

Government of Tokelau

Review of the 2004 Devolution of Public Services

to the Villages

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The review team would like to thank the many people it consulted in the course of this review for their time, thoughtful contributions, and for their commitment to the effective implementation of devolution for the benefit of the people of Tokelau.

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Summary of the report

The purpose of the devolution review is to establish:

- how devolution has worked in practice
- how services are currently being delivered
- what has worked well and what has not worked so well.

The review team is asked to recommend on adjustments to make, supplementary questions to ask and broader issues that need further investigation. Appendix 1 sets out its terms of reference. Appendix 2 sets out the work plan adopted for the review.

The team consulted in Wellington, Apia and Tokelau in June and July 2012, holding some 50 meetings involving over 200 people. It presented its report first to a steering group set up to oversee the work of the review, and then to the Council for the Ongoing Government, before submitting it to the General Fono for consideration at its October 2012 meeting.

By way of background, the Tokelau Public Service, established in the 1970s, was largely run from Apia, not from Tokelau. From the early 1990s, concern was raised about the amount of work undertaken from Apia and the quality of public service provision in the villages, with calls for the authority for managing these services to be restored to the Taupulega. In response, the Modern House of Tokelau project, initiated in 2000, sought to develop a governance structure based on Tokelau's cultural context.

In June 2003, the General Fono decided that management of village public services should be devolved to each Taupulega with effect from July 2004. In preparation for devolution, the 2003 Tokelau Public Service Commission of Inquiry looked at the provision of public services in Tokelau and made recommendations about how best to implement the devolution changes. These included:

- Appointing a National General Manager to coordinate national policy advice, service the Council of Faipule, liaise with Village General Managers, manage dissemination of information, and manage departmental directors
- Retaining national responsibility for services such as setting and monitoring national standards, human resource development, and managing national economic development, shipping services, procurement of supplies, medical referrals, the scholarships scheme and international relationships
- Transferring responsibility for village-based Tokelau Public Services including hospitals and schools to the Taupulega and combining these staff and village workforces with the conditions of employment for the public servants extended to all workers based on the Tokelau Public Service Manual
- Discontinuing the Tokelau Employment Commission and adopting new appeal processes using the law commissioners
- Creating appropriate offices within each Taupulega to take on responsibility for managing the devolved services and transferring appropriate funding to villages for their new responsibilities

- Relocating key national public service support and advisory staff to Tokelau, while retaining a smaller Apia office with key liaison responsibilities.

With some important modifications, the recommendations of the report were adopted by the General Fono in January 2004. Changes included the decision that the General Manager, Apia would *not* have responsibility for managing departmental directors who instead would report directly to their Ministers, and the decision *not* to introduce independent appeal/review arrangements.

Expectations for devolution were high, with a pervasive belief that it would solve many problems. However, after eight years of operation, there is consensus that the villages were not ready for the onerous changes, and that the process was rushed, poorly planned, executed and resourced. Particular problems related to the devolution of services that were already in need of significant changes and improvements, the creation of three additional bureaucracies with wide spans of responsibility in a small society with significant existing human resource capacity issues, and expecting the village and national services to maintain a high level of contact without the support of a reliable and regular shipping service.

After eight years of operation, the results have been disappointing, with deteriorating services in some sectors, confusion about roles and responsibilities, high levels of political involvement in management issues, lack of trust and the loss of a sense of nationhood as villages became increasingly 'nuku-focused' with little activity to bind them to national issues and concerns.

Despite these difficulties, the review team found that the people of Tokelau continue to see devolution as highly appropriate in the Tokelau context. Few wish to return to nationally-managed services. Instead, there is a strong desire to make changes that will enable devolution to work, ideally finding a balance between faka-Tokelau concepts and the good governance, human resource and employment best practice needed to run an effective 21st century public service. While the marriage of approaches poses some challenges, the commitment of Tokelauans to see devolution work provides a welcome foundation for the changes needed.

The review team's recommendations focus on improving the understanding and application of the principles of good governance by those in governance roles: the Taupulega, Faipule, Pulenuku and General Fono, and on clarifying roles and responsibilities of all parties to the devolution. They seek to strengthen management of the public service at national and village levels and to increase the opportunities for national and village public services to work together to improve services provided to people in the villages, including the relocation to Tokelau of many staff based at present in Apia. They also seek to reintroduce some independent appeal arrangements. The recommendations also seek improvements in human resource development, financial management, communications, some departmental structures, and make suggestions on how New Zealand can assist with supporting activities to give good effect to devolution.

While the changes recommended will assist in promoting the effectiveness of devolution, the real impact will depend on the calibre, capability, commitment and ethics of people appointed to key public service positions, together with those with governance roles, and their ability to imbue a new culture of effective performance and compliance with systems and rules. Alongside their commitment to the tasks at hand will be the commitment of those in governance positions to restrict their activities to their governance roles, and ensure

that agreed policies are implemented and followed. Without this commitment, the recommendations of this review are likely to have little impact.

Summary of recommendations

- **Good governance** recommendations (see pages 5-6) are concerned with providing adequate training and guidance to support good governance, ensuring that the roles of the Faipule, Pulemaku, Village General Managers and senior national staff are clear and well-understood, and establishing a Chief Advisor position in the national office to promote good governance practice at all levels
- **Management** recommendations (see pages 7-10) focus on establishing a new position of National General Manager responsible for overall management of the national public service. The position will have direct line responsibility for the management of directors of national departments whose responsibilities will be clearly set out in annual performance agreements. The National General Manager will also be responsible for reviewing the structure of the national public service and convening a National Coordination Group comprising the Chief Advisor and Village General Managers to coordinate activities, share information and improve integration of services. Management recommendations also include establishing a new Director of Human Resources position, developing and implementing a national human resources capacity and development plan, revising and applying the Tokelau Public Service Manual, and implementing a performance management system for staff at all levels
- **National structure** recommendations (see pages 12-13) relate to reviewing arrangements for police, identity, border security, immigration services and Teletok with a view to developing appropriate structures, and with retaining the useful Planning and Monitoring Unit
- Recommendations that relate to **village management and structures** (see pages 13-14) are concerned with clarifying the respective roles and responsibilities of the Faipule, Taupulega, Pulemaku and Village General Managers
- **Relocation** recommendations (see pages 14-15) call for clear identification of positions that must remain in Apia, and the development of a plan for the relocation to Tokelau of all other staff whose work can be undertaken from Tokelau
- **Human resource development** recommendations (see pages 15-17) are concerned with ensuring access to external expertise, using external contractors engaged on projects for local skill development, sharing of specialist skills within Tokelau, and with developing and implementing the national human resource capacity and development plan
- Recommendations on **human resource policies and practice** (see pages 17-18) focus on improving linkages between and support provided to the Village General Managers by the national Director of Human Resources on human resource issues

- **Financial management** recommendations (see pages 19-20) relate to capital asset planning and recording of depreciation, and are also included in broader recommendations relating to good governance and management
- **Communications** recommendations (see pages 20-21) are concerned to improve the provision of information to the people of Tokelau about national and village work programmes, decision making and budgets
- **Independent review** recommendations (see pages 21-22) call for the establishment of an independent review authority to investigate and make recommendations on any complaints about the:
 - Administrative conduct of any national or village department or
 - Decisions of the General Fono, Council, Taupulega or members of those bodies who may have exceeded their authority or acting in breach of Tokelau’s laws and policies
- **Tokelau’s relationship with New Zealand** recommendations (see page 23) focus on increasing New Zealand’s engagement with Tokelau, particularly in providing assistance and support to implement those recommendations of the devolution review that are accepted by the General Fono
- Recommendations relating to **transitional arrangements and review of progress** (see pages 23-24) are concerned with arrangements for making appointments to vacancies for departmental directors and suggest a programme for reviewing implementation of activities to support effective implementation.

Background

The Tokelau Public Service (TPS) was established in the 1970s along the lines of the New Zealand Public Service, and was largely run from Apia in Samoa, not from Tokelau. From the early 1990s, the elders and elected leaders in Tokelau began to voice concern about the amount of work being undertaken from Apia and the quality of service provision in the villages under the TPS. They called for authority to manage these services to be restored to the Taupulega. In response, the Modern House of Tokelau project, initiated in 2000, sought to develop a governance structure 'based on Tokelau's cultural context'¹, and to build and develop a future governance structure founded on the traditional authority of the Taupulega.

As a result, in June 2003, the General Fono decided that each Taupulega should assume full responsibility for running the public services in its village with effect from July 2004. In preparation for this devolution, the New Zealand-based Administrator for Tokelau established the Tokelau Public Service Commission of Inquiry to look at the provision of public services in Tokelau and recommend on how best to implement the changes. The Commission's October 2003 report made wide-ranging recommendations (set out in Appendix 3), noting that 'considerable preparation is necessary for these transfers'². Its key recommendations included:

- Appointment of a national office General Manager to coordinate national policy advice, service the Council of Faipule (now the Council for the Ongoing Government), liaise with Village General Managers, manage dissemination of information, and manage departmental directors
- Retaining national responsibility for services such as setting and monitoring national standards, human resource development, and managing international relationships, national economic development, shipping services, procurement of supplies, medical referrals, and the scholarships scheme
- Transferring responsibility for village-based public services including hospitals and schools to the Taupulega and combining these staff and village workforces, with the conditions of employment for the TPS extended to all workers based on the Tokelau Public Service Manual
- Discontinuing the Tokelau Employment Commission and adopting new appointment and appeal processes, with village appeals going to the local law commissioner and national appeals going to two or three law commissioners
- Creating appropriate offices within each Taupulega to take on responsibility for managing the devolved services and transferring appropriate funding to villages for their new responsibilities within the overall current national budget
- Relocating key national public services support and advisory staff to Tokelau, while retaining a smaller Apia office with key liaison responsibilities.

¹ Modern House of Tokelau Report, May 2002

² Commission of Inquiry Report, p7

The report indicated that there were no plans to reduce staff numbers and that existing terms and conditions of employment would be protected³. It recommended establishing a transfer and coordination group to oversee implementation of devolution (with three further teams established to assist villages to implement the changes), and identified activities to be undertaken at national and village level to prepare for the transfers.

With some important modifications, the recommendations of the report were adopted by the General Fono in January 2004. Changes included the decision that the General Manager, Apia would *not* have responsibility for managing departmental directors who instead would report directly to their Ministers, and the decision *not* to introduce independent appeal/review arrangements.

On 1 July 2004, the Administrator for Tokelau formally delegated his administrative powers and the three Taupulega assumed responsibility for the management of devolved public services in their villages.

Review purpose and approach

The purpose of the review of devolution is to establish:

- how devolution has worked in practice
- how services are currently being delivered
- what has worked well and what has not worked so well.

The review team is asked to make recommendations on adjustments to make, supplementary questions to ask, and broader issues that will need further investigation. Appendix 1 sets out the terms of reference for the review.

Members of the review team were Casimilo Perez (team leader), Kolouei O'Brien (representing the Fakaofu Taupulega), Ioane Nui Tumua (representing the Nukunonu Taupulega), Seiuli Aleta (representing the Atafu Taupulega), Tony Johns (co-author of the 2003 Tokelau Public Service Commission of Inquiry⁴), Kevin Allan and Sonja Easterbrook-Smith (two New Zealanders with experience of working in Tokelau).

The team consulted in Wellington, Apia and Tokelau in June and July 2012, holding some 50 meetings involving over 200 people. Appendix 2 sets out the work plan that provided the basis for the review programme. The team leader also used the Tokelau radio programme in New Zealand to discuss the review with New Zealand-based Tokelauans who were invited to provide input into the review.

The review team consulted in a participatory manner, with arrangements made where appropriate to meet with staff separate from their managers. Participants were invited to provide input in their own words. The review team used interview questions developed for the review more as an aide memoire than as formal formats for interviews. The team sought to ensure the confidentiality of contributors.

³ Commission of Inquiry Report, p82

⁴ Tony Johns provided assistance from Wellington

The review team obtained information through review of documents, group discussions, observation, and interviews with individuals. The team gathered qualitative and quantitative information. Qualitative information was cross checked by asking the same question of different groups of stakeholders, and checked for documentary evidence to support their views. The team sought to draw lessons from all the information gathered and analysed, and to identify any wider or unintended consequences of devolution.

