's largest economies, found that organisations with high levels of employee engagement consistently and significantly outperform those with low levels of employee engagement⁹.

Further research undertaken by The Gallup Organization, which specialises in improving organisational performance through its employees, has identified that organisations with high levels of employee engagement experience lower turnover, better productivity, better customer loyalty and other manifestations of superior performance¹⁰.

Current situation

There are several research-based employee engagement surveys on the market. The engagement survey scores measure the extent to which employees are 'engaged' with their work, role or organisation. They also provide information on the elements that are impacting, positively or negatively, on engagement. The survey itself provides a useful benchmark and information upon which organisations can develop and implement an action plan to increase levels of engagement. A critical part of the process is the action planning, and implementation of that action plan, that occurs following the results of the survey.

Employee engagement surveys are typically run annually, and involve surveying all employees within an organisation. They ask employees a number of questions focused on those elements of the workplace that are most powerfully linked to improved organisational performance. These are:

- understanding of, commitment to, and connection with the organisation's strategy and core values
- relationship/interaction with immediate manager
- development opportunities.

Very recently, a small number of State Services agencies have conducted engagement surveys and the follow-up action planning. Several more agencies are planning to conduct surveys and are awaiting the outcome of the SSC's syndicated procurement process.

This move from, for example, climate and staff satisfaction surveys to an employee engagement focus signifies an important move to a strategic, performance focus.

8 Corporate Leadership Council. *Engaging the Workforce: Focusing on Critical Leverage Points to Drive Employee Engagement*. Confidential research report prepared for the Corporate Executive Board for the exclusive use of its members. 2004.

9 International Survey Research. *Creating Competitive Advantage from Your Employees: a Global Study of Employee Engagement. 2004*. White paper available to registered members at www.isrinsight.com.

10 Thackray, John. "Feedback is for real", in Gallup Management Journal, March 15 2001. Available online at <http://gmj.gallup.com/content/?ci=811>.

How will progress against this indicator be assessed?

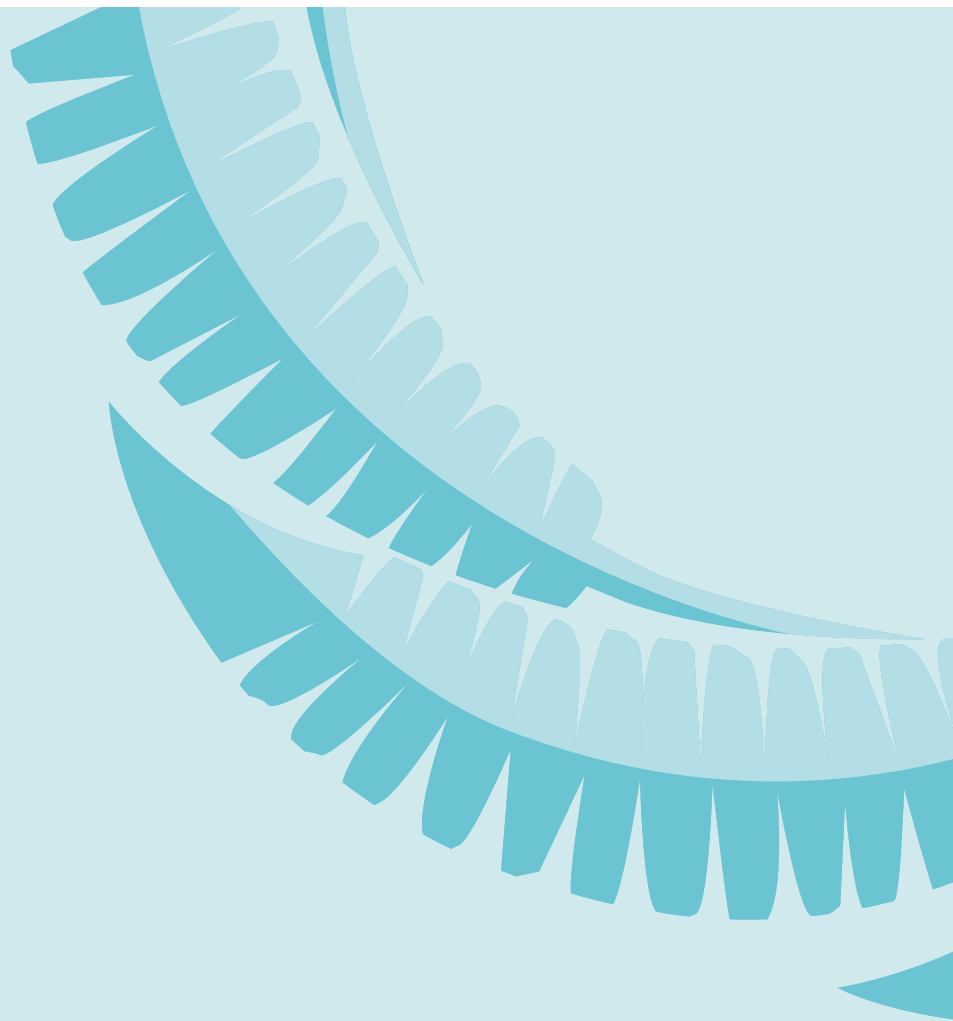
Engagement levels of staff in State Services agencies will be assessed by using the results of engagement surveys.

During the 2006 calendar year, the SSC will manage a procurement process to identify a preferred supplier for the provision of an employee engagement survey, and will support agencies in implementing the survey. Progress measures will include:

- uptake: the number of agencies who have expressed willingness to run engagement surveys by the end of 2006
- outcomes: from 2007, the aggregated results for engagement surveys run by New Zealand State Services agencies, compared with international and sector norms.



Excellent State Servants



Excellent State Servants:

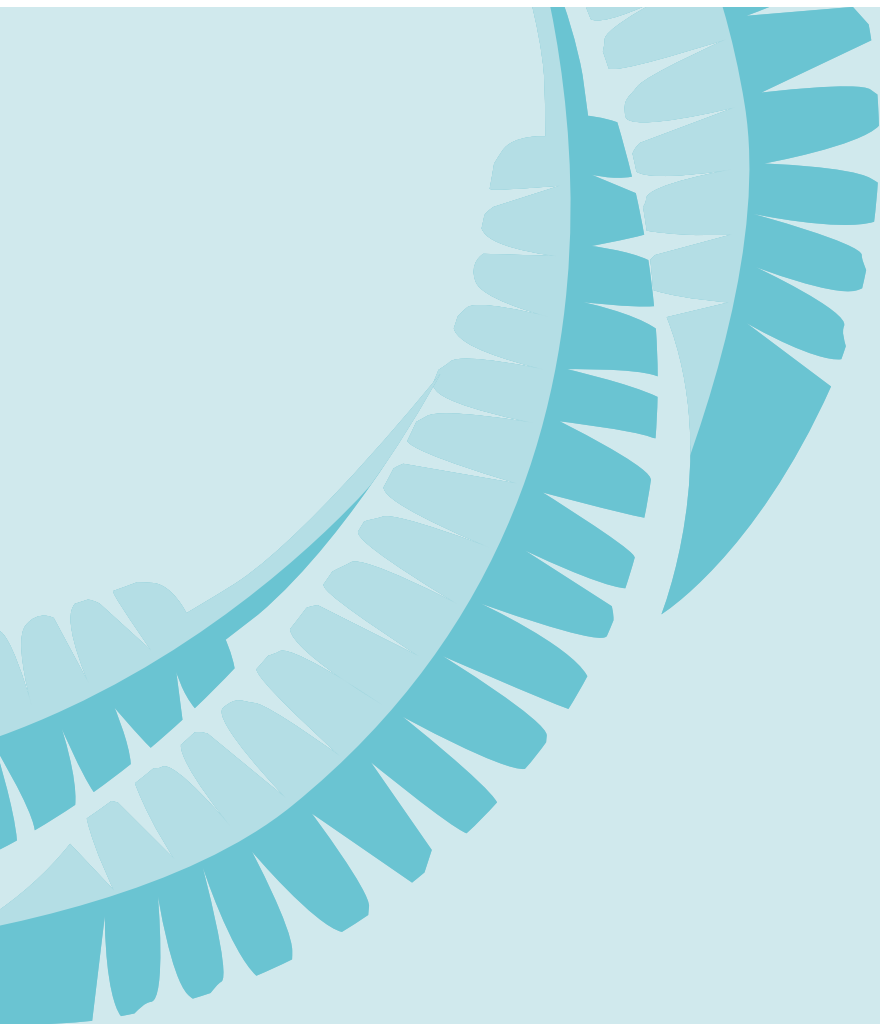
Develop a strong culture of continuous learning in the pursuit of excellence.

By June 2007:

A framework for learning and development across government agencies.

By June 2010:

All government agencies have a strong commitment to developing skills and knowledge across all staff.



What does achievement of this Development Goal mean?

Whatever your role in the State Services – front line, support, policy delivery or management – you are encouraged and supported to achieve excellence.

Mentors and senior State servants give you guidance and advice as your career in the State Services progresses. You are able to move between State Services agencies and projects, pursuing interesting and challenging assignments. If you aspire to more complex and senior roles, you are supported and guided on that path. Like the rest of your colleagues, you see the State Services as a unified field of endeavour, with shared values and goals, and committed to delivering excellent services to New Zealanders.

The agencies of the State Services know their current and future capability needs. These needs have been mapped with ‘all of sector’ in mind. Agencies know their people and when they are ready to move to the next logical development opportunity, which might be within the agency or elsewhere in the State Services.

Indicators

People with the right skills are the fundamental business input to the State Services. State servants operate the agencies that deliver services, on behalf of government, to New Zealanders. Therefore, it is the calibre of these State servants that largely determines the quality of the experiences New Zealanders have of government.

With change now a constant feature of work, it is no longer sufficient to recruit people with qualifications and provide induction training only. Instead, State Services agencies need to have frameworks, programmes and tools to support ongoing development across the course of a career for all employees.

As there is no definitive standard of “excellence” for staff, the indicators below measure the extent to which key players in the Excellent State Servants goal perceive that the key factors necessary to achieve excellence are in place.

Staff:

- 1 State servants’ perceptions about the effectiveness of development plans, processes and opportunities

Chief executive/agency:

- 2 The extent to which agencies are specifying the competencies they require of their people to meet current and future organisational needs

Sector:

- 3 The extent to which a learning and development framework is used across the sector to improve agencies’ performance

Staff:

1 State servants' perceptions about the effectiveness of development plans, processes and opportunities

Rationale for this indicator

This indicator is consistent with Corporate Leadership Council (CLC) research, which has established that staff who know the organisation values them are more likely to be inspired to perform 'excellently'¹¹. Credible and achievable development plans and development options are perceived as signalling an organisation's commitment to its staff.

The research also established that effective development plans build staff engagement, lead to increased discretionary effort from staff and increase their intent to stay. CLC research and consultation with agencies will be used to identify which aspects of development planning will make the most important contribution to effectiveness.

Credible development plans are a key output from a learning and development framework (the 2007 milestone). They are also an indicator of and a prerequisite for all government agencies having a strong commitment to developing skills and knowledge across all staff (the 2010 milestone).

Current situation

Some agencies' staff surveys question staff about their perceptions of aspects of learning and development. Where agencies ask these questions, their survey results could be used to inform this indicator. The SSC intends to facilitate the syndicated procurement of an employee engagement survey that will include questions relating to development.

Findings from the *Career Progression and Development Survey*¹² 2005 showed that public servants were dissatisfied with the feedback they received on their career development needs. Only 17% said their agency was "Good" in this regard, while 42% gave "Poor" ratings. Other results showed that managers were not meeting the expectations of their staff in terms of providing feedback on performance. A third of public servants said their manager was "Good" at providing constructive feedback on their performance and 29% said they were "Poor". Results were similar for access to regular feedback on performance. (These questions were not surveyed in the first Career Progression and Development Survey, conducted in 2000.)

Other relevant information collected through the survey was public servants' perceived access to a range of learning and development factors, including access to training courses and to development while on the job. 30% rated their access to training courses and seminars as "Good", while 27% said it was "Poor". Results were similar for access to on-the-job training. Gaining experience in a range of tasks was also covered by the survey: 31% of public servants rated their access as "Good" and 21% as "Poor". Satisfaction levels for all of these factors declined between the 2000 and 2005 surveys.

11 Corporate Leadership Council. *Realizing the Full Potential of Rising Talent*. Confidential research report prepared for the Corporate Executive Board for the exclusive use of its members. 2005.

12 A Public Service-wide survey conducted by the SSC in 2000 and repeated in 2005. Participants were asked about their career aspirations and their perceptions of their work environment.

How will progress against this indicator be assessed?

Information to assess progress against this indicator will be collected from the following sources:

- staff surveys, where agencies are using them
- other information collected by agencies on staff perceptions about the effectiveness of development plans, processes and opportunities (e.g. internal reviews of development strategies)
- information collected in the course of SSC engagement with agencies on State servants perceptions of the effectiveness of development plans, processes and opportunities.

