
PERFORMANCE IMPROVEMENT FRAMEWORK

Formal Review of the Ministry of Pacific Island Affairs (MPIA)

OCTOBER 2011

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

Lead Reviewers' Acknowledgement

As lead reviewers for this Performance Improvement Framework (PIF) Review of the Ministry of Pacific Island Affairs (MPIA), we would like to acknowledge the thoughtful and forthcoming contribution made by MPIA's Chief Executive and his staff. In addition, we had considerable input from a cross section of MPIA's external stakeholders. The contribution of officials from the Department of the Prime Minister and Cabinet, the State Services Commission and the Treasury, led by Deb Te Kawa, was particularly helpful.

MPIA recognised this Review as an opportunity to identify areas for improvement and to lift its overall performance. There was open and robust engagement throughout the process and we note that, even as we undertook the Review, the Chief Executive and his Senior Leadership Team were taking action on some of the issues.

**Performance Improvement Framework
Formal Review: Ministry of Pacific Island Affairs**

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

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AGENCY'S RESPONSE

From the Chief Executive of the Ministry of Pacific Island Affairs.

We volunteered for a PIF review as part of our commitment to continuous improvement. The Review has accelerated our efforts to continue the transformation I started when appointed as Chief Executive. Building on our past efforts, I have focused attention on transforming organisational efficiency and trying innovative delivery projects to boost the impetus for policy change.

The Review has recognised some of these efforts. The Review recognised that the category of financial management is well placed. Ensuring good financial systems and understanding the effectiveness of our spend are the first steps to improving Ministry cost-effectiveness. The 'collaboration and partnerships with stakeholders' category is also well placed. Recognition of our work with stakeholders is important. While there is considerable discussion in the public sector of the merits of clustering, of networked projects and of breaking down silos, in practice, this way of working is difficult and not always followed. For a small agency, collaboration is essential because we achieve our objectives through influencing larger agencies. The response from large agencies is highly variable. In future, it is important that large agencies are also expected to meet certain milestones if we are to expect material change in outcomes for Pacific people.

The effort the Ministry has put into collaboration and partnerships with others is recognised in this Review and so is the pioneering spirit that it represents. It is not only because we are small that our agility can be used to develop innovative new ways of clustering agencies to achieve outcomes, but also this approach is the best way to make long term improvement in government processes and systems. Pioneers may not have an easy path, but we do share our experience with those just beginning the journey now, and hope that, as a result clustering efforts will realise their full potential more quickly. Inter-agency collaboration will become even more important as resources become more scarce and public expectations for seamless service delivery increase. The Ministry is an effective conduit between government and Pacific communities.

Our investment in research, knowledge creation and information sharing was recognised as an important and useful addition to our contribution to the policy development process. We believe that we are more likely to influence the policy process with credible and usable information that presents authentic Pacific perspectives on significant public policy issues affecting Pacific peoples.

We have also made considerable gains in addressing chronic problems affecting Pacific communities through our innovations work and partnerships with relevant agencies. Reduction in the cost of sending money to the islands, improving financial capability among Pacific communities in NZ and the region, recognition of leadership and creative talents among Pacific young people, supporting leadership development in the state sector and promoting the entrepreneurial spirit among school students are some highlights.

Despite these considerable gains, nevertheless, what this Review highlights is the need to better communicate both those achievements and the benefits to our stakeholders, including Pacific communities. We need to be more explicit with Pacific communities about our resource limitations and our inability to meet all expectations.

In areas where we have not done so well, the Review recognises the efforts of staff and management in making real change in people's lives and in the policies and systems of government, however, our reputation still holds us back. This gives us pause for thought. Legacy reputations are hard to dispel, and the clustered, networked and brokerage approach we have taken is often intangible.

The challenge we face is demonstrating the value of the Ministry's assistance when our aim is to empower people and government entities to achieve their own outcomes for and with Pacific communities. Measuring, monitoring and reporting on our contribution to the overall outcomes sought is challenging but we have put considerable time and effort into improving our performance measures. Part of the Ministry's change programme that is beginning to show dividends is the effort being put into measuring and monitoring organisational performance. The next step will be to communicate that evidence.

In areas where we control and lead policy and service development, such as promotion of Pacific languages, the PIF Review shows we are well placed. However, the Review confirms that more distant stakeholders still do not know what the Ministry can and cannot achieve with its current mandate and resources. In addition, many stakeholders are unaware of the needs being balanced by government departments in the formulation of government policy. This is why the work of the Ministry in raising community skill level in understanding and interacting with government agencies is so important. This is a priority identified in our statement of intent for 2011-2014.

More generally our next steps will be to:

- Strengthen working relationships with the Minister's Office and other Ministers
- Continue to improve the effectiveness of our Senior Leadership Team (SLT) to provide more strategic oversight and to task and support staff to focus much more on the key priorities
- Refine the Ministry's vision and refresh our goals and priorities
- Further rationalise and streamline the Ministry's organisational structure and improve accountability arrangements
- Consider the appropriateness of the currently restricted scope of the nominations service and reconsider appropriate delivery arrangement
- Report on the evaluation of the impact and efficiency of the Ministry's work more regularly
- Prepare and position the Ministry for the future
- Consider the long term future of the Ministry's contracting and purchasing regime
- Review purchase agreement with Pacific Business Trust following an evaluation of the effectiveness and efficiency of the organisation
- Further explore options for future shared services, while remembering our previous experiences with shared services.

The following table sets out our response to Lead Reviewer's specific recommendations.

Colin Tukuitonga

Chief Executive of the
Ministry of Pacific Island Affairs

Lead Reviewer's Recommendations and the Ministry's Response

1. Consider the ways of improving communication with the Minister's Office and strengthening relationships with senior Ministers, key agencies and Pacific communities.

The Ministry has already recognised a need for improvement in this area. Some of the following recommendations are underway and ongoing. More specific actions such as the development of a communications plan will be completed by September 2011.

- Review role of MPIA staff member in the Minister's Office and improve ways of working with Ministerial Office staff
- Develop a strategic communications plan which includes a proactive programme of ministerial events and press releases
- Improve the quality of all material sent to the Minister and others

2. SLT to play a collective leadership role in setting the Ministry's goals and priorities, allocating resources, directing organisational development, evaluating performance and communicating the Ministry's vision and SLT expectations to staff.

The SLT is new; it is still developing its role and approach to collective organisational performance. Nothing in the review suggested the team was on the wrong track, but rather it needed to expedite its change management agenda. As a result, we will increase the speed at which we focus on areas for improvement.

- First priority for the third quarter of 2011/12 is the full implementation of the reporting framework and the collection of baseline measurement for future assessment
- External assistance to further develop SLT skills and capability
- The Ministry's SLT will commit to 4 strategic planning sessions during 2011/12 to focus on wider organisational development issues, strategic direction and monitoring, including refreshing our vision, goals and priorities to ensure we are positioned for the future

3. Regularise and rationalise the Ministry's management structure to ensure clear lines of accountability and management responsibility and close alignment of unit business plans, staff tasking and training development focus to the Ministry's agreed priorities. MPIA's nomination service needs to be reassessed.