The review team provided feedback to the Taupulega on its findings at the conclusion of each village visit and sought comment on its findings. At the end of consultations, the team leader provided feedback on the team's findings to the General Manager, Apia.

In assessing the impact of devolution, identifying lessons and developing recommendations, the review team applied the following principles to its work:

- Ensuring the authority of the Taupulega
- Identifying ways to improve services/ results for people in Tokelau
- Being realistic about what is achievable with present human and financial resources
- Transparency - ensuring that people know what decisions have been made and how they were made
- Ensuring that decision makers are accountable for their decisions
- Promoting a balance between management and employment best practice principles and faka - Tokelau practice
- Promoting cooperation between departments, between departments and villages, and between villages
- Supporting and strengthening the Tokelau/New Zealand relationship.

The team submitted its draft report for review by the steering group (made up of the General Manager, Apia, the Evaluation Advisor, the Acting Director of Finance and the Administrator's representative) which checked it ensure that it met the terms of reference developed for the review. The team submitted the final report to the Council for the Ongoing Government (the Council) in August 2012 so that it could be considered at the General Fono scheduled for October 2012.

General findings

As well as wanting to return authority to the Taupulega, a key driver for 2004 devolution was concern that the affairs of Tokelau were managed not in Tokelau, but from Samoa - another sovereign land, by people who were increasingly distanced from the realities of Tokelau. Consultations in Apia and Tokelau for this review indicated that support for the concept of devolution is universal. For those in Tokelau, relocation of staff from Apia to the villages remains an essential and non-negotiable aspect of devolution.

Devolution is seen by Tokelauans as highly appropriate in the Tokelau context. Expectations for devolution were high, with a pervasive belief that it would solve many problems. However, after eight years of operation, there is consensus that the villages were not ready for the changes, and that the process was rushed, poorly planned, executed and resourced. Devolution introduced a fragmented and confusing structure with complex processes that served to compound existing problems. Stakeholders describe the result as disappointing and disheartening, citing fragile structures, sluggish decision making, deteriorating services, lack of trust, and the loss of a sense of nationhood as villages became increasingly 'nuku-focused' with little activity to bind them to national concerns. With the ensuing focus for Tokelau leaders on self-determination referenda in 2006 and 2007, and subsequent preoccupation with physical infrastructure development, concern for effective implementation of devolution moved firmly to the back burner.

Devolution was a major change that needed careful planning and perhaps took inadequate account of the realities of the day. Notably:

- The 2003 Commission of Inquiry report identified five reviews of services in Tokelau relating to health, education, IT, finance and support for self-government. These reviews identified poor quality and delivery of services and the need for significant changes and improvements. The report noted that little had been done to implement the recommendations of these reviews. Given the poor state of these services, it is unclear why attention was not given first to making the necessary improvements before implementing devolution and replicating the problems for the three village bureaucracies that became responsible for managing the services
- To one national bureaucracy with responsibility for nine sectors, devolution added three more bureaucracies with similar spans of responsibility. This change was imposed on a small society with significant existing human resource capacity issues, and without adequate preparation and ongoing assistance to up-skill traditional leadership and to recruit, train, build and maintain the capacity staff to assist in managing across many sectors
- Regular contact between the national public service and the Taupulega and village workers could only be well maintained with a reliable and regular shipping service, and this was not available.

These problems were compounded by the General Fono's decisions *not* to make the General Manager, Apia responsible for departmental directors and *not* to introduce proposed appeal arrangements – decisions that let the Council to become directly involved in public service appointments. With few employment alternatives to the public service, a legal system that could not provide appropriate checks and balances, and with no free media, Tokelauans were left with no independent appeal arrangements to protect their employment rights and ensure good governance and management in the new environment.

Nevertheless, despite the problems identified, few wish to return to nationally-managed services. Instead, there is a strong desire to make changes that will enable devolution to work, ideally finding a balance between faka-Tokelau concepts and the good governance, human resource and employment best practice needed to run an effective 21st century public service. Although the marriage of approaches poses some challenges, the commitment of Tokelauans to devolution provides a welcome foundation for the changes that will be needed.

Themes

Governance

Key findings

- The foundation for good governance structures, practices and training provided pre-devolution was insufficient to support the scale of change required by the General Fono, the Council and Taupulega
- Since devolution there has been inadequate training and good governance resource material provided to support people in governance roles to understand their roles and how they can work most effectively with their managers and advisers. For example, there is confusion in villages about the respective roles and responsibilities of the Faipule, Pulemaku, and senior national and village staff
- Policy advice and advice on good governance is weak
- Guidance about good governance, including the respective roles of governance and management, is insufficient
- There are many examples of governance policies not being followed. For example, in conflict with the provisions of the Tokelau Public Service Manual: some public servants who should be ineligible are members of the General Fono; senior politicians and Taupulega sometimes make staffing decisions including appointments; and some villages set their own pay rates for public servants
- The lack of role clarity and, at times, failure to follow established policies, has made it difficult for managers to manage without political intrusion, and made it difficult for people in governance roles to understand what decisions they can make and what decisions their staff should make
- A tendency for decisions to be made by Ministers and their respective department directors reduces opportunities for the Council to take a collective approach to decision-making that would enable all the interests of Tokelau to be considered in key decisions
- Breaches of governance policies and guidelines have occurred without sanction or remedy at times, resulting in some loss of confidence in the integrity of government practices
- Processes that prevent breaches of good governance practice are weak
- Village committees for health and education are functioning poorly or not at all
- There are some examples of sound governance. For example: in one village recently removed a senior Taupulega member for a period of time as a penalty for infringing village rules; the independent audit function through Audit New Zealand ensures a robust international standard of financial accountability is maintained; and marked improvement in governance decisions and understanding followed some recent governance training
- Approximately US\$470,000 United Nations Development Programme (UNDP) funding committed to Tokelau may be able to be transferred to support a good governance programme.

Recommendations

In relation to good governance, the review team recommends that the General Fono agrees:

1. To develop and implement as soon as possible a comprehensive, on-going **training programme in good governance** for members of the General Fono, the Council, Taupulega and senior staff

2. To further develop and implement **good governance guidelines** by the Council, similar to the New Zealand Cabinet Manual, which include:
 - a. A commitment to collective decision-making
 - b. Requirements for departments to consult other departments and Village General Managers on papers to the Council, for papers to identify financial, social and environmental issues, and note whether the proposals are consistent with the Tokelau National Strategic Plan
 - c. Ministers to consult other Council members before making significant decisions
3. To develop and distribute a clear **statement of the key roles and responsibilities** which distinguishes governance and management roles of the Faipule, Pulenuku, Village General Managers and senior national office staff
4. To develop **memoranda of understanding** by December 2013 or earlier between department directors, Taupulega and Faipule to clarify their respective roles and responsibilities to ensure an integrated service for the people of Tokelau
5. To further develop a **conflict of interests' policy** for adoption by the General Fono, Council and each Taupulega on the advice of the Chief Adviser (see proposed new role below) and provide for a conflicts register. [Note: A conflict of interest policy is designed to enable people to participate in a group but to withdraw from some decisions where they have an interest]
6. To strengthen policy advice by establishing a new position of **Chief Advisor** reporting to the National General Manager. The Chief Advisor will be responsible for the provision of policy advice, development of good governance policies and the provision of good governance training including:
 - a. Ensuring high quality advice is provided to the General Fono and Council which meets all governance policies or guidelines
 - b. Ensuring provision of good governance training at national and village level for people in governance roles and relevant staff (including all department directors, Village General Managers and policy advisers)
 - c. Ensuring the on-going development of good governance guidelines for the General Fono, Council and Taupulega in consultation with those bodies and senior staff, including Village General Managers
 - d. Ensuring induction training after each election for General Fono and Council members
 - e. Assisting Village General Managers with induction training and on-going good governance training for Taupulega
 - f. Advising the Ulu and Chair of the General Fono about compliance or non-compliance with governance policies (for example, eligibility to participate as a General Fono member)
 - g. Providing advice and support to Village General Managers and their policy staff to ensure high quality advice is available to Taupulega
 - h. Advising the General Fono, Council and Taupulega of any breaches of governance policies by any of those bodies or their advisors
 - i. Advising the Independent Review Authority (see pages 21-22) of any breaches of governance policies if they are not remedied within a reasonable time
7. To remove the requirement that villages maintain health and education committees, although they may retain them should they wish to.

Management

Overall management system

Key findings

- The current national management system has serious weaknesses that make integrated planning and action, accountability of public servants and sound financial management difficult. It also encourages directors to work closely with their Ministers but without linkages to the wider interests of Tokelau
- The management system is split into four units – the national service and the three village services. While this is consistent with the intention of devolution, it creates the challenge of maintaining national momentum and unity while at the same time maintaining the capacity in each village to manage a large number of services themselves. This requires duplication of services that are difficult to obtain, for example, strong general management, financial, human resources and project management
- There is a high risk that Tokelau becomes three villages rather than one nation that includes three villages. The problem is compounded by the lack of integration of national management and services and the location of many staff in Apia rather than Tokelau
- The absence of overall leadership and management of the national public service has created a fragmented service with inadequate accountability, collaboration and support for senior managers and their teams. This has resulted in inconsistent planning and reporting on results and significant problems with financial and performance management.

Management of the national public service

Key findings

- The current General Manager, Apia position is responsible for coordination but not management. This means there is no line management to department directors making it difficult to ensure good management at a national level
- The absence of line management has resulted in disjointed decision-making without a 'whole of Tokelau' focus, lack of management accountability by directors, de-facto management of directors by their Ministers (which is inappropriate), poor financial management and employment practices in some areas, and failure to action some key decisions such as relocation of staff from Apia to Tokelau
- Department planning and reporting is very weak. The review team was advised that only three out of eight departments had plans completed and in place
- A notable success is the Tokelau National Strategic Plan 2010 – 2015 which provides a sound overview of Tokelau's development goals and now underpins national and village plans for 2012/13
- Department plans are not generally linked to individual staff members' work plans and priorities
- There is virtually no performance management system operating for directors. There is some 'performance appraisal' undertaken by Ministers in relation to directors which creates the risk of a political public service. The lack of a performance management system means there is no linkage between the national and department direction and the work of the directors who should have primary responsibility for developing and implementing department plans

- The lack of line management and performance management of directors creates serious problems that the present management system is unable to resolve. Examples include: departments exceeding budget; staff not relocating to Tokelau when they have previously agreed to; staff members participating as members in the General Fono against the Tokelau Public Service Manual provisions; senior staff not consulting other departments; not consulting the Finance Department on policy proposals going to Council; papers going late to the General Fono in breach of the 10 day notice rule; and poor quality advice going to Council at times
- Until this year, there has been no evidence that the planning cycle is operating effectively. There has been good progress this year in aligning department and village plans with the Tokelau National Strategic Plan and the budget, but this appears to be a first and has yet to be successfully implemented, monitored and reported on and the approved budget met
- While the respective roles of national departments and villages is clear at a high level (from the 2003 Commission of Inquiry) a more detailed memorandum of understanding is needed between each department and each village about what each does at an operational level, and what they can plan to do collaboratively
- There is a weak leadership team culture in place across departments
- Departments often work in isolation
- There are variable but often weak links between the national public service and villages. There is insufficient collective leadership between the General Manager, Apia and the Village General Managers. Department directors and staff have often not maintained regular visiting programmes to villages nor provided sufficient hands-on support or liaison with the Taupulega
- There is insufficient capacity in a number of key areas: strategic human resources, financial strategy and planning, programme and project management, and policy advice. This point is addressed in the section on human resource development (see page 17)
- There is a need for better collaboration between the different national departments and between national departments and villages in working with international donor agencies. For example, the Fatupaepae in the three villages are no longer able to access UNDP funding and are unclear about the reasons for this.

