Cook Islands Government Public Sector Strategy 2016 – 2025



Our Journey to Excellence

To Tatou Kaveinga Kia Ārangatū

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We also wish to acknowledge and thank over 200 stakeholders who participated in the draft Strategy consultation meetings, or who provided feedback on the draft strategy. Your views have contributed significantly to the development of this Strategy and we trust these have been reflected accurately.

We also thank the New Zealand Government for supporting the consultation process.

ACRONYMS

ADB	Asian Development Bank
CEO	Chief Executive Officer
CIIC	Cook Islands Investment Corporation
CITTI	Cook Islands Tertiary Training Institute
CLO	Crown Law Office
ERP	Economic Restructuring Programme
EU	European Union
FFA	Forum Fisheries Agency
FY	Fiscal Year - ending 30 June
ICT	Information and Communications Technology
JICA	Japanese International Cooperation Agency
KOICA	Korean International Cooperation Agency
MDG	Millennium Development Goals
MFEM	Ministry of Finance and Economic Management
NCD	Non Communicable Diseases
NIIP	National Infrastructure Investment Plan
NSDC	National Sustainable Development Commission
NSDP	National Sustainable Development Plan
NZAid	New Zealand Government Aid Programme
OPM	Office of the Prime Minister
OPSC	Office of the Public Service Commissioner
PERC	Public Expenditure Review Committee
PIFS	Pacific Islands Forum Secretariat
PRC	Peoples Republic of China
SOE	State Owned Enterprises
SSC	Strategy Steering Committee
TICA	Thailand International Cooperation Agency
TOR	Terms of Reference
UN	United Nations
USP	University of the South Pacific

FOREWORD

In a rapidly changing and globalised world, the Cook Islands faces significant challenges, to maintain contemporary and equitable social development while remaining economically viable. Innovative transformation specific to our Cook Islands context is essential. This requires our political leaders to recognise that our people are our greatest asset.

As we celebrate 50 years of self-governance, we must reflect on the achievements of those who have walked before us, heed the lessons learned, and walk into the future knowing we must do better.

We need to be confident that we can offer a future where every Cook Islander is given the knowledge and skills to achieve their aspirations.

We must strive for a future where our economy grows at a sustainable pace and is competitive in the global business environment, while respecting the uniqueness of our people and culture, as well as the beauty and vulnerability of our natural environment.

We must aspire for a future where our country is self-sufficient and not reliant on resources from others, rather, that we contribute to the development of others.

"WE WANT TO DO BETTER, WE CAN DO BETTER"

These aspirations can only be realised with a Public Service of Excellence and a Public Sector guided by strong principles of collaboration, accountability, respect, and excellence.

A Public Sector that grows leaders with integrity, delivers results efficiently, and constantly innovates to remain relevant to the people it serves and the global environment in which it operates.

This Strategy reflects on the aspirations of the Cook Islands and her people as identified in the National Sustainable Development Plan (Te Kaveinga Nui 2020), and takes stock of national development progress, and the desires of our people, to build resilient and advanced communities.

It is our roadmap for public sector transformation and calls for strong leadership at all levels in order to deliver a cadre of high performing public servants serving our communities with integrity and excellence.

It is with humility that I endorse the Cook Islands Government Public Sector Strategy 2016-2025.



I am confident that as long as we continue to place God and our people at the centre of development, we will achieve our aspirations and remain a blessed and prosperous nation.

Kia Manuia



Honourable Prime Minister Henry Puna

Minister for the Public Service

MESSAGE FROM THE PUBLIC SERVICE COMMISSIONER

Celebrating 50 years of self-governance encourages us to reflect on past achievements and prepare for future challenges.

An important starting point is for us to avoid triggering an economic and subsequent social crisis with reactive public sector reforms, similar to that which occurred in 1996.

As the world continues to evolve, we too must evolve. We need to remain relevant to the communities we serve and the global environment we operate in. We need to adapt and continuously innovate to deliver better public goods and services.

Consultations on the draft Strategy in June 2015 called for Public Sector transformation to:

- Reinvigorate our traditional values, national identity and pride to connect with the communities we serve through localisation of the public service
- Revive disciplined human resource development and leadership pathways
- Rationalise the public sector and work in collaboration with our people and partners
- Review and reorganise our operations and processes to our strengthen service delivery

Consultations recommended parallel private sector and political reforms as essential components to successfully reform of the public sector.

"TRANSFORMATION FROM WITHIN ONESELF LEADS TO POSITIVE CHANGE AND ACCOUNTABILITY"

Therefore, through our transformation programme we will focus on supporting economic growth and engendering public trust in political governance.

The Cook Islands Government Public Sector Strategy ("Strategy") aspires to achieve excellence through transformed people, structures and systems.

Our vision is for a "Public Service of Excellence".

Our mission is to deliver quality goods and services through effective leadership and governance, and achieve our National Sustainable Development goals through:

- A Public Sector that is well led and trusted by the people of the Cook Islands



- A Public Sector that is relevant and responsive

Our excellence principles of: CARE, GROW, and LEAD, underpin our transformation which involves building progressive thinkers and high-performing public servants, and ensuring a culture of excellence is embedded across the sector through streamlined structures, systems, processes and service delivery.

I challenge every public servant to live and build a legacy for future generations that speaks of greatness, commitment, integrity, resourcefulness and value - a legacy that we can all be proud of.

Kia Rangatira



Russell Thomas

Public Service Commissioner

STRATEGIC FRAMEWORK

Our Vision: Public Service of Excellence





Mission: To deliver quality goods and services through effective leadership and governance

Priority Areas	Our Goals	Our Excellence Principles		
PEOPLE **STRUCTURES** **SYSTEMS**	• **Progressive and high performing employees** • **Relevant and fit for purpose public sector** • **Responsive service delivery**	**C**ollaboration **A**ccountability **R**espect **E**mpathy	**G**row People **R**aise Standards **O**pen Innovation **W**hole of Government	**L**eadership **E**xcellence **A**ction **D**evelopment

IMPACT
Why are we doing this?

To Achieve Our National Sustainable Development Plan Goals

OUTCOMES
What Success looks like

A Well Led and Trusted Public Sector

A Relevant and Responsive Public Sector

OUTPUTS
What will we produce?

An HRM Framework that supports rationalisation and better performance

Rationalised Public Sector

Better Performance

INPUTS
What do we need?