Chief executive/agency:

2 The extent to which agencies are specifying the competencies they require of their people to meet current and future organisational needs

Rationale for this indicator

This indicator measures the extent to which business planning includes identification of current and future staff capability and competency requirements. This will tell the State Services whether a focus on staff development as an enabler is integrated into agencies' strategic decision-making processes. Identifying competency requirements, and demonstrating the match between these and the abilities of staff, in conjunction with explicitly linking agency goals and people capability strategies, are essential and visible ingredients of a strong culture of constant learning in pursuit of excellence. The extent to which these linkages are evident will signal progress on this indicator and towards the Excellent State Servants goal.

Drawing on work carried out by the APSC¹³, the following factors are relevant:

- the extent to which competencies are used by agencies to describe their current and future capability requirements and related learning and development result areas
- the extent to which these competency-based requirements are articulated in plans at all levels and clearly communicated to staff and stakeholders
- the extent to which workforce and/or people management plans use competencies to identify organisation and individual needs in the short term as well as focusing on longer-term workforce development.

Current situation

Currently, few agencies in the State Services clearly identify their current and future competency requirements as part of their business plans. The use of competency tools and models is also mixed.

¹³ Australian Public Service Commission. *Building Capability: a Framework for Managing Learning and Development in the Australian Public Service*. Canberra, APSC, 2003

A number of State Services agencies have used the Public Sector Training Organisation (PSTO) to identify and set technical competency standards for the professional skills and knowledge needed for their agencies' core business. These have then been registered on the National Qualifications Framework. The PSTO has supported these agencies to implement structured workplace learning and assessment processes. This has enabled agencies to work with employees to achieve technical competencies that can contribute to a national qualification.

The SSC is aware that some agencies are in the early stages of using a behavioural competency framework as the 'chassis' of their HR system and are thereby aligning their people management activities to capability requirements and business outcomes. However, there has recently been a trend to an increasing number of agencies recognising the value of using a research-based behavioural competency framework to inform and drive their people management practices. Again, this signifies an important shift in focus to one of a strategic, business results nature, as compared to a transactional one.

How will progress against this indicator be assessed?

As described in the section on the Employer of Choice goal, the SSC is facilitating the syndicated purchase of a behavioural competency framework for agencies in the State Services that are interested, as part of the People Capability strategy¹⁴.

Measures will include:

- uptake of the syndicated purchase competency framework
- the extent of use of alternative comparable competency frameworks.

Information sources will include:

- SSC engagement with agencies (including SSC performance management engagements)
- agencies' corporate documentation.

Sector:

3 The extent to which a learning and development framework is used across the sector to improve agencies' performance

Rationale for this indicator

A learning and development framework provides a guide for organisations to plan, prioritise and structure learning and development activities that contribute to improved organisational performance and to retaining excellent employees. A framework is intended to make it easier for agencies to develop sound and effective learning and development strategies, policies and procedures, as these agencies will know where to start, what to cover and what the key roles are for all parties. The guidance provided by the framework should also reduce duplication of effort.

¹⁴ The People Capability strategy supports the achievement of the Employer of Choice and Excellent State Servants Development Goals through various initiatives that can be grouped into three key themes: attracting and hiring the best, creating positive workplaces, and developing for excellence.

Current situation

Some State Services agencies are already using learning and development frameworks to plan, prioritise and structure learning and development activities. Agencies are varied in their use of learning and development frameworks, including whether and how alignment to a behavioural competency framework occurs, and whether there is a direct link to capability requirements and business outcomes. However, it would seem that an increasing number of agencies are recognising the need to start with a future focus in relation to capability requirements when considering a learning and development framework.

One example is the Compliance Group in the Ministry of Fisheries, which began developing its learning and development framework in December 2004, using focus groups and reference groups as key input mechanisms. The ensuing process contributed to a robust engagement that promoted buy-in through shared ownership. Eighteen months later:

- the framework has been used by staff to analyse their skills and knowledge and as a basis for designing future career-focused development strategies
- a competency-based library has been developed and integrated into a performance and development framework
- training programmes have been reviewed to integrate with the new framework and presumably business needs.

Roll-out and implementation of the framework will be completed by 30 June 2006.

Use of the framework has led to a re-assessment of relevant experiential backgrounds required by the Compliance Group, by identifying the skills that can be taught by the Ministry. The Ministry reports that this has already identified a wider and more diverse candidate pool, by recruiting for capability rather than on the basis of a narrow set of skills obtained from previous experience. Given the current levels of enthusiasm and use, it is expected that adoption of the framework will be reflected in better recruitment levels, higher employee satisfaction and improved employee performance.

How will progress against this indicator be assessed?

Measures will include:

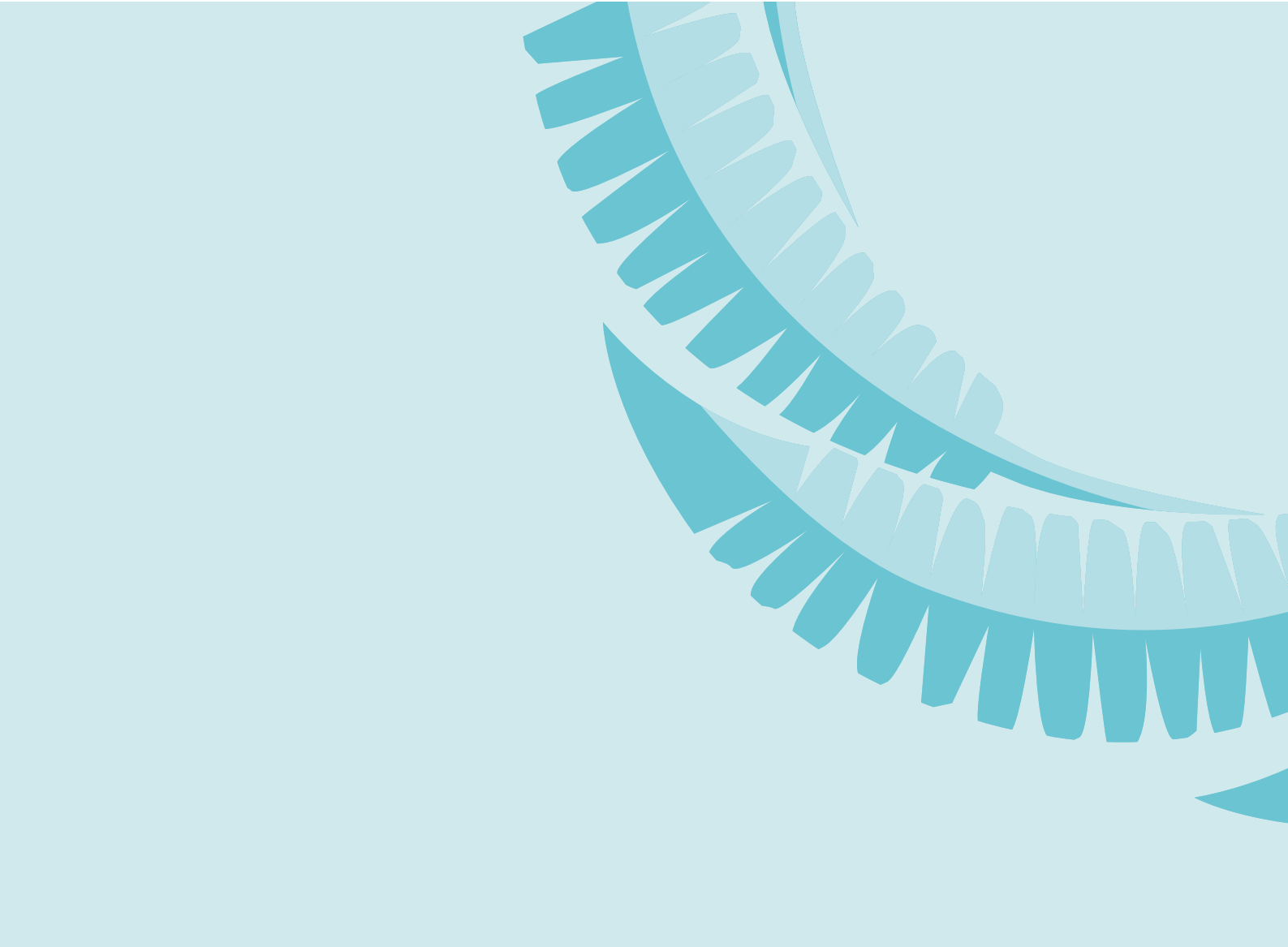
- the extent of use of critical components and common terminology in relation to learning and development:
 - across State Services agencies
 - within an individual agency.

Information sources will include:

- SSC engagement with agencies (including SSC performance management engagements)
- agencies' corporate documentation.



Networked State Services



Networked State Services:

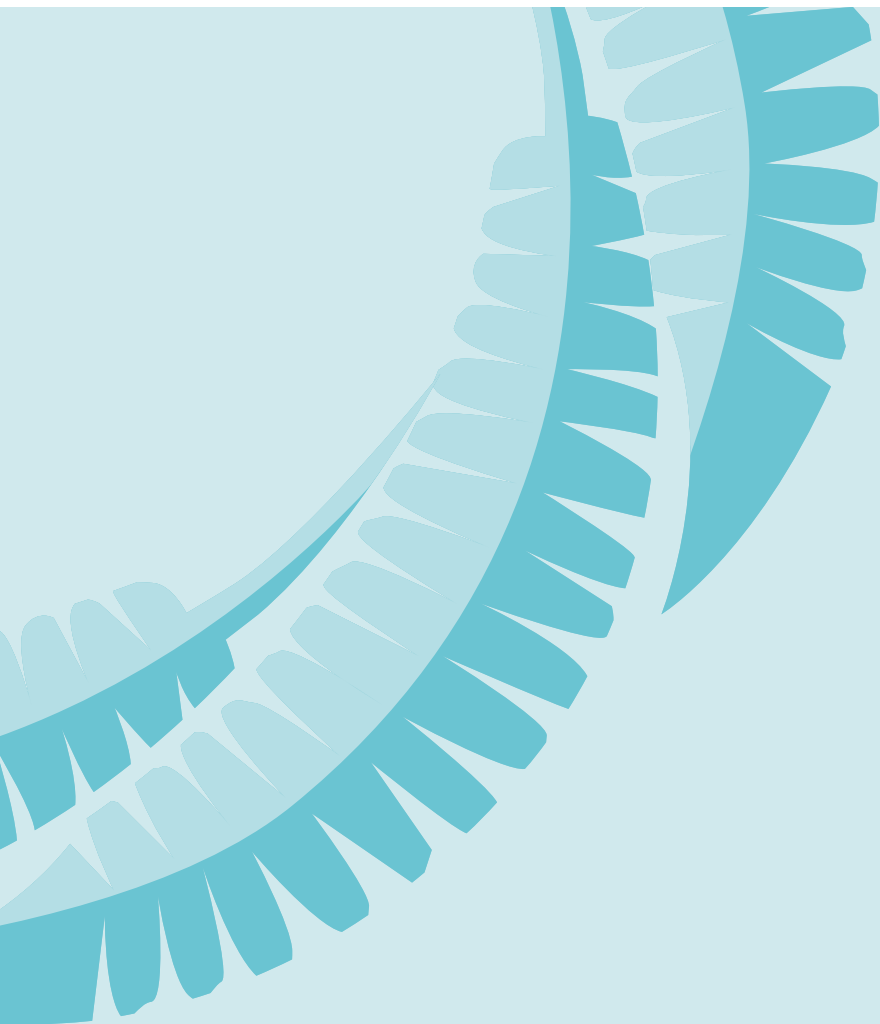
Use technology to transform the provision of services for New Zealanders.

By June 2007:

Networks and Internet technologies are integral to the delivery of government information, services and processes.

By June 2010:

The operation of government has been transformed through the use of the Internet.



What does achievement of this Development Goal mean?

To achieve excellent delivery, as a State servant, you work as part of a vast network, connected by the advanced use of information and communications technologies. Visible tools like the Public Sector Intranet, and invisible ones like the Government Shared Network, will support you in your work.

You, like all New Zealanders, are able to take advantage of these achievements when you use State Services. It is easy for New Zealanders to find out about and access State Services, and there are appropriate channels for their diverse needs. The service is the same quality, whichever channel is used.

Service users who prefer electronic channels are able to access government information and services 24 hours a day, 365 days a year. As a service user, you can complete complex transactions involving multiple agencies from one point and are able to do this with as much personalisation, or as little, as you choose. The Government Logon Service means that you can do it with absolute certainty that your privacy is protected and your transactions are secured.

Indicators

These indicators focus on areas where the technology supports the quality and consistency of service provision, providing greater convenience and ease of use:

- 1 Grouping of services/transactions that apply technology to allow an individual – from one place at the same time – to access multiple programmes
- 2 Channel synchronisation of government transactions – within an agency or across government
- 3 The extent to which technology supports a user having to give the same information to government only once

1 Grouping of services/transactions that apply technology to allow an individual – from one place at the same time – to access multiple programmes

Rationale for this indicator

If services are being provided in a way that is convenient for New Zealanders who use them, technology will be applied to grouping services. Sometimes, because of an event in a user's life (e.g. establishing a new business), they need to collect information from a number of different government sources, or to conduct various transactions, to achieve a single result. If services are grouped in the right way, users can achieve this result from one point.

Quantifying such grouped services/transactions will signal the extent to which government has anticipated users' needs, efficiently integrated service planning and delivery, and arranged for service delivery to be as convenient as possible in response to users' circumstances.

