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Public Management in Difficult Economic Times

Three recent speeches – by the finance minister to the Australia and New Zealand School of Government (English, 2010) and to the Institute of Public Administration New Zealand (English, 2011), and the statement to Parliament delivered by the prime minister in February (Key, 2011) – draw an explicit link between government expenditure and New Zealand's economic performance in weathering the global economic difficulties and the effects of the Christchurch earthquakes. Government expenditure is said to be too high and, given present trends, unsustainable. Strategies for making savings have been outlined. Government's immediate concern is to return to budgetary surplus by the middle of this decade. However, according to the finance minister, 'Public spending restraint is no temporary aberration. It is effectively permanent' (English, 2011).

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What has been proposed? Do the initiatives in relation to public sector performance promise significant savings? Detailed evaluation of these particular proposals would need research over time and a longer article than this, but some strands in the public management literature allow general observations that could be followed up at a later time. It is important to stress that this article[1] accepts the government's approach to fiscal consolidation. It does not enter into debates over the optimal level of government expenditure relative to national production or the rights and wrongs of reducing (or increasing) government spending in difficult economic times. It focuses instead on certain issues of system and organisational health and capacity in relation to public management as a result of the economic need to constrain government expenditure in the present circumstances.

Some general lessons have already been learned that government would be wise to attend to. Further, new alternatives are becoming apparent, but any long-term promise they have in terms of governance has yet to be worked through, and the short- to medium-term costs in making them happen could be high. The trade-off between the short-term fiscal goals and the long-term goals of public sector capability and governance remains difficult to resolve.

Government intentions

Since coming to office in 2009, the National-led government has had six broad goals. They are: providing better and smarter public services; removing red tape and unnecessary regulation; investing in productive infrastructure; strengthening the tax system; lifting education and skills; and improving performance in science, innovation and trade (Key, 2011). Only the first of these will be dealt with in this paper.

Government is concerned at recent trends in the New Zealand economy and the prospects for future growth, particularly given the effects of the global financial crisis of 2007–09 and the impacts of the Christchurch earthquakes. Overall government expenditure is said to be too high relative to GDP and there is concern that the present upwards trend cannot be sustained. It that sense, government seems to be defining the present economic circumstances as a classic 'burning platform' for change (Pollitt, 2011). It wants to 'rebalance' the economy and get the budget back into surplus by reducing government debt (acknowledged by government to be lower than that of several OECD countries but, like many, trending upwards since 2008: e.g. OECD, 2011, p.65).

The rhetoric is familiar. 'The previous government's decision to massively ramp up spending in the 2000s left behind a large, structural deficit, and a bloated public sector that by 2008 was crowding out the competitive sectors of the economy' (English, 2011). Government's solution will be 'building better outcomes from public services by being clear about New Zealanders' priorities, by minimizing waste, scaling up what works, getting rid of what doesn't, and generally focusing our investment on changes that bring results' (Key, 2011, p.12).

As already noted, this article does not canvass the range of economic positions on optimal or acceptable levels of government expenditure or government debt relative to gross domestic product (GDP), and the benefits or otherwise of reducing or increasing government expenditure during difficult economic times (compare, for example, Kibblewhite, 2011 with NZCTU, 2010; see also Hall, 2010; Hood, Emmerson and Dixon, 2009). Government's position is accepted as is. Instead, the focus is on the possible effects of the changes government believes will improve productivity, economy and efficiency. According to the finance minister (English, 2011) these will come in three areas: clear priorities, achieving high-quality services and reducing waste.

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Clear priorities

Government acknowledges its obligation to maintain the core functions of government but intends reducing government expenditure relative to the size of the New Zealand economy. Its general (if cryptic) position is that, 'This is not a time we can afford to indulge in a whole lot of 'nice-to-haves'… [that] come at the expense of necessities and at the expense of fairness to people with more need' (English, 2011).

Insofar as policy priorities have been identified, they seem to be vulnerable children, welfare reform, education, housing, health and accident compensation, justice, law and order and public safety. Within that, allocation decisions 'belong to the Government itself, consistent with its political mandate and accountability to the New Zealand public. So the Government will continue to make decisions about what to stop increasing, scale back, or stop doing altogether' (English, 2011).