- **Progressive leaders and champions of change, passionate and engaged employees, people with technical, systems and organisational skills**
- **Enabling information and communication technology infrastructure, systems, tools, equipment and materials**
- **Office buildings, resources and funding required to support transformational activities**

INTRODUCTION

The Cook Islands is comprised of 15 small islands with a total land area of 240 km2 spread over a exclusive economic zone of almost two million km2. The islands are divided geographically into the Northern Group, which are mostly atolls, and the Southern Group, which are mostly volcanic. Over 70 per cent of the population lives on the main island of Rarotonga in the Southern Group which has a land area of 67.2 km2, and is the social, economic and political hub of the country.

The Cook Islands has maintained an enduring constitutional relationship with New Zealand since its annexation to New Zealand in 1901. This unique relationship evolved when the Cook Islands chose self-governance in free association with New Zealand in 1964. The Cook Islands Constitution 1964 established the country as a constitutional monarchy within the Realm of New Zealand with Her Majesty Queen Elizabeth II as Head of State. With New Zealand citizenship Cook Islanders have free access to work and reside in New Zealand and Australia. The Cook Islands Parliament comprises 24 elected members - 10 from constituencies in Rarotonga and 14 from the Pa Enua constituencies.

At the 2011 census, the resident population of the Cook Islands had fallen from its peak of 21,772 in 1971 to 14,978 – 74 per cent living on Rarotonga, 20 per cent in the Southern Group, and 6 per cent in the Northern Group. Ethnicity included 81 per cent who identified as Cook Islands Māori, 7 percent as part Cook Islands Māori and 12 per cent of non-Cook Islands Māori descent. Outward migration escalated from 1974 when the Rarotonga International Airport was operational and again in the mid-nineties as a result of Public Sector job losses resulting from an economic restructuring programme (ERP) in 1996. Many Cook Islanders moved to New Zealand and Australia to find work. Depopulation is a national development concern as Cook Islanders continue to migrate mainly to New Zealand where an estimated 60,000 Cook Islanders are living, and Australia where an estimated 16,193 Cook Islanders are living. The public and private sectors in the Cook Islands are increasingly reliant on foreign labour.

In 2011, 46 per cent of the resident population were in the national workforce. There were 616 unemployed with 13 per cent of residents over 15 years of age having no income. 78 per cent of the workforce lived on Rarotonga, 16 per cent lived in the Southern Group, and 6 per cent lived in the Northern Group. Around a third of the total workforce, 34 per cent, worked in the public sector. Only four per cent of the workforce had an annual income of more than $50,000. Gross average annual income was $15,028 with income levels on Rarotonga more than double those in the Pa Enua. The current minimum wage is $6.25 per hour.

Cook Islanders have access to free education at primary and secondary levels. English literacy rates are over 90 per cent and Cook Islands Maori literacy rates are at 60 per cent. Numeracy rates are above 80 per cent. 4,000 students are in the education system which has a "Learning for Life" master plan 2008-2023, and a National Tertiary Strategy for skills development and continuing education geared to meet domestic workforce demands. The University of the South Pacific campus on Rarotonga offers internationally recognised undergraduate and post-graduate courses.

The Ministry of Health provides primary, secondary and a limited range of tertiary health services and new legislation strengthens its role in promoting healthy living and lifestyle choices. Where necessary, patients are referred to the New Zealand health system. The prevalence of non-communicable diseases (NCDs) puts enormous pressure on the health system as the demand for more services, for longer periods, supported by highly skilled professionals, continues to increase.

During the 1970s, the country relied on a strong agriculture sector exporting to New Zealand but liberalisation of the New Zealand market in the 1980s left the sector unable to compete. The tourism industry grew during the 1980s and early nineties but a downturn in the industry, coupled with an expanding public sector, operating budget deficits and infrastructure investments funded through external debt, led to an economic crisis. In 1996 the country was forced to adopt an economic restructuring programme (ERP) which included:

- Reducing the size of the Public Service from 52 to 20 agencies
- Reducing Public Service employee numbers by 50 per cent (3,000 to 1,400 employees)
- Reducing overall expenditure and restructuring external debt
- Introducing tax reforms to restore financial stability
- Promoting foreign direct investment
- Establishing state owned enterprises
- Deregulating the financial services sector

Fundamental sustainable development policies were introduced:

- National commitment to living within our means
- Private sector driven economic growth
- Restructured public sector that is effective, efficient and affordable
- Social equity for all, including safety nets for weak and defenceless members of society

Since 1996, the economy has grown steadily, mainly due to private sector-led growth in the tourism, financial services and marine sectors. Significant investment has been made in the national infrastructure including water, sanitation and renewable energy. Economic growth is heavily reliant on growth in the tourism sector and further investment is needed to support tourism and diversification of our economic base including our technological infrastructure to maintain a competitive edge in the global business environment.

Investment in climate change adaptation and mitigation measures will help strengthen our resilience to natural disasters and climate-related events. The National Infrastructure Investment Plan 2015-2024 prioritises capital investment in infrastructure totalling $288M over ten years putting significant pressure on the national budget.

INTRODUCTION

A Public Finance and Public Sector Performance Review 'Functional Analysis Report' 2011 recommended government focus on core business to facilitate private sector growth through the consolidation of the public service into eight sectors under a uniform performance management system and revision of job descriptions for all public service roles. Also recommended was a restructure and technical assistance for the Office of the Public Service Commissioner to ensure the agency could manage the change process required to implement the reports' recommendations.

Two agencies have since been merged and central agencies have progressed centralisation of Pa Enua accounting, payroll and HR information and 28 agencies are connected on the centralised ICT network.



THE CURRENT STATE OF THE PUBLIC SECTOR

Through taxes and fees, the public is paying an increasing amount for public services. Public expectations of the public sector are increasing. Yet with some notable exceptions, it is difficult to identify exactly how the public is benefiting from the increasing size and cost of the public sector.

In 2015, the country faces a situation similar to that of 1995, just prior to the crisis. The cost of running the government is rising partly due to the number of public sector agencies having risen again to 52, and debt levels rising due to significant investments in infrastructure.

The 2015/16 national budget of $226M represents 61 per cent of nominal GDP , $17,400 per capita. Major public expenditure items include infrastructure, Crown payments including welfare, operations (delivery of services), the costs of running Parliament, Island Governments/Councils and Ministers' support offices, and debt servicing. The overall cost of 'running the government', including personnel costs of $55M, is $121M.

