

STATE SERVICES COMMISSION  
Te Komihana O Ngā Tari Kāwanatanga



State Services Commission  
**Statement of Intent**

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2008–2011

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## Foreword

The State Services Commission's focus will continue to be on leading and lifting the performance of the State Services to achieve the Government's objectives.

With the Department of the Prime Minister and Cabinet and the Treasury, the State Services Commission (SSC) is now providing leadership and coordination to the Development Goals for the State Services, which describe how State Services agencies will deliver on the Government's objectives. The goals set a framework for performance improvements across the State Services, and a key deliverable for SSC is to continue to monitor and report progress against the goal milestones.

In addition to monitoring progress against the goals, SSC has begun another important piece of work to understand the quality of New Zealanders' experience of their interactions with government. I expect that the results of the survey published this year will be an important benchmark for State servants to measure their performance against, to ensure increased improvement from one survey to the next.

My other expectation is that SSC will have a particular focus on ensuring the new Development Goal, Value-for-Money State Services, is firmly embedded into the performance work of the central agencies – and that this translates into all State Services agencies making more effective and efficient use of their resources. Some State Services agencies are joining up to better utilise existing resources, through initiatives such as consolidated recruitment advertising, greater use of the jobs.govt.nz website, and increasing the use of video conferencing to reduce travel costs and carbon emissions. SSC will continue to work with the Treasury to encourage an increased focus across the State sector on leases and premises costs.

SSC will also continue to exercise its statutory roles of appointing and performance managing Public Service chief executives, and its stewardship of standards of integrity and conduct in the State Services.

This *Statement of Intent* sets out the ways the State Services Commission will contribute to the Government's priorities over the medium term. It identifies key areas of work as well as performance information that will enable progress to be monitored. It also allows sufficient flexibility to address changes in priorities and to address emerging priorities as they become apparent.

As the Responsible Minister, I am satisfied that the *Statement of Intent 2008–2011* is consistent with the policies and performance expectations of the Government.



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**Hon David Parker** | Minister of State Services  
April 2008

# Introduction

The State Services Commission (SSC) has an important role in New Zealand’s public management system. In conjunction with the other two central agencies – the Treasury and the Department of the Prime Minister and Cabinet – SSC is responsible for taking an all-of-government view and working across the system to lift overall performance and improve the delivery of services to New Zealanders.

SSC’s focus over the next three years is on lifting the overall performance and delivery of the State Services through the Development Goals programme, with a particular focus on New Zealanders’ experience of their interactions with government. The Development Goals for the State Services provide a framework for a transformed State Services, setting goals and milestones for all State servants to improve our overall performance.

State Services agencies touch the lives of all New Zealanders. It is important that New Zealanders receive services that meet their needs and represent value for money. In April this year, SSC released *Kiwis Count*, the first comprehensive report on New Zealanders’ experiences of State Services and resources. This report will be the first of several to ensure we benchmark our performance, and that we continue to improve over time and better meet the needs and expectations of the New Zealand public.

In 2008/09, SSC will integrate the information drawn from *Kiwis Count* into its performance management of Public Service chief executives. Working with the Department of the Prime Minister and Cabinet and the Treasury, SSC will continue to exert a leadership role across the State Services to ensure that supporting programmes of work, like employee engagement surveys and tools to measure customer satisfaction, are adopted by the State sector, enabling better performance across government agencies over time.

SSC will continue to deliver on its core responsibilities – to appoint and performance manage Public Service chief executives, set standards of behaviour for State servants and provide guidance to agencies around the *Standards of Integrity and Conduct*, provide advice to Ministers on the public management system, and conduct enquiries as and when required.

This Statement of Intent describes how SSC will go about its work over the next three years. It outlines the nature and scope of SSC’s functions, explains what SSC is trying to achieve and why, and describes the main measures and targets that SSC intends to use to assess its progress.




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**Mark Prebble** | State Services Commissioner  
April 2008

## Nature and Scope of Functions

**A well-performing State Services can make a huge difference – to New Zealand’s success as a country and to the people that make up our society. The State Services Commission (SSC) ensures that the State Services is well placed to carry out government policy and meet the needs of New Zealanders.**

The State Services Commissioner’s roles and responsibilities are articulated in the State Sector Act 1988. They include:

- appoint, reappoint and employ Public Service chief executives on behalf of the Crown;
- review the performance of Public Service chief executives on behalf of their Responsible Ministers;
- review the performance of each Public Service department and investigate and report on matters relating to the performance of government departments;
- promote and develop senior leadership and management capability for the Public Service;
- provide advice on management systems, structures and organisations in the Public Service and Crown entities;
- promote and develop personnel policies and equal employment opportunities policies, and provide advice on the training and career development of staff in the Public Service;
- set standards of integrity and conduct that are to apply in most of the State Services (excluding tertiary education institutions and Crown Research Institutes) and provide advice to State Services employees on matters of integrity;
- provide advice on the allocation of functions to and between departments and other agencies; and
- perform any other functions with respect to the administration and management of the Public Service, as directed by the Prime Minister.