Current situation

A study from 2004¹⁵ found that, almost without exception, agencies were putting considerable focus on using Internet and network technologies to improve staff access to information. Website assessment indicated that 67% of agencies' websites were of a 'high' or a 'good' standard. However, online services for New Zealanders still tended to be primarily based around individual agencies, requiring customers to contact several agencies to complete related transactions and processes.

By 2005, this situation was beginning to change. With the increase in channels and services available online, agencies were using technology to integrate information across the channels they provided within the agency and were beginning to integrate services between agencies online, grouping them in ways that allowed New Zealanders to access services across several agencies from one point¹⁶.

Examples of this process include integration between services offered by the Companies Office, a unit within the Ministry of Economic Development (MED), and the Inland Revenue (IR). Every month, 1,400 new companies are registered with the Companies Office. These companies are also obliged to acquire an IR number, a paper-based process that involves most of the same information required for registering the company. In an attempt to reduce compliance costs for businesses and to make New Zealand the easiest country in the world to set up a company, the MED and the IR modified their IT systems and established a link between them so that the process of incorporating a new company online also offered the opportunity to apply online for an IR number. The new system went live in July/August 2005.

Similarly, the New Zealand Customs Service, working with the Ministry of Agriculture and Forestry's Quarantine Service, has used technology to increase the efficiency of the sea container clearing process by streamlining the service and paperwork for importers and customs brokers.

¹⁵ *Achieving e-government 2004: a Report on Progress toward the E-government Strategy* (<http://www.e.govt.nz/resources/research/ready-access-2004/ready-access-2004.pdf>).

¹⁶ *E-Awareness Survey 2005* (www.e.govt.nz/resources/research/e-awareness-2005/e-awareness-2005.pdf), based on an SSC survey of New Zealand e-government initiatives. The survey has information about e-initiatives in which more than one agency is involved.

Other examples of progress include the Ministry of Education’s education portal and the authentication and authorisation service for the education sector. The portal provides one gateway to over twenty education service websites and groups links to related information across these sites, so that users of education services can access information and resources more easily. The authentication and authorisation service, currently being developed, will enable allows teachers, students, parents and administrators to access education information and resources more easily and securely, from wherever they are, regardless of hardware or software.

Some agencies are already co-locating services. For example, Housing New Zealand Corporation (HNZC) and Work and Income staff work together to deliver housing, income support and employment services from the same site in Mangere. This is being done to provide ‘seamlessness’ of delivery, that is, ensuring those people dealing with multiple agencies receive their full and correct entitlements and improved access to other services and assistance necessary to meet their needs all in the one place. As well as co-location, the development of integrated procedures supported by common technology platforms has the potential to further improve the seamlessness of delivery.

The government Portal (www.govt.nz) has a tool called ‘Logan’ that collects information about how government websites are used. This information will contribute to State Services’ understanding of which services New Zealanders prefer to use together and will enable the process of grouping services and transactions in ways that are convenient for users.

How will progress against this indicator be assessed?

Measures to assess progress against this indicator will include:

- the number of such grouped services/transactions from a range of providers, across a range of channels (for instance: portals, websites, in person, call centres)
- the match between grouping and user need.

Information sources will include:

- information from ‘Logan’
- SSC engagement with agencies
- information produced by agencies, sectors and State Services project overview committees
- research on samples of services.

2 Channel synchronisation of government transactions – within an agency or across government

Rationale for this indicator

‘Channel synchronisation’ means people can use a range of methods to interact with agencies (such as email, phone, in person, text, paper, web and any combination of these) without any ‘break’ in service. New information to any one channel should be immediately reflected in all. If channel synchronisation is in place, people who interact with government receive the same level of service and are recognised every step of the way, regardless of the channel they use. There should be no inconvenience to the user if they shift channels.

In conjunction with the grouping of services across agency boundaries described in the previous indicator, channel synchronisation is an important step to facilitate services being convenient, readily accessible and organised around users’ personal circumstances, anticipating users’ needs. In order to provide channel synchronisation within and across agencies, common policy approaches and standards in relation to the use of technology will need to be developed.

Current situation – examples of good practice

The biz portal (www.biz.org.nz) provides a good example of channel synchronisation improving the experience of State Services for New Zealanders. The biz portal is a whole-of-government website that presents relevant details on government business services, compliance and business information. It has been designed primarily with the needs of small- to medium-sized businesses in mind.

The site is operated by New Zealand Trade and Enterprise on behalf of a range of government stakeholder agencies, including the IR, the Accident Compensation Corporation (ACC) and the Department of Labour.

One of the strategic objectives for the portal is to synchronise information across different channels (e.g. phone, fax, email, web, in person). This means that someone has a choice of using whatever channel they prefer, and they get the same answer to their questions regardless of the channel they choose.

In addition to providing access to a wide range of online business information, the biz portal is supported by business advisors who are available during business hours to respond immediately to inquiries. They can be accessed in person, by phone, fax or email. These advisors are knowledge workers who have been trained to provide answers to the most commonly asked questions across the wide range of issues, on behalf of all the stakeholder agencies.

The broad range of topics that assistance is provided for includes tax, employing staff, workplace safety and health, ACC, business training, grants, finance, tips on good business practice, e-business, exporting, growing the business, and other topical business areas.

The strategic plan for the biz portal includes ongoing and future initiatives to:

- personalise the access for registered clients so that they are kept up to date with changes in business-related information
- market the biz portal to maximise the numbers of businesses and intermediaries that understand its value
- evaluate and enhance the biz portal on an ongoing basis, to respond to users' needs.

How will progress against this indicator be assessed?

Measures to assess progress against this indicator will include:

- the number of types of transactions where channel synchronisation – within agencies, across agencies, and across levels of government – is evident
- the extent to which channel synchronisation meets user needs.

Information sources will include:

- SSC engagement with agencies
- information produced by agencies, sectors and State Services project overview committees
- research on samples of services and systems.

3 The extent to which technology supports a user having to give the same information to government only once

Rationale for this indicator

If technology has been used to transform the provision of services to be user-centric and convenient, in most instances a user should not have to provide the same information to different parts of government, or to the same part of government at different times.

Technology should enable shared information across government, with the data being available across each step of service, whilst observing privacy rules (data persistence). It will enable more efficient use of information, as it will be created once and used many times.

Creating data once and being able to use it many times will depend on progress towards ensuring the interoperability of government Information and Communication Technologies (ICT) systems, software, data and practices, so will to some extent be a proxy for progress in these areas.

Current situation – examples of good practice

The Department of Internal Affairs (DIA) is currently undertaking work to minimise the number of times New Zealanders have to provide information about births, deaths, marriages, passports and citizenship. The Agency Information Services project enables multiple government agencies to make use of a common set of identity data.

At present, this project enables the DIA to share information with a number of specific agencies prescribed by legislation and authorised by the Privacy Commissioner after careful scrutiny and a privacy impact assessment. Such sharing is done through periodic provision of data on CD, with agencies such as the Ministry of Education regarding student births, the Ministry of Social Development regarding deceased persons, and the New Zealand Immigration Service regarding entitlement to reside.

This initiative will mean that, in some cases, people will not have to repeatedly provide information already held by the DIA to a separate agency they are dealing with. For example, in the past, if a new student wanted to enrol with a tertiary education organisation, they needed to provide documentary evidence to verify their name, date of birth and residential status, with a copy of their birth certificate being the most common document produced. If they didn't have this, they had to request it from the DIA and then take a copy to the education organisation. Now, under the Agency Information Services project, such birth information is shared between the DIA and Ministry of Education, enabling the student's birth details to be confirmed without requiring the student to provide further documentary evidence.

Future developments under this project are expected to include online direct and immediate sharing of such information by the DIA with agencies. This will require additional assessment and approval by the Privacy Commissioner, as well as system integration between agencies to ensure interoperability of software and data. It is expected to contribute to increased efficiency of government operations, and increased convenience for people dealing with government.

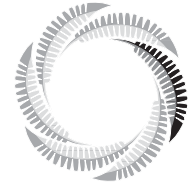
How will progress against this indicator be assessed?

Measures to assess progress against this indicator will include:

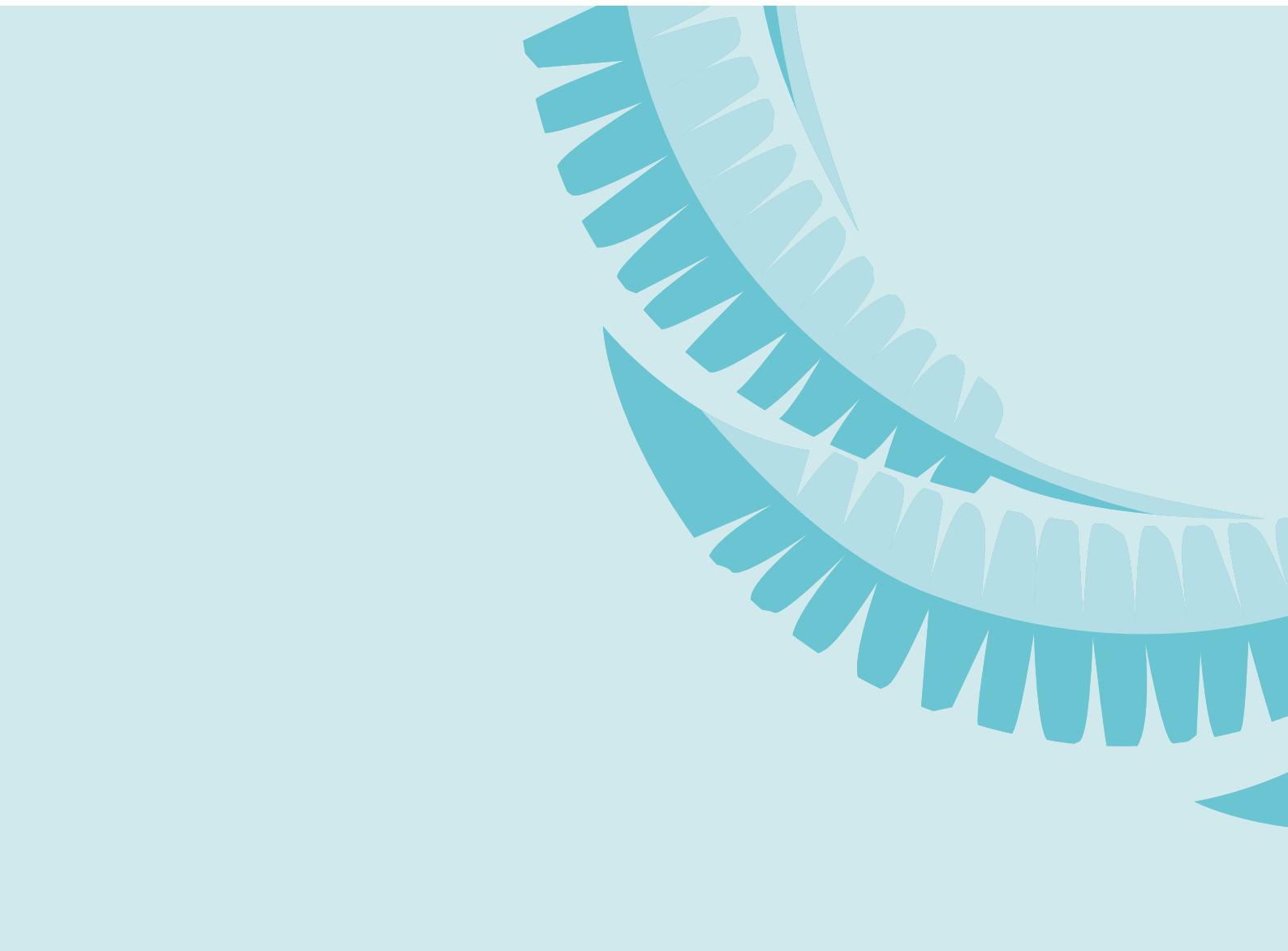
- the number of instances in which information previously provided by a user can be drawn on to populate a current transaction
- the extent to which 'data persistence' provides benefits to users and State Services agencies.

Information sources will include:

- SSC engagement with agencies
- information produced by agencies, sectors and State Services project overview committees
- research on samples of services and systems.



