

# **Public Value and Public Sector Accountability in New Zealand**

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## **Abstract**

**Purpose:** This paper presents an overview of the development of the public value accounting approach and its application to public sector accountability in New Zealand.

**Research Design/ Approach:** The study uses the public value framework to demonstrate the outcome-related planning and control mechanisms that are put in place in the public sector. The paper draws from archival research using a case study of the Ministry of Pacific Peoples.

**Findings:** The public value accounting-based calculative practices are on the rise within the New Zealand public sector. New Zealand's public sector is oriented towards a public value budget.

**Practice Implications/ Limitations:** The study is limited through the use of secondary data and the use of content analysis methodology. The research enables policymakers to fund initiatives that enhance the wellbeing of the community. Public value can be created as a joint effort between citizens and government as evident from the case study. By looking at the totality of the impact of government through public value creation can help to improve policy decisions. Government policymakers need to emphasise on those public value creation that has an enormous positive impact on the citizens. This will also help to improve the relationship between government and citizens through increased trust in the government by citizens.

**Originality:** The paper contributes to the public value research which has received relatively less attention in the literature. Public value accounting is a research field that is yet to achieve a significant level of attention.

**Key Words:** Public sector, public value budget, outcome-based approach, accountability, Pacific peoples, New Zealand.

## Introduction

The public sector domain is characterised by government ownership and control, and its principal role has been to provide utilities and services to the community and they have traditionally been seen as essential to the fabric of our society (Broadbent and Guthrie, 1992, p. 3). The public sector develops and delivers policies that affect the wellbeing and economic condition of their communities and the environment (Ball and Grubnic, 2007; Broadbent and Guthrie, 2008; Kurtenbach and Roberts, 1994). The public sector functions are driven by the notion of public good or service and focus on equitable access to all members of the given society rather than the private provision through a market (Broadbent and Guthrie, 2008; Cordery and Hay, 2019). Moreover, the COVID-19 pandemic has brought to attention the critical role of governments in ensuring public health and wellbeing (Hopper, 2020).

Although the public sector has society-centric roles and responsibilities, its performance measures are often confined to economic development. Moore (1995) admonishes public organisations to not focus narrowly on achieving targets or protecting politicians but to strive for desirable societal outcomes, such as welfare, wellbeing and equity. Given the level of influence of the public sector on social welfare and the environment, calls have been made to go beyond the narrowly focused economic indicator of progress such as Gross Domestic Product (GDP) and adopt policies and measures that promote broader public values (Bleys, 2012; OECD, 2018, 2020; Sharma, 2021; Stiglitz, 2019; Stiglitz *et al.*, 2010). It, therefore, becomes critical to understand how public sector managers discharge their broader accountabilities and create a more holistic value for society.

The concept of public value has attracted increasing interest among policymakers and managers in the UK, Europe, Australia and several developing countries (Benington, 2009; Moore, 1995). It draws upon the uniqueness of the public sector and advocates a shift from solely focusing on results and efficiency to achieving the broader governmental goal of public value creation (O'Flynn, 2007). This shift requires visible capacity to deliver and create value through public services and policies (Bracci *et al.*, 2019; Kelly *et al.*, 2002). The public value approach is commonly found in the public sector, as it is considered to improve government performance (Dormer, 2019; Gill and Sharma, 2023; Sharma, 2012; World Bank, 1995). However, accounting for public value is crucial for governing or managing the production of public value for public interests. Moore (2014) argues that public value accounting has the potential to enhance “*government accountability, improved collective decision making, and continuous learning about what is valuable and possible to do through government action*” (p.475).

Public value offers a broader way of measuring government performance and guiding policy decisions (Kelly *et al.*, 2002). By assessing the overall impact of government actions, it could improve policy decisions and the relationship between government and citizens. Despite its potential, public value remains a field that has not received significant attention (Bracci *et al.*, 2019; Bracci *et al.*, 2021), especially regarding its applications and implications for marginalised communities such as Indigenous peoples and immigrants.

New Zealand's demographics encompass diverse ethnic communities. Among these 8% of the population identifies them as 'Pacific people' (MFAT, 2022) because of their distinct and unique ancestry or heritage associated with Pacific Islands. These island countries and territories have distinct populations with diverse political structures, histories, demographic characteristics, socio-economic statuses, socio-cultural belief systems and practices (Auckland Council, 2022). In New Zealand, there are eight main Pacific ethnic groups, including Samoan, Cook Islands Māori, Tongan, Niuean, Fijian, Tokelauan, Tuvaluan, and Kiribati. Of these, Samoan, Tongan, and Cook Islands Māori are the three dominant ethnic groups (Pasefika Proud, 2016). These communities hold distinct but common cultural values such as a strong sense of kinship, collectivism and communitarianism, spirituality, reciprocity and respect (MPP, 2018). These values contrast with those that dominate neo-classical accounting and accountability systems, such as quantification, objectivity, efficiency, productivity, reason, and logic

(Greer and Patel, 2000). Accomplishing such values demands a drastic shift from commonly prevailing economic values to wellbeing-oriented values.

Given the uniqueness of values and aspirations shared by Indigenous communities, it becomes important to examine in what ways accounting can “contribute to a better understanding of public values(s), beyond a merely economic perspective and to investigate the role of accounting in identifying, shaping and translating different perspectives, values and interests (especially those of vulnerable, less powerful and marginalized stakeholders)” (Bracci *et al.*, 2021, p. 1521). This paper aims to fill this gap by examining the mechanisms put in place by the New Zealand government to identify and address Pacific peoples’ aspirations and priorities as well as public value outcomes achieved in this regard. The central research question that this paper asks is:

*What is the current state of public value initiatives undertaken to address minority Pacific communities’ issues in New Zealand?*

This paper presents an overview of the development of a public value outcome-based approach to public sector accountability in New Zealand. The next section describes the notion of public value and associated accounting perspectives. The third section presents an overview of public management reforms and the regulatory environment in the New Zealand public sector. The following section outlines Pacific peoples and their issues. The paper then presents the findings on the output and public value outcome-oriented public sector accountability within the New Zealand public sector using a case study of the Ministry of Pacific Peoples (MPP). Finally, discussion and conclusions are drawn based on the findings of the study.

## **Public Value and Accounting**

Public value research in public administration and management has increased in the last 20 years and has an important place in academic and policy debates on enhancing the production of public services (Bracci *et al.*, 2019). The notion of public value goes beyond the traditional focus on public goods and emphasises the need to maximise the communities’ and individuals’ welfare (Alford and O’Flynn, 2009). It also encompasses social outcomes, that is, impacts upon those who enjoy the value/good in question or upon states of nature important to those people (Alford and O’Flynn, 2009, p. 175).

To encourage the public value creation, a number of countries have introduced a ‘wellbeing approach’ to public policy (Grimes, 2021). The *Shorter Oxford English Dictionary* defines *wellbeing* as ‘the state of being or doing well in life; happy, healthy, or prosperous condition; welfare’. To achieve such a fulfilling life, governments utilise mechanisms such as wellbeing budgets, which focus on the holistic development of communities. The adoption of wellbeing budgets empowers communities by incorporating their perspectives and assumptions on how wellbeing can be defined, thereby informing the allocation of fiscal resources (Scott, 2012). The New Zealand’s Wellbeing Budget, for example, represents a shift from incremental budget adjustments. In this budget, while reviewing the expenditures as part of the current budget cycle, some resources are directed to wellbeing priorities (The Treasury, 2023). Malpass (2019) noted that all new spending proposals had to measure up to five priorities from the wellbeing framework. The five wellbeing goals of the New Zealand government are: 1. Transition to a sustainable and low emission economies; 2. physical and mental wellbeing; 3. lifting Māori and Pacific peoples’ opportunities; 4. child wellbeing; and 5. future of work (see, The Treasury, 2023). The idea is that money is based on evidence-based work and that policies should be evaluated every four years to achieve more strategic and long-term thinking.

