

In Confidence

Office of the Minister for Māori Development
Chair, Cabinet Māori Crown Relations: Te Arawhiti Committee

TE PUNI KŌKIRI'S MONITORING FUNCTION: IMPROVING STATE SECTOR PERFORMANCE

Proposal

1. Improving wellbeing for Māori requires effective state services. In light of the government's increased focus on wellbeing, Te Puni Kōkiri has refreshed its monitoring function, which will provide state sector agencies with assurance of their progress towards improving Māori wellbeing. This paper updates Ministers on Te Puni Kōkiri's monitoring approach going forward.

Executive summary

2. Te Puni Kōkiri has a legislated monitoring function to assess the "adequacy" of services delivered to or for Māori. Since 1991, Te Puni Kōkiri has adopted different monitoring approaches to accord with government priorities and the prevailing public management environment.
3. A refreshed monitoring function, taken together with Te Puni Kōkiri's policy and investment focus and regional presence across Aotearoa New Zealand, will strengthen the support it can provide to:
 - 3.1 position government to better respond to the aspirations, needs and interests of Māori;
 - 3.2 advise on the impacts of state sector agency approaches to Māori development; and
 - 3.3 advise on options to improve outcomes and Māori wellbeing.
4. Te Puni Kōkiri is taking a three-pronged approach to monitoring, which will identify the overall state of wellbeing for Māori, the areas where the state sector is performing well for Māori, areas where improvements can be made, and support for improvements. Taken together, these levels of monitoring will provide critical insights into where and how to direct state sector efforts to increase Māori wellbeing. The three levels of monitoring are:
 - 4.1 **Monitoring wellbeing outcomes** – a periodic outcomes report designed to identify elements of progress towards Māori wellbeing;
 - 4.2 **Monitoring progress of government priorities** – tracking gains achieved for Māori across government priorities through support to the indicator dashboard produced by the Office for Māori Crown Relations: Te Arawhiti (Te Arawhiti); and

- 4.3 **Monitoring policy, programme and service effectiveness** – undertaking *effectiveness reviews* of priority policies, programmes and services to understand their effectiveness for Māori and contribution towards Māori wellbeing.
5. *Effectiveness reviews* are the most in-depth activity of Te Puni Kōkiri's monitoring approach. They will provide important insights into where policies, programmes and services need to be refined in order to be effective for Māori. Ultimately they will increase transparency, accountability and capability of state sector agencies for their contribution to Māori wellbeing.
 6. In the first instance, Te Puni Kōkiri will pilot the *effectiveness reviews* to ensure the approach is fit for purpose. Te Puni Kōkiri has identified two potential areas for the pilot, both of which will test how regional economic development approaches are helping to achieve outcomes for Māori. Discussions have occurred with relevant agencies, and following consideration of this paper, Te Puni Kōkiri intends to formally engage with agencies in early 2019 to identify the specific initiative to be piloted. The pilot is expected to commence in May 2019, with an ongoing work programme of *effectiveness reviews* developed for approval by August 2019.
 7. Te Puni Kōkiri's monitoring function complements the emphasis on wellbeing through the 'Wellbeing Budget 2019', the emphasis on leadership for state sector effectiveness being considered through the state sector reforms, and the emphasis on Māori Crown relationships signalled through the new Māori Crown Relations (MCR): Te Arawhiti portfolio.
 8. Te Puni Kōkiri's monitoring approach complements the state sector monitoring functions of the State Services Commission and the Office of Māori Crown Relations: Te Arawhiti (Te Arawhiti). The role of Te Puni Kōkiri is to monitor the adequacy of service delivery by government agencies to Māori, while Te Arawhiti will provide an independent cross-government view of the health of the Māori Crown relationship. Te Puni Kōkiri will seek advice from Te Arawhiti about the health of the relationship between individual agencies and Māori. In turn, results from Te Puni Kōkiri's 'deep dive' *effectiveness reviews* can inform Te Arawhiti of areas where public sector capability could be improved by their guidance on Māori Crown engagement. The State Services Commission has an oversight role in the state sector, including ensuring good governance, accountability and leadership expectations for state sector performance.
 9. A Memorandum of Understanding is being developed to articulate the complementary roles and responsibilities of Te Puni Kōkiri, the State Services Commission and Te Arawhiti.

