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## PERFORMANCE IMPROVEMENT FRAMEWORK

# **Formal Review of Te Puni Kōkiri (Ministry of Māori Development)**

**SEPTEMBER 2010**

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State Services Commission, the Treasury and the Department of the Prime Minister and Cabinet

## **Lead Reviewers' Acknowledgement**

We would like to acknowledge the thoughtful and forthcoming contribution made by Te Puni Kōkiri (TPK) staff and in particular their Chief Executive and Executive Leadership Team. In addition, we had considerable input from a large cross section of TPK's external partners and stakeholders.

We also benefited from the assistance of a team of officials from Treasury, the State Services Commission and the Department of the Prime Minister and Cabinet. Their contribution, led by Kevin Guerin, was both thorough and insightful.

Miriama Evans, our expert advisor, was a pillar of strength throughout the review and contributed much to this report.

TPK, recognising this review as an opportunity to identify and make performance improvements, volunteered to be one of the first Government agencies to be reviewed. There was open and robust engagement throughout the review process and we note that, even as we began, the Chief Executive and his Leadership Team had initiated action on many of the issues highlighted in this report. This augurs well for the future of TPK.

**Performance Improvement Framework  
Formal Review: Te Puni Kōkiri**

**State Services Commission, the Treasury, and the Department of the Prime Minister and Cabinet  
Wellington, New Zealand**

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# CENTRAL AGENCIES' OVERVIEW

## The Challenge

Both the Government and New Zealanders have high expectations of our State Services, and these expectations are rising. The combination of high expectations and prolonged fiscal constraint requires us to work continuously to improve the performance of the State Services by focusing on our highest priorities and delivering services in different, more innovative and cost-effective ways.

While individual boards and chief executives can work to improve the effectiveness of their agencies, the ability to learn from others with similar challenges, operating in the same system, will speed up the process of performance improvement. Agencies increasingly must work together to get the job done. The challenge of lifting performance is therefore one shared between all of us who are responsible for leading and managing the State Services.

It would be wrong, however, to consider that the New Zealand State Services are broken – they are not. On many measures the sector performs well. A recent Institute of Policy Studies paper<sup>1</sup> noted that New Zealand is consistently seen internationally as among a small group of top performers on international measures of public service effectiveness. But in the current world we need to run fast just to keep up, let alone improve.

## The Response

Learning from each other and identifying the need for sectoral and system change requires a common framework and language. We have looked to find world best practice in terms of performance improvement methodologies and have agreed to adopt and adapt the framework used successfully in the UK Civil Service. We have used its concepts to develop a framework suitable to our circumstances, focusing on results (what we have to do) and organisational management (our ability to do it well).

The use of a common and comprehensive framework, by a pool of respected organisational leaders, to review agencies and highlight their strengths and weaknesses, serves a number of purposes.

The reviews will:

- provide insights that chief executives can use to further improve their agencies – leveraging off their strengths and working on areas that require development
- provide all State Services leaders with examples of best practice, places we can go to find out how it should be done
- enable chief executives with similar issues to consider whether and how they can combine their scarce resources to get the job done
- ensure actions for improvement are identified and performance expectations are clarified
- allow us to measure over time whether we are in fact improving our performance.

In the future we will also apply this framework to sectors. The agency reviews will help us to build a picture of performance across the State Services. They will enable us to identify sectoral and systems issues and constraints that are beyond the capacity of individual chief executives and that require collective action or a response from central agencies.

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1. 'The Future State' Institute of Policy Studies Working Paper 10/08 Gill, Pride, Gilbert and Norman – May 2010.

## Implementation

In 2009 the Department of Internal Affairs (DIA) and the Ministry of Agriculture and Forestry (MAF) volunteered to pilot the Performance Improvement Framework (PIF). The pilot was viewed by chief executives as a worthwhile exercise, particularly in providing an authoritative, independent view of agency performance. Central agencies reviewed, refined and re-evaluated the framework following the pilot and will continue to do so as it is implemented progressively across the system.

We extend our thanks to the agencies and chief executives who took part in the pilot and helped us to trial and build this new tool. Since the pilot, we have undertaken four formal reviews as part of the roll-out – the Ministry of Foreign Affairs and Trade (MFAT), the Department of Conservation (DOC), Te Puni Kōkiri (TPK) and Land Information New Zealand (LINZ).

Some issues have been raised by agencies in relation to the use of ratings – the ‘traffic lights’. Our approach to rating agencies using traffic lights is consistent with the UK model and enables us to identify the range of areas that require improvement. Central agencies expect that we will all be looking at ways to lift our performance and the rating system provides a clear picture for chief executives, Ministers and the wider public of where improvements can be made.

Our experience has been that in the first tranche of reviews, all organisations have recognised they need to improve in some way. This is evidenced by the larger numbers of red/orange ratings than green. Where agencies are in transition the ‘needs development’ rating often reflects the reviewers’ judgement that an issue has been identified and planning is underway, but the change is not sufficiently embedded to rate ‘well placed’. The process for applying the rating indicators is still new and we will improve the level of consistency of judgements between reviews as the review process beds down.

## Next Steps

The agencies that participated in this first tranche (along with the pilot agencies, MAF and DIA) are now using the reviews and their action plans to drive enhanced performance. We will monitor their progress in implementing their action plans, offering advice, assistance and support as necessary. In due course, we will revisit these agencies to see what progress has been made. A core objective of the PIF is to look at progress across a number of agencies over time to see whether we are achieving a systemic lift in performance.

We have commenced the second tranche of reviews involving the New Zealand Transport Agency, the Treasury, the Ministry of Education and the Department of Building and Housing.

**Iain Rennie**  
State Services Commissioner

**John Whitehead**  
Secretary to the Treasury

**Maarten Wevers**  
Chief Executive  
Department of the  
Prime Minister and Cabinet

## DEPARTMENTAL RESPONSE

It is not often that organisations receive feedback of this quality about their performance – particularly feedback that has been primarily crafted by three respected, senior public servants who between them have years of chief executive, policy making, machinery of government and political management experience.

Te Puni Kōkiri is pleased to receive the report and accept its findings. We have found the process constructive and useful and looking back we are delighted that we put ourselves forward to be one of the first government agencies to be reviewed.

The review provided a common focus for the organisation and engaged a large number of staff both in Wellington and out in the regions. We are also delighted with comments from the Review Team that all those spoken to responded in an open, positive and robust manner.

This report comes at a good time for the organisation. We have recently announced changes to the configuration for Te Puni Kōkiri to ensure we are able to deliver on the Government's priorities.

And, we are about to address two further questions. Namely:

- What are the capability requirements and associated allocation of resources across the Ministry? and
- Do our business processes support us to efficiently discharge our roles?

The independent review team's findings will significantly shape and inform the Ministry's action plans for performance improvement in the short to medium term.

Already we are acting on the review team's key recommendations by:

- looking to improve our strategic capability to enable us to play a more proactive leadership role in cross agency and sector wide policy formulation,
- including in the next stage of our "Priority Alignment Review" work that will focus on reviewing our current work priorities to ensure we have the right capability and resource to deliver these priorities,
- paying an increased level of attention to people development and performance management of individual staff and finding ways of rewarding good performance that are not solely based on increased remuneration, and
- increasing focus on effectiveness and efficiency assessments to ensure maximum value for money is achieved and informed judgements are made on alternative delivery options at a time of static or reducing baselines.

The report will be a very useful resource and reference document to assist all managers in playing their part in making these continuous improvement changes. The real challenge for Te Puni Kōkiri comes in implementing what has been identified as needing to be done, and the chief executive has every confidence that the managers and staff of Te Puni Kōkiri will rise to the challenge.