On the other hand, according to Kelly *et al.* (2002), the notion of public value provides a broader measure that is traditionally used within the new public management literature, encompassing outcomes, the means used to deliver them as well as trust and legitimacy. Public value attempts to address issues such as equity, ethos and accountability. Public value refers to the value created by

the government through services, laws regulations and other actions (Kelly *et al.*, 2002). There is an emerging literature making use of the concept of public value (see, Benington, 2009; Bozeman, 2002; O'Flynn, 2007). This will be discussed in the ensuing section of the paper.

Table I characterises some differences between the three models of public management.

Insert Table I here.

Public value encourages managers to think of goals, such as maintaining legitimacy, that go beyond organisational survival and meeting immediate service delivery targets (Kelly *et al.*, 2002). Benington (2009) notes that public value often depends upon processes of co-creation with citizens and users at the front line. The concept of public value highlights the importance of focusing on outcomes and processes ('what value is being added to the public sphere, by whom and how?') not just on inputs and outputs (Benington, 2009). For example, the public value perspective will focus on improvements in public health, and on the respect with which patients are treated, as well as reductions in waiting lists and times. Government cannot create public value or the public realm on their own (Benington, 2009). Rather, it depends on a network of institutions, actors and cultures. This cannot be achieved without government and political leadership (Benington, 2009).

Thus, public value is conceived as a new way to conceive the role of public managers as it emphasises the need to focus on social outcomes when delivering public services. According to Moore (2014, p.265), the concept of public value drew on a simple analogy: if private managers were committed to using their imagination and skills to produce private value for shareholders using private assets, then public managers should use their imagination and skills to produce public value for citizens using the public assets held by democratic governments. The essential private sector idea for public managers to embrace was the idea that they should earn their keep by creating public value (Moore, 1995).

Public value could refer to individually held values that focus on the welfare and just treatment of others. These are public values because they pertain to the welfare of someone other than oneself and are concerned about just relationships in society (Moore, 2014). The government creates value by delivering benefits to individuals (and groups of individuals), but also by imposing burdens on them. According to Douglas and Overmans (2020), public organisations must engage with a broad authorising environment of stakeholders to get their support, aligning the collective capabilities of these actors to generate a shared capacity to create public value (see Moore, 1995). The management of public money would be checked by legislators, auditors and other watchdogs against the set principles and rules. Some criticisms have also appeared on public value. For example, Douglas and Overmans (2020) accuse public value of co-opting with the wider neoliberal agenda of New Public Management by still believing in its performance-oriented logic and too readily borrowing from business studies.

According to O'Flynn (2007), from the public value perspective, a new paradigm for thinking about government activity, policymaking and service delivery may emerge bringing with it important implications for public managers. The public value paradigm signals a shift away from the primary goal of results and efficiency towards the achievement of the broader governmental goal of public value creation. O'Flynn (2007) notes that public managers have multiple goals, which in, addition to the achievement of performance targets include steering networks of providers in the quest for public value creation. This entails creating and maintaining trust, as well as responding to the collective preferences of the citizenry and clients. The dominant focus for managers shifts from results (New Public Management) to relationships in the public value paradigm. In this paradigm, public managers pursue multiple objectives, including narrower service objectives, broader outcomes, and the creation and maintenance of trust and legitimacy (O'Flynn, 2007; Stoker, 2006).

The seminal paper by Moore (2014) identified the need for a public value accounting perspective that reflects on how to account for the value created by public services and the collectively owned assets

used in the process, such as money and state authority. Furthermore, Vollmer (2021) and Bracci *et al.* (2021) argue that the scope of accounting needs to be refined to encompass holistic values rather than the traditional focus on finances, efficiency or effectiveness and account for non-traditional values that are sought by the public. Vollmer (2021) presents a case of the role of accounting in ecological reconstitution and draws attention to public value as a topic of strategic interest for its development. Thus, this study aims to showcase mechanisms that foster public value creation in the New Zealand public sector.

### **New Zealand public sector**

Internationally, New Zealand has been labelled a leader in New Public Financial Management reforms (Newberry, 2002). In New Zealand, the Public Finance Act 1989 is the key legislation that underpins the financial management reforms. Over time, a considerable body of secondary regulations entailing accounting rules has emerged and a shift from an input-output framework to a public value (outcome-based) approach has been observed. An integral part of this new structure has been to more effectively measure performance (Lonti and Gregory, 2007).

New Zealand's financial management system is based on the principles of responsible fiscal management contained in the Public Finance Act 1989. This includes the development of budget strategy and policy, the documents supporting the budget, appropriations, budget execution and monitoring, and monthly and end-of-year financial reporting and audit, all based on accrual numbers. Other features of the New Zealand public financial management (PFM) system include high levels of transparency and the use of independently established financial standards, based on the International Public Sector Standards. The balance sheet strength of the New Zealand government reflects the priorities established in the Fiscal Responsibility Act (1994), which established principles of responsible fiscal management and was subsequently incorporated within the PFM.

The New Zealand government has progressively endeavoured to strengthen its balance sheet position since the mid-1990s, except for four years immediately following the global financial crisis and the Canterbury earthquakes, and more recently because of COVID-19 (Ball, 2021). In the past two decades, New Zealand has experienced several economic shocks including the Global Financial Crisis (GFC) (2007-2008), the Canterbury earthquakes (2010 and 2011), the Kaikoura earthquake (2016), and more recently, the COVID-19 pandemic (2019). These series of shocks within two decades emphasise the frequency of significant economic disruptions and underscore the importance of having the capacity to address future shocks. While New Zealand's strategic response to these shocks may have left it in a relatively strong position compared to many countries, as it maintains a positive net worth, its long-term performance is relatively weaker than it was prior to COVID-19. As a consequence, its resilience and capacity to respond to future shocks have diminished and there has been a long-term decline in the strength of the government's balance sheet (Ball, 2021; Dormer, 2019).

Despite the unfavourable economic conditions, the public financial management system in New Zealand has demonstrated notable transparency, especially during times of crisis and uncertainty (Dormer, 2019; Hopper, 2020). This is evidenced by the New Zealand government's response to COVID-19, where it demonstrated a high level of transparency by publishing monthly financial statements to explain the impact of COVID-19-related measures (Ball, 2021). The New Zealand government's performance management expects public servants to "manage for outcomes" (Norman, 2007, p. 536). This focus was established through the enactment of the Public Finance Act 1989, which included a legislative requirement for outcomes along with that for outputs. As a result of this focus, several government departments have shifted this approach to their external reporting from 'outputs' to 'outcomes'. Moreover, this focus also led to a shift from cash-based accounting to accrual accounting, enabling ministers, Parliament and other stakeholders to receive better information about the actual

cost associated with the desired outputs, thereby, improving their decision-making (Kibblewhite and Ussher, 2002).

The Managing for Outcomes Steering group<sup>1</sup> explains the implications of seeking more and better information on outcomes for 'accountability': "*Previous departmental planning and reporting has largely targeted on financial performance and outputs within a one-year time frame. Managing for 'outcomes' requires departments to adopt a longer term, outcome focused approach to management, planning and reporting and can be particularly challenging for departments that have an indirect influence on the outcomes*" (Hitchener and Gill, 2011, p. 112).