Background

Te Puni Kōkiri's legislated monitoring function

10. Te Puni Kōkiri has monitored outcomes for Māori since its establishment as a policy ministry in 1991. When state sector reforms shifted funding and responsibility for service delivery for Māori to mainstream agencies, Te Puni Kōkiri's monitoring function was created to ensure agencies delivered adequate services to Māori.
11. The Ministry of Māori Development Act 1991 gives Te Puni Kōkiri the mandate of "monitoring and liaising with each department and agency that provides or

has a responsibility to provide services to or for Māori for the purpose of ensuring the adequacy of those services". This mandate positions Te Puni Kōkiri to support the state sector to achieve improved outcomes for Māori.

12. Te Puni Kōkiri has flexibility as to how it undertakes its legislative mandate, and has adopted different monitoring approaches to accord with government priorities and the prevailing public management environments. Prominent monitoring approaches have included:

- 12.1 **Agency reviews** – in 1995, Cabinet mandated a programme of agency reviews [CAB (95) M12/22 refers]. These focussed on internal business systems and processes for promoting effectiveness for Māori, including planning and reporting, evaluation, and the production of outputs (the goods and services produced by the agency).
- 12.2 **Effectiveness audits** – in the year 2000, monitoring shifted to focus on particular programmes. Te Puni Kōkiri developed an effectiveness 'audit' methodology, which spanned: financial accountability (inputs), implementation effectiveness (outputs), operational effectiveness, programme effectiveness (outcomes), and programme modification (implementation of recommended changes).
- 12.3 **Working with central agencies** – over the 2000s, Te Puni Kōkiri worked alongside Treasury and the State Services Commission [CAB (00) M6/1G(1) refers] to build accountability to Māori into the following mechanisms:
- agencies' planned spending for Māori;
 - state sector Chief Executives' performance agreements and reviews;
 - agency reports on their activities to increase Māori wellbeing; and
 - providing purchase advice on agencies' budget bids for new funding.
- 12.4 **Statistical monitoring** – from the early 2000s, statistical monitoring became a crucial tool for tracking progress of Māori outcomes. Through publicly released progress reports comparing social and economic outcomes for Māori and non-Māori, Te Puni Kōkiri identified the high-level outcomes where greater emphasis was needed by government and Māori alike.
- 12.5 **Monitoring through policy advice** – changes in the state sector environment around 2004 saw policy advice become the Ministry's primary monitoring tool. Through its policy advice, Te Puni Kōkiri sought to influence other agencies in the development of policies and programmes that affect Māori.
- 12.6 **Outcomes monitoring** – from 2009 to 2013, Te Puni Kōkiri reinstated agency-focused reviews but with an emphasis on key policy areas, such as Māori numeracy and literacy. Outcomes monitoring, as it was called, assessed the contribution of state sector agencies to outcomes for Māori, identifying good practice and areas for improvement.
- 12.7 **Monitoring through policy advice** – since 2013, monitoring through policy advice has been Te Puni Kōkiri's primary monitoring approach.

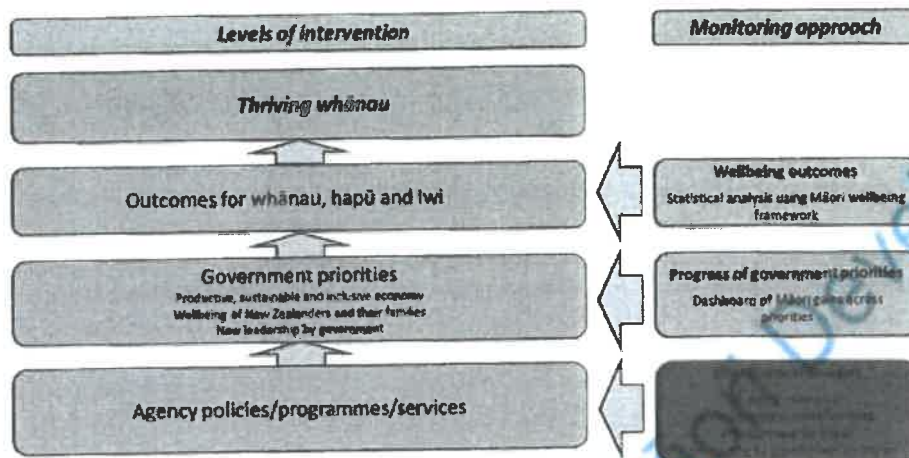
This has included the establishment of a state services effectiveness team. This approach has been supported by statistical monitoring.