*Te Puni Kōkiri's Action Plan in response to this report is published at: [www.ssc.govt.nz/pif](http://www.ssc.govt.nz/pif)*

# TABLE OF CONTENTS

Central Agencies' Overview	1
Departmental Response	3
Lead Reviewers' Summary	5
Summary of Ratings	7
Agency Context	9
Results Section	11
Part One: Delivery of Government Priorities	11
Part Two: Delivery of Core Business	16
Organisational Management Section	20
Part One: Leadership, Direction and Delivery	20
Part Two: External Relationships	25
Part Three: People Development	27
Part Four: Financial and Resource Management	29
Summary of Priority Areas for Action	31
Appendix A	33
Overview of the Model	33
Lead Questions	34
Appendix B	35
List of Interviews	35

## LEAD REVIEWERS' SUMMARY

The two key questions confronting the Lead Reviewers were: how well is Te Puni Kōkiri (TPK) delivering on its core business and current Government priorities; and is that delivery sustainable?

In addressing these questions it is important to understand the intrinsic sensitivity and difficulty of the tasks and challenges facing TPK. It is a population-based agency, with whole-of-government interests. TPK has the full range of policy functions and in addition maintains a strong network of regional offices and satellite units. It is engaged in numerous inter-agency exercises, works to a number of Ministers and has a multiplicity of stakeholders. It deals with high profile and controversial issues that go to the core of New Zealand's national identity. Its future role will be shaped by a number of factors that are currently clouded in mist – eg, the planned constitutional review, the post-Treaty settlement environment and the MMP referendum.

The period since the last election has involved a great deal of relationship building with a range of ministers with an interest in TPK's work. This is partly due to its political interface having become unusually complicated. The Minister of Māori Affairs is co-leader of the Māori Party and is not a member of the Cabinet. The Associate Minister sits in Cabinet and is from the National Party. There is a separate Minister responsible for Whānau Ora, who is also co-leader of the Māori Party. The Prime Minister, Deputy Prime Minister and Minister for Treaty Negotiations all look to TPK for advice and support from time to time.

The past few months have seen a significant increase in the agency's workload, as well as an intensification of media focus on key areas of its work. There are no signs of a 'steady state' on the horizon. The Government's policies regarding Māori are constantly evolving as the relationship between the political parties settles in. On top of TPK's burgeoning responsibilities in the social and economic wellbeing areas, the acceleration of the Government's historic claims settlement programme and TPK's leadership role on the Whānau Ora programme will put the agency under heavy pressure. Depending on the outcome of the Waitangi Tribunal's consideration, WAI 262 is also likely to add significantly to TPK's workload. Ministers dealing directly with iwi leadership teams on major issues, adds a further layer of complication.

In the likely absence of any additional resources, rigorous prioritisation will be necessary as TPK's workload expands. The risk is not only that the agency will end up spread too thinly but that tasks will crowd out vision.

TPK is widely seen as having steadily improved its performance in recent years. This is reflected in the generally positive feedback from key stakeholders, as well as in the new functions and activities allocated to it by the Government. The agency may take particular satisfaction from the way it has handled the many and varied challenges of the past 18 months. It has taken a 'can do' approach to the Government's demands, building good relations with ministers, officials and stakeholders. Levels of trust and confidence in TPK's ability have risen appreciably. Its delivery on key priorities, as well as its core business, has, overall, been of a high standard.

The Chief Executive and his Executive Leadership Team (ELT) have provided impressive leadership, and staff have responded well. TPK plays an important role in a wide range of inter-agency exercises and is generally viewed by other agencies as a good and constructive team player. It provides a good level of monitoring and support for its Crown entities. Operationally, it is a well run agency.

As indicated below, there are – inevitably – some areas where the review team sees scope for improvement. In virtually all cases the Chief Executive and senior managers have already identified these areas and initiated action. It is to their credit that they are strongly committed to continual organisational improvement at a time of fast-breaking and heavy work pressures.

From an organisational development point of view, the main focus areas are: (see also recommendations for action)

- **strategic capability** to play a more proactive role across agencies
- **work prioritisation**
- **contract management** practice
- **efficiency and effectiveness** reviews
- **information sharing and policy alignment** across Wāhanga and between head office and regional offices
- engagement and coordination of **tier 3 managers**
- in-house **economic analysis** capability
- **staff development and performance management**
- internal **audit and risk management**
- **IT documentation and business continuity** plans
- **communication** with stakeholders and the public
- application of **regulatory impact analysis**.

**David Smyth**  
Lead Reviewer

**Neil Walter**  
Lead Reviewer

**Miriama Evans**  
Māori Affairs Expert

# SUMMARY OF RATINGS

## Results

GOVERNMENT PRIORITIES	RATING
Māori achieve enhanced levels of economic and social prosperity	
Development of the Whānau Ora policy ready for implementation across a wide range of Māori communities	
Māori prepared for future opportunities	
Making a success of the Māori Economic Taskforce	
Māori position as the Treaty partner is secured and enhanced	
Repealing the Foreshore and Seabed legislation and putting in place a new regime	
Making real progress in engaging with Māori prior to any constitutional review and reform	?
Māori succeeding as Māori	
The establishment of a centre of excellence for Māori language	

CORE BUSINESS	RATING (EFFECTIVENESS)	RATING (EFFICIENCY)
Leading and influencing Government policy as it relates to Māori		
Managing and advising on Crown/ Māori relationships at national and local level		
Partnering Māori initiatives with investment and facilitation to support the aspirations of Māori people to realise their own potential		
Crown entity monitoring		
	<b>RATING</b>	
Regulatory impact		

## Rating System

 Strong	 Well placed	 Needing development	 Weak	? Unable to Rate
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## Organisational Management

LEADERSHIP, DIRECTION AND DELIVERY	RATING
Vision, Strategy & Purpose	
Leadership & Governance	
Culture & Values	
Structure, Roles and Responsibilities	
Review	

EXTERNAL RELATIONSHIPS	RATING
Engagement with the Minister(s)	
Sector Contribution	
Collaboration & Partnerships with Stakeholders	
Experiences of the Public	

PEOPLE DEVELOPMENT	RATING
Leadership & Workforce Development	
Management of People Performance	
Engagement with Staff	

FINANCIAL AND RESOURCE MANAGEMENT	RATING
Asset Management	
Information Management	
Efficiency	
Financial Management	
Risk Management	

## Rating System

 Strong	 Well placed	 Needing development	 Weak	? Unable to Rate
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## AGENCY CONTEXT

Te Puni Kōkiri (TPK) was established under the Ministry of Māori Development Act 1991. Its prime responsibility is to assist in the management of the Crown's relationship with Māori over the full span of government activity and to ensure that government processes and decisions are informed by Treaty considerations and reflect the aspirations and realities of Māori communities. It also has economic and social delivery responsibilities. Its key outcomes are currently defined as:

- Māori position as the Treaty partner is secured and enhanced
- Māori achieve enhanced levels of economic and social prosperity
- Māori prepared for future opportunities
- Māori succeeding as Māori.

TPK is a population-based agency, with whole-of-government responsibilities and a strong regional presence. It has the full breadth of functions – research, policy development, facilitation, negotiation, reporting, monitoring, and evaluation. Key areas currently include: Treaty settlements (including Māori interests and rights in natural resources), the Foreshore and Seabed dialogue, broadcasting and language (including the Māori Language Strategy reassessment), economic development (including supporting the Māori Economic Taskforce), and social welfare (including the whānau assistance programmes and the new Whānau Ora programme).

Key entities TPK monitors, along with its general monitoring of government performance for Māori, are Te Māngai Pāho (TMP), which funds content and production of programmes; the Māori Television Service (MTS); Te Taura Whiri i te Reo Māori (the Māori Language Commission); and the Māori Trust Office (MTO).