Drawing on concepts from new institutional economics (Boston *et al.*, 1996), the designers of the New Zealand management system conceived of the government as an owner of assets and as a purchaser of services. According to Norman (2007), as an owner, the government would want to ensure the value of its organisational assets was maintained, whereas as a purchaser government typically wants efficient, effective services delivered as cheaply as possible. The notion of 'output' was developed as the central device for implementing this model of government, with appropriations predicated on outputs rather than organisational inputs. Norman (2007) states that comprehensive reforms between 1988 and 1992 reshaped institution-based funding into more than 500 outputs, each specified in terms of quality, quantity, and timing and assessed through corporate plans, annual reports, and by the Auditor General. Each output was defined stringently so that an individual chief executive could not use a claim of 'factors beyond control' as a reason for non-performance. Accrual accounting from the private sector was implemented so the cost of outputs would entail the use of capital and be comparable with potential private or non-profit sector alternatives (Norman, 2007). This performance model defined public value (Moore, 1995) through the use of dichotomies: government as purchaser and owner and public sector results as outputs and outcomes. The dichotomy between outputs and outcomes is captured by Norman (2007, p.543) in an interview with a public manager: "*Outcomes were what we are really doing, what our heart is in and we are responsible for,*" but the accountability system required specification in terms of measurable outputs.

In 2003, chief executives and public sector organisations gained formal responsibility to manage for outcomes; while also being held accountable for efficiency measures related to outputs (Norman, 2007; Ryan *et al.*, 2019). Given the outcomes are influenced by several controllable and uncontrollable factors, the chief executives are held accountable for "managing for outcomes" but not for "achieving outcomes" (Norman, 2007, p.543).

Managing for outcomes is envisaged as a cycle of continuous improvement comprising: Direction setting (i.e., what do we intend to achieve over the next three to five years and why?); Planning (i.e., what is the best way to achieve this, and have we got the required capability?); Implementation and delivery (i.e., were we implementing and delivering as planned and managing our capability and risks effectively?); and Review (i.e., what impact have our interventions had, and what improvements can we make?). This performance management system is backed up by the Statement of Intent (SOI), which is a public document tabled with the budget and provides a description of the department's goals over 3 to 5 years. The SOI describes the main outcomes sought, the outputs to be supplied, and plans for managing capability and provides medium-term operating intentions and information on intended contributions to impacts and outcomes for each New Zealand government department. (Norman, 2007). New Zealand departments continue to place intention on articulating "outcome frameworks" in their SOIs, consistent with the Public Finance Act 1989, and auditors continue to review and comment on

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<sup>1</sup> The Steering group was established in 2002 and comprised deputy secretaries of the two central agencies, Treasury and State Service Commission, as well as the Department of the Prime Minister and Cabinet and Te Puni Kokiri.

information on outcomes (and impacts) and associated measures. Moreover, to ensure the attainment of the outputs, the Fiscal Responsibility Act (1994) requires the government in the Budget Policy Statement to “specify the broad strategic priorities by which the government will be guided in preparing the budget for that financial year.” Hence, the government has adopted an integrated approach to creating socio-economic outcomes for the public and thus can offer a useful context to explore how and what public values are created by public sector managers.

Conceptually, the New Zealand public sector focuses on outcomes. There have been, however, some challenges in integrating outcomes into public management, principally because it is difficult to specify, measure and manage outcomes. Moreover, the government sets the highest-level outcome goals.

### *New Zealand regulatory environment*

The three central departments in New Zealand’s government, the Treasury, the State Service Commission and the Department of the Prime Minister and Cabinet, each advise their respective Minister, the Minister of Finance (Treasurer), the Minister of State Services (State Services Commission) and the Prime Minister (Department of Prime Minister and Cabinet) about the ongoing coordination and operation of the core public sector. The Treasury is the central department of the financial management system (Newberry, 2022). The Public Finance Act 1989 delegates to the Treasury the power to issue instructions to departments and the departmental chief executives are expected to comply with those instructions. These instructions may regulate the management of public money or regulate accounting and financial management and control procedures (Public Finance Act 1989, s.80). The Public Finance Act 1989 builds on the principles of public finance contained in the Constitution Act 1986 (s.22) which stipulates that it is unlawful for the Crown, except by or under an Act of Parliament to levy a tax, to raise a loan or to receive any money as a loan from any person or to spend any public money. The Public Finance Act refers to “Her Majesty” as an alternative term for the Crown and then extends the idea of the Crown by interpreting both terms to mean, “Her Majesty the Queen in right of New Zealand; and includes all Ministers of the Crown and all departments” (Public Finance Act 1989, s.2).

The State Sector Act 1988 defines public service as comprised of government departments. It requires the State Service Commissioner to review the machinery of government including the allocation of functions to and between Departments; the desirability of or need for the creation of new Departments and the amalgamation or abolition of existing Departments; and the co-ordination of the activities of Departments. The State Services Commission, with Ministerial input, appoints chief executives for five years. These are renewable with Ministerial input, depending on the performance of chief executives as assessed by the Commissioner. Performance assessment encompasses all requirements imposed on the chief executives and may extend beyond the scope of the State Sector Act 1988 (s.43).

New Zealand’s financial management system and regulatory environment have played a vital role in shaping the plans and policies to address socio-economic issues faced by minority groups, especially the Pacific community. The following section provides insights into the socio-economic disadvantage faced by the Pacific communities before presenting the case of the Ministry of Pacific People, showcasing its approach to creating public value for such communities.

### **Pacific Community in New Zealand**

New Zealand is home to 381,642 Pasifika peoples and more than 8% of New Zealand’s population identifies as being of Pacific origin (MFAT, 2022). Over 300,000 Pacific people live in Auckland City. Pacific people are one of the most visible minority groups in New Zealand (Teaiwa and Mallon, 2005).

The national mood is not always celebratory when it comes to Pacific peoples. Political leaders such as former Prime Minister Jenny Shipley and former Leader of opposition, Don Brash, have at strategic moments capitalised on racism in “middle New Zealand” (Teaiwa and Mallon, 2005). On 19 May 2000,

former Prime Minister Shipley delivered a speech in parliament warning decent New Zealanders of Pacific Islanders criminally “climbing into your back windows” (Audrey Young, New Zealand Herald, 18 May 2000). Brash, on an official trip to Australia portrayed the low estimation in which he held the Pacific Islands when he was quoted as saying that New Zealand was in danger of becoming socially and economically ‘just another Pacific Island nation’ (Brash, 2004)

The reality is that, while both Māori and Pacific people have made significant socio-economic gains over the past few decades, they also account for some of the poorest health and education statistics, lower life expectancy, the lowest incomes, and some of the highest welfare dependency and incarceration rates (Pasefika Proud, 2016; Statistics New Zealand, 2018; Statistics New Zealand and Ministry of Pacific Islands Affairs, 2002). Given this shared predicament, Māori and Pacific peoples are often viewed as groups needing special state or institutional attention. The Pacific peoples need to rely on the general democratic principle surrounding minority rights.

There is a set of enduring cultural values that are shared among Pacific groups, including the importance of family, collectivism and communitarianism, spirituality, reciprocity, and respect. A greater proportion of Pacific peoples than New Zealand Europeans and the total population report financial and housing challenges that impact their wellbeing. Ryan *et al.*, (2019) note that 24% of Pacific peoples (8.5% of Europeans) report not having enough money to meet their everyday needs, 40% (18% of Europeans) live in homes that are always cold and 10% (5% of Europeans) report problems with damp and mould homes.

Pacific people lag behind other ethnic groups in terms of economic, educational and health dimensions. Since 2002, numerous reports have documented the poor health of Pacific peoples and the worsening trends compared to other New Zealanders. According to Ryan *et al.*, (2019), results from the Census and other studies show that, compared to all other ethnic groups, Pacific people are more likely to live in neighbourhoods of “high deprivation”, have the lowest median household incomes, higher unemployment rates, the lowest rates of home ownership, and the highest rates of household crowding. Qualitative research identified that Pacific people’s understandings of health and wellness are strongly underpinned by a narrative of poverty and limited resources (Ryan *et al.*, 2019). People are clear that unhealthy lifestyles are due not to a lack of knowledge, but a lack of economic resources and the ability to “make better choices”.

