

The Jobs Letter

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Essential Information on an Essential Issue

KEY

THE HUNN REPORT

“A line should be drawn under the first 18 months of DWI’s existence and a second stage of organisation design and development commenced.

“In this second stage it will be necessary to reshape professional attitudes, styles, values, understandings, relationships – it is in these areas of the intangible that the Public Service department is differentiated from other types of organisation...”

— The Hunn Report

Winz Warrant of Fitness

- Former State Services commissioner Don Hunn’s report into Winz was released earlier this month. The **Ministerial Inquiry into the Department of Work and Income** (DWI) has given Winz a cautious pass in its “warrant of fitness” ordered by State Services Minister Trevor Mallard, and Employment and Social Services Minister Steve Maharey.

The review finds that the concept of the “one-stop shop” has worked well enough to stick with it. And the review concludes that there are no significant administrative failings that would imply that the department was incapable of doing its job.

Hunn: “There appears to be general agreement that the original concept of full structural integration together with case management (albeit with some reservations) have proved to be sufficiently effective in the initial stages as to justify the continuation of the department. There is also general agreement that further major restructuring would be inadvisable...”

- The review comments that **Winz has achieved a great deal**, given the timetable and scale of the merger between the former Income Support and the NZ Employment Service. But the report also says that a major failing has been Winz’s under-emphasis on its employment aims. The report estimates that 70% of the department’s business is in paying benefits, while only 30% is on employment placement.

Hunn: “It is instructive to recall that the decision to establish DWI was taken in the context of a radical shift in employment policy and in the planning stage the organisation was referred to as the Integrated Employment Service. While the functions originally envisaged for the department included benefit reform and a contribution to “Strengthening Families”, the emphasis was on minimising long-term unemployment and maximising community work...”

- **A change in terminology.** Throughout the report Winz is referred to as “DWI”, for the “Department of Work and Income”, which is Steve Maharey’s preference to the corporate term “Winz” which was derived from “Work and Income New Zealand”. Maharey describes it “... as a change of language, not a change of name”, and as such reflects his desire to see the department adopt more of a public service approach. Whether “DWI” succeeds in replacing “Winz” in the public consciousness ... remains to be seen.
- Public comments on the future of the **Community Employment** functions within Winz accounted for 10% of the submissions. Hunn reported that the community employment function “... was a subject that had very strong views, especially since its amalgamation into DWI”. Hunn did not, however, make any detailed recommendations on the future and placement of the Community Employment Group ... saying simply that this would need to be a Cabinet decision.

The Jobs Letter : ESSENTIAL INFORMATION and MEDIA WATCH on JOBS

EMPLOYMENT, UNEMPLOYMENT, the FUTURE of WORK, and related EDUCATION and ECONOMIC issues

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The Community Employment staff within Winz had requested an urgent review of their place in the department. Hunn remarked: “There were strong feelings that the community approach does not blend in well with the individualised focus of DWI and that the risk of being submerged in the department is very high, thus endangering the achievement of Government’s objectives for community development...”

- The reliability of the **Winz computer systems** was also a key concern of the Hunn report. The report says there is “considerable dissatisfaction among staff at the workplace with IT services” and remarks that technology failures have deprived staff of essential tools.

Hunn says he has “obtained information” about the downtime in the computer system, but says he “... sees no point in identifying how and who might be responsible for the various IT failures resulting in outage.”

The report says that Winz staff would appreciate “an IT system that is wholly owned by the department and that has a high level of reliability”. It recommends that the service level agreement between Winz and its main contractor EDS be renegotiated “as a matter of urgency”.

- **The PSA**, the union representing Winz workers, has welcomed the Hunn report, saying that it “...is a vindication of our work in Winz to change its culture”. PSA national secretary Richard Wagstaff says that the **PSA and Winz have already been working together** to prepare the groundwork for change. Wagstaff: “We have an agreement specifically aimed at “... the creation of a culture of respect, co-operation, openness, mutual trust and quality communication.” That’s a good start. We are encouraged by Winz’s willingness to work co-operatively for change ... and we look forward to using the agreement as a basis for changing the culture at Winz. The Hunn report, by identifying the issues, makes a good starting point...”

