

‘The political neutrality of the State Services: issues and principles’

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Ross Tanner

I'd like on behalf of the Institute of Public Administration New Zealand to welcome you all today to this lunch hour seminar. We are most grateful to the Institute of Policy Studies at Victoria University for sponsoring this event with us and for hosting it here at the University. In the light of recent events, and because the convention of political neutrality is integral to the conduct and management of the State Services in New Zealand, we felt it was timely to hold this event to explore the principles that apply and to discuss their application in practical terms.

I do not intend to comment at all on the recent employment case relating to Madeleine Setchell. I consider it would be inappropriate to do so since the full facts of the situation are not yet clear. An investigation is also underway into the handling by the Public Service departments involved. I will however refer to the issue of Ministerial involvement in employment matters.

I also want to state that my comments do not necessarily reflect the views of the Management Board or membership of IPANZ: they are my own views and I take full responsibility for them. I offer them as a former participant, and now an independent observer, of the public management system in New Zealand.

As a starting point, I propose to establish what the actual convention of political neutrality is and entails, and then to explore its practical application in terms of issues that I consider are important to the ongoing work of departments and

officials. There are several source documents that describe the convention. One statement is contained in the Cabinet Manual, which is the record of the constitutional conventions, procedures and rules of Cabinet and central executive government. The manual was last revised and published in 2001. It states¹:

“Public servants must act in such a way that their department maintains the confidence of its current Minister and also of future Ministers. Advice given to Ministers must be honest, impartial and comprehensive. Although regard must be had to the policies and priorities of the government of the day, the advice given by officials should be ‘free and frank’, so that Ministers can take decisions based on all the facts and an appreciation of all the options.

Officials must provide any factual or statistical material requested but should not be required to offer comment or opinion on clearly political topics, such as policies mooted by other parties in Parliament”.

Referring to the employment of staff, the Manual states²:

“A chief executive acts as the employing authority for the department to which he or she has been appointed. Under section 33 of the State Sector Act 1988.....chief executives have a duty to act independently in matters such as appointment, promotion or disciplining of individual employees. They are not responsible to their Minister in such matters. If a staffing matter is likely to become an issue of public concern or affect the administration of the department, it may be appropriate for the chief executive to advise the Minister on the issue.

The State Services Commissioner's role in appointing chief executives and the independence of chief executives in matters concerning their employees underpin the neutrality of the public service”.

The Cabinet Manual also refers readers to the Public Service Code of Conduct. The State Services Commissioner has recently issued a new Code of Conduct for the State Services that will apply to most of the major State Services organizations. The new Code will take effect from 30 November this year. Both the previous and new Code specify that public servants must maintain the

¹ Cabinet Office, DPMC, Wellington: “Cabinet Manual, 2001, S 2.147 and 2.148.

² Ibid, S 2.153 and 2.154

political neutrality required to enable them to work with current and future governments.

The essence of the convention therefore is that public servants are required to serve the Government of the day. They must act to ensure not only that their department maintains the confidence of its Ministers, but also to ensure that it is able to establish the same professional and impartial relationship with future Ministers. This convention of political neutrality is designed to ensure the Public Service can provide strong support for the good government of New Zealand over the long term.

The political and constitutional context within which the Public Service operates has changed significantly since the neutrality convention was first established in New Zealand some 95 years ago, and particularly in the last few years. It will continue to evolve in future years. These changes will be reflected in the practical application of the conventions. However, while circumstances and practices may indeed change or adapt, it can be expected that there are some enduring principles that will not change.

Underpinning the Code of Conduct, there is a wealth of guidance material that is published and available on the SSC website about political neutrality. It is not my purpose today simply to quote repetitiously from that guidance: rather I propose to explore the application of the principles to particular situations or areas of public management and to suggest a number of matters where further consideration may be warranted or where questions remain open for discussion.

