



Leadership is the key enabler of change in the Public Service. The review of the State Sector Act presents an opportunity to transform Public Service leadership. It can clarify and strengthen the roles and functions of our leaders, enable mechanisms for collective responsibility and accountability, and provide for development of the leadership cohort on a public service-wide basis.

We are proposing legislative changes that will support the development of four key leadership groups or roles in the system:

- Senior leaders, by way of a statutory Senior Leaders Service
- Chief executives
- Functional and professional leaders, and
- The Public Service Commissioner (currently the State Services Commissioner).

SENIOR LEADERS SERVICE

What is the Senior Leaders Service?

The success of senior leaders is critical to the success of the Public Service. The Senior Leaders Service (SLS) is intended to be an agile group of experienced, skilled and professional leaders who can operate in a diverse range of contexts. It will foster the spirit of service across the Public Service, provide senior leaders with organised opportunities for growth and development, and operate as a system-wide leadership resource that can be called on when needed.

For example, overseas jurisdictions like Australia and the UK have a SLS equivalent. Their senior leaders are expected to operate flexibly across the Public Service, and from time to time are asked to move within a department, or to a different department, if it will benefit the system and/or the senior leader and their individual development. This is one way we might design a New Zealand SLS so that it works to the benefit of individual leaders and the Public Service as a whole.

Building careers and enabling greater mobility across the Public Service is only one potential feature of a SLS. It is also about building a sense of cohort, connections and relationships across the Public Service so that senior leaders are part of something bigger than just their department. It could also assist senior leaders to team up with other senior leaders across department boundaries to work for the benefit of all New Zealanders. Our current system doesn't make it easy to do this – all the incentives are in place for working within a department and delivering department outputs. The proposed SLS would be a unifying force for the upper echelons of the Public Service.

Will this mean a restructure of senior leaders in the Public Service?

There is no intent to restructure roles and no one will be made redundant as part of the implementation of a SLS.

The intent is that no senior leader will be disadvantaged if we establish a SLS.

What will this mean for where I work?

If we establish a SLS, part of its purpose will be to encourage and support agility across the Public Service. As happens overseas, this might mean that from time to time a senior leader may be asked to contribute to cross-agency taskforces, move within a department, or to a different department. This flexible way of working would be part of a mutual commitment to leadership and talent development, and to the needs and best interests of the Public Service as a whole.

Who might be included in a Senior Leaders Service?

Senior leaders are those who are at the upper echelon of the Public Service but whose position in a particular tier may vary between departments and agencies depending on organisational and job sizes.

If a SLS is implemented, we will need to establish clear criteria for who should be included. For example, in our current system, senior leaders in core Public Service departments, New Zealand Police, New Zealand Defence Force and some crown entities have been identified by their chief executive to be part of a Public Service Leaders Group (PSLG) based on one or more of the following role-based criteria:

- i. **Executive:** being a member of an executive team (e.g. Deputy Chief Executive or equivalent)
- ii. **Operational:** running a NZPS business for New Zealand or a significant region (e.g. Regional Commissioner or General Manager of a complete service line)
- iii. **Corporate:** heading a corporate function in a medium or large department (e.g. Head of HR, Chief Legal or Chief Finance Officer)
- iv. **Policy/Strategy:** high strategic demands, working across larger departments and in concert with other departments (e.g. Government Chief Privacy Officer).

We are interested in feedback on what roles and/or criteria should be included as part of a SLS in the Public Service, in order to achieve its purpose.

The 1988 Act introduced a Senior Executive Service (SES) that did not deliver. How will this be different?

The SES provisions in the State Sector Act included a raft of detail relating to the employment and training of SES members. For example, chief executives were obligated to make employees, who were SES members, available to the Commission for training for up to 15 days in any 12-month period.

Many felt the SES provisions were overly prescriptive, and didn't empower chief executives to work in partnership with the Commission to deliver leadership and management development for the Public Service. The SES provisions were inadequately implemented, with insufficient resourcing being made available to genuinely gear up the SES for success.

