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VIEWS ON THE PUBLIC SERVICE REFORMS

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CONTENTS
President’s Message 2
Cover Story 3

Views on the public sector reforms
John Larkinlade takes a close look at the Public Service Legislation Bill.
Insights, not fluff
Jonathan Boston wonders how well the new legislation focuses on long-term issues.
A framework to support the spirit of service
Glenn Barclay wants the new legislation to strengthen public service identity.
The public service and our post-colonial future
Deb Te Kawa wants to know where the Treaty clause is in the new legislation.
Investigation 6

The public service principles – some challenges ahead
Lee-Anne Duncan talks to some public servants about what they understand by public service principles and how they see them in their workplaces.
Reader Contribution 10

We’re all in this together – creating climate-resilient communities
Climate change is upon us. Geoff Lewis, Sally Garden, and Nicki Ablitt explore what it means for public servants.
Investigation 12

Time to front up to Māori communities, says Northland kaumatua
Jacqui Gibson investigates some changes in the way public servants and iwi are doing things in Northland.
Investigation 15

Communicating across sectors
Agencies need to collaborate more than ever. David Larsen finds out what works.

Special Feature: Jobs You’ve Never Heard Of 17

The thin line at the coast
Kathy Ombler talks with two public servants who are connected to the coast: one looks after lighthouses and the other is at the sharp end of oil spills.

Innovations from Europe 19

Rotterdam – the big experiment
Some interesting things are happening in Rotterdam. Shelly Farr Biswell takes a look.

Opinions 21

The best and brightest!
Devanga Wanigasinghe questions the current thinking around merit appointments.
Let’s have a meeting
Patrik Hall asks why we have so many meetings.

Investigation 23

A new era - the future of boards
Kirsten Rose investigates the unique challenges boards are facing.

Investigation 25

Investments - achieving long-term value
Carl Billington asks how decision makers can be confident that they’re getting the best outcomes from their investment decisions.

Investigation 27

Eyes on the world
Peter McKenzie finds out about some fascinating research from other parts of the world.

Focus 29

The multiple benefits of digital inclusion
Laurence Millar looks at the promises and the risks of using digital solutions on government projects.

Public Sector is printed on environmentally responsible paper produced using ECF, third party certified pulp from responsible sources and manufactured under the ISO14001 Environmental Management System.
Will 2020 be the year when we finally realise, I mean really realise, that we live in a connected, networked world? A world where decisions (or non-decisions) taken by nations, regions, organisations, communities, or even families and individuals can reverberate – in the moment or across centuries. Over the summer, we have seen our skies and our receding glaciers turned sepia brown with the ash from the bushfires in Australia. We have experienced climatic extremes – droughts in the far north, with mussel beds dying from heat stress, while iconic walks and roads in the south are destroyed by torrential floods. As I write, our health and education systems, markets, businesses, and communities are feeling the effects of a virus that originated on the other side of the globe only weeks earlier.

Sadly reacting rapidly to “shocks”, as economists call them, is something Aotearoa New Zealand and the public service has considerable experience of. Be it earthquakes, volcanoes, floods, fires, global financial issues, epidemics, or tragedies like the hate crime that was 15 March 2019. Indeed the humbling and inspiring actions of our public service kaimahi in the face of events like these is what is often recalled when we refer to the “spirit of service”.

After each of these events, there are calls for “resilience strategies” to ensure that “we” are better prepared for the “next time”. But once the crisis has abated, attention shifts back to business as usual. Efforts to engage in long-term, proactive, system-wide strategies typically lose out in the battle for resources. The urgent crowds out the important. The immediate displaces the critical thinking, designing, trialling, and learning necessary to solve complex longer-term, systemic risks.

Focusing on those long-term risks and opportunities that affect our wellbeing is the essence of public service stewardship. The Public Service Legislation Bill provides some additional support and tools for longer-term stewardship. But these tools will only be effective if the public service has the courage and capacity to use them. I am optimistic that current events and crises will create an impetus for building resilient, future-focused systems that allow us as a nation to be proactive in the face of change. Let’s not let this stewardship (and leadership) opportunity go by.

Contributions

Public Sector journal is always happy to receive contributions from readers. If you’re working on an interesting project in the public sector or have something relevant to say about a particular issue, think about sending us a short article on the subject.

Contact the editor Simon Minto at simon.g.minto@gmail.com
A taonga

The phrase “public sector reform” induces the MEGO (Mine Eyes Glaze Over) syndrome in most people. Yet it shouldn’t. The New Zealand public service is one of the nation’s taonga. No one alive today has any experience of the public service as being other than largely non-corrupt; increasingly transparent; focused on securing citizens’ physical, economic, and social security; and supporting the government of the day. These attributes are taken for granted. Yet it wasn’t always so. Prior to the Public Service Act 1912, patronage was rife, personal interest was often to the forefront, and accountability was limited. The 1912 Act changed all that. Very importantly, it introduced concepts such as appointment on merit, political neutrality, and a requirement to provide ministers with free and frank advice. The result was a professional public service, increasingly well-educated and technically competent. A new act, the State Services Act, was passed in 1962, which retained the fundamental principles of the 1912 act.

The fourth Labour government introduced major changes to the law in 1988 through the State Sector Act. In contrast to the 1912 and 1962 acts, however, these changes were not preceded by a commission of inquiry. Rather, they were introduced with limited consultation as part of the “Rogernomics” reforms. The 1988 act introduced major changes to how the state sector operated and how it was managed and administered. After a period of consultation in 2018, a new draft bill is now before parliament, seeking to make what has been described by the minister as “the most significant changes in public sector administration since 1988”.

I have described the public service as a taonga. But why? It’s because it provides the foundation for New Zealand’s continued success as a nation and as a society. It underpins New Zealand’s global reputation for probity and good governance. It reduces the transactional costs of doing business in New Zealand and enhances our ability to attract international investment. It provides some of the glue for a cohesive society through education, the provision of health services, and supporting the disadvantaged and vulnerable among our people. It regulates health and safety. It acts without fear or favour. Most other countries do not have these advantages.

Care needed

Although New Zealanders are very well-served by their public servants, that doesn’t mean that there isn’t room for improvement. There always is. We can do better, and we should always be open to improvements. But care needs to be taken to ensure that the fundamental strengths of the current system are not deliberately or unknowingly undermined.

THE NEW ZEALAND PUBLIC SERVICE IS ONE OF THE NATION’S TAONGA.

The new Public Service Legislation Bill seeks to bring about meaningful change. However, the explanatory note accompanying the draft legislation makes it clear that it is primarily to provide a framework for a more adaptive and collaborative public service, while it also seeks to insert elements of current principle and practice into legislation.

These are, of course, worthy objectives, but they are not likely to be transformative. Given that legislation to change
the public service is introduced very rarely, it is unfortunate that the opportunity wasn’t taken to undertake a more comprehensive examination of what is perhaps the key question: “What kind of public service does New Zealand need in the twenty-first century?” A royal commission or greenpaper process would have allowed for a wider and deeper investigation of this key question.

What the draft bill says

So what are the main features of the new bill? It purports to provide a modern legislative framework for the public service by expanding the types of agencies that comprise the public service and it provides the public service with a common purpose and ethos, with strengthened leadership arrangements. In particular, it seeks to put into law the principles and values of the public service that have been widely accepted and understood but which had no legal foundation. It also defines the fundamental characteristic of the public service as acting with a “spirit of service” to the community.

Although New Zealanders are very well-served by their public servants, that doesn’t mean there isn’t room for improvement.

An attempt is made to define the Crown’s relationships with Māori. Provision is made for the establishment of new structures to allow for joint operations among agencies, including the important provision that such bodies receive specific budget appropriations. These provisions are clearly intended to encourage joined-up, cross-agency approaches to complex problems and to break out from perceived silos in the public service.

A particular focus is on the senior leadership of the public service, spelling out in some detail their functions and duties. Further provisions address the wider public service workforce, covering areas such as the obligation to be a good employer, the need for diversity, the pursuit of pay equity, and a framework for the negotiation of collective agreements. It also seeks to promote the idea of a unified public service, strengthening the control of the Public Service Commission, although – at this stage at least – not requiring a common set of pay and other conditions of employment across the whole public service.

Many of the provisions in the bill are likely to be useful or, at least, do no harm. There are others, however, that are more problematic.

Problem with diversity of decision making

Perhaps the most troubling is that the leadership of the new Public Service Commission will be limited to a commissioner and, potentially, only one deputy commissioner (a maximum of two is provided for). This is a problem because decision making benefits from a variety of views and experience and from people from varied social and other backgrounds. Accordingly, just as diversity is essential in the wider public service so should there be diversity among commissioners. Such diversity should span professional and operational capabilities, as well as the more usual expectations of diversity. The corollary is that there should be a minimum of three or more members of the Public Service Commission.

Limited partnership

A second issue relates to the purpose, principles, and values set out in the draft bill. These provide a set of necessary conditions for the operation of the public service. However, they are not sufficient. Successful development and implementation of public policy requires a partnership between government and its ministers on the one hand and public servants on the other. Thus, as the legislation puts an obligation on public servants to provide ministers with free and frank advice, then so should there be an obligation for ministers to receive that advice. But, I stress, only to receive it – it is clearly the absolute right of ministers to decline to act on any such advice.

Narrow focus on Crown–Māori relations

Third, while it is a positive step that the bill seeks to address Crown–Māori relationships, its expression in the draft bill is little more than a confirmation of the status quo. For example, the current wording limits the role of the public service to “supporting” the Crown in its relationship with Māori under Te Tiriti and developing a capability to “engage” with Māori and to “understand” their perspectives. This is too narrow. There should be specific provision to encourage and facilitate the incorporation of Māori values and perspectives into public policy development and service delivery.

There should be specific provision to encourage and facilitate the incorporation of Māori values and perspectives into public policy development and service delivery.

Moreover, the draft bill does not address issues beyond the development and maintenance of public service staff capabilities. It implies that having more Māori public service leaders and more Māori staff is a sufficient expression of the Māori–Crown relationship. Not so; more is required. Broader organisational capabilities are critically important. Policies and practices are needed that ensure that policy decisions, service delivery, engagement, and governance will meet the aspirations of Māori.

Focus on organisation structure

Fourth, there is an inference that new administrative and organisational structures on their own will address the
problems that have been identified. There is an unduly narrow focus in the bill on structure and function. In reality, many of the perceived problems stem from non-structural issues. Increased politicisation of the public service, too high staff turnover in many agencies (including at chief executive and tier-2 levels), an over-emphasis on managerial competence over technical and professional knowledge as the key component of leadership, and a focus on short-term outputs as opposed to longer-term outcomes all contribute to current weaknesses in the public service, as is a lack of incentives to encourage cross-agency co-operation. A key to improving overall public sector performance is to address these issues.

THE PUBLIC SERVICE IS INTEGRAL TO NEW ZEALAND’S SUCCESS AS A SOCIETY AND AN ECONOMY.

Leadership not management

Fifth, the draft bill clearly seeks to promote leadership excellence in the public service. The substance, however, focuses on management. Management is not leadership. While managerial competence is a necessary prerequisite to a chief executive role, for example, it is not a sufficient one. Senior public service leadership requires deep technical and professional knowledge and experience, as well as managerial skills.