This recommendation supports the continuing organisational review I began when appointed to the Chief Executive role. I will continue with the plans to discontinue the governance function, revisit role of Chief Advisors and streamline our structure. In addition, once this stage is complete, I will review again whether the new structure delivers flexible, responsive and fit for purpose results.

- Structural change will be complete by Dec 2011
- A review of the Ministry's nominations service and priority boards will be complete by March 2012

4. Put more emphasis on the need for managers and staff to constantly evaluate the impact and efficiency of their work and review the Ministry's direction of effort.

We started the review of our strategic direction and development of a reporting framework in 2010. This report gives us impetus to increase the amount of staff training in this area and we have introduced a three year qualitative evaluation project (Statement of Intent 2011/14) to support the quantitative performance measures being base-lined this year.

- These changes have already been implemented
- We instigated a programme of staff development activities to enhance their monitoring and evaluations skills and this will continue in 2011
- Responding to future baseline reductions will be on the agenda for SLT strategic planning sessions and options agreed by December 2011

5. Review the options for contracting out the management of Pacific Employment Support Services (PESS) and Pacific Business Trust (PBT) contracts. Explore options for shared services that will reduce corporate overheads and produce better levels of service.

We will invite Treasury and Ministry of Economic Development (MED) to work with us on ensuring MPIA is the best agency to deliver the new contracted funding, while ensuring any future contract managers have the skill set to work with Pacific providers. We will also undertake an additional review to ensure the quality of the work done aligns with appropriate business theory. A one size fits all approach would be detrimental at this stage.

- Consult with Treasury and MED by 30 Sept 2011
- Carry out an evaluation of PBT and their impact by February 2012 to inform future arrangements with them
- A review of our Corporate support services will be completed by 30 Sept 2011

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LEAD REVIEWERS' SUMMARY

The two key questions confronting the lead reviewers were: how well is the Ministry of Pacific Island Affairs (MPIA) delivering on the Government's priority objectives for New Zealand's Pacific peoples; and is MPIA an efficient and well run organisation?

In addressing these questions it is important to understand something of the challenges facing the Ministry. It is one of New Zealand's smallest government departments yet it has responsibilities for New Zealand's Pacific communities that range across several sectors of government and a number of subject areas. For the most part, it has to work through larger agencies to achieve the outcomes sought for Pacific communities – and the track record of the mainstream agencies is by no means uniformly good. In addition to its core policy functions MPIA manages significant service delivery contracts and runs three regional offices. It has multiple stakeholders and a large and dispersed constituency, which holds high expectations of it: New Zealand's Pacific communities are still falling well behind other population groups in important areas such as education, health, housing and employment.

Small agencies have some advantages over larger entities: for example, MPIA showed commendable agility and flexibility in responding to the Samoa tsunami and the Christchurch earthquake. Equally, however, being small carries a number of problems. MPIA lacks the depth and breadth of skills and experience found in larger departments. It has to cover a lot of ground in terms of its community liaison role, as well as its policy influencing responsibilities. It is subject to many of the same compliance pressures as other departments – which means its corporate overheads are disproportionately large. Its second tier managers are expected to function at a strategic level, as members of the Ministry's Senior Leadership Team, yet all of them carry a heavy load of operational and management responsibilities. And while its core function is to influence policy, it also has service delivery responsibilities.

We have been impressed by the commitment shown by the Chief Executive and his staff to play their part in improving the situation of Pacific communities in New Zealand. In our meetings with external stakeholders we received some very positive feedback about the work done by Ministry staff. The present Chief Executive has provided strong intellectual leadership and has gained the attention and respect of his counterparts in other agencies. By all accounts he has made a number of improvements in the way the Ministry operates since taking office in 2007. During his tenure, the Ministry has played a key initiating and coordinating role in a diverse range of projects benefiting Pacific communities across such areas as overseas remittance costs, leadership training for Pacific peoples and the better utilisation of Pacific community resources.

At the same time, MPIA has some residual organisational weaknesses that require further attention if it is to play its full part in securing the future of Pacific communities in New Zealand. For the most part, the problems relate to organisational management, in particular, organisational leadership and people development. We also have questions about the Ministry's role in contract management and the nominations service. While there is scope for further performance improvement, with respect to the Government's key strategic priorities, recent initiatives and the actions now being taken by the Chief Executive should enable MPIA to make significant gains in these areas.

We have discussed the issues identified in this report in some detail with the Chief Executive. In some cases they were already under consideration or action. In other cases, the Chief Executive showed every sign of wanting to address and resolve them. The fact that the recommended priority

action areas have now been incorporated into MPIA's action plan augurs well for the Ministry's ability to deliver on its important responsibilities in the future.

Paula Rebstock
Lead Reviewer

Neil Walter
Lead Reviewer

CENTRAL AGENCIES' OVERVIEW

What is the Performance Improvement Framework and what are we trying to achieve?

The Performance Improvement Framework is a framework applied by a small group of respected organisational leaders to provide insights into agency performance, identifying where agencies are strong or performing well and where they are weak or need to improve. The framework covers both results (in terms of effectiveness and efficiency) and the organisational management factors that underpin sustainable superior performance.

Because a common framework is used, the reviews not only inform agency performance improvement plans, but also help us build a body of knowledge that provides us with a better picture of cross-system performance and identifies issues which we need to address at sector or system level.

The Performance Improvement Framework is an initiative developed by central agency and State services chief executives to respond to the need for improved effectiveness and efficiency in the State services. It is also important to acknowledge that the New Zealand State services operates from a position of strength and continues to be recognised internationally as among the top performers. However, we recognise that we must meet the ever-increasing and reasonable expectations of Ministers and the public generally, especially in these times of economic and fiscal stress.

What are we learning?

In general, the reviews completed so far confirm that we have a 'can do' service, which is strong on delivering the results government wants now – agencies engage well with Ministers, are responsive, and effectively deliver on Government priorities. We have a service that values probity and the systems and processes that support transparency and ensure accountability for the expenditure of taxpayers' funds. We have a service that recognises that its people, and their combined knowledge, experience and commitment, are our greatest assets. We are relatively good at putting in place the systems and processes (for example financial management systems) that should support them to make their best contribution.

At the other end of the spectrum, we are not as good as we should be at working across internal and external silos, progressing the medium- to long-term work programmes that will position us to meet the future needs of governments and taxpayers and reviewing the ongoing need for, or methods of delivery of, the services we currently provide.

We need to be better at measuring the results of what we do and comparing them to the results government was seeking to achieve. We need to bring together the information we have to make better decisions about what we do and how we do it. For example, we need to use our financial management systems to understand and manage the costs of the services we provide, rather than simply to develop and monitor budgets.

Next steps?

We are now in the second year of the Performance Improvement Framework programme, agencies reviewed to date are at various stages of implementation of their responses to their reviews. We will work with them to support and monitor their implementation of those responses and to evaluate whether their actions are having the improvement results anticipated.