Most government agencies claim that resource constraints impede their ability to effectively implement government priorities including delivering the quality services that the community expects. However, whilst funding shortages are undoubtedly holding back the potential of some agencies, capability gaps, structural inefficiencies, system and process inadequacies, and poor practices are at the core of many performance problems.

PEOPLE

The public sector covers a wide range of functions for which it requires employees to have appropriate knowledge, skills, attitudes and attributes. As technology advances, fewer positions are administrative, but at the same time there is an increasing demand for knowledge, skills and experience for positions in governance, policy, regulation, corporate support and service delivery, including technical specialist areas. Leadership and management skills are critical to agencies' ability to fulfil their functions adequately, yet many senior positions are held by people without these skills.

Financial constraints, an outdated remuneration framework, poor workforce planning, inconsistent performance management, lack of induction and focus on capability development, the absence of career pathways, poor recruitment practices and systems, are amongst the many issues that negatively affect our ability to attract and retain high performing employees. For some positions it is impossible to find suitable candidates from within the local population and agencies either appoint someone without the skills for the role or fill positions with technical specialists from overseas on a short or long term basis, often using donor funding. Recruitment challenges and matching skilled people with what it takes to do the jobs that need doing are two reasons why agencies do not meet performance expectations. In the 2014 Cook Islands Labour Market Remuneration Survey, 85 per cent of employers identified a link between performance and salary, but without an updated remuneration framework and universal capability development and a performance management system that is consistently applied, the public sector does not have the mechanisms in place to attract and retain high performers.

A third of public sector employees are under the age of 40. Around 42 per cent are aged 40 to 59, and around 11 per cent are aged 60 or more. There is very little succession planning or capability development happening to ensure a flow of talent through public sector career pathways to fill positions, including those that become vacant as a result of retirement.

Employees aged 60 or more, account for $6.7M in salary and pension contributions, representing around 12 per cent of total personnel costs. As these employees retire the cost to government will reduce.

The number of public sector employees has risen with the increase in the number of agencies from 20 in 1996 to 52 in 2015. The public sector now employs a total of 2,186 full time equivalent people (16.9 per cent of the population), down 822 on 1996 figures but up by 457 on 2011 figures. The total personnel budget for 2015/16 is $55M, more than twice the budget for 2000/01.

The annual salary of most Pa Enua employees is between $10,000 to $15,000 (approximately $6.25 per hour). Just under 1,000 employees are being paid an annual salary of between $16,000 and $39,999. Nine employees are being paid an annual salary of $100,000 or more.

There is no sector-wide plan for developing leadership and management capability or for training people in other aspects of their work to help them learn how to solve systemic problems, particularly with service delivery, or to improve performance in other ways such as better planning, budgeting, monitoring and evaluation, policy development and analysis.

THE CURRENT STATE OF THE PUBLIC SECTOR

STRUCTURES

The complex and fragmented structure of the public sector makes it difficult for the public, and even public servants, to fully understand how the machinery of government works, how it is made accountable, and how it is paid for.

The current 'Public Sector' (see Annex 01), which currently comprises 52 agencies, includes:

1. The Public Service is comprised of 31 entities:
    - 13 Ministries, including the Office of the Prime Minister (OPM) and Office of the Public Service Commissioner (OPSC), as identified in the Public Service Act 2009;
    - 10 Island Government administrations;
    - 7 Statutory agencies most of which are focused on economic development; and
    - 1 other entity

The Ministry of Finance and Economic Management (MFEM), OPSC and OPM, are 'central agencies' as they provide cross sector governance, policy, leadership, management and internal service delivery functions for the public service.

The public service does not include the Legislature (Parliament), the Executive (Cabinet) or the Judiciary. These entities are generally defined as 'instruments of the State'.

2. State Services comprises 21 entities:
    - 9 Crown Agencies
    - 6 State Owned Enterprises (SOEs)
    - 6 Ministerial Support Offices

The vast majority of public sector agencies require plans, budgets, performance reviews and audits. The volume of work involved in completing these individually and



THE CURRENT STATE OF THE PUBLIC SECTOR

coordinating them centrally, inevitably results in inefficiencies, quality issues, and delays in the preparation and audit of Crown financial statements and reporting to Parliament.

Duplication of functions leads to inefficient use of limited resources. An analysis of public sector positions shows that over 300 of them are corporate support roles (e.g. financial management and administration). These account for $8M, or almost 15 per cent of the personnel budget.

The complexity of the structure leads to problems with accountability. Reporting lines are not sufficiently clear or logical and performance management is not consistent. The Heads of the 13 Public Service Departments are accountable to the Public Service Commissioner; the Executive Officers of 10 Island Government are accountable to Island Mayors; the Heads of 7 Statutory Agencies and one Other Entity are accountable to respective Statutory Boards or Ministers; and 21 other agencies within the wider public sector, are accountable to Parliament, respective Statutory Boards and/or Ministers.

SYSTEMS

The National Sustainable Development Plan 2011-2015 (NSDP) sets out our national goals across eight priority areas. The National Policy, Planning, Budgeting and Performance Management Framework has an ambiguous prioritisation process, and no national results framework or transparent monitoring and evaluation of policies to improve performance.

Country reports confirm that national policies are not always evidence-based as data and information infrastructure for informed policy design and evaluation are lacking. The 2014 NSDP progress report found some indicators required baseline data to be established. The Cook Islands Government Strategy for the Development of Statistics is expected to improve the national statistical system for data collection and analysis.

Government policy priorities are not always well understood or well received. The general public's perception of the public sector is poor due to reactive communication and lack of effective public relations with communities on government policy and their intended benefits. Public servants need to have more direct engagement with the public when designing public services and major infrastructure projects, and provide regular updates on results.

The absence of clear strategic policy direction and outdated legislation in some areas (e.g. foreign investment and immigration), leads to discretionary decision-making by public servants on regulatory matters, creating frustration for users of services. In the case of foreign investment, it undermines investor confidence. In the case of immigration, some employers exploit workers knowing foreign nationals do not have direct access to mechanisms for dispute resolution.

Poor service delivery is still evident where users experience delayed waiting times to:

- Obtain building, environmental and electrical permits (three agencies involved – Infrastructure, National Environment Service and Health)
- Obtain entry and work permits (two agencies involved – Immigration and Health)
- Obtain foreign business entry and registration (four agencies involved – Business Trade and Investment, Justice, Immigration and Revenue Management)
- Access land court, company and individual (births, deaths and marriage) registers
- Visit a Doctor using the public-funded health system

While some agencies seek feedback from the users of services to improve service delivery, many do not.