Recommendations

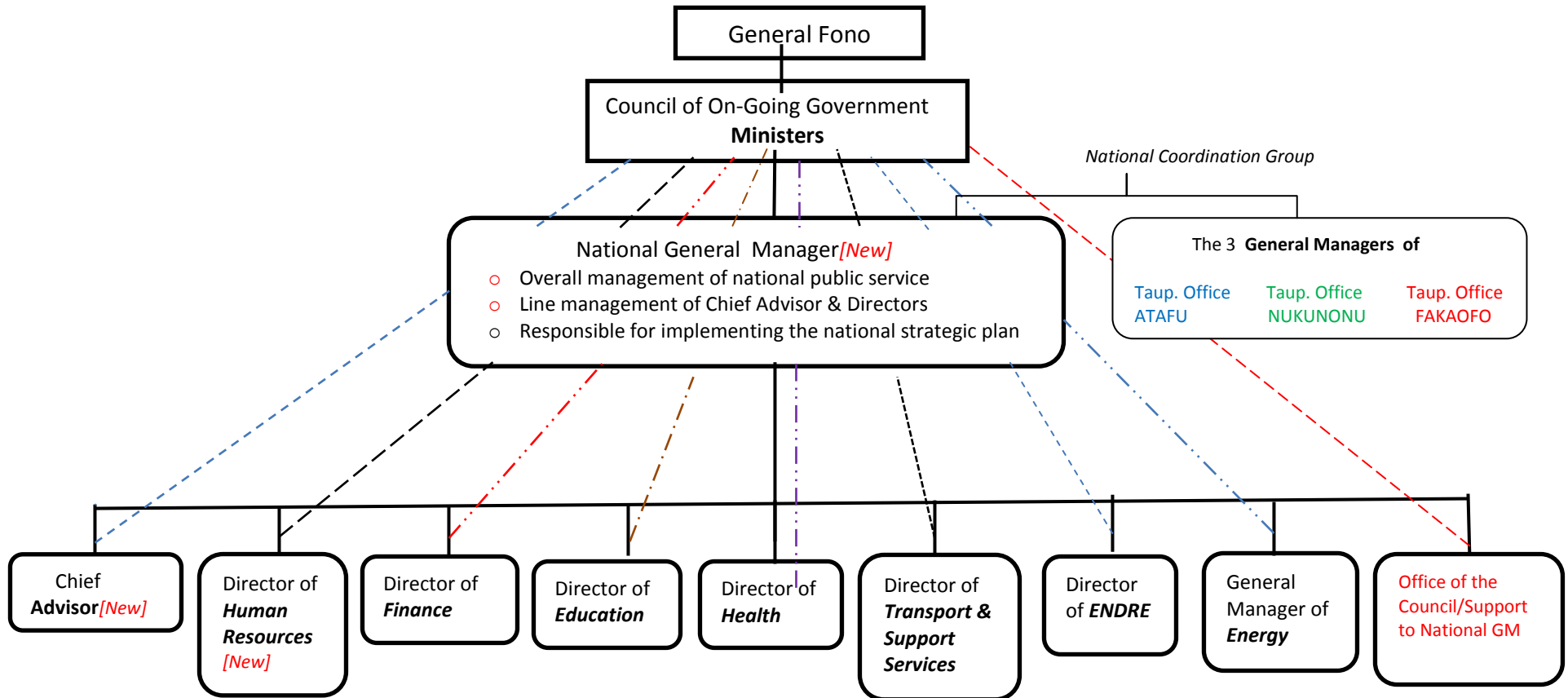
In relation to improved management, the review team recommends that the General Fono agrees:

8. To establish a new position of **National General Manager** to replace the current General Manager, Apia position, with the person appointed to the new position responsible for:
 - a. Overall management of the national public service including coordination of departments and liaison with villages
 - b. Line management of all national directors and the Chief Adviser (including annual performance management plans)
 - c. Implementing the Tokelau National Strategic Plan
 - d. Leading preparation of the annual national plan and budget in consultation with the Council, Taupulega, national directors and Village General Managers

- e. Leading and managing the relationship with New Zealand
 - f. Reporting quarterly on progress and results achieved against annual plans and budget approved by the General Fono and reviewing results to ensure the intended benefits are achieved
 - g. Ensuring expenditure is managed within the budget approved by the General Fono
 - h. Ensuring high quality advice and support is provided to the General Fono, Council, Taupulega and village services including advice on annual plans, budgets and financial management issues
 - i. Convening a **National Coordination Group** comprising the Chief Advisor and Village General Managers which will be responsible for coordinating activities to ensure high quality, coordinated advice to the Council, General Fono and Taupulega and high quality, integrated services to the people of Tokelau
 - j. Reviewing the structure of the national public service and including all roles. (A possible structure to consider is set out below)
 - k. Developing a relocation plan for staff whose operation can shift from Apia to Tokelau (see page 15)
9. To require the person appointed to the position of National General Manager to have proven ability in a management role of similar size and complexity
10. That the National General Manager appointment be approved by the Council following consultation with the Administrator
11. That national **department directors** report to the new position of National General Manager and be required to:
- a. Implement the Tokelau National Strategic Plan as it relates to their department
 - b. Lead preparation of their department's annual plan and budget in consultation with the National General Manager, Council, Taupulega, other national directors and Village General Managers
 - c. Report to the National General Manager, their Minister, Taupulega and the General Fono quarterly on progress and results achieved against their department's annual plan and budget, and review results to ensure the intended benefits are achieved
 - d. Ensure department expenditure is managed within the budget approved by the General Fono
 - e. Ensure high quality advice and support is provided to the National General Manager, General Fono, Council, Taupulega, Village General Managers and village services
 - f. Relocate to Tokelau if required under the relocation plan
 - g. Complete and review an **annual performance agreement** with the National General Manager which will include requirements to:
 - (i) Ensure preparation and delivery of their department's annual plan within budget,
 - (ii) Meet regular reporting requirements to the National General Manager, Minister, General Fono, Taupulega, Village General Managers and other national directors
 - (iii) Visit each village at least three times a year or otherwise as directed by the National General Manager (to meet with Taupulega, Village General Managers and relevant department staff)
 - (iv) Comply with the Tokelau Public Service Manual

- (v) Work collaboratively with the other directors including consulting with the Finance Department when providing policy advice
12. That the National General Manager revise directors' contracts in order to implement recommended changes to their roles and responsibilities
 13. That the process to appoint directors change so that appointments are made by the National General Manager after consultation with the Council
 14. To establish a new position of **Director of Human Resources** responsible for:
 - a. Assisting the National General Manager with review of national structures and roles
 - b. Preparing a **relocation plan** in consultation with the Council, General Fono, Taupulega and Senior Management Team with estimates of costs and savings generated by the plan over a three-year period (including one-off transition costs of housing, offices and transfer expenses)
 - c. Preparing a costed **national human resource capacity and development plan** (as required in the Tokelau National Strategic Plan), following consultation with villages, national departments, international donor agencies and the Administrator, for approval by the General Fono within 12 months of commencing the position
 - d. Ensuring the national human resource capacity and development plan is implemented to time and budget
 - e. Ensuring a transparent appointment process is established and implemented (and determining whether the Samoan public service's electronic appointment management process is suitable to adopt) within six months of commencing the position
 - f. Revising the **Tokelau Public Service Manual** in close consultation with the Senior Management Team, Council and Taupulega for consideration and approval by the General Fono within 18 months of starting in the position
 - g. Ensuring a review of remuneration is undertaken which addresses relativities of pay, allowances, supplementation policy and practice and takes account of the recommended review of staffing and structures and the relocation plan
 - h. Assisting the Taupulega to establish and implement a performance management system for their Village General Managers within 12 months of commencing the position
 - i. Ensuring accurate and timely advice and information is provided on employment matters including the Tokelau Public Service Manual
 - j. Ensuring up-to-date job descriptions, contracts and personal files are in place for all national staff and providing assistance to Village General Managers to do this for village staff (including providing an HR records and information service villages may use)
 - k. Investigating complaints or appeals from national or village staff and providing advice and recommendations to the relevant manager and employee as required
 - l. Referring employment complaints or issues to the Independent Review Authority (see pages 21-22) at his/her discretion or where directed by the National General Manager or, by the relevant Taupulega or Village General Manager
 15. That the Director of Human Resources recruit specialist assistance on fixed term contracts to complete a number of high priority projects, each requiring extensive consultation in a short time period.

Possible National Public Service Structure



1. The National General Manager will review the structure and roles of the national public service and need to consider how to reduce the number of direct reports.
2. Directors and the Chief Advisor report to the National General Manager on employment matters and to Ministers on policy and portfolio matters.

National structure

Key findings

- The 2003 Commission of Inquiry's proposals for the placement of services at national and village levels have largely proved successful, however, responsibility for **police, identity services, border security and immigration** should be reviewed
- It seems unrealistic to expect each village to provide **identity services** (births, deaths and marriage registers and issuing passports), **border security and immigration services** and to train, equip and support staff for these roles independently given the security and technology challenges in these areas and the security challenges that can arise for the New Zealand Government in these areas.
- The need for a **national police jurisdiction** should be assessed, i.e. beyond the jurisdiction of each village. Where cases arise where a person offends in one village then moves to another village or where a person offends, or is suspected of offending in another country, a national response may be more appropriate
- Reviews of these areas by people with suitable expertise are required.

Recommendation

In relation to national structure, the review team recommends the General Fono agrees:

16. That national and village responsibilities for police, identity, border security and immigration services be reviewed by people with relevant expertise in consultation with Taupulega and, because of shared security interests, with relevant New Zealand authorities.

Teletok

- Effective telecommunications and transport are vital for Tokelau's success, including the success of devolution
- Although telecommunication services have improved gradually, there is significant concern about the quality and cost of these services which appear to be limiting the level of interaction between departments and villages and between villages. Improvements in these services are needed if relocation is to succeed
- There appears to be a lack of knowledge about the priorities and performance of Teletok amongst important stakeholders.
- The team questions whether Teletok has any comparative advantage in providing telecommunication services. There may be benefits in Tokelau contracting in the provision of telecommunications services rather than providing these services through Teletok.
- The team questions whether Teletok has any comparative advantage in leading negotiations at an international level to obtain the best commercial value for Tokelau from telephone numbers and internet addresses, and to manage associated risks such as misuse of such addresses
- These issues need to be considered by a person with relevant expertise.

Recommendations

In relation to Teletok, the review team recommends that the General Fono agrees that the following matters be reviewed independently by a person/s with relevant expertise:

17. Whether there is any benefit in Teletok continuing to provide telecommunications services to Tokelau and representing Tokelau in international commercial telecommunications negotiations
18. If so, what should its role be in these areas and is it best fulfilled as a corporation or department
19. If not, where should such services be managed from and what on-going specialist advice does Tokelau require?

Planning and Monitoring Unit

Establishing the **Planning and Monitoring Unit** is an excellent initiative to provide the link between agreeing plans, ensuring they are actioned and, most importantly, ensuring the benefits that were intended are achieved i.e. it provides assurance to Tokelau and the Administrator that the right things are being achieved as planned and at the right cost.

Although the review team has no view about where the unit is best placed within the national office structure, it endorses retention of this sort of capacity at a national level and strongly recommends these services are available to villages to provide them with support, advice, and capacity building in the areas of planning and monitoring.

Recommendation

In relation to the Planning and Monitoring Unit, the review team recommends the General Fono agrees:

20. To retain a national planning and monitoring capacity and that it provides advice, support and capacity building to Village General Managers, as well as national departments, to help achieve a more integrated approach to planning and reporting.

Village management and structures

Key findings

- Village management is complex because:
 - Those in governance roles (Taupulega and/or the Faipule and/or Puleuku) have often taken active roles in management areas such as staffing matters, financial management, determining priorities in addition to or inconsistent with plans previously agreed, and at times, making financial commitments beyond approved budgets
 - Both the Village General Manager and Puleuku have management roles. The Puleuku role was traditionally an operational management role within the governing Taupulega. There needs to be

- much greater clarity about the respective roles of Village General Manager and Pulenuku in the new structure
 - Taupulega expectations of the role of Village General Managers vary markedly. There is a real need for Taupulega to select capable General Managers and to support them to get on with the job of managing and delivering village services.
- Village structures appear to need considerable revision once roles and responsibilities are clarified
- The skills and experience of Village General Managers vary markedly. Senior management skills in villages are generally weak (with some outstanding exceptions)
- The challenge at Village General Manager level is compounded by problems shared at a national level:
 - Lack of clarity about the respective roles of the village and national departments
 - Lack of good management practices in relation to systematic planning and reporting, and performance management of staff
 - Insufficient capacity in a number of key areas: human resource management and advice, financial strategy and planning, project management and policy advice
 - Poor financial management and, in the case of bulk stores and cooperative shops, poor support systems and processes (a problem which may be shared with national departments).