In addition to its support roles for the Minister of Māori Affairs, the Associate Minister of Māori Affairs and the Minister responsible for Whānau Ora, TPK provides logistical and cultural support for the Governor-General, the Prime Minister and other members of the Cabinet, such as the Minister for Treaty Negotiations. TPK has a multiplicity of clients, partner agencies and stakeholders at national, regional and local level. It also plays a role in international issues, such as the Declaration on the Rights of Indigenous Peoples. It is supporting a strong Māori presence at the forthcoming Shanghai Exposition.

Programmes administered by TPK include the new Integrated Whānau Social Assistance Programme (IWSAP) and the Māori Wardens Programme. IWSAP, launched at the end of 2009, is community-level social assistance deploying whānau advocates who can assist vulnerable Māori communities and individuals experiencing social and economic hardship brought about by the economic recession. The Māori Wardens Programme, originally intended to keep Māori communities safe, has expanded to include community-level social assistance to Māori whānau. Recently, TPK was asked to take a lead role in the Whānau Ora programme, a new service delivery approach aimed at supporting whānau to be self-managing. TPK also administers the \$22 million Māori Potential Fund.

TPK is divided into three Wāhanga – Policy, Relationships and Information and Support Services. It is likely a fourth Wāhanga will be established to cover work on social policy, including the Whānau Ora programme. The Executive Leadership Team (ELT) comprises the Chief Executive and the heads of each Wāhanga, supported by staff from the Chief Executive's office. The Relationships and Information Wāhanga is responsible for the agency's regional network of 10 offices and nine district satellites.

The Policy Wāhanga comprises four directorates. Three are outcomes-focused (Culture, Wellbeing, and Resources & Wealth) while the fourth covers Research, Information and Monitoring. TPK's structure is currently under review.

TPK currently employs 342 full-time equivalent staff; just over two-thirds are Māori. It frequently contracts outside expertise for specialist work. With the separation of the Māori Trust Office, departmental funding is approximately \$56 million, with non-departmental output expenses of approximately \$106 million.

## RESULTS SECTION

### Part One: Delivery of Government Priorities

This section reviews TPK’s current ability to deliver on the priorities agreed with the Government. The review is based on the completeness of the agency’s plans, the stage at which the priority is at, and the capability and capacity of TPK to deliver on the priority. The review is also informed by consideration of identified risks.

<p><b>Māori achieve enhanced levels of economic and social prosperity</b></p> <p>Assistance to Māori supports and maintains their economic and social wellbeing through the economic downturn.</p>	
<p><b>PERFORMANCE RATING</b></p> 	<p>Performance Rating: <b>Well placed</b></p> <p>Several of TPK’s activities underpinning this priority are programmes supporting the development of small and medium Māori enterprises, which have been, in current or similar form, TPK’s core business for some time. There are some indicators of the success of these programmes. For example, a high proportion of small businesses assisted under the Māori Business Facilitation Service (MBFS) programme remaining in operation, positive feedback from customers and service providers but it is difficult to get an overall sense of their effectiveness.</p> <p>There is a lack of clear overall perspective and approach to the question of the future involvement of TPK in the larger Māori economic initiatives that will increasingly emerge in the post-settlement era. One option would be that TPK keeps its focus on small and medium enterprises (SMEs) and social support programmes, in part because these are integral to supporting Māori at the community (hapū and whānau) level, which in turn provides an extremely effective basis for relationship management and the present high quality support to ministers in their engagements with Māori.</p> <p>A broader review of the overall approach to Māori economic development, and what, if any, leadership or policy role TPK has in this sector, appears necessary. Initiatives are fragmented across portfolios, agencies and iwi, and TPK appears only lightly involved in some, particularly major projects and trade. For example, the agency plays a support role to the Māori Economic Taskforce and the Government is dealing directly with iwi leaders on some major economic development issues.</p> <p>TPK’s limited programmes to provide social sector support for communities and whānau, eg, the new Integrated Whānau Social Assistance Programme, are well received and also complement its relationship management role. These programmes are, however, small relative to both the overall needs and support given by Government in this sector.</p>

**Development of the Whānau Ora policy ready for implementation across a wide range of Māori communities**

<p><b>PERFORMANCE RATING</b></p> 	<p>Performance Rating: <b>Well placed</b></p>
	<p>TPK has recently been given lead agency responsibility for the implementation of Whānau Ora. At the time of preparing this report details of the initial funding and programme processes were still under budget secrecy and in the early stages of development. TPK has made a good start in its new role, restructuring at the Wāhanga (division) level to resource this programme.</p> <p>TPK is also aware that the requirements of Whānau Ora will present major challenges in terms of capabilities, organisational culture and reputational risk. It will need to manage the tensions between a ‘high trust’ contracting approach and the intense political and media scrutiny the programme will attract, lead significant cross-agency work in implementing the programme, and administer a programme that is envisaged as providing support to non-Māori families, which is outside the usual boundary of TPK’s engagement.</p> <p>These challenges will require close liaison with ministers, the highest quality of leadership in TPK itself and significant support from other government agencies.</p> <p>The rating reflects work to date and awareness of challenges ahead but does not address readiness to meet those challenges.</p>

**Māori prepared for future opportunities**  
 Māori achieve higher levels of participation and success in the priority areas of education, training, skills acquisition and enterprise.

<p><b>PERFORMANCE RATING</b></p> 	<p>Performance Rating: <b>Well placed</b></p>
	<p>While the overall national outcomes in this area are trending positively for Māori, it is less clear that TPK’s activities are major contributors to this. TPK is clearly facilitating opportunities for education and training for individuals, and the results here are positive in terms of qualifications achieved, employment placements etc but appear relatively small in terms of the overall sector. It is not clear that these programmes have been evaluated with sufficient rigour to see if they represent the best opportunity TPK has to contribute.</p>

**Making a success of the Māori Economic Taskforce**

<b>PERFORMANCE RATING</b> 	Performance Rating: <b>Well placed</b>
	This taskforce was established in the context of the Job Summit and is chaired by the Minister of Māori Affairs. TPK provides significant technical and logistical support for it. The Taskforce members drive the work and are looking closely at economic development opportunities at a sector level. In this respect TPK's role is relatively limited.

**Māori position as the Treaty partner is secured and enhanced**  
 The quality of the Crown/Māori relationship is enhanced.

<b>PERFORMANCE RATING</b> 	Performance Rating: <b>Strong</b>
	<p>The establishment of a deadline (2014) for the settlement of historical claims has put significant pressure on all the agencies involved. This work is expected to peak in 2011 – 2013. TPK has a key role in the mandating of claimants, ratification of settlement offers and application of the protection mechanism, as well as in facilitating and supporting dialogue between the Crown and Māori. It also provides assistance to claimant groups. Although it is not the lead policy agency in Treaty settlement work, it plays an important advisory role. For example, TPK provides the Chair of the officials committee supporting the Cabinet Treaty of Waitangi Committee and is a member of other officials committees. Overall, TPK is seen as making an important contribution to the Government's historical Treaty claims work.</p> <p>While TPK has engaged in preliminary inter-agency discussions on its role and responsibilities in the post-settlement era, it is not as advanced in its thinking in this area as would be desirable. Notwithstanding the many uncertainties that currently cloud the picture, for example, how the relationship between ministers and iwi leadership will develop and the impact of co-management agreements and relationship accords, such as those signed with Waikato-Tainui, we consider this a priority area as TPK strengthens its planning capability.</p> <p>This work has put pressure on resources both in head office and in regional offices. For example, it is estimated that the acceleration of the settlement programme will cost an additional \$1.7 million per year. This is currently being met by reprioritisation. In his March 2010 baseline alignment proposal, the Minister of Māori Affairs noted that TPK would have to discontinue its work on contemporary and 'outside of settlement' negotiations to accommodate the increasing demands of historical claims work. In any event, close and continuing attention will need to be paid to the planning, resourcing and management of this work through to, and beyond, 2014.</p>
	contd...