As indicated above, we are looking across the Performance Improvement Framework review results to identify both the agencies that others can learn from and the areas of systemic weakness that we need to tackle as a service rather than on an agency by agency basis. Key to these will be our ability to monitor long-term effectiveness (are we actually achieving the outcomes as opposed to merely delivering the outputs?) and our ability to review the effectiveness and efficiency of what we do (are we providing services the best way we can or indeed can the services be better provided by someone else?).

The central agencies are in the process of identifying the key areas for improvement across the system, mapping the work that is currently underway in these areas and work that might be done in the future.

Iain Rennie
State Services Commissioner

Gabriel Makhoul
Secretary to the Treasury

Maarten Wevers
Chief Executive
Department of the
Prime Minister and Cabinet

SUMMARY OF RATINGS

Results

STRATEGIC PRIORITIES	RATING
Lift incomes and standards of living for Pacific peoples	
Make progress in Auckland	
Promote Pacific cultures and language	

CORE BUSINESS	RATING (EFFECTIVENESS)	RATING (EFFICIENCY)
Policy advice		
Nominations Service		
Relationships and Communications		
Purchasing	?	
Grants	N/A	N/A
	RATING	
Regulatory impact	N/A	N/A

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	N/A
Information Management	
Efficiency	
Financial Management	
Risk Management	

Rating System

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

New Zealand's Pacific Peoples

In 2006, Pacific peoples living in New Zealand numbered some 266,000. By 2026 it is estimated that this number will have nearly doubled to half a million or 10% of New Zealand's population. At that point 1 in 8 of New Zealand's young labour force (15-39 years) stands to be of Pacific ethnicity.

Almost half of our Pacific community are of Samoan descent. The other main groups are from the Cook Islands, Tonga, Fiji, Tokelau and Tuvalu. Some two-thirds of our Pacific population live in Auckland. Their median age is just over 21 years, compared with a median age of 35.9 years for New Zealand's population overall. Around 60% of those identifying as Pacific ethnicity were born in New Zealand.

Generally speaking, Pacific peoples have significantly lower living standards, employment rates, educational achievement and incomes than the average New Zealander. Their overall health is also poorer, resulting in shorter life expectancy rates.

The Ministry of Pacific Island Affairs

The Ministry of Pacific Island Affairs (MPIA) had its origins in the Office for Pacific Affairs set up in the Department of Internal Affairs in 1985. It became a stand alone department in 1990.

The Ministry currently has a full-time staff of around 40 people located in Auckland, Wellington and Christchurch. It also employs a small number of part-time and contract staff. Some three-quarters of its staff are of Pacific descent.

MPIA's overall appropriation in 2010/11 was \$8,649,000, of which just over \$2 million was tagged for the Pacific Business Trust (\$1.156 million) and Pacific Economic and Support Services (PESS) projects (\$1 million).

The Ministry's main objective is to lift the incomes, education outcomes and living standards of Pacific peoples, with a particular focus on the situation of Pacific communities in Auckland. It is also charged with the promotion and preservation of Pacific languages and cultures.

For the most part, MPIA seeks to achieve its educational, housing, employment and health outcomes through influencing other mainstream agencies. This is its core responsibility and purpose. In support of this policy advisory work it runs a small research programme. It is expected to be a strong voice in government for improving outcomes for Pacific peoples and to provide a means for the Government to communicate its policies to Pacific peoples. In addition to its general engagement with Pacific communities, MPIA manages a small number of community-based projects and programmes.

RESULTS SECTION

Part One: Delivery of Strategic Priorities

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

Lift incomes and standards of living for Pacific people	
<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Needing development</p> <p>This objective accounts for the bulk of the Ministry's activities, taking in most of its policy advisory, research, community liaison and service delivery work.</p> <p>We were unable to find evidence in the Ministry's <i>2010/11 Statement of Intent (SOI)</i> that its approach to advancing this objective had been thought through sufficiently at a strategic level. There seemed a lack of clarity about precisely what MPIA was planning to contribute to the outcome and how it would track its performance against agreed targets. The existence of a number of other high level documents risks confusing both staff and stakeholders about MPIA's role and responsibilities. At the time of our Review, the Ministry was working on its Statement of Intent for the period 2011-2014.</p> <p>Feedback on the Ministry's performance against this key objective was variable. Stakeholders felt MPIA could be more effective in capturing the Government's attention and interest in the key issues facing Pacific peoples; that it has not yet achieved as much traction as it needs with key government agencies; and that its engagement with Pacific communities, while improving, remains rather uneven.</p> <p>To some extent these problems can be attributed to MPIA's small size and limited resources, as well as shortcomings on the part of the agencies and communities with which it must work. Nevertheless, in our view, the Ministry could achieve greater impact with the Government's current investment in its activities. A small agency has to set its goals and prioritise its work very carefully. We did not get a sense that the Senior Leadership Team was paying enough attention to identifying the Ministry's point of difference or monitoring the impact of its work.</p> <p>While it is undoubtedly useful for the Chief Executive to meet with his counterparts on a 'whole-of-government' basis from time to time, the Ministry must be very selective in its interventions. We believe it remains an important part of MPIA's job to monitor the outcomes of other agencies' work from a Pacific peoples' perspective. Certainly the Pacific community sees MPIA as having a 'watch dog' role. In this, and its other interactions with key government agencies, however, it needs to calibrate and manage its role and involvement very carefully.</p> <p style="text-align: right;">contd...</p>

	<p>A problem dealt with in more detail below is that the Ministry’s rather loose and dispersed management structure lessens its effectiveness.</p> <p>We also raise the question of whether the Ministry’s involvement in projects and contract management work distracts from its policy influencing work.</p> <p>In short, while it has done useful – and in some cases innovative – work in this important area of its responsibilities, the Ministry has yet to realise its full potential to advance the Government’s key objective for Pacific peoples.</p>
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Make progress in Auckland

<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Needing development</p> <p>We received positive feedback from some external stakeholders on the Ministry’s work in Auckland. The Ministry plays a useful facilitation role for other departments; has built good connections with local government; is improving its communication with Pacific communities; and is a valued participant in a number of inter-agency networks. MPIA’s Auckland research team seems to be doing a particularly worthwhile job.</p> <p>On the other hand, some stakeholders felt the Ministry was still not as active or as visible as it needed to be among some of Auckland’s Pacific communities and were sceptical about MPIA’s ability to influence policy formulation in Wellington. The Auckland office’s representation at events involving ministers has also posed a problem in recent months.</p> <p>Some criticism was expressed to us about how well the Ministry communicates its role and priorities and therefore manages its constituents’ expectations. The Ministry’s role and responsibilities (and perhaps its resource constraints) are clearly not understood by all its stakeholders. MPIA has put quite a lot of work into strengthening its communication with Auckland’s Pacific communities but clearly has some way to go in improving overall understanding of its role and responsibilities. The appointment of a second tier national manager of relationships and communication will be important in this respect, as will the results of the Ministry’s ongoing efforts to improve the alignment and functioning of the Auckland office.</p>
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Promote Pacific cultures and language	
<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Well placed</p> <p>Although the Ministry does not put a lot of resource into this objective, in the past two years or so it has worked up a Pasifika Languages Strategy, run a number of workshops, supported the National Pacific Radio Trust, supported two pilot bilingual school projects and developed a small number of ‘Mind Your Language’ websites containing resource information.</p> <p>It has recently initiated consultation on a Cabinet paper outlining how the Strategy should be implemented over the next few years and is establishing a cross-agency project team.</p> <p>While it is early, the Ministry seems to be taking this objective seriously and making good progress with it. It is clearly an issue of importance to the Pacific communities, as the furore over the Ministry of Education’s recent suspension of Pacific language publications in schools has shown.</p> <p>It will be important for MPIA to involve the relevant Pacific communities closely in its language preservation and promotion programmes at both the design and the implementation phases. It should also draw on the experience of Te Puni Kōkiri and Te Taura Whiri i te Reo Māori.</p>

RESULTS SECTION

Part Two: Delivery of Core Business

This section reviews the agency’s effectiveness and efficiency in delivering its core business. The report is based on a judgement about the current performance of the agency and the trend it has demonstrated over the last three to four years.