Amongst the substantive amount of material that is available on the principles and practices, I found that one of the most informative commentaries was contained in the 2002 Annual Report of the State Services Commissioner,

Michael Wintringham, on the State Services³. This was followed in 2004 by a further commentary by Dr Mark Prebble in his first such report as the new Commissioner⁴.

The areas that I propose to consider are:

- The appointment of Chief Executives and senior staff in Public Service departments
- Maintaining working relationships with Ministers, and the role of Ministerial advisers
- Providing 'free and frank' advice
- Responsibility and accountability in politics and the State Services

I do not have time to cover issues such as the role of the State Services in support of Government formation, the expression of by individual public servants of personal views or political preferences, and the right of public servants to express legitimate concerns either directly to their superiors or through mechanisms such as the 'whistle blowing' provision. In any event, the guidance in this area is comprehensive and thorough. A further topic that deserves some more sustained discussion is the issue of political neutrality in the Crown entity sector.

The fundamental principles underpinning all of the topics that I propose to consider are that the Public Service (and, by extension, the wider State Services) should be non-political, career-based, and dedicated to serving the current and future Governments with professionalism and loyalty. In order to achieve a separation between the 'political' functions of Ministers from the administrative functions of the Public Service, the powers of appointment, promotion and dismissal were initially entrusted in 1912 to an independent

³ State Services Commission: Annual Report of the State Services Commissioner on the State Services for the year ending 30 June 2002

⁴ State Services Commission: Annual Report of the State Services Commissioner on the State Services for the year ending 30 June 2004

person, the Public Service Commissioner. The 1988 State Sector Act transferred the responsibility for the employment of their own departmental staff to Chief Executives. A Crown entity is likewise instructed under the 'good employer' clause in the Crown Entities Act 2004 to ensure 'the impartial selection of suitably qualified persons for appointment'. Chief Executives of departments, and Crown entities, are therefore to act independently of Ministers in the appointment of staff. The State Services are career-based in the sense that staff must be employed on merit and on a professional basis. Tenure is not dependent on a particular government or Minister remaining in office. The attention of public servants is therefore to be focused on providing advice to their Minister and on implementing Government policy rather than serving partisan political interests. The explicit values to be sought and encouraged are the ability to work with whatever Minister and government comes to power, loyalty to the Government of the day, and the (highest) quality of advice and service.

What therefore is happening in practice?

1. The appointment of Chief Executives and senior staff

The rules and procedures for the appointment or reappointment of Chief Executives in the Public Service departments have been clearly established by the State Sector Act and in the precedent that has developed since that time. The appointment of Chief Executives is made by the Governor-General-in-Council based on the recommendation by the State Services Commissioner of a suitable person for the role. Neither the Minister of State Services nor any other Minister are involved in the actual selection process, but the State Sector Act does allow for the Governor-General-in-Council to decide whether the Commissioner's recommendation is to be accepted or rejected. If the recommendation is rejected, as has happened once in the intervening years, the Commissioner can be asked to start the appointment process again or the Governor-General-in-Council can direct the Commissioner to appoint a named

person to the position. There is a significant deterrent to that latter course ever happening in that such a direction would be gazetted and therefore very public.

There is therefore an imperative upon the Commissioner to make a recommendation that will withstand Ministerial and Cabinet scrutiny and allow the appointee quickly to enjoy the confidence and the respect of the Government. How is this done?

In fact, the appointment process for Chief Executives of the Public Service allows an explicit legislatively-sanctioned role for Ministers. The Minister of State Services will be invited to inform the Commissioner of any matter that the Minister wishes the Commissioner to take into account in making an appointment. This is achieved through the following mechanisms:

- First, the Minister of State Services will be provided with a draft job description and will be asked to consult the relevant portfolio Minister and other Cabinet colleagues on it.
- On occasion there will have been a full strategic review of the direction of the department and the policy environment in which it is operating, in which Ministers will have usually have been involved.
- Third, in the process of establishing the requirements of the job and in seeking suitable candidates, the Commissioner is often assisted by or executive search consultants, and they are instructed to discuss the skill requirements to sought in a Chief Executive appointee with key stakeholders of the particular department. In the past in my experience, they have been allowed to interview the portfolio Minister as well as other stakeholders. In these discussions, the names of possible candidates for the Commissioner to consider may be suggested.