	<p>TPK also has responsibility for advising Government, on the rights and interests of Māori in natural resources and keeping in close touch with the relevant Māori groupings. It is doing a commendable job in some areas, eg, rating issues and the removal of barriers to land utilisation, but is stretched to play the role expected of it on environmental issues. It will also face a big task as one of the four agencies advising the Government on its response to the WAI 262 Treaty claim (indigenous fauna and flora and intellectual property) when the Tribunal releases its findings. The agency has already done preparatory work on this topic.</p> <p>Finally, TPK has a significant role to play on specific issues in Treaty-related areas with the potential to impact Māori, eg, the RMA, water rights, climate change, Auckland’s governance reforms and the UN Declaration on the Rights of Indigenous Peoples.</p> <p>The performance rating primarily reflects the valuable work done by TPK in this area. There are, however, significant capability risks around future demands.</p>
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**Repealing the Foreshore and Seabed legislation and putting in place a new regime**

<p><b>PERFORMANCE RATING</b></p> 	<p>Performance Rating: <b>Strong</b></p> <p>TPK is not the lead agency in this exercise but it has played a part in policy formulation and provided valuable – and valued – support to the Government by facilitating and supporting the consultation process.</p> <p>The Government’s final decisions on the repeal of the existing legislation and the nature of a replacement regime will determine TPK’s future role and resourcing needs in this area. TPK stands to have a key role to play in any negotiations between the Crown and individual iwi under a new foreshore and seabed regime.</p> <p>Within the limitations of its role, TPK can be said to have turned in a strong performance.</p>
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**Making real progress in engaging with Māori prior to any constitutional review and reform**

<b>PERFORMANCE RATING</b>  ?	Performance Rating: <b>Unable to rate</b>
	TPK and the Ministry of Justice have done some preliminary work on possible terms of reference for the proposed Constitutional review. The agency is likely to be required to facilitate initial discussions and information sharing among Māori once the review itself gets under way. It is, however, too early to predict just what substantive advisory, brokerage and/or facilitation responsibilities will fall to TPK when the review gets under way. In our view there is not yet sufficient basis for formally assessing TPK's performance in this area.

**Māori succeeding as Māori**  
 Māori are more secure, confident and expert in their own culture.

<b>PERFORMANCE RATING</b>  	Performance Rating: <b>Well placed</b>
	TPK has extensive involvement in this area, including its role in respect of language strategy, broadcasting and a range of other activities that support aspects of Māori culture. Both in terms of funding and monitoring relevant Crown agencies, and in policy advice, TPK is seen as adding value. Issues such as Rugby World Cup broadcasting rights caused concern and might have suggested that TPK was not fully on top of such issues. However, they have been few and far between, and TPK has moved smartly to find solutions.  This 'well placed' rating is close to 'strong'.

**The establishment of a centre of excellence for Māori language**

<b>PERFORMANCE RATING</b>  	Performance Rating: <b>Well placed</b>
	A first review of the language strategy to provide a basis for progress on this priority has been completed and further work is under way. The Minister is consulting further before taking the initiative ahead.

## RESULTS SECTION

### Part Two: Delivery of Core Business

This section reviews TPK’s effectiveness and efficiency in delivering its core business. The review is based on a judgement about current performance and the trends TPK has demonstrated over the last 3 – 4 years.

<b>Leading and influencing Government policy as it relates to Māori</b> Including development and administration of Māori affairs and related legislation, international responsibilities, representation and appointments and Māori language and broadcasting.	
<p><b>PERFORMANCE RATING</b></p> <p><b>Effectiveness</b></p>  <p><b>Efficiency</b></p> 	<p>Performance Rating (Effectiveness): <b>Well placed</b>                      Performance Rating (Efficiency): <b>Needing development</b></p> <p>Two particular areas of strength are TPK’s work in respect of language and broadcasting, and the skills demonstrated in helping to work through the complex inter-ministerial and inter-party policy issues and perspectives that can arise as part of the present political environment. TPK is also effective in working with other government agencies on different aspects of policy development, within the bounds allowed by the level of its resources. Stakeholders in the Government system have a higher regard for TPK’s performance now than some years ago.</p> <p>The picture is more mixed in terms of how well TPK can demonstrate its efficiency and effectiveness. It is presently strong in terms of some dimensions of capability, such as staff skills and engagement, and systems and processes for business management. It is much less able to demonstrate efficiency and that it has sound information that provides a basis for it to choose the best means to achieve the Government’s objectives. It has moved to develop impact performance measures following a critical assessment by the Auditor-General last year, and intends to begin new work to generate data on efficiency and cost-effectiveness. But, particularly in the latter area, much remains to be done; greater priority and emphasis on this work is needed.</p>

**Managing and advising on Crown/Māori relationships at national and local level**  
 Including contributing to settling all historical Treaty grievances by 2014, advice on property rights with respect to natural resources, and Government response to WAI 262.

<p><b>PERFORMANCE RATING</b></p> <p><b>Effectiveness</b>  </p> <p><b>Efficiency</b>  </p>	<p>Performance Rating (Effectiveness): <b>Strong</b>                  Performance Rating (Efficiency): <b>Well placed</b></p> <hr/> <p>As indicated above, TPK is seen at both agency and political level as playing an important role in, and making a very solid contribution to, Crown/Māori relationships. Its work on historical Treaty claims and foreshore and seabed issues, in particular, is well regarded.</p> <p>While views among Māori stakeholders seem rather more mixed, partly at least because of the growing tendency for ministerial dialogue to take place directly with iwi leadership groups, the review team was impressed by the effort being put by TPK into dialogue and information sharing at local and community levels. Not only does this work by regional offices help to ensure TPK’s policy advice is securely anchored in the real world of Māori communities, it is greatly valued by the groupings and communities themselves.</p> <p>The difficulty TPK faces is in the sheer number, spread and complexity of issues on which it will have to provide a Māori view and advice to the Government. As a ‘population’ agency, its responsibilities range over the whole of government activity. For example, in the first four months of 2010, TPK provided input to some 65 Cabinet papers. This requires that the agency’s priorities and direction of effort be constantly under review at all levels. It also calls for high levels of cooperation and alignment around the main policy directorates, as well as between head office and regional offices. The main challenges faced by TPK in this area, apart from the intrinsic complexity and difficulty of many of the issues involved in the Crown’s relationship with Māori, have to do with the agency’s capability. There are also, however, some issues around coordination and prioritisation.</p> <p>The principal capability issues are currently being addressed by the Chief Executive through a review of the agency’s structure. In addressing the questions of work allocation and balance, the review team will need to give careful thought to how tier 2 and 3 managers can be given the ‘headspace’ to take a more forward looking and strategic approach to their work. Attention is also being paid to the agency’s organisational planning and ‘future watch’ capability and the need to build in such areas as evaluation and economic development.</p> <p>On coordination, it seemed to the review team that more work is required to align the activities of regional offices with head office priorities to ensure activities and reporting patterns match the Government’s priorities and the agency’s needs, as well as to strengthen information sharing within and</p> <p style="text-align: right;">contd...</p>
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	<p>among the agency’s different Wāhanga. This is not to suggest that TPK has more difficulty in this respect than other agencies: its formal and informal communication is generally of a good standard.</p> <p>The critical importance to TPK of stringent prioritisation of activities at a time of static budgets and increasing work pressures is covered elsewhere in this report, as are our views on the need to identify and secure efficiency gains.</p>
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**Partnering Māori initiatives with investment and facilitation to support the aspirations of Māori people to realise their own potential**  
 Including community-level interventions and programme management, advice on enhancing the quality of life and experiences of Māori and enhancing opportunities for Māori to exploit their assets.