Policy Advice	
<p>PERFORMANCE RATING</p> <p>Effectiveness</p>  <p>Efficiency</p> 	<p>Performance Rating (Effectiveness): Needing development</p> <p>Performance Rating (Efficiency): Needing development</p> <p>The Ministry has made some progress in this area over the last year or two. It has also had a number of successes. From our meetings with various stakeholders, however, we have concluded that it is not yet making the impact it needs to. Many in the communities question whether it is as yet a strong enough voice around senior levels of government.</p> <p>While the Chief Executive is respected by his counterparts, and in some areas MPIA’s working relationship with other agencies is productive, we were told that the Ministry is not yet as effective as it needs to be in influencing major departments, such as the Ministry of Education.</p> <p>The smallness of the Ministry is, of course, a major constraint when it comes to influencing other, bigger agencies. Moreover, the mainstream agencies must take responsibility for their handling of the issues affecting Pacific communities: we were told that in a number of cases joint plans and strategies were simply not adequately resourced by the larger agencies. Nevertheless, we had a sense that better results could be achieved by MPIA, with improved prioritisation of effort, better selection and timing of input and more focused tasking of staff – even within current resource limitations. A more systematic monitoring of the outcomes produced by mainstream departments should also help here.</p> <p>As indicated above, it is critical the Senior Leadership Team provides not just a clear sense of overall direction to managers and staff but ongoing guidance as to which relationships and issues it should focus on.</p> <p>While the Ministry has traditionally not been well rated for the quality of its policy advice, samples of submissions we saw suggest that the quality has risen in the past few months and is now of an increasingly good standard. This appears to be owing to close management intervention. To sustain this performance level, staff capability will need further significant development.</p> <p style="text-align: right;">contd...</p>

	<p>As to efficiency, the Ministry has some way to go in making clear its priorities, targeting its resources and directing and managing its staff in accordance with agreed objectives and priorities. Notwithstanding its small size, we felt MPIA should be making more use of management information and performance targets to monitor the effectiveness of its interventions. Again, these are matters for the Senior Leadership Team to address once the course is set for the 2011/12 year.</p>
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<p>Nominations Service</p>	
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<p>PERFORMANCE RATING</p> <p>Effectiveness</p>  <p>Efficiency</p> 	<p>Performance Rating (Effectiveness): Needing development Performance Rating (Efficiency): Weak</p> <p>The Ministry’s nominations work has undergone a recent staffing change. While it has yet to be seen how the work will be undertaken in the future, it is encouraging that a more tightly focused approach is planned.</p> <p>The MPIA nominations database currently contains just over 400 Pacific people. We were told that from time to time an effort is made at community meetings to elicit more names. Evidently it remains a challenge for MPIA to identify candidates with the qualifications and experience sought for commercially oriented Boards. The fact that only one Pacific person currently holds a commercial State Sector Board position (out of 300 or so director positions) is worrying. On the other hand, Pacific people representation on non-commercial boards is greater and there is some evidence of MPIA impact in this area. MPIA submits nominations for New Year and Queen’s Birthday Honours and there is anecdotal evidence of some effectiveness in this area.</p> <p>There is little by way of statistical analysis about the extent of Pacific under representation on state sector Boards and no information on the advocacy effort made at agency or ministerial level or the outcomes being worked to. The Senior Leadership Team needs to develop appropriate performance targets and outcome measures as it moves forward.</p> <p>Should the service’s impact remain at the current low levels, serious consideration should be given to alternative means of improving representation of Pacific people on state sector Boards. There are examples of effective nominations services in other departments that could be drawn on; collaboration with other agencies should be actively considered.</p>
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Relationships and Communications	
<p>PERFORMANCE RATING</p> <p>Effectiveness</p>  <p>Efficiency</p> 	<p>Performance Rating (Effectiveness): Needing development</p> <p>Performance Rating (Efficiency): Needing development</p> <hr/> <p>Relationships are critical to this Ministry’s work. It is expected to act as an effective bridge between Pacific communities and the Government, which requires it has good and productive relationships with both parties – and enjoys the confidence of both.</p> <p>As indicated above, the Ministry’s relationship with the Government needs strengthening. This applies also, to a lesser extent, to its engagement with Pacific communities.</p> <p>The national manager of relationships, currently based in Auckland, has supervisory responsibility for the work of the three regional offices. The present manager is a contract employee, though recently the position was advertised to be filled by a permanent employee. It will be important that the person chosen is able to play a full role as a member of the Strategic Leadership Team. Further consideration should be given to the appropriate location for this role and whether the role should assume supervisory responsibility for the Ministry’s Head Office communications work.</p> <p>In recent years, the Ministry has put considerable effort into informing and influencing opinion leaders and decision-makers. MPIA has a Chief Communications Advisor who supports the Chief Executive in this work. The other two Head Office communications staff are responsible for ministerial servicing and a range of tasks under the Corporate Affairs Manager. We suggest consideration be given to bringing these positions together under the Chief Communications Advisor.</p> <p>The Auckland office has its own communications staff who work directly to the Director of that office and are focused on the office’s links with Pacific communities in Auckland and the northern region.</p> <p>We see it as important that communications staff be chosen for their ability to engage effectively with all the Ministry’s target audiences, including, of course, Pacific communities.</p> <p>MPIA has lists of key stakeholders and at the time of our Review was conducting a satisfaction survey. Its Community Engagement Framework provides a good basis for directing staff effort to the higher priority sectors.</p>