Our specialist role is as a leader on issues of State Services development. In March 2005, the Government agreed the Development Goals as a framework for lifting the performance of the State Services. The three central agencies (the Department of the Prime Minister and Cabinet, the Treasury and the State Services Commission) are providing leadership in the programme, including developing a means of monitoring progress towards the goals.

With other central agencies, we take an all-of-government view and work across the system to lift overall performance and improve the delivery of services to New Zealanders. We work with a wide range of agencies in the State Services to achieve the outcomes for Government.

SSC administers the State Sector Act 1988, the Protected Disclosures Act 2000 and the Crown Entities Act 2004 (with the Treasury) as well as five other minor Acts.

## Role of the central agencies

The common purpose of the central agencies stems from a shared, mutual interest in a high performing, trusted and accessible State sector – delivering the right things in the right way at the right prices. In this role, we meet the Government outcome for *improved State sector performance*. To perform this role, we have a shared common purpose with the Department of the Prime Minister and Cabinet and with the Treasury.

In addition to the shared outcome, central agencies have unique roles and responsibilities that contribute to other outcomes.

The **Department of the Prime Minister and Cabinet** (DPMC) exists to support the process of collective decision making, to convey Cabinet’s decisions to the relevant Ministers and officials and ensure that the Cabinet receives well-conceived and coordinated advice. DPMC also has a leadership role in relation to government themes and priorities, including conveying the Government’s priorities to officials.

**The Treasury** exists to monitor and manage the financial affairs of the Government and to provide economic and fiscal policy advice. The Treasury is the key agency to support Ministers in balancing priorities through the budget process. It provides insight into the efficiency and effectiveness of government interventions.

The **State Services Commission** (SSC) exists to appoint and manage Public Service chief executives, to provide leadership in improving the capability of agencies, sectors and systems, and to ensure that State servants are appropriately focused on responding to the Government’s priorities.

## Strategic Direction

**In March 2005, Government agreed the vision for the State Services:  
*A system of world class professional State Services serving the government of the day and meeting the needs of New Zealanders.***

The Government has a clear expectation that State Services agencies will work more closely together to deliver progress on Government's strategic themes and commitment to sustainability, to contribute to solving complex issues, and to better meet the needs and expectations of New Zealanders.

Government's strategic themes – *economic transformation, families – young and old and national identity*, underpinned by a focus on *sustainability* – provide strategic direction to our approach.

It is the shared responsibility of the three central agencies – the Department of the Prime Minister and Cabinet (DPMC), the Treasury and the State Services Commission (SSC) – to provide leadership to State Services agencies in realising the Government's vision. The central agencies have agreed the following shared outcome to guide us in prioritising our work together:

*A high performing, trusted and accessible State sector, delivering the right things in the right way at the right prices.*

The central agencies have a key role to play in lifting performance across the system, aligning the activities of the State Services with the Government's priorities and making sure Ministers receive the best possible advice before making decisions.

### Central agency medium-term objectives

Over the medium term, the three central agencies will:

**Provide effective leadership:** Central agencies will take responsibility for making our devolved system work. To that end, we will work alongside other agencies on specific issues.

Central agencies will work to give Ministers better information and advice. We will ensure that the right guidance and monitoring is in place to enable the system to run smoothly, ensuring agencies will have a clear understanding of Ministers' performance expectations.

**Focus on the things that matter:** Efforts will be better targeted to where they are going to have the most impact on results. Central agencies will focus on priority issues and get action on these while retaining responsibility for a system-wide view.

**Work together more effectively:** By sharing information and integrating aspects of planning, the central agencies will develop joint views on where priority issues lie. We will then identify where there is value in taking joint action on issues, or where separate action is likely to be more productive.