Joint operations and restructurings

Sixth, there is extensive permissive language in the draft bill providing a framework for setting up joint operational agreements between agencies. It specifically allows joint ventures to receive financial appropriations, which is a positive move. Such flexibility is in principle to be welcomed, but it needs to be tempered with caution. New management and administrative frameworks are likely to be helpful in some instances, but it needs to be borne in mind that establishment of any new operational body is an administrative restructuring. Extensive experience, both in New Zealand and overseas, demonstrates that restructuring always takes longer than expected, is inevitably disruptive to day-to-day business as internal and external relationships are broken and need to be re-established, and only rarely achieves many of the benefits originally foreseen. Will these new arrangements be different?

Poor emphasis on stewardship

Finally, the concept of stewardship, first introduced into public sector legislation in 2013, is given insufficient emphasis in the draft bill. Legal weight is given to requirements for both the Public Service Commissioner and chief executives to provide regular long-term briefings, and this is to be very much welcomed. The definition of what these briefings should cover, however, is inadequate. What is needed are considered analyses or assessments of medium- and long-term trends, risks, and opportunities. They must provide meaningful material that’s conducive to independent analysis of both performance and readiness to address future risks and opportunities.

Related in part to the concept of stewardship is the issue of the length of tenure of chief executives. The current average tenure is less than four years. This is too short a time to develop effective sectoral leadership, particularly when the incoming chief executive may have had little or no prior involvement with the work of that agency. Moreover, short-term appointments limit the ability to hold chief executives to account for the quality of their stewardship. There needs to be encouragement to reduce churn at senior levels in the public service.

There are other issues that, if addressed in the select committee stages of consideration of the bill, would result in a better piece of legislation. Some of these are covered in the submission that IPANZ has made to the committee. (See the IPANZ website for the full text of the submission.)

THE DRAFT BILL DESERVES MUCH WIDER PUBLIC ATTENTION THAN IT HAS RECEIVED TO DATE.

Public service and all of us

To many people, the new Public Sector Legislation Bill may seem to be a “beltway” issue. It is, however, way more than this. The public service is integral to New Zealand’s success as a society and an economy. Its operation affects every one of us every day, directly or indirectly. It is therefore critically important that the legislation that underpins its operation is not only fit-for-purpose but also provides a positive boost to the quality of life of all New Zealanders. The draft bill deserves much wider public attention than it has received to date.
Insights, not fluff

JONATHAN BOSTON, Professor of Public Policy at Victoria University, gives his ideas on how well the new legislation focuses on long-term issues.

Governments in democracies face strong political pressures to favour short-term over long-term interests. An enduring issue is how to ensure that long-term matters receive proper attention and that the interests of future generations are adequately protected.

The Public Service Legislation Bill contains provisions for departmental chief executives to prepare long-term insights briefings every three years and to do so “independently of Ministers”. The proposal for such briefings is welcome. In theory, at least, a “commitment device” of this nature will contribute to a greater focus by ministers and their advisers on intergenerational issues, including risk management, societal resilience, and sustainability.

But while I support the concept of long-term insights briefings, the proposed wording of Clauses 8 and 9 in Schedule 6 is far from ideal.

First, the requirement “to provide information” on “trends, risks, and opportunities” could mean detailed and thoughtful analysis, but it could also simply mean the provision of basic forward-looking data, with no serious assessment of the implications of such data. Hence, Clause 8(2)(a) should be amended to read: “provide information and analysis into the public domain…”

Second, Clause 8(2)(b) states that the briefings must not “express either agreement or disagreement with any particular policy or policy option”. Such a restriction is neither necessary nor desirable. The proposed restriction may discourage departments from canvassing policy options and assessing their strengths and weaknesses. Briefings that merely list a series of risks and opportunities without discussing how the risks might be mitigated or the opportunities seized will have little value or influence.

Indeed, the proposed restriction sits uncomfortably with the explicit requirements for chief executives to provide free and frank advice to ministers. There is no similar restriction in the Public Finance Act in relation to the Treasury’s Long-term Fiscal Statements. What is good for the Treasury is surely good for all other government departments and ministries.

Finally, a further requirement should be added to Clause 8(2), namely that each briefing should consider options for protecting and enhancing intergenerational wellbeing (and long-term societal outcomes). If the proposed briefings are to inform governmental thinking and public debate about long-term policy issues and options, they need to provide a rigorous analysis of how to improve long-term societal outcomes.

If policy makers are serious about enhancing the quality of anticipatory governance in New Zealand and improving public sector stewardship, the proposed long-term insights briefings must offer genuine insights, not mere fluff. No doubt, some of these insights will be uncomfortable and, at times, politically inconvenient. But a flourishing and vibrant democracy ultimately depends on the pursuit of truth, not convenience.

A framework to support the spirit of service

GLENN BARCLAY, National Secretary of the PSA, wants the new legislation to do more to keep the spirit of service alive.

Since the passing of the State Sector Act 1988, the PSA has endeavoured to reform it, particularly the employment framework it creates. We welcome most aspects of the Act’s proposed replacement, but again it fails to establish an employment framework that actively supports a spirit of service and can be levered to achieve the system change sought.

There are two big employment issues the Public Service Legislation Bill does not address: It leaves the individual agency chief executive as the employer of staff, and it fails to update the good employer provisions.

With the benefit of 31 years of hindsight, it is obvious that establishing the employment relationship at the agency level has worked against system-level workforce management and mobility and weakened the spirit of service and the public service identity. The bill provides “work arounds”, but these don’t get to the heart of the problem.

The good employer provisions are untouched by the bill, despite having largely failed to achieve the change intended. We have called for them to be updated and strengthened to ensure they eliminate discrimination and truly support fair and equitable employment. We welcome the affirmation of the civil rights of public servants as being long overdue, but there needs to be associated guidance that supports and upholds expertise and professional standards.

The efforts in the bill to support Māori–Crown relations cannot be separated from the Crown’s responsibilities as the employer of Māori. Chief executives should be required to give practical effect to the Crown’s Te Tiriti obligations in their employment relationship with Māori working in public services.

The workforce provisions in the bill should cover everyone working in public services. Public services are not just delivered by employees of agencies – there are also contracts for service. New Zealanders should be able to expect the same integrity standards from everyone who provides public services.

Developing and sustaining a highly capable public service workforce requires strong and constructive relationships, not just between the State Services Commissioner and public service leaders, but also between the people working in public services, including the unions through which they express an independent voice. It’s time for this to be supported and sustained by including it in the new legislation.
The public service and our post-colonial future

Deb Te Kawa, IPANZ board member and consultant on governance and policy, asks whether the new legislation will truly allow the exercise of rangatiratanga.

The new Public Service Legislation Bill says the role of the public service includes supporting the Crown in its relationship with Māori under Te Tiriti o Waitangi. The drafting defines the relationship as one that ensures various agencies develop and maintain the capability of the public service to engage with Māori and to understand Māori perspectives. The drafting then goes on to define capability very narrowly as the development of Māori public service leaders and importance of Māori public servants being free to be Māori in the workplace.

The proposal is welcome. It is a common-sense practical baseline that the kāwanatanga should have the capability to engage with Māori and to understand Māori perspectives. However, Te Tiriti o Waitangi promised much more than a life of professional conscientiousness, personal accomplishment, and cautious bureaucratic adjustment.

Te Tiriti o Waitangi was signed to ensure the future survival and wellbeing of Māori and its culture, not just the tribes as they were in 1840. The ability of a culture to survive depends on it maintaining the ability to control the things that are essential to it. To achieve this, all the interests of Māori are covered under the Crown’s protection, including everything of value to the Māori way of life – lands, resources, language, knowledge, traditions, and so on.

To survive, a culture must be able to change and grow and take advantage of discoveries and new ways of living and organising. The survival of the Māori culture means it can retain its own ability to develop under varying conditions, while still being Māori. Both the courts and the Waitangi Tribunal have shown that what is required for real Māori development is the exercise of rangatiratanga.

Therefore, the standard for the public service in supporting the Crown in its relationship with Māori under Te Tiriti ought to be whether Māori people and communities are free to exercise rangatiratanga and benefit from it, while also enjoying the same outcomes as every other citizen – because they get access to government services that suit their needs just as other New Zealanders do. So why not a Treaty clause obliging the public service to use the Treaty principles as their ārāwiti? Or at a minimum a clause the public service can draw strength from – as 2040 hurtles towards them without the necessary tools to move towards our post-colonial future.
THE PUBLIC SERVICE PRINCIPLES
– SOME CHALLENGES AHEAD

The Public Service Legislation Act will enshrine, in one piece of legislation, five principles considered essential to a transparent, trusted, sustainable, and successful public service. LEE-ANNE DUNCAN examines those principles and talks to some public servants about what they understand by them and how they are currently enacted in their workplaces.

The principles

The principles are about ensuring that public service professionals serve the government of the day, that their advice is offered openly, that the best person for a role is given the job, that the public can see the workings of government, and that they operate, plan, and provide for the long-term benefit of the country.

However, what these principles mean and how they’re enacted in the workplace could be very different. Can we be truly “neutral”? Can someone in fear of their job be “free and frank”? Does “merit” mean the same to all of us? How “open” should we be with the public, especially when privacy or security could be breached? How does “stewardship” mesh with a three-year political term?

Can legislation be necessary?

The public sector professionals I’ve spoken to are generally supportive of having these principles set down in law. They see that the legislation could provide guidance on how to put the principles into practice and will allow them to track progress and act on any failures to meet the principles.

Some argued that not having them enshrined in law would allow more flexibility. But while flexibility can be a positive thing, the ability to switch behaviours by decree – without consultation or consensus – is generally not.

Having legislation that instils positive principles creates a bulwark against a potential “rogue” government. They also set clear and unequivocal standards for how public sector professionals conduct themselves at work. Once passed, future lawmakers desiring to amend (or repeal) the principles must change the law, rather than merely update codes of conduct.

Responses to the principles

Some of the principles are already included in legislation, and public sector professionals I spoke to say they are often discussed in the workplace.

Let’s look at each of the principles and how, based on discussions with a varied group of public sector professionals, they are interpreted and enacted now.

Political neutrality ... to act in a politically neutral manner ...

This cornerstone of the public service requires public servants to work for the government of the day, no matter their personal or political leanings.

Some themes from the conversations

• People felt that political neutrality is instilled right from the beginning and is an essential part of the job.

• Some people said that the most tricky time to maintain political neutrality is in election year, when the party in government has more access to data, support, and information.

Free and frank advice ... when giving advice to Ministers, to do so in a free and frank manner ...

When ministers are trying to achieve their policy and service objectives, public servants offer their advice based on the facts and merits of an issue, even when that advice may not be welcomed.

Some themes from the conversations

• It takes real courage at times to give free and frank advice. It can impact your job and your reputation.

• Some noted that the advice often gets diluted as it goes up the line. They believe this results in ministers not being told the full truth.

• Public sector professionals are often asked to wrap a rationale around what is already decided instead of being asked to assess the options.

• The lack of in-depth technical expertise and the loss of people with a deep knowledge of the sector, as well as the diminution of long-standing service within a department or sector, has weakened the public service’s ability to give free and frank advice.

Merit-based appointments ... to make merit-based appointments (unless an exception applies under this Act) ...

Appointments within the public service must go to the candidate best suited to the job, untarnished by favouritism, nepotism, political considerations, or biases and discrimination.

Some themes from the conversations

• There needs to be wider debate on a contemporary definition of merit and all its elements. The current definition is seen as limited in relation to diversity, personality, and deep technical capability.

• When appointing staff, recruiters often focus on technical skills or background instead of looking at how people do the job (for example, has this person ever been a bully?).
There was some cynicism that people who get jobs may do so by appeasing superiors and by avoiding blame in their careers.