Wagstaff is referring to the “Partnership for Quality” agreement, which was signed on May 1st between the Government and the PSA. This agreement contains a set of principles designed “... to build quality public services and public confidence in them”.

- **Leaks and objections.** The Hunn report had already undergone substantial revisions before it was released to the public. Under the rules “of natural justice”, Hunn sent a draft of the report to Winz chief executive Christine Rankin and also to Ministers Maharey and Mallard. Changes were then made to the official document.

The draft report, leaked to the media, had contained 10 recommendations, including several specific to Christine Rankin. The draft said that these recommendations were “to address the issues which have been brought to the attention of this review” ... and had included:

- that the chief executive delegate responsibility for operations matters
- that a deputy secretary help the chief executive develop relationships with outside organisations
- that consideration be given to reducing the size of the national office and restructuring management.

“Maharey gave Don Hunn the task of giving or withholding the organisation’s “warrant of fitness”.

“Mr Hunn has found the job less straightforward than that. Winz is safe on the road, he suggests, but it needs a substantial refit. The government owner must now get the repairs done and point the restyled “Department of Work and Income” in the right direction...”

— editorial in *The Dominion* 15 May 2000

“Vehicle OK, but the driver fails.”

— headline on the Hunn Report, from the *New Zealand Herald*

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However, the final report had no such list of recommendations, saying it had avoided them "... because the first set of decisions needed to deal with the problems described in this review will be political ones, for the ministers alone to take."

"The fact that the Chief Executive and the majority of the senior managers were drawn from one of the partners, reinforced the dominance of the larger over the smaller. A significant proportion of those who participated in the process assert that it was not a merger but a takeover, so that there was no fusion of what were quite different styles and cultures but the preeminence of one at the expense of the other – a phenomenon which is often the accompaniment of attempted mergers. The result in the succeeding months was the departure of some key personnel and the loss of their institutional memory particularly on the employment side..."

— The Hunn Report

- Most of the changes to the draft report were made in response to objections made by Christine Rankin and her lawyers, in a letter to Don Hunn. This "**objections**" letter was later tabled in Parliament by Trevor Mallard, and the media were able to compare the final report in the light of the Rankin objections. We have reprinted some of Rankin's key points from her "objections" letter in this special issue on the Hunn report.

- **Will Christine Rankin go?** Neither State Services Minister Trevor Mallard, nor State services Commissioner Michael Wintringham would comment on Rankin's future, in the light of the Hunn report. Mallard says "it is against the law" for him to express an opinion since decisions on the CEO's future were up to Mr Wintringham.

Rankin is employed on a three-year fixed-term contract which ends in July 2001. Audrey Young, political journalist with the *New Zealand Herald*, reports that until now, ministers have been careful not to say anything that might give cause for Rankin to take a constructive dismissal suit against the government. PM Helen Clark has told reporters that the government just can't get rid of Rankin. Clark remarks "... without perhaps talking about her in particular" that a law case against dismissal would cost the taxpayer a lot of money. Clark: "That's the problem."

Audrey Young says it would cost a relative pittance — about \$375,000 — to terminate Rankin's contract early under the "Perry Cameron" incompatibility clause, named after the former secretary of Internal affairs who was forced out because of poor relations with former minister Warren Cooper. Young: "But a constructive dismissal claim would undoubtedly cost a lot more ... The problem is the political muckiness it would create."

- **What happens next?** Trevor Mallard said it would be several weeks before the Government would respond formally to the report. But while the Hunn report was being prepared, the government did set up a steering committee to investigate options for an overhaul of Winz.

Don Hunn remarks in his report that "... the Government has its own new welfare and employment policies it wishes to implement and there are organisational issues arising from the establishment phase which need to be dealt with ... this is likely to require significant reconfiguration of the organisation and the redirection of plans for organisation development."

Hunn suggests that ministers formulate a strategy to drive the changes that could include increasing the department's focus on employment, and improving its services to Maori and Pacific Island people.