<p><b>PERFORMANCE RATING</b></p> <p><b>Effectiveness</b></p>  <p><b>Efficiency</b></p> 	<p>Performance Rating (Effectiveness): <b>Well placed</b>                  Performance Rating (Efficiency): <b>Well placed</b></p> <p>The delivery of TPK’s core programmes in this area (integrated whānau assistance, Māori Potential Funds, MBFS) appears effective in terms of positive feedback from ‘clients’ and other available indicators, though as noted elsewhere, there is little analysis of alternative delivery options or cost-effectiveness and efficiency.</p> <p>Contract management remains a major risk, which will be heightened as Whānau Ora is rolled out. Management systems appear sound and are supported by SmartFund, a database which alerts staff when milestones, reporting requirements etc are pending. The reliability of the system depends on the rigour applied by staff and the follow-through action taken.</p>
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**Crown entity monitoring**  
 How well does the agency undertake its Crown entity monitoring responsibilities including assisting the Crown entity to improve performance?

<p><b>PERFORMANCE RATING</b></p> <p><b>Effectiveness</b></p>  <p><b>Efficiency</b></p> 	<p>Performance Rating (Effectiveness): <b>Strong</b>                  Performance Rating (Efficiency): <b>Well placed</b></p> <p>TPK has monitoring responsibility for two Crown entities, Te Māngai Pāho (TMP) and Te Taura Whiri i te Reo Māori (the Māori Language Commission); as well as the Māori Television Service (MTS). It also supports the newly stand-alone Māori Trust Office. Our assessment is that TPK handles these responsibilities well. This has been a busy period, with reviews of the Māori Television Service Act and a wide-ranging review of the Māori Language Strategy.</p> <p style="text-align: right;">contd...</p>
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	<p>Feedback given to the team indicates that TPK takes a positive and supportive approach to its Crown entities, convenes regular coordinating meetings (at both Chief Executive and corporate manager level) and takes its monitoring and reporting roles seriously. Its policy and support directorates share the task of advising the Minister on specific issues and creating key planning and accountability documents, such as letters of expectation and annual reports. In May 2009, the Māori Trust Office became a stand-alone Crown entity, with a Service Level Agreement and Funding Agreement with TPK. TPK is putting effort into bedding in this Agreement and meeting its new purchase advice responsibilities.</p> <p>TPK also has responsibility for nominations to a number of boards and statutory bodies. In the first eight months of this year it put forward nominations for just over 100 governing bodies. Apart from the comment from one stakeholder that TPK might give greater weight to younger candidates, the review team received positive feedback on TPK’s performance in this area. While we came across nothing to suggest Crown entity or statutory appointments work was being done inefficiently, we gained the impression some scope may exist here – as elsewhere in TPK – for further efficiency gains. Further development of TPK’s impact reporting and evaluation mechanisms, in particular, should help ensure maximum value for money.</p>
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<p><b>Regulatory impact</b> How well does the agency’s regulatory work achieve its required impact?</p>	
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<p><b>PERFORMANCE RATING</b></p> 	<p>Performance Rating: <b>Needing development</b></p> <p>TPK administers 27 pieces of legislation as well as some 40 Regulations and multiple Māori Purpose Acts. Each year a small number of Regulations are promulgated or updated. Most of the Regulations are concerned with Māori Land issues. While this work is handled competently, it seems a weakness that Treasury’s guidance on Regulatory Impact Statements and more general guidelines on regulatory impact analysis are not applied in any systematic or rigorous way.</p> <p>The Māori Trustee Amendment Act 2009 came into force on 1 July 2009. Action on the important Māori Community Development Act, covering both the Māori Council and Māori Wardens programme, now rests with the relevant Parliamentary Select Committee. The review team understands that TPK played a useful role in this review and that its proactive approach to the Māori Warden programme, in particular, is bearing fruit.</p>
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## ORGANISATIONAL MANAGEMENT SECTION

### Part One: Leadership, Direction and Delivery

<p><b>Vision, Strategy &amp; Purpose</b></p> <p>How well has the agency articulated its purpose, vision and strategy to its staff and stakeholders? How well does the agency consider and plan for possible changes in its purpose or role in the foreseeable future?</p>	
<p><b>PERFORMANCE RATING</b></p> 	<p>Performance Rating: <b>Needing development</b></p> <p>On the first question, TPK puts considerable effort into ensuring its staff have a shared sense of purpose and direction. Its internal communication systems and mechanisms are well developed; informal communication among staff looked good; planning documents articulate the Government’s priorities clearly and well; liaison between head office and regional offices is improving; and ELT is acting on the views reflected in a 2008 staff survey that they need to communicate the bigger picture better to tier 3 managers and other staff.</p> <p>The agency’s 2010 staff satisfaction survey showed a significant improvement, and generally high levels of satisfaction, in the responses relevant to this section. For example, 68.3% of respondents agreed that the organisation had a ‘sense of common purpose’, compared with 65% two years earlier.</p> <p>The review team believes that now that relationships with politicians and other stakeholders are in good shape, it should be possible, and it is desirable, for TPK to consider its future role and shape and seek to leverage more off its standing in Government. Notwithstanding its workload is still increasing and the number of major issues remain unclear, we see benefit in moving now to strengthen the agency’s strategic planning capability.</p> <p>Already the Chief Executive has restructuring and strengthening of ELT and a more general review of the agency’s structure under way. This will help considerably, as will a dedicated planning capability to identify trends in politics, society and the public service, as TPK moves from a responsive to more proactive approach in its dealings with the Government. This aligns with the need to determine and communicate priorities across the agency’s work.</p> <p>In rating performance in this area as ‘needing development’, we acknowledge work pressures and uncertainties in recent months have mitigated against anything other than coping with immediate tasks, and ensuring that relationships are in good repair, and that the Chief Executive and ELT are already moving on issues around forward planning.</p>

<b>Leadership &amp; Governance</b>	
How well does the senior team provide collective leadership and direction to the agency?	
<p><b>PERFORMANCE RATING</b></p> 	<p>Performance Rating: <b>Well placed</b></p> <p>The review team was impressed by the leadership given to TPK by the Chief Executive. The agency has faced significant operational and reputational challenges in the recent past. That it has not only overcome those challenges but come through them so well is a tribute to the Chief Executive.</p> <p>TPK’s tier 2 managers are impressive individually and work together well as a team. Their sense of shared purpose and cohesion is also impressive. The proposed expansion of ELT should enable them to work more at governance than management level. ELT meetings appear to cover a standard range of ‘hot’ issues, coordination, information sharing and high level decision-making. ELT has from time to time conducted off-site planning workshops.</p> <p>Likewise, the review team was impressed with the calibre of the tier 3 managers it met, including regional office directors. The arrangements made for information sharing and coordination of views across senior management seemed generally very good. Consideration should, however, be given to reinstating periodic meetings of tier 3 managers with an agenda designed to maximise effective engagement and coordination across the whole of the organisation.</p> <p>As indicated in the Vision, Strategy &amp; Purpose section, there is more work to be done in articulating the agency’s vision and strategy.</p> <p>The 2010 staff satisfaction survey showed good results in the ‘confidence in your leadership’ section.</p> <p>One area that calls for more attention from TPK’s senior managers is staff development, particularly in the policy area. An important responsibility of senior managers is to enhance the ability of staff to lead interagency policy work and to develop them to move up through the organisation. To progress in this way, analysts need to understand the bigger picture and have the capability to find policy approaches that cut through complex and difficult issues.</p>