Positive discrimination is needed to get more diversity. Others say that it is a difficult balancing act to ensure merit applies and also ensure diversity.

One person said they had never seen any discrimination actually practised in a recruitment process. Another person said that the impact of unconscious bias is deep and hard to discern.

Open government ... to foster a culture of open government ... New Zealanders must have confidence in the decision-making process and be able to participate in that process.

Some themes from the conversations

- There was some confusion about what this principle is trying to solve. It may be aiming for transparency but also for people to participate in government – but these are different things.
- There was also confusion about how to apply this principle. For example, when is a draft a draft and when should it be available to the public, and should interview notes be part of the public record?
- Although transparency is a good thing, much information is inaccessible because it is not always provided in a way that is easily digestible, with too much jargon, legal terminology, or complex written material.
- Even if public sector professionals want to foster a culture of open government, if their minister instructs them to suppress something, what do they do? Presumably that is where open government ends?

Stewardship ... to proactively promote stewardship of the public service in terms of all aspects of its future capability ...

A public service must value foresight and build its capability to think, plan, and manage with the future interests of citizens at the forefront.

Some themes from the conversations

- A number of people did not entirely understand the meaning of stewardship and what it means in practice.
- The overall feedback was that long-term thinking and action is almost always pushed out by what’s urgent. Stewardship feels invisible to many people.

On the other hand, some people are excited by this principle. It makes them feel they are part of something bigger in the public service.

There was considerable feedback that stewardship requires more cross-agency collaboration. This cross-agency work is developing too slowly.

There is a perception that with the three-year political cycle, priority is frequently given to the political issues of the day, rather than long-term consequences.

As the principle is not well-understood, there was a plea to make this principle much more concrete in terms of the work public sector professionals actually need to do.

There is little ministerial demand for stewardship or long-term thinking.

How does “stewardship” mesh with a three-year political term?

Some conclusions

There is a big implementation challenge to make these principles operate well in the public service.

Here are some of the challenges I took from the conversations.

- Merit – Too many public sector professionals doubt that the right elements of merit are taken into account. A contemporary view of merit must be debated, one that takes into account the diversity of the population, new management approaches, and other elements.

- Open government – There needs to be an increased understanding of this principle. The tensions and trade-offs need to be addressed, and the public service must actively engage with communities.

- Stewardship – There is a challenge for the public service to become more proactive and to favour the medium and long-term good of this country. Connecting these long-term perspectives with the shorter-term imperatives of government may be essential to engage ministers.

Note: IPANZ is committed to the principles and aims to contribute to ensuring these principles operate effectively.
GEOFF LEWIS and SALLY GARDEN, from the Productivity Commission, and NICKI ABLITT, from the Ministry for Primary Industries, explore what climate change will mean for public servants.

Last year was a big year for climate change policy in New Zealand. The government successfully wrangled enough cross-party support to introduce legislative changes that will drive emissions reductions. But even as the ink dries on these agreements, policy makers are beginning to realise that, regardless of these changes, the impacts of climate change are coming, and their effects will be felt over the coming years and decades.

The impacts on New Zealand will be significant. With more frequent and extreme storms, there will be increased flooding and wind damage. Many farming communities will face severe droughts, and many coastal communities will be affected by rising sea levels and coastal erosion. If they are to thrive, communities around New Zealand will need to adapt.

While there will be significant impacts, there is also a lot of uncertainty about just when, where, and how they will happen. Impacts will vary by location. Considering this, and the gravity of the impacts in some communities, a national approach will be important to avoid unfair and inefficient outcomes. Some kind of national risk sharing through central and local government co-funding of adaptation costs will help.

It will be very challenging to create a policy and regulatory framework that encourages the right investments. Many of the impacts of climate change will be felt by future generations rather than the current one.

Officials, particularly at the local level, will need to work closely with communities to chart a wise way forward – one that can adapt quickly in the face of considerable uncertainty. An important role for central government will be to provide information, advice, and decision-making tools to guide and support that process – as well as legal frameworks that induce sensible, risk-informed land-use decisions.

The importance of these actions can be illustrated by looking at three types of community that will be deeply impacted by the effects of climate change:

- Coastal communities
- Primary producers
- Flood-plain communities.

Iwi and iwi interests in land and other taonga make up important components of each of these communities. So, Treaty partnership principles must apply in facing the challenges.

Coastal communities

New Zealand has a long coastline, with many communities and large amounts of infrastructure on that coast. Sea level rise, and the coastal flooding and erosion it brings with it, poses a huge challenge.

Across New Zealand, around 72,000 people are exposed to coastal flooding. Areas already prone to flooding will experience more frequent and severe inundation. With 3,000 kilometres of road; 8,000 kilometres of drinking water, wastewater, and stormwater pipes; and almost 200,000 people living on land less than 1.2 metres above sea level, many communities face significant damage in the future. The costs of managing and maintaining local infrastructure will increase, and some existing communities will become unviable.

In the face of such a large challenge, communities and local and central government need to work together to prepare for change. Many difficult decisions lie ahead about how to protect or accommodate the challenges or how to retreat.

Decisions about land-use planning for future development will be critical.

The Clifton to Tangoio Coastal Hazard Strategy is one of the first initiatives in New Zealand to grapple with planning for the impacts of climate change on vulnerable coastal communities, and it provides valuable insights.

A joint committee of elected representatives from three Hawke’s Bay councils, with support from a technical advisory group of senior council staff, have developed a framework that can respond to long time frames, uncertainty, and competing values and interests. The framework drew on decision-making tools like Multi-Criteria Decision Analysis, Real Options Analysis, as well as Dynamic-Adaptive Pathways Planning. Panels of community representatives then used this framework to develop and recommend actions to respond to coastal hazards over the short, medium, and long terms.
The community panels developed adaptation pathways drawing on considerable information and advice. Crucially, the nature of the framework means that the pathways can be adapted as the impacts of climate change unfold and the timing and scale of the risks become clear. The process also supports community ownership.

**Primary producers**

New Zealand’s agricultural production sector is highly vulnerable to climate change, including seasonal temperature changes, adverse weather events, and floods. The sector has a robust history of adapting to change and will need to find ways to contend with climate challenges, alongside other pressures. These include tighter regulations around biodiversity and ecosystem impacts and shifting demands driven by changing consumer preferences.

Progress is happening. The primary sector and government joint work programme He Waka Eke Noa has set tangible milestones. If these milestones are achieved, New Zealand’s primary industry growers and producers will be better prepared to deal with the effects of climate change by 2025.

Success will depend on building partnerships with farming leaders and industry bodies to deliver effective advice and support. This approach will require public servants to work in a different way, supporting farmers to develop innovative pathways that deliver the needed changes. The potential power of working in this way is evident in recent initiatives. The eastern Hawke’s Bay region is predicted to become hotter and drier. In response to this challenge, Hawke’s Bay Regional Council has teamed up with Manaaki Whenua Landcare Research to work with local farming communities. Participants have worked together to map potential options, including planting new crop varieties, investing in water infrastructure, changing water management practices, and changing land use. They have also considered what level and type of climate change would make investment in each option a wise choice.

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**SUCCESS WILL DEPEND ON BUILDING PARTNERSHIPS WITH FARMING LEADERS AND INDUSTRY BODIES.**

Meanwhile, other actors are supporting the agribusiness sector to transition to a more sustainable footprint. For example, as part of a move by financial institutions looking for green investment opportunities, in late 2019, ANZ bank agreed to a four-year Environmental, Social, and Governance loan at a preferential rate to Synlait Milk, a New Zealand dairy manufacturing company. The loan will enable Synlait to dramatically reduce its process heat emissions at their milk solids factory and begin transitioning to onsite renewable energy generation. Synlait will also support its farmer suppliers to improve on-farm resilience and environmental performance. Collaborations like this indicate the potential for rapid change within New Zealand’s primary sector.

**Flood-plain communities**

Around 364 flood-protection schemes protect about 100 towns and cities, thousands of hectares of farmland, and significant Crown assets and national infrastructure. Flood control infrastructure allowed many locations that had traditionally been floodplains to be made more suitable for housing, agriculture, and other uses.

Most flood-protection systems were put in place under past climate conditions, and many are now old and need renewing. Decisions will need to be made about where to improve and strengthen river and flood defences and where to decommission or relocate them. Such decisions will be difficult, complex, and costly. Ministers, central government officials, council staff, and communities will need to work together to overcome these challenges.

**Charting the way forward**

Some important themes emerge for policy makers and officials from the three situations described above.

Many difficult and complex decisions lie ahead, and such decisions cannot be made at the central government level in isolation. Central and local government officials must work closely with communities and Treaty partners to chart a way forward. Making effective decisions in the face of uncertainty is tough. A key role for central government will be to create a supportive framework that allows these decisions to be made. Policy and planning professionals can learn a lot from the approaches that have already been trialled in New Zealand, such as the Clifton to Tangoio Coastal Hazard Strategy process in Hawke’s Bay. Even those citizens and businesses lucky enough to be not directly impacted by climate change must play their part, even if that is simply through social solidarity and a modestly higher tax bill.

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**CLIMATE-CHANGE-RELATED FLOODS AND DROUGHTS HAVE ALREADY COST THE NEW ZEALAND ECONOMY AT LEAST $840 MILLION.**

Some of the future costs associated with climate change will be large. Climate-change-related floods and droughts have already cost the New Zealand economy at least $840 million in privately insured damages and economic losses over the last decade. As the impacts of climate change are felt, the numbers of people and the amount of property and infrastructure at risk will grow. Meanwhile, developers continue to build new housing in risk prone areas in response to the ever-increasing demand for housing.

As a result, land use and land-use planning will be central to how communities adapt. Providing as much certainty as possible – in the form of preparing early and ensuring affected communities have high quality and robust information – will be crucial. To do this, officials at central and local government levels will need to work closely together.

As leaders and their communities develop pathways, and make decisions on land use, it will be important to avoid moral hazard – perverse incentives that encourage people to increase their risk exposure for private gain. Moral hazard can occur, for example, when someone decides to build a new house or invest in agricultural assets on a vulnerable property because they know or anticipate receiving protection or compensation should the impacts of climate change damage their property. Such behaviour is unfair and raises the overall long-term costs of adapting to climate change.

The examples above show that public servants will need to provide robust and durable advice to decision makers to help them weigh up the different interests at play. Developing appropriate and useful pathways to prepare for climate change will need to be done hand in hand with local communities and Treaty partners.

The explanatory note for the Public Service Legislation Bill currently before parliament calls for a collaborative and cohesive public service to address complex issues that span agency boundaries. Adapting to climate change is just such an issue. It will provide an ongoing test of how well current and future public servants – central and local – can deliver.
If Matutaera Te Nana Clendon has one key tip for government officials, it’s this: get out from behind your desks and front up to Māori communities.

“That’s the way you turn relationships around. If government officials are serious about changing the culture of the public service, then that’s what they have to do. It’s the only way to build bonds of trust,” says Matutaera, of Ngāti Kuta and Patukeha descent, who became an Officer of the New Zealand Order of Merit for services to Māori in 2018.

Hapū history with government

Matutaera has a long history of dealing with public servants, with some of it straightforward and some of it downright dodgy.

On the plus side, he’s had the opportunity to present evidence to the Waitangi Tribunal on behalf of his iwi and negotiate land conservation deals for his people.

He’s secured a voice for hapū members in discussions about major government events such as the Tuia 250 James Cook voyaging commemorations.

Over two decades, he’s helped set up kōhanga reo, a role that frequently took him to Wellington to meet Ministry of Education officials.