Recommendations

In relation to village management and structure, the review team recommends that the General Fono agrees:

21. To invite the Taupulega to develop memoranda of understanding between the Faipule, Taupulega, Pulenuku and Village General Manager on their respective roles and responsibilities
22. That once respective roles and responsibilities are clarified, Village General Managers make appropriate revisions to their village management structure in consultation with the Chief Advisor, Director of Human Resources, and their Taupulega.

Relocation

Key findings

- There is a very strong desire by Tokelau for national public services based in Apia to relocate to Tokelau. It is accompanied by a deep frustration relocation has been so slow and that staff numbers in Apia have grown since devolution, not decreased. This desire is driven by a longstanding concern that Apia-based staff has insufficient understanding of the needs of villages, provides insufficient hands-on support and does not consult adequately with the Taupulega
- Relocation will not, by itself, improve services. Relocation does not help if a national public servant stays in one village and does not visit and support other villages. Nor does it help if a relocated department does not work collaboratively with Taupulega and staff in all three villages

- While there are constraints on relocation, it must occur because it is a central feature of devolution, which is strongly sought throughout Tokelau. The next step should be the development of a plan of action for relocation. At present, 44 national positions are based in Apia and 21 in Tokelau. A relocation plan needs to determine which positions should relocate, which should stay, what preparation is required (e.g. housing, offices, improved IT and communications)
- Practically, it will be difficult for some services to relocate because they need to access other services (for example, the need for the Finance Department to access banking and financial services). In such cases there should be a firm obligation for regular visits and interaction with villages and consideration given to placing some staff in villages where possible.

Recommendations

In relation to relocation, the review team recommends that the General Fono agrees:

23. That an implementation plan for relocation be completed by December 2013
24. That the National General Manager review national staffing requirements and structures before the relocation plan is finalised
25. That staff and/or departments that need to remain in Apia due to the type of services they provide be required to visit the three villages regularly and be monitored regularly about the level of support and interaction they have with villages.

Human resource development

The review team estimates that Tokelau’s total workforce is approximately 600, including part-time and fulltime staff and current vacancies.

National staffing by department is provided below. Numbers include staff located in Tokelau and Apia, casual staff and approximately nine vacancies. Twenty-one of the 65 positions (32%) are based in Tokelau, with 44 in Apia (including vacancies).

Office of the Council & GM Support	17	
Finance	8	
Education	9	
Health	7	
Transport and Support Services	11	Plus 7 casual staff
Economic Development, Natural Resources and Environment	10	
Energy	3	
Total	65	Plus 7 casual staff

In relation to village workforces, Fakaofa has a workforce of approximately 200 including 111 wage workers and approximately 89 salaried workers. Nukunonu has a workforce of 156, including 77 wage

workers and 79 salaried workers. Atafu information was not provided. The team has estimated that Atafu's workforce is approximately 180, based on an average of the other village workforces.

Key findings

- Skill development needs to be a higher priority so that the workforce can deliver on Tokelau's development objectives and implement devolution successfully
- There are notable skill gaps at national and village levels in general management, financial, human resource, programme and project management and in policy advice
- Training and development is needed in relation to good governance (see pages 5-6)
- The health sector needs to give increased attention to refresher training for village health workers
- The devolution model requires many skills in each village as well as nationally. Sharing some specialist skills between the three villages and national office is essential for Tokelau's devolution to succeed
- Good progress has been made in up-skilling the police. Most staff have or will attend the Samoan Police College and the New Zealand Police has established a regular training and liaison programme that has been well received
- Tokelau requires specialist skills and advice in a few areas that are essential for its success, on an occasional but on-going basis. An example is the specialist expertise required in the areas of fishing policy and related international negotiations. Other examples include public service management, human resource management, good governance practice, education and health services, sustainability and telecommunication services
- Tokelauans overseas are often willing to come back to Tokelau to serve for a period. They provide a pool of expertise that could be better utilised
- In the past the Office of the Administrator managed the Administrative Assistance Scheme set up to assist the Tokelau Public Service by arranging short-term secondments of staff, training or mentoring by New Zealand government departments. The scheme was discontinued and funds are now included in Tokelau's general budget. As a result, there has been limited coordination between the Tokelau and New Zealand governments to obtain specialist skills (with some notable exceptions such as specialist fishing expertise)
- Village workforces are under considerable pressure at present due to the Infrastructure Development Programme and Tokelau Renewable Energy Project running at the same time.
- Productivity expectations need to take account of social and community obligations in Tokelau and how they impact on the workforce so that project planning timeframes are accurate
- Given skill shortages and the fact that not all specialist services are needed full time, there is an unfounded concern that people should not be able to divide their time between two roles
- The movement of women into paid workforce has enabled them to contribute to family finances. At the same time it has changed their traditional voluntary community roles
- The movement of the able-bodied male workforce into paid employment has also affected its traditional roles. The workforce has developed a strong interest in employment conditions including payment of overtime and the adequacy of safety provisions.

Recommendations

In relation to human development, the review team recommends that the General Fono agrees:

26. To re-establish a more structured programme annually to access expertise from the New Zealand public service and its networks, including the New Zealand-based Tokelauan community. Ring fencing funds for this could be part of any such agreement
27. These skills should be clearly identified and plans implemented to ensure people with relevant expertise are contracted on a medium-term basis. As with the earlier Administrative Assistance Scheme, the Administrator and his staff could provide support and assistance with recruitment and contracting. This approach could result in Tokelau having a core group of specialist advisers who work in Tokelau's long-term interests
28. Sharing some specialist skills among national departments and between villages and national departments will make best use of skills and promote collaboration and integration of services throughout Tokelau and in each village, for example in the areas of financial management and reporting, project management, human resource management (including recruitment, induction, performance management, training and development), and planning and monitoring
29. Concern about people having multiple roles can be addressed by ensuring that their responsibilities are clearly stated and well managed. Job descriptions and performance agreements can make it clear what proportion of their time is spent on each area, who pays for which services, and who these staff report for different responsibilities
30. To ensure that the national human resource capacity and development plan includes provision for systematic trade training (a growing need in villages) and considers NGOs needs as well as the paid workforce
31. To structure projects using external contractors to include a workforce development component and bring in specialist skills such as project management, to reduce the pressure on internal capacity.

Human resource policies and practice

Key findings

- The Tokelau Public Service is intended to be apolitical so that it serves all politicians and Tokelauans equally well and is focused on providing neutral but professional advice, then implementing the policies of the government of the day
- The national and village workforces have been politicised by the level of involvement in management by people in governance roles
- There is widespread concern about the lack of an independent employment appeal body to deal with employment issues
- The Tokelau Public Service Manual is often not followed by managers. Some managers and people in governance roles have acted in breach of the Manual in relation to appointments, reviews, employment contracts and grievances

- The Manual needs to be updated (but this is rarely the reason it is not followed)
- When they were transferred to the village workforce, some national staff appear to have lost entitlements to leave and other conditions, and some were transferred from permanent to fixed-term contracts, in breach of the Manual
- There is insufficient skilled staff in human resources nationally and in villages
- It appears that people in governance roles (the General Fono, Council and Taupulega) have received virtually no training or useful information in the past five years about employment issues and the respective roles of governance and management. This is a serious gap in governance training and support
- Practically, performance management does not occur nationally or in villages. As a result, there is often no way to ensure that department and village plans are actioned and reported on, and alignment between the responsibilities of individual staff and what their departments are working to achieve is very poor. There is also a lack of accountability of some national public service staff who do not meet quite basic requirements of their jobs such as providing services across all villages
- Job descriptions are often outdated or do not exist which means it is not clear what staff are required to do
- Appointment processes generally work but a number of appointments have been made by people in governance roles rather than managers or without reference to the skills and expertise required for positions. This has undermined confidence in the appointment process
- There are numerous anomalies in remuneration, relativities of pay for people with different skill levels, allowances and direct and indirect employment benefits for staff in Apia and villages, supplementation policy and practice, variation in governance payments etc. It is important this be reviewed professionally and take account of the National General Manager's review of staffing and structures and the relocation plan
- There is no evidence of induction of new staff about the organisation, priorities, job description, role, priorities, existing policies, employment conditions etc.

Recommendations

In relation to human resource policies and practices, the review team recommends that the General Fono:

32. Agrees that MoUs between villages and national departments include:
 - a. A statement about how the Village General Manager and department director will work together jointly on the recruitment, management, support and development of specialist technical support such as teachers and health staff so it is clear how those staff receive relevant professional support, supervision and assessment
 - b. Professional supervision roles, for example, for doctors serving in the villages
 - c. Provision for sharing or transferring staff where necessary to provide sufficient services in all villages
33. Notes that recommendations to address other issues are addressed in sections on governance and management.

Financial management

Key findings

- A number of departments and villages have overspent in the past three financial years. The Tokelau Government exceeded budget in the 2009/10 and 2010/11 financial years
- Bulk stores and cooperative stores have on-going problems of financial and stock management (being addressed at present)
- Financial management and analysis skills need improvement
- Financial accounting skills for tracking financial activity and preparing reports are adequate but better performance management may be required (including in relation to timeliness of reporting in places)
- Staffing may be insufficient in the national Finance Department
- It is difficult to recruit and retain people with financial management skills
- Inadequate financial information and advice is provided to Taupulega, Council and General Fono
- There appears to be no long-term financial planning at national or village level. This is reflected by the lack out-year forecasts in national and village budgets. This generates considerable financial risk at governance and management levels with insufficient information about medium and long-term financial issues that may or will occur
- Major assets are not included in financial statements. This removes the need to account for depreciation, but may mean insufficient attention is given to Tokelau's overall financial position and insufficient provision made to replace important assets such as tractors
- Senior national and village managers do not appear to be clearly accountable for financial management and results or for ensuring that key stakeholders receive regular financial information and advice
- Some senior staff provide poor financial advice at times when providing policy advice to the Council, Taupulega or General Fono
- Good progress has been made to align budgets and plans in the current 2012/13 financial year but this has not occurred in previous years. However, a number of village departments still do not have proper budgets in place and some have poor engagement with their villages when developing annual plans
- Good efforts were made in the second half of 2011/12 to reign in over-expenditure, but basic problems about financial management remain
- Tokelau will increase its income from its Exclusive Economic Zone (EEZ) substantially in the next two years which will mean a marked shift from full dependency on New Zealand to generating a significant income from its own resources. However, it will need to retain specialist advice to ensure that its EEZ is well managed and it is well represented in international fisheries negotiations
- The commitment to invest increased fisheries income in the Tokelau Trust Fund is an excellent initiative to ensure long-term benefits are obtained from the growth of this income stream. Unfortunately, it appears the policy has not been implemented.
- Growth of the Tokelau Trust Fund to \$68 million since it was established in 2004 is a great success and provides a firm financial foundation for Tokelau. It is important to retain the same level of commitment to managing and growing the Fund in the future

- Procurement by national departments and village offices is often inefficient with departments buying their own office equipment even when sharing the same offices
- Villages do not appear to operate asset registers but are responsible for significant assets that have high depreciation rates due to the climate and limited access to repairs and maintenance. That depreciation impacts on expenditure and, in turn, may affect decisions about what level or type of capital asset villages want to invest in the future.

Recommendations

In relation to financial management, the review team recommends that the General Fono agrees to:

34. Consider how best to provide for capital asset planning, including provision for depreciation in village and national accounts
35. Note that recommendations to address other financial management issues are covered in sections on governance, management and human development.

Communications

Key findings

- Other than periodic inclusion of decisions in Te Vakai, there does not appear to be any systematic approach to communicating decisions of the General Fono, Council and Taupulega to the community. Good communication with the community enables people to be well informed, to contribute helpfully to decision-making, increases understanding about decisions that have been made and reduces frustration
- Members of the community appear to have very little information about what departments and villages have achieved against their plans and budgets which makes it difficult to judge progress or provide useful input when invited
- It is important that national and village public services actively inform communities – this is especially important in the absence of any independent media
- Little use appears to be made by the public service of traditional communication methods such as village meetings, heads of families taking responsibility for informing family members, or use of church or NGO meetings to disseminate information
- There appears to be little communication between the Apia-based NGO Coordinator and the village-based Fatupaepae
- Telecommunication services have improved slowly over recent years but need further improvement to provide better work-related communication between villages and outside Tokelau (including faster internet and facilities for reliable, accessible video-conferencing)
- About 50 percent of the community has access to the internet
- FM radio services that cost approximately \$10,000 to establish are no longer operating in villages.