Coordinated State Agencies



Coordinated State Agencies:

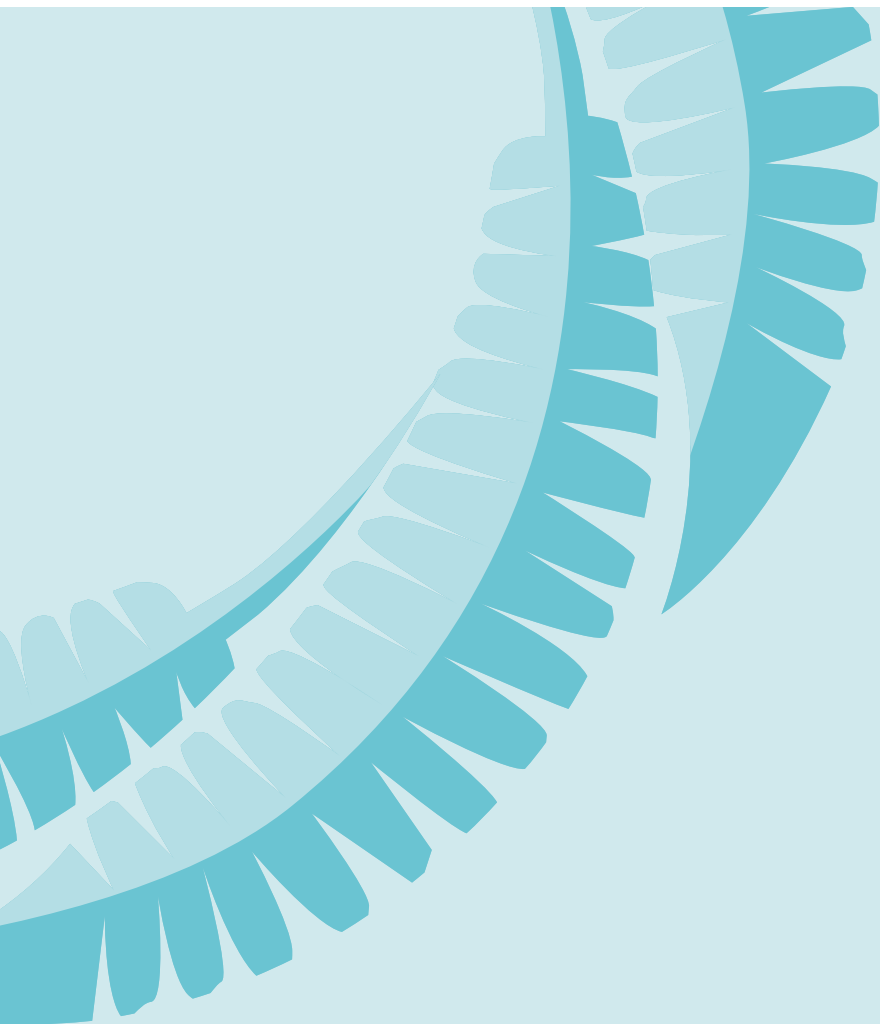
Ensure the total contribution of government agencies is greater than the sum of its parts.

By June 2007:

Government agencies demonstrating improvement through Managing for Outcomes, including joint outcomes and other shared accountabilities across clusters of agencies.

By June 2010:

Measurable results are evident from the joint pursuit of joint outcomes.



What does achievement of this Development Goal mean?

As a State servant you work in a unified State Services, with shared values and goals, and committed to delivering effective and efficient services for New Zealanders.

You have a good understanding and good judgement about who needs to be involved to deliver well, and you use this to work in an integrated and collaborative way with colleagues from across the full range of agencies. This way of working is consistent, from high-level strategy and policy development to operational policy and service design, right through to service delivery. You also see that the public management system supports this way of working, and you and your colleagues see the performance and productivity gains resulting from it.

Indicators

Most of the major challenges with which the State Services has to deal are complex and cannot be solved by any one individual agency alone. Only by working together can State Services agencies deliver on the priorities of the government of the day, and deliver well for New Zealanders. In order for agencies to work well together, the systems, processes, behaviours and infrastructure all need to enable and support working together, rather than hinder it.

The indicators for this goal will measure both the extent of State servants' behaviours that support coordination in pursuit of results, and the extent to which systems, processes and infrastructure support agencies to pursue a consistently coordinated approach to strategy, service design and delivery:

- 1 The extent to which behaviours exhibited by State servants support coordination in pursuit of results
- 2 The extent to which systems support strategy, design and service delivery staff to work together

In this section, the 'Current situation' common to both indicators is set out below the description of the indicators.

1 The extent to which behaviours exhibited by State servants support coordination in pursuit of results

Rationale for this indicator

The performance challenges that State Services agencies face increasingly involve thinking and working at a cross-agency, cross-sector or system level. Responding to these challenges will require State servants to forge new ways of working: establishing partnerships; sharing knowledge and information, and supporting collective initiatives to produce sector- and system-level benefits.

How will progress against this indicator be assessed?

In order to assess progress in relation to this indicator, information will be collected on the following behaviours:

- the extent to which State servants work together, at national and regional levels, and develop and test new ways of working in partnership, to deliver on priority outcomes
- the extent to which State servants share information and research findings with other government agencies, both regionally and nationally
- the extent to which State servants contribute to developing the mechanisms used to share information with other agencies, and how much they use them.

Information to assess progress against these indicators will be triangulated from a number of sources including:

- SSC engagement with agencies
- SSC engagement with a range of stakeholders, including Ministers and chief executives
- Public Sector Intranet and shared workspaces
- cross-agency committees and intersectoral fora.

2 The extent to which systems support strategy, design and service delivery staff to work together

Rationale for this indicator

Unpublished research and anecdotal information suggests that whilst chief executives and senior managers work well together across agency boundaries to coordinate high-level strategy, and front line staff from different agencies often work well between themselves to meet New Zealanders' needs, difficulties arise across middle layers of the State Services, where high-level strategy is converted into operational policy, service design and service delivery arrangements. There is a question about the extent to which the current systems for translating work from high-level strategy to service delivery sufficiently support a coordinated approach across agencies. It is difficult to measure the operation of any system. However, gathering the perspectives of people working with the public management system should provide information on both how well the system is working and what parts of the system need to change to better support coordination.

How will progress against this indicator be assessed?

This indicator will measure the extent to which staff responsible for strategy development, service design and service delivery report that the systems and infrastructure in place support them to work with others wherever needed to achieve results.

Information collected in order to assess progress in relation to this indicator will include:

- practical examples of where systems and infrastructure have supported working together, and the impact on results
- practical examples of where systems and infrastructure have impeded working together, and the impact on results
- practical examples of where staff have made changes to the way they operate the systems and infrastructure in order to support working together, and the impact on results.

The experiences of staff working within the public management system will be the primary source of information in relation to this indicator. Information sources about these experiences will include:

- SSC engagement with agencies
- SSC engagement with a range of stakeholders
- surveys of samples of strategy, service design and service delivery staff required to work together to get results.

Current situation – examples of good practice

Public management systems and clarity of accountabilities have improved substantially over the last two decades. Since 2001, departments have been expected to define clearly the outcomes they are pursuing on behalf of the government and how their activities contribute to the results required. Agencies have also increased their cooperation as they have worked together to achieve results, particularly with shared services, but there are still gaps. The accountability challenge is to establish cross-entity, cross-sector or all-of-government accountabilities in a manner that makes a meaningful connection with shared results. Also, organisational structures generally do not facilitate a focus on shared outcomes. In order to achieve the Coordinated State Agencies goal, changes to systems, behaviours and the interaction between these two will need to continue to evolve.

There is innovative work underway by groups of agencies that are seeking to forge solutions to delivering outcomes across a range of government entities.

Local/central government coordination arrangements

Intersect Waikato (currently chaired by the MSD's Regional Commissioners for Social Development, Waikato Region), is a forum that meets regularly to bring together the local government chief executives and regional managers of the major social agencies in Waikato. Participants in the forum are able to represent their agency and have the authority to take decisions and commit resources at a local level. The role of Intersect has been in identifying, mandating and supporting joint projects aimed at making a difference locally. It is also playing a key role facilitating reporting against the Long Term Council Community Plan (LTCCP) outcomes being sought by local government in Waikato.

Coordinating a system-level approach to developing on-the-ground solutions

A project led by the Department of Labour (DOL), but involving many others, has developed a strategy that provides innovative solutions for those involved in the New Zealand horticulture and viticulture industries.

Horticulture and viticulture exports are worth over \$2 billion a year to New Zealand. People must be available to harvest, prune and pack crops in the right place and at the right time, or the crops will be wasted. These industries were facing a number of pressures, including difficulty in finding people available to do this work.

A working group of industry, union and government representatives applied a whole-of-system approach and developed a strategy that provided solutions to the problems being faced. While the DOL was the overall lead agency for central government, there had to be significant cross-government collaboration. In implementing the solutions, the Ministry of Social Development (MSD) has supplied local workers and has also funded and supported the development of a seasonal labour coordinator network. Inland Revenue is involved on tax issues. DOL also specifically contributes with respect to workplace conditions and migration issues. The Ministry of Agriculture and Forestry is assisting with information on labour forecasting, and the Ministry of Economic Development and New Zealand Trade and Enterprise have contributed funding to the project. Other agencies, such as the ACC, are beginning to be involved, and will be more so as the strategy is implemented.

Longer-term solutions include training, and involve the Tertiary Education Commission and local education providers. All these solutions only work because they are supporting the considerable effort that the industry itself is undertaking.

Whole-of-sector coordination arrangements

In the education sector, a whole-of-sector approach to governance and implementation for ICT investment is resulting in increased access, reduced compliance costs and improved learning outcomes, driven from greater information sharing.

Under the direction of the Education Sector ICT Standing Committee¹⁷ and guided by the ICT Strategic Framework for Education, agency staff work together in a variety of planning, design and service delivery fora to ensure that a whole-of-sector perspective is taken in guiding and coordinating ICT investment in education towards the Government's targets for improved education outcomes. This includes the development of core foundation shared services.

Shared ICT services and common standards support delivery of education services by early childhood centres, schools and tertiary institutions and education agencies. The shared services and standards will improve data quality, accuracy and secure access to relevant shared information. Accessed by teachers, students, parents and administrators, these services will reduce compliance costs in meeting government quality and reporting requirements, and enable more targeted focus on quality teaching and learning.

Students and teachers will confidently be able to use ICT to collaborate through sharing and applying information and ideas from national and international sources, enabling better informed decision-making and improved learning outcomes.

¹⁷ The Education Sector ICT Standing Committee comprises the chief executives of Career Services, the Education Review Office, the New Zealand Qualifications Authority, the New Zealand Teachers Council, the Tertiary Education Commission and the National Library of New Zealand, with the Secretary for Education (Ministry of Education) as Chair.

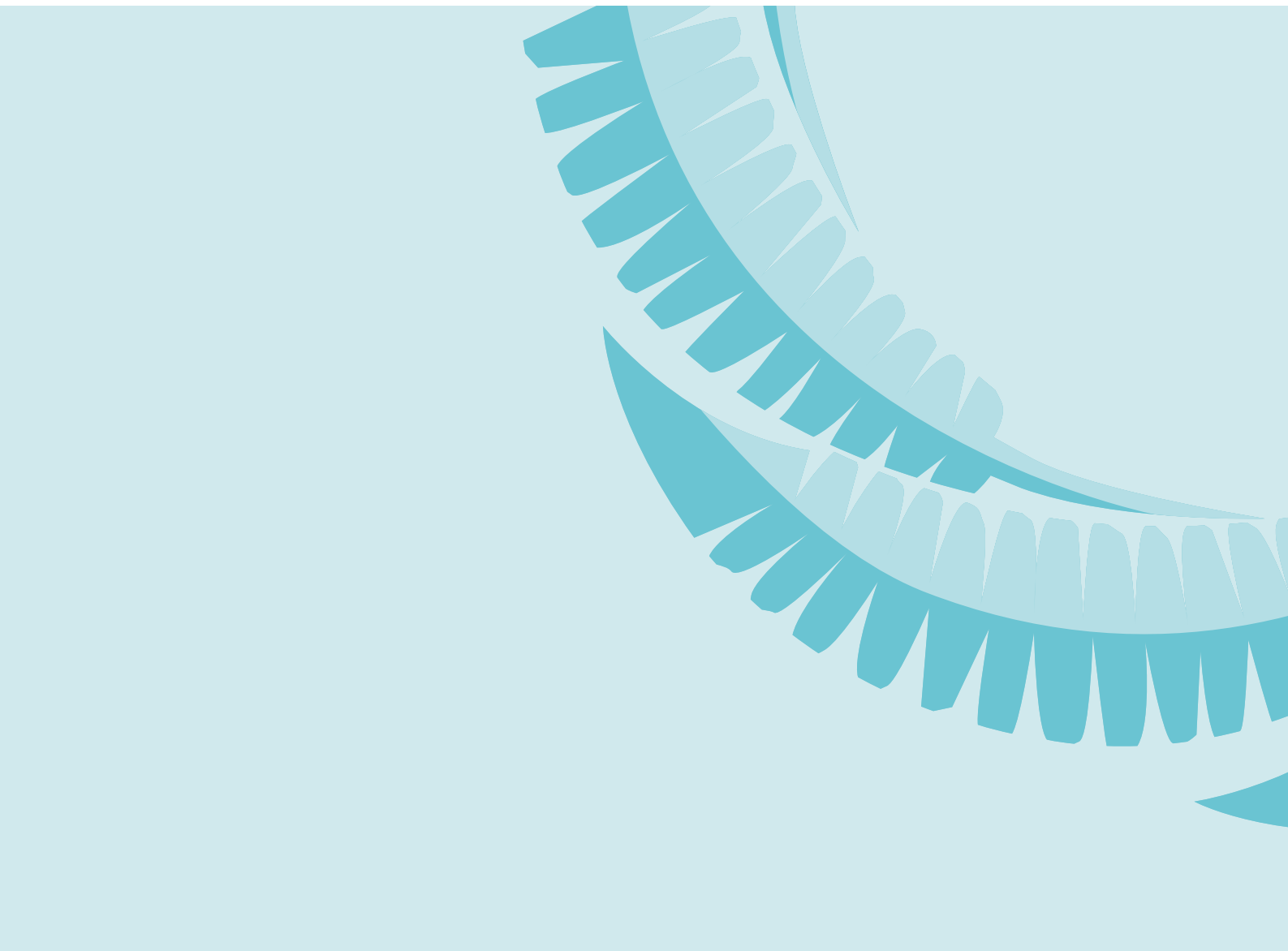
Facilitating for cross-sector outcomes

Te Puni Kōkiri (TPK), Environment Bay of Plenty and Māori land owners are working collaboratively on a dual purpose project that looks at alternative energy sources and nitrate pollution of major waterways in the Rotorua and Taupo region. TPK's investment has seen the pilot planting of 10 hectares of Salix trees (scrub willow) on Māori land in the Rotorua and Taupo region.