Some of his earliest dealings with the Crown, however, weren’t so constructive, Matutaera explains over a cup of tea in Heritage New Zealand’s Kerikeri office.

In 1968, Matutaera’s family were forced off their family land at Moturua Island by a ratings sale penned by the then Bay of Islands County Council in collusion with government agencies.

“They changed the valuation for the island and made it unaffordable just as my brother and I were about to buy out our elders and take over the farm. We were forced off the island, leaving it to become a rich man’s paradise.”

Lessons from the past

“That’s the starting point for so many iwi–Crown relationships today. Public servants need to understand that. For everyone to move on, government people have to learn about this shared history of ours.

“Change will come if public servants learn what their predecessors did in the name of the Crown and can understand how and why they need to do things differently.”

In 2006, Andrew Blanshard, the newly appointed historic ranger for the Department of Conservation (DOC) in the Bay of Islands, began his journey of doing things differently.

Armed with a box of archaeological artefacts from an unpublished excavation at Mangahawea Bay on Moturua Island in 1981, and with vexing questions about their provenance, he went straight to Matutaera and Heritage New Zealand’s Dr James Robinson for answers.

By taking that one small step to include local hapū in his inquiries, he changed the course of the archaeological work carried out on the island.

Not only was Andrew able to piece together information about where the artefacts had come from and what they said about the island’s early settlement, he was able to set up a project team with Matutaera and James to take the work further.

A new beginning

By 2017, they’d completed the first of three archaeological digs at Moturua Island, uncovering breakthrough evidence of one of New Zealand’s earliest Polynesian settlements at Mangahawea Bay.

The latest excavation, completed in January, unearthed evidence of what they think might be an early and rare taro garden relating to the initial period of Polynesian settlement in New Zealand.
“Plant cultivation has always been the foundation of Māori society. We found evidence of early taro gardening, kumara cultivation, which was carried out later, and finally, extensive commercial potato gardens dating back to the era of the musket wars,” says James.

Matutaera filled the role of project kaitiaki (caretaker). He was responsible for site tikanga and upholding the project mauri (life force), with support from Robert Willoughby, of Ngāti Kuta descent, and DOC cultural advisor Kipa Munro, from Ngāti Rehia.

Te Rawhiti Marae, the marae of Ngāti Kuta and Patukeha

For Matutaera, his role has meant working hand in glove with government officials to plan and carry out the excavation, as well as staying on Moturua Island for all of the two-week excavations and opening and closing each day with karakia (prayer).

A unique partnership

James Robinson says the project’s partnership approach, while standard for DOC and Heritage New Zealand now, was unique at the time.

And it’s permanently changed his perspective on how archaeologists should work.

“It’s allowed for a more complex and nuanced interpretation of the past – an interpretation not just based on science and history but one that includes traditional knowledge about places, social organisation, and oral connections to the Pacific. By drawing on traditional knowledge of the site and how it might’ve been used hundreds of years ago, we’ve been able to work out where to put our excavations. We’re also corroborating our findings with Matu’s kōrero about the site’s links back to the Pacific.”

James believes the positive spin-offs of partnership with hapū go much wider too.

“Thanks to Matu’s leadership and mana, we’ve been able to ask whānau and the wider community what they want from the project findings. They’ve come up with ideas like school resources and online video stories, so the results of our work will land in the laps of the next generation, as well as academics and other groups.

“I’d also say that over the course of the three excavations, our responsibilities to look after the team’s health and safety standards has expanded to encompass the site’s cultural health and safety – treating both with equal respect.

“It may sound unconventional to some people, but regardless of whether an excavation is investigating Pākehā or Māori places, I believe if you get the tikanga right, your project runs better. Things will work out well. I believe the Mangahawea Bay site has a very good wairua [feel] about it now. You can tell that when you’re there. People want to be part of it. Graduates, scientists, archaeologists, and volunteers keep coming back and getting involved whenever they can.”

Heritage New Zealand’s journey

Heritage New Zealand chief executive Andrew Coleman believes the Mangahawea Bay project is a good example of how things are done within his organisation nowadays.

But it hasn’t always been this way.

Three years ago, when he became chief executive, Heritage New Zealand shifted the responsibility for engaging with iwi from a single team to the whole organisation.

That same year, Heritage New Zealand’s Māori Heritage Council (MHC) – whose role is enshrined in law – published their first-ever vision statement for the organisation, a bilingual document called Tapuwae.

I BELIEVE IF YOU GET THE TĪKANGA RIGHT, YOUR PROJECT RUNS BETTER.

Heritage New Zealand’s Kaihautū Māori position was elevated from tier three to tier two, and MHC members were invited to join Heritage New Zealand’s regular board meetings for the first time.

The organisation also adopted a policy of engaging and collaborating early with iwi.

Maintaining the mauri at Mangahawea Bay

Having Matutaera Te Nana Clendon act as kaitiaki of the Mangahawea Bay Partnership Project excavations was a highlight for Andrew Blanshard.

“Despite all the work that had been done at Mangahawea Bay before 2016, there had never been any iwi involvement, let alone any maintenance of the site’s mauri,” says Andrew.

“So it felt very different working under Matu’s guidance. It felt right. I personally felt more comfortable. And I think we all felt much safer, culturally. I know I’m not alone when I say Mangahawea Bay feels like a very spiritual place. It’s very much a living site, connected to a living culture.”

Every morning and every night of the excavations, karakia were led by Matu, who stayed on the island for the entire three two-week digs to uphold the tikanga of the site.

“Honestly, I do think things went smoothly because of Matu and because we took the time to pay our respects,” says Andrew. So, has his experience at Mangahawea Bay changed his practice as an archaeologist? “Absolutely, yes. Working with iwi and hapū in this way is just how we do things now in Northland.”
The Mangahawea Bay Partnership Project is a joint initiative between Northland hapū Ngāti Kuta and Patukeha, Department of Conservation, University of Otago, and Heritage New Zealand Pouhere Taonga.

Set up in 2016, the project aims to understand the early settlement of Mangahawea Bay in the Bay of Islands by combining archaeological evidence and traditional Māori knowledge.

To date, three excavations have been carried out at Mangahawea Bay, building on an unpublished excavation in 1981 and a number of informal archaeological surveys of Moturua Island.

At the same time, hapū oral histories, genealogy stories, proverbs, and place names are being collected and published online and are being used as education resources and at wānanga.
“Good public servants are bilingual,” says Karen Thomas, the chief executive of the Society of Local Government Managers (SOLGM). “And by that I mean that they understand Wellington, but they also understand New Zealand.” I’m talking to her about cross-organisational collaboration, something Thomas, as the head of an organisation purpose-built to work with other organisations, deals with every day. There are a hundred different ways joined-up collaborative thinking can succeed or fail, but they all turn on the single issue of good communication.

The Wellington focus

Kirk Hope, chief executive of BusinessNZ, makes a similar observation. As the chief of an advocacy organisation designed to represent the interests of thousands of diverse businesses across the country, he spends a great deal of time travelling the regions and listening to his members – something he encourages policy professionals to do as well. “It’s very difficult for someone who’s sitting in Wellington to really understand, other than at an abstract level, what’s going on in a small isolated local community in Northland, unless they’ve actually been there. Maybe people are worried about the cost of travel or the emissions or whatever, but they tend not to move out of the space that they’re in, and that does tend to be Wellington, which does tend to produce a Wellington-centric perspective.” It’s not so much at an operational level, he adds, because the public sector has operations right throughout the country. “People on the ground will know the facts on the ground, but at a policy level, there’s often clogs in the arteries. Which I think is problematic, but not terminal. It can be fixed.”

Thomas notes that this situation is an artefact of a single piece of legislation. “When the current State Sector Act came in – which is about to dry up and blow away – the State Services Commissioner (SSC) stopped being the employer of all public servants. The employment of those public servants went to the chief executives of the various departments.” Thomas was a public servant for 21 years, and for eight of those years, her job was to represent the SSC out in the regions, “finding out what was going on”. It was a key part of her education, she says. “If you wanted to rise up in the public service in those days, you never started in Wellington and stayed in Wellington. You got promotions all around the country, and you understood how New Zealand works. But since the late ’80s, we’ve progressively moved towards a situation where you can start in Wellington and stay there, and you never really learn what the rest of New Zealand is like. That’s not been a good thing for us.”

Getting away from the capital

Hope’s solution is very simple: find ways to encourage Wellington policy people to get out of the capital. “Through our shareholder organisations, we try to ensure that advisers and analysts and senior government officials are getting around to see and hear from our members in provincial New Zealand, places like Invercargill and so forth. We have an active programme of getting them in front of groups of our members who have specific interests and queries.” He finds this preferable to attempting to act as a translator, speaking to people in Wellington on his members’ behalf and then explaining the response. “Our people want to hear it from the horse’s mouth, not from an intermediary. And it’s better that way because it gets Wellington people out where they can see the situations their policies are going to impact. Good communication is a high-contact sport. So we do that as a programme of work, and across our network, that would add up to more than 100 engagements a year.”

Kirk Hope

Communication between urban and rural groups is baked into SOLGM’s DNA: the organisation was formed in 1988 as an amalgam of the Institute...
of Town Clerks and the Institute of County Clerks. “We are the apolitical wing of the local government sector, we’re very much a by-the-managers, for-the-managers organisation. We provide submissions to government departments and select committees on various policy and legislation that’s been proposed, but always from a technical and apolitical perspective.” The political advocates for the local government sector are Local Government New Zealand (LGNZ), who were also set up in 1988 via an urban–rural merger. “They’re the ones who rightly debate the merits of policy or bills that are being proposed. That’s not to say that SOLGM isn’t in there, but the perspective we’ll bring is a technical one, so we’ll ask if what you’re proposing is actually doable in practice. Whereas there’ll be more of a political vein to it when LGNZ submit. But our objectives are the same, and that is to see a well-resourced, highly trained, competent sector delivering to communities up and down New Zealand.”

**GOOD COMMUNICATION IS A HIGH-CONTACT SPORT.**

The disagreement was structural and therefore ineradicable: a rare case of the two sibling organisations having fundamentally opposed interests. So it was important, Thomas stresses, to have clear communication around it, in order that a good collaborative relationship not be damaged. “We agreed to disagree, and we each presented our views in select committee. We always do make separate representation mind you, but very often, we front up beforehand and say there’s been a lot of collaborative discussion; and very often we’re saying the same thing, though in slightly different language.”

**OUR PEOPLE WANT TO HEAR IT FROM THE HORSE’S MOUTH, NOT FROM AN INTERMEDIARY.**

When conflict comes

There has only been one time since the two organisations were set up when they have taken conflicting positions on a policy question, and that was over the issue of chief executive liability. “The elected body politic are the employers of the chief executives, so employers will have a particular view. Our members include the chief executives, and while we’re not a union in any way, we’ll always have views around how employers should be experiencing their employment.” When the Health and Safety at Work Bill was being developed, one question that arose was who ought to be liable for poor health-and-safety practice in an organisation. “Now in almost all organisations in the country, the board as well as the chief executive can be held personally liable. In the case of councils, it’s the chief executive only. Elected members have responsibility, but unlike their counterparts on other governance boards, what they don’t have is the threat of imprisonment. LGNZ felt that it’s hard enough to get people to run for council without that hanging over them. We felt that left the chief executive in an unfair position.”