THE FUTURE PUBLIC SECTOR

OUR VISION
PUBLIC SERVICE OF EXCELLENCE

Our Mission

To deliver quality goods and services through effective leadership and governance and achieve our National Sustainable Development Plan goals through:

- A Public Sector that is well led and trusted by the people of the Cook Islands
- A Public Sector that is relevant and responsive

The Strategy

Our transformation will focus on improving effectiveness and efficiency in three critical areas.

Strategic Priority Areas	Strategic Goals
People	Progressive and high-performing public sector employees
Structures	A relevant and fit for purpose public sector
Systems	Responsive service delivery

Excellence Principles

Our transformation is underpinned by our excellence principles:

CARE ▼ GROW ▼ LEAD

Collaboration
Accountability
Respect
Empathy

- We strive to achieve excellence through collaborative, accountable and respectful partnerships and empathy for the communities we serve
- We demonstrate honesty, excellence, accountability, respect and transparency (HEART)
- We work smart/hard to earn the trust and confidence of our communities

Grow People
Raise Standards
Open Innovation
Whole of Government

- We strive to achieve excellence through learning, innovating and a continuous improvement culture across 'one public sector'
- We inspire each other by working smart and going the extra mile
- We create value by delivering results in an effective and efficient manner

Leadership
Excellence
Action
Development

- We strive to achieve excellence through strong leadership, passion for excellence and action to achieve sustainable development
- We embrace change, innovation, continuous learning and technology

Our Strategy will be implemented over three phases with phase one (2016 to 2018) focusing on establishing crucial leadership capacity and institutional infrastructure. Phase two is when we fully embrace change through strong leaders, better structures and systems. Phase three is where we sustain a culture of continuous innovation and adapting to remain relevant and responsive to the communities we serve.

PEOPLE

Strategic outcome: A well led and trusted public sector
Strategic goal: Progressive and high-performing public sector employees

We aim to:
- Establish a HRM framework that attracts, develops and retains high performing people
- Build high performing public sector leaders with integrity and empathy
- Create leadership and career pathways for public servants
- Reward exemplary performance

We will focus our efforts on developing and implementing:
- Recruitment strategies and practices to attract and retain employees with the appropriate knowledge, skills, attitudes and attributes
- Induction programmes for all public servants that promote our national identity and values
- A robust remuneration framework to attract and retain high performing employees
- A performance management system that improves performance and rewards excellence
- Strategies that support employee innovation and empowerment
- A public service culture that promotes zero tolerance for misconduct and corruption.
- Training and skill development programmes
- Partnerships with the private sector, our Cook Islands overseas diaspora and development partners to secure the best employees for our roles

STRUCTURES

Strategic outcome: A relevant and responsive public sector
Strategic goal: A relevant and fit for purpose public sector

We aim to:
- Ensure the 'machinery of government' is designed to deliver results
- Ensure the roles of various agencies are defined and understood

We will focus our efforts on implementing:
- Centralisation of certain corporate functions and shared services
- Continuous reviews of public sector structures - consolidating agencies where possible

SYSTEMS

Strategic outcome: A relevant and responsive public sector
Strategic goal: Responsive service delivery

We aim to:
- Improve our engagement with stakeholders on the design and delivery of services
- Strengthen the strategic planning capability of every agency
- Strengthen the organisational management of every agency
- Improve the performance and service delivery of every agency

We will focus our efforts on institutional strengthening by:
- Improving agency operational systems and processes
- Ensuring better use of our people, technology and communications
- Improving information management systems and retaining institutional knowledge
- Promoting best practice, continuous improvement and innovation

EXCELLENCE IS WHERE...

The Public Sector is:

- Implementing policies and programmes to support social and economic development
- Providing public goods and services in an effective and efficient manner
- Led by leaders and competent public servants performing with integrity and empathy

Public Servants:

- Are providing services that meet public expectations
- Are informative, helpful and efficient
- Are embracing our national identity and serving our communities well
- Are respectful, professional and responsive to the needs of our communities
- Are held accountable for actions taken and decisions made

The Public:

- Are contributing to the design and delivery of public services
- Know and trust that our government has their best interests in mind
- Have access to a range of information on services, charges and service charters
- Appreciate the value of public funded infrastructure and services
- Have confidence in our public sector leaders and public servants

The Private Sector:

- Contributes to government policies and programmes that support economic growth
- Can access better public services relating to: business registration, advisory services for tax, superannuation, immigration and employment relations to do business effectively

Development Partners:

- Have confidence in our systems of government
- Understand and invest in priority areas for national development using country systems
- Are able to verify the effectiveness of their support

OVERALL IMPLEMENTATION PLAN

	2016-2018	2019-2025	2025+
	Phase 1	Phase 2	Phase 3
STRATEGIC PRIORITIES AND GOALS	**PREPARING FOR CHANGE**	**IMPLEMENTING CHANGE**	**SUSTAINING CHANGE**
PEOPLE Progressive and high-performing public sector employees	Establishment of an effective HRM framework that supports public sector rationalisation and better performance. Establishing governance mechanisms for implementation of the transformation programme, costing the programme and ensuring central agencies and all agencies are resourced to implement transformation.	An HRM framework and leadership pathways will be well established leading to 'whole of government' transformation and better performance. Consolidation/ rationalisation of the structure of the public sector. Collaborative working relationships with all development partners will be in place and the public sector will be delivering better results.	The public sector will be constantly evolving to respond to the changing needs of our people and operating environment. Continuous review and evaluation of service delivery and performance to ensure people, structures and systems are relevant, efficient and add value.
STRUCTURES A relevant and fit for purpose public sector structure			
SYSTEMS Responsive service delivery			

GOVERNANCE AND ACCOUNTABILITY

Ultimate accountability for the successful implementation of the Strategy lies with the Public Service Commissioner who is accountable to the Minister for the Public Service and Cabinet.

STRATEGY STEERING COMMITTEE

A Strategy Steering Committee comprising the Public Service Commissioner, Central Agency Heads, special advisors, a private sector representative and a non-government representative, will provide strategic direction on implementation.

Role of Central Agencies

Central Agencies will be responsible for monitoring and evaluating the effectiveness of activities implemented. Central Agencies will also be responsible for determining relevant development partners to support the implementation of specific activities, in negotiation with partners.

