

In Confidence

Office of Te Minita Whanaketanga Māori
Chair, Cabinet Māori/Crown Relations Committee

POSITIONING TE PUNI KŌKIRI FOR STRATEGIC IMPACT

Proposal

1. This paper informs you of my intention to position Te Puni Kōkiri to implement its core role of promoting increases in levels of Māori wellbeing and monitoring public sector agencies' effectiveness for Māori.

Executive Summary

2. Our Government is committed to addressing the inequalities experienced by whānau and creating the conditions for Māori to achieve their social and economic development aspirations. With the establishment of Te Arawhiti, we have taken an important step towards activating better partnerships and engaged relationships with whānau, hapū, iwi and Māori.
3. Our wellbeing approach, informed by the Living Standards Framework, has the potential to make a difference in the lives of whānau. In addition, recent work by the Treasury and Te Puni Kōkiri suggests that applying an indigenous lens to the business of government is likely to be the key to uplifting wellbeing outcomes for whānau, hapū, iwi and Māori.
4. Te Puni Kōkiri has an important contribution to make to impacting on wellbeing outcomes for whānau, hapū, iwi and Māori. I intend to position Te Puni Kōkiri to exert greater leadership and influence on the public sector system to support our government to gain momentum in impacting Māori wellbeing outcomes.
5. My expectation is that the incoming Chief Executive will position Te Puni Kōkiri to:
 - 5.1. commence a formal monitoring programme to monitor the effectiveness of public sector agencies' strategies, policies and services in uplifting Māori wellbeing outcomes;

- 5.2. continue to lead policy advice and strengthen its approach to implementation on issues of specific importance to Māori, such as whenua, te reo Māori, mātauranga and intellectual property, Māori media and digital innovation;
 - 5.3. target interdepartmental advice to matters most likely to have a direct impact on wellbeing outcomes for whānau, hapū, iwi and Māori;
 - 5.4. co-create strategic advice, as appropriate, with the State Services Commission and the Treasury on system levers and frameworks that will lift the quality of the wider public sector system performance for Māori;
 - 5.5. broker opportunities with whānau, hapū, iwi and Māori through its regional footprint in areas that are strategic priorities for the government and provide core hub support for government agencies;
 - 5.6. invest in innovative initiatives that build the capability and readiness of whānau and Māori communities to achieve their aspirations, leading to intergenerational transformation; and
 - 5.7. consider the impact of existing specialist advice and services and provide advice on the feasibility of transferring them to the appropriate agencies.
6. The result of these changes will be a narrowing of the breadth of the work programme. This will create capacity for the Ministry to have greater strategic impact across the public sector. The strategic advice provided to agencies will be informed by local level insights into innovative approaches that are being developed in Māori communities across the country.
 7. Positioning Te Puni Kōkiri for strategic impact will have implications for the wider public sector. I will need your support to ensure that all agencies build the capability to be effective for Māori. This may require reprioritisation of existing resources to lift capability and build sufficient capacity to drive an uplift in Māori wellbeing outcomes.
 8. Agencies will also need to be prepared to embrace a fundamental shift toward co-design and innovative approaches to engaging with whānau, hapū, iwi and Māori. The success of this approach is dependent on it being embedded across the whole public sector system.
 9. I am hopeful that, with the support of the State Services Commission and Te Arawhiti, the lift in public sector capability and performance for Māori will be evident in the near future. At that point, I may engage with

relevant Ministers about the feasibility of transferring some of the specialist advice and services that are currently provided by Te Puni Kōkiri to the appropriate agencies.

Background

10. Our Government is committed to addressing the inequalities experienced by whānau and creating the conditions for Māori to achieve their aspirations. Removing inequality and improving outcomes for whānau, hapū, iwi and Māori will benefit all of New Zealand. With the establishment of Te Arawhiti, we have taken an important step towards activating better partnerships and engaged relationships with whānau, hapū, iwi and Māori.
11. Our wellbeing approach, informed by the Living Standards Framework, has the potential to make a difference in the lives of whānau. In addition, recent work by the Treasury and Te Puni Kōkiri suggests that applying an indigenous lens to the business of government is likely to be the key to uplifting wellbeing outcomes for whānau, hapū, iwi and Māori.
12. Over the past 18 months, I have developed insights into how the public sector system is contributing to improved wellbeing outcomes for whānau, hapū, iwi and Māori. My view is that while important progress has been made, there is a great deal to do to ensure that our agencies are responding effectively to Māori needs and aspirations and supporting whānau toward self-determination and intergenerational transformation.