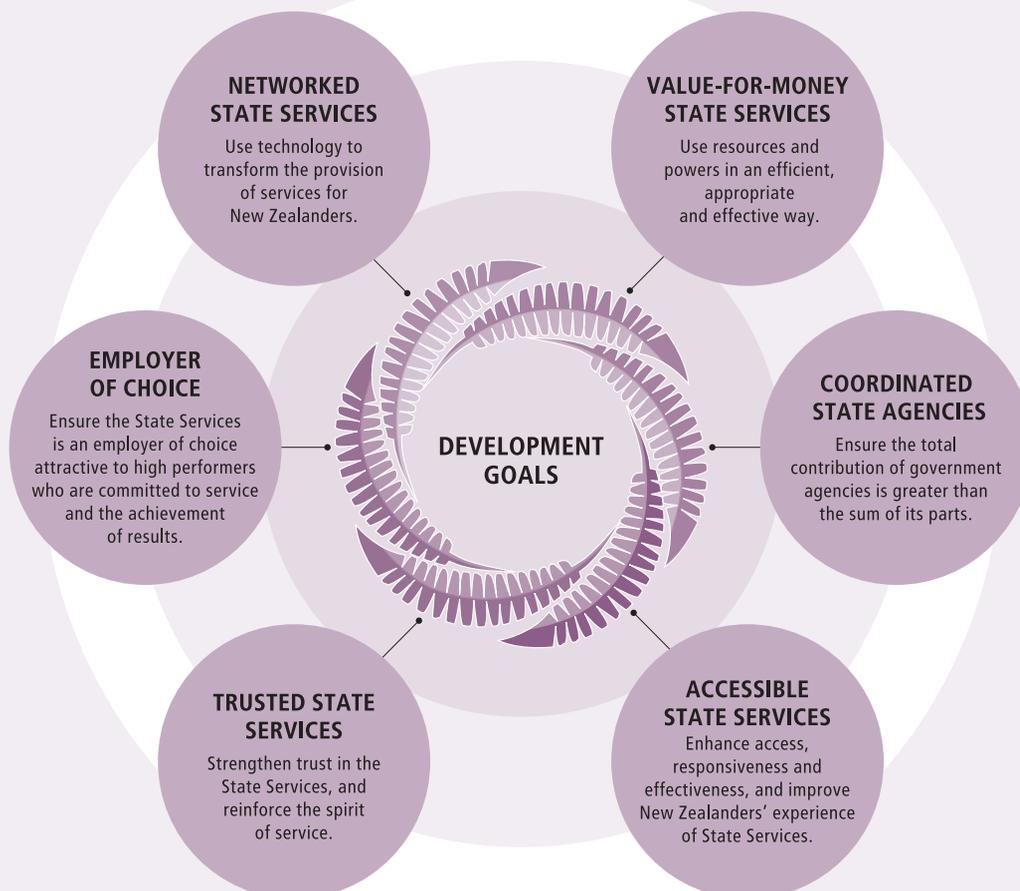
The strength of any government lies in the extent to which it earns and holds the respect of its citizens. Respect comes from the confidence people have in the integrity of government and the services it provides. SSC has a statutory responsibility to provide advice and guidance on integrity and conduct for employees within the State Services. The focus on integrity and conduct aims to ensure New Zealanders and the international community will continue to have trust in the New Zealand State Services.

In addition, the Development Goals for the State Services, developed by SSC and launched with the support of the Government in 2005, provide a framework for how SSC, together with the Treasury and DPMC, leads and tracks performance improvement. They reflect judgements about the key things that need to change at a system-wide level if we are to advance the Government’s vision and meet the needs of New Zealanders.

The second State of the Development Goals Report was published in November 2007. Revised milestones for 2010 and new milestones for 2015 give further impetus to achieving transformed State agencies. To provide a broader focus, a new goal – Value-for-Money State Services – has been added and the two ‘people’ goals have been merged into one Employer of Choice goal.

## The new Development Goals framework

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



A core responsibility of the State Services Commissioner is to appoint and employ Public Service chief executives on behalf of the Crown and to review the performance of each chief executive on behalf of their Responsible Minister. Over the next three years, SSC will place increased emphasis on integrating chief executive performance management with agency contribution to the Government's strategic themes through system-wide use of the Development Goals.

The importance of supporting State Services agencies in addressing challenges they are facing has been a significant consideration in determining priorities for both the central agencies' shared work programme and SSC's own priority projects to contribute to the Development Goals. For example, SSC, together with the other two central agencies, is an associate member of the Government's Urban and Economic Development Office (GUEDO), which is located in Auckland. SSC will continue to play a leadership role in managing and working with the network of central government and local stakeholders to provide an informed Auckland perspective on the development of central government policy for helping to achieve a world class Auckland.

### Central agency priority areas

The central agencies have identified the following priority areas for their work together over the next three to five years:

**Policy Outcomes** – to better coordinate resources and support multi-agency initiatives to gain traction on the Government's highest priority policy areas.

**Agency Engagement** – to improve the effectiveness and efficiency of our engagement with senior leaders in the Public Service to support them in lifting the performance of their agencies and the State Services as a whole.

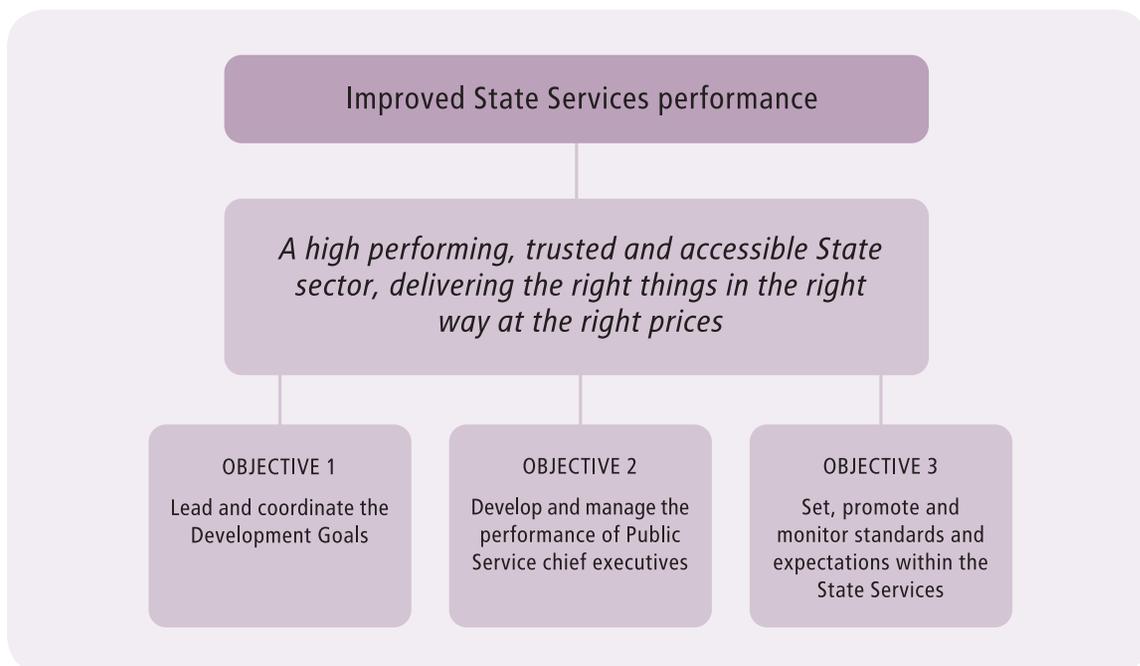
**Public Management System Improvements** – to better coordinate our work to transform the State Services through our joint leadership of the Development Goals for the State Services and our efforts to enhance performance information and reporting across the system.