The strategy will be monitored and evaluated for:

- **Relevance**
  Is the Public Sector well-structured and leveraging resources?
- **Effectiveness**
  Is the Public Sector delivering results and NSDP outcomes?
- **Efficiency**
  Is the Public Sector well managed and operating efficiently?
- **Impact**
  Is the Public Sector delivering better outcomes for Cook Islanders?
- **Sustainability**
  Can the Public Sector sustain transformed people, structures and systems?

ROLE OF ALL PUBLIC SECTOR AGENCIES

All Public Sector agencies will be responsible for implementing approved activities with the programme manager and taskforce, and supporting monitoring and evaluation efforts by central agencies and the steering committee.

PROGRAMME MANAGER AND TASKFORCE

A Programme Manager will manage a team of dedicated specialists and seconded employees to implement the different phases of the strategy and specific activities during each phase. Key tasks will include: programme planning, recruiting specialists and seconded employees, risk management, communications, implementing and monitoring work programmes and reporting results.

The Programme Manager will monitor and report on:

- Overall progress on actions and activities implemented and associated costs
- Overall challenges and obstacles faced and risk mitigation strategies
- People and resource management
- Stakeholder feedback regarding progress of the transformation programme

The Programme Manager will be accountable to the CEO of OPSC.

DEVELOPMENT PARTNERS

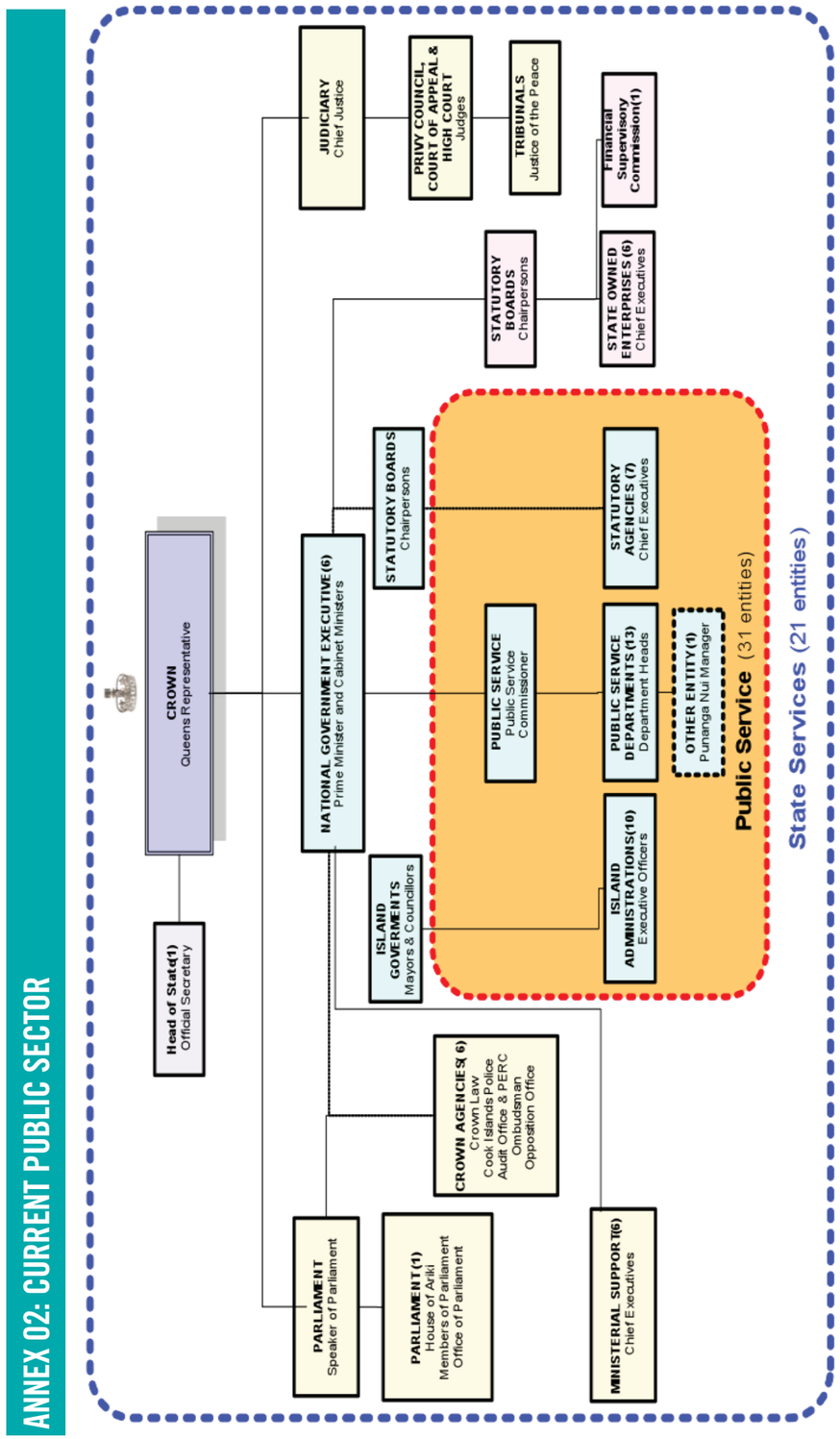
Technical expertise and support will be required to prepare for and implement the strategy. Financial and technical assistance will be required from development partners to support: costing of the strategy; human resource development; performance improvement; public sector structural reforms; system enhancements and improving organisational performance, including the recruitment of the programme manager and specialist members of the taskforce.