<p><b>Culture &amp; Values</b></p> <p>How well does the agency develop and promote the organisational culture, behaviours and values it needs to support its strategic direction?</p>	
<p><b>PERFORMANCE RATING</b></p> 	<p>Performance Rating: <b>Strong</b></p>
	<p>At a formal level, TPK articulates and promotes its values clearly and well. Senior managers are excellent role models in terms of the organisational behaviour expected of staff. At an informal level, too, it is clear that staff are highly motivated by TPK's 'kaupapa' and have high levels of job satisfaction. Morale seems very good and indications are that TPK is now seen as a good place to work because of its mission and purpose.</p>
	<p>The review team was impressed by the helpfulness and openness of staff it met. Likewise, we were struck by the positive 'can do' attitude at all levels. In the just-completed 2010 staff satisfaction survey, 71.2% of respondents 'knew and understood' the organisation's values compared with 67.3% in 2008. A new People Capability Strategy has just been launched to bring together organisational values, learning and development, and employee relations.</p> <p>Perhaps the point to watch here is one of organisational alignment: that this motivation remains closely aligned with the Government's priorities, and TPK's goals, as well as being more generally supportive of the interests and wellbeing of Māori.</p>

<p><b>Structure, Roles and Responsibilities</b></p> <p>How well does the agency ensure that its organisational planning, systems, structures and practices support delivery of government priorities and core business?</p> <p>How well does the agency ensure that it has clear roles, responsibilities and accountabilities throughout the agency and sector?</p>	
<p><b>PERFORMANCE RATING</b></p> 	<p>Performance Rating: <b>Well placed</b></p>
	<p>TPK's structure is about to be reviewed to take into account recent changes in its situation and workload. In general, it seems appropriate to TPK's situation, a policy agency with a strong regional presence, and works well. The review will look inter alia at pressure points and workload balance following the assumption of lead agency responsibility for the Whānau Ora programme.</p>
	<p>TPK meets standard public sector accountability requirements. Its documents and mechanisms are in line with practice across the public service and systems and policies in this area are of a high standard. Elsewhere in this report we note the agency's long range planning capability is to be strengthened.</p> <p>Establishing a clear mandate has been a major challenge for TPK over the past 18 months as the new Government has settled in, its policies and</p> <p style="text-align: right;">contd...</p>

	<p>priorities in TPK’s work areas have evolved and working relationships have been developed with key ministers.</p> <p>TPK is generally well regarded by other agencies for its open and constructive approach and helpful attitude. It puts effort into explaining its position and views to other agencies and ensuring Government’s policies and priorities in its work area are understood.</p> <p>We see scope for more work on information flows within the agency now there is a better understanding of the Government’s approach and policies. As noted elsewhere, the alignment of work and reporting between head office and regional offices is also continuing.</p> <p>The 2010 staff engagement survey showed an encouraging improvement, 74.7% to 79.7%, in positive responses to the proposition, ‘I know how my work contributes to the success of the organisation’.</p>
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**Review**  
 How well does the agency monitor, measure, and review its policies, programmes and services to make sure it is delivering its intended results?

<p><b>PERFORMANCE RATING</b></p> 	<p>Performance Rating: <b>Needing development</b></p> <p>Over the past few years, a number of major reviews of TPK have been conducted. These range from a significant restructuring in 2004 through the 2006 review to a sustainability review in 2007 and the ‘line by line’, value for money and baseline alignment exercises of recent months. A further review of TPK’s structure is proposed later this month. In addition, there have been numerous reviews of specific activities and units.</p> <p>A commendable amount of work is now going into improving the identification and use of performance and result indicators, including the Common Measurements Tool to assist in benchmarking. The agency is extending engagement and satisfaction surveys, used mainly for staff, to various client and stakeholder groups. It annually contracts an external review of the quality of its policy advice. Its four-monthly reports to ministers have an impressive amount of performance information, using a mix of outcome, output and impact reports. As with other agencies, it is the qualitative measures that pose the greatest challenge. A further complication is that TPK normally works closely with other agencies and on multi-year goals. Extensive use is made of national statistical information concerning the economic and social wellbeing of Māori.</p> <p>Action is now being taken to increase TPK’s evaluation capability. This partly reflects concern at critical comments about impact and outcome measures in the agency’s 2009/10 audit report. The Chief Executive has established an Evaluation Advisory Group and a new evaluation unit in Finance Division to</p> <p style="text-align: right;">contd...</p>
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## Leadership, Direction and Delivery

	<p>assess the impact and effectiveness of the agency's various programmes. This will build a broad evidence base that makes it possible to prioritise activities more systematically as well as help ensure a good value for money return to the Government and stakeholders. It will complement the work being done in the Performance Improvement Actions area.</p> <p>While we have rated the agency as 'needing development', we recognise very good progress has been and is being made in this area.</p>
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## ORGANISATIONAL MANAGEMENT SECTION

### Part Two: External Relationships

Engagement with the Minister(s)	
How well does the agency provide advice and services to its Minister(s)?	
<b>PERFORMANCE RATING</b> 	<p>Performance Rating: <b>Well placed</b></p> <p>TPK's environment at the political level is complex:</p> <ul style="list-style-type: none"> <li>• Māori aspirations placed at the heart of a support agreement</li> <li>• the Minister's position as co-leader of a support party in the Coalition and being outside Cabinet, in contrast to the Associate Minister's Cabinet role as a member of the majority party</li> <li>• recently a third Minister with Whānau Ora responsibility, who is also a co-leader of the support party.</li> </ul> <p>The Chief Executive and senior managers have worked hard and effectively to work within this situation, and deserve much credit for these efforts. As a result, they have improved their credibility with both their own and other ministers, and with peers in other government agencies. They should build on this achievement to develop more strategic overviews and direction for major Māori policy issues. This approach should provide a clearer path through the major future demands facing TPK and the complexities of the political environment.</p>
Sector Contribution	
How well does the agency provide leadership to, and/or support the leadership of other agencies in the sector?	
<b>PERFORMANCE RATING</b> 	<p>Performance Rating: <b>Well placed</b></p> <p>TPK has the characteristics more of a population agency than a sector agency but has some specific leadership and delivery roles and functions as well, eg, Whānau Ora, Māori language and broadcasting, delivery of Māori potential programmes, including business facilitation. TPK is widely seen as more effective in both the leadership and support roles in its relations with other agencies than some years ago, although we sensed an element of caution among some agencies in engaging fully with TPK owing to the complexity of the political environment.</p> <p>Reaching agreement on greater clarity in the overall direction and priorities for policy and service delivery, as noted elsewhere in this report, would help TPK sharpen its understanding of its cross-agency roles, as well as help it to</p> <p style="text-align: right;">contd...</p>

	<p>focus attention. Like other population agencies it is always under pressure to be able to respond on any issue, which means it risks spreading itself too thinly. TPK should consistently try to counter this pressure.</p> <p>Whānau Ora is noted as placing particular pressure on TPK’s leadership and cross-agency abilities in the coming period but other future demand areas (post-settlement regimes, constitutional review, and economic strategy) will also potentially place similar requirements on the agency. This is a significant capability issue for TPK and its senior managers.</p>
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**Collaboration & Partnerships with Stakeholders**  
 How well does the agency generate common ownership and genuine collaboration on strategy and service delivery with stakeholders and the public?

