



Report

Date: 1 December 2020

Security Level: IN CONFIDENCE

To: Hon Carmel Sepuloni, Minister for Social Development and Employment

Long-term insights briefings

Purpose of the report

- 1 This paper updates you on work underway to develop guidance for Government departments on the long-term insights briefings (LTIBs) required by the Public Service Act 2020.

Recommended actions

It is recommended that you:

- 1 **note** that the Public Service Act requires departmental Chief Executives (CEs) to give a LTIB to the appropriate Minister at least once every three years
- 2 **note** that while there is some statutory prescription, there is a range of possible approaches to preparing LTIBs
- 3 **note** that the Policy Project team at DPMC is preparing guidance on LTIBs, this guidance is not expected to be finalised until March/April 2021
- 4 **note** that CEs can decide to join up with other CEs to provide a joint briefing; and the Employment, Education and Training (EET) CEs have discussed potentially doing a joint LTIB on young people not in education, employment or training (NEETs)
- 5 **note** that public consultation must be undertaken on the subject matter to be included in a LTIB and then a draft of the LTIB
- 6 **note** that LTIBs must be presented to the House and will be subject to Select Committee scrutiny

7 **note** that:

- 7.1 the Public Service Act does not require LTIBs to be presented to the House at a particular time, however, the Standing Orders Select Committee has recommended that the presentation of LTIBs be co-ordinated and that LTIBs be required to be presented to the House no later than 30 June in the second calendar year after each general election
- 7.2 if this recommendation is adopted by Government, the first LTIBs will be due by 30 June 2022.

Simon MacPherson
Deputy Chief Executive Policy

Date

Hon Carmel Sepuloni
Minister for Social Development and Employment

Date

CEs must provide long-term insights briefings to Ministers

- 2 Under the new Public Service Act departmental CEs¹ must give a LTIB to the 'appropriate Minister' at least once every three years and they must do so independently of Ministers.²
- 3 These briefings are to provide information about the medium- and long-term trends, risks and opportunities that New Zealand is facing or could face and the policy options for responding to these matters. The briefings may also set out the strengths and weaknesses of these options but without indicating a preference for a particular option.
- 4 The explanatory note to the Public Service Legislation Bill indicates that the requirement to produce LTIBs is one of a number of new legislative requirements intended to strengthen system- and future-focused leadership.
- 5 CEs must:
 - select the subject matter of the LTIB taking into account the purpose of the LTIB and the medium- and long-term trends, risks and opportunities that are particularly relevant to the department's functions. CEs can decide to join up with other CEs to provide a joint briefing. EET CEs have discussed potentially doing a joint LTIB on NEETs
 - undertake public consultation on the subject matter to be included in the LTIB and then a draft of the LTIB.
- 6 Ministers must present LTIBs to the House as soon as possible after receiving them. There will be select committee scrutiny. Following the Standing Orders Select Committee's triennial review,³ changes to the Standing Orders mean LTIBs will be referred to the Governance and Administration Committee, then referred to the appropriate select committee based on the subject matter. That committee will have 90 working days to report back to the House, with a suggested three-hour debate to follow.⁴
- 7 The Standing Orders Select Committee also recommended that the presentation of LTIBs be co-ordinated, and that LTIBs be required to be presented to the House no later than 30 June in the second calendar year after each general election. We understand that advice on whether to accept this recommendation will be provided to the Government by the end of the year. If this recommendation is accepted, the first LTIBs will be due by 30 June 2022.
- 8 The Standing Orders Select Committee also recommended that the three-yearly briefing on the state of the public service, also prepared under the Public Service Act, be presented and considered alongside the LTIBs.

DPMC is preparing guidance

- 9 There is no resourcing for a dedicated LTIB co-ordination function across government or indeed for the preparation of LTIBs themselves.
- 10 DPMC (the Policy Project) is preparing agency guidance on the key elements of the LTIBs; and is hosting inter-agency workshops to support this work. MSD Policy representatives were invited to an October workshop which explored options for

¹ The list of Departments is set out in Appendix 1.

² Schedule 6, sections 8 and 9. The text of these provisions is set out in Appendix 2.

³ https://www.parliament.nz/en/pb/sc/reports/document/SCR_99753/review-of-standing-orders-2020, see pages 22-24, 50-51, 119.

⁴ <https://www.parliament.nz/en/pb/parliamentary-rules/standing-orders/> (SO 383 and Appendix E).

developing the guidance. At that workshop DPMC noted its intention to hold separate workshops with (i) Te Arawhiti to discuss consultation with Iwi and (ii) Crown Entities to discuss their participation in LTIB preparation.⁵

- 11 Progress is due to be discussed at the next meeting of the Tier 2 Policy Leaders Board in December 2020. The guidance is also expected to be considered by the Public Sector Leadership Group. Final guidance is expected to be available in March/April 2021.