**SO PART OF WORKING WELL WITH PEOPLE IS RECOGNITION THAT SOMETIMES THERE’S COMPROMISE INVOLVED.**

Business and unions coming together

An inverse situation occurred – from two organisations who tend to agree to disagree – when BusinessNZ and the Council of Trade Unions (CTU) worked together on the Holidays Act. “I think there was recognition from both parties that the act was extremely challenging to comply with,” says Hope. “Our business members had been saying this is a disaster for a couple of years. There simply had to be a better way to ensure that employers knew what their obligations were to employees and were paying them properly. And because we were asking for a simpler mechanism, employees were going to get a much greater understanding of what they were owed, and therefore, they could simply say to their employer, hey, I’m owed this. So there was a mutual recognition that we could make this work better for everyone.” The parties jointly put this argument to the minister. “We said it would make sense to review the act and see if we can’t get to a better solution. The minister was particularly struck by the fact that we were doing this in conjunction with the CTU, and a review has since been completed, and it’s now with the minister for a future policy decision.”

**Starting with individuals**

In dealing with government agencies generally, Hope stresses the importance of individual relationships. “We work hard on maintaining those. Even if there isn’t an immediate issue we need to get in touch over, it’s hey, you want to have a catch up for a coffee? – the stuff that keeps Wellington running. And it’s not just me, it’s my entire team doing it throughout those agencies, from CEO right through management to even sometimes relatively new staff. People who have responsibility for putting pen to paper on matters that business cares about. There’s a component to this that would be easy to miss, and that is understanding that there is a political overlay, and often departments are caught in the middle, between business wanting one thing and politicians wanting something else. So part of working well with people is recognition that sometimes there’s compromise involved, and sometimes it might be significant compromise.”

Karen Thomas

Thomas makes a similar point. “There’s any number of positions on the policy continuum, and one of the skill sets that councils really need is to know how to work with your entire community. To make sure that you land in a place where everyone’s going to be able to thrive, and that you don’t just orient your policies, the services you provide, to one group rather than another. So that’s a continuing theme of the work that we do.”
Shipping safety, oil spills, and sand-blown lighthouses; when it comes to maritime safety, human and environmental, nationally and globally, two little-known roles within Maritime NZ are key. KATHY OMBLER finds out a bit more about them.

Lighting the lights

In a sense, Jim Foye is a lighthouse keeper, without the romance of actually living on a lighthouse. But he does get to visit them, and he says that’s a highlight of his work.

Automation has long removed the role of the lighthouse keeper. But the lights, and the structures that house them, remain vital to the safety of coastal shipping, and they need ongoing care.

Maintenance of the lights – checking their solar power systems and batteries and painting and upgrading the structures themselves – is overseen by Maritime NZ. This is where Foye, Maritime NZ Leader Aids to Navigation and Maritime Communications, steps in. It’s his job to keep all the lights, along with buoys, beacons, and channel markers, in working order.

In all, there are 148 aids to navigation maintained by Maritime NZ; 98 are lights, and of these, 23 are classic lighthouses, those big old traditional structures we all recognise. The rest are more modern edifices, built since the 1950s and made of aluminium and fibreglass.

Nevertheless, technology has moved on, no matter the structure. Cape Palliser, lit for the first time in 1897, is still on mains power with a backup generator; however, most lights have been converted to modern beacons with a solar and battery combination. New technologies are progressively being introduced, for example, LED lights, which are more efficient and allow smaller batteries.

Foye is also responsible for our Global Maritime Distress and Safety System. This encompasses a VHF site, which covers a range of up to 50 nautical miles, and MF/HF and satellite services, covering 50 million square kilometres, extending from the Equator to the Antarctic.

Foye thinks people probably don’t realise the extent of the infrastructure that is provided by Maritime NZ. “The fact is a person can make a mayday call at any time and there will be someone on the other end of the line.”

So how do you get a job like this? Foye has a background in engineering and worked in a variety of roles in the former DSIR, then internationally. More recently, he worked specifically with lighthouses, manufacturing lighthouse equipment, and this led to his current role.

He’s been in the job for 19 years but says a lot has changed in that time, for example, he began just looking after lighthouses but this has expanded to include other aids to navigation and radio sites.

He says job satisfaction is huge – brought about by the diversity of work and the opportunity to visit sites in remote and beautiful parts of New Zealand. “Some of the lighthouse structures and the sites they are on are pretty spectacular. I do feel quite blessed.”

Meanwhile, the romance of the lighthouse keeper remains. As a profession, the lighthouse-keeper era ended in New Zealand in 1990, when the Brothers Light in Cook Strait became the last in New Zealand to be fully automated. No longer were there communities of keepers and their families living in splendid isolation on islands or remote rocky promontories around our coast.
“We were among the first in the world to go to full automation,” says Jim Foye. “However, there remains a strong connection to a profession that’s gone by the wayside, and we still get enquiries from people wanting to know where their grandfather or great-grandfather was a lighthouse keeper.”

Jim Foye inspecting the Cape Palliser lighthouse

“Mick Courtnell. A passion for safeguarding the marine environment and minimising oil spill damage is what drives him. That and the high-energy action that comes with the job. As Maritime NZ’s deputy manager (Exercises) Marine Pollution Response Services (MPRS), Courtnell heads up New Zealand’s oil-spill response team. It’s a job that can be highly unpredictable, flicking instantly from running a routine training workshop to full-oil-spill response team. It’s a job that can be highly unpredictable, and it’s not restricted to New Zealand waters – hence the passport readiness.

“We have strong international connections, and our staff have worked on oil-spill responses throughout the world. These have included the 2010 Deepwater Horizon oil spill in the Gulf of Mexico, the 2009 spill from the Montara well head in the Timor Sea, and the Pacific Adventurer oil spill in Queensland in 2009. More recently, we helped after the 2017 sinking of the Southern Phoenix in Suva Harbour, and in 2019, we worked with an Australian team to protect World Heritage coral reefs from an oil spill after the Solomon Trader ran aground in the Solomon Islands.”

Mick Courtnell

Leadership work in the Pacific has included helping Fiji establish a marine response strategy, he adds.

Maritime NZ has close relations with similar organisations in Australia and further afield, explains Courtnell.

“We welcome opportunities for them to be part of it. Once the locals are on-board, you have half the battle won, and the opportunity for them to be part of it. Once the locals are on-board, you have half the battle won, and the community takes ownership.”

So when the whistle goes, what happens?

“We'll immediately get around the whiteboard and deploy assets – people and equipment. Usually the first people on the ground gather the intelligence of what’s going on, for example, if a ship hits a reef, there will be oil on the water and we'll need to organise the equipment to deal with that, then there are the cascade effects where invariably there will be an onshore clean-up. So we organise a plan; draw responses from regional council, local industry, and the private sector; establish an on-site base; and it's all go. It's very dynamic, and each incident can be very unpredictable.

“I think, for me, it's that dynamic, high-energy response when an incident first kicks off that is a highlight of this work. You need to be methodical, have good personal organisation, prioritise, and get traction early on.”

Courtnell came to New Zealand after a career with the UK military. He ran a diver-charter business then became involved in harbourmaster work in Auckland, which included liaison with the MPRS in managing some 200 marine oil spills and maritime incidents over 10 years. A head start, if you like, to his current role, which he took up six years ago.

He says there’s no specific qualification for his job. “Technically a maritime background certainly helps, plus knowledge of the oil industry and oil-spill equipment. Personal qualities are leadership, being a team player, situational awareness, and a massive sense of humour.”

He’s part of a fantastic team, he adds. “We don’t work in a silo environment but in one with cross-pollination and mutual support. We are 10 very individual people, and we all fit in as required.

“We do what we do because we have a passion for the environment. And as gas and oil decreases, there could be new technologies – biofuels, automated ships – so we just have to keep up with research and new developments.”

Dealing with the public is an increasingly important facet of the work, says Courtnell. “The Rena oil spill offshore from Tauranga in 2011, gave us a good learning experience.”

“We have changed significantly how we deploy. These days, stories get out to the public very quickly, so we monitor social media to see what is being said, and we engage with the locals. We provide an environment for them to know what we are doing and an opportunity for them to be part of it. Once the locals are on-board, you have half the battle won, and the Rena was a good example of that.”

While Maritime NZ oversaw the massive oil-spill response required from the Rena grounding, the incident was notable for the huge, co-ordinated army of volunteers that sprang into action to clean the beaches.

Courtnell expresses satisfaction with the Rena outcome. “In the Bay of Plenty now, there is very little trace of any oil, and the water is pristine and clear. We cleaned the beaches very thoroughly and, because we couldn’t be too invasive around the rocky areas, around the Mount, for example, we used a variety of technology.”

In between the incident responses, he says the job is all about planning, logistics, training, and equipment.

“Our role is leadership of the National Response Team, which numbers about 120 trained responders, plus some 400 regional responders who are based mainly with regional councils. We also liaise closely with the oil companies and have an oversight with the offshore oil installations.

“Our work includes planning for oil responses of any size and location, running training exercises and workshops, ensuring skills are kept up to operate the equipment, and organising the logistics required.”

When an incident occurs, the response must be instant so we have to be ready to go at all times, he adds. “We’re a bit like the fire service.”

Spilling the oil on oil spills

Living with a bag packed and passport ready is par for the course for Courtnell. A passion for safeguarding the marine environment and minimising oil spill damage is what drives him. That and the high-energy action that comes with the job.

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Mick Courtnell

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“New Zealand meets international best practice, and we can dovetail into any international operation. We also have a good reputation, and it’s a privilege to be asked by international response teams to help. Also, we always learn from these incidents. In turn, we invite international teams to help us when we need it.”

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When an incident occurs, the response must be instant so we have to be ready to go at all times, he adds. “We’re a bit like the fire service.”

So when the whistle does go, what happens?

“We’ll immediately get around the whiteboard and deploy assets – people and equipment. Usually the first people on the ground gather the intelligence of what’s going on, for example, if a ship hits a reef, there will be oil on the water and we’ll need to organise the equipment to deal with that, then there are the cascade effects where invariably there will be an onshore clean-up. So we organise a plan; draw responses from regional council, local industry, and the private sector; establish an on-site base; and it’s all go. It’s very dynamic, and each incident can be very unpredictable.

“I think, for me, it’s that dynamic, high-energy response when an incident first kicks off that is a highlight of this work. You need to be methodical, have good personal organisation, prioritise, and get traction early on.”

Courtnell came to New Zealand after a career with the UK military. He ran a diver-charter business then became involved in harbourmaster work in Auckland, which included liaison with the MPRS in managing some 200 marine oil spills and maritime incidents over 10 years. A head start, if you like, to his current role, which he took up six years ago.

He says there’s no specific qualification for his job. “Technically a maritime background certainly helps, plus knowledge of the oil industry and oil-spill equipment. Personal qualities are leadership, being a team player, situational awareness, and a massive sense of humour.”

He’s part of a fantastic team, he adds. “We don’t work in a silo environment but in one with cross-pollination and mutual support. We are 10 very individual people, and we all fit in as required.

“We do what we do because we have a passion for the environment. And as gas and oil decreases, there could be new technologies – biofuels, automated ships – so we just have to keep up with research and new developments.”

Dealing with the public is an increasingly important facet of the work, says Courtnell. “The Rena oil spill offshore from Tauranga in 2011, gave us a good learning experience.”

“We have changed significantly how we deploy. These days, stories get out to the public very quickly, so we monitor social media to see what is being said, and we engage with the locals. We provide an environment for them to know what we are doing and an opportunity for them to be part of it. Once the locals are on-board, you have half the battle won, and the Rena was a good example of that.”

While Maritime NZ oversaw the massive oil-spill response required from the Rena grounding, the incident was notable for the huge, co-ordinated army of volunteers that sprang into action to clean the beaches.