# Operating Intentions

**Lifting performance of State Services agencies is the main focus for SSC in the medium term in our progress towards the central agencies' shared outcome. This shared outcome – *a high performing, trusted and accessible State sector, delivering the right things in the right way at the right prices* – is the outcome that will guide SSC's work programme over the next three years.**

As we drive towards the outcome, our three high level objectives are:

- Lead and coordinate the Development Goals;
- Develop and manage the performance of Public Service chief executives; and
- Set, promote and monitor standards and expectations within the State Services.



## Objective 1

Lead and coordinate the Development Goals as a framework for lifting the performance of the State Services, including measuring the effectiveness of our interventions and reporting the results of that measurement.

### What are we seeking to achieve?

An effective State Services is integral to the country's economic and social performance. The six Development Goals for the State Services – Employer of Choice, Networked State Services, Value-for-Money State Services, Coordinated State Agencies, Accessible State Services, and Trusted State Services – provide a framework to guide agencies in advancing the Government's vision for the State Services. They point the direction for improvements over the next three years and onwards.

### What will we do to achieve this?

SSC, together with the Treasury and DPMC, will provide leadership and coordination to the Development Goals by:

- providing strategic oversight of the Development Goals programme, including measuring and communicating progress at a whole-of-State Services level against the Development Goals and their milestones;
- setting expectations of agency contribution to and adoption of the Development Goals programme;
- providing advice and guidance on individual agency initiatives and facilitating collaboration between agencies;
- delivering services, administering programmes and/or organising the joint procurement of products and services where this is necessary and appropriate to support an all-of-government approach; and
- using the Development Goals as a framework for our own organisational development activities and to shape our relationships with others.

SSC will use forums such as the regular State Services Chief Executives Forum and the State Services Senior Leaders Development Conference to share good practice and encourage collaboration.

As part of the new Value-for-Money Development Goal, SSC is working to improve effectiveness and efficiency in the State sector through a number of initiatives. We will work with the Treasury to identify options that increase the assurance provided to Ministers that proposed investments in accommodation by government departments represent good value for money. In line with our obligation to sustainable practice, SSC will provide leadership in the use of video conferencing to achieve reductions in carbon emissions and travel costs. SSC is also encouraging government departments to better utilise existing resources through initiatives such as consolidated recruitment advertising and increased use of the jobs.govt.nz website.

The Development Goals are aspirations for how State servants will behave, how agencies will design and deliver services, and how systems and networks will support an all-of-State Services approach to getting results. Measuring progress to tell the story of how well we, as State servants, and our agencies are doing and where we can continue to improve is an essential part of the process.

Kiwis Count 2007 is a national all-of-government survey measuring New Zealanders' satisfaction with public services. Results of this, our first, survey were published in April 2008. The information provided through this survey will allow the State Services to measure improvements in satisfaction over time. The survey is planned to be repeated in 2009 and every two years following.

Agencies can build on the results of the surveys and develop a better understanding of satisfaction with their own services by using the Common Measurements Tool. This tool provides a set of common questions for agencies to use for their own satisfaction surveys, consistent with the approach used for Kiwis Count. By using common questions, agencies will be able to benchmark their results with the Kiwis Count results, with other agencies and also internationally. SSC has purchased the intellectual property for Kiwis Count and the Common Measurements Tool for use by the State Services.

SSC provides advice and services grouped in output classes that contribute to this objective. All four of our departmental output classes contribute to leading and coordinating the Development Goals:

- State Services people capability
- E-government development and operations
- State Services development, governance and performance
- Government Shared Network.

## **How will we demonstrate success in achieving this?**

When the Development Goals programme commenced in July 2005, no data existed to accurately describe the state of the State Services. Consequently, one of the first pieces of work was to describe what the State Services might look like when the goals have been achieved and to develop an initial set of indicators for measuring progress towards achieving the goals and their associated milestones.

The first *State of the Development Goals Report*, published in July 2006, outlines the framework that SSC developed with the help of other State Services agencies to assess the progress of the State Services in achieving the Development Goals.

The second *State of the Development Goals Report*, published in November 2007, provides baseline data against the indicators. It also sets out clear priority actions for reaching the 2010 Development Goal milestones both for State Services agencies and for SSC, the Treasury and DPMC in leading the Development Goals programme.