The current role of Te Puni Kōkiri

13. Te Puni Kōkiri was established under the Ministry of Māori Development Act 1991, with responsibility for:
 - 13.1. promoting increases in the levels of achievement attained by Māori in education, training and employment, health and economic resource development; and
 - 13.2. monitoring and liaising with agencies that provide or have a responsibility to provide services to, or for, Māori to ensure the adequacy of those services.
14. At its establishment, Te Puni Kōkiri was a strategic Ministry with policy, monitoring and local level facilitation functions. Over time Te Puni Kōkiri has been required to take on additional functions including the administration of funds and providing specialist advice and services to Māori.
15. As a result, Te Puni Kōkiri currently spends a large proportion of its time on resource intensive work to support the delivery of the

Government's priorities and the work of other government agencies. For example, Te Puni Kōkiri:

- 15.1. provided second opinion policy advice on approximately 50 percent of the papers that went to Cabinet committees between July 2018 and February 2019;
 - 15.2. is called upon to support a large number of government consultations and engagements with whānau, hapū, iwi and Māori, including for government strategic priorities (such as the Child and Youth Wellbeing Strategy and State Sector Reforms) as well as ad hoc hui requests from government agencies;
 - 15.3. provides specialist advice and services for Māori, including the Māori Housing Network, Whenua Māori Programme and Māori Business Growth;
 - 15.4. is partnering with the Provincial Development Unit to deliver the Provincial Growth Fund (PGF);
 - 15.5. administers 16 funds and is responsible for purchasing outcomes from Whānau Ora commissioning agencies and monitoring the performance of a number of Crown and Statutory Entities; and
 - 15.6. administers a number of Acts and Legislative Instruments and undertakes a number of statutory roles, including a mandated independent observer role in the Treaty settlement process.
16. Whilst the number of functions undertaken by Te Puni Kōkiri has grown, staffing numbers have remained fairly constant since its establishment. Therefore, resources are stretched and this has hindered the ability of the Ministry to have a strategic impact on the public sector.

Positioning Te Puni Kōkiri for Strategic Impact

17. Taking into account the current operating environment, and in consultation with the State Services Commission and Te Puni Kōkiri, I have developed my expectations for Te Puni Kōkiri moving forward. Te Puni Kōkiri has an important contribution to make to impacting Māori wellbeing outcomes. I intend to position Te Puni Kōkiri to exert greater leadership and influence on the public sector system so that our government gains momentum in impacting on Māori wellbeing outcomes and effects intergenerational transformation.

18. To achieve this change, I will be expecting the incoming Chief Executive to position Te Puni Kōkiri to:

commence a <u>formal monitoring programme</u> to monitor the effectiveness of public sector agencies' strategies, policies and services in uplifting Māori wellbeing outcomes	 <i>Increased monitoring role</i>
continue to <u>lead policy advice</u> and strengthen its approach to implementation on issues of <u>specific importance to Māori</u> , such as whenua, te reo Māori, mātauranga and intellectual property, Māori media and digital innovation	 <i>More project focused approach to key issues</i>
co-create <u>strategic advice</u> , as appropriate, with the State Services Commission and the Treasury on <u>system levers and frameworks</u> that will lift the quality of the wider public sector system performance for Māori, including whānau-centred approaches.	 <i>Renewed role and relationships with State Services Commission and Treasury</i>
broker <u>opportunities</u> with whānau, hapū, iwi and Māori through its regional footprint in areas that are strategic priorities for the government and provide core hub support for government agencies	 <i>Increased brokerage role</i>
invest in innovative initiatives that <u>build the capability and readiness of whānau and Māori communities</u> to achieve their aspirations, leading to intergenerational transformation	 <i>Increased innovation focus</i>
target interdepartmental advice to matters <u>most likely to have a direct impact</u> on wellbeing outcomes for whānau, hapū, iwi and Māori	 <i>More focused, less volume</i>
<u>realign the existing investment portfolio</u> to government priorities and remove administrative barriers to accessibility by Māori	 <i>Fewer funds, better alignment to government priorities</i>
consider the <u>impact of existing specialist advice and services</u> and provide advice on the <u>feasibility of transferring</u> them to the appropriate agencies	 <i>Some programmes decommissioned or migrated to other agencies</i>

19. Narrowing the breadth of interdepartmental advice, realigning existing funds and potentially divesting some specialist advice and services over time means that Te Puni Kōkiri will have greater strategic impact across the public sector. The strategic advice provided to agencies will be informed by local level insights into innovative approaches that are being developed in Māori communities across the country.
20. In developing my expectations for Te Puni Kōkiri I considered major structural and legislative change as possible options but have ruled these out at this time. Instead I am working with the Ministry to refine the breadth of the work programme to focus on the areas that have the most direct impact on Māori wellbeing outcomes. I also want to work with Ministers to manage the expectations of public sector agencies seeking advice and support from Te Puni Kōkiri. The benefit of this approach is that it will minimise disruption and allow the Ministry to build on its existing strengths.