Recommendations

In relation to communications, the review team recommends that the General Fono:

36. Directs the National General Manager to:

- a. Ensure a quarterly newsletter is prepared about the work of the General Fono, Council and national departments including a summary of decisions made at the General Fono and, where possible, the Council
- b. Ensure the newsletter and the national annual budget, plan, review of the previous year's plan and the annual Administrator's report are made available in a public place in each village and in the Apia office

37. Invites Taupulega to direct their Village General Manager to:

- a. Ensure a quarterly newsletter is prepared about the work of the Taupulega and village departments including a summary of decisions made by the Taupulega
- b. Ensure the village newsletter, annual budget, plan and review of the previous year's plan are made available in a public place in each village and in the Apia office
- c. Explore the use of traditional communication arrangements to disseminate information.

Independent review of decisions

Key findings

- Concern about the lack of an independent review authority in Tokelau's government institutions to ensure people with authority act within their authority was a strong theme emerging from the review
- The need for such an authority arose in several areas including:
 - Politicians acting outside their authority or in breach of laws or policies
 - Managers or public servants acting outside their authority or failing to act when required to
 - Employees not having an independent authority to consider employment grievances or concerns, including politicians and managers not complying with the Tokelau Public Services Manual
- The absence of an independent appeal authority is made more difficult by the lack of other checks and balances such as a free media or a legal system that can address such issues. The lack of employment options outside the public service makes it difficult for people to raise concerns about employment conditions with senior public servants and politicians who control appointments to most jobs
- The review team sees a real need to establish an independent review authority to provide checks and balances in the Tokelau system of government. Reinstating the Tokelau Employment Commission is not sufficient because its role was limited to employment matters. A body with wider powers is necessary. It is essential the body acts independently but retains the confidence of the Taupulega, General Fono, the Administrator and the people of Tokelau. Establishment of such a body is likely to enhance the relationship between Tokelau and New Zealand by building trust and confidence in the effective operation of Tokelau's governance and management.

Recommendations

In relation to independent review of decisions, the review team recommends that the General Fono agrees:

38. To appoint a suitable person to act as an independent review authority (“the Authority”) to:
 - a. Investigate any complaints about the administrative decisions of any national or village department
 - b. Investigate complaints (including confidential complaints) about decisions of the General Fono, Council, Taupulega or members of those bodies in relation to exceeding their authority or acting in breach of Tokelau’s laws or policies
 - c. Investigate complaints or appeals from national or village employees about employment matters
 - d. Investigate any matters the Authority wishes to consider at its own volition
 - e. Advise or make recommendations to the General Fono on any complaint or, in relation to administrative complaints, to the National General Manager or a Village General Manager
 - f. Report annually to the General Fono on complaints received, findings on any complaints and any general recommendations to improve good governance and management
 - g. Visit each village at least annually to meet Taupulega and community groups and provide easily understood information about the role of the Authority and its activities, including its annual report
39. That the Authority may consider a complaint from any Tokelauan resident in Tokelau or employed by the public service
40. That the Authority be a person of high standing, appointed by the General Fono on the recommendation of the Council, and with the following experience and attributes:
 - a. Legal and/or senior public service experience
 - b. A proven ability to act independently and impartially
 - c. The ability to consider complex issues
41. That the Council consult the Administrator on the appointment prior to making a recommendation to the General Fono
42. That the Authority be responsible to the General Fono but required to act independently in order to be impartial
43. That the Authority may employ part-time investigating officers and Tokelauan advisors if required
44. That the position be established by December 2013 following legal advice and consultation with the New Zealand Administrator.

Tokelau's relationship with New Zealand

Key findings

- The relationship following devolution was strongly focused on the self-determination referenda. The focus then shifted towards developing physical infrastructure. Devolution and effective service provision moved to the back burner
- There has been insufficient focus on long-term development of good governance and capable public service management to ensure Tokelau is able to deliver services under the devolution model
- It is important that Tokelau and New Zealand now re-focus sharply on working together to build sufficient governance and public service management to ensure the successful implementation of the devolution model adopted by both countries
- The 'turnover' in staff in the Special Relations Unit of the Ministry of Foreign Affairs and Trade over recent years has not assisted in building relationships between Tokelau and New Zealand
- The recent appointment of an advisor to the Administrator who spends time with TALO staff and in Tokelau has been useful and has helped generate momentum on projects that are important to Tokelau and New Zealand.

Recommendation

Concerning Tokelau's relationship with New Zealand, the review team recommends that the General Fono agrees:

45. To seek New Zealand's assistance in terms of technical support needed by Tokelau for implementing the changes that will ensure the success of devolution. This may be achieved through mechanisms for sourcing New Zealand public service support such as the old Administrative Assistance Scheme or through the Administrator's assistance in tapping the skills of appropriately qualified and experienced New Zealand-based Tokelauans who can contribute to the changes needed.

Costs, transitional arrangements, and review of progress

Key findings

- The recommendations in this review in relation to the new positions of National General Manager, Chief Adviser and Director of Human Resources are expected to be cost neutral with costs met within existing budgets or using salaries for positions that are currently vacant
- Additional funding will be required for:
 - Important one-off development projects related to improving governance resources, human resource management and practice and the reviews recommended in the section on national structures
 - Long-term capacity building where there are significant skill gaps

- Developing and implementing a multi-year governance training and development programme
- The appointment and work of the Independent Appeal Authority. It is difficult to estimate the extent to which the person appointed will be called on to investigate complaints, given that the presence of such a position may reduce breaches of policy or practice that may have formed the basis of an appeal but we expected the Authority will be at least half time initially

In order to maintain momentum in implementation of the recommendations of the review team and to ensure that every effort is being made to ensure that devolution can work to good effect, a programme of review must be established to check progress and to determine what effect the implementation of recommendations is having to promote the effectiveness of devolution.

Recommendations

In relation to transitional arrangements the devolution, review team recommends that the General Fono:

46. Notes in relation to funding to implement the recommendations:

- a. That the review team's preliminary assessment is that the cost of new staffing positions is expected to be met within existing budgets
- b. That additional funding will be required for one-off development projects, a long-term capacity building programme, a good governance development programme and the independent review authority
- c. That funding currently available from the UNDP is likely to be available to fund the implementation of good governance recommendations
- d. That the review team recommends the Council and Administrator negotiate phased funding to implement recommendations requiring additional funding to complement the physical infrastructure programme that will be completed in 2013

47. Agrees in relation to filling key positions:

- a. That no national office vacancies, including director positions will be filled except in exceptional circumstances until the new National General Manager has completed a review of the national structure and roles and completed the relocation plan
- b. That any national office vacancies that need to be filled due to exceptional circumstances will be fixed-term appointments for no longer than two years
- c. That the appointee to the new National General Manager position be responsible for ensuring a detailed, costed plan to implement the review recommendations is prepared and actioned

48. Agrees in relation to evaluation of progress:

- a. To initiate a follow-up review 18 months after it approves the devolution review recommendations to check what progress has been made in implementing recommendations, to see what impact these activities are having on the effectiveness of devolution, and to make any changes necessary to improve results
- b. To initiate a full evaluation three years after it has approved the recommendations of the devolution review to study the overall results with a view to confirming devolution as the appropriate arrangement for managing public services in Tokelau, or if necessary, considering other options.

Other issues

The review team identified the following issues that are outside its terms of reference, but which the General Fono may wish to consider:

- *Governance*: Whether composition of the General Fono needs to change to a smaller, full-time membership and whether the composition of Taupulega needs to change to respond to the increased responsibilities of devolution
- *Taupulega/NGO relationships*: NGOs would welcome the opportunity to meet with their Taupulega occasionally, perhaps twice a year, to discuss their activities and plans.
- *Justice issues*: The following justice issues will need to be considered by the General Fono on advice from people with suitable expertise. They include:
 - Whether there is a sufficient range of serious offences in Tokelau law, including rape and indecent assault, so that where such offences are suspected, suitable charges can be laid
 - Whether there is a sufficient range of penalties for more serious offences or repeat offenders
 - Whether the current police jurisdiction, where the police service is a village and not national service, provides adequate cover nationally, for example, where a person suspected of offending in one village moves to another village or leaves Tokelau
 - Whether there is a need for a national police position responsible for promoting the independence of the police force and promoting standards and best practice
 - Conflict of laws – where Taupulega pass Rules that conflict with Tokelau law. This has occurred in relation to alcohol laws.

Priorities

In terms of overall priorities for Tokelau, the review team sees three priorities:

- Improving essential infrastructure – transport and communications – which are lifelines for Tokelau and enable devolution to occur
- Completing the projects to improve energy generation and physical infrastructure for health and education services
- Addressing the issues raised in the devolution review in order to enable devolution to operate to good effect and to improve service provision to the people of Tokelau.

Subject to the General Fono adopting the review team's recommendations, the review team proposes that the following activities be given a high priority. Plans to implement the other key recommendations can be developed by the National General Manager, Chief Advisor and Director of Human Resources once appointments have been made to those positions, using the guidance provided in the recommendations contained in this report.

Recommendation	Priority	Timing	Person responsible
<i>Improving public service management</i>			
Appointment to new position of National General Manager	High	Within 3 months of General Fono approval	Ulu in consultation with Council and Administrator assisted by National HR Advisor
Appointment to the new Director of Human Resources position	High	Within 2 months of National GM commencing	National GM in consultation with Council
Appointment to new Chief Advisor position	High	Within 3 months of the National GM commencing	National GM in consultation with Council assisted by Director of Human Resources
Amending national director contracts to report to National GM	High	Within 2 months of the National GM commencing	National GM assisted by National HR Advisor
Reviewing and promulgating the Tokelau Public Service Manual	High	To being consultations for review within three months of the Director of Human Resources commencing	Director of Human Resources in consultation with the Senior Management Team, Council and Taupulega
<i>Good governance</i>			
Developing and commencing a five-year good governance training and development programme	High	First year's programme commenced within 3 months of the Chief Advisor commencing & five year programme plan completed within 12 months	Chief Advisor in consultation with National GM, General Fono members, Council, Taupulega, Directors and Village GMs
<i>Independent Review Authority⁵</i>			
Appointment of a person of standing to serve as the Independent Appeal Authority	High	Within 4 months of Chief Advisor commencing	Chief Advisor in consultation with Council and Administrator
<i>Detailed implementation plan</i>			
Preparation of costed plan to implement all recommendations from the review approved by the General Fono	High	Within 3 months of National GM commencing	National GM

⁵ The appointment of the Independent Review Authority will require the introduction of underpinning legislation

The review team would see the priorities identified above undertaken as part of phase one of the implementation process. In terms of specific recommendations:

- Phase one would see the implementation of recommendations 1- 3, 6, 8 - 14, 38 - 44, 46 – 47
- Phase two would see the implementation of recommendations 4 - 5, 15, 20 - 31, 45
- Phase three would see the implementation of recommendations 7, 16 - 19, 32 - 37, 48.

Conclusion

There is a strong consensus that devolution is an appropriate concept for Tokelau, and an equally strong consensus that much work is needed to ensure that it works to good effect. The recommendations of the review team do not introduce a raft of new structures and processes. Instead, they seek to address the problems identified by arrangements to clearly separate governance from management, to educate on and clarify roles, to increase effort into areas such as human resource development, and to encourage much stronger engagement between the national public services and village services with a view to providing more effective services in the villages. In many areas, they reiterate accepted recommendations of the 2003 Commission of Inquiry, which eight years on have not been implemented or adopted.

While the changes recommended will assist in promoting the effectiveness of devolution, the real impact will depend on the calibre, capability, commitment and ethics of people appointed to key public service positions, together with those with governance roles, and their ability to imbue a new culture of performance and compliance with systems and rules. Alongside their commitment to the tasks at hand will be the commitment of those in governance positions to restrict their activities to their governance roles, and ensure that agreed policies are implemented and followed. Without such commitment, the recommendations of this review will have little impact.