From 2008 onwards, annual *State of the Development Goals Reports* will document the State Services' progress towards the goals and will continue to set priority actions for the future. Some all-of-government measurement activity will be key to informing these priority actions. External to the State sector, the Kiwis Count public satisfaction survey results will tell a compelling story about how well the agencies of the State Services are performing for New Zealanders. The New Zealand government Gallup Q12 Employee Engagement Survey scores will complete the picture with information about State servants' experiences at work.

It is intended that the indicators will be used to track progress over time. Some of the initial indicators were amended as part of a State Services-wide Refresh the Milestones project in 2007, to more accurately describe the conditions that support achievement of the Development Goals out to 2015. Some indicators may need further development, while some others may need to be a proxy for progress. Nevertheless, it is essential that SSC continues to focus on monitoring progress of the State Services towards the Development Goals.

SSC also intends to use these indicators to evaluate the cost effectiveness of its own leadership and work programmes to support State Services agencies in progressing the Development Goals programme and to prioritise its work programme in future years.

### **Cost effectiveness of operational activities**

Where SSC manages operational activities in support of the Development Goals programme, and where it has been possible to do so, SSC has identified specific cost effectiveness measures for those service delivery activities. These are:

#### **Government Shared Network (GSN)**

- Average cost of individual products offered within the GSN service over a 12 month period.

#### **All-of-government software contracts**

- Average cost per licence for participating State Services agencies over a 12 month period.

#### **Learning State**

- Cost per trainee for 12 months on an industry training programme.
- Cost per modern apprentice for 12 months on a modern apprenticeship programme.

## Indicators of progress against the Development Goals

**EMPLOYER OF CHOICE**  
 Ensure the State Services is an employer of choice attractive to high performers who are committed to service and the achievement of results.

**Indicators**

- *Reputation:* Perceptions of the State Services as a place to work.
- *Staff engagement:* Engagement levels of staff in State Services agencies, including perceptions about the effectiveness of development plans, processes and opportunities.
- *Chief executive/agency:* The extent to which agencies are specifying the competencies they require of their people to meet current and future organisational needs.
- *Sector:* The extent to which a learning and development framework is used across the sector to improve agencies' performance.

**NETWORKED STATE SERVICES**  
 Use technology to transform the provision of services for New Zealanders.

**Indicators**

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

**VALUE-FOR-MONEY STATE SERVICES**  
 Use resources and powers in an efficient, appropriate and effective way.

**Indicators**

- The extent to which decision makers are taking account of longer-term economic and fiscal impacts of government activities.
- The extent to which agencies use and publish value-for-money indicators and benchmarks.

**COORDINATED STATE AGENCIES**  
 Ensure the total contribution of government agencies is greater than the sum of its parts.

**Indicator**

- The extent to which the three dimensions of successful coordination – mandate, systems and behaviours – are present and their use is impacting on results.

**ACCESSIBLE STATE SERVICES**  
 Enhance access, responsiveness and effectiveness, and improve New Zealanders' experience of State Services.

**Indicators**

- *Accessible State Services:* Uptake of services.
- *Responsive State Services:* Service users' individual circumstances are taken into account.
- *Effective State Services:* Users' experience and expectations inform service design and improvement.

**TRUSTED STATE SERVICES**  
 Strengthen trust in the State Services, and reinforce the spirit of service.

**Indicators**

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

## Objective 2

Support improved State Services by developing and managing the performance of Public Service chief executives.

### What are we seeking to achieve?

Excellent leadership by Public Service chief executives of their departments is essential to a high performing department and a high performing Public Service and Crown entities.

The effective recruitment, performance management and development of chief executives are key ways that we can positively influence the quality of leadership and the performance of government agencies to deliver quality services for New Zealanders both now and in the future.

### What will we do to achieve this?

There is a range of ways that SSC can directly influence the quality of leadership and performance of government agencies. Our interventions are directed to where we can most effectively support improved performance of individual chief executives, agencies and sectors.

The State Services Commissioner appoints Public Service chief executives. The common competency framework will be integrated into the performance management process, including chief executive appointments, assessment, performance reviews and professional development.

SSC sets expectations and priorities for Public Service chief executives' performance. SSC Deputy Commissioners and performance specialists have an ongoing involvement with chief executives and agencies in relation to these expectations. SSC undertakes an annual review of each chief executive's performance in relation to leadership, strategy, capability, results achieved and progress on the State Services Development Goals.

As chief executives focus on the Government's three themes and underlying commitment to sustainability, there is an expectation that they will use the Development Goals as a way to lift their contribution to these themes and the overall performance of their agencies. How chief executives integrate the work within their agencies, as well as across agencies, around the Government's themes and the Development Goals will be a focus of the performance management relationship between the State Services Commissioner/ Deputy Commissioners and the chief executives.

In 2008/09, we will be implementing a competency framework to underpin our chief executive performance process. We will be more specific in setting performance priorities and expectations with chief executives aligned to the delivery of specific outcomes over the short and medium term. The approach to chief executive professional development will be revised with a greater emphasis being placed on early term development to support full competence and effective performance as early as possible in the term of a chief executive.