Salix is a crop which can be processed to produce ethanol and bio-degradable plastics. It has an 18 month cutting cycle, with a production life of 20 years per plant. However it also has an immediate benefit to Māori farmers who are working through the Environment Bay of Plenty rules around nitrate discharge as Salix is a crop which consumes nitrate.



Accessible State Services



Accessible State Services:

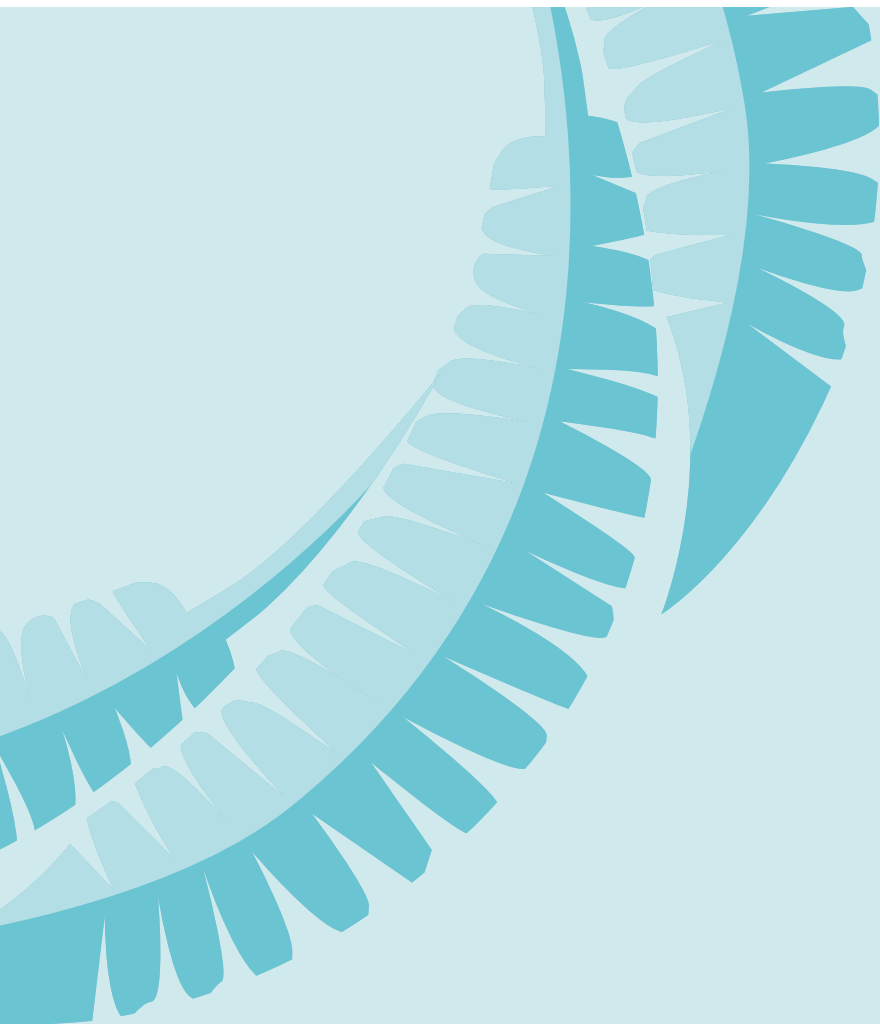
Enhance access, responsiveness and effectiveness, and improve New Zealanders' experience of State Services.

By June 2007:

No wrong door – any New Zealander accessing government services will be referred appropriately to the agency best able to address their concerns.

By June 2010:

Right doors in the right places – government agencies work together to coordinate the availability of services across the country, using co-location, joint services and management of different physical and electronic channels.



What does achievement of this Development Goal mean?

When New Zealanders approach you as a State servant, you treat them fairly and in a spirit of service, and they are provided with, or guided to, the information and services appropriate to their needs. You collaborate with your colleagues across the State Services to ensure that where New Zealanders' needs require service from different parts of one agency, or from more than one agency, these needs are met effectively and efficiently.

To facilitate this access, your colleagues who have a role in service design and improvements pay attention to New Zealanders' expectations and experience.

There is 'no wrong door' to the State Services. New Zealanders can easily find and access all State Services. There are appropriate channels for their needs and the service is the same quality, whichever channel they choose.

Indicators

Increasingly, State Services agencies are paying attention to New Zealanders' expectations, and experience, of service delivery. If agencies are increasing their capacity to learn from New Zealanders' views of what works and what does not in terms of access to services, then those services are more likely to make a difference for New Zealanders.

For this goal, there is one key indicator under each of the three dimensions of Accessible State Services, namely 'accessible', 'responsive' and 'effective' State Services:

Accessible State Services:

- 1 Target group uptake of services

Responsive State Services:

- 2 Appropriateness of referral

Effective State Services:

- 3 Users' experience and expectations inform service design and improvement

Accessible State Services:

1 Target group uptake of services

Rationale for this indicator

In order to deliver on the outcomes sought by government, State Services agencies need to know not only who is ‘knocking at their door’ but also who is not reaching the door. Agencies need to know whether the targeted group(s) of service users are accessing their entitlements and/or fulfilling their obligations. The purpose of this measure is to provide a picture of the extent to which groups for whom a service is targeted are accessing that service.

Current situation – Rotorua research pilot report

The SSC undertook a research pilot (Rotorua research pilot) that sampled one area of New Zealand (Rotorua) to find out about the current state of that community’s access to State Services¹⁸. The sampling was not expected to be representative of all communities, nor of all State Services, but to be indicative of the ‘state’ of the Access Goal in that area. Qualitative research techniques such as focus groups and interviews provide information on people’s attitudes and the reasons behind them. These techniques, however, may be limited in the extent to which the findings can be generalised beyond the specific individuals involved in the interviews or focus groups. Interviews were held with 19 State Services agencies, the Rotorua District Council, and nine social and business intermediaries or community organisations. Three focus groups were also run, consisting of six social service users, six Māori social service users, and six business service users. Because the focus groups included such a small number of people, care needs to be taken in extrapolating the results. Having said this, the responses provided by the focus group participants are valued and have been reflected in this report.

Findings from the Rotorua research pilot indicate that agencies use a combination of formal and informal systems to identify who is not accessing services or fulfilling their obligations. Formal methods include research based on, for example, census data and/or the deprivation index. Informal systems include staff networks and community and industry links that also help agencies to identify who is not accessing services. Agencies then undertake national, regional and local strategic planning to ensure that services are promoted and delivered to these people. This includes people who are most at risk, or groups that are eligible to take up services but are not doing so. It also includes those people who may not be fulfilling their obligations, such as non-compliant taxpayers.

Examples of agencies identified in the research pilot as working to ensure target group uptake of their services include the ACC and the IR. The ACC undertakes national studies and has systems in place to determine where it is not meeting needs¹⁹. It has identified groups that are not claiming for services they are entitled to at equivalent rates to other community groups. The groups include Māori, Asian peoples, Pacific peoples, and both very young and very old men and women. Lower rates of claiming are partly because these groups do not go to a general practitioner as often. To increase the number of people accessing ACC services, the agency has made efforts to inform people about, and raise awareness of, its services. The ACC has attended a number of hui with Māori, met with Pacific Island groups, presented to an Asian group about ACC services using interpreters,

¹⁸ This research is reported fully in the SSC’s *Accessible State Services: Rotorua Research Pilot Report*, 2006. Rotorua was selected because of its range of different types of economic activity, because it was an urban area supported by a rural hinterland, because it had a range of government services, both for businesses and social service users, and because of its demographic profile.

¹⁹ As defined by legislation and government policy.

and presented to other community groups, such as Grey Power. Asian migrants interviewed as part of the research project confirmed that ACC had met with them. Previously many in their group had been unaware that personal injuries were covered by ACC, and they were paying their own costs. They found it very useful to have someone explain what their entitlements are and how to make a claim.

The IR projects the number of people who should be receiving entitlements, and works towards meeting that target. For instance, for the *Working for Families* initiative the IR has identified the size of the target group and then the number of people who are not taking up the entitlements, but are eligible. The new entitlements apply to all New Zealanders who meet the income thresholds and abatement levels. Many of those not taking up entitlements were considered to be unaware of the recently increased thresholds. The IR has taken a coordinated national approach to promoting these changes to ensure consistency of messages and, ultimately, to ensure that people receive their entitlements. Interventions to reach those people identified as eligible for family assistance, but not receiving it, have included posting out information on entitlements, advertising campaigns, social policy liaison, Māori community liaison and working alongside other agencies, including as part of the MSD's Heartlands co-location. Heartland Services is an inter-agency initiative led and operated by the MSD. Its aim is to ensure that government services are accessible to residents in rural areas and remote communities.

Heartland Service centres have been established in 28 rural centres around New Zealand. They are 'one-stop shops' from which rural New Zealanders can access a range of government and related services. In addition, there are Outreach Services that involve a number of agencies synchronising their visits to remote communities once or twice a month to provide face-to-face services.

How will progress against this indicator be assessed?

Measures to assess progress against this indicator will include:

- agencies' knowledge of the extent to which the target groups for services are accessing them
- users' experiences of access to services
- intermediaries' knowledge of the extent to which the target groups for services are accessing them
- implementation of agency strategies to improve access for those people within the target group identified as not accessing services.

Information sources for this indicator will include:

- SSC engagement with agencies
- information generated by agencies and sector groups on uptake of services and access barriers
- research, including Access Goal research (building on the Rotorua research pilot) and research on New Zealanders' experience of State Services.

Responsive State Services: 2 Appropriateness of referral

Rationale for this indicator

Other indicators for the Development Goals are concerned with ensuring that it is easy for New Zealanders to access services and that user feedback is incorporated into how services are designed and grouped together. Notwithstanding work to improve the performance of the State Services in these areas, this indicator recognises two things: New Zealanders may not know which agency provides the service they want and some New Zealanders may need to use services that are currently provided by several or many different agencies. Where this happens, a responsive State Services will refer people appropriately, to enable them to access the services they need.

Appropriateness of referral includes:

- referral only when the person's need cannot legitimately be met or coordinated through the agency where they first presented²⁰
- referral to the right part of the right agency/agencies (and the right State servant, wherever possible)
- the referred person being presented with appropriate information on why the referral is necessary/why the service cannot be provided at the first point of contact
- the referred person being presented with appropriate information on what service they have been referred to, and the information provided setting the user's expectations for how the transfer process will happen
- the referring State servant taking responsibility for ensuring that the referred person is not 'lost in transit' by State Service agencies and that they successfully reach the referral point.

Judgements about such referral behaviours are always both contextual and subjective. In assessing the appropriateness of referrals, due weight will be given to the experience of New Zealanders attempting to access services, as well as understanding the context in which the experience occurs²¹.

Information collected in relation to this indicator will assess whether the State Services has achieved the 2007 'no wrong door' milestone.

Current situation – Rotorua research pilot report

There are two main ways in which agencies are trying to improve New Zealanders' experience of referral. The first is agencies ensuring that good processes are in place to manage referrals, and the second is working more closely together to reduce the need for referrals.

20 Referral should not be the default response when a New Zealander makes contact with a State Services agency. If services are easy to access, people should be contacting the appropriate agency.

21 Some referrals may be as a result of statutory requirements.

Good processes in place to manage referrals

The Rotorua research pilot found a number of factors that agencies considered important in being able to refer people appropriately:

- for both agencies and intermediaries, having a clear understanding of each other's roles was important for referring appropriately
- the relationships established by staff with workers in other agencies, at all levels of the agencies, facilitated appropriate referrals between agencies
- personal knowledge of the right person in the right agency also assisted the appropriateness of referrals.

Putting these factors into practice, some agencies have formal systems to ensure that referrals are appropriate. For example, the IR and the MSD coordinate with each other around joint clients to make the referral process work efficiently. This collaboration has been observed by intermediaries working with the same client group. MSD staff have a specific contact person at the IR, whom they can call while a client is with them. If that staff member is unavailable, they can ring a hotline number that any of the Rotorua IR services staff can answer from their desk. Likewise, IR staff in the Rotorua office have the direct dial phone numbers for MSD staff members. The office also has a hotline in reception, linking callers to the MSD. When inappropriate referrals do occur, agencies are often able to provide assistance or redirect people to the right agency.