Achieving high-quality services

Government wants a modern, responsive public service that provides good value for money. In relation to service delivery, it expects to see the same level of innovation and responsiveness it claims marks the market economy. Public service agencies are said to be risk averse. In order for them to feel the keen edge of competition, contestability will be increased. More services will be provided by non-government organisations, iwi and private sector providers.

Government plans to halt the recent increase in policy positions in Wellington (characterised as 'bureaucracy') and put more resources into front-line delivery, reducing the complexity confronting clients of services and making delivery seamless. This applies particularly to transactional services delivered to New Zealanders in their homes and businesses. Servicelink, an integrated delivery initiative being developed by the departments of Internal Revenue and Internal Affairs and the Ministry of Social Development, is held up as an example.

Reducing waste

As reported in the 2011 Fiscal Strategy Report, the 2011 Budget projected savings of $5.2 billion over five years, directing $4 billion of these savings to new initiatives, mostly front-line services in health and education. Some savings will come from reducing public sector operational costs, although most will come from adjustments to the policy framework, plus changes to KiwiSaver, Working for Families and student loans, the costs of which have recently escalated. The Treasury forecasts a return to fiscal surplus in 2014/15, with increasing surpluses in following years. Core Crown net debt is projected to peak at less than 30% of GDP and decline steadily beyond 2015. It is believed that this will be achieved despite absorbing the cost of the Canterbury earthquakes (Treasury, 2011a).

Several initiatives to rationalise public sector operational (not policy) costs are already well-established or getting under way. In early 2009 government imposed a cap on staff numbers in core government administration (Wellington) and gave priority to front-line service delivery staff. In August 2010 it also set up the Review of Policy Expenditure and Advice 'to provide advice on the cost and quality of policy advice, as well as the alignment between policy expenditure and the Government's priorities'.[2] Attention is being focused on the high number of central government departments and ministries compared with other jurisdictions (for details see English and Ryall, 2011).[3] Mergers have already commenced, although so far these have been relatively minor. The more general concern is 'too many departments and ministries', although government is stressing that structural change is only part of the answer. Work has already begun on rationalising back-office functions, common services and processes (Better Administrative and Support Services). Here, the 'aggressive' harnessing of technology and collaboration in provision of common and corporate services (e.g. between Treasury, the Department of the Prime Minister and Cabinet and the State Services Commission) is expected to contribute significant savings. Overall, according to the finance minister, 'This direction is likely to lead to fewer government agencies over time, to stronger governance across agencies where it is needed and for agencies to be more frequently based around common services and processes' (English, 2011).

An important mechanism is tight new operating allowances at a maximum of $1.1 billion a year, reducing annually until 2014/15 (Treasury, 2011a, p.43). Whilst setting definite goals and objectives in relation to savings government is co-opting chief executives in identifying areas of interest and making these 'key savings decisions'. The same applies to the so-called efficiency dividend. This is an annual claw-back but differentiated according to agency size. Organisations with total output expenses of over $200 million are being subject to a 6% efficiency dividend, with 3% applying to those under that line. This device is intended to drive ongoing efficiency and productivity improvements and to generate savings consistent with the four-year budget plan (Treasury, 2011b).

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Another mechanism is the Performance Improvement Framework (PIF). Described as 'a joint central agency initiative to help senior leaders drive performance improvement across the State Services',[4] PIF was introduced in September 2010 as an evaluation of practices, systems and processes in each organisation. It is intended to work as much through self-reflection as external, expert-led assessment. In relation to PIF and the efficiency measures, government has praised chief executives for the work done so far. It continues to emphasise that it is 'open to ideas and propositions from the public sector' and that it 'wants to work with public servants' (English, 2011).

Is it likely that these expenditure reduction strategies will achieve their goals?

More than 30 years ago Levine opened up questions about cutback management and organisational decline. His interest lay in the 'great questions of political economy and the more earthly problems of managing public organizations' (Levine, in Pandey, 2010). Throughout the 1980s academics developed an interest in the field but then it waned. Recently, the onset of recession and then the global financial crisis of 2007–09 have re-ignited interest (Pandey, 2010 covers the history). Recent writers (e.g. Pandey, 2010; Pollitt, 2010, 2011) note that public management research still offers few confirmed lessons for practice. The best that can be done, as Pandey (2010, p.564) suggests, is to ask 'somewhat inconvenient questions that get swept under the rug to accommodate seemingly more pressing issues'. This article will proceed along these lines. It does not pretend to be comprehensive, discussing only certain issues that seem relevant to the present New Zealand situation.