Te Puni Kōkiri's monitoring approach

13. The government's focus on wellbeing sets the context for Te Puni Kōkiri to support progress towards Māori wellbeing through its monitoring function. The Prime Minister has emphasised that the 2019 Wellbeing Budget will be framed in measures that "demonstrate the overall wellbeing of our country and its people", rather than economic success alone.
14. Agencies like Treasury and Statistics New Zealand are committed to improving the way we measure wellbeing across government. Te Puni Kōkiri has an important role in leading the measurement and monitoring of Māori wellbeing given its responsibility to support improved outcomes for Māori. This is distinct from Te Arawhiti's role, which is focused on the health of the Māori Crown relationship.
15. The government has committed to increased transparency and accountability to Māori. For example, in her 2018 Waitangi speech, Prime Minister Jacinda Ardern asked Māori to "hold us to account". Māori have also articulated the need for more accountability from government for Māori wellbeing, including calls for more clarity on the government's progress towards the objectives of the United Nations Declaration on the Rights of Indigenous Peoples.
16. The proposed state sector reforms led by the State Services Commission, provide an important basis for strengthening oversight of public sector performance for Māori. In addition, the establishment of the new Māori Crown Relations: Te Arawhiti portfolio enhances the Crown's accountability around the health of its relationship with Māori. Te Puni Kōkiri's monitoring function complements the roles of these two agencies by assuring the adequacy of policies, programmes and services for Māori, and ensuring they contribute to improved Māori wellbeing.
17. Te Puni Kōkiri's legislated monitoring function will support the state sector to:
 - 17.1 position government to better respond to the aspirations, needs and interests of Māori;
 - 17.2 advise on the impacts of state sector agency approaches to Māori development and effectiveness for Māori; and
 - 17.3 advise on options to improve outcomes and Māori wellbeing.
18. Te Puni Kōkiri's monitoring function will use a three-pronged approach, designed to understand:
 - 18.1 what Māori wellbeing looks like and to what extent Māori are improving their wellbeing (**monitoring wellbeing outcomes**);
 - 18.2 gains made by government priorities in supporting improved Māori wellbeing (**monitoring progress of government priorities**); and
 - 18.3 the effectiveness of policies, programmes, and services, and ways to activate system improvements and build agency capability in being more effective for Māori (**effectiveness reviews**).

19. The approach is depicted in Figure 1. Taken together, these levels of monitoring inform each other and will provide critical insights into where and how the state sector can most effectively direct its efforts to support improved Māori wellbeing.

FIGURE 1. Te Puni Kōkiri's monitoring approach



Monitoring Māori wellbeing outcomes

20. Māori wellbeing outcomes will be tracked through a periodic statistical report produced by Te Puni Kōkiri. Drawing on official statistics datasets, iwi analytics and other sources, this report is intended to:
- 20.1 build the evidence base of Māori wellbeing at a macro level;
 - 20.2 improve transparency;
 - 20.3 inform policy considerations; and
 - 20.4 inform potential areas of focus for the monitoring work programme.
21. Work is already underway across the public sector to improve the measurement of wellbeing. Treasury's Living Standards Framework identifies four capitals of wellbeing, and Statistics New Zealand (through its Indicators Aotearoa NZ project) is developing a broad suite of wellbeing indicators and working to ensure te ao Māori is reflected. A subset of these will inform future Living Standards dashboards. Te Puni Kōkiri will continue to work with both agencies to ensure integration of te ao Māori. This includes the recent production of *An Indigenous Approach to the Living Standards Framework*.
22. Te Puni Kōkiri sees a need for compilation and regular monitoring of wellbeing indicators within a Māori wellbeing framework. This type of monitoring will provide a comprehensive picture of how Māori are progressing towards wellbeing across a range of domains that reflect their needs, aspirations and interests. Table 1 provides a sample of what will be canvassed in this type of outcomes monitoring.

