

## A Public Business, Not a Service

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Yet again, the neoliberal wrecking ball is swinging through New Zealand's public service, fronted by Minister Chris Hipkins whose well-intentioned attempt (launched last February) to clean up some of the mess created by the State Sector Act 1988 has been captured by the high-paid top brass of the 1988-model state services. The result, released last week as a "consultation document" (available online at <https://www.havemysay.govt.nz/assets/PDFS/Folder-1/FINAL-SSA-LONG-FORM.pdf> and <https://www.havemysay.govt.nz/assets/PDFS/Folder-1/SSC-State-Sector-Act-Review-Consultation-document.pdf>) boils down to a recipe for making matters worse.

Stripped of the glossy photos, the endless spin-doctored rhetoric, and the detailed smoke and mirrors, the big central idea is to mount yet another attack on the venerable model of a stable, career public service organised into departments of state, each of which took ownership of a vital area of policy and service to the public and reported each year on its stewardship of that role to the people (through their Parliament) in a plain-English narrative backed by easily-understood basic statistics. That public service, which served New Zealand well for seven decades under the 1912 Public Service Act before being gutted in 1988, embodied as its guiding principles all the high-minded ideas that have been degraded to mere PR slogans in the State Services Commission's consultation document. The old-model public service saw itself, and was seen as, owned by the public of New Zealand. It provided free and frank advice without fear or favour to Governments of whatever political stripe. Its managers took seriously their stewardship of the public estate and of the taonga of a politically-neutral, professionally skilled body of vocationally-motivated public servants who worked for modest financial remuneration on return for the job satisfaction that came from fulfilling a sense of vocation and the pursuit of the public good.

The 1988 State Sector Act, driven through with minimal public engagement as part of the Rogernomics package, drove a stake through the heart of that model. It converted the state sector from a vocational public-service organisation with non-market goals into a business, run by CEOs on bloated salaries running tightly-hierarchical business units, working to financial targets and corporate-style "key performance indicators" far removed from the ostensible goals of modern government. The public, no longer treated as citizens and owners, were reduced to the status of "clients" and "customers" of the corporate-provided service. Annual departmental reports became a swamp of managerial gobbldegook, stripped of the plain narratives of the past and fill with arcane metrics dictated by Treasury and the State Services Commission. Forced to compete for resources under the shrinking budgets dictated by the neoliberal project of shrinking government, departments morphed into secretive silos that withheld information and cooperation from other departments under the justifiable fear of being cherry-picked and asset-stripped by the more powerful or well-funded.

Cherry-picking and asset-stripping was indeed the fate of any unit within the state sector that lacked protection – witness the parlous state today of our national library and national museum, both institutions in which the core value of stewardship has been trashed under the "new public management" model introduced in 1988.

Equally damaging was the elimination of two of the great departments of state, whose proud record of success ran afoul of Treasury's determination to dominate within the public sector: the Ministry

of Works and the DSIR. At a stroke of the executive pen, New Zealand was condemned to three decades of infrastructure deficits and nearly the weakest R&D effort in the western world.

A clear-eyed independent evaluation of the 1988 disaster would acknowledge it for what it was, and seek to recover as much as possible of the superior past model. Instead, evaluation has been tightly constrained and held closely to the State Service Commission's chest (you can find the entire saga at <http://www.ssc.govt.nz/proactive-releases> ), while calls for a Royal Commission have been fought off tooth and claw. Apparently unable to jettison an Act that was, alas, a Labour Government policy in its day, the new Labour-led Government talks up 1988 as a "success" and proposes to use it as the starting-point for a new legislative tsunami.

So what is the essence of the new Big Idea"? It's tucked into the "short form" consultation document at page 3: "What if we could rearrange our Public Services like building blocks? Imagine how quickly and easily we could shift our people and resources to cope with changing times and needs."

(<https://www.havemysay.govt.nz/assets/PDFs/Folder-1/SSC-State-Sector-Act-Review-Consultation-document.pdf> page 3). Imagine indeed if all public servants were reduced to the generic one-size-fits-all myth that has made management a laughing stock at middle and senior levels of the 1988-model public service. Imagine if police staff could be shifted to writing the Budget; imagine if hard-pressed social workers could be shifted to approving mineral exploration permits; imagine if teachers could be shifted into hospitals to make up for a shortage of doctors. This is nonsense. To put it plainly, as it stands this is a campaign to overwhelm the remaining vestiges of professionalism, vocation, and specialised departmental ownership of policy areas; to open the way for yet more asset-stripping and cherry-picking of the public estate; and to push the public service further into the corporate abyss. Basically it's a power grab at the top of the system, a dream of reducing public servants to pawns to be shifted around the policy chessboard at the whim of all-powerful central planners.

And where are the core principles that are to be codified for the revamped public service? They are in bloodless corporate-speak on page 12 of the "long-form" consultation document. They conspicuously omit basics such as stewardship of the public estate, responsiveness to citizens, provision of information in a form that enables citizens to perform their vital function as citizens, rigorous adherence to the principles of the Official Information Act, and providing services to citizens (revealingly, the "principles" instead talk of "purchasing and providing services for citizens – the corporate-client model of 1988).

This is not a good, nor a sensible, place to start a massive overhaul of the public service. It certainly isn't where we, the public, would start if we had the actual ownership that the spin doctors proclaim in bold type on the glossy cover of the consultation documents. Public trust in the state sector is pretty low, and the consultation process and documentation vividly illustrate why. We need a Royal Commission, and we need it now.