Courtnell expresses satisfaction with the Rena outcome. “In the Bay of Plenty now, there is very little trace of any oil, and the water is pristine and clear. We cleaned the beaches very thoroughly and, because we couldn’t be too invasive around the rocky areas, around the Mount, for example, we used a variety of technology.”
Last year, Rotterdam was a runner-up for the prestigious title European Capital of Innovation. The European Commission noted in announcing the award that Rotterdam has a range of “initiatives to improve the city’s sustainability and new economies, including regenerating disadvantaged areas in the city; supporting start-ups and creative industries and aiming to make its port the most sustainable in the world.”

In the public sphere, these initiatives include developing a smart grid to make the city more resilient and climate neutral. The smart grid is being developed under the auspices of RUGGEDISED – a European Union Horizon 2020 programme. Rotterdam was selected along with five other cities (Glasgow, Umeå, Brno, Gdansk, and Parma) to develop and implement the smart-city concept, which will serve as a blueprint for the rest of Europe. RUGGEDISED isn’t about tinkering around the edges – it’s a massive shift in how a city operates. For Rotterdam, this includes 13 smart solutions ranging from a thermal grid connecting large buildings in the centre of Rotterdam to gathering thermal energy from waste streams and collecting pavement and surface water. Another of Rotterdam’s smart solutions is to develop a 3-D city operations model that will show energy use and production in real time. While none of the smart solutions are new, the sheer scale of the project and the number of sources feeding into the same grid means Rotterdam is pushing boundaries.

In the private sphere, the initiatives include nurturing innovations like BlueCity, which is based in a former water park and is now home to 30 circular businesses. Two of the initial entrepreneurs behind BlueCity – Siemen Cox and Mark Slegers – see “collaboration as the new competition.” They started with the idea of growing mushrooms using coffee grinds from local cafes and restaurants – and the former water park seemed like it could easily be converted to an urban greenhouse for the venture. In 2015, the ifund Foundation purchased the building, which allowed BlueCity to truly become a centre for circular businesses. BlueCity continues to grow, and this year, it’s opening labs for investigating possible commercial uses for fungi, bacteria, and biochemicals. In the meantime, the mushroom-growing venture has been so successful that operations have moved to six shipping containers located close to the coffee “waste” around the city.

When talking with Professor Derk Loorbach, Director at Erasmus University’s Dutch Research Institute For Transitions (DRIFT), what’s happening in Rotterdam can’t be explained in terms of public sector and private sector collaboration. Instead, to understand what’s happening requires a completely different way of viewing society.

As he says, “Society is messy and complex. In Rotterdam, over the past 20 years, people started all sorts of experiments with alternative and sustainable ways to develop the city. At DRIFT, we have engaged with a lot of these through transition management to help develop and empower them so that they can interact at the same level as markets and policy.”

In the DNA

Transformation is a strong theme in Rotterdam’s origin story. As Loorbach says, “experimentation is in the DNA of the city”. Most of the city is below sea level and features an intricate canal system. Founded in the thirteenth century, it has always looked to the sea for its livelihood, first as a fishing village and then as a major port. Until 2004, Rotterdam was the busiest seaport in the world (it’s now ranked twelfth). Like many port cities, Rotterdam has been a nexus for immigration and emigration. In this city of 645,000 people, there are over 180 nationalities and about half of all residents have non-Dutch origins.

No story about Rotterdam is complete without mentioning the early days of the Second World War, when Rotterdam was bombed by the Luftwaffe and its central city was destroyed. Instead of rebuilding what was there, the city planners built a modern city with glass high-rises, wide plazas, and infrastructure to support cars as the main mode of transportation.

But by the 1990s, urban planners were starting to rethink Rotterdam and looking at ways to connect the city. In recent years, there has been a groundswell of social entrepreneurs, community
activists, and creative people who want to do things differently. For example, as warehouses and docklands become surplus to the port’s requirements, they have been repurposed as spaces for start-ups and new sustainable industries. In many cases, this activity is supported by the city through policies and funding. In addition, in everything from waste management to transportation, the city is working to be more sustainable and inclusive.

Loorbach is extremely positive about the drive for sustainable transformations but says that there are still great challenges for the city. “In a way, the bombing wiped out a link to our past – the flip side to innovation is that it’s quite easy to demolish and tear down what already exists – change for the sake of change. Plus, there are people in the city who are still unable to participate or are not aligned in creating Rotterdam’s future.”

In a city full of contradictions and significant challenges, transition management has been a way to create positive and lasting change across sectors. Loorbach says that transition management is like acupuncture. “It creates small-scale ripples if your timing is right, and you can engage with the right people to gain momentum.”

**Mobility in Rotterdam – transition management in action**

Loorbach says that until about 2010, the discussion on transport was based on the premise that transport should be an individual choice – and that there should be no effort to influence that choice. Like many other cities, this meant that the car was king, and planning decisions reflected that. As he and post-doctoral researcher Shivant Jhagroe write in *The Politics of Urban Sustainability Transitions* (2018), “Rotterdam’s modernistic transport planning was based on growth, optimisation, safety, improved flow for motorised traffic, and the use of traffic models.”

**In everything from waste management to transportation, the city is working to be more sustainable and inclusive.**

Loorbach says that situation finally started to change when there were negative health issues associated with fossil-fuel-based transport and a growing imperative to put in place climate-neutral policies.

In 2015, city staff approached Loorbach and the team at DRIFT to discuss the possibilities of using a participatory process (transition arena) for transport mobility. DRIFT agreed and set about working with the city to map out a pathway to change. The first step was to identify and interview people from diverse backgrounds who were entrepreneurial and were already making changes. These were called “mobility arena sessions”.

“For example, one person interviewed had been instrumental in developing a scheme to fix up used bicycles and offer them to new immigrants and refugees to address mobility inequality. Others were working with schools, and others were involved in renting bicycles, electric mobility, or sustainable mobility,” he says.

**Transition management has been a way to create positive and lasting change across sectors.**

Through the process, the car-centric approach that had for so long dictated the conversation started to be replaced with a discussion focused on mobility poverty and ways to support sustainable transportation options like biking, walking, public transport, or electric and shared mobility.

“During the sessions, policy makers reflected on how, in spite of very long-term planning, mobility decisions are often a reactive response,” Loorbach says. This is the well-known art of policy making by squeaky wheel, where complaints about limited parking spaces would lead to more parking spaces, even if that impacted on other forms of mobility.

Once a vision was articulated, a broader engagement took place to look at “transition pathways” that included new and clean modes of transport, sharing, and encouraging connections. “Based on that engagement, we developed a series of transition experiments for cycling, electric mobility, car sharing, clean transport over water, and living streets. There were also initiatives to develop new socio-economic conditions so people could engage with mobility in different ways,” he says.

Two years after the mobility arena sessions took place, the new narrative about inclusive and sustainable mobility had spread and the city saw a sharp rise in cycling and the use of public transport, while car use remained stable or even declined very slightly. As Loorbach and Jhagroe write, “The narrative stimulated ideas for phasing out car parking in public spaces, pushing automobility outside the city centre, and introducing emission zones. It has also directly reshaped the nature of policy making.”

**The car-centric approach that had for so long dictated conversations started to be replaced.**

**Learning as the new narrative**

This spring, Rotterdam’s Park of Tomorrow is expected to have a “fairy trail” powered by electricity-producing plants that respond to people. Created with input and guidance from the local community, City Councillor Bert Wijbenga had this to say when announcing the project last November: “Investing in innovation is important. Whether plants are really a feasible option as a future power source is yet to be determined, but with this project, we are getting a head start. The light might not work all the time … Nature won’t be rushed; if the bacteria are not growing fast enough or the weather is bad, the lights might not work. Monitoring this is part of the experience.”

In Rotterdam’s new narratives, there don’t appear to be any fairy godmothers, enchanted mice, or pumpkin carriages, but there’s bicycles, great coffee (mushrooms and more), a community that’s receptive to creative thinking, and plants that twinkle as you walk by. Welcome to the ball.
The best and brightest

DEVANGA WANIGASINGHE, of the Department of Internal Affairs, has some clear views on the limits of merit.

One of the most enduring illusions in our world is a belief that we live in a meritocracy. Typically, merit is viewed as a fair and factual way to recognise our best and brightest people. But who and what defines merit? Recognising the subjectivity of merit is necessary to understand how it encourages inequality and impedes the growth of a diverse public sector that represents and delivers for all New Zealanders.

Leaders often say that their organisation is committed to diversity, yet hiring decisions consider the assessment of a candidate’s merit, not diversity. Merit assessment is often regarded as an impartial and just process although research shows that it is very vulnerable to subjectivity and bias, such as affinity bias, where we favour people who are like ourselves. This can lead to homogenous teams and confirmation bias, where we try to confirm our existing judgments, beliefs, and preferences while overlooking contradicting information. Merit is in the eye of the beholder, and what comprises merit for some can be detrimental or invisible to others. These biases can easily infect an assessment of merit and be vindicated through the seemingly impartial focus on a candidate’s “relevant” skills, experience, and past performance.

Judging a candidate’s merit from their skills, experience, and past performance may seem reasonable, but this focus can exclude already under-represented groups. Merit assessment incorrectly assumes that all people have the same opportunities to succeed, develop, and demonstrate experience. Merit disregards structural barriers and, in fact, enforces them through its vulnerability to affinity and confirmation bias. On the surface, merit is a well-intentioned foundation to our public sector, but how it is defined and enforced does not account for diversity and preserves inequality, thereby restricting the growth of a far more representative public sector.

A more diverse and representative workforce is crucial to the design and delivery of empathetic public services. Finding this empathy often focuses on people-centred design and user-experience approaches to our work. These approaches are a step in the right direction and can help us to stay focused on the needs, stories, and lives of the people we serve. However, these approaches alone will never be able to carry the responsibility of delivering better public services. They are just tools that need to be in the hands of a truly diverse workforce that can meaningfully connect with and represent the many communities in our country. To create the space to grow and nurture this diverse workforce, we need to question and redefine our understandings of merit.

A diverse workforce stems from diverse views of merit, not a one-size approach. If we are serious about delivering for all New Zealanders, we need to walk the walk and ensure our public sector represents them.

Let’s have a meeting

PATRIK HALL, of the University of Malmö in Sweden, has found out some surprising things about the purpose of meetings.

Most people claim they hate meetings, and yet, we have more meetings than ever. Why is that?

Many people spend more than half their working hours in meetings. This is especially true for managers. Generally, the more meetings you attend, the more important you are in an organisation.
organisations. In the public service, organisations have to co-ordinate, collaborate, and prove that they are fulfilling political goals – which all results in a lot of meetings.

But meetings have another function. They bring an organisation together and remind employees of the organisation, department, or unit they belong to. The purpose is connection and identity, rather than decision making.

In research I’ve been involved with in Sweden (in organisations such as local government, universities, and the border police), my colleagues and I have found that meetings have a bad reputation, but on a personal level, people often like meetings more than they claim publicly. Meetings are arenas for “organisational drama”, for showing off status and competence, and even more crucially, for social cohesion. Much of modern work is lonely. Meetings reinforce work as a collective endeavour and give workers a sense of direction.

Organisations often try to dissociate meetings from their dull and bureaucratic associations. The Swedish border police, for instance, called their meetings “power weeks”. Still, our research showed that these, as well as other meeting experiments, were still meetings.