Working in different ways to reduce the need for referrals

In order to reduce the need for referrals within the IR, the agency has introduced a whole-of-job approach to ensure that clients receive a complete service at their first point of contact. Call centre staff are trained so that they can answer 80% of queries. For the remaining 20% of queries, staff can refer people to a helpdesk or to staff with specialised knowledge. In the Rotorua research pilot, one intermediary commented that the IR is good at assisting people to get all their needs met within the organisation. MSD case managers also focus on reducing referrals internally, but use a slightly different model. They obtain specialist information from staff working in other areas (e.g. childcare subsidies) and relate this back to the client, ensuring that the client interaction remains with them.

Since 2004, the Ministry of Economic Development (MED) has been investigating a 'no wrong door' approach to service delivery for New Zealand businesses, focusing on ensuring businesses get to the right service regardless of their access point. A telephone survey of 800 business people, commissioned by the MED in 2005, examined the experiences of businesses accessing central government services. The results revealed a generally positive rating for agency service delivery, and the majority of businesses being referred to other agencies felt it was done correctly or appropriately. Recent MED initiatives that support a 'no wrong door' approach include improving business access to information via the redevelopment of the biz portal.

How will progress against this indicator be assessed?

Measures to assess progress against this indicator will include the five aspects of referral described above.

Information sources for this indicator will include:

- SSC engagement with agencies
- information generated by agencies and sector groups on appropriateness of referrals
- research, including Access Goal research (building on the Rotorua research pilot) and research on New Zealanders' experience of State Services.

Effective State Services:

3 Users' experience and expectations inform service design and improvement

Rationale for this indicator

The expectations of services users and their experiences of using services are critical in designing services that are effective for them. Designing services without paying attention to users' input runs the risk of not meeting their needs or of delivering services in a way that reduces their effectiveness. This indicator will measure the extent to which agencies ensure that users' experiences and expectations inform service design and improvement. (Service design includes the service delivery channels provided, as well as the physical location of services.)

This indicator will allow assessment of whether the State Services has achieved the 2010 'right doors in the right places' milestone.

Current situation – examples of good practice

The Rotorua research pilot found that a number of agencies have comprehensive client satisfaction surveys, and carry out monitoring to contribute to service development and improvements.

The Department of Building and Housing (DBH) has worked closely with stakeholders to inform a new service delivery model. In shifting to an outcomes focus, the agency consulted stakeholders about how to achieve those outcomes. As a result, the DBH has a better understanding of its stakeholders, and its stakeholders have contributed to the new service delivery design. The outcome of this process is that the agency is working towards providing accessible, client-focused service delivery that is better connected to communities, organised around their needs, and guided by their feedback. Recent changes it has implemented, in pursuit of increased accessibility, include full service offices in main centres, service locations for scheduled advice and mediation sessions, and community venues serviced by mobile mediators. The location of these offices has been based on client demand. As well as face-to-face channels, phone and online channels are available.

The Ministry for the Environment has developed a locally tailored and multi-agency approach to achieve warm homes and clean air. The Ministry began a ‘Warm Homes’ initiative to assist regional and district councils to meet the Air Quality Standard put in place in 2005. The Ministry saw the need to coordinate a national effort to help reduce air pollution from domestic open fires and wood burners, particularly in those locations where the ‘soot’ from domestic heating was significantly contributing to the poor air quality of some cities and towns.

The Ministry found that there was a strong link between the need to reduce air pollution and public health: air quality affects, for example, asthma sufferers and there are health benefits from cleaner, more efficient domestic heating. Achieving warm, dry homes at an affordable cost was an objective also being pursued by the district health boards, the district councils who are now required to think about and deliver on improved social outcomes under the Local Government Act, the Energy Efficiency and Conservation Authority, the Department of Building and Housing (through new regulatory standards) and the Housing New Zealand Corporation. They also found preparedness by industry to partner with a number of these agencies to deliver warmer homes.

Following pilots in Tokoroa and Timaru, the Ministry found that for a warm homes programme to be successful, it needs to be based on a collaborative approach, not only across central and local government, but also with the local community. These pilots gained traction in the community because of the collaborative approach. This has empowered the community to make its own decisions and take a lead on the issue. The community has the local knowledge necessary to identify the particular problems facing their area, which makes them the ideal partner in implementing a warm homes programme. This kind of approach is the model the Ministry will use to provide a framework for the rest of the country. It has acknowledged that a ‘one-size-fits-all’ approach will not meet the diverse needs of all people throughout New Zealand – each local area will have a unique solution.

The Ministry of Education’s Iterative Best Evidence Synthesis programme (BES) pulls together knowledge about ‘what works’ for students and provides effective, appropriate and locally powerful examples for everyone involved in the design of teaching practice. The Ministry encourages strong professional dialogue and partnerships with education sector stakeholders in the use and development of the BES. This is evolving work, aiming to stimulate discussion amongst policy makers, educators, researchers and the wider community.

The Electoral Enrolment Centre aims to enhance accessibility by making it easier for eligible voters to enrol to vote, and to keep their enrolment details up to date. They do this by surveying New Zealanders to understand the barriers to enrolment and voting, and then designing products, campaigns and new channels for enrolling. Information technology is increasingly used to assist with this. Online enrolment has been introduced and has proved a popular and easy way for people to download an enrolment form, or enrol, or update their details. More recent developments have included the introduction of text messaging as a way to request an enrolment form.

How will progress against this indicator be assessed?

Measures to assess progress against this indicator will include:

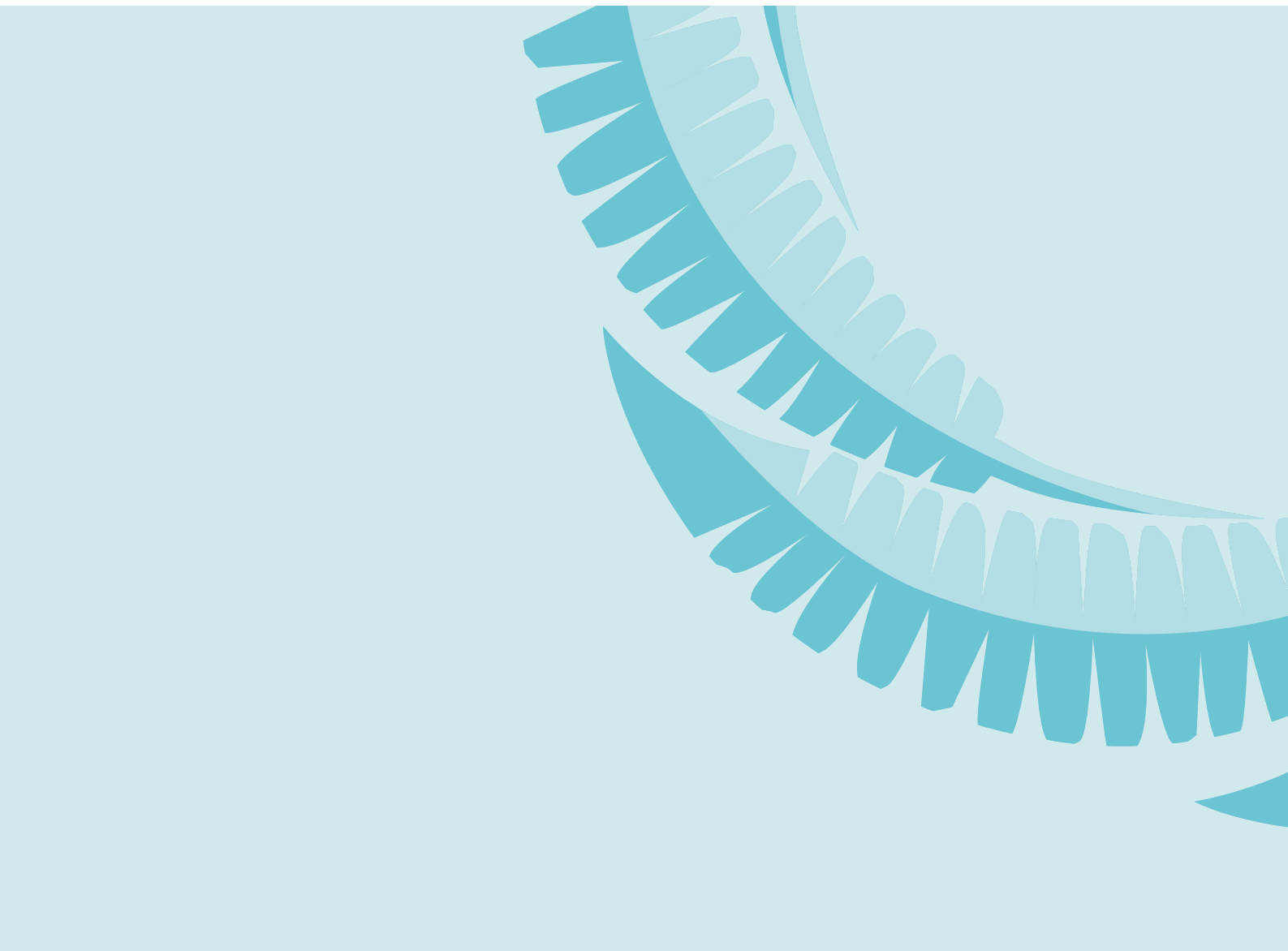
- the existence and extent of agencies' knowledge of users' experiences and expectations
- the existence and effectiveness of agencies' mechanisms for applying this knowledge to service design and improvement
- the existence and effectiveness of agencies' mechanisms for sharing this knowledge with agencies serving the same users.

Information sources for this indicator will include:

- SSC engagement with agencies
- information generated by agencies and sector groups on users' experiences and expectations
- research, including Access Goal research (building on the Rotorua research pilot) and research on New Zealanders' experience of State Services.



Trusted State Services



Trusted State Services:

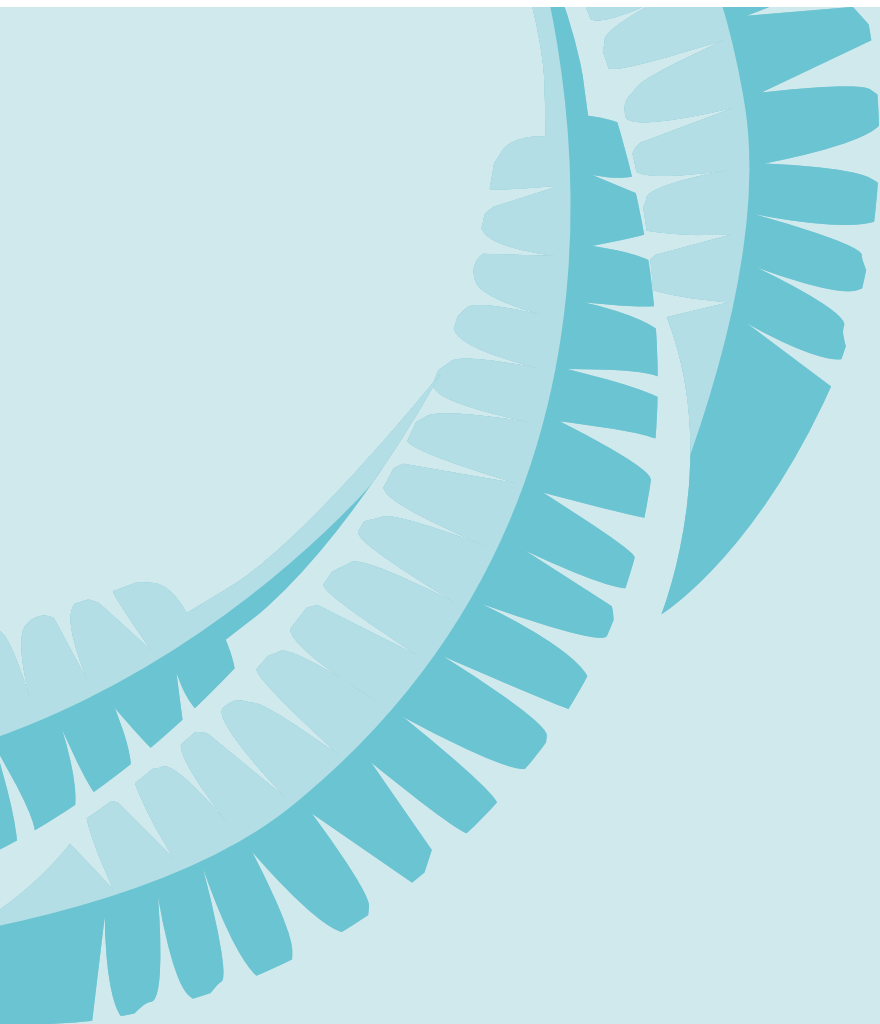
Strengthen trust in the State Services, and reinforce the spirit of service.

By June 2007:

Agencies of the State Services demonstrate their commitment to earning trust by working with the State Services Commissioner to develop and promote codes of conduct.

By June 2010:

Measurable improvement in New Zealanders' trust in the agencies of the State Services.



What does achievement of this Development Goal mean?

You continually see that your colleagues and peers in the State Services are known for their commitment to, and active promotion of, integrity in the way they operate. State servants are, and are seen to be, responsible stewards of the State's powers and resources in their service to the community.

You are all proud to be part of a trusted State Services. New Zealanders trust you because they have confidence in the people, the systems and processes and the way in which New Zealand's State Services are delivered.