This is however still a very preliminary stage of the appointment process. The vacancy is advertised, and the list of applications is supplemented by candidates

who are identified through the executive search process. A detailed examination of candidates follows, with the Commissioner being assisted by a panel of expert advisers, including the Deputy State Services Commissioner. Here again however the Commissioner must by law consult the appropriate Ministers about whom he or she should invite to join a particular appointment panel. The role of the panel is an advisory one only as the Act specifies that following the deliberation of the panel, the Commissioner shall decide upon the person to be recommended for appointment. I should note however that from my own experience the way that respective Commissioners use and work with their advisory panels will differ, depending on the style of the Commissioner.

The appointment process for Chief Executives of the Public Service therefore allows an explicit legislatively-sanctioned role for Ministers. When the State Sector Act was first introduced there were fears that this would be the thin edge of a wedge leading to political appointments in the Public Service and that the political neutrality convention would be seriously compromised. However a key requirement of the chief executive role was always going to be their ability to work effectively with the responsible Minister. As Michael Wintringham pointed out in the 2002 annual report⁵ that I have referred to, “the views of the Minister had always been a ‘relevant consideration’, in administrative law terms, to be taken into account by the Commission. The 1988 reforms formalised and gave statutory recognition to this reality”. The fears of political appointments to chief executive positions that were raised in 1987 and 1988 have never been realised.

Let me now compare the process for the appointment of Chief Executives with that of staff, and particularly senior staff that might also be required to work closely with Ministers.

⁵ Op. cit

The State Sector Act⁶ makes it quite clear that while a chief executive is responsible to the appropriate Minister for the carrying out of the functions and duties of a department, and its conduct and effective management, they have a duty to act independently in matters relating to decisions on individual employees. In doing so they must observe the personnel provisions of the Act, particularly those set out under the 'good employer' requirements.

There are no explicit provisions in the legislation that would allow a chief executive to invite the Minister responsible for his or her department to inform them on any matters that the Minister wishes the chief executive to take into account in making staff appointments. The convention that the 'political' functions of Ministers and the administrative functions of the Public Service must be kept separate, and the consequent legal imperative for chief executives to act independently in staffing matters, have therefore been widely understood as to require the complete non- involvement of Ministers in any matter relating to the recruitment, ongoing management, or the cessation of employment of individual staff. The convention extends to the wider State Services as well. However there are some other factors to be taken into account when considering the nature of the separate roles of Ministers and chief executives:

- The responsible Minister is accountable to Parliament for the administration of his or her portfolio and for the performance of departments and agencies that support it.
- The responsible Minister must also seek an annual appropriation from Parliament sufficient to allow for the chief executive to employ the necessary staff. The Minister will therefore be asked to support any case for increase to that appropriation, and from time to time depending on the Government's economic and financial circumstances or policies, may change entire departmental functions and for this or other reasons require a chief executive to reduce the numbers of staff employed.

⁶ State Sector Act 1988, S32 and 33

- The Minister is entitled to express a view about the performance of the department, its chief executive and indeed of individuals or groups of staff within the department in carrying out their designated functions.

Moreover it is important that the Minister has or can quickly develop confidence not only in the ability of the Chief Executive to lead and manage the affairs of the department but also in the ability of senior managers or persons in other critical roles that the Minister would be expected to work closely with. The question therefore becomes, is it reasonable, or legitimate, for a chief executive to consult a Minister at all, before making an appointment to such a role in a department. I have found in discussions over the past few weeks that there is a clear difference of view on this issue and therefore want to put forward a perspective for consideration.

It has been stated clearly in the guidance from the State Services Commission on political neutrality⁷ that acting independently does not necessarily mean acting alone. I quote: “There may be times when the chief executive may properly seek a Minister’s views about administrative actions that may generate some public or political debate”. Examples given in the guidance are the closing of a regional office, conducting an internal inquiry, or restructuring of the agency that may have an impact on ongoing capability.