<p><b>PERFORMANCE RATING</b></p> 	<p>Performance Rating: <b>Well placed</b></p> <p>TPK has areas, both geographical and in specific programmes, of considerable strength in terms of quality relationships with stakeholders and the delivery of services to them but we also heard other examples where there appears to be more separation and less collaboration. To some extent this is inevitable, given the widely differing expectations held by stakeholders.</p> <p>This mixed picture seems to reflect whether or not TPK is placing more or less resource into particular activities or relationships. Elsewhere in this report TPK is urged to consider prioritising more clearly. Communicating those decisions on priorities, and the reasons for them, is important to ensure stakeholders have a clear expectation of the extent and nature of engagement on different issues. Strengthening of monitoring and evaluation processes, as recommended elsewhere in this report, would assist in this area.</p>
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**Experiences of the Public**  
 How well does the agency meet the public’s expectations of service quality and trust?

<p><b>PERFORMANCE RATING</b></p> 	<p>Performance Rating: <b>Well placed</b></p> <p>TPK is well placed in that it gets positive feedback from the recipients of its service delivery (grants and facilitation services) and sustains ongoing relationships with them. Many of its services are tailored to the needs of individual customers, so it does not set general standards but has effective systems for ensuring that milestones and obligations set under its contract management system (SmartFund) are met.</p> <p>Perceptions among the wider public, ie, those not dealing directly with TPK, whether Māori or non-Māori, are more likely to be mixed. This dimension is likely to come more to the fore as Whānau Ora is rolled out, and a well thought out communications strategy for media and the public will be important.</p>
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## ORGANISATIONAL MANAGEMENT SECTION

### Part Three: People Development

<b>Leadership &amp; Workforce Development</b>	
How well does the agency develop its workforce (including its leadership)?	
How well does the agency anticipate and respond to future capability requirements?	
<p><b>PERFORMANCE RATING</b></p> 	<p>Performance Rating: <b>Needing development</b></p> <p>The draft People Strategy to 2015 has core competencies for delivering business outcomes. The application of competencies in performance management and development appears to be varied. However, there are good leadership development opportunities for staff, such as secondments, acting in positions, and a range of training programmes, including Maranga Tira for Māori managers in the public service.</p> <p>The workforce strategy has relied heavily on developing a strong generalist workforce, who provide for responsiveness to ministerial demands. TPK has been thinking about its future requirements and has begun to address these.</p> <p>TPK recognises the need to complement generalists with in-house specialist expertise in some areas, eg, planning and economic development, to give greater depth to its work. ELT has been strengthened by the addition of one member who will lead Whānau Ora work. Action has been taken to better support internal audit and compliance functions. Evaluation has been separated out from internal audit and is being strengthened.</p> <p>Given the challenges ahead, it will be important for TPK to put more effort into capability and organisational planning. It has recently started a project, using outside expertise, to ‘rebalance’ the organisation to address forthcoming capability requirements for Whānau Ora. TPK will need to ensure that key staff have the necessary policy and planning skills and the space to assess priorities and manage other workload pressures.</p> <p>The rating reflects the extent of effort needed to develop the workforce to move up through the organisation, and build workforce development into core management behaviours.</p>

**Management of People Performance**  
 How well does the agency encourage high performance and continuous improvement among its workforce?  
 How well does the agency deal with poor or inadequate performance?

<p><b>PERFORMANCE RATING</b></p> 	<p>Performance Rating: <b>Needing development</b></p>
	<p>Formal performance management processes are in place but do not seem to be consistently applied or understood. This seems to be a particular issue at regional level. The rate of completion of agreements and reviews has been low across the organisation. A greater focus on completing and improving performance management processes could lead to better information for workplace development and for growing TPK’s capability.</p> <p>The 2008 and 2010 staff engagement surveys both give a low rating to effective management of poor performance. While staff have generally expressed a willingness to cope with spells of increased pressure on their workloads, some felt their managers did not provide enough support at these times or look to address underlying causes. The overall impression is that although responses were identified in 2007 to address performance management issues raised in the Pay and Employment Equity Review report, TPK still has some way to go in improving performance management.</p>

**Staff Engagement**  
 How well does the agency manage its employee relations?  
 How well does the agency develop and maintain a diverse, highly committed and engaged workforce?

<p><b>PERFORMANCE RATING</b></p> 	<p>Performance Rating: <b>Strong</b></p>
	<p>The engagement survey and interviews show that staff consider TPK to be a good employer. Staff find TPK an attractive place to work. The last two engagement surveys – with the exception of managing people performance as discussed above – show good results. The surveys record improvements in almost all categories from the 2008 to the 2010 survey. Staff value working to the kaupapa and active efforts by the agency have contributed to the positive result.</p> <p>TPK has an open and productive relationship with the Public Service Association (PSA) developed in the last four years over three collective agreements, a Partnership for Quality and a Pay and Employment Equity Review. The agency has no significant disputes or personal grievances. TPK has adequate policies and practices in place to manage health and safety.</p>

## ORGANISATIONAL MANAGEMENT SECTION

### Part Four: Financial and Resource Management

<b>Asset Management</b> How well does the agency manage agency and Crown assets, and the agency balance sheet, to support delivery?	
<b>PERFORMANCE RATING</b>  	Performance Rating: <b>Strong</b>
	<p>TPK is not an asset intensive agency, with the only major asset class being motor vehicles, which is subject to periodic reviews. Suitable policies and processes are in place. Overall, TPK appears to plan for, procure, and control assets in a suitable manner and no issues were identified.</p>
<b>Information Management</b> How well does the agency utilise information & communications technologies (ICT) to improve service delivery?	
<b>PERFORMANCE RATING</b>  	Performance Rating: <b>Well placed</b>
	<p>TPK's Information Services (IS) operations are relatively small. IS appears to be well resourced and well run by an enthusiastic and knowledgeable team. The systems and service seem to be enjoyed and appreciated by staff. Several support staff from around the organisation have taken up training offered for a new career path in IS. SmartFund is seen as improving efficiency for managing Non Departmental Output Expenses.</p> <p>While software development is documented, there is a lack of planning documentation, eg, in business continuity and a backup system. There is also an informality about operations, and it is difficult to tell if resourcing and controls are appropriate. Given size and staff continuity, these may not be problems, although there are some questions about backup arrangements. We therefore recommend an independent review of business continuity.</p>

<p><b>Efficiency</b></p> <p>How robust are the processes in place to test for efficiency and make efficiency improvements? How well does the agency balance cost and quality when considering service delivery options?</p>	
<p><b>PERFORMANCE RATING</b></p> 	<p>Performance Rating: <b>Needing development</b></p>
	<p>TPK has some way to go before it has systems and data that will enable it to test and benchmark the efficiency of its programmes to make clear cost/quality tradeoffs and to obtain information to enable it to analyse the best output or business process option to achieve a particular impact.</p> <p>For some of its activities, eg, those customised to different clients or involving significant effort on facilitation and relationship management, as well as grants or project support, it may be unrealistic to expect comprehensive quantitative data. However, much more effort should be made to get basic efficiency and cost-effectiveness data and to ascertain the boundaries beyond which data collection or analysis is not realistic or useful for these purposes.</p> <p>TPK is taking some steps in this area, with the development of measures of the impact of its activities, and is beginning to establish a work programme to get output-focused cost information and other efficiency-related data. It should give this work priority.</p>

<p><b>Financial Management</b></p> <p>How well does the agency manage its financial information and ensure financial probity across the business?</p>	
<p><b>PERFORMANCE RATING</b></p> 	<p>Performance Rating: <b>Strong</b></p>
	<p>Good financial management policies and procedures seem to be in place at TPK. Audit New Zealand gave positive ratings on the internal control environment assessment. The internal control environment is being monitored by the Audit and Risk Committee, along with further development of the internal audit function.</p>

<p><b>Risk Management</b></p> <p>How well does the agency manage agency risks and risks to the Crown?</p>	
<p><b>PERFORMANCE RATING</b></p> 	<p>Performance Rating: <b>Needing development</b></p>
	<p>Risk management at TPK is in development. An Audit and Risk Committee has been established on a proper footing. TPK has not been well supported in the past by a well resourced or well planned internal audit function or an established and functioning risk management framework. TPK is in the process of addressing these matters.</p>

## SUMMARY OF PRIORITY AREAS FOR ACTION

The summary of identified performance improvement recommendations below is designed to prompt conversation with the Executive Leadership Team (ELT). A more formal set of recommendations is likely to be documented following this conversation.

