



The term 'Public Service' as it is used in the State Sector Act, covers only a fraction of the entities that are involved in the provision of important public services to New Zealand. From the citizen's point of view, it matters little whether a Crown entity or a department delivers a function. It is about public service entities operating with a spirit of service to the community, and doing the best job they can, to provide services to, and achieve outcomes for, the people of New Zealand.

We are proposing to reconceptualise the Public Service by expanding the concept and legal definition of the Public Service. Our suggestion is that the Public Service is conceptualised:

- as a collective institution in the executive branch of government comprising a broad array of entities, and
- unified by sharing one or more common features such as: delivery of services to, for, or affecting the public; acting under a public mandate; and funded primarily from public money.

This change will mean that the Public Service will include all current departments, as well as a range of Crown entities.

What aspects of these reforms will affect Crown entities?

Three areas of the reforms will affect some Crown entities:

- Purpose, Principles and Values
- Crown/Māori relationship
- Ethics and integrity.

Why make these changes?

Citizens do not define their dealings with government by the nature of the entity they connect with; they see services provided by one government. The proposed *Aotearoa New Zealand Public Service Act* will clearly articulate the spirit of service that binds public servants together under one system, collectively responsible and accountable to citizens.

Why do these proposals only apply to some Crown entities? Why are some 'in' and some 'out'?

We are proposing to expand the definition of the Public Service to a range of Crown entities (Crown agents, and autonomous Crown entities) already subject to Ministerial influence, whether that is by appointment or removal of board members and/or the ability of Ministers to direct government agencies to 'have regard' to Government policy.

We are not proposing to include Crown entity companies, Crown entity subsidiaries, tertiary education institutions, or school boards of trustees. This is for a variety of reasons including their having commercial objectives; company directors having a statutory duty to act in what they believe to be the best interests of the company; the principle of academic freedom and institutional autonomy; and their not being subject to Ministerial control or influence.

We are seeking comments on whether independent Crown entities should be brought into the new definition of the Public Service.

PURPOSE, PRINCIPLES AND VALUES

How do the purpose, principles, and values compare to what currently applies?

The proposed statements of purpose, principles and values will bring together in one place existing statements found throughout the State Sector Act and the State Sector Code of Conduct. We are not proposing changes to the content of those statements, but rather we want to protect them by enshrining them in legislation.

We are interested in hearing from you whether the aim and content of the proposed purpose, principles and values ring true for Crown entities.

How do the proposed purpose, principles and values affect Crown entity boards covered by these reforms?

The proposed purpose, principles and values of the New Zealand Public Service are core to the public sector (including Crown entities). They are similar to the current standards in the State Services Code of Conduct, and consistent with good practice and public law principles.

There will be no change to the role or authority of the board as a governing body. Crown entities will still act in accordance with their enabling legislation and the Crown Entities Act. Some entities have statutorily independent functions. The proposed purpose, principles (underpinning *institutional* behaviours) and values (underpinning *individual* behaviours) of the New Zealand Public Service will not run counter to these.

Boards will be expected to ensure the entity has appropriate policies, systems and practices in place to effect the purpose, principles and values.

What do the proposed purpose, principles and values of the New Zealand Public Service mean for Crown entity employees?

The proposed purpose, principles and values are not intended to change how Crown entity employees go about their jobs. The purpose does make it clearer that each Crown entity employee's job, or parts of it, relates to some aspect of the statutory purpose of the Public Service as a whole. This should instil some pride and sense of being part of a wider team.

Crown entity employees will be expected to follow the entity's policies, systems and practices for adhering to the purpose, principles and values. The State Services Code of Conduct already sets relevant standards and will be updated to reflect the purpose, principles and values more explicitly. Serious breaches of the Code could have employment related consequences.

How will you give effect to these changes?

The intention is the changes will be given life through Crown entity leadership, be reflected in corporate documents, and be implemented through various instruments, including adherence to any applicable code of conduct and related policies and practices.

What sanctions are there for Crown entity employees who don't follow the purpose, principles and values?

There is no intention to include any sanctions in the legislation. The Act already requires employees, secondees and contractors to comply with the standards in any code of conduct issued by the Commissioner. It is generally expected that compliance with the code is a condition of employment. Accordingly, serious breaches could have employment related consequences.

Will there be guidance on how the purpose, principles and values will apply to Crown entities?

The State Services Commissioner will issue appropriate guidance on how the purpose, principles and values apply in practice. The Commissioner will work with Crown entity leaders to ensure appropriate implementation.

CROWN/MĀORI RELATIONSHIP

The reforms propose including a range of Crown entities within the definition of an expanded Public Service (but without including them in a changed meaning of the Crown). Crown entities that are part of the Public Service would therefore also have a role in supporting Crown/Maori relations.

The State Services Commissioner will issue appropriate guidance on how this supporting role would apply in practice with respect to Crown entities, and work with Crown entity leaders to ensure effective implementation. For example, the Commissioner could issue guidance on:

- supporting more Māori into leadership roles, or
- developing organisational culture that enables Māori staff and Māori culture to thrive within Crown entities, or
- developing policies and practices on external engagement with Māori that is more responsive to their needs and aspirations.

ETHICS AND INTEGRITY

What is the purpose of the proposed changes?

The reforms propose strengthening the State Services Commissioner's mandate to set expectations and then to formally direct Crown entities on specific integrity matters.

To which Crown entities will the proposals apply?

These proposals will only apply to those Crown entities where the State Services Commissioner can currently set, issue, apply and enforce a code of conduct.

What will the effect of the proposals be on Crown entities?

If the proposals are accepted, the Commissioner will be able to set expectations and formally direct Crown entities on integrity matters. For example, the Commissioner could set expectations around Crown entities creating an environment to encourage people to speak up (e.g. whistleblowing). If setting expectations does not have the desired effect, the Commissioner will then be able to require Crown entities to put in place specific policies or take specific actions.