- **Internet link.** The full Hunn Report "Ministerial review into the Department of Work and Income" (32pg) and Annexes (120pg) are available on the internet at <http://www.executive.govt.nz/minister/mallard/winz/index.html>

FEATURE

THE HUNN REPORT

Our *essential summary* of the issues raised in the Ministerial Inquiry into the Department of Work and Income (DWI).

ON THE WINZ PARADOX

- On the face of it we are confronted with a paradox. On the one hand the organisation has achieved a great deal in a relatively short time, given the size of the task and the period of years normally required for a major restructuring of this kind to succeed. In broad terms these achievements were acknowledged by the previous Government which was responsible for the concept of the department, the policies on which it was based and the implementation framework during its first twelve months of existence. DWI has fulfilled its organisation integration goals before time and within budget, it has put together the largest government department in the country with extraordinarily difficult tasks to perform, it has introduced significant new policies and accepted additions to its responsibilities and it has done all this while covering the Government's main risk, namely the possible failure of the benefit system.

- On the other hand, the organisation finds itself the object of severe criticism and ridicule around the country. In twelve months it has managed to alienate the public, parliamentarians, colleagues, clients and their advocates, tertiary students and university administrators, the media and members of its own staff. It is not surprising that Ministers have concerns as to the department's ability to implement their decisions. The cost of success has been very high indeed.

ON THE POLITICAL CONTEXT

- The welfare sector and its administration are at the heart of politics in this country. Nothing and no-one can escape criticism. While media attention has not been as unrelenting as it has been over the past year, welfare departments have always had to work within a highly politicized environment which generates constant criticism. From a media perspective, also, individual hardships (often arising from a few mistakes among hundreds of thousands of routine successes) generate human interest stories which support the journalists' central theme that inherently bureaucrats are bunglers. The special feature in the case of DWI was that the structural solution was a political solution. The department was not set up, as most are, to provide people and processes to implement whatever policies are directed to it: in this instance the department was the policy. It was natural, therefore, that it attracted political attention from the beginning being seen as the instru-

ment of a particular point of view which was not accepted by many. Consequently any failure has been drawn on as evidence that DWI is flawed – in the eyes of some, fatally.

- The department has not helped itself by continually adding to this volatile mixture, or, rather, by appearing not to be able to avoid mistakes. It can claim that a number of its errors were no worse and, in some cases, not as bad as those in other public sector organisations. But it cannot overcome the poor impression created by what seems to the public to be a series of mishaps. Perceptions have been formed from a regular diet of stories: office fit-outs; the sale of personal information; the disastrous Wairakei affair; corporate activities such as mock weddings at managers' meetings; the pay-offs and resignations of staff; the problems first with student allowances and then, despite assurances to Parliament, with student loans. All of these, with the inexorability of Gresham's Law, have overshadowed the achievements and undermined the department's public credibility. It is to be hoped that the department has learned from this that it does not matter whether others have sinned more than it has or that others must share the responsibility for some of these things, it is inescapable that it is working in an environment where a reputation either for waste and extravagance or for systems failure will create so many difficulties and divert so much management attention that it will not be able to do its job properly. As much as anything the contrast between what is perceived to be carelessness with the taxpayers' money and the distressed circumstances of many of the department's clients, has raised doubts over appropriateness and thus of competence, which will take some time for DWI to dispel.

ON THE MERGER / TAKEOVER

- The original concept for amalgamating income support and employment services had been developed when Government functions related to unemployment were separately identifiable. By the time of DWI's establishment the unemployment benefit had been integrated within the welfare delivery system as a whole and Cabinet had agreed that the client base for the employment strategy should be broadened to cover all working age beneficiaries. The result was that rather than attempting to disassemble the complex network of income support it was thought preferable to keep it all together in the one organisation. The practical effect of this was to render virtually unattainable any possibility of merger. One part of the new agency, with its own distinct culture and client orientation, was three times the size of the second largest component whose culture and orientation were quite different – the one internally focussed, the other externally; the one process driven, the other relationship driven; the one stressing uniformity and consistency, the other more free-wheeling and diverse. In the event it was not surprising that the larger took over the smaller; that the senior management team reflected one stream rather than the other; that the business process dominated the relationship one; that the service delivery corporate culture which had been evolving within Income

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Support and Employment Service over the previous decade became accentuated; and that centralisation and strong direction were the levers required to impose unity.