It is therefore of interest that the section from the Cabinet manual that I quoted earlier goes even further, and I repeat; “If a staffing matter is likely to become an issue of public concern or affect the administration of the department, it may be appropriate for the chief executive to advise the Minister on the issue”.

I contend that since a Minister will have views to express about the performance of a department, and of particular people within that department, then on occasion it may also be useful, and even necessary, for the chief executive to

⁷ State Services Commission: “ Political Neutrality: Fact Sheet 3—The Relationship between the Public Service and Ministers”, September 2003

advise the Minister before deciding on a particular senior appointment. It will be up to the chief executive to take the initiative and to determine the nature of the discussion, not the Minister: in this as with other situations the chief executive is required to ride the boundary between the political role of the Minister and the administrative role of the department. This sort of situation has previously been described as ‘managing in the purple zone’.

There are indeed likely to be situations where the Minister will feel uncomfortable in terms of working with some individual staff members. I have been reminded that in the guidance series on ‘Public Service Principles Conventions and Practices’ that was published in 1994⁸, in a paper discussing the issues that arise for senior public servants in the course of their employment, the State Services Commissioner, Don Hunn, noted that “it is competent for a Minister to refuse to deal with a particular official. In those circumstances, steps should be taken to avoid conflicts and to ensure that the official is not penalized in any unwarranted way”.

What might cause such a situation? The most likely cause for such a situation might be where a Minister no longer trusts or respects the advice being provided by a senior official. A second cause might be where the official has been closely identified with the design or management of a policy or programme that the Minister (in an incoming Government) opposed while in Opposition.

It could be argued by extension that the chief executive should be careful not to put senior officials in such situations in the first place, and this is most often what happens in a the Public Service environment. Ministers may not be involved in the process or even aware of what has been done internally in a department.

⁸ State Services Commission: “The Senior Public Servant; a paper in the series ‘Public Service Principles Conventions and Practices’”, 1994

However, are there cases in fact where the Minister might need to be advised, in advance, of the possibility of an appointment to a role where some sensitivity might exist? What should happen for example where the official has been previously in a political role e.g. a Ministerial adviser, or a candidate for a political party in a General Election?

The handing by the chief executive in such a circumstance would be crucial: it would require tact and discretion, or robust management in some cases. The reaction of the Minister would be taken into account by the chief executive, who would then be required to act independently.

For some I am sure this suggestion will represent a clear threat to the principle of political neutrality. There is probably therefore a need for some more guidance on this subject from the State Services Commissioner, which I am sure will follow from the inquiry now underway.

2. Maintaining working relationships with Ministers, and the role of Ministerial advisers

As I have explained, the system of public management that we have inherited and developed in New Zealand is currently based on two complementary principles: the responsibility of Ministers for policy and advocacy, and the responsibility of public servants for policy advice implementation and administration. Public servants' job is to explain government policy and implement government decisions but not to publicly comment on such policies or indeed to defend them. Ministers defend their policies and decisions, and answer to Parliament and the public for the actions of their departments and other agencies for which they are responsible. In return for this public and political accountability, current and future Governments in New Zealand can expect the loyalty, professionalism, and neutrality of the State services to be maintained. The anonymity of public servants as part of this equation was also important when the convention was first enshrined in law in the last century.

There has been an erosion of this particular understanding over time, hastened in recent years by the intrusiveness of the news media, new information technology and also the impact of the Official Information Act.

However, the practical reality is that while an understanding of the principle and conventions that have developed over time are important, the basis of an effective and politically neutral public service will depend on the working relationship between Ministers and chief executives and, I would argue, senior managers and staff.