The proportion of all deaths considered potentially avoidable is twice as high in the Pacific (47.3%) compared to non-Māori non-Pacific populations (23.2%). Life expectancy of birth for Pacific peoples is more than six times lower than that of non-Māori non-Pacific people (Ryan *et al.*, 2019). These inequities can be primarily attributed to long-term conditions, including cardiovascular disease, diabetes and cancer.

## **Research methods**

To explore how public value is created and reported by public sector agencies, this study uses a case study approach (Yin, 2013, 2014) with a particular focus on the Ministry of Pacific Peoples (MPP). MPP serves as a principal advisor on policies and interventions designed to enhance social, cultural, and economic outcomes for Pacific communities in New Zealand. Through close collaboration with these communities, MPP leverages its deep understanding of Pacific people, cultures, and values to inform and influence public policy, program, and service decisions that impact them. The Ministry for Pacific Peoples’ mission is to enrich New Zealand with thriving Pacific communities, which include eight main Pacific ethnic groups – Samoan, Cook Islands Māori, Tongan, Niuean, Fijian, Tokelauan, Tuvaluan and Kiribati. Through a public value approach, the government aims to provide Pacific communities of New Zealand, an opportunity to determine for themselves what wellbeing is for Pacific people from a Pacific perspective. The vision of the Ministry is to “Enrich Aotearoa New Zealand with thriving Pacific

communities". To achieve this vision, the Ministry is focused on four long-term goals that are commonly shared by government partners and Pacific communities.

Given the focus of the study is to explore a case of public value creation, the MPP offers a unique setting as this public sector agency is the New Zealand government's principal advisor on policies and interventions for improving public value outcomes for Pacific peoples in New Zealand. The MPP closely work with Pacific communities and understands their cultural and wellbeing aspirations, issues and opportunities and uses them to inform policy development, enhance engagement practices with the Pacific communities, and influence decision-making regarding Pacific peoples across the government. MPP as a case study was considered appropriate to understand what and how values concerning Pacific Peoples were recognised and disclosed by the New Zealand government and MPP.

The two key sources from which data was collected include the New Zealand government and MPP's websites. The New Zealand Government's website was looked at alongside archival records of secondary literature on New Zealand's public sector. The authors also analysed annual reports, wellbeing budgets, strategic intent, surveys and other archival information of the MPP for three years, i.e., 2020, 2021 and 2022. The Budget Statements of the New Zealand Government were also examined for the same period. This study used secondary data to explore the wellbeing measures adopted by the MPP and their impacts on the Pacific people. The use of these documents provided diverse but complementary insights into mechanisms used by the New Zealand government to identify, deliver, and report on the aspirations of Pacific communities. For instance, survey reports were useful in identifying socio-economic concerns, budgetary documents provided information on investments made to deliver Pacific aspirations, and annual reports tracked the performance outcomes.

As limited studies have provided an account of how public values are identified, created and reported, this study uses thematic analysis to examine the current public value creation practices of the MPP (Neuendorf, 2018). The approach allowed the researchers to generate, select and review themes associated with the central research aim. After downloading the documents, we thoroughly read them to familiarise ourselves with their structure and content. In this familiarisation process, we took notes on key ideas and noted recurring themes and issues. We used open coding (Boeije, 2010) to organise the data into various categories driven by the research aims including the types of Pacific people's aspirations, goal setting, plans, policies and other instruments used to achieve goals, resource allocation and reporting on performance outcomes.

Based on the general understanding of the content and insights from the public value perspective, four major themes – cultural issues (language, cultural celebrations and religion), economic issues (employment, income, life satisfaction and housing), health and wellness issues (life expectancy, health services and mental health) and intergenerational issues (education, resilience and identities) – were created. This categorisation assisted the researcher in performing qualitative analysis of data to identify mechanisms used by the New Zealand government to address the social, cultural and economic issues of Pacific peoples and examine the associated performance outcomes. For instance, after identifying the key themes, the researchers searched for public investment-related information in budget policy documents and wellbeing budgets. Similarly, the performance outcomes for each theme were then identified and analysed.

## **Findings**

This section presents the findings of the study in relation to the New Zealand government's approach to creating public value for Pacific peoples and the outcomes achieved. The findings illustrate the use of a comprehensive approach to identify, address, track, and report wellbeing issues affecting Pacific communities. The New Zealand government employ public value-driven instruments, such as wellbeing budgets, to create and sustain values perceived as important by Pacific peoples. It tracks and reports

public value performance using databases like the Living Standards Framework (LSF) Dashboard, New Zealand Health Survey, OECD Better Life Index, and Stats New Zealand.

#### *Identification of Pacific aspirations and values*

In order to understand issues perceived as important by Pacific communities, extensive consultation was undertaken between 6 July 2018 and 1 October 2018 with Pacific people comprising groups of varying ages, regions and cultural, social and economic backgrounds (Pacific Aotearoa - Lalanga Fou Report, 2018). Stressing the role of engagement with Pacific communities in this project, the MPP stated:

*The project explores how Pacific communities describe success for themselves and Aotearoa. Through talanoa (discussion, conversation), we examined how Pacific values, beliefs, cultures, languages, identity and religion will support Pacific peoples' future success and contribution. The vision and goals for Pacific Aotearoa have been developed because of this engagement...*

[Pacific Aotearoa - Lalanga Fou Report, 2018, p. 10]

The two consultation methods, consultation engagements and online surveys were used to understand and identify the values and aspirations considered critical by Pacific communities. The key themes identified through these consultations included education, community groups (musicians, creative, and the general Pacific), Pacific and mature women, disability, labour and immigration, and health (physical and mental). These engagement processes enabled the New Zealand government to identify economic, social and cultural issues critical to Pacific communities.

Based on these aspirations, the MPP determined four Pacific priority goals: Thriving Pacific languages, cultures and identities; Prosperous Pacific communities; Resilient and healthy Pacific peoples; and Confident, thriving and resilient Pacific young people. These goals form the basis for plans, policies and programs developed and designed to promote the wellbeing of Pacific communities. These goals go beyond the traditional narrowly focused economic development goals and focus on generating social and cultural outcomes for the public, especially minority community groups. Their achievement is facilitated by allocating necessary budgets, with the MPP playing a critical role in enabling the realisation of these goals.

#### *Instruments for delivering Pacific priority goals*

The New Zealand government budgets are strongly driven by social and wellbeing objectives, aiming to give people the capabilities to live lives of purpose, balance and meaning. The use of a wellbeing-based approach focuses on addressing issues perceived as critical by New Zealand communities such as health, education, housing and economic growth and thereby improve their living standards. The two key instruments employed to promote and support the wellbeing and values of Pacific peoples are "Budget Policy Statements" and "Wellbeing Budgets".

#### **(a) Budget Policy Statement**

The Budget Policy Statement is a key document that outlines the central government's strategy and policy for the budget. Published annually by the New Zealand government, it defines the budget priorities and wellbeing objectives that guide the government's budget decisions for a specific period (Budget Policy Statement 2022). It embraces four dimensions of wellbeing, which serve as a framework for delivering and measuring progress using a wider range of indicators than just GDP. These four dimensions are Human capital, Natural Capital, Social Capital, Financial Capital and Physical Capital (Budget Policy Statement, 2020, 2021, 2022).