ON CORPORATE CULTURE

- There are other examples of the influence of the corporate culture. For the purposes of this discussion of the nature of the problem perhaps the most important is the “*can do*” style which typifies DWI’s approach to problem solution. The upside of it is the drive to achieve and to overcome major obstacles. It took well-developed organisational skills and highly focused managers to put in place the full structural integration model and to implement *work first* and the community wage within DWI’s first 18 months. The reverse side is the danger of over confidence, as would seem to have been partly the reason for the student allowances/student loans episodes, and the danger that staff will be put under such pressure that demotivation will lead to an inability to cope. “*Can do*” has also left the impression with others that DWI is insufficiently analytical when it is faced with problems and that it tends to say “just leave it with us and we’ll get it done our way”. Unfortunately, in the light of the matters already mentioned along with others such as the use of consultants, “our way” has become identified with the notion that “if you throw enough money at it, you’ll solve it”.

“It has met the organisational goals for the initial period but the principal employment policy objectives, the raison d’etre for Winz’s existence, remain elusive...”

— The Hunn Report

- The corporate approach tends to emphasise the importance of the single organisation as it strives to compete in an unforgiving world. It stresses difference, taking charge of one’s own destiny, a unique mission, vision and strategy – all of which are aimed at the bottom-line. There is less emphasis on collegiality, the collective interest and a shared set of values across many organisations, which are essential to the running of the Public Service.

- In our view this has its genesis in the origins as well as the experience of senior managers – again an observation which DWI disputes. There is no doubt the senior management group can demonstrate considerable Public Service experience, including working with Ministers, but the majority of them came from the Income Support Service where they were not part of the policy making or government relations functions. This is not a criticism; it is simply the product of a particular career development path. Certainly, it is an issue which is apparent to DWI’s colleagues in other departments. In our discussions with departmental chief executives they felt DWI had failed to recognise the need for external consultation, seeking advice from senior colleagues and building useful relationships with those who had had long

experience in the political/constitutional/legal environment. Even sharper were their comments on the effect of DWI’s mistakes. While acknowledging that in most cases they were not aware of all of the background and that the media were giving the issues a very high profile, chief executives were perturbed about the behaviour that appeared to give rise to the political and public criticism. There was real concern that this was reflecting very badly on the Public Service in general and that the management, credibility and political and public faith in the integrity of the Public Service was being badly damaged. It was felt that the “corporate style” was not appropriate in public sector management. This style was not seen as a necessary prerequisite to good programme delivery.

ON SEPARATE SERVICES

- Currently consideration is being given to going back, albeit within the one organisation, to the separation of income support and employment services. The majority of staff would prefer separation along the lines of work-tested and non work-tested clients. Whichever of these alternatives is preferred the problem of overload has to be solved. Further siphoning off the front end of the client base and reserving case management to be used in the most cost effective manner could be one way of doing it. Tied with greater specialisation and more flexible locally based work processes, the burden on case managers could be lifted while the difficulties over benefit entitlements and special needs grants could be relieved.

ON STAFF ISSUES

- The effect on management and staff has been profound. The constant criticism, the strength of what are often personal attacks, the perception that DWI lacks support “from the system” and the continuous reviews have had a demoralising effect and strengthened the inward focus which was implicit in the corporate business model. It was clearly understood from the beginning that it would take at least four years for an organisation of this size and complexity to shake down into the seamless operation that was planned. The unfavourable publicity that has been the accompaniment of the past twelve months has complicated the transition phase. In order to assist the organisation to emerge from this difficult period and to move forward, it will be essential to listen carefully to what the staff and field managers have to say about their experience at the coal face.