Modern meetings also show that work life has become at least partially democratised in recent decades. The pointless meetings of The People’s Front of Judea in Monty Python’s Life of Brian is a satire of the many leftist groups of the 1970s, but the last decade has seen workers in different sectors demand more influence – and more meetings. When employees feel they cannot have an influence, they become bored and unhappy. Modern meetings often represent a tension between authoritarian and democratic rule. Meetings reinforce both hierarchy and collective participation; this tension endures because modern organisations need both.

However, unclear hierarchies result in even more meetings. In collaborative and project work, authority is often uncertain. As in international diplomacy, this leads to complex bargaining and negotiation over organisational borders, and so, to more meetings. Moreover, the group of organisational professionals – managers, communicators, HR specialists, strategists, controllers – is expanding. In contrast to occupational professions, these professionals see the organisation itself as their primary work arena. Our studies show that this expansion will lead to more meetings about how the organisation ought to be designed, managed, and accounted for.

For many reasons, meetings are necessary to organisations, but there are ways to manage them. They do not need to be so frequent, so long, or so ineffective. Meetings can be scheduled for shorter times and have basic ground rules, such as no laptops and mobile phones. Organisations should avoid projects and collaborations with unclear boundaries. They should also be careful about introducing too many new organisational positions.
The world is changing, and boards of directors have a whole set of new challenges. KIRSTEN ROSE spoke with Kirsten Patterson of the Institute of Directors about this new era and the unique place of public sector boards.

It’s the day of the board meeting, and seven directors from around New Zealand have convened. There’s a catch, though, as none of the directors is physically present. Rather, they are positioned around the country, some even stationed in management offices. This is a virtual board meeting with directors joining the meeting electronically having already read over an interactive board pack sent to their devices. The directors engage in a robust online discussion about the organisation’s future and how they can safeguard it against a range of issues from health and safety concerns, upcoming compliance changes, and profit margins.

This is an example of how boards are evolving.

“Despite significant change in the operating environment, boards have been functioning in much the same way for decades,” says Kirsten Patterson, CEO of the Institute of Directors (IoD), New Zealand’s professional body for directors.

Kirsten Patterson

“Today’s boards have to consider a staggering array of issues and risks, such as business disruption, new technologies, cyber risk, and climate change. They also need to be responsive to escalating stakeholder demands and expectations. This is at a time of heightened director accountability and increasing personal liability.

“Given this context, boards’ traditional ways of working need to be challenged if directors want to continue to add value and fulfil their governance responsibilities,” says Patterson.

Becoming a director

The professionalisation of directorships has shifted according to Patterson.

“The days of someone retiring into a board role as a part-time job have moved on. Boards don’t have room for passengers any more. If nothing else, the responsibilities and liabilities associated with being a director is significant now, and it’s not something you’d take on lightly without understanding it fully,” she says.

TODAY’S BOARDS HAVE TO CONSIDER A STAGGERING ARRAY OF ISSUES AND RISKS.

“What you’re really looking for from a great director is someone who’s a great curator, who’s able to pull together different trends or strands and bring the benefit of that across industries or across experience to their particular operation.”

Top five issues

Given this changing world, the IoD has identified key areas of focus for New Zealand directors. This is on top of the foundation stones such as good health and safety practice, ethical conduct, and solvency. These are the top five issues it believes boards need to put at the front of their minds in 2020:

- Climate action
- Governing for purpose
- Data and privacy
- Reputation and trust
- Board leadership

Walk the talk with climate action

Climate change has been on the IoD’s list for three of the past five years, but this year, Patterson says they have “quite deliberately moved the wording from ‘climate change’ to ‘climate action’”.

“We’ve had enough conversations about the science and some of the causes and the impacts on organisations from a risk perspective. Most boards have a level of awareness, but we’re still not getting the levels of reporting that we need in this area. According to our latest Director Sentiment Survey, only 35 percent of directors said their boards were engaged and proactive on climate change. This is something that boards really need to focus on, and they need to shift to action,” she says.

“If a board is serious about these issues, it will be reflected in the people that they recruit at management level, in the performance expectations that they set for management, and in the issues that they prioritise in terms of their investment spending. We’d expect that boards would receive reporting on these issues because that shows they are engaged and they’re seeking to hold management to account.”

Measuring success (or otherwise) is a challenge for boards of all sizes. Patterson says while larger organisations and state-owned enterprises may have prescriptive reporting requirements, 80 to 90 percent of New Zealand’s businesses are smaller enterprises that have reporting requirements but struggle to meet them.

BOARDS DON’T HAVE ROOM FOR PASSENGERS ANY MORE.

“The number of reporting frameworks that currently exists can be really complex and confusing for directors. With integrated reporting, we’re seeing some great examples from larger organisations such as New Zealand Post or Sanford, who are early adopters and are showing the way in terms of
Korda Research found more than a third of New Zealand businesses have been subject to a cyber-attack in the past 12 months, yet according to the IoD’s Director Sentiment Survey, just 41 percent of boards receive comprehensive reporting from management about data risks and incidents, and only 33 percent of directors felt their boards had the right capability to direct their organisations in digital matters.

“We need to raise the capability of all directors. Just as all directors are responsible for finance, they should all be responsible for cyber. We can’t defer to the one IT specialist on the board. Directors do not need to be digital experts, but digital literacy is essential, including being able to ask the right questions and hold management to account,” says Patterson.

“There are currently not enough full-time director roles filling this void. We need directors who have got good systems thinking and who are connected to trends in different areas, such as digital technology, climate action, cyber and security, in the same way that we need boards who are focused on investment or customer experience or product development. Boards need a combined skill set to help an organisation reach its potential.”

**Reputation and trust**

In an era of social media, “fake news”, and misinformation, boards have the unenviable task of ensuring their organisation maintains a positive reputation with transparency and accountability.

For the public sector, in particular, boards are facing significant challenges in 2020 with coronavirus, election year politics, omnipresent digital risks, and environmental, social, and governance issues.

“Some risks to reputation and trust can be mitigated proactively, but there will be times when unexpected incidents occur. Boards are responsible for crisis management and related reputation aspects.

“If the first time a board thinks about these issues is at a time when a crisis hits, then the organisation is not going to be prepared and its people are not going to get the leadership they need. Being prepared is critical. Crisis preparedness is something for the 2020 board plan, if it’s not already on it,” says Patterson.

**Making a difference through leadership**

The fifth issue that should be in the minds of directors, according to the IoD, is board leadership and the need for continual improvement and professional development.

“Being a director and being on a board is an unusual leadership role in that you don’t really exist as an individual directing a company. The board is a collective unit, and it’s that collective that has a voice and delegation to act. The board has to be aware of what’s happening at every layer of the organisation, which requires directors to be engaging in professional development and to be continually learning because the organisations that they’re leading are changing so quickly and are continually developing and evolving,” says Patterson.

“It’s a challenging leadership role, and the time commitment is significant. Governance is certainly getting more visible, and as a community, there’s a trend for people to want to make a difference. Serving on a board provides a way for people to make an impact socially, economically, and environmentally. It’s a privilege really in terms of the impact that directors can have. We have directors who are very generous with their time, giving back through mentoring, through our Future Directors programme, through observer programmes, and by sharing best practice. I think that’s one of the strengths of the New Zealand director community – there’s a real desire to help improve the quality of governance and to support others into it.”

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**THE EXPECTATION FROM STAKEHOLDERS (INCLUDING CONSUMERS AND EMPLOYEES) IS THAT BOARDS TAKE A MORE HOLISTIC APPROACH.**

You can read the Institute of Directors’ Top Five Issues for Directors in 2020 at https://bit.ly/3bUGWNJ

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**About the Institute of Directors**

The Institute of Directors is the professional body for the director community. Its members come from a range of boards – from NZX-listed companies and corporate boards through to public sector and advisory boards and those governing not-for-profit organisations, including school boards of trustees. The institute’s goal is to raise governance standards and equip directors with the skills, tools, and resources they need to positively transform their organisations, their communities, and Aotearoa.
Definitions and misconceptions

“At its heart, it’s about making use of investment principles and practices to help get better social outcomes. It’s about treating interventions as investments, so we think very deliberately about what long-term value they can create – and what investment choices are best to make,” Peter Alsop explains.

“In the social sector, the word ‘investment’ can sometimes be uncomfortable, as for some it conveys a narrow sense of dollars – whereas what we’re really focused on is ‘value’, which is the social outcomes we want to achieve. Like most labels, it’s important to be clear on what we really mean,” Alsop adds.

“Even in the commercial sector, investment is not just about financial returns. Companies are also concerned about a wide range of factors that influence long-term value, such as staff engagement, environmental footprints, and their reputations for the choices they make and the way they go about their work.

“For me, within government, this is about trying to do the right thing for New Zealand’s social outcomes and trying to be much more disciplined and purposeful about achieving those outcomes. To get the best possible social outcomes, we have to make the best possible choices. That is something I think we can all get behind.”

Kirsten Jensen, Principal Advisor at Treasury, agrees: “The criticism of investment methodologies is that they’re often seen as being very fiscally focused. There’s more to it than that: it’s about thinking longer term about the value of our decisions and the impacts they have for different people.

“As a paradigm shift, there are three main dimensions that concepts of social investing bring: thinking about the longer term, focusing on the actual impacts the initiative is having, and thinking across agencies and across silos.

“It still builds on the old ‘input-output-outcome’ framework, but it expands where the focus is. We still want to make sure we’re purchasing the right services, but we also want to know they’re actually achieving the intended outcomes. You’re focusing on the effectiveness of spending, not just the efficiency of spending,” Jensen adds.

Measuring social value

Treasury’s Living Standards Framework requires decision makers to consider multi-dimensional impacts and longer term sustainability by taking four “capitals” into account:

- Natural capital (resources from our natural environment)
- Human capital (skills, knowledge, health)
- Social capital (social connections, cultural identity)
- Financial/physical capital (physical assets and resources).

The need to take a much wider lens on what we mean by “value” and the wisdom of adopting a broad, long-term investment lens are not in dispute. The challenge is in the metrics.

For Peter Alsop, a clear understanding of value is a key element: “Value is appropriately a very broad concept as a lot of factors matter when it comes to choosing what social support options are available, and for who and how they’re best delivered. This means judgments are required, drawing on assessment work and considering all forms of input and evidence,” Alsop explains.

“What’s really important is comparing options to understand their relative value. How much better is something than the support options already available? Of the options we now have, which offer the best value, so we can make the best choices? It is always possible to get better at making these comparisons and choices – and getting better means better social outcomes, which is what the social sector is all about,” he adds.

However, as Jensen explains, this is where the real challenge lies. “It’s a lot easier to be concrete around responsibilities and accountabilities at a service level. It’s much harder when it comes to the outcomes and the results – it’s more complex.

“You can hold somebody accountable for how many hip operations were delivered, but there are many more factors that go into measuring the outcomes this created – even more so with the complex policy problems we’re trying to solve.

“That means we need to expand the toolkit we have and...
change our conversations to incorporate a much wider lens.”

For Jensen, this is where cost benefit analysis comes in.

“Cost benefit analysis focuses on trying – to the extent possible – to identify, quantify, and monetise the different impacts that the policy options are having.

“You’re not monetising for the sake of just monetising and getting to a number. It’s a much more multi-dimensional conversation going beyond cost and expenditure. We’re very used to saying how much something costs and whether we can afford it.

JUST BECAUSE SOMETHING CAN BE MONETISED DOESN’T MAKE IT INHERENTLY MORE IMPORTANT OR VALUABLE.

“We absolutely still need that conversation, but it’s only one dimension – we also need to ask what’s the impact, for who, and is it worth it against other options?” Jensen adds.