It is important that the Minister has or can quickly develop confidence not only in the Chief Executive but also in senior managers who are appointed to lead and manage the affairs of the department. Ministers will expect to work closely with these people, will listen to their advice, and if they have confidence in their ability, will entrust them with the implementation of significant policy decisions. The trust and confidence of Ministers is often hard-earned over a lengthy amount of time, but can be lost in an instant through an error of judgment or lack of performance in a critical task or activity. The most difficult time facing chief executives in this respect is after a change of Government when the incoming political party or coalition of parties will naturally have a degree of reticence in dealing with officials until trust and confidence is established.

There has certainly been evidence that the confidence of Ministers in public servants can be fragile, and that they can and will turn to others for policy advice if there is doubt. A particular example during my own time as a senior public servant was when the incoming Bolger Government in 1990 brought in key people from the private sector to advise it on the design of aspects of the social assistance reform programme that was announced in the 1991 Budget. There have been other examples since then.

Working effectively with Ministers requires:

- close attention to the Minister's (and the Government's) portfolio priorities and desired outcomes
- the provision of high quality policy advice, based on options and solutions to identified issues or problems. I've often heard Ministers say to officials: "don't just come to me with a problem: what's the solution?"
- effective and timely implementation of strategy, policies and services. What will especially irritate Ministers, and reduce their confidence in the Public Service, is when the delivery of a new policy or service is delayed unnecessarily due to lack of due attention or sheer procrastination.
- a 'no surprises' approach: that is, the timely provision of information to Ministers on any issue relating to policy or administration that the Minister needs to know about or that they might later be asked to comment on or defend in public or in Parliament.

While MMP has made it harder for public servants to distinguish between what is serving the Government of the day and the interests of the political parties represented on a coalition, senior public servants have always had to be politically astute and aware of the environment in which they and their Ministers work. I do not consider therefore that MMP has materially affected the fundamental nature of political neutrality. What remains important is that by their ongoing actions and responses to a particular coalition administration, public servants maintain the confidence of other political parties in Parliament that they will serve their interests equally well if the time comes for them to lead the Government and put their people into key Ministerial roles.

A more important consideration is the role of Ministerial (i.e. political) advisers. There is already a body of research developing on this subject, both here in New Zealand as well as in other jurisdictions. There have been fears that the appointment of political advisers in Ministerial offices will over time lead to the politicization of the Public Service. The evidence put forward by Dr Chris Eichbaum and Richard Shaw however does not indicate that this is happening

at least from the chief executive perspective. A majority of chief executives appear to consider that the relationship between them, their staff, and the Ministers' offices is working satisfactorily. Michael Wintringham also commented in 2002 that there is a case to be made that political advisers can in fact help the Public Service to maintain its neutrality .

- political advisers can provide advice of a political nature to Ministers and take pressure off the public service to provide advice on the political consequences of policy options
- political advisers can handle consultation on policy matters or negotiation with coalition partners
- Ministers may indeed appreciate independent advice about what they should be seeking from departments and how departments can contribute to the Government's agenda. This role was formalised a few years ago as that of 'purchase advisers'. It was often difficult for a public servant even of some seniority, to be asked to perform that role certainly where their own department was involved and probably for others with whom they would later be expected to work as a colleague.
- advice, as opposed to information, about the government formation process, or about coalition matters and political relationships, is best provided by Ministerial advisers not public servants.

Thus it might be concluded that the advent of Ministerial advisers is probably a good development and potentially useful in an MMP environment in terms of helping to protect the neutrality of the State services. It is however important for the Chief Executive of a department to establish with the Ministerial advisers just what the nature of their role is, to establish the extent of authority with which Ministerial advisers are speaking, and to ensure that proper accountability arrangements and understandings are in place. Importantly in the light of the recent events, it is important to note that it would be inappropriate for a Ministerial adviser to be involved in staffing matters in the Public Service, including in any process initiated by the State Services Commissioner relating to

Chief Executive appointments. This is however going to be hard to police: what is there for example to stop a Minister discussing a Chief Executive job description with a close adviser?