Policy and monitoring implications

21. When Te Puni Kōkiri was established, significant resources were allocated to a substantial programme of monitoring the performance of government agencies. In 2003, this approach was discontinued in favour of monitoring through second opinion policy advice.
22. My expectation is that the monitoring function will increase transparency of, and accountability for, the effectiveness of government agencies for Māori by monitoring the impact of their strategies, policies and services on Māori wellbeing outcomes. This will be a critical opportunity to inform policy and build the evidence base of what works to improve Māori wellbeing outcomes.
23. Cabinet noted my approach to monitoring Māori wellbeing outcomes in December 2018 [CAB-18-MIN-0643]. I am re-establishing a formal function within Te Puni Kōkiri to monitor Māori wellbeing outcomes, the progress of government priorities for Māori and policy/programme/service impact on Māori.
24. The positioning of Te Puni Kōkiri for strategic impact will mean a continuation and strengthening of lead policy advice and implementation of policies of unique importance to Māori such as whenua, te reo Māori, mātauranga and intellectual property, Māori media and digital innovation. My expectation is that as the focus of Te Puni Kōkiri shifts there will be an enhanced depth and quality of policy advice and implementation.
25. Policy led by Te Puni Kōkiri will be whānau-centred and grounded by the principles of co-design and innovative engagement with Māori. The Ministry will prioritise Māori wellbeing outcomes, including pathways toward self-sustainability, to meet the needs, interests and aspirations of whānau, hapū, iwi and Māori.

26. As Te Puni Kōkiri shifts toward a greater strategic policy role, it will reduce the breadth of issues on which it provides interdepartmental policy advice. However, there will be a stronger strategic influencing role on issues that have the greatest impact on Māori.
27. When combined, I expect the new focus on monitoring, lead policy and strategic secondary policy advice will result in Te Puni Kōkiri being a key influencer across the wider public sector.

Regional implications

28. The regional network provides a key advantage through its relationships with Māori communities across the country to support the achievement of priorities across the whole of government. These relationships provide valuable insights into the innovations that are making a difference in the lives of whānau.
29. The regional network will be positioned to focus on areas of strategic importance for the government. This will include:
 - 29.1. actively brokering with whānau, hapū, iwi and Māori on the government's strategic priorities (e.g. housing, whenua and the PGF);
 - 29.2. providing core hub support for other agencies to engage and work with whānau, hapū, iwi and Māori on areas of strategic importance for the government;
 - 29.3. investing in innovative initiatives that build the capability and readiness of whānau and Māori communities to achieve their aspirations, leading to intergenerational transformation; and
 - 29.4. building capacity to capture local level policy learnings to disrupt conventional top-down policy approaches and be based on the principle of co-design.
30. A major benefit of this strategic positioning of the regional network is that there will be clearer connections between the government's strategic priorities and the Te Puni Kōkiri regional delivery function.
31. This has already been exemplified in the partnership between Te Puni Kōkiri and the Provincial Development Unit to deliver the PGF, which has resulted in PGF staff being co-located in Te Puni Kōkiri regional offices.
32. My proposal to use the regional network to capture local level policy learnings will further enhance these kinds of arrangements as local knowledge is more strategically brought into policy development and implementation within Te Puni Kōkiri and other agencies.

33. The strategic positioning of the regional network will mean that all parts of government will need to understand and value the relationships that Te Puni Kōkiri has with whānau, hapū, iwi and Māori.

Investment implications

34. Te Puni Kōkiri will become more selective about the specialist advice and services it provides over time. The Ministry is currently streamlining the funds that it administers to remove barriers and make funds more accessible. This will create greater efficiencies and opportunities to take a more strategic and integrated approach to improving Māori development objectives.
35. This approach reflects that the pool of targeted funding available for Māori is relatively small and the biggest investment gains for Māori can be made by improving the capability of government agencies to develop, deliver and partner with Māori on investments that meet whānau, hapū, iwi and Māori needs and aspirations.