Treasury has begun to develop a range of resources to offer guidance to those working through this sort of decision making. This includes a cost benefit analysis template (available as the “CBAx template” at www.treasury.govt.nz) that lists the range of potential impacts in line with the living standards framework. It covers different areas from health to education and safety and guides users to consider what impacts a potential initiative offers and how this might be quantified.

“It gives a better sense of who is impacted, in what way, and to what degree, and whether the impacts are positive or negative. It also highlights which areas you have strong data for and where our information is weaker. This is where transparency comes in,” Jensen explains.

“If we can then open up those judgments, then we can open up conversations with stakeholders and people from other sectors so they can see what assumptions were made, add their knowledge to the mix, and test whether we really are going to save as many lives as we think with a given intervention.”

For Alsop, it’s about getting a hand on value overall, paying attention to all relevant benefits and costs.

“In earlier years of the investment approach, there was a heavy emphasis on the future costs of someone receiving social support – and thinking about how those costs could be reduced or avoided. It was broadly assumed that avoiding costs was a good proxy for people moving away from support, and a good outcome for those people was the result.

“Now, costs are still important to consider, but there is a much stronger focus on different dimensions and indicators of wellbeing. This approach seeks to ensure a strong focus on all relevant factors, and more detailed consideration of the impacts for people – in terms of indicators of wellbeing – from receiving and not receiving support,” Alsop adds.

“Importantly this approach also includes things that aren’t easily quantified. Just because something can be monetised doesn’t make it inherently more important or valuable. Our approach needs to consider all relevant factors, not just those that are easily converted into numbers,” Alsop adds.

Stimulating innovation

When talking about “investment”, perhaps the very first question to ask is “Investment in what?” There is a lot that sits behind this seemingly simple question – it assumes agencies have mechanisms in place to generate and assess a flow of new investment options.

Alsop suggests this aspect of the investment framework should be an area of ongoing improvement to ensure there is a pipeline of investment options to choose from and options that he calls “investable”, in terms of having enough work done to shape and assess options, not just loose ideas. Those options can be generated within organisations, but they can also potentially come from outside.

“Australia introduced a Try, Test, and Learn fund, which they use to essentially prospect for new ideas shared by other parties. Pharmac in the health sector also have an open process for investment options, whereby any individual, organisation, or company can request consideration of an idea for potential investment.

“The success of an investment approach ultimately comes down to the quality of the organisational arrangements that are in place to generate, assess, prioritise, decide, and implement investment options. This includes the processes, assessment techniques, criteria, assurance work, and delegations (and much more) that, when in place and working well, can be relied on to ensure the best possible choices are made,” Alsop adds.

Jensen observes: “A lot of the methodologies are already there and, in some ways, it’s also very instinctual. People understand you need to weigh up different things. This is about applying a framework to help us get a much better handle on the comparative value between options – with a clearer understanding about the actual impacts we expect to see in reality.

“We do need to develop a common vocabulary with common measures and common data, and I think we’re taking some strong steps towards that. For me that’s exciting – we’re actually starting to create much more deliberate and consistent conversations about the difference we’re making for New Zealanders.”

PEOPLE UNDERSTAND YOU NEED TO WEIGH UP DIFFERENT THINGS.

Looking ahead

In Social Investment: A New Zealand Policy Experiment, Boston and Gill review three “pillars” of social investment:

1. Client segmentation (using big data to develop a deeper understanding of target clients)
2. Intervention innovation (structures that support the development of new ideas and services)
3. Governance innovation (developing new ways of collaboratively managing complexity across agencies).

They point out that the second pillar is the least developed, noting that successfully embedding an investment approach to social outcomes “will ultimately require cross-party backing and continued political leadership, sustained high-level bureaucratic support and a willingness to innovate, and the resources for investing in new and enhanced technical capabilities.”

There’s a long way to go, but it appears the conversation is well and truly underway.
Joining up public services around local, citizen needs – UK Institute for Government (2015)

For the past decade, the idea of jointly delivered public services – centred on citizens – has been an aspiration of successive governments and generations of public service professionals. Recent proposals by Minister for State Services Chris Hipkins are an attempt to move towards this idea. In relation to this move, it is interesting to note some of the points in an article from the UK’s Institute for Government. The article provides insight into the challenges facing jointly delivered public services and what steps can be taken to overcome them.

The institute identified five key challenges to introducing joined-up public services:

1. **Short-term Policy and Funding Cycles**

   Most potential joined-up public services, for example, initiatives in social services or health, attempt to create better long-term outcomes. This is a particularly toxic proposition for public service departments that are often focused on the short term, making it difficult to transition to joined-up services.

2. **Siloed Departmental Cultures**

   Generations of siloed public services have created unique professional cultures in each ministry. The resulting professional differences and differing incentive structures obstruct efforts to provide joint services.

3. **Barriers to Data Sharing**

   Outdated or poorly thought through data protection regulations may prevent the effective and secure sharing of data between government departments. Other barriers to data sharing include incompatible IT systems or data collection approaches. This is a foundational operational obstacle to joined-up public service delivery in the era of data.

4. **Absence of Evidence**

   Because funding tends to go towards projects that have a proven track record, and because there has been little systematic examination of the merits of joined-up public service delivery, a self-fulfilling cycle is established where there is an unwillingness to risk attempting joined-up delivery.

   Having set out these key challenges, the institute then provided recommendations to help overcome them. Underpinning these recommendations is the need for strong and collaborative leadership that communicates a compelling vision for change, encouraging staff to work differently, building strong relationships between organisations, and sustaining buy-in from all those involved. They make the following suggestions:

1. **Apply Outcomes-focused Goal Setting**

   “The most successful projects were underpinned by a clear diagnosis of the problem and … a defined set of goals to coalesce around.” One effective project, for example, had a clear goal to reduce rough sleepers in an area by two-thirds.

2. **Use Comprehensive Evidence to Build Consensus**

   By definition, joined-up services focus on the most vexed public sector challenges. So achieving consensus around cross-departmental initiatives is thus more difficult. Comprehensive data and analysis creates a common language between departments, which can help overcome that challenge.

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**THE IDEA OF JOINTLY DELIVERED PUBLIC SERVICES – CENTRED ON CITIZENS – HAS BEEN AN ASPIRATION OF SUCCESSIVE GOVERNMENTS.**

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3. **Build on Existing Programmes**

   One challenge facing joined-up public services is the perception that one needs to start from scratch each time. Integrating cross-department and disciplinary approaches into existing programmes can remove that challenge.

4. **Create Systemic Incentives for Joined-up Delivery**

   The onus shouldn’t just be on service-providing departments. Treasury and the State Services Commission could implement funding and recognition mechanisms (such as payment-by-results funding and “black box” commissioning) incentivising holistic collaboration between departments.
5. **Engage a Range of Stakeholders**

Although there are pressures to achieve quick wins, successful joined-up programmes take time to develop extensive stakeholder engagement, and this engagement can continue throughout their lifespan.

6. **Focus on Data Sharing**

Because the problems joined-up programmes are attempting to solve are multifaceted, most programmes can learn from each other. As these programmes are built, anonymised data sharing should be prioritised to facilitate cross-government learning.

7. **Bring People Together**

Just bringing people together can be effective. Co-location of staff allows project members to build stronger relationships and avoid duplication of effort.

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**How confident are we in forecasting the future of work? – UK Demos (2019)**

One of the defining public policy challenges of the 21st century will be responding to automation and its cascading effects on productivity, employment, and wellbeing. To address this challenge, public policy professionals must have access to accurate forecasts regarding the rate and nature of automation. A recent article by Elliot Jones for UK Demos is an important contribution to understanding those forecasts.

While responding to an estimate by the UK’s Office for National Statistics (ONS) that 7.4 percent of all jobs in the UK were at a high risk of automation, Jones identified three weaknesses in the estimate.

1. There was no time horizon to this prediction. As Jones noted, “Different capabilities relevant to automation, like computer vision or emotional intelligence, may develop at radically different paces, so the extent to which an occupation is at high-risk of being automated is significantly dependent on the ‘when’ we are talking about.” The failure to provide a specific timeline significantly reduces the estimate’s usefulness.

2. Jones observed that the estimate was produced through collecting expert analysis of whether a job could be automated and then inferring that all jobs in that category would be automated. Any estimate of automation relying on expert predictions as opposed to quantitative analysis should be treated with caution; automation has thus far proven to be a fraught environment for experts, with low accuracy rates for their predictions.

3. Jones set out why expert predictions are likely to be inaccurate in this example. ONS predicts that waiters and similar hospitality professions are at most risk. This contrasts with slow progress in developing robotic manual dexterity (unless robotic technology allows for near-perfect replication of current waiter service, a more significant shift, and thus less likely, in the hospitality business model would be required for automation to occur). By contrast, he says ONS underplays the automation risk for professional and administrative roles. But according to Jones, these are much more “vulnerable ... to decomposition and replacement by increasingly capable information processing systems.”

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**CENTRAL POLICY MAKERS TEND TO ENVISION PUBLIC SERVICES ADDRESSING SPECIFIC LIFE EVENTS.**

Jones’s insights as to omissions, methodology, and analysis are useful for public policy professionals assessing the reliability of automation estimates. The weakness of the ONS estimates does not mean any estimate of automation is suspect; automation rates could be predicted from measuring total investment in automating technologies, the differential investment across capabilities, and the numbers of registered automation patents. Jones emphasises that “government should invest more resources into developing and exploring a range of robust potential models in this area, to inform its own policy making, to help firms make better long-term decisions, and to take the lead in pushing forward the boundaries of understanding on a pivotal topic.”

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Government agencies are looking more and more at digital solutions. LAURENCE MILLAR – a former Deputy Commissioner at SSC, the first Government Chief Information Officer, and former Chair of 20/20 Trust – gives his views on digital inclusion and ways to achieve it.

Digital inclusion is an essential consideration for government officials working to deliver a digital public service. Digital inclusion means that an individual has affordable access, skills, confidence, and motivation to benefit from the digital world.

Digital technology has many benefits, including the potential to reduce operating costs, but only if the services achieve high levels of adoption. Unlike banks and other commercial organisations, government rarely has the option to choose its customers or make a “digital only” decision, which is available as an option for some digital services to business such as land transfer or customs entries.

The risks of falling short

The risk of focusing on digital services has been illustrated by the 2018 census, where the response rate fell from 93 percent to 87 percent; the fall was even more dramatic for Māori (90 percent to 74 percent) and Pasifika (91 percent to 74 percent). The independent review found that “the Internet Collection System was secure, stable, and easy to use with over 80 percent of forms completed online”; however, the overall project did not meet three of its four investment objectives. The first results were published on 23 September 2019, 11 months later than planned.

Digital inclusion ticks many of the whole-of-life benefits targeted by the wellbeing budget methodology.

What is needed to eliminate the digital inclusion challenge? The current situation has the characteristics of a market failure. The digitally excluded are hard to reach, costly to support, and in many cases, have bad credit records – not attractive customers for private sector providers. Spark Foundation launched the JUMP product (a free pre-pay 4G modem for families with school-aged children), but take-up has not met targets.

What does this mean if you’re working on government digital projects? The most important thing is to make sure that you include consideration of vulnerable groups when you are building software and platforms. This will involve co-design with groups that may not have a natural seat at the table, so you will need to identify new ways to connect with communities. This responsibility is shared between the government customer and the tech sector provider – when your project is sunk because users are excluded, there is little to be gained from arguing which end of the boat has the hole.
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