Purchasing	
<p>PERFORMANCE RATING</p> <p>Effectiveness</p> <p style="text-align: center;">?</p> <p>Efficiency</p> <div style="background-color: red; width: 20px; height: 15px; margin-left: 20px;"></div>	<p>Performance Rating (Effectiveness): Unable to rate</p> <p>Performance Rating (Efficiency): Weak</p> <hr/> <p>At present the Ministry has two major purchasing responsibilities: a \$1.156 million contract with the Pacific Business Trust (PBT), which goes back to the 1980s and covers various employment and training programmes; and the recently-approved Pacific Employment Support Services (PESS) contracts, which are primarily in the economic and cultural areas.</p> <p>From various discussions we had, it seems the PBT contract has not been managed as closely or as well as it should have in recent years. Neither the PBT nor the Ministry considers the present arrangement fully satisfactory: the PBT because it has no clear sense of the Ministry’s priorities or performance expectations; and the Ministry because the contract does not seem either to be driven by its strategy or linked directly to its key outcomes. It was confirmed to us by the Ministry that it is currently reviewing the arrangement with the PBT.</p> <p>We do not necessarily see a problem over an entity such as the PBT (which is a Schedule 4 Trust) being funded by MPIA for the delivery of certain agreed services. However, if the PBT is to continue receiving this funding (rather than, for example, having it made contestable), a contract for the coming year should be drawn up urgently in line with the Government’s objectives and priorities; targets and performance measures should be clearly specified; and the PBT’s performance against agreed targets must be monitored closely. We were told that work was getting under way on such a contract but at the time of the Review had no firm information on which to base a rating.</p> <p>It was suggested that one way to improve the outcomes achieved through contracting with PBT would be to buy in specialist contract management services from, say, the Ministry of Economic Development. This would ensure the right kinds of scrutiny, skills and experience were applied to the contract management and would prevent MPIA from being distracted from its core policy role. MPIA would, nevertheless, retain overall responsibility for setting agreed outcomes and providing advice on the PBT. We recommend this option be explored with the Government and the Ministry of Economic Development.</p> <p style="text-align: right;">contd...</p>

	<p>The Pacific Employment Support Services scheme was introduced earlier this year. Three projects to a value of \$1 million pa have now been approved for an initial two-year period. The Ministry drew heavily on other agencies' experience in running the tendering process for these contracts and our impression is that the process was well handled. An additional staff member has been contracted into the Auckland office to manage the contract.</p> <p>There are two problems with this PESS arrangement. First, it brings the Ministry into a new and very direct kind of involvement with individual members of the Pacific community that may pose problems in terms of its need to stay clear of any suggestions or perceptions of commercial bias or favouritism. Second, it is a big task for a small agency to take on new and significant contract-for-service responsibilities when its main focus is policy advice. This is likely to become a distraction from its main task. And while this activity calls for different skills and expertise, investment in it is unlikely to be efficient, given the scale of the programme.</p> <p>For these reasons, and without suggesting the funding should be taken off the MPIA Vote or that MPIA should not continue to have oversight of the PESS programme, we wonder whether another agency, with experience and expertise in managing social service contracts – such as the Ministry of Social Development – should not be contracted to manage the contracts on behalf of MPIA.</p> <p>We note that the ratings given above reflect our concerns around the past management of the contract with PBT and our worry that the Ministry will be diverted from its policy influencing role by procurement and contract management responsibilities it is not particularly well equipped to handle. We did not feel able to rate the effectiveness of the Ministry's purchasing activities because the PBT contract was being reviewed at the time of this Review and the PESS contracts had only recently been set up. The 'weak' rating for efficiency does not reflect any concerns in the way MPIA set up the PESS contracts.</p>
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Grants	
PERFORMANCE RATING	Performance Rating (Effectiveness): Not applicable Performance Rating (Efficiency): Not applicable
Effectiveness	The Ministry's scholarships and training awards (to a value of around \$108,000 each year) are handled by the Pacific Business Trust as part of its contract and are covered by our remarks in the preceding section.
N/A	
Efficiency	
N/A	

Regulatory Impact How well does the agency’s regulatory work achieve its required impact?	
PERFORMANCE RATING N/A	Performance Rating: Not applicable
	MPIA has no regulatory responsibilities.

ORGANISATIONAL MANAGEMENT SECTION

Part One: Leadership, Direction and Delivery

<p>Vision, Strategy & Purpose</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>PERFORMANCE RATING</p> <p></p>	<p>Performance Rating: Weak</p> <p>The development and articulation of an agency’s purpose, vision and strategy is a key responsibility of the Senior Leadership Team.</p> <p>While there is a fair measure of understanding among staff as to what is expected and required of them, it is not clear to us that Senior Leadership Team members have as yet engaged sufficiently with one another or with staff on what the agency’s key goals and priorities should be for the coming year. We would have liked to see more openness and robust discussion at Senior Leadership Team level. We had a sense of rollover of previous goals, with minor adjustments for changes in the operating environment.</p> <p>One of the Chief Executive’s major challenges is to have Senior Leadership Team members stand back from their particular responsibility areas and collectively work out how best to align MPIA’s activities with the Government’s priorities. We acknowledge this is a particular challenge for small agencies and that the Chief Executive is giving it high priority.</p> <p>Recent MPIA Statements of Intent did not seem to give a clear picture of what was most important to the Government, what MPIA planned to contribute to the Government’s key goals and just how MPIA’s performance would be monitored and measured. We were encouraged to hear that discussions have taken place with Audit New Zealand about the performance measures to be applied in the coming year and that outside expertise has been brought in to improve the quality and readability of the Ministry’s <i>2011/12 Statement of Intent</i>.</p> <p>We have recommended to the Chief Executive that he review the other existing high level documents on MPIA’s vision and aims and that in future the Ministry rely primarily on the Statement of Intent and annual business plans to explain its strategy and approach to staff and stakeholders.</p> <p style="text-align: right;">contd...</p>

We have also recommended that MPIA's overall strategy be used more consistently to drive resource allocation and determine staffing needs and that work plans for units and individual staff be aligned more directly and more explicitly to its strategic objectives. This requires a more robust strategic planning and impact assessment process.

We gained the impression that in recent months the Ministry may have begun focusing more attention on community-based programmes and pilot schemes at the expense of what we understood to be its core policy influencing and outcomes monitoring role alongside mainstream agencies in the key areas of health, education, housing and social welfare. While carefully planned research and joint pilot projects might from time to time be a useful way of influencing mainstream departments, it seems to us important that any such change in the Ministry's direction of effort be carefully weighed against the importance of continuing to discharge its core policy and advisory responsibilities.

Once MPIA's current purpose, vision and strategy are finalised, further consideration will need to be given to how the Ministry might position itself for future changes in its role and responsibilities. Like other agencies, it faces the prospect of static or declining funding levels over the next three or four years.