Overall impact of changes

36. These changes will create space for Te Puni Kōkiri to focus at the strategic level to ensure policy settings across the system are right to improve Māori wellbeing outcomes. This strategic focus will be informed by insights into innovative approaches that are being developed in Māori communities across the country.
37. The changes will also allow Te Puni Kōkiri to work with central agencies to ensure that the levers of government (e.g. state sector reforms) are activated to support the public sector system to deliver their business in a way that not only interrupts the cycle of Māori disadvantage and poverty but also builds self-determination and intergenerational transformation.

Implications for the public sector system

38. Positioning Te Puni Kōkiri for strategic impact will have implications for the wider public sector, which has a core responsibility for lifting Māori wellbeing outcomes. If we are to make a real difference to the lives of whānau Māori, it is imperative that all agencies build their own capability to be effective for whānau, hapū, iwi and Māori.
39. The expectation that all parts of the public sector system have collective responsibility for improving outcomes for whānau, hapū, iwi and Māori is already being progressed. This includes proposed changes to the State Sector Act 1988 that would embed expectations of the public service in relation to its role as Treaty partner and contain expectations on Chief Executives to support the public sector system in building its capability to deliver services that are responsive and accessible to Māori and work for Māori and whānau.

40. These proposed changes complement the work that is underway under the guidance of the Minister for Māori Crown Relations: Te Arawhiti to foster better partnerships and engaged relationships with Māori across government and to guide a lift in public sector capability for Māori.
41. A Memorandum of Understanding between Te Puni Kōkiri and Te Arawhiti was signed in May 2019. The Memorandum of Understanding, and supporting collateral, provide further detail on the respective roles of the two agencies and provide clarity across the public sector about which agency to approach for strategic advice on different issues. Cabinet has invited me and the Minister for Māori Crown Relations: Te Arawhiti to report back to Cabinet in September 2019 on the relative roles and responsibilities of Te Arawhiti and Te Puni Kōkiri [CAB-19-MIN-0174.22].

Policy implications for the public sector

42. As Te Puni Kōkiri sharpens its focus on issues of strategic importance to Māori, the Ministry will need to narrow the number of issues on which it provides secondary advice. Te Puni Kōkiri will take on a key influencer role across the public sector system.
43. The public sector system will need to ensure that it builds the capability to develop and implement policies that are responsive, accessible, and work for Māori and whānau. This may include the use of secondments and internships to build and spread Māori capability. Te Puni Kōkiri has developed a whānau-centred policy toolkit to support government agencies in this work, but the responsibility for meeting Māori needs and aspirations will ultimately lie with your agencies.

Service delivery implications for the public sector

44. The public sector system will also need to ensure that it builds the capability to develop and implement services that are responsive, accessible, and work for Māori and whānau.
45. Some specialist advice and investment functions currently being delivered by Te Puni Kōkiri may prove to be effective models for other agencies to adopt and build on. As government agency capability grows, I may seek opportunities in the medium term to transfer, in a staged way, some of the specialist advice and services for Māori that are currently provided by Te Puni Kōkiri to the relevant government agencies.
46. Where advice and services are currently provided through the regional network within Te Puni Kōkiri, the wider public sector system may need to consider how it partners across agencies to deliver at a local and regional level. There may be opportunities for agencies to further collaborate with Te Puni Kōkiri. These collaborations would be built around the step change I am seeking of engaging with Māori in determining solutions.

Overall implications for the public sector

47. In order for Te Puni Kōkiri to be successful, I will need your support to ensure that all agencies build the capability to be effective for Māori. This may require reprioritisation of existing resources to lift capability and build sufficient capacity to drive an uplift in Māori wellbeing outcomes.
48. I am seeking a step change in the role of government in supporting Māori needs and aspirations. This means ensuring that government agencies respond effectively to Māori needs and aspirations and support whānau toward self-determination and intergenerational transformation.
49. Agencies will need to be prepared to embrace a fundamental shift toward co-design and innovative approaches to engaging with whānau, hapū, iwi and Māori. The success of this approach is dependent on it being embedded across the whole public sector system.
50. The new Chief Executive of Te Puni Kōkiri will determine the best approach to staging and executing the proposed positioning of Te Puni Kōkiri. I will engage with you in due course should the positioning of Te Puni Kōkiri have implications for your portfolios beyond our commitment to Māori wellbeing outcomes and the existing expectation of collective responsibility for improving outcomes for whānau, hapū, iwi and Māori.

Next Steps

51. My intentions outlined here will inform the commissioning of the incoming Chief Executive, and enable them to make operational decisions to put the proposal into effect. Te Puni Kōkiri is considering these intentions and will prepare some options to support the incoming Chief Executive.