Savings strategies

Recent experience has emphasised that savings are 'ferociously difficult' to achieve (Pollitt, 2010, p.9). Even under the strong anti-government and privatisation agenda of Britain's Thatcher government, aggregate spending was maintained. A recent comparison of cuts in Britain in the 1920s (led by the 'Geddes Axe' committee) and the 1970s–80s cutback periods undertaken by Hood, Emmerson and Dixon (2009) confirms the difficulty in modern times of achieving the same level of results as earlier.

Part of the issue at present confronting governments is conflicting goals. The economic drivers for reducing government expenditure are considerable, requiring significant savings. Most government spending is on programmes with the proportion spent on public service operations being relatively small. The greatest potential for savings lies in cutting programmes, but this can be electorally unpopular. Reducing operational expenditure is more readily accepted, but the potential pool is small relative to aggregate expenditure and the level of savings required. Moreover, there are practical limits since a certain level of operations and capability must be maintained in order to ensure that government even functions. There is, in effect, a 'bottom line' for effectiveness.

So what approaches are available to governments? Pollitt has recently created a framework focused on broad strategies for managing 'during financial austerity' as shown in Table 1.

The following discussion elaborates on the points in the table and adds others.

Table 1: Three approaches to making savings

APPROACH	ADVANTAGES	DISADVANTAGES
'Cheese-slicing'	Sounds egalitarian ('everyone must meet his share'). Ministers avoid directly choosing which programmes will be most hurt. Detailed decisions delegated to programme specialists who probably know what they are doing (and can be blamed if their decisions turn out to be unpopular or hurtful).	Programme specialists may make politically unpopular choices. And/or they may make self-interested choices which hurt effectiveness whilst protecting service providers (themselves). May also incentivise budget holders to pad their budgets so that there will be 'fat' to be cut next time round.
Efficiency gains	Sounds less threatening/more technical ('doing more with less'). So it may be claimed that savings can be made without too much pain.	1. Usually requires considerable innovation – organisational and technological changes which may not work, or may not work for some time. 2. Probably will not yield enough by itself to correct the present fiscal imbalances.
Centralised priority-setting	Looks more strategic and leaves politicians directly in control. Enables the government to protect the most effective programmes (if they have reliable data on effectiveness)	Ministers become visibly and directly responsible for painful choices. And, unless they consult carefully they may make choices with consequences they do not fully foresee, but they are unlikely to understand the internal complexities of the services which are being cut.

Source: Pollitt, 2010, p.13

Across-the-board cuts

Across-the-board cuts, what Pollitt refers to as 'cheese-slicing', have a long history. The attraction of this approach is that it can achieve significant reductions in expenditure in a relatively short period of time. It also appears comparatively fair in that all are expected to share equally in the burden. From a political perspective, a government can appear to be taking strong action in the face of crisis and avoid taking responsibility for cuts to particular programmes by leaving detailed cuts to public managers.

Conversely, from a democratic perspective, this is problematic. Public managers making those decisions are not themselves directly accountable and may make managerial decisions which serve organisational or system rather than client interests. Further, across-the-board cuts do not differentiate between well-managed, lean organisational units and poorly-managed ones with 'fat'. This means that efficient and possibly effective programmes are treated the same as inefficient and/or ineffective ones that can absorb the reductions (the same can apply to efficiency dividends). In fact, cheese-slicing creates incentives for managers to 'pad' their organisations and programmes so that the next time that approach is applied they have reserves that can be cut (Pollitt, 2010).

Centralised priority-setting

This approach is the opposite of across-the-board cuts. Those programmes that are known to be effective are retained and prioritised, whereas those that are not are either dropped or scaled back.

From both political and democratic perspectives, this approach has benefits. It appears to the electorate and the public service as more strategic (although not perhaps to providers and clients whose programmes are stopped). It leaves ministers in control and enables government to retain those programmes it favours or believes can be justified. The downside from the ministers' perspective is that it makes them transparently responsible for choices that may be unpopular with significant parts of the electorate. It may not have been feasible to consult widely in their preparation and so the cuts will be a shock to those affected. There may be unanticipated consequences, in terms of impacts both on other programmes and on overall client outcomes (Pollitt, 2010).