I would therefore endorse a proposal by Dr Chris Eichbaum for the development of a code of conduct for Ministerial advisers as a way of codifying what the role and responsibilities of such advisers should be in relation to both their Ministers and also to the State Services departments and agencies to which they will be asked to relate.

3. Providing 'free and frank' advice

The principle that public servants are required to provide free and frank advice to Ministers lies at the heart of the political neutrality convention. I do not propose to spend a lot of time on this however: there is a substantial amount of written guidance available.

Advice to Ministers must be honest, impartial and comprehensive. It may not always be what Ministers want to hear or receive, and the provision of robust advice always requires the exercise of judgment and skill by the chief executives and senior public servants who are responsible for formulating it.

The key in my view is to ensure that the advice is framed with a long term perspective in mind, that it is transparent and free of personal or agency agendas, and that it does not unreasonably seek to frustrate the implementation of Government policy. It is a matter of pointing out the risks in a particular policy or approach, and where possible suggesting alternatives that might have a more effective outcome for the issue or problem being addressed.

But this area of involvement between chief executives and Ministers has always been a complex one, and it depends now as in the past on both the respect that Ministers have in the ability and expertise of their chief executives and staff, and

on the skill and tact of the chief executives themselves. Anecdotal evidence suggests that actual practice and precedent in the provision of free and frank advice to Ministers is changing in New Zealand. It would be useful to have some solid research and more open dialogue amongst both academic researchers and professional public servants.

The issue has been made more complicated in my view by the impact of the Official Information Act, which in my view has placed certain constraints on the dialogue between Ministers and officials, and may have had the unfortunate consequence that less of that advice is recorded in written form than was previously the case. I for one will be interested in a forthcoming publication from the IPS that has resulted from a research project into the effect of the OIA on the policy formation and discussion process.

There is little doubt in my mind for example that the practice of public servants writing file notes to record accurately the dialogue that occurs in the lead up to a policy decision has been changed by the onset of the OIA. On the other hand, as the Chief Ombudsman pointed out in an address to an IPS seminar last Friday, robust exchanges of emails between officials now occur, whereas previously that might have been done more in officials committee meetings. While these are also covered by the Act, it is reasonable that they can in particular cases be protected from disclosure in terms of the need to preserve the principle of free and frank advice.

I note finally in this area that political neutrality does not mean that public servants are unable to provide advice to Ministers that has some political overtone. It is a characteristic of free and frank advice that it will be based on an understanding of its political context and implications.

4. Responsibility and accountability in politics and the State Services

The last topic that I want to touch on is that of responsibility and accountability in politics and the State Services. I noted previously that the foundation of the public management system that we operate in the State Services in New Zealand is based on two complementary principles: public servants' should not publicly comment on Government policies or indeed seek to defend them. Ministers must defend their policies and decisions, and should answer to Parliament and the public for the actions of their departments and other agencies for which they are responsible. In return for this public and political accountability, current and future Governments in New Zealand can expect the loyalty, professionalism, and neutrality of the State services to be maintained.

What we have seen in recent years is a change in that balance of relationships and as a result I would suggest that the loyalty of public servants to current and future Governments is in my view at risk. Where administrative mistakes or errors of judgment do occur, it has become common for Ministers rather than to accept the responsibility for the administration of a portfolio that Ministerial office entails, not only to hand the responsibility to chief executives for defending their or their departments actions in public, but also to publicly criticize them in the process.

Even the commonly misunderstood comments from the Works Minister Bob Semple after a fatal incident involving his department in the 1940's : " I may be responsible but I am not to blame", seem now to have become: "I am neither responsible nor am I to blame". The consequence is that the chief executives involved are often being left to "hang out to dry" as the saying goes. Nor is this an issue just for the Government to consider: the problem is also one for the parties in Opposition who themselves are not immune from this practice.

If this indeed the case, as I believe it is, then the ongoing loyalty of the public service will be increasingly at risk, and therefore the convention of political neutrality may also be affected. It may also become increasingly difficult for the State Services Commissioner and chief executives to attract talented people to take on jobs where their reputation and professional standing in their particular discipline is likely to become a matter of public debate or comment.