- As it has moved around the country the review team has been impressed with the quality of the staff and their dedication to the success of the department’s policy objectives. Despite both the public battering they have had to endure and their current uncertainty as to what is now expected of them, there appears to be a general consensus (with some significant exceptions) that the “one stop shop”, the range of interventions available to them and the case management approach and the close working rela-

tionship between case managers and work brokers have produced an environment which they claim has increased substantially their ability to achieve the objective of reducing the percentage of long term unemployed. The enthusiasm of staff who have been able to exploit the new opportunities and resolve difficult cases (some clients who have been out of work for up to 10 years are now back in stable employment) is in marked contrast to other staff who are weighed down by the case loads or by the immediacy of meeting pressing needs for benefit assistance and are unable to apply the “work first” philosophy.

- To a degree the “one stop shop” has become a “one stop person” in the sense that clients (other than superannuitants, invalid beneficiaries and those on special programmes like Compass) tend to be directed to a single case manager when greater specialisation and a team or cluster-based approach, together with other processes for groups with special requirements, might be more cost effective – and indeed this is already happening in some centres.

“The complexity of the benefit system is such that staff estimate it takes up to two years to understand all its permutations. Taking into account the staff turnover rates of 13% overall it is evident that at any one time a substantial proportion of staff are not fully trained and require continual support ...”

— The Hunn Report

- There is a call for much greater flexibility at regional and service centre levels so that local solutions can be tailored to local circumstances. The “one stop shop” should not be based on “one size fits all”. For its part, DWI accepts the time is opportune to consider greater flexibility but would prefer to see it expressed within the service delivery model rather than as a series of separate processes.

- “Multi-skilling”, on which case management is currently founded is seen as an ideal but one which is difficult to attain. The complexity of the benefit system is such that staff estimate it takes up to two years to understand all its permutations. Taking into account the staff turnover rates of 13% overall it is evident that at any one time a substantial proportion of staff are not fully trained and require continual support. These turnover rates are not out of the way – the overall rate is in line with the Public Service average. But the implications of basing a substantial part of the operational model on multi-skilling need to be reconsidered.

- The department’s key performance indicators (KPIs) generate considerable feeling, amongst staff, purchase and monitoring agencies through to beneficiary advocacy groups. DWI uses the indicators to focus staff attention on achieving Government’s outcomes and to assist in individual, centre, regional and organisational performance management. KPIs also play a part in determining performance bonuses.

Staff have expressed concern about the strong focus on KPIs in their day to day working lives. There is a view that KPIs do not necessarily reflect the entirety of their workload and that individualising some performance measures makes staff responsible for achieving outcomes outside of their control. At the same time, staff do not deny the need for some form of personal performance measures or for site/regional performance targets.

- A major theme running through many staff submissions was request for recognition of diversity of thought and honest feedback. The department is not seen by some staff to be a safe place to offer up constructive criticism.

ON MAORI ISSUES

- The significance of unemployment among Maori and its effect on Maori aspirations and development has been an issue for policy makers for many years. It has been re-emphasized recently in Te Puni Kokiri’s publication “Closing the Gap”. The sad truth is that as a nation we are making little progress in solving the problem. The proportion of Maori unemployed is twice that of the Maori population ratio (and very much higher than that in some regions). The proportion of Maori among the target group of long term unemployment is even higher. Viewed from this perspective, it would suggest that service to the Maori community should be DWI’s prime focus. This, in turn, should be a major influence on the strategies, priorities and activities of the organisation and one of the determining factors of its modus operandi. The evidence produced to this review indicates that DWI has a long way to go in achieving the government’s goals in this area and indeed, in some respects, the way in which the organisation has developed is at odds with the objective.

- DWI appears to be aware of the distance it has yet to travel. The Ministerial Briefing Paper of December 1999 concedes that the significant income support and employment representation disparities in the Maori community “in large measure have been resistant to current interventions.” The most recent (April 2000) DWI monthly overview of service delivery performance refers to the purchase agreement objective to reduce the volume of registered Maori unemployed to 28.5% by 30 June 2000 and says this “is proving to be a significant challenge”. The same publication shows that the figures for customer development activity (training) and job placement are ahead of target, but the key figure for stable employment persists below target – and if anything the gap between the target and performance is increasing (at a time when the Statistics Department Household Labour Force Survey shows a drop in Maori unemployment).