TABLE 1. Example of possible indicators in the Māori wellbeing outcomes report

| Living Standards Framework capital | Māori wellbeing domain | Sample indicators |
|------------------------------------|-----------------------------------|---|
| Social | Confident in language and culture | % Te reo speakers % Whānau/households in which te reo Māori is spoken in the home % Whānau who have knowledge of the pepeha of the whānau |
| | Cohesive, resilient and nurturing | % Contact between young people and their parents % Whānau/family get along well with one another |

23. Te Puni Kōkiri will draw on *An Indigenous Approach to the Living Standards Framework* when producing its report on Māori wellbeing outcomes and consider alignment with Indicators Aotearoa NZ. This report will also assist us to measure our progress on the objectives of the United Nations Declaration on the Rights of Indigenous Peoples.
24. Te Puni Kōkiri aims to produce the first Māori wellbeing outcomes report by October 2019.

Monitoring progress of government priorities

25. In addition to keeping track of what Māori wellbeing looks like and to what extent Māori are improving their wellbeing, it is important to measure what progress is gained for Māori across government priorities. This forms an essential element of strengthening good governance and accountability for Māori, and will also inform policy discussions on ways to strengthen effectiveness for Māori.
26. You will recall that Te Arawhiti has developed a draft dashboard of outcome and functional indicators related to the Māori Crown relationship. I support the need for having a dashboard of results from government priorities, which are based on indicators identified by Cabinet Priorities Committee but with a specific focus on gains for Māori. Te Puni Kōkiri has contributed to the indicator set developed by Te Arawhiti, and will continue to do so.
27. At this level of monitoring, Te Puni Kōkiri's main activity will be to work in collaboration with Te Arawhiti and assist in producing a regular report tracking progress.

Effectiveness reviews

28. Te Puni Kōkiri will conduct *effectiveness reviews* of selected priority policies, programmes or services to provide independent assurance of their impact on Māori. My officials will take a collaborative approach with agencies, and be centred on identifying opportunities for strengthening effectiveness for Māori across the policy and programme lifecycle.
29. *Effectiveness reviews* are the most in-depth activity of Te Puni Kōkiri's monitoring approach. These are a necessary complement to the previous two

levels of monitoring because statistical monitoring alone will not provide an explanation as to *why* specific outcomes have or have not been achieved or *how* effectiveness for Māori could be improved.

30. Each review will assess effectiveness for Māori during the design, delivery, response and evaluation stages of the policy and programme lifecycle. *Effectiveness reviews* will assess the impact a policy, programme or service has had on Māori. In addition, *effectiveness reviews* will include learning from the insights provided by whānau, hapū and iwi themselves, and generate an understanding of 'what works' in effectiveness for Māori.
31. Te Puni Kōkiri will gather evidence to assess key success factors through a range of mixed methods, including document reviews, stakeholder interviews, financial and statistical analysis, and evaluative case studies. Examples of the types of success factors that the reviews will focus on are set out in Table 2.

TABLE 2: *Effectiveness review* success factors

| Key success factors | |
|---------------------|---|
| Design | Māori provide visible leadership across the policy/programme/service |
| | There is a strong mechanism of partnership with Māori through design and delivery (linking with guidelines identified by Te Arawhiti) |
| | Māori needs, aspirations and insights inform design and are visible in policy/programme/service strategies |
| | Barriers to access for Māori are identified and attempts made to mitigate barriers in the design phase |
| Delivery | Policy/programme/service delivery adequately targets Māori |
| | Processes are in place to ensure delivery responds to needs and insights from Māori |
| | Policy/programme/service is designed and delivered by staff sufficiently skilled and knowledgeable in te ao Māori |
| Response | Robust information about programme impact on Māori is collected |
| | Information is used to refine policy/programme/service design |
| Evaluation | The policy/programme/service is leading to positive outcomes for Māori |
| | Impact data and feedback from Māori informs continued improvement |

32. Te Puni Kōkiri will share findings with participating agencies as they arise and identify examples of best practice to support practical improvements. The *effectiveness reviews* will culminate in a findings report, with recommended actions for improving effectiveness. Recommended actions will be developed in consultation with participating agencies, and if implemented, will activate system improvements within agencies.
33. Examples of system change to improve effectiveness for Māori include: more effective methods of engagement with diverse groups of Māori; use of co-design approaches that result in services better meeting the needs and aspirations of Māori; improved targeting strategies that increase access to services for Māori; and robust information collection about impact on Māori that is used by agencies to improve their delivery.
34. I will be provided with the report and recommendations, as will relevant Ministers. My officials will also exchange learnings with Te Arawhiti and the State Services Commission to support the complementarity of officials' work on lifting public sector capability for Māori and improving the Māori Crown relationship. The findings reports will also inform the evidence base underpinning Te Puni Kōkiri policy advice.

