

New Zealand's Public Service

Interview with Michael Wintringham

Since the 1990s, New Zealand has made radical changes to its public service and established a strong performance culture. *Ethos* spoke to Michael Wintringham, the former State Services Commissioner of New Zealand, about how the public service is now managing the transition from focusing on efficiency to focusing on results and outcomes. This is an edited excerpt of the interview.

What are the challenges facing New Zealand's public service?

Most commentators would say that the changes in the 1980s and 1990s were successful. But what were they successful for? Increasing the efficiency of the state sector. But this sector does not operate for the purpose of being efficient. It operates to help government design and implement policies to get results for citizens. Results often mean, especially in social policy areas, higher education status, employment, better health outcomes, and the security to make choices in life.

These outcomes are often long-term, sometimes even inter-generational. It is often quite difficult to establish the relationship between the interventions that you make and the results you get. There's got to be a lot of trial and experimentation and they often require the joint effort of many agencies.

For example, take a 15-year-old boy in a provincial town in New Zealand, who is the child of a single mother who is on a welfare benefit, and who has not been attending school for the past year. He has begun taking drugs, and he is running with a bad bunch of kids. The educationists will say it's an education problem—we've got to keep him in school. Is it an income problem instead, or is it a law and order problem?

In creating an efficient public service, we've established a large number of small organisations (the biggest has 5,000 and many have 400 to 500) focused on a few clear objectives, and their performance standards, systems and measurements are geared, hardwired for annual efficient production. That does not sit very well with the need to get outcomes that are long-term, cross-generational and have multiple causes. So the challenge is how to redirect the public sector to get results, while not losing efficiency gains.

The 1970s were the days of public administration. We did things by the book. In the 1980s we moved to the era of public management. That was harder, because you didn't go by the manual, but you could apply the principles of conventional private sector management. We struggled. You can take the public-administrator label off, put on a new label of public manager, and put the managers in an environment with the freedom to act, and you don't necessarily get results. You need to develop your people.

Now we're moving from efficiency to getting results and outcomes. That's even harder still. The causal linkages, the measurement, the process, are all difficult. So the challenge to make that move lies in investment in people and we have underinvested in people.

We also need to maintain confidence in the public service. In the 1970s the system was rule-based. In the 1980s, those rules were loosened but there was still a strong understanding of what was acceptable and what was not. Now, as we make the move to getting results, we want people in the public service to try new things. But if you're going to devolve and allow people to use public money to try new things, there are risks that things will go wrong, and public confidence will be eroded. You are not going to have a book of rules. So you need strong ethics and values.

How has New Zealand dealt with these challenges? What systems and policies have been put in place?

First we've tried to remove some of the hardwiring that drives people to focus on annual production.

All those documents—performance agreements and specifications—have been changed. The annual accountability cycle and documentation is now based on the statement of intent that each department produces. The document is not important; it's the process that counts. It is signed between the CEO and minister and covers a few things:

- What are we here to achieve over the long term?
- What are the interventions necessary to get those results?
- What are the measures we are held accountable for, to give confidence and indicate that we are making progress?
- What capabilities do we need to get the result?

It is long-term, outcome-based and integrated. It brings together, in New Zealand public service jargon, purchase and ownership.

It seems like a small change, but it's quite different than a document that says for this amount of money, I will produce this number of site visits or operations.

An excellent example of outputs versus getting outcomes is in the prison service. If the head of the prison service is going to be accountable for keeping 5,500 people safely, securely and humanely incarcerated for NZ\$35,700 per annum, he can do that pretty well himself. If the objective is to reduce the rate of re-offending by particular categories, for instance, persons under 25, then he can't do that himself. He's going to need to run programmes internally. He will need job-placement services, social services for the families, housing programmes, and other interventions.

Second is a change in culture. When I was Commissioner, I worked hard to move from saying, "I'm going to hold you to account" to asking, "How are you going to work together?" Part of accountability is the expectation that if a Chief Executive agrees with the Minister on what the objectives are, he will cooperate with, and even agree to joint objectives with some of his colleagues.

Third is re-investment in our people for the new environment. One of our mistakes when we focused on public management is that we tended to treat skills as a commodity: Buy when it when you need it, discard it when you don't need it, or use it up and buy some more. The emphasis on the annual production cycle meant that there was no incentive to invest in people for five or 10 years out.

So in the last two or three years, there's been a major effort to design a new Senior Leadership and Management Development Program. It has several million dollars of funding, standards set by the State Services Commission, a long-term focus and is competency-based. That's a major change that would have been unthinkable 10 to 15 years ago.

Fourth is that we are constantly reinforcing and emphasising core public service values—both in the leadership programme and in the day-to-day business of government. I made that a priority as Commissioner, and took every opportunity to speak about it. I got a group of public service Chief Executives to assist me. They became champions for it and reinforced it in their own ways. ■