We will continue a coordinated approach with the other central agencies to get the biggest impact we can from our combined performance improvement efforts. This will include working together in some areas and rationalising our joint effort in others.

Over the coming two to three years, a programme of improvements will be made to the processes and systems supporting our performance management function. These will include the development of quality standards and measures.

SSC provides advice and services that contribute to this objective of developing and managing the performance of Public Service chief executives through our departmental output class – State Services development, governance and performance.

### **How will we demonstrate success in achieving this?**

The effectiveness of SSC's interventions will be reflected in improvements in the performance of the State Services. Though such performance improvements can never be attributed solely to the work of SSC, the fact remains that State Services performance lies at the heart of the role of SSC.

As in the Development Goals objective, our intention is to take a whole-of-system perspective to evaluating our own performance in the recruitment of Public Service chief executives, providing leadership to State Services leaders and reviewing chief executives' performance. While these are not absolute measures of cost effectiveness, they are indicators of changes that should occur over time if we are improving our performance.

## Objective 3

Set, promote and monitor standards and expectations within the State Services, leading to a high performing, trusted, and accessible State sector.

### What are we seeking to achieve?

SSC has a central leadership role in defining and promoting good practice within the State Services. In setting standards of behaviour, and in providing guidance on systems and expectations, SSC contributes to a high performing, trusted and accessible State sector.

### What will we do to achieve this?

SSC issues guidance, from time to time, on a variety of topics, for example, for State servants during the election period, for officials and select committees, for pandemic planning, for Crown entities, for human resources and for fees and allowances for statutory and other bodies.

In the medium term, we will continue to work collectively with the central agencies on areas to lift performance, including capital asset management, IT investments (Gateway reviews), Review of Accountability Documents (RoADs) and Crown entity performance.

In general, we support State Services agencies in:

- reinforcing standards of integrity and conduct;
- providing equal employment opportunities/diversity;
- fostering positive workplace employment relationships; and
- improving collaboration and coordination between agencies in delivering government services enabled by technology.

### ***Integrity and conduct***

A new code of conduct for the State Services – *Standards of Integrity and Conduct* – was issued by the State Services Commissioner under section 57 of the State Sector Act 1988 and came into effect on 30 November 2007. This is published as a one-page document with a range of guidance material for State servants and State Services agencies.

The code of conduct is the key reference to understanding how people working in the State Services must behave. It seeks to reinforce a spirit of service and sets common standards of behaviour.

SSC will continue its role in leading, articulating and reinforcing values and standards to assist in maintaining appropriate standards of integrity and conduct among employees in the State Services. In the medium term, we will work with the 120 agencies covered by the new code to ensure that they each have policies and procedures for integrity and conduct to support the new code.

### ***Equal employment opportunities/diversity***

A new Equal Employment Opportunities policy for the Public Service – *Equality and Diversity* – took effect in early 2008. The new policy continues commitment to the four groups (Māori, ethnic or minority groups, women, and persons with disabilities) outlined in the good employer provisions of the State Sector Act, and to appointments on merit. It also broadens the focus on both equality and diversity, integrates them into planning and reporting, and reinforces chief executive accountability for progress in this area.

SSC will continue its role in promoting, developing and monitoring equal employment opportunities/diversity policies and programmes for the Public Service.

### ***Employment relations***

The State Services Commissioner has oversight of employment relations in a devolved bargaining environment, reflecting the desirability of conditions of employment being negotiated to closely reflect the objectives of the organisations and workforces to which they apply.

The Commissioner's role has, in the main, focused on ensuring that the government's objectives for collective bargaining and conditions of employment for public servants and the wider State sector are understood and addressed by State sector employers, and ensuring that fiscal and industrial risks arising from a devolved environment are managed. The government's objectives are set out in bargaining parameters that complement letters of delegation to Public Service chief executives. The Commissioner is a party to the Partnership for Quality Agreement with the Government and the Public Service Association.

SSC is building its capability to provide strategic and forward-looking employment relations advice to the government and to anticipate and manage risk. This requires greater engagement with departments and entities about the fit of their employment relations strategies with the bargaining parameters, organisational objectives and the Development Goals. SSC's ability to succeed requires good relationships with chief executives, the other central agencies, HR practitioners and unions. Key documents, particularly the government's bargaining parameters, are under review to ensure their relevance, and SSC will be assessing its role in the wider State sector in line with its objectives.

### ***Information and communication technologies***

SSC, through the New Zealand Government Chief Information Officer, will set, promote and monitor standards and expectations in the use of ICT by State Services agencies.

SSC will focus on four areas over the next three years:

- **Provide strategic leadership** by setting expectations, providing guidance and support, and reporting on progress on the use of technology in achieving the Development Goals for the State Services and in contributing to government's leadership role in the delivery of the Digital Strategy.

- **Provide key input** to decisions on business investments with a significant ICT component, including initial implementation and operation of the Gateway quality assurance programme for major investments, advice to Ministers on the portfolio of current and future ICT assets, development and implementation of frameworks to manage all-of-government syndicated procurement contracts, and the development of ICT capability and skills across government agencies.
- **Foster innovation** in the use of technology by government, including support and promotion of user-centred service delivery, and management of policy issues affecting the use of technology, as well as engagement with the New Zealand ICT industry to utilise and leverage New Zealand skills and expertise.
- **Promote collaboration** between government agencies in the development and use of ICT systems, including development and promotion of a Federated Enterprise Architecture, and management of the e-Government Interoperability Framework (e-GIF) programme.