Indicators

The two indicators selected reflect the fact that trust operates from two perspectives – that of the State Services and its employees, who need to integrate standards of integrity and conduct into their behaviour and exhibit trustworthiness; and that of the New Zealanders 'looking-in' on the State Services. New Zealanders need to have confidence and trust in the State Services, its employees and the services it delivers.

- 1 Trustworthiness exhibited by State servants
- 2 The extent of New Zealanders' confidence in the integrity of State servants when delivering services

1 Trustworthiness exhibited by State servants

Rationale for this indicator

Trustworthiness is created by the sum of State servants' behaviour. The State Services must work as a community of people who support each other in acting with integrity and honest and ethical behaviour. In order to achieve this, it is important to better understand what supports people to behave in a trustworthy manner: for example, whether it is how people feel they are treated; the behaviours they see modelled and rewarded in their agencies; or following the right set of processes; or a combination of these things. Whilst further work will be required to understand the drivers of trustworthiness for New Zealand State servants, international research has been used to set indicators for now. This research demonstrates that there are six elements that are successful in supporting integrity and ethical behaviour in the workplace²². The research suggests that a combination of these six elements is essential, and to focus on one or two may actually increase the likelihood of non-trustworthy behaviour.

I Agencies of the State Services have standards of integrity and conduct that meet the State Services Commissioner's minimum standards

Section 57 of the State Sector Act provides for the State Services Commissioner to set minimum standards of integrity and conduct and to apply those minimum standards, by a code of conduct, to the Public Service and to Crown entities.

For employees to behave in accordance with appropriate standards of integrity and conduct, they need to know what those standards are. Usually this is captured by a code of conduct, or ethics or values statements. Many agencies rely on the Public Service Code of Conduct or have elaborated on it and incorporated it into their own code.

II Agencies of the State Services promote their standards of integrity and conduct

Codes of conduct or standards of integrity remain words on paper if not adequately communicated and inculcated. For staff to comply with expected standards of integrity and conduct they need to know what those standards are and what they mean. Agencies need to provide training and keep awareness alive if integrity expectations are to be met.

III Standards of integrity and conduct are integrated into the behaviour of State servants

It is critical for an agency to have standards and promote them, but the measure of whether this has any impact is the degree to which standards are integrated into the behaviour of its employees. It is important to test not just whether State servants are aware of the standards but whether they understand them and integrate them into their behaviour. Other aspects to measure will be the temptations or ethical challenges State servants face in their day-to-day work, the impact of different cultural values in their work and the expectations placed upon them, and whether their agency's standards adequately deal with these issues.

²² Drawn from Stuart C Gillman and Jeffery Stout, *Assessment Strategies and Practices for Integrity and Anti-corruption Measures: Comparative Overview*. OECD, 2005.

IV Managers model the standards of integrity and conduct in their behaviour

For standards of integrity and conduct to ‘take hold’ in an organisation it is critical that staff see their immediate manager and senior leaders of their organisation demonstrate ethical behaviour. The research indicates that there is less incentive for a staff member to act with integrity if they do not believe it matters to those who have an influence over their career. The best way for a manager to demonstrate integrity is to act with integrity, to encourage team discussion about ethical issues and their impact, and to actively mentor their staff regarding standards. A manager needs to demonstrate the confidence and understanding to respond to ethical dilemmas and to any queries their staff have.

V The consequences for behaviour that breaches the standards of integrity and conduct are known by State servants

There will be instances where employees breach the standards. Action needs to be taken when unacceptable behaviour takes place and that action needs to be seen to be done.

VI Agencies act decisively when breaches occur

The effectiveness of any system designed to promote trustworthy behaviour is dependent on the likelihood of meaningful responses and decisive action if standards are breached.

Current situation

The *Career Progression and Development Survey 2005* provided some information about how State servants feel about the agencies they work in. Half of all participants in the survey believed that they worked for a reputable organisation – this was a significant improvement from the 2000 survey. On the other hand, one in five participants were deterred from applying for a higher position because they felt that the selection process would not be fair.

In 2005/06 the State Services Commissioner initiated a research project, *Engagement with Crown Entities*, to find out what provisions Crown entities had in relation to ‘14 issues’²³ of integrity and conduct. Seventy-nine (79) Crown entities provided information indicative of their integrity provisions.

In addition, to gain a more subjective view of how integrity issues were managed, a selection of Crown entities were asked to select a reasonably informed member of staff to complete a questionnaire, *Engagement with Crown Entities – Individual Response*. Fifty-two (52) completed questionnaires were received.

These two surveys found that:

- 71% of Crown entities have a code of conduct in place for employees. Of these:
 - 46% have developed their own code of conduct
 - 25% have applied the Public Service Code of Conduct to their employees

²³ *Integrity and Conduct – Setting Standards for Crown Entities, April 2005*

- 66% of Crown entity employees are covered by a code of conduct. Of these:
 - 53% are covered by an entity code
 - 13% are covered by the Public Service Code of Conduct
- Crown entities have provisions in place to address, on average, 11 (78%) of the '14 issues' for employees.

How will progress against this indicator be assessed?

There are two strands of work for assessing the progress of State Services against this indicator:

- Measuring the progress of State Services agencies in supporting trustworthy behaviour in their staff. Information sources for this will include:
 - SSC engagement with agencies
 - surveys of samples of State Services organisations
- Further work by SSC to better understand the drivers of trustworthiness for New Zealand State servants.

2 The extent of New Zealanders' confidence in the integrity of State servants when delivering services

Rationale for this indicator

The strength of any government lies in the extent to which it earns and holds the respect of its citizens. Respect comes from the confidence people have in the integrity of government and the services it provides. Every State servant has a part to play in acting with integrity to maintain New Zealanders' confidence in the State Services.

New Zealanders expect government agencies to comply with the letter and the spirit of the law. They expect decisions to be made fairly and impartially. They expect that public money will be spent prudently and public assets will be used and cared for responsibly. They expect that State servants will behave ethically, and be conscientious and competent in their work.

Where expectations are not met, people lose trust in government: they do not seek the help they are entitled to; they do not provide information necessary for delivering effective services; they resist paying tax; and become increasingly resentful of the State Services. A perceived 'integrity failure' in one part of government can impact negatively on the opinion people hold of all the State Services. It is therefore important to understand the extent of New Zealanders' trust in the integrity of State servants and the factors that influence this trust, and to seek to increase this trust over time.

Current situation

Together, the surveys described below give some indication of New Zealanders' trust in the State Services. However, more work will be needed to understand the factors that are important to New Zealanders in building their trust, and to gather information that provides an accurate picture in relation to this indicator.

Corruption

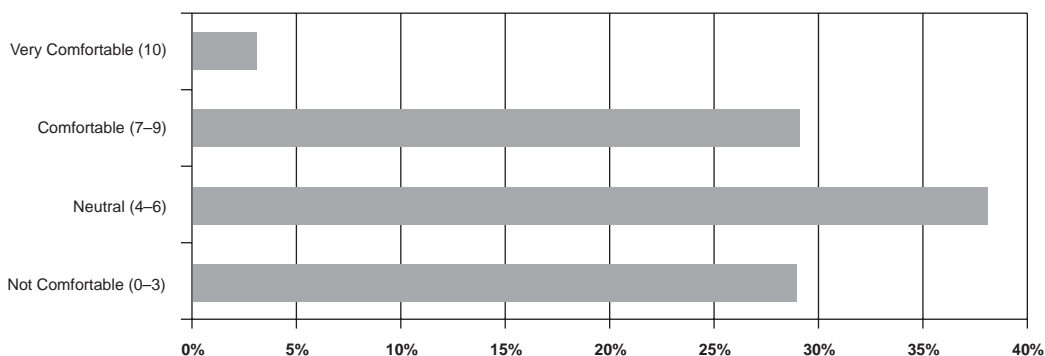
The 2005 Transparency International Corruption Perceptions Index ranks New Zealand second equal with Finland as the least corrupt country in the world. This index is drawn from the opinions of New Zealand business people, as well as international opinion. However, because it does not seek the opinions of a broad cross-section of New Zealanders, it provides only a partial measure for this indicator.

Confidentiality

The Public Service Code of Conduct says that “Public servants must perform their official duties honestly, faithfully and efficiently, respecting the rights of the public and their colleagues”. Ensuring that information provided is kept confidential is one element of respecting the rights of the public.

In 2006, Statistics New Zealand commissioned a piece of work that looked at attitudes to confidentiality, security and privacy of government surveys: *Understanding Public Attitudes to Security, Confidentiality and Privacy of Government Surveys and the Impact of New Technology*. This work included a phone survey of 1,000 New Zealanders, and 11 focus groups. The focus groups had on average eight respondents per group, with a range of demographic characteristics.

Figure 2.2: On a 0 to 10 scale where 0 means you are not confident at all and 10 means you are very confident, how confident are you that the Government will keep information it collects about you absolutely confidential?



Source: *Understanding Public Attitudes to Security, Confidentiality and Privacy of Government Surveys and the Impact of New Technology*. Statistics New Zealand, 2006

Only about a third (32%) of those who responded said they were comfortable/very comfortable that the government would keep their information confidential.

Confidence in the Public Service

The first and third principles of the Public Service Code of Conduct are as follows:

- “Public servants must fulfil their lawful obligations to the Government with professionalism and integrity.”

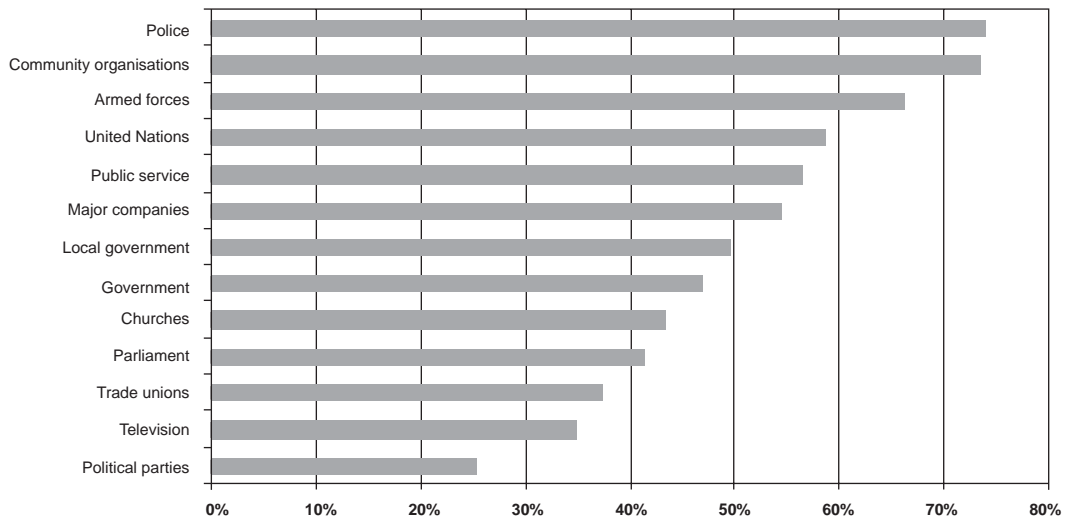
- “Public servants must not bring the Public Service into disrepute through their private lives.”

While upholding these principles should promote confidence in the Public Service, other factors also influence confidence in the Public Service, and in the State Services.

In *Public Life Values: A Report from the New Zealand Values Study, 2005*, respondents were asked in a written questionnaire about the level of confidence they had in a range of organisations. The following options were given to respondents to choose from:

- a great deal of confidence
- quite a lot of confidence
- not very much confidence
- none at all.

Figure 2.3: Proportion of respondents who reported that they had either a great deal of confidence or quite a lot of confidence in the organisation given



Source: *Public Life Values: A Report from the New Zealand Values Study 2005*

56% of respondents had a great deal or quite a lot of confidence in the Public Service. 74% of respondents had a great deal or quite a lot of confidence in the Police.

How will progress against this indicator be assessed?

SSC will undertake research to:

- better understand the determinants of New Zealanders’ trust in the State Services
- measure New Zealanders’ confidence in the integrity of State servants when delivering services.

Part 3:

What does this mean going forward?

This section provides information for how to provide feedback on the report. It also outlines the work to be undertaken leading up to the publication of the 2007 State of the Development Goals Report.

Next steps

This *State of the Development Goals Report 2006* paints a picture of what achievement of the Development Goals would look like, including what is needed to change across the State Services in order to get there. It also signals how the SSC intends to measure progress against the goals, as at 30 June 2007.

The *State of the Development Goals Report 2007*, which is planned for publication by the end of October 2007, will report on progress against each of the six Development Goals, including achievement of the June 2007 milestones. This report will also provide an opportunity to refresh the goals, ahead of the planned 2010 report.

The SSC is looking at ways to engage with the State Services on developing the 2007 report so that it can be of more use to the State servants who are collectively responsible for the changes being sought by the Development Goals. There are two processes currently planned to do this.

The first is a series of engagements with leaders across the State Services. These conversations will focus on what actions their agencies will be taking, individually and collectively, to ensure the Development Goals are achieved.

The second is an engagement process that will focus on refining the indicators used in the report and identifying any new sources of information to assess progress. The SSC welcomes your feedback on how you think this might be done. Comments can be made to:

State of the Development Goals
State Services Commission
PO Box 329
Wellington
New Zealand

Website: Feedback form available at www.ssc.govt.nz/sdg-report06

Email: devgoals@ssc.govt.nz

Bibliography

Australian Public Service Commission. *Building Capability: a Framework for Managing Learning and Development in the Australian Public Service*. Canberra, APSC, 2003.