Leadership & Governance How well does the leadership team provide collective leadership and direction to the agency?	
<p>PERFORMANCE RATING</p> <div style="text-align: center; margin-top: 10px;">  </div>	<p>Performance Rating: Weak</p> <p>The Chief Executive has put quite a lot of work into the development of a leadership team (Senior Leadership Team) that will give the agency the collective leadership and direction it has lacked in the past.</p> <p>This is a particularly difficult challenge in any small agency, where the second tier managers, who are the leadership team, are essentially division directors with their own heavy management and operational responsibilities.</p> <p>But while quite a lot of progress has been made in putting more structure around MPIA’s strategic planning process, there remains much to be done. Senior Leadership Team meeting records show a heavy emphasis on management and operational issues. Our impression is that Senior Leadership Team members still find it difficult to raise themselves above their day-to-day line management and operational duties to provide collective strategic leadership of the Ministry’s future direction. In other words, they are not yet consistently operating as a senior leadership team imbued with a shared sense of purpose and taking collective responsibility for the Ministry’s overall performance.</p> <p>One factor in this is that the current Senior Leadership Team is relatively new and its dynamics are not yet sufficiently well established for it to operate with quite the levels of assurance and confidence required. It is important that discussion and debate at Senior Leadership Team level be open, honest and robust. Moreover, organisational development/leadership is not yet receiving the attention it needs, though content leadership is more widely demonstrated.</p> <p>The Chief Executive is well aware of the importance of strengthening the Senior Leadership Team’s performance in this area and is committed to reshaping its approach.</p>

<p>Culture & Values</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>PERFORMANCE RATING</p> 	<p>Performance Rating: Needing development</p> <p>At one level it can be said that most members of the Ministry seem generally committed to the goal of improving outcomes for Pacific peoples in New Zealand.</p> <p>The higher than average staff turnover rate and low engagement scores suggest, however, that the Ministry has not yet succeeded in using organisational culture, behaviours and values to drive and support its strategic direction.</p> <p>One factor is of course the relative newness of the Senior Leadership Team. The staffing reductions of the past two years will also have had some effect.</p> <p>We picked up some suggestions of unevenness in degrees of institutional loyalty, with the professionalism of some individual staff members being questioned. We have referred elsewhere to a general looseness in the Ministry’s management structure and style.</p> <p>While this area remains a challenge for the Senior Leadership Team and unit managers, it is an area of development that could yield early and significant gains given the inherent alignment of purpose that Ministry staff share.</p>

<p>Structure, Roles and Responsibilities</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>PERFORMANCE RATING</p> 	<p>Performance Rating: Needing development</p> <p>The Chief Executive has taken a number of steps – many of which involved hard decisions – to rationalise the structure of the Ministry. He also deserves credit for the efforts made to reduce costs by downsizing. It seems to us, however, there is scope for some additional improvements which, taken together, would significantly enhance the Ministry’s performance. Given the heavy pressure the Senior Leadership Team is already under, it might make sense for the Chief Executive to seek external assistance and advice in this area.</p> <p>The Chief Executive currently has nine direct reports, which seems excessive for a small agency. In addition to the decision taken recently to disband the Governance Section, we have suggested further consideration be given to the number, roles and lines of accountability of Chief Advisors. There are also problems arising from the unstructured and personalised way in which decisions are sometimes taken, tasks assigned and performance managed – ie, the way the structure is applied. We gained the impression that work priorities and patterns are on occasions determined by individual staff preferences and capabilities rather than by the needs of the organisation. This is a recipe for confusion. Lines of accountability, staff expectations and management responsibilities need to be clarified and adhered to.</p> <p>As indicated earlier, a related problem lies in the fact that, although the Chief Executive has made some progress, the Senior Leadership Team is not yet providing staff with the requisite levels of collective leadership and direction. There are some important organisational development questions to be addressed once the Ministry’s goals and priorities have been set for 2011/12.</p>

<p>Review</p> <p>How well does the agency monitor, measure, and review its policies, programmes and services to make sure that it is delivering its intended results?</p>	
<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Weak</p> <p>Although MPIA puts a certain amount of time and thought into establishing its goals and monitoring its performance, it has some considerable distance to go before it can be said to have a good understanding on how well it is contributing to the Government’s goals.</p> <p>Partly this is owing to the difficulty of establishing meaningful and workable qualitative performance indicators across the full range of its responsibilities. Partly, too, it reflects the difficulties facing a small agency with limited resources which wants to put its effort into securing results but has to spend a lot of its scarce time measuring, explaining and demonstrating performance.</p> <p>Nevertheless, it is important the Ministry establish meaningful qualitative and quantitative performance measures that will enable it to monitor its own effort and progress against agreed goals, as well as monitor the outcomes being produced by key mainstream departments. This is the surest way of determining the relative effectiveness of MPIA’s various interventions, both at Head Office level and in the Auckland region.</p> <p>It is encouraging to see greater effort is being put into the preparation of the Ministry’s <i>2011/12 Statement of Intent</i>. There is also an increased awareness that the Senior Leadership Team should be spending more time on the prioritisation and coordination of the Ministry’s work.</p> <p>Our judgement is that once it has a clear view of what it is seeking to do, and has improved its performance indicators, the Ministry should be able to implement an effective review of its policies, programmes and advice to establish a virtual cycle of improvement.</p>

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)?	
<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Needing development</p> <p>The way in which any department gives advice and supports its Minister and the Minister’s office is of pivotal importance. This is probably even more the case for small agencies, which need their Minister to be an effective advocate within government when the policies of larger agencies are being considered.</p> <p>The Ministry is well regarded in some areas for the support it provides to its Minister, such as facilitating her interface with the Pacific communities and being a credible conduit between other government agencies and Pacific communities. Nevertheless, the relationship between MPIA and its Minister could be strengthened in some important respects.</p> <p>We also sense that MPIA’s relationship with the Minister’s Advisory Committee is not as close or as productive as it could be.</p> <p>We recommend the Ministry give high priority to establishing strong and clear lines of communication with staff in the Minister’s office and to ensuring the timeliness and quality of services it provides to the Minister. Considerable care needs to be taken over who from the Ministry works in the Minister’s office. The Senior Leadership Team, in particular, needs to work to strengthen the trust and confidence the Minister has in all aspects of the Ministry’s performance.</p>

Sector Contribution	
How well does the agency provide leadership to, and/or support the leadership of other agencies in the sector?	
<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Needing development</p> <p>At Chief Executive level the Ministry enjoys good relationships around the Government agencies with which it has dealings. The Chief Executive of MPIA has also used occasional wider meetings of public service chief executives to raise awareness of MPIA's work and the situation and needs of New Zealand's Pacific communities.</p> <p>We received positive feedback on some of MPIA's interventions and activities involving other departments, at head office and, more especially, regional office level.</p> <p>It is important the Ministry is able to influence the policies and activities of key agencies, such as the Ministry of Education, the Department of Labour, the Ministry of Health and the New Zealand Housing Corporation. In this area, the Ministry is not yet meeting its own targets, let alone the expectations of the Pacific communities. This is not universally the case, neither is it all of the Ministry's fault – we found evidence of unevenness of performance and shortcomings among some of the mainstream agencies involved.</p> <p>The question arises of the extent to which MPIA should be carrying out research and initiating pilot projects in areas such as education and housing. Probably there is no blanket answer: rather it is a matter of finding the right balance between specific projects and longer-term policy influencing. It is, however, important that MPIA continues to monitor (and report to Ministers) the outcomes of other agencies that impact Pacific communities; and that the Ministry not be deterred from its role in influencing mainstream agencies.</p> <p>It comes back to how priorities are determined and resources allocated by the Senior Leadership Team and how well policy staff are tasked and managed. Rigorous and pragmatic prioritisation is necessary. Particular care must be taken to ensure that specific projects do not crowd out the Ministry's more important longer-term objectives.</p> <p style="text-align: right;">contd...</p>