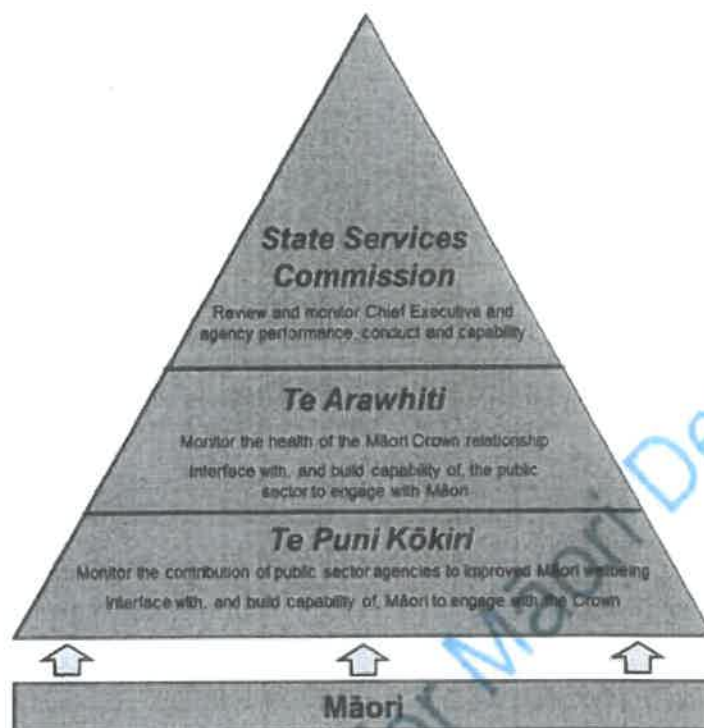
Piloting the effectiveness reviews

35. In order to test and develop the methods and approach of the *effectiveness reviews*, Te Puni Kōkiri will pilot an *effectiveness review* in early 2019. Key aspects of *effectiveness reviews* will be explored during the pilot, including:
- 35.1 the overarching assessment framework and data collection methods to be used in the reviews;
 - 35.2 ways to maximise assurance alongside agency engagement;
 - 35.3 a practical scope for each review that assesses effectiveness within available resources of both Te Puni Kōkiri and participating agencies;
 - 35.4 tools and approaches to support improvements in effectiveness; and
 - 35.5 the appropriate balance between assurance and capability building during the reviews.
36. Te Puni Kōkiri has identified two potential areas for the pilot. The first potential focus is the [redacted] regional employment initiatives, monitoring their impact and testing how these have improved Māori employment. The second potential focus for a pilot is monitoring a range of regional economic development investments, taking an 'eco-system' approach and informed by [redacted] to test how these investments have achieved outcomes for Māori.
37. Discussions with relevant agencies have taken place, and following consideration of this paper, Te Puni Kōkiri intends to formally engage with agencies in early 2019 to identify which of these options to pilot. Relevant agencies will provide advice to relevant portfolio Ministers regarding the terms of reference for the pilot. The pilot is expected to commence in May 2019, with an ongoing work programme of *effectiveness reviews* developed and socialised by August 2019.

Complementarity with related state sector monitoring functions

38. Te Puni Kōkiri's monitoring approach complements the state sector monitoring functions of the State Services Commission and Te Arawhiti (see Figure 2).

