

Summary

This study is the third of its kind undertaken by the Governance and Institutional Development Division (GIDD), concerning the issue of a contract system for permanent secretaries in Commonwealth countries. The study forms an integral part of the work of GIDD. In pursuing its mandate, GIDD mobilises a large percentage of its resources in strengthening institutions and practices that contribute to good governance and enhancing public sector capacity for effective and efficient public service delivery using appropriate strategies. This report discusses findings of the evaluation of the contract system for permanent secretaries in the Pacific region based on the experiences of Tonga, Papua New Guinea, Vanuatu, Cook Islands and Samoa.

Field visits were conducted in February and March 2010 using qualitative research methods such as semi-structured interviews. Guidelines templates were provided before the visits. Findings from the field visits confirmed the existence of contract systems of employment or aspects of contract arrangements in all the selected island countries. Samoa led the way by introducing contract system in November 1990, followed by the Cook Islands, Papua New Guinea and Vanuatu in the mid-late 1990s and with Tonga in 2004. At the time contract employment was perceived as part of the essential new management system adopted to encourage a performance driven public service culture. As highlighted in the draft Report on the Review of Reforms in the Pacific, improvement in public service delivery was identified as the ultimate objective and performance was pivotal in achieving that task.

Despite the emphasis on performance and the drive to change the public service culture, expectations of competent/excellent performance were not met by existing administrative practice, as the renewal of contract for excellent performance was not automatic as anticipated.

In the countries visited, permanent secretaries were all on contract employment. There were differences in the respective systems in relation to players who developed and administered the deliverables in the contract agreement, conditions of the contract agreement, conflict resolution and performance monitoring and assessment mechanisms. Whereas the Cook Islands had instituted an exact copy of the New Zealand model, others had developed their own versions.

Apart from the rhetoric that contract employment would contribute to improving service provision, a more persuasive assertion was the belief that contract employment

would contribute to a collegiality working relationship between Ministers and permanent secretaries and between permanent secretaries themselves as a group.

Challenges associated with contract employment at the strategic level were many and diverse. They included:

- Absence of real commitment and robustness in monitoring and evaluation of annual performance;
- Having too many players involved in the process resulting in inefficiency and ineffective management of contracts;
- Conflict resolution and disciplinary procedures for substandard and under-performance was not managed effectively because of socio-cultural values and reasons;
- Objective of a performance public service culture was not realised because of the policy intention for all vacant positions to be advertised openly;
- The constant reshuffling of permanent secretaries (PNG and Vanuatu) by Cabinet despite their satisfactory performances was a concern;
- No distinct linkage between contract deliverables and the corporate plan, annual plan and budget; and
- The traditional practice of secrecy regarding remuneration of Head of Ministry in the case of the Cook Islands, contradicted principle of transparency.

At the organisational level, findings pointed to the dire need for improved documentation and record keeping of processes, consistency in interpretation and application of procedural policies and processes. With contracting becoming a permanent feature of public service globally together with the tendency in the labour market to favour individual bargaining, the importance of accurate record keeping and documentation of processes became paramount.