The biggest difficulties with this approach, however, may be technical. Central to making it work is good and extensive evaluation of the range of programmes under consideration. According to the OECD (2009), not many governments have such information. In New Zealand, with so little evaluation conducted (Ryan, 2011), the situation is even worse. Equally, prioritisation tools such as matrices and filters are relatively under-developed (Pollitt, 2010). Otherwise, governments use political criteria such as electoral popularity, legitimately so since they will eventually be held accountable by citizens for their decisions. In terms of public value and societal well-being, however, there is no guarantee that the results will be effective or equitable.

Improving economy and efficiency

Several points are worth discussing under this heading, some of them relating to matters political, managerial and organisational rather than economic. Strikingly, many of them have an 'if'/'but' character. As a result, 'public management in difficult economic times' begins to appear as more complex and ambiguous than reform advocates usually make out.

Credibility and legitimacy

Economy and efficiency (including productivity) drives are obvious responses to fiscal problems. As Pollitt (2010) notes, however, they have been a constant fact of life in public sectors for the last 30 years and more. It is probable that most if not all of the 'low-hanging fruit' has been picked. The idea that there are still considerable quantities of redundancy and waste lying around as suitable candidates for cutting-out seems implausible. The more work has already been done, the more the law of diminishing returns seems likely to apply. Particular issues applying in New Zealand (e.g. duplication and costs associated with the high level of fragmentation across the public sector – dealt with in detail later) may be worth attending to. But the general point is worth highlighting. The potential for significant savings now, relative to the aggregate costs of running a government, may be fairly marginal.

A similar point can be made in relation to demands for increased productivity. Service work is notoriously resistant to productivity improvements (see, for example, OECD, 2005) but staff ceilings, staff reductions and work intensification have all been tried (e.g. UK Audit Office, 2006). With so much work already done over recent years, it is unlikely there are many undiscovered pockets. Work rates are such that staff ceilings usually mean high workloads and long hours. Survey results of the hours worked by public servants in completing their workload (e.g., for women, see Proctor-Thomson, Donnelly and Plimmer, 2011) suggest little capacity for intensification. Attempts to push beyond these limits can lead to increased sick and stress leave, burn-out and staff departures (Battaglio and Condrey, 2009; Pandey, 2010). Industrial strife may also follow, particularly if managers and staff perceive that ministers have broken the historic bargain that characterises organisation in the public sphere (Kelman, 2006; Pandey, 2010). Moreover, in countries like New Zealand a significant amount of operational policy work involves servicing the daily needs of Cabinet and ministers in their executive and parliamentary roles (which may explain the recent up-turn in staff numbers). Ministers are unlikely to want dramatic cutbacks here.

Credibility is one thing but legitimacy is another. Difficult economic times like those being confronted by the New Zealand government demand appropriate fiscal responses. The effects of policy cutbacks will be negative on some people, possibly those least able to afford it or to resist (see also Pandey, 2010). Sound evidence – or at least plausible reasoning – is needed for cutback policies to be accepted as legitimate by the electorate even if they are unpopular. If communicated openly and effectively, voters are likely to accept the adjustments for the period of time they are required. Cutbacks driven by ideology, populism or language games ('bloat', 'waste' and 'bureaucracy' can be seen as 'boo-hurrah' words; see Ayer, 1936 on 'emotivism' in language) run the risk of not delivering. They may resonate with the self-interest of some in the electorate but be resented over the longer term by public officials themselves, especially where previous work has already eliminated the inefficiency that once existed. Dutiful service to the government of the day may continue, but without much commitment to performance improvement, thereby countering other savings strategies. Organisational health and future capability matter, and one-off savings drives now may cause as much damage as benefit. Economy, efficiency and productivity are eternal organisational values but should be applied as normal ways of working and driven from within, not occasional bush-beating expeditions driven from without.

Innovation

Another catch cry for reforming governments is 'innovation', based on the tacit assumption that it leads to greater efficiency and effectiveness (e.g. UK Audit Office, 2006).

Not much is known about how innovation occurs in the public sector (Hartley, 2005; Pollitt, 2011). It demands a willingness to take risks. A degree of organisational slack also helps. So does an atmosphere of trust, an appetite for experimentation and a culture of learning. Conversely, budgetary constraints, greater work pressures and staff lay-offs squeeze out slack, discourage risk-taking, lessen trust and reduce the tolerance for failure (see Pandey, 2010 and Pollitt, 2010 for overviews). They can also force organisations backwards into mechanistic structures and cultures. Cuts can also reduce the capacity of organisations to provide effective and publicly valuable service delivery, something that motivates many public servants (Pandey, 2010). Pollitt (2011) notes that recent expenditure reductions imposed on UK local authorities led to safeguarding of core services and wiped out innovations and recent initiatives. Efficiency and innovation are both part of public management but, in difficult times, achieving one can counteract the other.