STRATEGIC PRIORITIES AND GOALS	KEY PERFORMANCE INDICATORS 2016	2017	2018	EVIDENCE
PEOPLE Progressive and high-performing public sector employees	• Sector-wide HRM and remuneration frameworks established • Sector-wide Performance Management system established • Leadership and Talent Management Strategy completed • Sector-wide induction and relevant training programmes delivered	• Implementation of HRM and remuneration frameworks, performance management system implemented • Leadership and Talent Management Strategy completed • Sector-wide induction and relevant training programmes delivered	• HRM and remuneration frameworks and performance management system implemented • Leadership and Talent Management Strategy completed • Relevant training programmes delivered	• Programme Manager and Steering Committee Reports • Public Service Commissioner Annual Reports • Stakeholder and Public Surveys • Employee Surveys
STRUCTURES A relevant and 'fit for purpose' public sector structure	• Roles of various organs in machinery clarified • Public Service Results Framework established • Continued centralising corporate functions •	• Reporting Public Service Results Framework • Continue centralising corporate functions • Scoping consolidation of agencies	• Reporting against Public Service Results Framework • Continue centralising corporate functions • Scoping consolidation of agencies	
SYSTEMS Responsive service delivery	• Sector wide communications and public relations framework established • Established mechanisms for public-private partnerships • Established mechanisms to improve agency performance	• Communications and public relations framework implemented • Well established mechanisms for public-private partnerships • Implementing mechanisms to improve agency performance	• Communications and public relations framework implemented • Well established public-private partnerships • Improving performance of public sector agencies	

ANNEX 01 IMPLEMENTING PHASE 1 PREPARING FOR CHANGE 2016-2018

Strategic Priorities and Goals	Actions	Activities	Responsible Agency
People - Progressive and High-Performing Public Sector Employees	Establishment of an effective HRM framework that supports public sector rationalisation and better performance.	• Establish a comprehensive HRM framework with performance management system, recruitment and retention strategies • Establish a robust and appropriate remuneration framework • Introduce a sector-wide induction programme • Complete and implement a Leadership Development Strategy • Provide leadership, management and transformation training • Train coaches and mentors to support our leaders/managers • Establish networks to attract and retain skilled employees	OPSC
		• Implement the approved HRM and remuneration frameworks	All Agencies
		• Monitor and evaluate the implementation of the frameworks	OPSC
Structures – Relevant and 'Fit for Purpose' Public Sector	Establishing governance mechanisms for implementation of the transformation programme, costing the programme and ensuring central agencies and all agencies are resourced to implement transformation.	• Confirm the costs of implementing the strategy • Clarify roles of the various Public Sector organs • Establish a Public Service Results Framework • Assess the capacity of agencies and restructure where required • Scope the consolidation of public service agencies • Continue to centralise finance, IT and other corporate services • Draft legislation to fulfil policy intentions • Prepare redeployment and retraining plans	• OPSC • OPSC • OPSC • Central Agencies • OPSC • Central Agencies • Crown Law • OPSC
		• Implement approved rationalisation changes	All Agencies
		• Monitor and evaluate the implementation of rationalisation changes	Central Agencies
Systems – Responsive Service Delivery		• Establish a whole of government communications and public relations framework • Formalise processes to enable public-private partnerships to improve performance • Establish systems and processes to improve agency performance and service delivery	• OPSC • OPSC • OPSC
		• Implement approved agency improvement initiatives	• All Agencies
		• Monitor and evaluate the implementation of changes and performance improvement	• Central Agencies

ANNEX 02: CURRENT PUBLIC SECTOR



ANNEX 02: CURRENT PUBLIC SECTOR

Public Service (13)	*Island Governments (10)*	*Crown Agencies (7)*
Ministry of Agriculture	Aitutaki	Head of State
Ministry of Cultural Development	Atiu	Office of the Ombudsman
Ministry of Education	Mangaia	Cook Islands Audit Office and PERC
Ministry of Foreign Affairs and Immigration	Manihiki	Parliamentary Services
Ministry of Finance and Economic Management	Mauke	Cook Islands Police
Ministry of Health	Mitiaro	Crown Law
Ministry of Justice	Palmerston	Financial Supervisory Commission
Ministry of Internal Affairs	Penrhyn	*Ministerial Support Offices(7)*
Infrastructure Cook Islands	Pukapuka/Nassau	Opposition Office
Ministry of Marine Resources	Rakahanga	
Ministry of Transport	*Statutory Agencies (7)*	*State Owned Enterprise (7)*
Office of the Prime Minister	Business Trade and Investment	Cook Islands Investment Corporation
Office of the Public Service Commissioner	Cook Islands Pearl Authority	Cook Islands Government Property Corporation
Other Entities (1)	Cook Islands Seabed Minerals Authority	Airport Authority
Punanga Nui	Cook Islands Tourism Corporation	Bank of the Cook Islands
52 entities	Financial Services Development Authority	Ports Authority
	National Environment Service	Te Aponga Uira
	Natural Heritage	Aitutaki Power Supply

ANNEX 03: PUBLIC SECTOR EMPLOYEE NUMBERS, PAY AND AGE PROFILES

Composition of Full Time Equivalent Public Sector Employees and Payees

Public Sector	Agencies/Entities	#	Female	Male	Total
Public Service	Public Service	13	667	445	1112
	Island Administrations	10	77	308	385
State Services	Crown and Statutory Agencies	14	108	142	250
	Other Entities	1	2	3	5
	Total Employees	**38**	**854**	**898**	**1,752**
State Owned Enterprises (SOE)	**Total SOE employees**	7	108	193	301
	Sub Total	**45**	**962**	**1091**	**2053**
Political Appointees	Parliament	-	13	32	45
	Ministerial Support Offices	7	15	18	33
	Island Councils	-	12	43	55
	Total Appointees	7	40	93	133
	GRAND TOTAL	**52**	**1,002**	**1,184**	**2,186**