FIGURE 2. Complementarity of state sector monitoring functions



39. The role of Te Puni Kōkiri is to monitor the adequacy of service delivery by government agencies to Māori, to make transparent agencies' contribution to enhanced Māori wellbeing. This monitoring activity is supported by Te Puni Kōkiri's capability building of Māori to engage with the Crown. The results will identify areas where the public sector is performing well for Māori, areas where improvements can be made, and practical opportunities for the agencies to improve their effectiveness. Agencies may seek support from Te Arawhiti to improve their capability in order to increase the effectiveness of their delivery to Māori.
40. The role of Te Arawhiti is to provide an independent cross-government view of the health of the Māori Crown relationship. The findings will inform their role in assisting public sector agencies to lift their capability to engage with Māori.
41. Collaboration between Te Puni Kōkiri and Te Arawhiti will enable greater public sector performance for Māori. Te Puni Kōkiri will seek advice from Te Arawhiti about the health of the relationship between individual agencies and Māori (and in particular agencies' engagement capability) when reviewing the adequacy of their service delivery to Māori. In turn, results from Te Puni Kōkiri's 'deep dive' effectiveness reviews can inform Te Arawhiti of areas where public sector capability could be improved by their guidance on Māori Crown engagement.
42. The State Services Commission has an oversight role in the state sector, including ensuring good governance, accountability and leadership expectations for state sector performance. The state sector reforms that the State Services Commission is progressing are driving a joined-up public service, with greater accountability for improved outcomes. Draft proposals

give the Commissioner increased powers to hold Chief Executives and senior officials accountable for effectiveness for Māori.

43. To ensure ongoing clarity of responsibilities, a Memorandum of Understanding (MOU) is being developed to articulate the complementary roles and responsibilities of Te Puni Kōkiri, the State Services Commission and Te Arawhiti. The MOU will be developed by respective Chief Executives and will be finalised in early 2019.

Conclusion

44. I am encouraged to see that the state sector is strengthening its commitment to improving Māori wellbeing. Te Puni Kōkiri's approach to monitoring will provide assurance of state sector effectiveness and build evidence of what government is doing to increase Māori wellbeing.

Consultation

45. The following departments were consulted on this paper: Department of the Prime Minister and Cabinet; State Services Commission; Treasury; Ministry of Justice; Te Arawhiti; Crown Law Office; Ministry for Business, Innovation and Employment; Department of Internal Affairs; Ministry for Culture and Heritage; Ministry of Health; Ministry of Social Development; Oranga Tamariki; Ministry of Education; Statistics New Zealand; Department of Corrections; Ministry of Transport; and Ministry of Housing and Urban Development.

Financial implications

46. There are no short-term financial implications for Te Puni Kōkiri's refreshed approach to monitoring.
47. Te Puni Kōkiri will reassess resourcing requirements as the ongoing work programme of *effectiveness reviews* is fully scoped. There may also be additional resource requirements for regular data to inform the wellbeing outcomes reports. Te Puni Kōkiri will signal if more resourcing is required in an October 2019 report back on progress.

Human rights

48. No human rights implications arise as a result of this paper.

Legislative implications

49. This paper has no legislative implications.

Gender implications

50. This paper has no gender implications.

Disability perspective

51. As Te Puni Kōkiri implements its refreshed monitoring approach it will consider how effectively the state sector is providing for Māori who are disabled.

Regulatory impact analysis

52. A regulatory impact analysis is not required for this paper.

Publicity

53. I propose to proactively release a copy of this paper to the public.

Next steps

54. I will report back to the Cabinet Māori Crown Relations: Te Arawhiti Committee in October 2019 on progress with the *effectiveness review* pilot, future work programme, and details on how Te Puni Kōkiri, the State Services Commission and Te Arawhiti have aligned their work programmes associated with their state sector performance functions.

Recommendations

55. The Minister for Māori Development recommends that the Committee:

1. **note** that Te Puni Kōkiri has a legislated monitoring function and this function is strengthened by the regional and policy functions of Te Puni Kōkiri;
2. **note** the monitoring approach will provide assurance of state sector effectiveness and build evidence of what government is doing to increase Māori wellbeing;
3. **note** monitoring state sector effectiveness is advancing at three levels: monitoring Māori wellbeing outcomes, monitoring progress of government priorities for Māori, and monitoring policy/programme/service impact on Māori;
4. **note** the complementarity of Te Puni Kōkiri's monitoring approach with the state sector capability functions of the State Services Commission and Te Arawhiti; and
5. **note** that I will report back to the Cabinet Māori Crown Relations Committee in October 2019 on progress with the *effectiveness review* pilot, future work programme, and details on how Te Puni Kōkiri, the State Services Commission and Te Arawhiti have aligned their work programmes and functions.

Authorised for lodgement

Hon Nanaia Mahuta

Minister for Māori Development