APPENDICIES

Appendix 1 Review terms of reference

GOVERNMENT OF TOKELAU: TERMS OF REFERENCE

CONSULTANCY SERVICES FOR THE REVIEW OF DEVOLUTION PUBLIC SERVICES TO THE VILLAGES

Background

The executive powers of the Administrator of Tokelau were formally delegated to the Taupulega via the Modern House of Tokelau Project in 2004. This resulted in the full transfer or 'devolution' of responsibility for public service delivery with respective budget management to each Village Taupulega. National Departments took on a policy advisory and management support role with many of them relocating to Tokelau.

The services that were devolved to the villages are:

- Health
- Education (Schools)
- Finance & Purchasing
- Transport & Immigration
- Energy
- Customs and quarantine
- Police

Devolution of authority and government functions for the management and delivery of public services were successfully transferred to the villages in 2004. However, since this time, there continues to be on-going challenges with regard to the actual delivery of services and assets maintenance in the villages.

At the time, villages had different levels of capacities, showed differential levels of interest and understanding in the Devolution Process. However, the thrust of the project continued with extensive consultations with the communities, training and the formulation of structures that could provide support to the Taupulega.

Tokelau acknowledges that the progress of the Devolution Process has not been as effective throughout the three villages, due to some of the following challenges:

- The Taupulega understanding their new roles as well as having to contend with an increase of information they now needed to absorb that had not been part of their traditional agenda;
- Differences in understanding on services to be provided by the National Departments;
- The lack of clarity around the roles and linkages
- Operations being hampered by the under-resourcing of sectors and limited staffing in several sectors
- Community perceptions of the changes due to devolution

- Skill deficiencies in some key sectors; and
- Adjusting to the new relationship between the villages and national sectors.

The Tokelau National Strategic Plan (TNSP) 2010 – 2015, approved by the General Fono in early 2010, sets out national priorities for this time period. Both Tokelau and New Zealand are committed to ensuring that the TNSP is implemented with the effective and efficient delivery of public services to make a real difference in the lives of all our people. The review of the devolution of services to the Taupulega and resulting recommendations are important contributing factors to the implementation of strategies of the TNSP.

Seven years on, devolution is now well bedded in the operations and structures of the villages and departments and they should be more informed on what it has delivered for Tokelau over this time.

In March 2011, the General Fono agreed that a review of the devolution of public services would take place with a focus on how delivery of goods and services can be improved in the TNSP 'environment'.

Purpose and Scope

The purpose of the review of devolution is to establish how devolution has worked in practice, including how services are currently being delivered, what has worked well, what has not worked so well. It will make recommendations as to adjustments to be made, any supplementary questions to be asked, or broader issues identified that will need further investigations.

The review should consider the interface between villages, departments and the leadership of Tokelau, as well as the interface between Tokelau and New Zealand.

To undertake a review of the devolution process in Tokelau, including:

- the delivery of current services, successes and the continuing challenges;
- consideration of areas where improvements could be made, to recommend areas that may require further development;
- and a way forward providing practical strategies for improving the efficiencies of the Tokelau Public Service (TPS) in terms of its governance, corporate structure and management processes with the aim of providing the best possible service to the people and government of Tokelau in the most cost effective and productive manner.

Process and Responsibilities

The Devolution Review is established through the approval of the General Fono (DATE). The external members of the Devolution Review Team (DRT) members are approved by the Council for the Ongoing Government. Each Village Taupulega has selected a representative for inclusion in the DRT also. The Team Leader of the DRT will be the external Tokelau Representative. The DRT will report directly to the General Manager, Apia.

The Report of the Devolution Review Team will be directed to the General Fono through the General Manager, Apia, on behalf of the Council for the Ongoing Government. New Zealand, through the Administrator, will participate in an advisory capacity.

A Devolution Review Steering Group will be established and be responsible for reviewing the draft Devolution Review Report for accuracy of fact and relevance to the Terms of Reference. Upon completion of the review of the Report by the Steering Group, any recommendations for amendments or additions will be addressed to the Chair of the DRT for consideration in finalising the Report.

In particular the Consultancy will:

Use a participatory and consultative process to identify what is working and issues that need to be addressed in terms of improving delivery of services in the Tokelau Public Service in a sustainable manner. Specifically, this may involve:

Public Services – the needs, structure and capacity for delivery at the national and village levels:

- i). Review the governance and operational structures in villages and departments by clearly defining the business of each village or department and determining the long term goals, or outcomes of the villages and departments. Identify also some broad directions for achieving these goals;
- ii). Review and identify the villages and departments “core” business/functions and priority areas of focus in the delivery and implementation of the new TNSP and villages and departments Corporate Plan;
- iii). Analyse the structure and capacity of the villages/departments, outlining the current situation relating to roles and responsibilities, workload, staff needs and current staff capacity;
- iv). Examine management and administrative procedures in villages and departments and assess the requirements for any new or upgraded procedures;
- v). Identify any constraints and opportunities in delivering services more efficiently that require specific attention by the villages and departments;
- vi). Review and provide different options for Organisational Structure for villages and departments and making recommendations for realignment of departments and villages structures to support the implementation of the villages/departments Corporate Plans and eventually the TNSP;
- vii). Assess and identify functions or measures that the Government should introduce or update to ensure best practice in governance and human resource management/development, including:
 - Assess and identify training needs in villages/departments for any new upgraded procedures and the means of monitoring and evaluating the TPS and staff performance.
 - Make recommendations for implementing an appropriate Performance management system for TPS;
- viii). Examine the options and mechanisms for devolution/delegation of human and financial resources functions to villages/departments. Assess what operational arrangements are working and what needs to be revisited given wider implications in terms of human and financial implications;
- ix). Analyse the capacity of the villages/departments to take a leadership role and assess any constraints on their ability to fulfil this role.

- x). Assess the capacity of the villages/departments to absorb functions to be fully decentralized and their needs for support in absorbing such functions.
- xi). Identify potential areas for improvement in service delivery from villages and department.
- xii). Identify the impact that devolved services have had on traditional roles of the village workforce and ways to improve coordination between the public service and village workforce.

Outputs

The main output will be a Report that includes the following:

- i) Description of the methodology used to carry out the Devolution Review
- ii) Account of views and evidence gathered in support of the recommendations
- iii) Recommendations in response to the purpose of the Review
- iv) Implementation Plan aligned to the Recommendations

Duration

The Devolution Review will require review and analysis of relevant documentation for background information and give a context of the current situation. It is expected that consultations with all three Village Taupulega and respective communities including the representatives of the Public Service and National Department Directors and Managers.

The activities and tentative timeframe for these are given in the table below:

Dates	Activity	Actions
1 June	Initial meeting of external reps of DRT	TORs amended Documents for DRT identified
7 – 18 June	Finalise TORs Finalise individual contracts Finalise Village representatives and specific TORs Desk review of relevant documents Complete draft Work Plan for consultation requirements	TORs agreed and approved Contracts approved and signed off Village representatives travel to Apia arranged All documents requested are distributed Work Plan drafted and distributed – Steering Group to amend / add

	<p>Select and confirm Steering Group</p> <p>Establish time for interview / discussion on Radio (Niu FM?) – Team Leader</p>	<p>Steering Group composition and membership confirmed</p> <p>Radio interview time confirmed and prep for TL – submissions from NZ to be sent to Joe. Kula to make contact with Radio station and arrange for interview time and date</p> <p>TORs on Tokelau website</p>
19 June	<p>Second meeting of external reps to DRT – including Tony Johns</p> <p>Confirm work plan –meetings with Apia based staff</p> <p>Meeting with Administrator</p>	<p>Work Plan confirmed</p> <p>Schedule of meetings / travel confirmed</p> <p>Travel and accommodation for DRT booked and confirmed</p>
1 July	<p>Depart for Apia</p>	
1 – 4 July	<p>Meet up with Village Representatives to DRT</p> <p>Meeting with Ulu</p> <p>Begin consultations with Apia – based staff</p>	<p>TORs discussed and understood</p> <p>Schedule of meetings confirmed</p>
4 July	<p>Depart Apia for Tokelau</p>	
5 – 19 July	<p>Consultations and meetings on Tokelau</p>	
20 July	<p>Arrive in Apia</p>	
20 July	<p>Meet with GM Apia and follow up with any other issues as required</p>	

21 July	Depart Apia for NZ	
22 July – 12 Aug	Report drafting	
13 – 19 August	Draft Report to Steering Group Review and discussion	
20 August	Recommendations on Draft Report to DRT for consideration and finalising of Report	
31 August	Final Report presented by TL to COG	

Appendix 2 Work plan for the review of devolution

Prepared by the review team:

Casimilo Perez (Team Leader), Kevin Allan and Sonja Easterbrook-Smith

June 2012

1 Background

In response to findings of the 2003 Commission of Inquiry into the provision of public services in Tokelau, the New Zealand-based Administrator of Tokelau formally delegated his executive powers to the Taupulega in Tokelau with effect from 1 July 2004. This resulted in devolution of responsibility to the Taupulega in the three villages for delivery and management of associated budgets for the following public services: education; energy; customs and quarantine; finance and purchasing; health; police and for local aspects of transport and immigration. National public service departments retained policy advice and management support roles, with some directors moving from Apia to Tokelau.

Over the ensuing years, despite ongoing consultation, and provision of training and support, devolution has posed a number of challenges. These include, for example, the:

- capacity of the three Taupulega to take on their extended role;
- role of the general fono;
- need for more clarity around the roles and linkages between the Taupulega and national departments;
- limited staffing and skill deficiencies in some sectors;
- resource issues; and
- community perceptions about the quality of services under the new arrangements.

The Tokelau National Strategic Plan 2010 – 2015 (TNSP) has as its vision ‘healthy and active communities with opportunities for all’. To contribute to that vision, the TNSP includes objectives and strategies for improving the operation of public services in Tokelau. In 2011, the General Fono agreed to review the devolution of public services with a focus on how delivery of services can be improved in the context of the TNSP. This review is established in response to that decision.

The Council for the Ongoing Government has approved the external members of the devolution review team (DRT). In addition, each village Taupulega has selected a representative for inclusion in the DRT. The team leader is the external Tokelau representative. The DRT will report directly to the General Manager, Apia. The report of the DRT will be directed to the General

Fono through the General Manager, Apia, on behalf of the Council for the Ongoing Government. New Zealand, through the Administrator, will participate in an advisory capacity.

A devolution review steering group will be established and be responsible for reviewing the draft DRT report for accuracy of fact and relevance to the terms of reference. Upon completion of the review of the report by the steering group, any recommendations for amendments or additions will be addressed to the team leader of the DRT for consideration in finalising the report.

2 Purpose of the review

The purpose of the review is to establish how devolution has worked in practice, including how services are currently being delivered, what has worked well, what has not worked well and the challenges faced in delivering effective services.

The DRT is asked to consider the interface between villages, departments and the leadership of Tokelau, as well as the interface between Tokelau and New Zealand. It is asked to recommend adjustments/ improvements for improving efficiency of the Tokelau Public Service (TPS) in terms of its governance, corporate structure and management processes with the aim of providing the best possible service to the people and Government of Tokelau in the most cost-effective and productive manner. The team is also invited to recommend areas that may require further consideration.

3 Review stages

The review has three stages: preparation; implementation, and analysis/report writing.

The **preparation stage** will involve:

- discussions about the terms of reference and briefings from officials from Tokelau based in Apia and the Office of the Administrator of Tokelau in New Zealand;
- reading the background material provided;
- preparation and sign off of the work plan by the steering group (which will comprise representatives from the Tokelau Government and the Office of the Administrator for Tokelau); and
- confirming dates, travel and accommodation arrangements for Apia and Tokelau.

The **implementation stage** will involve information gathering in New Zealand, Apia and Tokelau by way of consultations, individual interviews and review of relevant documents.

The **analysis and report writing stage** will take place at the conclusion of the consultations with a draft report submitted to the steering group for consideration and feedback before the team submits a final report.