	<b>Recommendation</b>	<b>Who?</b>	<b>Why?</b>
1	Improve <b>strategic</b> capability to play a more proactive role across agencies.	CE with external advisors and ELT	The challenges of the next few years will see an increasing need for TPK to play a stronger, and in some cases leadership, role in cross-agency and sector-wide processes.
2	More rigorous <b>work prioritisation</b> .	CE with senior managers	TPK needs to prioritise its activities to manage a steadily increasing workload.
3	Continue to pay close attention to <b>contract management</b> practice.	CE with senior managers	Contract management is a high and increasing risk area for TPK.
4	Increase focus on <b>efficiency and effectiveness</b> assessments.	Deputy Secretary (Support Services) with Finance Group	Performance and impact measures need more work, and better measurement of efficiency and effectiveness is required to ensure maximum value for money and informed judgements on alternative delivery options at a time of static or reducing baselines.
5	Improve <b>information sharing, policy alignment</b> and prioritisation of activities across Wāhanga and between head office and regional offices.	Deputy Secretary (R&I) with ELT	Information flows within Wāhanga seem satisfactory but cross-agency systems are less effective. Regional office work needs to be more closely aligned to head office.
6	Reinstate periodic meetings of <b>tier 3 managers</b>	CE with ELT	To maximise effective engagement and coordination across the whole of the organisation.

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	<b>Recommendation</b>	<b>Who?</b>	<b>Why?</b>
7	Strengthen TPK's <b>economic analysis capacity</b> to enable it to play a full part in economic development and natural resources work.	Deputy Secretary (Policy) with Director Resources and Wealth, and HR Group	TPK is not currently equipped to play a full role in the important areas of natural resources, economic development, land utilisation and the environment.
8	Pay more attention to <b>development</b> and <b>performance management</b> of individual staff members.	ELT-lead with HR Group and all managers	Not only are formal systems not sufficiently well applied, valuable opportunities for staff development are being missed.
9	Consolidate and build on recent improvements to internal <b>audit and risk management</b> functions.	Deputy Secretary (Support Services) with Audit and Risk Committee and Senior Advisor Risk & Internal Audit	Need to take recent improvements a stage further to give adequate levels of assurance.
10	Undertake an expert review of TPK's IT systems and processes, with particular focus on business continuity.	Deputy Secretary (Support Services) with Group Manager Information Services	Questions over <b>business continuity and documentation</b> .
11	Strengthen <b>communication</b> generally with stakeholders about TPK's work and keep ministers, stakeholders and public closely informed about Whānau Ora programme, in particular.	Deputy Secretary (Support Services) and Deputy Secretary (Whānau Ora) with Communications Manager	Important to keep stakeholders in the general picture, to communicate decisions on priorities and the reasons for them and to take a proactive stance on communication with ministers, stakeholders and the public about the Whānau Ora programme as it is rolled out.
12	Make fuller use of <b>regulatory impact analysis</b> in regulatory work.	Deputy Secretary (Policy) with all policy managers	Important to use and follow public service best practice.

# APPENDIX A

## Overview of the Model



## Lead Questions

### Results

Critical Area	Lead Questions
Government Priorities	1. How well has the agency identified and responded to current government priorities?
Core Business	2. How <b>effectively</b> is the agency delivering this core business area? 3. How <b>efficiently</b> is the agency delivering this core business area? 4. How well does the agency's regulatory work achieve its required impact?

### Organisational Management

Critical Area	Element	Lead Questions
Leadership, Direction and Delivery	Vision, Strategy & Purpose	5. How well has the agency articulated its purpose, vision and strategy to its staff and stakeholders? 6. How well does the agency consider and plan for possible changes in its purpose or role in the foreseeable future?
	Leadership & Governance	7. How well does the senior team provide collective leadership and direction to the agency? 8. How well does the board lead the Crown Entity? <i>(For Crown Entities only)</i>
	Culture & Values	9. How well does the agency develop and promote the organisational culture, behaviours and values it needs to support its strategic direction?
	Structure, Roles & Responsibilities	10. How well does the agency ensure that its organisational planning, systems, structures and practices support delivery of government priorities and core business? 11. How well does the agency ensure that it has clear roles, responsibilities and accountabilities throughout the agency and sector?
	Review	12. How well does the agency monitor, measure, and review its policies, programmes and services to make sure that it is delivering its intended results?
External Relationships	Engagement with the Minister(s)	13. How well does the agency provide advice and services to its Minister(s)?
	Sector Contribution	14. How well does the agency provide leadership to, and / or support the leadership of other agencies in the sector?
	Collaboration & Partnerships with Stakeholders	15. How well does the agency generate common ownership and genuine collaboration on strategy and service delivery with stakeholders and the public?
	Experiences of the Public	16. How well does the agency meet the public's expectations of service quality and trust?
People Development	Leadership & Workforce Development	17. How well does the agency develop its workforce (including its leadership)? 18. How well does the agency anticipate and respond to future capability requirements?
	Management of People Performance	19. How well does the agency encourage high performance and continuous improvement among its workforce? 20. How well does the agency deal with poor or inadequate performance?
	Engagement with Staff	21. How well does the agency manage its employee relations? 22. How well does the agency develop and maintain a diverse, highly committed and engaged workforce?
Financial and Resource Management	Asset Management	23. How well does the agency manage agency and Crown assets, and the agency balance sheet, to support delivery?
	Information Management	24. How well does the agency utilise information & communications technologies to improve service delivery?
	Efficiency	25. How robust are the processes in place to test for efficiency and make efficiency improvements? 26. How well does the agency balance cost and quality when considering service delivery options?
	Financial Management	27. How well does the agency manage its financial information and ensure financial probity across the business?
	Risk Management	28. How well does the agency manage agency risks and risks to the Crown?

## APPENDIX B

### List of Interviews

This review was informed by input provided by a large number of TPK staff, relevant Ministers, and by representatives from the following businesses, organisations and agencies.

Agency/Organisation
Committee for Auckland
Department of the Prime Minister and Cabinet
Departmental of Internal Affairs
Infratrain
Lands Trust Environmental Team
Māori Television
Māori Trust Office
Minister of Māori Affairs Economic Development Taskforce
Ministry for the Environment
Ministry for Culture and Heritage
Ministry of Justice
Ministry of Social Development
New Zealand Māori Council
New Zealand Police
Ngā Miro Health
Office of the Auditor General
Parentline
Raukamanga School
Tainui Waka Alliance
Tainui Waka Cultural Trust
Te Hauora o Ngati Haua
Te Māngai Pāho
Te Rūnanga o Kirikiriroa
Te Rūnanga o Ngāi Tahu
Te Taura Whiri i te Reo Māori (Māori Language Commission)
Te Tini o Kawhia
Te Wananga o Aotearoa
Te Whakaruruhau Māori Women's Refuge
The Treasury
TPK Audit and Risk Management Committee
Tribal Development Waikato Raupatu Lands Trust
Trust Waikato
Waikato Institute of Technology
Waikato Museum