This budget sets out the government's strategy to build a more productive, sustainable and inclusive economy by endorsing five wellbeing objectives, which are based on a diverse set of indicators beyond traditional economic measures. These objectives aim to enhance public value in five key priority areas:

transition to a climate-resilient, sustainable and low-emissions economy; promote physical and mental wellbeing; enable new technologies and innovations to advance economic development; promote child wellbeing; and support Māori and Pacific Peoples' aspirations.

Driven by social and environmental priorities, these budgets highlight the use of a public value approach to address broader community aspirations including those of Pacific people. Since 2018 the wellbeing of Māori and Pacific communities has remained one of the key strategic priorities. For example, in the 2021 Budget Policy Statement, given the COVID-19 situation, one of the wellbeing aims was to improve Māori and Pacific incomes, skills and opportunities, and combat the impacts of COVID-19. Similarly, the 2022 Budget Policy Statement stressed improving Māori and Pacific Peoples incomes, skills and opportunities along with access to affordable, safe, and stable housing.

### **(b) Wellbeing Budgets:**

Adopted in 2019 by the Ministry of Pacific Peoples (MPP), the annual Wellbeing Budgets aim to advance Pacific values and community-driven solutions to achieve intergenerational outcomes while meeting present-day needs. These budgets work towards achieving four priorities identified in 2018 through consultations with Pacific communities including Thriving Pacific languages, cultures and identities; Prosperous Pacific communities; Resilient and healthy Pacific peoples; and Confident, thriving and resilient Pacific young people (Pacific Aotearoa Lalanga Fou Report, 2018).

The Budget Policy Statements and Wellbeing Budgets together act as core instruments that create and sustain four values – cultural, economic, health and wellbeing and intergenerational – that are critical to Pacific communities.

### **Cultural Values**

New Zealand census results show the proportion of speakers of the Cook Islands Maori, Niue, Tokelau, Samoa, Tonga, Fijian and Tuvalu languages have decreased over time since 2001 (McCaffery and McFall-McCaffery, 2010). Evidence indicates that Pacific languages are declining both in New Zealand and overseas, highlighting a fragile and uncertain future for Pacific languages. The declining use of Pacific languages is alarming as a language is a medium of sharing cultural beliefs, knowledge and traditions (UNESCO, 2021). This decline can adversely affect the understanding and preservation of cultural values and norms.

These cultural concerns are captured and addressed by the MPP through its public value-driven goal of '*Thriving Pacific languages, cultures and identities*'. This goal aims at building a culturally inclusive environment, where "Pacific languages, cultures and identities are celebrated, valued and supported in New Zealand as they are vital to Pacific peoples' sense of wellbeing and provide the basis for Pacific communities to thrive in New Zealand" (MPP Strategic Intent, 2019-2024, p.21). A number of projects and initiatives, including the establishment of a Pacific Language Unit, Pacific Languages Strategy 2022-32, Pacific Languages Week series and Dawn Raid Apology have been put in place to preserve and foster Pacific languages, cultures and identities.

The MPP has launched the Pacific Languages Strategy 2022-2032 to support the cultural aspirations of Pacific communities in a more coordinated, coherent and structured manner. This strategy is also aligned with UNESCO's International Decade of Indigenous Languages (IDIL 2022-2032). This strategy has been formed after extensive consultation with young people, language experts, teachers and educators, academics and researchers, church and community leaders, and government agencies and institutions (MPP Annual Report 2022).

Furthermore, the Ministry also conducts a Pacific Language Week series to promote and raise awareness of the diversity of Pacific languages in New Zealand. The MPP emphasising the importance of these language weeks stated:

*Our language weeks are important opportunities for us to celebrate and share our diverse identities. Staff are encouraged to bring their whole selves to work, including culture, languages and experiences. Our Pacific Language Weeks bring this spirit of inclusion alive for us all.*

[MPP Annual Report 2021, p.27]

These projects have been supported by budget allocation to ensure its delivery. The Wellbeing Budgets for 2020, 2021 and 2022 allocated significant funding to support various aspects of Pacific culture including arts, festivals, and languages. For instance, Budget 2021 allocated NZ\$20.8 million to support Pacific bilingual and immersion education in schools and NZ\$5.1 million for the development of two new NCEA Pacific language subjects.

Additionally, the MPP actively secure funding avenues to create and sustain Pacific cultural values. An example of such funding is the establishment of the Languages Innovation Fund of NZ\$200,000. This fund focuses on:

*celebrating and raising awareness of Pacific languages, along with their cultures and identities; strengthening proficiency and growing the number of speakers of Pacific languages and thereby strengthening their cultural identity and ensuring Pacific languages, cultures and identities are valued.*

(MPP Annual Report 2020, p.14)

Since its launch in 2020, the Languages Innovation Fund has assisted Pacific communities in prompting their languages, cultures and identities. For example:

*provided NZ\$1.3 million of funding to support community language initiatives, supported over 400 community initiatives nationally that benefited over 8,000 Pacific peoples, delivered online funding workshops attended by nearly 350 participants, and completed nearly 100 engagements with community groups, providers, and partner agencies.*

[MPP Annual Report 2021, p.26]

### ***Economic Values***

The MPP creates and promotes economic opportunities for Pacific communities through the goal of 'Prosperous Pacific Communities'. This goal aims to improve employment opportunities; provide accessible and affordable housing; support business opportunities; and recognise and value volunteer contributions to New Zealand by Pacific communities.

The MPP extensively reported on the programmes and initiatives put in place to achieve these goals and priorities. The Ministry fulfils this wellbeing outcome by commissioning research on the Pacific economic development, building the capacity of Pacific communities to enter the labour market through training and education, investing in social enterprise pilot scheme, and developing affordable and quality housing. To develop and deliver these outcomes, the Ministry works with other government agencies such as the Ministry of Housing and Urban Development, Ministry of Social Development and the Ministry of Business, Innovation and Employment on initiatives focussed on supporting more Pacific peoples into home ownership. Some of notable programmes include Pacific Business Trust, Pacific Employment Action Plan, Pacific Social Enterprise, Pacific Business Village, Tupu Aotearoa (a programme that enables Pacific people to enter employment, education or training). These programmes encourage investment and development in Pacific communities. For instance, through the Pacific Business Village programme, the Ministry has invested:

*over NZ\$1.8 million to support seven Pacific business networks across the regions to help identify, coordinate and connect with over 200 Pacific businesses to support their development and capability....  
over NZ\$1.6 million into six Pacific business service providers to work with 360 Pacific businesses to*

*build their capability and expertise - services will be localised where possible and will be tailored to meet the needs of Pacific businesses.*

[MPP Annual Report 2022, p., 40]

Furthermore, the in-depth analysis of the documents reveals that the 2020 Budget Policy Statement supported the Pacific people's aspirations in New Zealand. This budget highlighted the government's commitment to enhancing Pacific communities' stronger sense of national identity as well as lifting Pacific incomes, skills and opportunities. To achieve the objectives, the budget affirmed a further investment of NZ\$14.5 million in the MPP to create opportunities for Pacific People not in employment, education or training (Treasury, 2020). This funding aimed to expand collaboration with Pacific providers in the three major New Zealand cities – Auckland, Wellington and Christchurch – to support and mentor up to 2,220 Pacific Young people into employment, education or training (Treasury, 2020). Moreover, to help Pacific languages survive and thrive in New Zealand's Pacific communities, the Government committed NZ\$20 million in the 2019 Budget to establish a Pacific languages unit within the MPP.

Similarly, in the 2021 budget, the New Zealand government recognised the impact of COVID-19 in further disadvantaging vulnerable and marginalised communities including Māori and Pacific workers (Budget Policy Statement, 2021). The budget presented the additional investments made by the government in response to COVID-19, focusing on protecting jobs and incomes, providing education and training opportunities, supporting New Zealanders' physical and mental health, and using targeted support for Māori and Pacific students and their families to stay engaged in schooling (Budget Policy Statement, 2021). For example, the government assigned a NZ\$45 million package to a Māori support agency to provide tailored responses including flu vaccinations for their communities during the pandemic.

