

**Legislative Council Panel on Public Service  
Legislative Council Panel on Constitutional Affairs**

**Duty Visit of the Secretary for the Civil Service  
to New Zealand and Australia on Public Service Reform**

**Purpose**

This paper briefs Members on the background of the duty visit of the Secretary for the Civil Service (SCS) to New Zealand and Australia and share with Members some observations arising out of the visit.

**Background**

2. The Secretary for the Civil Service, Mr Joseph W P Wong, and Deputy Secretary for Constitutional Affairs, Mr Clement Mak, undertook a duty visit to New Zealand and Australia from 26 March to 30 March 2001. They were accompanied by Director of the Hong Kong Economic and Trade Office in Sydney, Mrs Jenny Wallis, and Principal Assistant Secretary for the Civil Service, Mr Thomas Chan.

3. The delegation visited the New Zealand Government in Wellington, the Commonwealth Government of Australia in Canberra and the New South Wales State Government of Australia in Sydney.

4. The purpose of the visit was to get an update on the civil service management and progress of public sector reform of these governments. The delegation had also taken the opportunity to be briefed on the experience of the interface between the civil service and the political system. The experience would be useful reference for the study on the accountability system for principal officials.

**Observations**

***Apolitical and Stable Civil Service***

5. A strong and common feature of all three governments is the emphasis on the political neutrality, impartiality and stability of the civil service. In all three

governments, the public service is expected to be an apolitical entity responsible for administrative and executive functions, and provide impartial support to ministers in the formulation of policy proposals and options.

6. Different measures are in place in the three places to ensure the political neutrality of the public service. In particular, in all three governments, the authority and mechanism for appointment, management and removal of top civil servants are deliberately kept, to various degree, at a distance from the political layer. For instance, the tenure of office of the top public servants is deliberately kept at a different length from that of the government of the day to ensure that they are out of step with the change of government.

7. The separation between the political layer with the public service is the most profound in New Zealand, where the appointment, management and removal of Chief Executives (CEs), i.e. heads of departments, are kept to the Head of the Civil Service (who is a public servant), free from interference from the Cabinet and Ministers. The Head of the Civil Service is himself statutorily appointed enjoying security of tenure for five-year term.

8. In Australia Commonwealth and New South Wales, while the authority for appointments of heads of departments rests with the Cabinet and Ministers, such appointments are made on the recommendations of the Public Service Commissioner (an independent statutory appointee) and the Director-General of the Premier's Department (a public servant) respectively on a meritocracy-based appointment system. Management of the public service is also by and large left to public servants.

9. The political neutrality of the public service is also emphasised in their role in the Parliament. In particular, public servants are not expected to answer parliamentary questions. Their role in responding to the Parliamentary Committees is to explain policy and to provide factual answers and data to questions on implementation of policies, delivery of services and other administrative and executive functions. Partisan politics and debates are confined to Ministers.

#### *Close Working Relationship between Public Servants and Political Appointees*

10. Consistent with the deliberate measures to maintain the political neutrality of the public service, the public servants in all three countries have a close working relationship with the political appointees.

11. Top civil servants at secretaries and heads of department levels in all three governments are directly responsible and answerable to their portfolio Ministers. They are expected to establish close working relationship with the Ministers, provide necessary support to facilitate the policy formulation and decision making processes, and to give honest and impartial advice to their Ministers, stopping short of involvement in any partisan politics or manoeuvrings.

12. In the case of New Zealand, the Head of the Civil Service (State Services Commissioner) is responsible for managing the relationship between Ministers and their CEs. He would conciliate and arbitrate between them with a view to facilitating a workable relationship between the two. Where necessary, he may also arrange staff movements for CEs to avoid conflicts between Ministers and CEs.

13. In the case of Australia Commonwealth and New South Wales, the heads of departments are directly accountable and responsible to their Ministers. In cases where the relationship between Ministers and their heads of departments does not work out, it is a common practice to find lateral movements or alternative employment opportunities for the public servants.

#### *Flexible Appointment of Public Servants*

14. We note that all three governments have started their public service reforms in the 1980s. Nowadays, they have in place very flexible system for appointment and removal of public servants. In particular, all have removed permanent employment and security of tenure in the public service. The majority of public servants are now employed on on-going terms or open-ended contracts.

15. For senior positions, most of the top civil servants at secretaries and heads of departments level are recruited openly and are employed on contract terms. This has also been extended to other senior civil service positions such as the second or third tier in departments.

#### *Decentralisation of Staff Management Responsibilities*

16. In all three governments, we note that the staff management authorities and responsibilities are highly decentralised. Individual departments are given very high degree of autonomy and flexibility in employing and managing their own staff and devising their own employment arrangements. The general direction is to move away from centralised and detailed regulations to broad guidelines and directions for

individual heads of departments to employ and manage their own staff. This is believed to be more conducive to the efficient management and operation of individual departments given their widely varying needs and circumstances and that one system may not necessarily fit all.

17. In particular, in New Zealand, the public service Chief Executives are responsible for the employment of their own staff as well as setting their own terms and conditions to cater for their needs. In Australia, individual departments are also given great flexibility in setting their own employment arrangements, subject to certain core values as set out in the Public Sector Act and broad guidelines published by the Public Service Commissioner.

*Flexible Retirement Benefits System*

18. All three places have closed off their pension schemes to new appointees. New Zealand no longer offers retirement benefits scheme to new recruits, while Australia and New South Wales offer some form of provident fund as the retirement benefits system for new recruits.

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