	<p>It is clear that other agencies value MPIA's role in facilitating their own interactions with New Zealand's Pacific communities and in injecting policy advice and Pacific perspectives in various areas of their work.</p> <p>We see potential, however, for the Ministry to leverage more off its relationships with other agencies. And as indicated above, we see room for improvement in the way the Senior Leadership Team and managers monitor the interface with other agencies and calibrate their involvement according to the priorities and demands of the time.</p> <p>MPIA does a certain amount of research itself as well as funding or coordinating research programmes involving other agencies. Our impression is that this research is generally well targeted and timely.</p> <p>In this, as in other areas, it is important that MPIA's direction of effort be squarely in line with its key priorities.</p> <p>It might help to get traction with mainstream agencies (and the Government and the public) if the Ministry were to follow the example of the Ministry of Women's Affairs and produce at, say, two-yearly intervals a comprehensive range of statistics and data that would show the situation – and identify trends – of Pacific peoples in New Zealand. (At present MPIA publishes data and statistics on a sector-by-sector basis.)</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?	
PERFORMANCE RATING 	Performance Rating: Well placed
	<p>Although the feedback we received from a wide range of stakeholders was variable, we concluded MPIA was increasingly handling its community and other agency stakeholder relationships well. It has clearly accepted the challenge of working in close partnership with Pacific communities, business leaders and larger government agencies.</p> <p>The Ministry's stakeholder and engagement plan is well thought out. We were impressed by the recent innovations in the Auckland office's outreach programme and by the efforts in this area. Looking forward, the Community Engagement Framework could be used more systematically by managers to support specific government goals and priorities.</p> <p>Projects such as the Remittance Project and the Mobilising Pacific Collective Wealth Project have required MPIA to build links with a range of groupings and institutions outside government. The feedback we received suggests it has done a good job. Going forward, it will be important to strike an appropriate balance between these small, self-contained projects and the MPIA's longer-term policy work.</p> <p>The effectiveness of the Ministry's relationships with its main constituency can be impacted by the extent of diversity of its staff. Although the majority of its employees are of Pacific ethnicity, the situation is different in both the communications team and the Senior Leadership Team. While this is an effective means to quickly build capability, it will be important to balance this with the need to be well connected into the Pacific communities.</p> <p>Finally, it is clear the Ministry will continue to need to use its communications capacity to manage the sometimes unrealistic expectations of the Pacific communities concerning its role and capacity.</p>

Experiences of the Public	
How well does the agency meet the public's expectations of service quality and trust?	
PERFORMANCE RATING ?	Performance Rating: Unable to rate
	<p>There seems to us little point in the Ministry trying to survey or measure the views of the public. Its regular surveys of key stakeholders would be far more useful.</p>

ORGANISATIONAL MANAGEMENT SECTION

Part Three: People Development

Leadership & Workforce Development How well does the agency develop its workforce (including its leadership)? How well does the agency anticipate and respond to future capability requirements?	
<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Needing development</p> <p>MPIA has a draft Human Resources (HR) Strategy that, if implemented, will ensure its policies for workforce management are aligned across the agency. Looking forward, the Ministry needs to improve its approach to succession planning, leadership and talent management. Training appears to be driven by a bottom up approach, rather than directed by an assessment of the needs of the Ministry.</p> <p>The Chief Executive took significant steps early in his tenure to reposition the Ministry capability. He has done well to reduce the number of regular MPIA staff from around 55 to 40 over the past two years. However, it is not clear that the reduction was strategically managed, with questions about the extent of the turnover and whether the right people moved on or stayed. There is a sense that this focus area has stalled.</p> <p>The Ministry’s remuneration policy is determined each year by the Senior Leadership Team. It does not apply across-the-board increases. The average remuneration rates for MPIA staff seem significantly above the public service average, although we were told that the salary ranges are checked each year by a consultancy firm to ensure market alignment. Partly this is owing to a conscious decision to reduce the numbers but raise the levels of seniority of policy advisors.</p> <p>Three staff members have participated in the Pacific Leaders Programme, a joint initiative with the Leadership Development Centre. From time to time in-house training (for example, plain English instruction) is provided.</p> <p>MPIA has a modest programme of secondments to and from other agencies. Other training courses are funded on a case-by-case basis, with little by way of evidence of a ‘whole of Ministry’ strategy or plan. Although MPIA’s total spend on training in the 2009/10 year was close to \$100,000, a 2009 Gallup survey suggested a low level of satisfaction among staff with MPIA’s approach to training.</p> <p style="text-align: right;">contd...</p>

	<p>While the Ministry’s HR Strategy is still in draft, it is increasingly in use. We have the impression that this, like other MPIA corporate service documents, may have been worked up with insufficient regard to the Ministry’s goals and strategies. There is awareness of the need to address this and it is beginning to happen in some areas.</p> <p>Once the Ministry’s objectives, strategies and work plans have been settled for the 2011/12 year, the Senior Leadership Team should begin to work through all its corporate strategies to ensure good alignment. As indicated above, close attention needs to be paid to the impact on the Ministry’s longer-term objectives of its community-based projects and the diversion of effort involved in such events as the Christchurch earthquake and the Rugby World Cup.</p> <p>Running good HR systems is a particular challenge for any small agency and is one of the areas that could benefit most from a pooling of resources and expertise under a shared services arrangement.</p>
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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>PERFORMANCE RATING</p> <p></p>	<p>Performance Rating: Weak</p> <p>Performance management remains a major challenge for the Ministry. This links back to the unevenness we detected in management approaches and the blurring of accountability lines from the looseness of MPIA’s structure. We saw no evidence of a concerted drive from the Senior Leadership Team for continuous improvement in this area.</p> <p>Formal performance management instructions exist but do not seem to be applied consistently. Individual performance agreements are not always linked directly to MPIA’s key objectives or the Government’s priorities. As a result, staff are not always clear of what is expected of them.</p> <p>We gained the impression that some managers do not monitor or manage performance well and that performance reviews are not always completed on time. The management of poor performance, in particular, does not seem to get the attention it warrants.</p>
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<p>Engagement with Staff</p> <p>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>	
<p>PERFORMANCE RATING</p> 	<p>Performance Rating: Needing development</p>
	<p>The Ministry has done well to achieve a high level of diversity among its staff. However, at 40% the turnover rate for staff with less than two years service is more than twice the overall public service rate.</p> <p>As indicated above, the problems in this area seem to stem from a lack of clarity about the Ministry’s key goals and strategies, its loose accountability structure and its uneven performance management.</p> <p>Given these findings, it is perhaps not surprising that the Ministry has comparatively low levels of staff engagement – though these did improve slightly last year.</p> <p>We would have liked to see a more strategic approach to the planning of staff movements and have recommended the Senior Leadership Team develop a framework to identify and manage key capability issues.</p>

ORGANISATIONAL MANAGEMENT SECTION

Part Four: Financial and Resource Management

Asset Management How well does the agency manage agency and Crown assets, and the agency balance sheet, to support delivery?	
PERFORMANCE RATING N/A	Performance Rating: Not applicable
	MPIA has no significant Crown assets to manage and has only a small capital expenditure appropriation.