While it is probably too soon to reach any firm conclusion, the question has to be asked whether DWI’s current directions are likely to be any more successful than its predecessors.

DEBATE

THE OBJECTIONS LETTER

Some extracts from **CHRISTINE RANKIN**'s letter to reviewer Don Hunn ... later tabled in Parliament by State Services Minister Trevor Mallard.

• We have a real concern that whatever criticism might properly, in the reviewer's judgement, be leveled at the Department, the expression of them should not be such as to assume a prejudicial life of their own, especially a life that may endure long after lessons have been learnt from the present review. Put another way, the reviewer should not criticise the department in such a way that the sting of the criticism is more than is warranted, so that it could never, or only with extreme difficulty, be shaken off.

• Paragraph 4.2. This paragraph states that "in Winz's case part of the difficulty has been self-induced...". What difficulty? How has that difficulty been self-induced? Reference to "self-induced difficulty" is, so far as we can judge, unclear, inaccurate and prejudicial. We suggest the phrase be deleted.

The paragraph also states that over the past 18 months mistakes have occurred. This makes the uncritical assumption that many mistakes have been made. What are these? Is it fair to judge all of these as mistakes, as opposed to development issues and complications that inevitably accompany major change?

• Paragraph 4.18. The final comment about Winz being an organisation without a brain is open to misinterpretation and is prejudicial. We suggest instead "... has reduced the Department's strategic capacity below optimal levels."

• Paragraph 6.3. The Department accepts that strong control has been exercised where appropriate, but denies that use of the term "authoritarian" is warranted or fair. Central control is necessary because of the requirements and outcomes expected of the organisation. In a sense Winz has a lot in common with all of the major delivery organisations in the public sector — e.g Police, Customs and Inland Revenue — rather than policy agencies. All other public sector delivery organisations have a top-down approach, and no one criticises them for that.

• A statement has been made that the requirement for speed has suppressed even constructive criticism or alternative approaches, and has imposed solutions from Wellington. Can the reviewer support this contention? Winz regards its approaches as dynamic, and subject to continuous improvement.

• Paragraphs 9.5 and 9.6. There are significant and balanced backgrounds in the Winz management team, and we do not accept the assertion that the

leadership team is without long Public Service experience. The average length of public service experience in the leadership team is 15 years. In addition, many of the leadership team members have been involved in the management of major organisational change.

• Corporate wardrobes, branding strategies and management retreats were features of both Income Support and the Employment Service, as they are for most delivery agencies in the public service. It is no surprise therefore that these initiatives were carried over into WINZ, particularly when the previous Government supported them.

• Paragraph 9.7. It is stated that the imposition of a single, highly controlled, style and culture has produced its casualties. What are these casualties? Has this *modus operandi* produced any benefits? Can the reviewer point to any other merger examples of this scale where disparate organisations have been drawn together quickly without a high degree of direction from the centre?

• The paragraph also states that staff describe a "climate of fear" which regards criticism as negative or disloyal. We regard this term as highly prejudicial. There is an implication that all staff take this view. We know that is simply untrue. It appears that the comments of some staff have been taken to represent the view of all staff.

"Is it fair to judge all of these as mistakes, as opposed to development issues and complications that it inevitably accompany major change?"

— Christine Rankin, CEO of Winz

• Paragraph 9.11. We take a strong inference from this paragraph that the Chief Executive does not fit with a desired public servant profile i.e. she is not "grey and boring". There is a further implied suggestion that she may be perceived to be politically aligned. This is highly contentious and prejudicial.

• Paragraph 15.7(ii) We have concerns about the Regional Commissioner recommendations. The present recommendation implicitly criticises without foundation, the level of autonomy and flexibility currently given to Regional Commissioners. Regional Commissioners have significant autonomy to deliver and purchase a range of services to meet community needs.