How could this unfortunate development be resolved. First in my view we need a restatement of the principles of responsibility and accountability in politics and public management. Professor Bob Gregory pointed out in an address⁹ to the Institute of Public Administration on this very subject a few months ago that there is a misunderstanding about the use of these two concepts that needs correcting. His address is currently available on the IPANZ website and will shortly be published in our quarterly journal 'Public Sector'.

Professor Gregory pointed out that accountability is about answering to someone else for the actions that one has take or not taken. Responsibility is about issues of moral agency and choice, often in the face of conflicting duties of obligation. Being responsible for some undesirable outcome is to be held culpable in that it would not have happened but for one's actions, or one's failure to act. People are blameworthy when they're negligent in fulfilling some duty of obligation, in failing to act reliably or in a trustworthy manner. It is in fact possible for someone to be fully accountable, yet totally irresponsible.

There is a view currently prevalent amongst politicians, the news media and probably a wide public perception that 'accountability' for a mistake of judgment demands some form of publicly-announced sanction or penalty. In cases where a serious error has occurred, a resignation may be demanded. I consider that while the State Services has in recent years not been very effective in handling

⁹ Gregory, Bob: "Bringing back the buck: Responsibility and accountability in politics and the State sector", *Public Sector* Volume 30 Number 2 2007 (forthcoming).

and learning from its mistakes, nevertheless that the situation has been made more difficult by the fact that these events are increasingly having to be handled by the leadership of the Public Service departments in the fact of relentless media scrutiny, diverted on to them and sometimes exacerbated by critical comment by the very politicians that should be answering the questions on their behalf. As Bob Gregory pointed out, the quest for accountability in public office has become an exercise in narrative representation on a public stage. Because so much is at stake for the players the drama is dominated by reputation protecting games and blame games. It is therefore to be commended when a chief executive accepts responsibility for a mistake and gets on the process of fixing and learning from it.

To mitigate the negative effects and consequences of these games and their effect on the implicit bargain between Ministers and officials, I consider that there are some useful steps that could be undertaken

- A restatement, perhaps by the State Services Commissioner, or even in a next version of the Cabinet Manual, of the principles of accountability and responsibility,
- The agreement by the Government to a new Statement of Commitment to the State Sector. The original, signed by the current Government in 2001, no longer appears to be officially endorsed. A new Statement of Commitment could reaffirm the nature of the relationship between the Public Service and Ministers.
- An education programme for the State Services, perhaps led by the State Services Commission but which equally could be the subject of an IPANZ seminar programme open to all of those people interested in public management, on how to improve the handling by State services agencies and learning from mistakes.

Conclusion

My overall conclusion therefore is that while the convention of political neutrality will continue to be tested in the current environment and particularly in a multi party context in Parliament, there are not significant grounds for concern at present, at least as far as staff appointments are concerned. I have dwelt perhaps at some length on the issue of chief executive and senior staff appointments in the public service, and have argued that the practices and precedents that are current are sufficient to protect the public service from overt political interference. I have shown that there is a divided view as to whether it is appropriate that Ministers be advised in any way before a chief executive exercises his right to independent judgment in the appointment of people to senior management of critical staff positions, although I have proposed that this would indeed be a useful step for chief executives to undertake in some circumstances. I would welcome further debate on this question.

I have also commented that while the introductions of Ministerial advisers has perhaps enhanced the ability of the State Services to remain politically neutral, this could be reinforced by the development of a code of conduct for Ministerial advisers to codify what the role and responsibilities of such advisers should be in relation to both their Ministers and also to the State Services departments and agencies to whom they will be asked to relate. Finally, I have suggested that perhaps the greatest threat to the loyalty and hence to the neutrality of public servants is the progressive loss of anonymity and the unfortunate tendency from politicians from both sides of the House to attribute blame to criticise individuals, and therefore implicitly to undermine the fundamental bargain on which the convention of political neutrality rests.