4 Review tasks

The terms of reference (attached as appendix 1) ask the review team to:

- review the governance and operational structures in villages and departments by clearly defining the business of each village or department and determining the long-term goals or outcomes of the villages and departments, and to identify some broad directions for achieving these goals;
- review and identify the villages and departments “core” business/functions and priority areas of focus in the delivery and implementation of the new TNSP and villages’ and departments’ corporate plans;
- analyse the structure and capacity of the villages/departments, outlining the current situation relating to roles and responsibilities, workload, staff needs and current staff capacity;
- examine management and administrative procedures in villages and departments and assess the requirements for any new or upgraded procedures;
- identify any constraints and opportunities in delivering services more efficiently that require specific attention by the villages and departments;
- review and provide different options for organisational structure for villages and departments and make recommendations for realignment of departments and villages structures to support the implementation of the villages’/departments’ corporate plans and eventually the TNSP;
- assess and identify functions or measures that the Government should introduce or update to ensure best practice in governance and human resource management/ development, including:
 - Assessing and identifying training needs in villages/departments for any new upgraded procedures and the means of monitoring and evaluating the TPS and staff performance.
 - Making recommendations for implementing an appropriate performance management system for TPS;
- examine the options and mechanisms for devolution/delegation of human and financial resources functions to villages/departments. Assess what operational arrangements are

working and what needs to be revisited given wider implications in terms of human and financial implications;

- analyse the capacity of the villages/departments to take a leadership role and assess any constraints on their ability to fulfil this role.
- assess the capacity of the villages/departments to absorb functions to be fully decentralised and their needs for support in absorbing such functions; and
- identify potential areas for improvement in service delivery from villages and department.
- identify the impact that devolved services have had on traditional roles of the village workforce and ways to improve coordination between the public service and village workforce.

5 Review team's approach

The terms of reference ask the team to use a participatory and consultative process to identify what is working and issues that need to be addressed in terms of improving delivery of services in the Tokelau Public Service in a sustainable manner.

The DRT will begin interactions with stakeholders by discussing the purpose of the 2004 devolution and by explaining the purpose of the present review. The team will explain how information that stakeholders provide will assist in this task. Stakeholders will be informed that results of the review will be made available to them at the conclusion of the review as a summary report in Tokelauan and English.

The team will work to ensure that consultations are undertaken in a participatory manner, with arrangements made to meet *where appropriate* (for example, for power, willingness to contribute or for confidentiality reasons) with staff separate from their managers, women separate from the wider community, or individuals separate from their families or communities. Where they can, most of the team will attend group discussions. However, the team leader will determine team member attendance at smaller meetings or interviews with individuals. Participants will be invited to provide their input in their own words. Interview questions developed for different groups (see Appendix 2) will be used more as an *aide memoire* for the review team rather than as formal formats for interviews.

The team will seek information through a variety of means e.g. review of documents, group discussions, observation, and face-to-face interviews with individuals. The team will gather qualitative and quantitative information. Qualitative information will be cross checked by asking the same question of different groups of stakeholders, and checking for documentary evidence to support their views. The review team will critically assess the validity and reliability of information. The team will seek to draw lessons from the totality of the information gathered and analysed, and will identify any wider or unintended consequences of the schemes.

The team members will provide feedback on its findings to the key village stakeholder representatives at the conclusion of each village visit and will seek comment on its findings. At the end of the consultations in Tokelau, the team will meet with key stakeholders in Apia to discuss its preliminary findings and receive feedback on these findings. It will also provide feedback to Tokelauans in New Zealand via a radio interview with the DRT team leader. At the conclusion of its analysis, the DRT will present a draft report to the steering group. A final report which will include recommendations and a proposed implementation plan will be submitted following consideration of feedback from the steering group and will be presented to the Council for Ongoing Government in Apia by the end of August 2012.

Information provided to the team will remain confidential within the team. The review team will also seek to ensure the confidentiality of any contributors who request confidentiality. Care will be taken to ensure that such contributors cannot be identified in the team's final report.

Travel arrangements and meetings with key stakeholders in Apia will be organised for the DRT by the Apia office, and by the village team members for meetings with key stakeholders in the villages.

6 Stakeholders to consult

In Apia, the New Zealand-based team members will meet up with the village representatives appointed to the DRT.

The DRT will consult with the following stakeholders

In Apia

The Ulu

The Council for Ongoing Government (if they are in Apia)

National public service staff (including the General Manager and Directors of Government departments and related staff)

TALO staff

Office of the Council for the Ongoing Government of Tokelau staff

Ake Puke, as co-author of the 2003 Tokelau Public Service Commission of Inquiry

The Administrator's representative, Don Higgins

UNDP

WHO

SPREP

In Tokelau

The Taupulega in the three villages (collectively and with the Faipule, Pulemuku, Failautuhi and coordinators as individuals)

The Fatupaepae in each village

The Aumaga/Taulelea in each village

The Tupulaga in each village

Public service staff in each village

Health and education committees in each village

Parent/ teacher associations in each village

In Wellington

Administrator for Tokelau and staff of the unit

Neil Walter, as Administrator for Tokelau at the time of devolution

Allan Shaw, former director of finance for Tokelau

Professor Tony Angelo, constitutional and legal advisor to Tokelau

In addition, the New Zealand-based Tokelauan community will be advised of the review through a radio interview with the DRT team leader and will be invited to make submissions to the General Manager, Apia.

7 Information collection

The team will review the following documents, along with any other relevant material provided to it during the course of the review:

Tokelau Public Service Commission of Inquiry to Inquire into and Report on the Provision of Public Services in Tokelau, October 2003 and Appendices to the Commission of Inquiry

Tokelau National Strategic Plan, 1 July 2010 – 30 June 2015

Review of the Economic Support Arrangement between Tokelau and New Zealand 2007/08 – 2009/10, January 2011

Tokelau – New Zealand Joint Commitment for Development, June 2011

Villages' and departments' corporate plans and organisational structures

Updates on deployments of staff since the 2003 Commission of Inquiry report

Public service and village procedure handbooks/ manuals

Job descriptions for national directors and public service staff

Terms of reference for the three Taupulega

Census information

Judith Huntsman, The Future of Tokelau, Decolonising Agenda 1975-2006

Questions prepared for interviews with the various stakeholders are attached as Appendix 2. Stakeholders not included in these groups will be asked questions relevant to their area of interest in devolution.

8 Timeline

The timeline for the review is set out in the attached terms of reference. The review will begin in early June 2012 and present its report at the end of August 2012. Consultations in Apia will take place in late June 2012. Consultations in Tokelau will take place in early/mid July 2012.

9 Review limitations

Potential limitations identified are that:

- key informants may not be available in the time allocated for the review;
- changing boat schedules due to medical evacuations or other contingencies may limit time in some villages; and
- some data useful for the review may not be readily available.

The team will deal with any limitations in practical ways, seeking to follow up with any key contributors in appropriate ways, to make best use of time spent in the villages, and to make best use of data available.

Note: The review team was not able to complete some interviews due to time or travel constraints including Faipule Salesio, the WHO, Lee Pearce (the Director of Health), Tino Vitale, (General Manager of Teletok), and Neil Walters (a previous Administrator during the initial phase of devolution).

Future Village Roles, Responsibilities and Structures

The Review Team:

- (a) Recommends that Fakaofu urgently establish a new structure to take on the additional responsibilities as discussed in sections 6.2 and 9.1. (This issue needs rapid progression, as well as much preparation and training undertaken, if the target date of 30 June 2004 is to be achieved by Fakaofu.)
- (b) **Notes** that **Nukunonu** has had a new structure with an Office of the Taupulega headed by a General Manager for over two years, which appears to be appropriate and accepted (and with further preparation and training Nukunonu will be well placed to take on the additional responsibilities by the target date.)
- (c) **Recommends** that **Atafu** accept the basic structure they agreed to in 2001, with the Office of the Taupulega being headed by a Director who is part of a management and advisory team that includes the Faipule and Pulenuke. (A basic structure needs to be accepted; a number of roles and procedural aspects reviewed; and much preparation and training undertaken in Atafu, if the target date of 30 June 2004 is to be achieved.)
- (d) **Recommends** the establishment of Village Health and Education Committees in line with the composition and roles set out in section 6.4.

Future National Roles, Responsibilities and Structures

The Review Team:

- (a) **Recommends** that immediate steps be taken to make services more responsive and better coordinated by:
 - preparing a Council of Faipule Handbook setting out principles and procedures for the operation of the Council of Faipule, the development and enactment of legislation, and reporting by Faipule and officials to the General Fono.
 - discontinuing of portfolio based distribution of responsibilities within the Council of Faipule.
 - appointing of a Secretary for each of the Faipule to enhance administration and support. (The Secretary will hold the new post of Secretary of the Council of the Faipule during their Faipule's term as Ulu.)
 - transferring the administration and support for the General Fono, to the Office of the Taupulega of the hosting village.
 - appointing a National General Manager to:

coordinate national policy advice, planning and activities
provide policy advice to the Council of Faipule and General Fono
manage the servicing of the Council of Faipule
liaise with Village General Manager/Director/Coordinator
manage the dissemination of information from national government
manage the departmental Directors

- restructuring the National Office including the establishment of Economic Development, and Planning and Monitoring Units (the key policy unit).
- Co-locating policy advisors in the Planning and Monitoring Unit, with policy advice provided on a “project basis.” These projects should be prioritised and agreed to by the Council of Faipule.
- improving national communication services by making the National General Manager directly responsible for dissemination of information from the Council of Faipule and the National Office, and by the appointment of a Communications Officer to assist with this task.
- reviewing supply provision, specifically focusing on future purchasing approaches.
- establishing a special project, chaired by the National General Manager to review internet and telecommunication services (including teleconferencing). The project team should include the National General Manager, the General Manager/Director/Coordinators from the three villages and the General Manager of TeleTok.

(b) **Recommends** that at the earliest possible time the following changes be implemented:

- transferring the key support and advisory functions of national government to Tokelau, with a smaller Apia Office remaining providing primarily a liaison role for health, education, shipping, banking and also Foreign Relations services.
- rotating of the key support and advisory functions of national government to each atoll at the same time as the Uluship. The local Office of the Taupulega would during that year take on the key support and advisory functions of national government.
- locating all departmental Directors (with the exception of the National General Manager) in Tokelau.

Relationship between Village and National Structures

The Review Team:

- (a) **Recommends that to improve coordination:**
- the four General Manager/Director/Coordinators work closely together
 - departmental Directors continue to visit and meet Taupulega on a quarterly basis, and that their employment contracts specify these visits as a job requirement
 - the procedures of the Council of Faipule require villages be consulted on all submissions to the Council of Faipule with village implications
 - for a period of about four weeks prior to each General Fono the Faipule, the four General Manager/Director/Coordinators and key national and village advisory staff assemble to prepare for the Fono; plan; develop national and village proposals; and share information
 - Taupulega and Faipule be consulted on the appointment of National Directors
- (b) **Notes** that the Faipule and Departmental Directors will continue to be key links between the villages and nation

Future Allocation of Tokelau Public Service Responsibilities and Positions

The Review Team:

- (a) **Recommends** that the following on atoll functions and associated staff be transferred to the villages (as per Appendix 15: “Recommended Allocation of Tokelau Public Service Functions”):
- school
 - hospital
 - power
 - administrative support
 - policy advice
 - financial management
 - programme monitoring
 - economic development
 - police
 - travel advisory
- (b) **Recommends** that the following functions remain at the national level (as per Appendix 15: “Recommended Allocation of Tokelau Public Service Functions”):

- setting national standards and monitoring
 - providing the nations planning, administrative support, policy advice, financial management, property and asset management, revenue collection, human resource development services
 - managing and operating shipping services, supply procurement, medical referrals, the scholarship scheme
 - managing national economic and enterprise development
 - coordinating of national policy and activities
 - liaising with and managing relationships with New Zealand, other countries and international organisations and donors
- (c) **Recommends** the approval of the Appendix 16: “Recommended Allocation of Tokelau Public Service Positions”. It outlines:
- the positions remaining the responsibility of the nation
 - national positions requiring recruitment
 - TPS positions transferred to the villages.
 - the positions to be disestablished
- (d) **Recommends** the early recruitment of the following key positions:
- National General Manager
 - Director for Economic Development and Environment
 - x Secretary to the Faipule (one for each atoll)
 - Personal Assistant to the National General Manager
 - Communication Officer, National
 - Human Resource Development Officer, National (existing vacancy)

Human Resources Issues

The Review Team:

- (a) **Recommends** a standard Personnel Manual of the terms and conditions of employment be prepared for all workers (national and village) for all three atolls. The Manual should be based on the current TPS Manual and “reflect the “faka-aganuku”. It should include sections on the following:
- appointments/appeals
 - remuneration/allowances
 - discipline
 - working hours

- leave and holidays (including study leave)
 - provision for casual workers
 - conduct of workers
 - transport and travel (including policy for travel and accommodation outside Tokelau.)
 - training
 - delegations
 - casual workers
 - individuals on contract
- (b) **Recommends** that the transfer of positions to the villages proceed at the current salary rates and that a further salary review be conducted when the transfers are complete.
- (c) **Recommends** that village worker positions be incorporated in the current “TPS Gradings and Salary Scale” (as per Appendix 18: “Tokelau Gradings and Salary Scale”) with:
- village “Foreman” being classified as “Leading Hand” (within the current Scale) and pay rates increase to reflect this.
 - the general village worker and school leavers being treated as “casual workers” and continue to be paid on the same hourly rate
 - the category of “school leaver or new entrant” being redefined as a manual worker with less than one years continuous service.
- (d) **Notes** the incorporation of village workers into the Scale as recommended will result in foremen and a few general village workers receiving a small salary increase. It is estimated that the additional cost is \$36,000.00pa.
- (e) **Notes** that the Review Team is of the view that it is necessary to retain the ability to employ people on short term contracts.
- (f) **Recommends** that **Taupulega** members be paid an honorarium of \$7,000pa and the current fono allowances cease. This honorarium is for members who receive no other, or a lesser, salary.
- (g) **Recommends** that no changes be made to the current remuneration arrangements for positions such as Faipule, Pulenuku, Failautuhi, and Law Commissioners.
- (h) **Recommends** that a new allowances regime be approved, as per Appendix 19: “Rate of Allowances and Charges”, and as outlined in this section.