It is also true that the focus at the time on devolution and incentivising delivery of department-specific outputs operated in opposition to the purpose of the SES, which was to build a unifying force at the senior levels of the Public Service.

For these reasons (and others), the SES stagnated and was effectively moribund within a few years.

The intent of the proposed Senior Leaders Service (SLS) is to strengthen leadership capability across the Public Service by creating and implementing an integrated,

structured and deliberate system of leadership development. The provisions establishing the SLS will be enabling, not prescriptive, and we recognise the importance of appropriately resourcing the SLS if it is to succeed. The SLS will also be supported by the way chief executives and public service structures will be enabled to work together under the new Act.

The context in the Public Service is very different now from when the SES was introduced. Today, we know we need to operate differently, work collaboratively, and bring the Commissioner, chief executives and senior leaders together across departmental boundaries to solve problems and deliver citizen-centred services and outcomes. The importance of this cultural shift cannot be underestimated in ensuring the success of a new Senior Leaders Service.

How will a Senior Leaders Service value specialist skills and experience?

Specialist skills and depth of experience are highly valued in the Public Service. We recognise the need to balance the benefits of flexibility and agility with the importance of specialist skills and experience, and are interested in your feedback on how we can achieve this.

How will a Senior Leaders Service improve perceptions of bias and lack of diversity and inclusion across the Public Service?

We are considering how we can increase the diversity of the cohort of senior leaders deliberately and effectively, including ways we could make the proposed SLS an inclusive institution with transparent processes. We are interested in your feedback on this issue.

CHIEF EXECUTIVES

Would the Chief Executives' Team include CEs of Crown Entities?

The proposal is to place a duty on the Public Service Commissioner to convene a Chief Executives' Team, but not to prescribe what that team will look like. As with the current State Services Leadership Team, the Commissioner may choose to invite other system leaders from for example, the NZDF, Police, ACC, NZTA, NZTE and Housing New Zealand. The Commissioner will need to determine the most effective make up for any collective.

How are you changing chief executive responsibility and accountability?

Chief executives are always accountable to Ministers and to the Commissioner for their performance and that of their departments. What we are proposing is that the new Act strengthens the responsibility chief executives collectively hold for the health of the Public Service as a whole.

In some circumstances, we are also proposing making chief executives explicitly accountable for outcomes that are broader than their individual department outcomes (see Public Service Executive Boards). Ministers will hold chief executives to account collectively for those broader outcomes.

How will the system deal with poorly performing chief executives?

The Commissioner is responsible to the appropriate Minister for reviewing the performance of chief executives (State Sector Act s 41(1)). There is no plan to change this provision. This means the Commissioner will continue to be responsible for dealing with poor performance where it arises.

FUNCTIONAL AND PROFESSIONAL LEADERSHIP

What is the purpose of functional and professional leadership?

The purpose of functional and professional leadership in the Public Service is to secure economies or efficiencies across departments; improve services or service delivery; develop expertise and capability across the Public Service; and ensure business continuity.

Functional and professional leaders are chief executives or other senior public servants who retain their departmental roles but wear an additional functional or professional leadership 'hat' to achieve benefits for government overall.

Existing functional and professional leaders include the:

- Government Chief Digital Officer
- Government Property and Procurement
- Head of the Policy Profession.

What decision rights will functional and professional leaders have that may affect a chief executives' accountability to Ministers?

We are proposing that functional and professional leaders will be able to publish guidance and standards that may have mandatory effect within the Public Service, but this power will be subject to Ministerial agreement.

Will there be money/appropriations for functional and professional leaders?

These proposals only consider whether and how functional and professional leadership should be established and defined in the legislation. However, we do recognise that non-legislative steps are also necessary if functional and professional leads are to be successful in their roles. We are interested in any ideas you have about how we can support functional and professional leadership across the Public Service.