SSC provides advice and services grouped in output classes that contribute to this objective. All four of our departmental output classes contribute to setting, promoting and monitoring standards and expectations:

- State Services people capability
- E-government development and operations
- State Services development, governance and performance
- Government Shared Network.

## How will we demonstrate success in achieving this?

### *Integrity and conduct*

International research indicates that there are six elements that are successful in supporting integrity and ethical behaviour in the workplace. In a State Services context, they are:

- agencies of the State Services have standards of integrity and conduct that meet the State Services Commissioner's minimum standards;
- agencies of the State Services promote their standards of integrity and conduct;
- standards of integrity and conduct are integrated into the behaviour of State servants;
- managers model the standards of integrity and conduct in their behaviour;
- agencies act decisively when breaches occur; and
- the consequences for behaviour that breaches the standards of integrity and conduct are known by State servants.

The new code of conduct for the State Services addresses the first of the six elements. SSC's integrity and conduct programme will focus on ensuring these six elements are in place in agencies.

### ***Equal employment opportunities/diversity***

The Equality and Diversity Policy asserts that equality and diversity in the Public Service workforce, as required by the State Sector Act 1988, will enable the best service to the government of the day and to New Zealanders. Appointments will be based on merit, while recognising the employment requirements of Māori, ethnic and minority groups, women and people with disabilities. Employment processes will be fair for all persons and groups of persons. The integration of equality and diversity throughout the Public Service will be a key aspect of strategic business planning and performance, and chief executives will provide the lead in working towards this.

### ***Employment relations***

Ministers will be confident that they receive timely analysis and advice from SSC that enables them to consider forward-looking strategy and to anticipate and manage risk. This advice will be based on up-to-date and comprehensive information and strong networks with central agencies, Public Service chief executives and departments, and other State employers. Public Service chief executives and other employers will affirm that SSC's input is responsive to their needs, clear in relation to government's objectives and adds value. The PSA and other union partners will reflect positively on SSC's role and respect that role. Workplace relations will be generally harmonious and constructive, evidenced by reduced industrial action.

### ***Information and communication technologies***

In the use of technology to transform the provision of services, shared processes, infrastructure and standards will be used to deliver user-centred services and support joint results. Government agencies will have an enhanced ability to cooperate, integrate common services and share data and information across shared infrastructure, leading to improved results for New Zealanders.

The use of common infrastructure and standards reduces duplication in expenditure by agencies and reduces the costs to agencies of interacting with each other. Services can be delivered to New Zealanders more effectively and efficiently, reducing costs to business and individual users.

### ***Cost effectiveness***

The cost effectiveness of the wide range of interventions discussed under objective 3, along with all our other interventions (such as reviews undertaken by SSC), will be evaluated as part of the measurement of achievements against the Development Goals milestones in a whole-of-system perspective.

# Managing in a Changeable Operating Environment

## Our operating environment

New Zealand's State Services include the Public Service and Non-Public Service departments, the Crown entities, Schools Boards of Trustees, and Public Finance Act Schedule 4 Organisations. Tertiary Education Institutions, State Owned Enterprises and Offices of Parliament are part of the State sector, but not part of the State Services.

There are approximately 215,000 State servants, comprising 10% of New Zealand's workforce. A high performing State Services is essential to the social, economic and sustainable success of New Zealand.

Rapid technological change, increased globalisation, environmental sustainability imperatives and New Zealand's changing population are all significant factors in the operating environment of our State Services. Working with government agencies to ensure that they are strategically positioned to successfully adapt to these changes is a challenge for SSC's leadership and performance management function.

The State Services Commission, together with the Department of the Prime Minister and Cabinet and the Treasury, is leading the Development Goals programme to drive improved performance of the State Services.

The State Services Commission takes a system-wide view of the State Services and is part of a more closely aligned and coordinated central agencies, where the three agencies share a focus on performance management of the public management system and identify joint priorities and opportunities to share lessons and resources.

## Managing risk

SSC operates a risk management process that is consistent with the requirements of the Australian/New Zealand Standard for Risk Management (AS/NZS 4360:2004). SSC faces a number of challenges as it works to influence State Services agencies and implement its work plans. The strategic risks identified include:

- ensuring the interventions chosen will best contribute to the achievement of Government's strategic themes and the Development Goals;
- ensuring that SSC's work programmes for each Development Goal are well integrated;

- ensuring SSC has the capability and capacity (including funding) to deliver the agreed work programme;
- influencing other agencies to contribute to the achievement of the Development Goals by participating in and supporting SSC's work programme and/or aligning their activities with the Development Goals; and
- ensuring quality, timely and cost effective programme delivery.

SSC's senior management team undertakes a six-monthly scan of all SSC-wide strategic risks and determines a risk rating for all identified risks. Any risks that are assessed as having a very high level of risk exposure are managed by a member of the senior management team, and regular reports are provided to the State Services Commissioner. Any risks that are assessed as having a high level of risk exposure are managed by a third tier manager, and regular reports are provided to the relevant Deputy Commissioner. Each month, SSC's senior management team receives information on all high risk and very high risk projects, to ensure that the risks are being monitored and managed appropriately.