- (i) **Recommends** that to make village appointments each village establish an Employment Committee consisting of two staff members from the Office of the Taupulega and one or two staff representatives from the work area involved.
- (j) **Recommends** that for the appointment of the Village General Manager/Director/Coordinator the Taupulega establish a special sub committee and that their recommendation should go to the full Taupulega for endorsement.
- (k) **Recommends** that the National General Manager be responsible for permanent national appointments and he/she will delegate the task of appointing staff to the appropriate Directors.
- (l) **Recommends** that the General Manager be directly responsible for the appointment of Directors and that before making Director appointments the Council of Faipule be consulted and the appointee elect visit and present themselves to each Taupulega.
- (m) **Recommends** that the final appeal authority be the local Law Commissioner in each village and two or three of the Law Commissioners for national appeals
- (n) **Recommends** that human resource issues be assigned as follows with:
 - local staff training, recruitment and other human resource issues being the responsibility of each village with the exceptions of International training and the Personnel Manual, which will be coordinated nationally.
 - the National Human Resource Development position having responsibility for having the Manual readily available; fully explained to all staff; and its use monitored
 - a National Human Resource Development staff member organising and advising on national recruitment, interview and appointment processes.
- (o) **Recommends** that improved communication processes be adopted as outlined in the Communication section.

Future of the Tokelau Employment Commission

The Review Team:

- (a) **Notes** that:
 - the Tokelau Public Service Rules 2001 that established the TEC applied to the TPS and not to village workers.

- at their time of appointment the TEC Commissioners were informed that they were to be subject to an annual review and that change was a possibility.
- (b) **Notes** that at present there is:
- substantial public service change with the transfer of many service responsibilities to the villages
 - very limited support for the extension of the TEC responsibilities to the villages
 - questioning and criticisms of the performance of the TEC, and
 - a suitable alternative to the TEC available
- (c) **Recommends** that the January 2004 General Fono consider discontinuing the TEC, with their functions being transferred and included in new Rules and/or the Personnel Manual.

Relationship with New Zealand

The Review Team:

- (a) **Recommends** that Tokelau makes full use of the Administrative Assistance Programme to provide it with advice and expertise needed for the transfer of responsibilities.
- (b) **Recommends** the Administrator of Tokelau consider adopting the following as the functions of his Office:
- servicing the Administrator and his links to the New Zealand Government and Tokelau
 - coordinating all New Zealand government activities relating to Tokelau
 - supporting Tokelau in the specific areas of:
 - Health – medical referrals; medical standards; medical supplies; locum doctors
 - Education – scholarship students; education standards; teachers; supplies
 - Other Supplies – eg. shipping, computer
 - Recruitment
 - Public service training
 - Providing advice on specific topics, upon request
 - managing the Administrative Assistance Programme in relation to Tokelau

- liaising with Tokelau communities in New Zealand and manage “Friends of Tokelau”
- assisting, when requested, in international fora

Other Matters

The Review Team:

- (a) **Recommends** the following financial management improvements that:
- a requirement to consult Finance on all submissions to the Council of Faipule with financial implications is included in the Council’s handbook.
 - financial management systems are reviewed and updated and fully explained to budget managers
 - donor funding be fully reported
 - budget managers be required to follow the financial systems, and that this be monitored by the Director of Finance
 - budget managers to receive a financial report on a monthly basis (as per Finance Rules 1998)
 - outstanding issues from the Review of the Department of Finance, Apia Office (2000) are addressed. (In particular those relating to: the savings scheme; reconciliations; and arrangements for general oversight and governance of expenditure)
 - all travel outside Tokelau and Apia require approval of the Council of Faipule.
- (b) **Recommends** village Finance staff collect village revenues
- (c) **Recommends** a review of the Co-operative Stores financial processes and that financial management training is provided for the managers.
- (d) **Recommends** a new annual financial cycle involving priority setting, budget proposal, budget approval and budget review phases.
- (e) **Recommends** that the proposed review of internet and telecommunication services (including teleconferencing) include the issue of the future structure of TeleTok and the best way of combining telecommunication and IT staff.

Change Management

The Review Team:

- (a) **Recommends** that a “Transfer and Support Coordination Group” comprising the three village General Manager/Director/Coordinators, the National General Manager and a Transfer Manager be established to:
- oversee the implementation – review management, planning and monitor and coordination
 - provide advice to the Transfer Manager
 - coordinate and prioritise the use of the resources of the Transfer and Support Team
 - liaise with their Taupulega and the Council of Faipule
 - provide full information on the changes to their atoll.
 - appoint/direct/manage the Transfer Manager
- (b) **Recommends** that village “Transfer and Support Teams” and a national “Transfer and Support Team “be established. The three village teams and the nation will be headed by the village General Manager/Director/Coordinator and the National General Manager. Each team should include two or three transfer specialists; and two or three local seconded staff (either full or part time). The teams should:
- support and implement the changes
 - provide advice/ coordination/ planning/reporting/ monitoring
 - provide full information to Taupulega, special interest groups and the community
- (c) **Notes** that in the Review Team’s view there is sufficient funding available within the current Budget for the new structure and cost of the transfer of responsibilities
- (d) **Recommends** that funding be allocated for the changes at the January 2004 General Fono.
- (e) **Notes** the Implementation Guide at the end of the Report, which provides a summary of actions to be taken to effect the transfer of responsibilities.
- (f) **Recommends** that the following actions be taken immediately (and prior to the January General Fono). The Council of Faipule meet and approve:
- advertising the Transfer Manager position
 - advertising the National General Manager position
 - establishing a special selection panel for Transfer Manager and National General Manager positions
 - the preparation of the Personnel Manual

Overall

- Strong support for the concept of devolution
- Belief that devolution would solve a lot of issues not realised
- Implementation has been poorly managed and poorly supported, generating much frustration
- Complexity and scale of change was too large and too fast
- Village focus is reducing sense of nationhood
- Need for adequate transport to support devolution
- Need to an independent review/ appeal authority
- Many changes are needed if it is to succeed

Government (OCOF and General Fono)

- National collective leadership and collective decision-making is reducing
- Need for increased transparency in the operations of the Government
- Need for increased training on good governance for General Fono and Council
- Need for agreed decisions to be implemented
- Some interference by the Council in management
- Need got Council and GF to apply agreed rules
- Need for better engagement by Council with three Taupulega on issues to be submitted to the General Fono for decision

National Public Service

- Need to reduce the scope of the GM's responsibilities
- Need for GM to be the employer and manager of directors
- Need for more coordination between directors –senior management team
- Need for some directors to improve their performance
- Need for improved human resource practice
- Need for improved financial management
- Need for directors and most staff to relocate to Tokelau

Relationship between village and national structures

- Need for national staff to relocate to Tokelau
- Need for directors to visit villages more often
- Need to improve inter-atoll shipping to support village/ national interaction
- Need for better communication from national to village and village to national
- Need for national and Village General Managers to work more closely together to work out e.g. how to address health staff shortages
- Need for improved IT and telecommunications to support interactions
- Need to clarify purchase responsibilities of the Departments of Health and Education in relation to village services

Relationship between village and village structures

- Need for village GMs to meet together on a regular basis
- Need for improved inter-atoll shipping to support interaction between staff in the three villages
- Need for improved IT and telecommunications to support interactions
- Need for national and villages to work together on determining priorities so that there is not too much happening at one time

Village services

- Need for ongoing training on good governance for Taupulega and staff
- Need for clarification of roles and responsibilities
- Need for clear terms of reference for the Taupulega, Faipule and Pulemuku
- Scope of jobs of Village General Managers is enormous
- Need for a revised Public Service Manual applicable to all workers
- Need for clear HR recruitment and development planning
- Need to develop clear job descriptions for all workers
- Need to build the capacity of the Office of Taupulega staff
- Need to develop and implement a performance management system
- Need for an independent staff appeal mechanism
- Need to better plan and manage the number of projects that the village is expected to take on at any one time
- Health and education committees functional in some places but not others.
- System fragmented, confusing and slow to respond for former public servants e.g. health and education
- Fatupaepae acting less as a community-based organisation for woman and more as wage earners
- Need for women to be more involved in decision making
- Some staff appear to have transferred to village positions and lost existing conditions e.g. no carry-over of sick, annual and long service leave

Other matters

- Need to improve financial management at all levels
- Need to improve systems and accountabilities in relation to bulk purchase and cooperative stores.
- Need to standardise pay rates between villages
- Need for standard eligibility criteria and rates for benefits.
- Need to include more women in decision making
- Need to consider how best to address more serious offending in a Tokelau context
- Need to address lack of workforce planning e.g. training of apprentices
- Need for improved HR capacity
- Need to address loss of conditions for some staff transferring to employment by the Taupulega under devolution

Appendix 5

Key documents

Census information

Council for the Ongoing Government Guidelines

Draft plans for the national departments

Draft constitution of Tokelau

Higgins, Don, April 2012, Draft report for the Special Relations Unit

Huntsman, Judith, The Future of Tokelau, Decolonising Agenda 1975-2006

Job descriptions for national directors and public service staff

Organisation charts for the National Public Service and for village structures

Papers from the Finance Division relating to the allocation of the budget

Report of the Administrator for Tokelau for the period ended 30 June 2006

Report of the Administrator for Tokelau for the period ended 30 June 2010

Review of the Economic Support Arrangement between Tokelau and New Zealand 2007/08 – 2009/10, January 2011

Tokelau National Strategic Plan, 1 July 2010 – 30 June 2015

Tokelau – New Zealand Joint Commitment for Development, June 2011

Tokelau Public Service Commission of Inquiry to Inquire into and Report on the Provision of Public Services in Tokelau, October 2003 and appendices to the Commission of Inquiry

Tokelau Public Services Human Resource Manual 2004

Updates on deployments of staff since the 2003 Commission of Inquiry report

Village work plans

Aumaga	Village workforce group (Fakaofu and Atafu)
EEZ	Exclusive economic zone
Faipule	National village leader (elected)
Fatupaepae	Women’s committee and group
General Fono	Parliament
GM	General Manager
HR	Human resources
MFAT	Ministry of Foreign Affairs and Trade
Pule	Power/authority
Nuku	Village
Pulenuku	Village “Mayor” (elected)
SPREP	Secretariat of the Pacific Regional Environment Programme
TALO	Tokelau Apia Liaison Office
Taulelea	Village workforce group (Nukunonu)
Taupulega	Village Council of Elders
TEC	Tokelau Employment Commission
TPS	Tokelau Public Service
TREP	Tokelau Renewable Energy Project
Ulu	The Faipule who is the titular Head of Government of Tokelau
UNDP	United Nations Development Programme