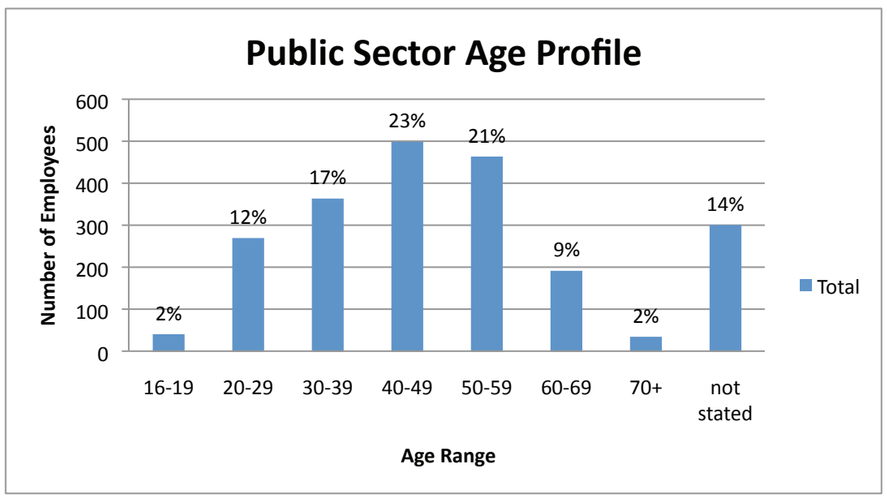
ANNEX 03 CONTINUED: PUBLIC SECTOR EMPLOYEE NUMBERS, PAY AND AGE PROFILES

Annual Salary	Public Service		State Services				Total
	PS Depts.	Island Govt	Crown Agencies	Parliament	Island Councils	Other Entities	
≤$9,999	37	40	4	18	50		149
$10,000 - $15,999	218	270	42	10	5	6	551
$16,000 - $19,999	130	35	19				184
$20,000 - $29,999	221	26	82	2		1	332
$30,000 - $39,999	349	5	46	6		1	407
$40,000 - $49,999	93	7	20	3			123
$50,000 - $59,999	28	2	3	22		1	56
$60,000 - $69,999	13		4	5			22
$70,000 - $79,999	9		6	2			17
$80,000 - $89,999	7		2	7			16
$90,000 - $99,999	3		1	2			6
$100,000+	4		4	1			9
Total FTEs	**1,112**	**385**	**233***	**78****	**55**	**9*****	**1,872**

*Source: HRMIS - *excludes CIIC and FSC,**includes: Members of Parliament, House of Ariki Representatives and Ministerial Support Office staff, *** excludes Aitutaki Power Supply*

The Public Sector Pay profile highlights most (270) Pa Enua employees earn $10,000-$15,999 per annum – equivalent to the minimum wage of $6.25 per hour. Almost 1,000 individuals earn $16,000-$39,999, 179 individuals earn $40,000-$59,999, and 61 earn $60,000-$99,999. Nine individuals earn more than $100,000 per annum.

Age Profile



ANNEX 04: STRATEGY CONSULTATION RECOMMENDATIONS

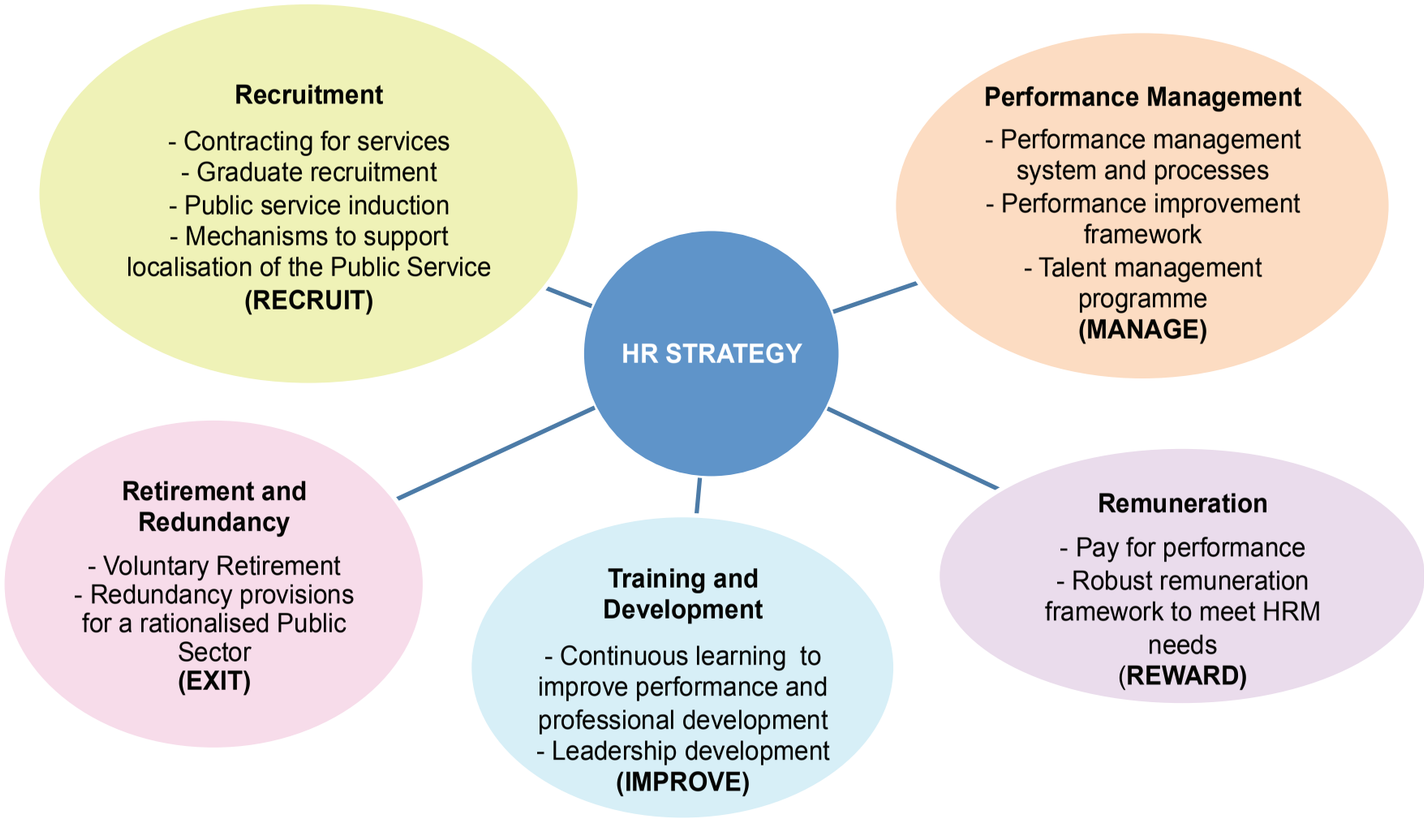
1. **People transformation:**
   - Establish an effective human resource management (HRM) framework
   - Implement leadership development and values-oriented induction programmes
   - Localise the Public Service
2. **System transformation – structural and operational reforms:**
   - **Structural reforms**
     i. Clarify the role of the Public Service, Executive (Cabinet), Parliament, the Judiciary and State Owned Enterprises within the Public Sector
     ii. Continue centralisation of corporate functions
     iii. Better coordination of shared services
     iv. Consolidate the Public Service
   - **Operational reforms**
     i. Invest in technology and technological advancement
     ii. Improve operational policies, procedures and processes
     iii. Establish collaborative-working partnerships with the private sector, development partners, non-government bodies and the community