We know that some Regional Commissioners believe they should have increased autonomy. At this point in the development of the organisation, we consider that to progress devolution of decision making at a faster rate presents significant risk to service delivery and the Crown (with respect to managing benefit requirements).

VOICES

on THE HUNN REPORT

"I would like to highlight the fact that the review team acknowledges in its report that they were very impressed with the quality of many of the staff around the country and their dedication to the success of the department's policies.

"I want to tell those staff that the Government will do our best to work to ensure that improvements are made to the structure of the department so that frontline staff can continue to get on with their jobs..."

— Trevor Mallard, State Services Minister

"Mr Hunn sketches out a way forward for the department as it adapts to the newly-elected Government's policies in welfare and employment. I am confident that Work and Income will recognise the points that Mr Hunn makes in the report ...

"I do not intend to take Mr Hunn's report as a review of the chief executive's performance. Indeed, to do so would be to miss the main point of the review, which is to prepare the biggest single department in the Public Service to implement the new Government's policies..."

— Michael Wintringham, State Services Commissioner,

"Based on its track record, the government will now ignore this report because it does not like what it says. It's no different to any other reports they have commissioned..."

— Roger Sowry, former National Minister of Social Welfare

"Anyone who has met Christine Rankin recognises that she is very positive about Winz and is determined to make it a successful organisation ... She should be left to get on with the job of making Winz an effective organisation that helps New Zealanders get into work and ensure they are paid the benefits they are entitled to."

— Belinda Vernon, National party spokesperson on Work and Income NZ

"Mr Maharey was outspokenly critical of Ms Rankin and her management style while in opposition. Upon becoming the Minister of Social Services and Employment, Parliamentary Questions revealed that he received high level legal advice, including from the Solicitor General, regarding the impact of those statements.

"Legal advisers warned Mr Maharey that his verbal attacks had already exposed the Government to the risk of a significant personal grievance claim by Ms Rankin. In reality, Mr Maharey's verbal bravado has compromised the Government's ability to act..."

— Dr Muriel Newman, Act NZ spokesperson on Work and Income NZ

"I am not surprised that Winz staff are calling for greater local flexibility to meet the needs of job seekers, however the Greens hold serious doubts that Winz staff have the expertise required to handle employment placement and job creation. Obviously the department will need to recruit or train more people with the appropriate skills to empower people to look for jobs and not to punish them, as they have currently been trained to do..."

"The Greens are very concerned that the report highlights the poor understanding of Winz for community employment development. The Community Employment Group has suffered the most as it is a small but essential part of job creation and community development and has been overwhelmed by the larger organisation."

— Sue Bradford, Green Social Services spokesperson

"The Hunn review does not delve into the excesses of the corporate culture or Mrs Rankin's love-the-company style of management. But like a probation report on a delinquent child, it paints a rather graphic picture of a disturbed history. It explains why Winz appeared so dysfunctional and notched up such a bad record in such a brief time.

"It details the rush job in setting up Winz to fulfill "the dream" of former NZ First minister Peter McCordle, the dangers of concurrent policy and structural changes, and the resistance to Winz's formation from the inside, which ensured that Mrs Rankin inherited problems from the start.

"Despite her public acknowledgements of mistakes and pledges to improve, that inheritance had grown and Winz will be tainted for as long as she is in charge ..."

— Audrey Young, political reporter for the *New Zealand Herald*

"The CEO of a government department wants to throw a shindig at Taupo for corporate disciples. The cost is estimated at \$160,000. She cancels it, suspends the organiser and then spends about the same amount on PR experts and lawyers to explain why it's not her fault. Then she presides over a humungous student loans fiasco despite assuring the government that she can handle it. No sweat.

"The government calls in a former state services commissioner and he says it's a mess all right, an extravagant mess. The CEO gets the taxpayer to pay her lawyers' fees of \$180 an hour so she can water down the report's findings before they're made public. Question: Is it right for the taxpayer to fork out to defend the reputation of a CEO paid more than \$170,000 a year?"

— former MP Michael Laws, comment in *Sunday Star Times*

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