The 2022 Budget Policy Statement reaffirmed the New Zealand government's aim to improve Māori and Pacific Peoples incomes, skills and opportunities, including through access to affordable, safe, and stable housing. A notable highlight of this budget was the adoption of the *He Ara Waiora* framework, developed alongside the Living Standards Framework (LSF) to assist the Treasury in understanding the Māori perspective on wellbeing. This framework articulates the key Māori perceptions of wellbeing, which are spirit, the environment and the human domain. It sets out the means and values that can assist in achieving the Māori as well as Pacific communities' aspirations. For instance, the 2022 budget drew interconnection between the Māori cultural values such as *mana āheinga* (having the capability to decide on their aspirations and realise them in the context of their unique circumstances and *mana whanake* (having the power to grow sustainable and intergenerational prosperity) and the wellbeing objectives:

*The ability for many Māori and Pacific people to achieve their aspirations is impeded when the education, health, housing and social welfare systems do not address multifaceted, intergenerational disadvantages. There must be a focus on how these systems interact. For example, Māori and Pacific people have lower rates of home ownership and are more likely to live in cold and damp homes. This affects health, education and economic outcomes, meaning less opportunity, and means New Zealand is missing out on the important contributions that many Māori and Pacific people could be making to our economy, society and culture.*

(Budget Policy Statement, 2022)

The MPP Ministry along with the New Zealand government continued to invest in affordable housing for Pacific people:

*We continued working with providers in Waikato to invest in a housing development intentionally designed for Māori and Pacific families. The development is due to start in late 2022 and our investment will provide 12 affordable home ownership opportunities for Pacific families.*

*In the 2022 Budget the Government put aside contingency funding of NZ\$114.6 million to support: the establishment and resourcing of a new housing entity that will deliver improved housing outcomes for Pacific peoples in the Wellington region, and..... the development of up to 300 homes for families in Eastern Porirua.*

[MPP Annual Report 2022, p.40]

### **Health and Wellness Values**

Pacific peoples, in general, aspire to lead healthier lifestyles and strive towards enjoying a better quality of life. Despite these aspirations, the Pacific communities have been observed to have poorer health and more unmet needs for health care in comparison to the rest of New Zealand's population. According to the Ministry of Pacific Peoples Strategic Intent (2019-2024, p.29), Pacific children are more than 40 times more likely than European children to be admitted to hospital for acute rheumatic fever, an illness which remains one of the most extreme examples of an avoidable health disparity in New Zealand. Pacific adults are over twice as likely to be obese than non-Pacific adults, and 30% per cent of Pacific children are obese, compared to 12.4 per cent of the total population. The New Zealand government acknowledged that:

*While Asian New Zealanders (90.3 per cent) and European New Zealanders (88.6% per cent) reported the highest proportion of adults with good or very good health in 2020/21, Māori (82.1 per cent) and Pacific peoples (81.7 per cent) have reported worse rates. The gap in reported health between Māori and Pacific peoples and the rest of the population has widened in the past two decades. Addressing these outcomes is one of the objectives of the health and disability system reforms, which include the establishment of a Māori Health Authority, with the power to directly commission health services for Māori.*

(Budget Policy Statement, 2022).

Pacific people during the 2018 Pacific Aotearoa New Zealand engagement identified key factors that led to poorer health outcomes for Pacific peoples which entail the high cost of housing and necessities which present barriers to them accessing health services, and a lack of accessible and culturally appropriate health services. To support the health and wellness aspirations of Pacific communities, the MPP has adopted the '*Resilient and Healthy Pacific Peoples*' goal to encourage preventative measures, such as educational and community-based programmes held by and focused on Pacific peoples, for the long-term health and wellbeing of Pacific peoples.

In particular, this goal focuses on the delivery of four health and wellness outcomes including improved preventative care and integrated primary health and social services for Pacific families; incorporating Pacific peoples' values and experiences in the design and delivery of health and wellness services; supporting Pacific mental health and wellness using Pacific cultural frameworks; and supporting Pacific parents to provide the best start in life for their children.

The Ministry works collaboratively with key agencies such as the Ministry of Health, Ministry of Social Development and Ministry of Justice to develop and deliver shared work programmes aimed at improving health outcomes for Pacific peoples. Moreover, the MPP is also committed to monitoring the effectiveness of Pacific-targeted innovative community health initiatives.

The findings of the study further reveal the government's targeted approach to support relatively disadvantaged communities such as the Pacific people to combat the global health crisis of COVID-19 impacts. To create awareness about COVID-19 among Pacific communities, the Ministry delivered considerable national, regional and ethnic-specific online engagements and disseminated translated materials in nine Pacific languages using digital channels and ethnic specific radio segments. The annual report 2021-2022 (p.44) stated:

*We have prioritised the mitigation of the impacts of COVID-19 on Pacific communities by providing funding mechanisms to enable community-led approaches that respond appropriately to the needs of Pacific people.....This approach has strengthened our ability to gather insights, intelligence and data from Pacific communities to inform our advice to the wider system on the needs of and issues for Pacific peoples. We continue to influence a system-wide approach to mitigating the impacts of COVID-19 on Pacific communities.*

### ***Intergenerational Values***

Pacific cultural traditions, languages and values are a source of pride for Pacific young people. Yet not all Pacific young people experience a similar strength of connection to their language and culture. The retention of Pacific languages and cultural awareness is often challenging for our youth.

According to the Ministry's Strategic Intent (2019-2024), Pacific young people are nearly twice as likely to experience depression, anxiety and attempt suicide in comparison to the general population. Therefore, to develop the mental and emotional resilience among Pacific young people, the MPP had adopted the '*Confident, thriving and resilient Pacific young people*'. The goal aims to ensure that Pacific young people are confident in their languages, cultures and identities and have the mental resilience, educational experiences and skills to thrive in New Zealand. Pacific cultural traditions, languages and values are a source of pride for Pacific young people. The key wellbeing outcomes identified by the Ministry towards this goal are: Pacific people are confident in their identities; Pacific young people have improved experiences in education; Pacific young people have better pathways available to them from education to employment in a broad range of careers; and Pacific youth mental and resilience are strengthened.

The review of documents showed that the government allocated significant funding to improve education and training capabilities for Pacific young people. For instance, in the 2021 Wellbeing Budget, the MPP reported:

*Budget 2021 invests NZ\$5 million to deliver Tapasā, a professional learning and development tool for teachers and leaders of Pacific learners. Tapasā will enhance the relationship between teacher and student by helping non-Pacific teachers understand Pacific culture so that students' identities and languages are seen and valued.*

[MPP 2021 Wellbeing Budget, p.6]

### ***Tracking and reporting of Pacific values performance outcomes***

The New Zealand government has not only established goals and targets to promote public value for Pacific peoples but also enabled their monitoring and reporting through the use of a range of databases such as the New Zealand Health Survey, OECD Better Life Index and Stats New Zealand. Such statistics play a crucial role in collecting socio-economic data about Pacific peoples and informing future policy and budget decisions. The government has also developed a Treasury's Living Standard Framework (LSF) to support its wellbeing approach. It uses wellbeing data and evidence to inform the government's policy decisions. The LSF Dashboard, released by the Treasury in December 2018, provides a range of wellbeing indicators and analyses. The dashboard offers a perspective on how to measure a country's wellbeing. The Treasury has published multiple iterations of the LSF and Dashboard to better capture and reflect priority areas, such as Maori and Pacific Peoples, child wellbeing, and culture.