Implementation Plan

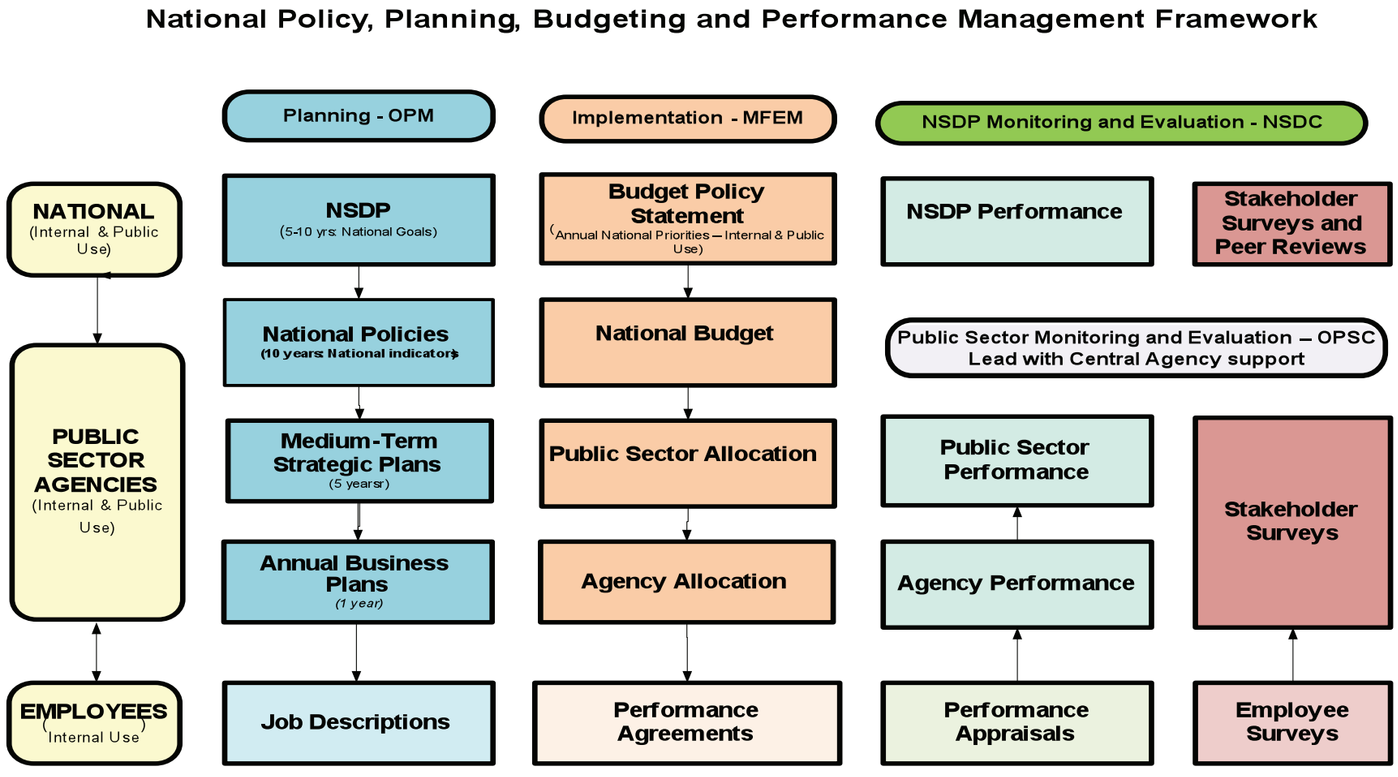
Preparing, implementing and sustaining change phased over a 10 year period.

Phase	Area of focus	Key Actions
1. Preparing for Change 2015-2018 (3 years)	People	• Localise the Public Service • Leadership and induction programmes • Establish an effective HRM framework
	Structures & Systems	• Establish Public Service Results framework • Strengthen Central Agencies • Continue centralising corporate functions • Coordinate shared services • Prepare for Public Service consolidation
2. Implementing Change 2018-2025	People	• Maintain an effective HRM framework
	Structures & Systems	• Consolidate the Public Service • Strengthen all agencies
3. Sustaining Change 2025+	People	• Maintain innovation & excellence awards

ANNEX 05: HRM FRAMEWORK



ANNEX 06: CENTRAL AGENCY COLLABORATION



ANNEX 07: GLOSSARY OF KEY WORDS

Capability
Knowledge, skills and behaviours public servants need to perform in their roles

Centralisation
Process where central agencies deliver shared activities for the public sector to optimise efficiency gains and minimise costs

Central Agencies
Office of the Prime Minister, Ministry of Finance, Office of the Public Service Commissioner and Crown Law

Consolidation
Joining agencies together and dissolving others to improve service delivery and efficiency gains

Collaboration
Discussing and agreeing on matters of mutual concern among key stakeholders

Consultation
Discussing matters of mutual concern with stakeholders to obtain representative views in areas of special interest

Culture
Beliefs, behaviours and values which determine how we work

Evaluation
The process of reviewing the result of something to determine the impact and achievement of intended objectives

HRM Framework
Strategies and practices through which people will be managed and developed

MOG
Machinery of Government is the interconnected structures and processes of government, such as the functions and accountability of various agencies across the public sector

Mission
Purpose of the public sector and how it will achieve its vision

Public Sector
Encompasses the public service and agencies within the parliamentary and judiciary arms of the Westminster model of governance

Public Service
All government agencies established to serve the government of the day

Public Service Values
Honesty – acting honestly, being truthful, and abiding by the laws of the Cook Islands

Impartiality – providing impartial advice, acting without fear or favour, and making decisions on their merits

Service – serving the people well through faithful service to the Government of the Cook Islands

Transparency – taking actions and making decisions in an open and transparent manner

Accountability – being able to explain the reason for actions taken and taking responsibility for those actions

Respect – treating the people, the Government of the Cook Islands and colleagues with courtesy and respect

Effectiveness & **E**fficiency Achieving good results for the Cook Islands in an economical way

Relevant
A public sector that is 'fit for purpose' and relevant for the 21st century operating environment and meets the changing needs of our people

Stakeholders
People who have an interest in the public service, its activities and its achievements. This includes: government, employees, private sector, non-government organisations, development partners and the general public

Strategy
Plan for how the public sector aims to achieve its vision of excellence

Strong Leadership
Leaders who create a culture of motivation and commitment, and an environment of trust and accountability for performance

Transformation
Complete and continuous change aspiring for better service delivery by addressing beliefs, behaviours and institutional weaknesses

Vision
What and where the public service wants to be in the future and how it wants to be described by its stakeholders

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