Information Management How well does the agency utilise information & communications technologies to improve service delivery?	
PERFORMANCE RATING 	Performance Rating: Needing development
	<p>This Ministry, like many others, is struggling to reorganise and improve its records and document management systems. It has made some progress in recent months but has some considerable way to go.</p> <p>MPIA is also reviewing its information technology (IT) systems to bring them up to standard and ensure business continuity. There are some significant weaknesses evident in this area. It is important in a small agency that staff be supported by appropriate and reliable IT systems.</p> <p>The Ministry's website is easy to navigate and presents a positive image.</p> <p>While there is an information and communications technology (ICT) strategy, and recently updated ICT procedures, further consideration clearly needs to be given to how MPIA's IT work is resourced. The system seems vulnerable and there is a major question on the adequacy of current IT staffing arrangements. This may be a further area where shared services could be considered.</p> <p>We were encouraged that this issue was identified in the past and is being given a high priority.</p>

<p>Efficiency</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>PERFORMANCE RATING</p> <p></p>	<p>Performance Rating: Weak</p> <p>Despite the improvements introduced since the appointment of the Corporate Affairs manager, this area remains a challenge for the Ministry.</p> <p>A Business Improvement Programme has been used from time to time but we did not see evidence of cost/benefit analysis being applied to MPIA’s work with any consistency.</p> <p>In some work areas basic structures and systems are not yet up to standard. We saw no real evidence of management information systems being used across the Ministry to benchmark results against other agencies or achieve greater efficiencies.</p> <p>In this, as in other areas of MPIA’s corporate services, staff face a major challenge to overcome the inherited backlog of several years of neglect.</p> <p>The establishment of an Audit and Risk Committee last year should support the Chief Executive in his efforts to lift MPIA’s performance in this area. We suggest that the Audit and Risk Committee be closely involved in the Ministry’s future work in this area.</p> <p>Consideration might also be given to contracting in short-term expertise in organisational development to support the Chief Executive and Corporate Affairs manager.</p> <p>Recently, consideration has been given to various shared service arrangements that might not only reduce the cost of corporate services but provide better services for smaller agencies. We believe there would be benefit in further exploring these possibilities.</p>

Financial Management	
How well does the agency manage its financial information and ensure financial probity across the business?	
PERFORMANCE RATING 	Performance Rating: Well placed
	<p>As indicated above, the appointment of a full-time, experienced finance manager has led to a marked improvement in the Ministry's financial management and reporting.</p> <p>Recent Audit New Zealand reports are very positive and give the agency credit for the marked improvements of recent years.</p> <p>The recently established Audit and Risk Committee should provide additional reassurance as to the integrity of the financial management system.</p> <p>The challenge now is to take financial and resource management to a new level by integrating it more closely with the Ministry's strategic planning and evaluation and introducing a drive for greater efficiency.</p>

Risk Management	
How well does the agency manage agency risks and risks to the Crown?	
PERFORMANCE RATING 	Performance Rating: Needing development
	<p>The Ministry has recently put some effort – under the guidance of the Audit and Risk Committee – into developing a risk management framework suited to its size and nature of its operations.</p> <p>The Senior Leadership Team should keep a careful eye on the use made of the Framework over the next few months.</p> <p>For its own purposes, the Senior Leadership Team needs to be regularly reviewing high-level risks (political, financial, reputational and operational). Through standard lines of accountability it should also ensure managers and staff are taking a thoughtful and systematic approach to the identification, reporting and management of risks in their responsibility areas.</p>

SUMMARY OF PRIORITY AREAS FOR ACTION

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

	Recommendation	Who?	Why?
1	Consider ways of improving communication with the Minister's office and strengthening relationships with senior Ministers, key agencies and Pacific communities.	Chief Executive and SLT	<p>The relationship with the Minister's office is not working as smoothly or as well as it could. SLT needs to work harder at gaining the confidence of MPIA's Minister, engaging with key agencies and capturing the attention of senior ministers.</p> <p>More effort also needs to go into the management of relationships with Pacific communities.</p>
2	SLT to play a collective leadership role in setting the Ministry's goals and priorities, allocating resources, directing organisational development, evaluating performance and communicating MPIA's vision and SLT expectations to staff.	Chief Executive and SLT, possibly with an experienced facilitator/ advisor.	<p>Always a challenge for small agencies, exacerbated in this case by the newness of the SLT. SLT meetings need to focus on high-level issues, setting the Ministry's strategic direction and monitoring progress against targets.</p> <p>SLT also needs to spend time on wider organisational development questions, including key capacity issues.</p>

3	<p>Regularise and rationalise the Ministry's management structure to ensure clear lines of accountability and management responsibility and close alignment of unit business plans, staff tasking and training/ development focus to the Ministry's agreed priorities.</p> <p>MPIA's nomination service needs to be reassessed.</p>	Chief Executive	<p>The current structure is not yet fit for purpose. It blurs the lines of accountability in some areas and complicates tasking and performance management.</p> <p>Managers and staff need clear directions and lines of accountability. Regional offices need to be tied into Head Office priorities. Staff training and development plans seem haphazard.</p> <p>The nomination service is not fully effective.</p>
4	<p>Put more emphasis on the need for managers and staff to constantly evaluate the impact and efficiency of their work and review the Ministry's direction of effort.</p> <p>Start to consider how MPIA should position itself to meet future demands with reduced funding.</p>	SLT	<p>Once regular management structures and systems are in place, more attention should be paid to the effectiveness and efficiency of MPIA's various activities, particularly in the areas of highest priority to the Government.</p> <p>MPIA's baseline stands to be reduced at least in real terms over the next few years.</p>
5	<p>Review the options for contracting out the management of PESS and PBT contracts and put the PBT contract on a proper, businesslike basis.</p> <p>Explore options for shared services that will reduce corporate overheads and produce better levels of service.</p>	Manager, Policy	<p>Contract management is not core business for MPIA. It is a distraction from its main job and requires skills and experience it cannot efficiently employ.</p> <p>There are work areas where small agencies will inevitably struggle to achieve good standards and meet standard public service compliance requirements.</p>

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 effectively is the agency delivering this core business area? 3. How efficiently 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 number of MPIA staff, relevant Ministers, and by representatives from the following businesses, organisations and agencies.

Agency/Organisation
City of Manukau Education Trust
Crown Ownership Monitoring Unit (The Treasury)
Education Review Office
Kāhui Tautoko Consulting Ltd
Le Va
MAGNet (Monitoring, Appointments and Governance network)
Ministerial Advisory Council on Pacific Issues to the Minister of Pacific Island Affairs
Ministry of Culture and Heritage
Ministry of Education
Ministry of Foreign Affairs and Trade
Ministry of Health
Ministry of Pacific Island Affairs Risk and Audit Committee
Ministry of Social Development
New Zealand Institute of Economic Research Incorporated
Niu Vision Group
Office of Ethnic Affairs
Office of the Auditor-General
Pacific Business Trust
PACIFICA Incorporated
Pacifika Medical Association
Pasifika Advancement, Auckland University of Technology
Te Puni Kōkiri