Consultation

52. This paper was developed in close consultation with the State Services Commission.
53. The following agencies were consulted on this paper: The Treasury; Ministry of Housing and Urban Development; Government Communications and Security Bureau; Ministry of Justice; Ministry of Health; Ministry of Culture and Heritage; New Zealand Customs Service; Ministry of Business, Innovation and Employment; Ministry of Foreign Affairs and Trade; Department of Corrections; Pike River Recovery Agency; Ministry of Social Development; Social Investment Agency; Oranga Tamariki; Ministry of Defence; Ministry of Education; Serious Fraud Office; Te Arawhiti; Land Information New Zealand; Statistics New Zealand; Department of Conservation; Ministry for Pacific Peoples; Inland Revenue; Education Review Office; Department of Internal

Affairs; Ministry of Transport; Ministry for Primary Industries; New Zealand Security Intelligence Service; Ministry for Women; Crown Law and Ministry for the Environment.

54. The Department of Prime Minister and Cabinet was informed.

Financial Implications

55. There are no immediate financial implications arising from this paper. I expect though, as the emphasis of Te Puni Kōkiri changes, that there may be implications for Budget 2020. However, there is potential that the refining of focus for Te Puni Kōkiri and the transfer of matured specialist advice and services over time to other agencies may negate the need for additional funding.

Publicity

56. I intend to issue a media release regarding the strategic positioning of the Ministry, as soon as practicable after Te Puni Kōkiri staff have been briefed.

Proactive Release

57. I propose to publicly release this Cabinet paper as soon as practicable after Te Puni Kōkiri staff have been briefed.

Recommendations

Te Minita Whanaketanga Māori recommends that the Committee:

1. note that removing inequality and improving outcomes for whānau, hapū, iwi and Māori will benefit all of New Zealand.
2. note that improving outcomes for whānau, hapū, iwi and Māori is a collective responsibility across government.
3. note that Te Puni Kōkiri was established by the Ministry of Māori Development Act 1991 with a focus on policy, monitoring and local level facilitation functions.
4. note that over time, Te Puni Kōkiri has taken on a bigger role in policy, investments, developing and providing specialist advice and services for Māori, and regional engagements.
5. note that my expectation is that the incoming Chief Executive will position Te Puni Kōkiri to:
 - 5.1. commence a formal monitoring programme to monitor the effectiveness of public sector agencies' strategies, policies and services in uplifting Māori wellbeing outcomes;

- 5.2. continue to lead policy advice and strengthen its approach to implementation on issues of specific importance to Māori, such as whenua, te reo Māori, mātauranga and intellectual property, Māori media and digital innovation;
- 5.3. target interdepartmental advice to matters most likely to have a direct impact on wellbeing outcomes for whānau, hapū, iwi and Māori;
- 5.4. co-create strategic advice, as appropriate, with the State Services Commission and the Treasury on system levers and frameworks that will lift the quality of the wider public sector system performance for Māori;
- 5.5. broker opportunities with whānau, hapū, iwi and Māori through its regional footprint in areas that are strategic priorities for the government and provide core hub support for government agencies;
- 5.6. invest in innovative initiatives that build the capability and readiness of whānau and Māori communities to achieve their aspirations, leading to intergenerational transformation; and
- 5.7. consider the impact of existing specialist advice and services and provide advice on the feasibility of transferring them to the appropriate agencies.
6. note that my positioning of Te Puni Kōkiri will have implications for the wider public sector system.
7. note that some specialist advice and services for Māori that Te Puni Kōkiri currently provides may reach a point of maturity that allows them to be transferred to other agencies.
8. note that I will need your support to ensure that all agencies build the capability to be effective for Māori and that this may require reprioritisation of existing resources to lift capability and build sufficient capacity to drive an uplift in Māori wellbeing outcomes.
9. note that Cabinet has invited me and the Minister for Māori Crown Relations: Te Arawhiti to report back to Cabinet in September 2019 on the relative roles and responsibilities of Te Arawhiti and Te Puni Kōkiri [CAB-19-MIN-0174.22].
10. note that I will engage with Ministers in due course should the positioning of Te Puni Kōkiri have implications for your portfolios beyond our commitment to Māori wellbeing outcomes and the existing expectation of collective responsibility for improving outcomes for whānau, hapū, iwi and Māori.

11. note that Te Puni Kōkiri is developing a plan regarding the directions that I have outlined in this paper for the incoming Chief Executive to implement from their anticipated start date in August 2019.

Authorised for lodgement

Hon Nanaia Mahuta

Te Minita Whanaketanga Māori

Released by the Minister for Māori Development