

STATE SECTOR ACT REFORM FACTSHEET: Organisations of the Public Service

STATE SERVICES COMMISSION
TE KAWA MATAAHO



The Public Service must be able to organise flexibly around the needs of New Zealanders without being unnecessarily constrained by administrative boundaries.

Major decisions

The new system-design provisions allow for:

- **interdepartmental executive boards** that support joined-up planning and budgeting and/or policy alignment on complex cross agency issues
- two different types of **Public Service joint ventures** – the interdepartmental venture, and the joint operational arrangement – that support joined-up, agile service delivery and joint resource management, including assets and staff
- a more **flexible departmental agency model**.

What it means for public servants

There will be more formalised and flexible options for organisational arrangements to support public service agencies taking a truly collaborative, joined up approach to tackle some of the big challenges facing the country today.

- Some of the most successful collaborative approaches undertaken to date, for example in the border security and the natural environment sectors, will be a normal way of working rather than the exception
- The ability to be truly collaborative will be supported rather than held back by system settings.

Collaborating agencies will be able to align strategy and planning activities operating in overlapping policy areas. This will harness the capabilities of individual agencies to collectively plan for and respond to complex cross-agency problems or priorities.

Questions and answers

Why is there a need to change the way the Public Service organises itself?

The current organisation of our public service into agencies that operate as separate firms works well for many tasks however it has struggled to respond effectively to complex issues that cross agency boundaries.

What can an interdepartmental venture or executive board do that can't be done right now?

Currently, cross-agency working arrangements are voluntary and it's often difficult to fund and sustain them over time. Interdepartmental ventures and executive boards provide formal structures to support collaborative working. For example, they will allow boards of chief executives to administer funding and employ public servants collectively, instead of one chief executive having to do so on behalf of a group.

What is the difference between an interdepartmental venture and an executive board?

An interdepartmental venture brings together the delivery of services from across a small number of agencies. An interdepartmental executive board provides collective strategic policy advice to Ministers for cross agency issues. It will also be able to administer funding and be supported by a unit independent of the individual chief executive's agency.

Who appoints the board members of interdepartmental ventures?

The agencies involved in the venture are determined by Cabinet when it is established. Unlike with executive boards, interdepartmental venture boards are automatically comprised of the chief executives of the agencies included in the scope of the venture.

Who decides which chief executives govern executive boards?

Cabinet determines which agencies are included in the remit of the board. The Public Service Commissioner – as the employer of public service chief executives – then appoints chief executives from within this remit as board members, after consulting with Ministers.

STATE SECTOR ACT REFORM FACTSHEET: Organisations of the Public Service - continued

Who will employ the staff in the executive boards and interdepartmental ventures?

The board of an interdepartmental venture will employ staff directly (in the same way the board of a Crown entity does). An interdepartmental executive board will act as the employer of staff, and those staff will be employed to a servicing agency (in a similar arrangement to the current departmental agency model).

What are the differences between the new flexible departmental agency model, and the one we currently have now?

The new model provides additional flexibility in three areas:

- whether the departmental agency needs to operate within the strategic framework of its host department or set its own strategic framework;
- whether it's required to receive corporate service support from its host department; and
- whether it can have control and responsibility for the financial management of assets.

It is also proposed to clarify the responsibility of the departmental agency chief executive for the relationship with individual departmental agency employees, and how relevant legislation such as the Health and Safety at Work Act and the Privacy Act apply to departmental agencies.

[For more information on the State Sector Act reform, and the full series of factsheets, please visit the SSC website.](#)