That said, outcome-oriented public officials – those focused most of all on achieving good outcomes for clients – sometimes continue to innovate, despite the system they work in and even when resources are constrained: see, for example, the cases in Eppel et al., 2008. Innovation is risky and most of these public entrepreneurs and their fellow travellers felt obliged to work under the radar in the initial stages. More to the point, generalising or scaling up the conditions of success they stumbled upon or created would most likely be expensive in the setting-up and developing stages at least. It would be courageous guardian angels (senior managers) who would approve and authorise such arrangements while cost structures are under pressure. In short, genuine innovation does occur, but is not motivated by or likely to lead to significant savings – in the short term, anyway.

In fact, innovations in service delivery are being touted elsewhere as

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potential cost savers, not via competition, contestability and contracting but something very different. Explicit signs of this are apparent in Britain in talk of localism, mutualism and social enterprise underpinning the Conservative government's 'Big Society' agenda, as well as notions such as co-production and 'radical efficiency' (Boyle and Harris, 2009; Gillison, Horne and Baeck, 2010; see also Hartley, 2005 for a wider view). These ideas surfaced first in 'Third Way' approaches to governing (Giddens, 1994) adopted by the Blair Labour government. Such creations may achieve two purposes at one stroke. The total call on public resources (government expenditure relative to GDP) could be reduced by relying more on civic resources (social and human capital) to achieve mandated policy goals: in short, more community-based governance. In this respect, work on 'radical efficiency' (e.g. Gillison, Horne and Baeck, 2010) and 'co-production' (e.g. Boyle and Harris, 2009; see also other work emanating from the new economics foundation) is interesting, although possibly overblown, particularly in relation to the potential savings. Equally, community bonds would be strengthened and the new governing arrangements legitimated by a citizenry participating in the creation and maintenance of those arrangements.

These are attractive ideas if only because they might expand the realm of citizen participation in the policy process (Bovaird, 2007; Stoker, 2007). If not undertaken adequately, however, they would result in massive cost-shifting from the polity to civil society. To ensure this does not occur, governments would need to facilitate and fund the extensive capacity-building needed in non-government organisations and civil society (already becoming apparent in Britain: e.g. Young Foundation, 2010), to say nothing of the extensive reconfiguration of public organisations, public management practices and the skills and capabilities of the public officials expected to do that work. Needless to say, the level of expenditure required over time to achieve this goal would be high. The long-term social, political and economic benefits may be considerable but so would the short-term costs.

Mergers

If cost reductions are the question, mergers might also be part of the answer. However, this is a difficult issue fraught with risks. High human, financial, capability and industrial costs can follow mergers such that wise governments are inclined to avoid them (OECD, 2005) – as the present government seems to recognise (English, 2011).

The simple fact is, though, that New Zealand is in a bind. As noted above, government is looking askance at the number of separate organisations in the public sector, recognising that there are many more than in comparable countries (English, 2010). *A priori*, high levels of fragmentation and separation probably mean more different corporate and common service units, information systems, senior managers and chief executives and the like than are otherwise required (or available) to run a public sector the size of New Zealand's.

The organisational and strategic barriers created by these silos, and hence the costs involved in negotiating them, have been acknowledged in New Zealand for over a decade (MAG, 2001; see also Schick, 1996). The costs associated with achieving strategic, cross-government solutions (and the costs to clients traversing them in accessing services) would presumably be higher than would be the case in non-fragmented systems. However unpalatable it may seem, there might seem to be a *prima facie* case for significant mergers, particularly those that reconnect implementation and policy, perhaps to as few as 10–15 'portfolios'. Government has already undertaken some minor work in this area and plans to do more. Work is presently being undertaken in central agencies, although, at the time of writing, the directions of thinking are unknown outside the small groups involved.