The public value outcomes were disclosed in both Budget Policy statements and MPP Annual Reports, acknowledging the need for further investment and opportunities. The tracking and reporting of performance were informed by a range of surveys published by various public sector agencies such as Statistics New Zealand and the Ministry of Education. Therefore, the performance reporting was

affected by the frequency and availability of the data. For example, due to the New Zealand Census of Population and Dwellings survey being conducted every five years, the MPP could not report the performance outcomes associated with shifts in population demographics, including education, housing, and languages on an annual basis. Similarly, COVID-19 impacted the collection and reporting of some measures such as the New Zealand General Social Survey.

Overall, an improvement in the various wellbeing aspects was observed, however, a notable gap still exists between Pacific and Māori communities and the rest of the New Zealanders because of pre-existing inequities and COVID-19 (Budget Policy Statements (2020, 2021 and 2022)). Below is the description of outcomes achieved across the four Pacific values:

### ***Cultural Values Performance Outcomes***

The MPP tracked and reported four performance outcomes underpinning the cultural values and aspirations of Pacific communities in New Zealand. These outcomes include increasing the proportion of Pacific peoples speaking their own languages; recognising and valuing Pacific languages and cultures as an asset; increasing awareness, recognising and celebrating diverse Pacific identities; and recognising faith and the role of churches as a valuable resource amongst Pacific communities. Table II provides an overview of the outcomes reported by the Ministry subject to data availability constraints.

[Insert Table II here]

The analysis of performance outcome reporting reveals a varying trend in the number of students involved in learning a Pacific language. Although students' engagement with Pacific languages increased by 52 per cent in 2020-21, a downward trend of 14 per cent was noted in 2021-22. Additionally, the MPP conducted an online survey between November 2021 and February 2022 to provide a comprehensive overview of the current state of Pacific languages in New Zealand [Leo Moana o Aotearoa Survey Report, 2022]. The survey reported that approximately 39 per cent of participants indicated a high proficiency in a Pacific language, 26 per cent reported being proficient, and 35 per cent reported not being proficient. Elders were significantly more likely to report being highly proficient in a Pacific language (50%) than adults (42%) and youth (30%). This trend highlights the necessity for increased opportunities to learn Pacific languages in school education.

Religious affiliation was considered an important aspect of practising cultural values by Pacific communities. The 2016 General Social Survey reported that 53.1 per cent of Pacific people identified themselves to be associated with a religious/spiritual group, club or organisation. Although not conclusive, the Leo Moana o Aotearoa Survey Report (2022) signals an increasing sense of religious belonging among Pacific people, with about 90 per cent of the participants identifying their religious affiliations.

### ***Economic Values Performance Outcomes***

The MPP used employment rates, housing and volunteering contributions of Pacific communities to observe and report the economic value creation. The economic performance outcomes set by the MPP are: Elevating the participation and success of Pacific peoples in the labour market, Increase home ownership by Pacific peoples, More suitable housing is available for Pacific peoples, and Recognition of the value and contribution of Pacific volunteer efforts. The outcomes are summarised in Table III below:

[Insert Table III here]

Since 2019-20, there has been an increasing trend in employment rates, with the employment rate for Pacific peoples rising from a baseline of 60.7 per cent to 64.7 per cent in 2021-22. The data analysis indicates that the government was not merely focused on increasing the employment rates rather it was

committed to creating diverse and inclusive workplaces. It encouraged state sector boards to utilise the skills offered by Pacific representatives. As a result, the Pacific representation on public sector boards and committees increased from 5.4 per cent in 2019 to 6.4 per cent in 2021. Moreover, Pacific ethnicity representation in new appointments in 2021 has increased to 9.4% from 8.5% in 2020 (MPP Annual Report, 2022). Moreover, average scores for overall life satisfaction among Pacific peoples were found to be relatively consistent (7.9) with Māori (7.8) and other New Zealand communities such as Europeans and Asian communities (7.8 and 7.7 respectively) (Budget Policy Statement, 2021).

Despite the encouraging trends, the financial status of Pacific communities remains a matter of concern. An analysis of the incomes of all employees conducted in March 2021 by the New Zealand Treasury revealed that Pacific workers were more likely to have dropped into a low-income bracket (between \$200 and \$300 per week). The number of Pacific people in this low-income bracket had significantly increased by 69% respectively in comparison to the percentage increase of Europeans in the low-income bracket (27%) (Budget Policy Statement, 2021). Acknowledging the impact of COVID-19 on the economic development of Pacific communities, the government remarked:

*Since COVID-19 we have seen the highest rates of unemployment for Māori and Pacific women compared to the rest of the population. The median ages of Māori (26) and Pacific peoples (23) are significantly lower than that of the general population (38), meaning these groups are important to the overall strength of the future workforce. These age groups are also likely to suffer the lifelong consequences of labour market scarring early in their careers. It is important as we move through the recovery that we consider the specific needs of Māori and Pacific peoples to continue building their economic resilience to shocks and build intergenerational prosperity.*

(Budget Policy Statement, 2022)

Housing-related statistics remained largely unknown because of COVID-19. Nonetheless, the central government reported lower rates of homeownership among Pacific communities and recognised the need for more affordable housing (Budget Policy Statement, 2021 and 2022).

### **Health and Wellness Values Performance Outcomes**

Favourable health and wellness outcomes were reported by the MPP, as summarised in Table IV. The wellbeing outcomes data indicates an overall improvement in health services for Pacific people over the three-year period. Crude Ambulatory Sensitive Hospitalisation (ASH) has observed a positive trend in the results for both children and adults, with a significant positive decrease of 40 per cent for children during 2020-2021 and a decrease of 9.8 per cent for adults. Some of the indicators such as 'proportion of doctors and total nurses practising who identify with Pacific ethnicity' and 'unmet needs experiences of adults' have observed minor improvements from the previous year. Yet the 'unmet needs experiences of children' indicator noted a negative trend with an increase of 1.5 per cent in 2020-2021, followed by a notable positive outcome in 2021-2022 evidenced by a 6.1 per cent decrease. The result for adults has a minor positive decrease of 0.8 per cent in 2020-2021 and 2.3 per cent in 2021-2022.

The proportion of doctors has remained relatively stable, while there is a positive increase in the percentage of nurses who identify with Pacific identity. The MPP recognised the importance of having a preventative healthcare workforce to support Pacific peoples in receiving culturally appropriate care.

[Insert Table IV here]

Although the MPP has demonstrated a notable improvement in health services provided to Pacific communities, the Pacific communities continue to report relatively poorer health. In 2021-21, Asian New Zealanders (90.3%) and European New Zealanders (88.6%) reported the highest proportion of adults with good or very good health in 2020-21. Yet Pacific people (81.7%) reported worse rates (Budget Policy Statement 2022).. Moreover, mental health emerged as a significant issue among

various New Zealand communities. In particular, the percentage of adults experiencing psychological distress was observed to be relatively higher among Māori and Pacific communities in comparison to the other ethnic groups (Budget Policy Statement, 2020). To address this issue, the New Zealand government continued to build on the NZ\$1.9 billion of mental health investments that were announced in the 2019 budget (Budget Policy Statement, 2020).

### ***Intergenerational Values Performance Outcomes***

The measures the Ministry uses to track across the system against these outcomes are outlined in Table V. Most of the indicators in this category remained untracked because of the insufficiency of data. Nonetheless, a negative trend has been observed in regard to the “proportion of Pacific young people (15-24 years) not in education, employment or training” indicator, with an increase of 4.1 percent in 2020-2021, followed by a slight desired decrease of 0.9 per cent in 2021-2022. This undesirable significant increase is associated with COVID-19 and its impact on employment outcomes and learning opportunities for many Pacific young people (MPP Annual Report 2021). In response to recovering from the impacts of COVID-19, the MPP is focusing on a number of programmes targeted at supporting Pacific youth (MPP Annual Report, 2021-22).