Regular scanning of our operating environment is an important part of setting priorities for our work programmes so that SSC focuses on the areas where making a difference will have most impact on lifting performance of the State Services.

# Assessing Organisational Health and Capability

**SSC's organisational development strategy for the period 2008–2011 supports SSC's strategic priorities, ensuring that we are appropriately structured and resourced in terms of our people, processes and technology and that we continue to develop our culture and capability.**

The Development Goals continue to provide us with a framework for organisational development within SSC and will drive our organisational development strategy through to 2011.

Based on a review undertaken in 2007, SSC's ICT function will be separated into two functions: ICT Leadership, which will focus on policy leadership, and Government Technology Services (GTS), which will focus on service delivery. In the medium term, GTS will move to the Department of Internal Affairs. This approach enables the effective establishment and uptake of all-of-government ICT and the effective delivery of SSC's core business.

To fulfil our leadership role within the State Services, SSC itself must be perceived as an employer of choice and be able to recruit, develop and retain a talented and diverse workforce. SSC is a small organisation with approximately 220 employees. Our staff turnover has been consistent at around 24% during the past three years. Many staff see the opportunity of working in a central agency as a step to develop, network, and build capability, before moving on to careers in other parts of the public sector. In this respect, SSC is fulfilling its role in developing people capability in the State Services.

SSC recognises that high employee engagement correlates to increased individual and organisational performance. SSC will continue to use the Gallup Q12 Employee Engagement Survey as the key metric of progress. This survey enables us to track progress against the baseline survey undertaken in March 2006, act on feedback from staff, and address areas of concern. We aim to be at the 75<sup>th</sup> percentile in 2011.

In addition, SSC closely monitors a range of other human resource metrics (data from exit interviews, turnover and length of service according to gender, level within the organisation and job family). Together with the results of the Employee Engagement Survey, these measures enable us to identify and respond to trends within our workforce, and plan targeted strategies to enhance results where indicated.

Following the integration of the Lominger Competency Framework in SSC's development planning process in late 2007, SSC will use the competency model to support role definition to enhance our recruitment and selection practices throughout 2008. The competency model will be integrated into SSC's performance management process (including the introduction of a 360° feedback tool) by 2009, and will be used to inform talent management and workforce planning by 2010.

Over the next three years, we will continue to develop our culture and strengthen our matrix management model and collaborative work practices. We will continue to focus on building capability through the ongoing Developing Managerial Excellence programme, to revamp and refresh SSC's Integrity and Conduct programme and put in place an SSC-wide Integrity and Conduct Training programme. We also intend to progressively upgrade SSC's IT systems that support our people, as well as the SSC website and intranet.

### Central agency collaboration

Central agencies will continue to maximise the benefits of working more closely together. We will look to further share information and resources to improve performance, increase alignment and integration of policies, and seek to build systems and processes to make working together as easy as possible.

### Equal Employment Opportunities

SSC will embrace the new Equal Employment Opportunities policy for the Public Service, *Equality and Diversity*, which took effect in April 2008. We will continue our commitment to the four groups – Māori, ethnic or minority groups, women, and people with disabilities – and to appointments on merit.

We will evaluate our annual employee engagement survey findings by age, gender and ethnicity, which will support workforce planning to ensure SSC is meeting the needs of our diverse workforce.

We collect data on gender and ethnicity distribution and the proportion of male/female staff in each tier of management. The trends will be monitored and reported on, and action taken where necessary.

During the period, SSC is committed to progressing its Pay and Employment Equity Response Plan and commencing a further review by 2011.

## Departmental capital intentions

SSC's capital expenditure programme for 2007/08 and the three-year period 2008–2011 is forecast as follows:

	2007/08 \$000	2008/09 \$000	2009/10 \$000	2010/11 \$000
Computer hardware	5,217	2,317	1,455	1,455
Computer software	7,034	6,568	650	650
Plant and equipment	25	60	60	50
Furniture and fittings	82	160	160	170
<b>TOTAL</b>	<b>12,358</b>	<b>9,105</b>	<b>2,325</b>	<b>2,325</b>

The majority of SSC's capital expenditure in 2008/09 is in relation to e-government initiatives, in particular the Identity Verification Service (IVS). This service will allow agencies to verify people's identity to a passport standard, online and in real time. It will leverage existing investment and Department of Internal Affairs expertise to reduce duplicated expenditure across government, reduce fraud and enable transformation of government services.

Funding of \$9 million was approved by Cabinet in Budget 2007 for the initial phase of the programme in 2007/08 and 2008/09. Further funding in 2009/10–2011/12, not reflected in the above table, will be provided by departments and Crown entities that will be users of and/or will benefit from the IVS.

The investment in e-government initiatives is a key enabler of the Development Goals programme, in particular the Networked State Services Development Goal. The indicators of progress against the Networked goal will be used to track progress over time.

The remaining capital expenditure is in respect of general office equipment, furniture and fittings, and personal computer and other computer equipment.