Go to: www.apsc.gov.au/publications03/capability.htm

Cabinet Office. *Cabinet Manual 2001*. Wellington, Cabinet Office, Department of the Prime Minister and Cabinet, 2001.

Go to: www.dpmc.govt.nz/cabinet/manual/manual.pdf

Corporate Leadership Council. *Engaging the Workforce: Focusing on Critical Leverage Points to Drive Employee Engagement*. Confidential research report prepared for the Corporate Executive Board for the exclusive use of its members, 2004.

Corporate Leadership Council. *Realizing the Full Potential of Rising Talent*. Confidential research report prepared for the Corporate Executive Board for the exclusive use of its members, 2005.

Deloitte. *Local Government Recruitment and Retention, October 2005*. Deloitte, 2005.

Housing New Zealand Corporation. Community renewal programmes.

Go to: www.hnzc.govt.nz/aboutus/initiatives/communityrenewal/index.htm and www.hnzc.govt.nz/aboutus/publications/brochures/2005/fs%20Community_Renewal.pdf

International Survey Research. *Creating Competitive Advantage from Your Employees: a Global Study of Employee Engagement*, 2004. White paper available to registered members at www.isrinsight.com

Public Life Values: A Report from the New Zealand Values Study, 2005. Centre for Social and Health Outcomes Research and Evaluation and Te Ropu Whariki, Massey University.

State Sector Act, 1988.

State Services Commission. *Accessible State Services: Rotorua Research Pilot Report*. Wellington, SSC, 2006.

State Services Commission. *Achieving e-government 2004: a Report on Progress toward the e-government Strategy*. Wellington, SSC, 2004.

Go to: www.e.govt.nz/resources/research/ready-access-2004/ready-access-2004.pdf

State Services Commission. *Career Progression and Development Survey 2005: Results for the New Zealand Public Service*. Wellington, SSC, 2006.

Go to: www.ssc.govt.nz/career-progression-survey05

State Services Commission. *E-Awareness Survey 2005: a Survey of New Zealand e-government Initiatives*. Wellington, SSC, 2005.

Go to: www.e.govt.nz/resources/research/e-awareness-2005/e-awareness-2005.pdf

State Services Commission. *How is the Public Service Perceived as a Potential Employer?* Unpublished market research report prepared for the SSC by NFO CM Research, 2001.

State Services Commission. *Human Resource Capability Survey of Public Service Departments as at 30 June 2005*. Wellington, SSC, 2005.

Go to: www.ssc.govt.nz/hrc-survey-2005

State Services Commission. *Integrity and Conduct: Setting Standards for Crown Entities*. Wellington, SSC, 2005. Go to: www.ssc.govt.nz/standards-discussion-document

Gillman, Stuart C and Stout, Jeffery. *Assessment Strategies and Practices for Integrity and Anti-corruption Measures: Comparative Overview*. OECD, 2005.

Thackray, John. 'Feedback is for real', in *Gallup Management Journal*, March 15, 2001.

Go to: <http://gmj.gallup.com/content/?ci=811>

www.biz.org.nz

www.govt.nz

Appendices

Appendix 1: Process for getting to the Development Goals

The Development Goals for the State Services are the latest step in lifting the performance of the State Services. They reflect judgement about the key things that need to change at system-wide level to achieve excellent performance. In this way, they take a step forward from the work begun with the Review of the Centre in 2001. The Review sought to identify how to change the State sector to meet the needs of Ministers and citizens more effectively. As a result of the Review, a range of amendments to the legislation underpinning the New Zealand public management system was developed²⁴. These amendments were contained in the Public Finance (State Sector Management) Bill that was passed into law in December 2004. Before its final reading the Bill was split into four separate Bills, and upon assent became the following:

- Public Finance Amendment Act 2004
- State Sector Amendment Act (No. 2) 2004
- Crown Entities Act 2004
- State-Owned Enterprises Amendment Act 2004.

These legislative amendments sought to increase the State sector's capability to operate as a single system. The changes to the Public Finance Act improved the ability of agencies to fund collaborative arrangements, as well as increasing the connections between, and ability to work together of, the component parts of the State sector. The new Crown Entities Act improved governance and accountability arrangements in order to achieve better alignment between Crown entities and government objectives. The changes to the State Sector Act and the Crown Entities Act provide opportunities for agencies to focus on integrated service delivery and agency collaboration.

The changes to the State Sector Act 1988 also extended the State Services Commissioner's mandate to provide leadership and guidance to the wider State sector on conduct and integrity issues. Previously, the Commissioner's mandate was limited to the Public Service²⁵. The new legislation also extended the mandate of the Commissioner to promote senior leadership development from the Public Service to the wider State sector.

In January 2005, the Minister of State Services took a paper to Cabinet proposing a new set of goals for the 'State Services', taken as a whole. These goals were agreed by Cabinet on 14 February 2005 and were officially launched on 18 March in Wellington and 21 March in Auckland.

²⁴ The public management system in New Zealand encompasses the constitutional, legal, institutional and conventional arrangements by which the country is governed, and especially the means by which the policies of the Government are formulated and then implemented by State sector organisations, and the means by which those organisations are governed, funded, managed and monitored.

²⁵ Public Service: The 35 departments listed in the First Schedule to the State Sector Act 1988.

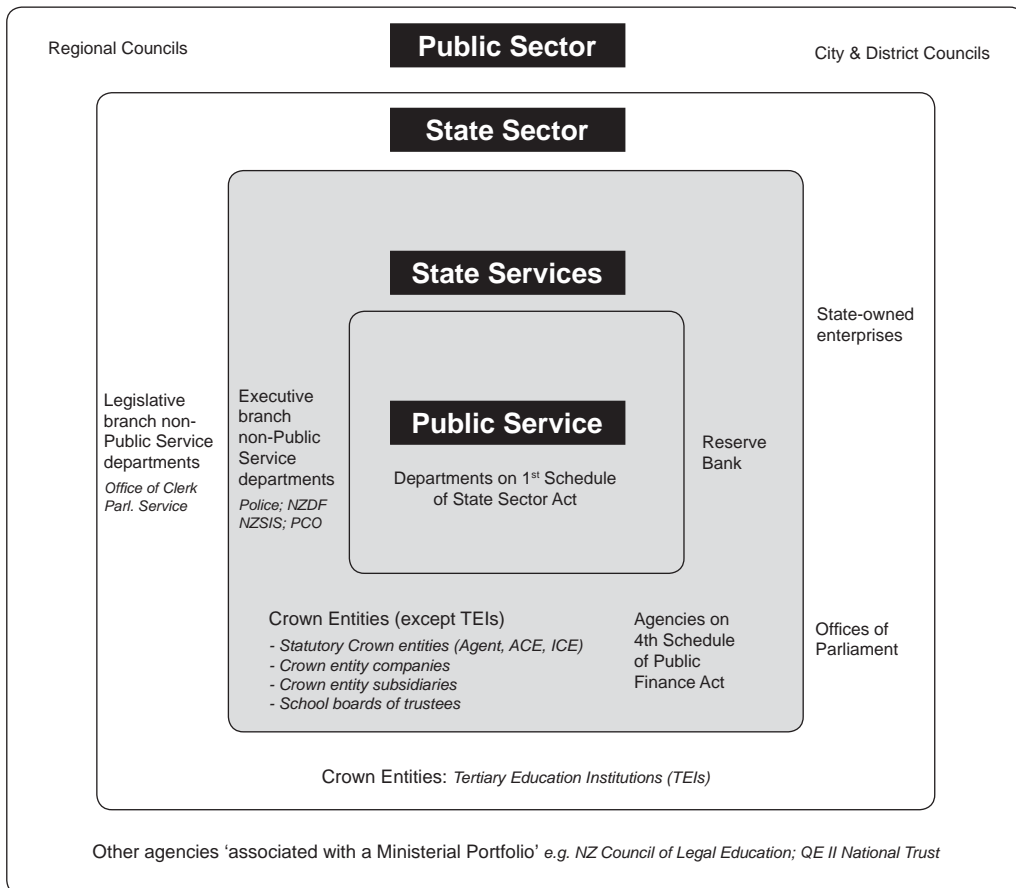
Appendix 2: Agencies to which the Development Goals apply

The Development Goals are focused on the State Services – defined in the State Sector Act 1988 as ‘all instruments of the Crown in respect of the Government of New Zealand’, that is, those agencies that directly operate as instruments of executive government. It is the range of agencies through which the Government directly affects the lives of New Zealanders.

The State Services consists of:

- all Public Service departments
- other departments that are not part of the Public Service
- all Crown entities (except tertiary education institutions)
- a variety of agencies included in the Government’s annual financial statements by virtue of being listed on the Fourth Schedule of the Public Finance Act 1989, and
- the Reserve Bank of New Zealand.

Figure 4.1: Components of the public sector



The Public Service

The Public Service is defined in the State Sector Act 1988 as the departments listed in the First Schedule of the Act. Regardless of whether its individual title is ‘department’, ‘ministry’, ‘office’, ‘commission’ or other, each agency listed in the First Schedule of the State Sector Act is a department of the Public Service, and is headed by a chief executive. Most chief executives are appointed by the State Services Commissioner, subject to confirmation by the Governor-General²⁶. The Commissioner is their employer on behalf of the Crown.

The Public Service is part of the executive, and exists to support the government of the day. It does so by providing the government with free and frank advice, executing its decisions, and delivering its services to the public. In supporting Ministers of successive governments to carry out their ministerial responsibilities, the Public Service has an important role in the continuing process of government. While the formal relationship between Ministers and the Public Service is governed primarily by the State Sector Act 1988 and the Public Finance Act 1989, it is also governed by convention²⁷.

Non-Public Service departments

The New Zealand Defence Force, the New Zealand Security Intelligence Service, the Parliamentary Counsel Office and The Police are departments of state that, by virtue of their particular roles, functions and powers:

- are instruments of executive government and must remain accountable to Parliament, and
- have a different legal and constitutional relationship with the government than a Public Service department.

Just like the Parliamentary Service and the Office of the Clerk of the House of Representatives, these departments are included within the definition of ‘department’ under the Public Finance Act 1989; accordingly, they are legally part of the Crown. However, they are not listed in the First Schedule of the State Sector Act 1988 as Public Service departments – they are commonly referred to as non-Public Service departments.

Crown entities

Crown entities are defined and categorised in section 7 of the Crown Entities Act 2004. They include school boards of trustees of State and State-integrated schools, district health boards and a wide variety of other service delivery, regulatory and advisory agencies, as well as a number of companies. They operate under the Crown Entities Act 2004 and their own enabling legislation (and constitution, in the case of Crown entity companies). Among their key characteristics are that:

- they are established as a body corporate (or corporation sole), legally separate from the Crown
- they operate at ‘arms-length’ from their Minister, although – depending on their categorisation and the type of entity – they may be subject to Ministerial policy directions.

²⁶ The State Services Commissioner and the Director of the Government Communications Security Bureau are appointed under statutory power by the Governor-General; the Solicitor-General holds office under an appointment (under prerogative rather than statutory power) from the Governor-General.

²⁷ See Chapter 2 in the Cabinet Manual for further information about the relationship between Ministers and departments.

Ministers' powers and relationships with Crown entities are more formal and structured than is the case for the Public Service.

Organisations listed in the Fourth Schedule of the Public Finance Act 1989

The State Services also includes a number of organisations named or described in the Fourth Schedule of the Public Finance Act 1989. They are considered to be instruments of the Crown and part of the State Services, and are required to provide annual financial statements that are consolidated as part of the government reporting entity under the Public Finance Act 1989.

Although the majority of these were formerly Crown entities, there are 'materiality' or 'distinctiveness' reasons why the full governance and accountability framework now applying to Crown entities in the Crown Entities Act 2004 is not appropriate. For example:

- their operations are small (including in financial terms) or local in nature (e.g. Reserves Boards, Fish and Game Councils), or
- they operate within a different legal framework (e.g. those agencies that are trusts, such as the Road Safety Trust), or
- they have certain features that do not mesh with the requirements in the Crown Entities Act 2004 (e.g. the agency is not a body corporate, or is a body corporate that consists of all Ministers of the Crown, or has less than 100% Crown shareholding).

The definition of 'State Services' excludes those parts of the State sector that either provide services to the legislative branch of government (Parliamentary Services and the Office of the Clerk of the House of Representatives) or operate as a check on the executive branch's use of power and resources (Offices of Parliament). Tertiary education institutions and State-owned enterprises are also explicitly excluded from the State Services so that there can be no suggestion of political interference in the managerial and academic freedom of those organisations.

The Reserve Bank of New Zealand

The Reserve Bank of New Zealand is the only agency of its type in the State Services. It acts as the central bank for New Zealand and operates under the Reserve Bank of New Zealand Act 1989. The Bank is a body corporate, with perpetual succession and a common seal, and has the rights, powers and privileges of a natural person.

State Services Commission

100 Molesworth Street, Wellington

PO Box 329, Wellington

Phone (04) 495 6600

Fax (04) 495 6686

www.ssc.govt.nz