Even on this point there is a 'but'. There is no guarantee that mergers in and of themselves will produce major savings in the short-term anyway; in fact, there are some suspicions that any savings may be only trivial (and the break-even point well into the future). The direct costs associated with mergers can be very significant, to say nothing of indirect and consequential costs, downtime, loss of morale and reduced productivity over the time that organisations are being combined. Further, lack of co-operation and collaboration in the public sector are just as evident *within* some organisations (between, say, branches or units) as they are *between* organisations; mergers might therefore internalise the problems of fragmentation without necessarily solving them. Anyway, assuming that organisations represent necessary and/or desired government functions, these still have to be conducted regardless of the particular configuration of the machinery of government. If core activities still need to be funded, then the only current costs that might be saved are those arising out of dealing with fragmentation when attempting to integrate and create whole-of-government solutions. These may be significant, but not of the order that government apparently wants.

Mergers, however, could be an old-fashioned solution. It is likely that

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public sectors in the future will be more like complex adaptive systems based on web-like structures and processes, rather than (at best) centre-line systems build on cybernetic principles as at present (Bovaird, 2008). If so, mergers in the future might be less essential than creating integrative, collaborative mechanisms that combine not just levels of government and multiple public sector organisations under collective, whole-of-government goals, but also the multitude of community and private sector organisations involved in policy development and implementation. In other words, the future is likely to be the world of 'governance' being discussed by some leading-edge public management writers (e.g. Kooiman, 2003; Rhodes, 1997). But these ideas are still only 'ideas'. Notwithstanding their emergence from practice, their constituent theories, concepts, models and tools are still hugely underdeveloped. The work required to bring them to fruition would be enormous and extend well into the future. They do not stand, therefore, as answers to immediate fiscal concerns.

Moreover, New Zealand would face particular challenges in moving in these directions. The legislative and conventional underpinnings of our public management system are founded on divided ministerial responsibilities, single, vertical organisations and competition. The foundational changes required to move to a collaborative governance future would be very considerable indeed and would require more, not less, government expenditure. This is not an argument for not thinking in those terms, but for recognising the nature and extent of the challenges involved.

Conclusion

When times are tough there is every reason to explore all options for controlling public sector expenditure. Options should be weighed up, however, against evidence of the impacts, positive and negative, non-economic as well as economic, over time, of previous efforts. It is not a time for falling into well-known traps, especially not for presenting simple ideological or theoretical preferences as historical necessities. Any elected government is perfectly entitled to pursue its perceived mandate, but only if there is active public awareness and acceptance (ex ante or ex post) of the range of possible impacts of doing so. Ultimately, if the goal of savings as a response to difficult times is not achieved and budget austerity persists beyond the original forecasts, then the government would have failed, public sector capability might be reduced even more, and citizens would know it. They could then vote the government out of office at the next election, but the institutions of government as much as any particular party would also suffer some level of damage. Legitimacy regarding state institutions is declining amongst citizens anyway (OCED 2001) and should not be exacerbated. As Pollitt (2011) notes, these are matters to be weighed up as part of the ethics of reform when considering the balance between the costs of governing and the ability to govern.

That said, the state of public management research at this stage is such that it offers only general lessons for decision makers. More needs to be known. What is known, however – and this article has only scratched the surface – provides grounds for caution. Often, perhaps usually, when controlling public sector operating expenditure, matters are much more complex than the proponents of cutback or reform and enthusiastic advocates of 'new ways' make out, and unintended or unforeseen outcomes can outweigh any benefits achieved. As Pandey (2010, p.568) argues, 'cutback management needs to embrace a holistic and long-term perspective and defy the pressures to succumb to reductionist measures'. The challenges confronting governments and senior officials in difficult economic times are enormous. How best to constrain in the short term whilst not undermining what may lie ahead? How to keep a reasonable balance between fiscal and governance goals? More research might help, but wise and thoughtful heads will be even more important.

1 My thanks to Derek Gill and Chris Eichbaum for comments on an earlier draft.
2 http://www.treasury.govt.nz/statesector/policyexpenditurereview.
3 This press release says 'New Zealand currently has 39 government departments', but the State Services Commission website as at 1 July 2011 shows 32 departments, including the Canterbury Earthquake Recovery Authority. There are four non-public service agencies: Police, Defence, the Security Intelligence Service and Parliamentary Counsel. The Office of the Clerk and Parliamentary Services are outside the public service. This totals 38 organisations, but only 32 are departments and ministries. My thanks to Judy Whitcombe for the confirmation.
4 http://www.ssc.govt.nz/pif.

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