[Insert Table V here]

The Budget Policy Statement 2022 noted that:

*Despite significant improvement, pre-existing inequities persist, with unemployment rates for young Māori and Pacific workers and young people still twice the rate of that for European New Zealanders and middle-aged workers. Unemployed people have reported lower levels of overall life satisfaction, lower mental wellbeing and higher levels of loneliness than the general population.*

Among Māori and Pacific students in Auckland, the number of school leavers as of early October 2020 was 2,591, a fall of 34 per cent compared to the 3,909 students who had left school in early October 2019 (Budget Policy Statement, 2021). Nonetheless, the government acknowledged:

*While education outcomes for Māori and Pacific students have improved, there continues to be significant differences between these groups and the rest of the population. The proportion of Māori and Pacific peoples aged 25 to 64 with at least an upper-secondary school qualification was 66 per cent for both groups in 2020, up from 57 per cent and 52 per cent in 2008 respectively.*

(Budget Policy Statement 2022)

The Ministry conversant with this negative trend has introduced a number of programmes aiming to support Pacific youth.

### **Discussion**

This paper presents an overview of the development of a public value outcome-based approach to public sector accountability. We used a case study of a public sector agency to demonstrate public sector accountability that extends beyond economic outcomes. The reality is that, while both Māori and Pacific people have made significant socioeconomic gains over the past few decades, they also account for some of the poorest health and education statistics, the lowest incomes, and some of the highest welfare dependency and incarceration rates (Statistics New Zealand and Ministry of Pacific Islands Affairs, 2002). Given this shared predicament, Māori and Pacific people are often ‘targeted’ as groups needing special state or institutional attention. The Pacific people need to rely on the general democratic principle surrounding minority rights.

In the public sector, the core concept of public value is to revise the traditional approach to how values are defined and produced (Moore, 2014). According to a more widely used definition, “public value is what

the public values” and makes reference to the “combined view of the public about what they regard as valuable” (Talbot, 2011, p. 28). The key perspective of public value perspective is to move away from old public administration and new public management preoccupation with economy and efficiency in favour of providing “non-economic forms of value-added to citizens through public service delivery” (Osborne *et al.*, 2022, p. 2). This study illustrates the shift in the government focus from traditional GDP-oriented economic performance to holistic public value oriented performance metrics (Kelly *et al.*, 2002; Sharma, 2012, 2021; Stiglitz, 2019). The New Zealand government fostered the cultural, economic, health and wellness and intergenerational values of Pacific communities. These values were identified through extensive consultations with Pacific communities, facilitated through two key instruments Budget Policy Statement and Wellbeing Budgets, and tracked and reported using a range of databases. An approach to report information on public value is through indicators as in the case of the Ministry of Pacific Peoples. The reporting of both positive and negative outcomes presents a case of public sector accountability and transparency. The evidence shows that there has been a desired improvement in the four public value goals within the Ministry of Pacific Peoples. These four goals entail: (1) thriving Pacific languages, cultures and identities, (2) prosperous Pacific communities; (3) resilient and healthy Pacific peoples and (4) confident, thriving and resilient Pacific young people. Moore (1995) admonishes public organisations to not narrowly focus on achieving targets or protecting politicians but to strive for desirable outcomes, such as welfare, wellbeing and equity.

The study emphasised the importance of adequate resourcing to promote and accomplish public values. New Zealand’s public management reforms were designed to shift the focus from what resources were being used, to what was being produced and what outcomes were achieved as a result (Kibblewhite and Ussher, 2002). Considerable effort is being applied to move outcomes into the core of the practice of public management in New Zealand.

The study also presented an overview of performance outcomes achieved. It is noteworthy that value creation, in particular to Indigenous cultures and intergenerational aspirations can be gradual. Therefore, the creation of social, cultural and intergenerational values requires long-term commitment. Moreover, the value creation and measurement processes require multi-stakeholder participation. In the case of MPP, the Ministry of Health played a vital role in creating, supporting and measuring health outcomes. Similarly, the MPP delivered education-related plans and programs along with the Ministry of Education.

The evidence gathered shows that public value outcome-based public sector accountability is an iterative process which is in a constant state of being updated. This ensures that the services delivered are efficient and effective and deliver value for money. The public value creation outcomes bring benefits to the communities which are aligned with the organisation’s vision and mission. The public sector is responsible for delivering value-adding services to the citizens and its impact needs to be measured by its potential benefit to the society and in line with the wellbeing budget. The new wellbeing budgeting process necessitates the government to consult the public to understand what matters to them directly (Malpass, 2019).

The New Zealand government’s performance management now expects public servants to ‘manage for outcomes’ in order to deliver public value (Norman, 2007, p.536). Each output predicated on public value norms is defined stringently so that an individual chief executive could not use a claim of ‘factors beyond control’ as a reason for non-performance.

The study shows that the performance indicators have been used extensively by the Ministry of Pacific Peoples to illustrate public value creation. Pacific people have been lagging behind other ethnic groups in relation to economic and social wellbeing. The performance indicators have been helpful in the public value creation. This has been useful in narrowing the gap in the welfare of Pacific Peoples with other ethnic groups. The study demonstrates that public value creation in this space assisted the marginalised and oppressed Pacific peoples to regain legitimacy and lead an improved lives in New Zealand.

## Conclusion

The Ministry of Pacific Peoples has adopted the public value outcome approach based on the principles of the Wellbeing Budget of the government. The public value outcome approach can be a lengthy process requiring a strategic approach to resource allocation. The ministry has adopted this approach by delivering five-year forward estimates in its Strategic Intent documents. It is also essential to define the outcomes and outputs with set objectives. The MPP used the terms 'outcomes' and 'result' and established a clear set of objectives for each public value outcome and result which makes it manageable to measure performance as per the objectives.

This paper contributes to the public value research which has received relatively less attention in the literature. Public value accounting is a research field that is yet to achieve a significant level of attention (Bracci *et al.*, 2019). Public value offers a broader way of measuring government performance and guiding policy decisions (Kelly *et al.*, 2002). By looking at the totality of the impact of government through public value creation can help to improve policy decisions. Government policymakers need to emphasise on those public value creation that has an enormous positive impact on the citizens. This will also help to improve the relationship between government and citizens through increased trust in the government by the citizen. This emanates from the public value created by the government.

According to O'Flynn (2007), collaborative forms of working may best fit with the public value pursuit. For this to happen, we need longer-term relationship management skills focused on conflict resolution, trust building, information sharing and goal clarity. Considerable attention will be required to be devoted to the development of new skills of managers to effectively navigate the complexities that come up with a new paradigm of public value creation. Public value offers a broader way of measuring government performance and guiding policy decisions. Taking this holistic approach, looking at the totality of the impact of government, could help to improve policy decisions and improve the relationship between government and citizens.

While meeting the defined public value outcomes takes a priority area in accomplishing the purpose and strategic objectives of the Ministry of Pacific Peoples, measuring performance is imperative to resource allocation. The responsible Ministers are kept well informed of the alignment between resources and the purposes. This enables policymakers to fund initiatives that enhance wellbeing of the community and the key deliverables defined by the MPP. If encouraging results continue to develop in New Zealand which demonstrates the benefits of the public value outcome approach, more countries might begin to use measures of economic wellbeing beyond Gross Domestic Product when making budget allocation decisions.

This study has some limitations. One of the limitations is the use of secondary data and the use of content analysis methodology. In-depth field research with interviews is needed to investigate and assess how this and similar Ministries address the multiple, often competing demands from various stakeholders when it comes to developing their strategic public value goals. Future research could also explore how accounting plays a significant role and the connection between wellbeing investments and performance outcomes achieved.

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