There are issues to be worked through

- 12 Issues that need to be considered include:

- The number of briefings MSD will have to provide and whether we join up across agencies to produce the briefing/s. This will depend on several factors including:
 - Interpretation of the term 'appropriate Minister'. The Public Service Act defines an 'appropriate Minister', in relation to a public service agency like MSD, to mean the Minister of the Crown who, under the authority of any warrant or with the authority of the Prime Minister, is responsible for that agency; or if two or more Ministers are responsible for different functions of that agency, the Minister responsible for the relevant function of the agency.⁶
 - Degree of cross-agency co-ordination.

We expect MSD will work with other departments to produce one or more LTIBs.

- How to interpret medium- and long-term. These timeframes are not prescribed.
 - Format. There are no statutory requirements regarding the length, structure or presentation of the information in LTIBs.
 - Type/extent of public consultation. While there must be public consultation on LTIB subjects and drafts, how this engagement is done is not prescribed. There could also be additional public consultation at other points in the process, including at select committee stage. As part of its report, the Standing Orders Select Committee noted that "... select committees will be encouraged to receive their own public input. This would need to be relatively targeted, given the proposed timeframe for the briefings, and could be focused on people or organisations who contributed to the initial departmental process."
 - Timing of consultation. There is real risk of stakeholder fatigue (and confusion) if a lot of departments are out consulting separately with the same stakeholders on their LTIBs at the same time. A co-ordinated approach could mitigate this risk.
 - Sequencing/taking a multi-Parliamentary term approach. For example, could planning and subject consultation for this Parliamentary term's LTIBs include subjects for later briefings eg in 2025, 2028, etc?
- 13 As well as being responsible for producing LTIBs for our appropriate Minister/s, it is likely MSD will need to provide input on LTIBs prepared by other agencies.

⁵ Under Schedule 6, section 8(6) of the Public Service Act any agency in the State services may contribute to a briefing by a department or departments on subject matter relevant to the operation of their agency.

⁶ Section 5. If Ministers are jointly responsible, then both or all of those Ministers are 'appropriate Ministers'.

Next steps

- 14 A cross-MSD team working group has been convened to start thinking on possible LTIB topics and approaches.
- 15 At this stage, the Deputy Chief Executive Policy is leading the work. The Deputy Chief Executive Strategy & Insights is also closely involved as responsible DCE for our Insights team; and given NEETs is a possible topic, as responsible DCE for the EET Ministerial Group.
- 16 We will keep you updated on progress. LTIBs are an agenda item for the MSD Officials' meeting on 7 December 2020.

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Appendix 1

Departments are defined in Part 1 of Schedule 2 of the Public Service Act

Crown Law Office
Department of Conservation
Department of Corrections
Department of Internal Affairs
Department of the Prime Minister and Cabinet
Education Review Office
Government Communications Security Bureau
Inland Revenue Department
Land Information New Zealand
Ministry for Culture and Heritage
Ministry for Pacific Peoples
Ministry for Primary Industries
Ministry for the Environment
Ministry for Women
Ministry of Business, Innovation, and Employment
Ministry of Defence
Ministry of Education
Ministry of Foreign Affairs and Trade
Ministry of Health
Ministry of Housing and Urban Development
Ministry of Justice
Ministry of Māori Development—Te Puni Kōkiri
Ministry of Social Development
Ministry of Transport
New Zealand Customs Service
New Zealand Security Intelligence Service
Oranga Tamariki—Ministry for Children
Public Service Commission
Serious Fraud Office
Statistics New Zealand
Te Kāhui Whakamana Rua Tekau mā Iwa—Pike River Recovery Agency
The Treasury

Appendix 2 Public Service Act 2020 – Schedule 6

8 Long-term insights briefings

- (1) A chief executive of a department must give a long-term insights briefing to the appropriate Minister at least once every 3 years and must do so independently of Ministers.
- (2) The purpose of a briefing is to make available into the public domain—
 - (a) information about medium-and long-term trends, risks, and opportunities that affect or may affect New Zealand and New Zealand society;
 - (b) information and impartial analysis, including policy options for responding to matters in the categories referred to in paragraph (a).
- (3) A briefing may set out the strengths and weaknesses of policy options but without indicating a preference for a particular policy option.
- (4) The subject matter must be selected by a chief executive taking into account—
 - (a) the purpose of the briefing; and
 - (b) the matters in the categories in subclause(2)(a) that the chief executive considers are particularly relevant to the functions of their department.
- (5) Two or more chief executives may give a joint briefing that meets the requirements of this clause for each of the departments covered by the briefing.
- (6) Any agency in the State services may contribute to a briefing by a department or departments on subject matter relevant to the operation of their agency.
- (7) The Minister must present a copy of a briefing to the House of Representatives as soon as is reasonably practicable after receiving it.

9 Public consultation

- (1) A chief executive must undertake public consultation on—
 - (a) the subject matter to be included in a long-term insights briefing; and
 - (b) a draft of the briefing.
- (2) A chief executive must take into account any feedback received from public consultation when finalising the briefing.